OFFERING MEMORANDUM

Constellium N.V.

$400,000,000 5.750% Senior Notes due 2024
€300,000,000 4.625% Senior Notes due 2021

Constellium N.V. is offering $400,000,000 aggregate principal amount of its 5.750% Senior Notes due 2024 (the "U.S. Dollar Notes") and €300,000,000 aggregate principal amount of its 4.625% Senior Notes due 2021 (the "Euro Notes" and, together with the U.S. Dollar Notes, the "Notes"). We will pay interest on the Notes on May 15 and November 15 of each year, beginning on November 15, 2014. The U.S. Dollar Notes will mature on May 15, 2024, and the Euro Notes will mature on May 15, 2021.

On or after May 15, 2019, in the case of the U.S. Dollar Notes, and on or after May 15, 2017, in the case of the Euro Notes, we may redeem some or all of the Notes at the redemption prices set forth in this offering memorandum. We may also redeem some or all of the Notes at any time prior to May 15, 2019, in the case of the U.S. Dollar Notes, and at any time prior to May 15, 2017, in the case of the Euro Notes, at a redemption price equal to the "make-whole" amount set forth in this offering memorandum. In addition, we may redeem Notes of either series in an aggregate principal amount equal to up to 35% of the original aggregate principal amount of the Notes of the applicable series using net proceeds from certain equity offerings completed on or prior to May 15, 2017, at the redemption prices set forth in this offering memorandum. We may also redeem the Notes upon certain changes in tax laws.

The Notes will be guaranteed on a senior unsecured basis by all of our current direct and indirect restricted subsidiaries that guarantee indebtedness under our Unsecured Revolving Credit Facility (as defined herein) as of the date of the issuance of the Notes (the "Guarantors"). In addition, any of our other existing or future restricted subsidiaries (other than receivables subsidiaries) that guarantee any of our or the Guarantors' indebtedness under Credit Facilities (as defined herein) after the issue date will also be required to guarantee the Notes and shall become Guarantors. The Notes and the guarantees will be our and the Guarantors' senior unsecured obligations and will rank equally in right of payment to all of our and the Guarantors' existing and future senior indebtedness, senior in right of payment to any of our and the Guarantors' subordinated indebtedness and will be effectively subordinated to all of our and the Guarantors' existing and future secured indebtedness to the extent of the assets securing such indebtedness. The Notes will be structurally subordinated to all of the liabilities and preferred stock of any of our subsidiaries that do not guarantee the Notes.

Application has been made to list the Euro Notes on the official list of the Luxembourg Stock Exchange (the "Official List") and for the Euro Notes to be admitted to trading on the Euro MTF Market of the Luxembourg Stock Exchange.

Investing in the Notes involves risk. See "*Risk Factors*" beginning on page 25.

We have not registered and will not register the Notes under the Securities Act or under any state securities laws. Therefore, we may not offer or sell the Notes within the United States to, or for the account or benefit of, any U.S. person unless the offer or sale would qualify for a registration exemption from the Securities Act and applicable state securities laws. Accordingly, we are only offering the Notes (1) to qualified institutional buyers (as defined in Rule 144A under the Securities Act) and (2) outside the United States in compliance with Regulation S under the Securities Act. See "*Transfer Restrictions*" for additional information about eligible offerees and transfer restrictions.

U.S. Dollar Notes Issue Price: 100%

Euro Notes Issue Price: 100%

Delivery of the Notes was made in book-entry form on May 7, 2014, against payment in immediately available funds.

Joint Bookrunners

Deutsche Bank Securities **BNP PARIBAS** **Goldman, Sachs & Co.**

HSBC **Morgan Stanley** **NATIXIS** **SOCIETE GENERALE**

The date of this offering memorandum is July 8, 2014.

You should rely only on the information contained or incorporated by reference in this offering memorandum or to which we have referred you. Neither we nor any of Deutsche Bank Securities Inc., BNP Paribas, Goldman, Sachs & Co., HSBC Bank plc (for the Euro Notes), HSBC Securities (USA) Inc. (for the U.S. Dollar Notes), Morgan Stanley & Co. LLC, Natixis (for the Euro Notes), Natixis Securities Americas LLC (for the U.S. Dollar Notes) or Société Générale (the "Initial Purchasers") has authorized anyone to provide you with information that is different. This offering memorandum may only be used where it is legal to sell these securities. The information in this offering memorandum may only be accurate on the date of this offering memorandum.

NOTICE TO INVESTORS

We are furnishing this offering memorandum in connection with an offering that is exempt from registration under, or not subject to, the Securities Act of 1933, as amended, or the Securities Act, and applicable state securities laws solely to allow a prospective investor to consider purchasing the notes. The information contained in this offering memorandum has been provided by us. No representation or warranty, express or implied, is made by the Initial Purchasers as to the accuracy or completeness of the information contained in this offering memorandum and nothing contained in this offering memorandum is, or should be relied upon as, a promise or representation by the Initial Purchasers.

The notes described in this offering memorandum have not been registered with, recommended by or approved by the Securities and Exchange Commission, or the SEC, or any other federal or state securities commission or regulatory authority, nor has the SEC or any such state securities commission or authority passed upon the accuracy or adequacy of this offering memorandum. Any representation to the contrary is a criminal offense.

This offering memorandum constitutes a prospectus for purposes of the Luxembourg law dated July 10, 2005 on prospectuses for securities, as amended, and includes information on the terms of the Euro Notes, including redemption and repurchase prices, covenants and transfer restrictions. We have prepared this offering memorandum solely for use in connection with this offering and for applying to the Luxembourg Stock Exchange for the Euro Notes to be listed on the Official List of the Luxembourg Stock Exchange and admitted to trading on the Euro MTF market of the Luxembourg Stock Exchange.

You must comply with all applicable laws and regulations in connection with the distribution of this offering memorandum and the offer or sale of the notes. See "*Transfer Restrictions*." You are not to construe the contents of this offering memorandum as investment, legal or tax advice. You should consult your own counsel, accountant and other advisors as to legal, tax, business, financial and related aspects of a purchase of the notes. We are not, and the Initial Purchasers are not, making any representation to you regarding the legality of an investment in the notes by you under applicable laws.

In making an investment decision regarding the notes offered by this offering memorandum, you must rely on your own examination of our company, the pending transactions described herein and the terms of the offering, including, without limitation, the merits and risks involved. The offering is being made on the basis of this offering memorandum. Any decision to purchase notes in the offering must be based on the information contained or incorporated by reference in this offering memorandum.

This offering memorandum is being provided (1) to "qualified institutional buyers" for informational use solely in connection with their consideration of the purchase of the notes and (2) in offshore transactions complying with Rule 903 or Rule 904 of Regulation S under the Securities Act. Its use for any other purpose is not authorized.

The information contained in this offering memorandum has been furnished by us and other sources we believe to be reliable. No representation or warranty, express or implied, is made by the Initial Purchasers as to the accuracy or completeness of any of the information set forth in this offering memorandum and nothing contained in this offering memorandum is or shall be relied upon as a promise or representation, whether as to the past or the future. This offering memorandum contains summaries, believed to be accurate, of some of the terms of specific documents, but reference is made to the actual documents, copies of which will be made available upon request for the complete information contained in those documents, as indicated under the caption "*Incorporation by Reference*." All summaries are qualified in their entirety by this reference.

In making your purchase, you will be deemed to have made certain acknowledgements, representations and agreements as set forth in this offering memorandum under the caption "*Transfer Restrictions*." The notes are subject to restrictions on transferability and resale and may not be transferred or resold except as permitted under the Securities Act and applicable state securities laws pursuant to registration or exemption therefrom. See "*Transfer Restrictions*." You should be aware that you may be required to bear the financial risks of this investment for an indefinite period of time.

No person is authorized in connection with any offering made by this offering memorandum to give any information or to make any representation not contained in this offering memorandum and, if given or made, any other information or representation must not be relied upon as having been authorized by us or the Initial Purchasers. The information contained in this offering memorandum is as of the date hereof and subject to change, completion or amendment without notice. Neither the delivery of this offering memorandum at any time nor any subsequent commitment to enter into any financing shall, under any circumstances, create any implication that there has been no change in the information set forth in this offering memorandum or in our affairs since the date of this offering memorandum.

We reserve the right to withdraw the offering of the notes at any time, and we and the Initial Purchasers reserve the right to reject any commitment to subscribe for the notes, in whole or in part, and to allot to you less than the full amount of notes subscribed for by you. We are making this offering subject to the terms described in this offering memorandum.

This offering memorandum does not constitute an offer to sell the notes to, or a solicitation of an offer to buy, the notes from any person in any jurisdiction where it is unlawful to make such an offer or solicitation.

The distribution of this offering memorandum and the offer and sale of the notes may be restricted by law in certain jurisdictions. Persons into whose possession this offering memorandum or any of the notes come must inform themselves about, and observe, any such restrictions. See "*Transfer Restrictions*."

The notes will be available in book-entry form only. See "*Description of the Notes—Book-Entry, Delivery and Form.*"

NOTICE TO NEW HAMPSHIRE RESIDENTS

NEITHER THE FACT THAT A REGISTRATION STATEMENT OR AN APPLICATION FOR A LICENSE HAS BEEN FILED UNDER CHAPTER 421-B OF THE NEW HAMPSHIRE REVISED STATUTES WITH THE STATE OF NEW HAMPSHIRE NOR THE FACT THAT A SECURITY IS EFFECTIVELY REGISTERED OR A PERSON IS LICENSED IN THE STATE OF NEW HAMPSHIRE CONSTITUTES A FINDING BY THE SECRETARY OF STATE THAT ANY DOCUMENT FILED UNDER RSA 421-B IS TRUE, COMPLETE AND NOT MISLEADING. NEITHER ANY SUCH FACT NOR THE FACT THAT AN EXEMPTION OR EXCEPTION IS AVAILABLE FOR A SECURITY OR A TRANSACTION MEANS THAT THE SECRETARY OF STATE HAS PASSED IN ANY WAY UPON THE MERITS OR QUALIFICATIONS OF, OR RECOMMENDED OR GIVEN APPROVAL TO, ANY PERSON, SECURITY OR TRANSACTION. IT IS UNLAWFUL TO MAKE, OR CAUSE TO BE MADE, TO ANY PROSPECTIVE PURCHASER, CUSTOMER, OR CLIENT ANY REPRESENTATION INCONSISTENT WITH THE PROVISIONS OF THIS PARAGRAPH.

SEC REVIEW

In the course of review of the filings we will make with the SEC, we may be required to make changes to the description of our business and other information and financial data included or incorporated by reference in this offering memorandum. While we believe that our financial statements and the other financial data and other information included in this offering memorandum and the documents incorporated by reference in this offering memorandum have been prepared in a manner that complies, in all material respects, with International Financial Reporting Standards and the regulations published by the SEC, as applicable, comments by the SEC on our future filings may require modification or reformulation of our financial data. Consequently, the financial information in our future filings may differ from the financial information in, or incorporated by reference in, this offering memorandum.

INCORPORATION BY REFERENCE

We are subject to certain informational requirements of the Exchange Act. We are required to file reports and other information with the SEC, including annual reports on Form 20-F within four months from the end of each of our fiscal years, and reports on Form 6-K. The reports, or portions thereof, specified below are hereby incorporated by reference in this offering memorandum:

- the following sections of our Annual Report on Form 20-F for the fiscal year ended December 31, 2013 filed with the SEC on April 22, 2014 (but not any other section of such Annual Report): (i) Item 4.A (Information on the Company—History and Development of the Company), (ii) Item 6.B (Directors, Senior Management and Employees—Compensation), (iii) Item 6.C (Directors, Senior Management and Employees—Board Practices), (iv) Item 6.D (Directors, Senior Management and Employees—Employees) and (v) Item 7.A (Major Shareholders and Related Party Transactions—Major Shareholders), and
- additional reports furnished with the SEC on Form 6-K subsequent to the date hereof and on or prior to the date of consummation of this offering (unless any such report specifically states otherwise).

The reports that we incorporate by reference are a part of this offering memorandum.

You may inspect and copy reports and other information filed with the SEC at the Public Reference Room at 100 F Street, NE, Washington, D.C. 20549. Information on the operation of the Public Reference Room may be obtained by calling the SEC at 1-800-SEC-0330. In addition, the SEC maintains an internet website that contains reports and other information about issuers, like us, that file electronically with the SEC. The address of that website is www.sec.gov.

As a foreign private issuer, we are exempt under the Exchange Act from, among other things, the rules prescribing the furnishing and content of proxy statements, and our executive officers, directors and principal shareholders are exempt from the reporting and short-swing profit recovery provisions contained in Section 16 of the Exchange Act. In addition, we are not required under the Exchange Act to file periodic reports and financial statements with the SEC as frequently or as promptly as U.S. companies whose securities are registered under the Exchange Act.

We also maintain an internet site at http://www.constellium.com. Our website and the information contained therein or connected thereto will not be deemed to be incorporated into the offering memorandum, and you should not rely on any such information in making your decision whether to purchase the Notes.

For so long as any of the Notes remain outstanding and are “restricted securities” within the meaning of Rule 144(a)(3) under the U.S. Securities Act, we will, during any period in which we are neither subject to the reporting requirements of Section 13 or 15(d) of the U.S. Exchange Act, as amended, nor exempt from the reporting requirements under Rule 12g3-2(b) of the U.S. Exchange Act, as amended, make available to the holder or beneficial owner of such restricted securities or to any prospective purchaser of such restricted securities designated by such holder or beneficial owner, in each case upon the written request of such holder, beneficial owner or prospective purchaser, the information required to be provided by Rule 144A(d)(4) under the U.S. Securities Act. Any such request should be directed to Constellium. We will also make any of the foregoing information available during normal business hours at the offices of the listing agent in Luxembourg if and for so long as the Euro Notes are listed on the Official List of the Luxembourg Stock Exchange and are traded on the Luxembourg Stock Exchange’s Euro MTF Market and the rules and regulations of the Luxembourg Stock Exchange so require.

Each purchaser of the Notes from the Initial Purchasers will be furnished with a copy of this offering memorandum, and, to the extent provided to the Initial Purchasers by us for such purpose, any related amendments or supplements to this offering memorandum. Each person receiving this offering memorandum and any related amendments or supplements to the offering memorandum acknowledges that:

(a) such person has been afforded an opportunity to request from us and to review, and has received, all additional information considered by it to be necessary to verify the accuracy and completeness of the information herein;

(b) such person has not relied on the Initial Purchasers or any person affiliated with the Initial Purchasers in connection with its investigation of the accuracy of such information or its investment decision; and

(c) except as provided pursuant to (a) above, no person has been authorized to give any information or to make any representation concerning the Notes offered hereby other than those contained herein and, if given or made, such other information or representation should not be relied upon as having been authorized by us or the Initial Purchasers.

MARKET AND INDUSTRY DATA

This offering memorandum includes estimates of market share and industry data and forecasts that we have obtained from industry publications, surveys and forecasts, as well as from internal company sources. Industry publications, surveys and forecasts generally state that the information contained therein has been obtained from sources believed to be reliable. However, we have not independently verified any of the data from third-party sources, nor have we ascertained the underlying economic assumptions relied upon therein. In addition, this offering memorandum includes market share and industry data that we have prepared primarily based on our knowledge of the industry in which we operate. Statements as to our market position relative to our competitors are based on volume (by tons) for the year ended December 31, 2012 or December 31, 2013, and unless otherwise noted, internal analysis and estimates may not have been verified by independent sources. Our estimates, in particular as they relate to market share and our general expectations, involve risks and uncertainties and are subject to change based on various factors, including those discussed in the section entitled "*Risk Factors*."

All information regarding our market and industry is based on the latest data currently available to us, which in some cases may be several years old. In addition, some of the data and forecasts that we have obtained from industry publications and surveys and/or internal company sources are provided in foreign currencies.

BASIS OF PREPARATION

Unless the context indicates otherwise, when we refer to "we," "our," "us," "Constellium" and "the Company" in this offering memorandum, we are referring to Constellium N.V. and its subsidiaries. When we refer to "tons," we are referring to metric tons.

On January 4, 2011, Omega Holdco B.V., which later changed its name to Constellium Holdco B.V., and then again to Constellium N.V. ("Constellium"), acquired the Alcan Engineered Aluminum Products business unit (the "AEP Business") from affiliates of Rio Tinto, a leading international mining group, combining Rio Tinto plc, a London listed public company headquartered in the United Kingdom, and Rio Tinto Limited, which is listed on the Australian Stock Exchange, with executive offices in Melbourne (the two companies are joined in a dual listed companies structure as a single economic entity, called the Rio Tinto Group ("Rio Tinto") (the "Acquisition"). The financial information of Constellium N.V. and its subsidiaries after the Acquisition has been derived from the audited consolidated financial statements as of and for the years ended December 31, 2011, 2012 and 2013.

As of December 30, 2011, we disposed of a number of entities in one of our operating segments, the specialty chemicals and raw materials supply chain services division, Alcan International Network ("AIN"). These operations have been classified as discontinued operations in the audited financial statements for the year ended December 31, 2011, 2012 and 2013.

Effective January 1, 2013, we have adopted IAS 19 "Employee Benefits" (revised) (IAS 19) in our audited consolidated financial statements as of and for the year ended December 31, 2013 and in accordance with transition rules in IAS 19 we have retrospectively applied this standard to the two years ending December 31, 2012 and 2011.

TRADEMARKS

We have proprietary rights to trademarks used in this offering memorandum which are important to our business, many of which are registered under applicable intellectual property laws. Solely for convenience, trademarks and trade names referred to in this offering memorandum may appear without the "®" or "™" symbols, but such references are not intended to indicate, in any way, that we will not assert, to the fullest extent possible under applicable law, our rights or the rights of the applicable licensor to these trademarks and trade names. We do not intend our use or display of other companies' trade names, trademarks or service marks to imply a relationship with, or endorsement or sponsorship of us by, any other companies. Each trademark, trade name or service mark of any other company appearing in this offering memorandum is the property of its respective holder.

IMPORTANT INFORMATION AND CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This offering memorandum contains “forward-looking statements” with respect to our business, results of operations and financial condition, and our expectations or beliefs concerning future events and conditions. You can identify certain forward-looking statements because they contain words such as, but not limited to, “believes,” “expects,” “may,” “should,” “approximately,” “anticipates,” “estimates,” “intends,” “plans,” “targets,” “likely,” “will,” “would,” “could” and similar expressions (or the negative of these terminologies or expressions). All forward-looking statements involve risks and uncertainties. Many risks and uncertainties are inherent in our industry and markets. Others are more specific to our business and operations. The occurrence of the events described and the achievement of the expected results depend on many events, some or all of which are not predictable or within our control. Actual results may differ materially from the forward-looking statements contained in this offering memorandum.

Important factors that could cause actual results to differ materially from those expressed or implied by the forward-looking statements are disclosed under the heading “*Risk Factors*” and elsewhere in this offering memorandum, including, without limitation, in conjunction with the forward-looking statements included in this offering memorandum and including with respect to our estimated and projected earnings, income, equity, assets, ratios and other estimated financial results. All forward-looking statements in this offering memorandum and subsequent written and oral forward-looking statements attributable to us, or persons acting on our behalf, are expressly qualified in their entirety by the cautionary statements. Some of the factors that we believe could materially affect our results include:

- our ability to implement our business strategy, including our productivity and cost reduction initiatives;
- our susceptibility to cyclical fluctuations in the metals industry, our end-markets and our customers’ industries, and changes in general economic conditions;
- the highly competitive nature of the metals industry and the risk that aluminum will become less competitive compared to alternative materials;
- the possibility of unplanned business interruptions and equipment failure;
- adverse conditions and disruptions in regional and global economies, including Europe and North America;
- the risk associated with being dependent on a limited number of suppliers for a substantial portion of our primary and scrap aluminum;
- the risk that we may be required to bear increases in operating costs under our multi-year contracts with customers, or certain fixed costs in the event of early termination of contracts;
- competition and consolidation in the industries in which we operate;
- our ability to maintain and continuously improve our information technology and operational systems and financial reporting and internal controls;
- our ability to manage our labor costs and labor relations and attract and retain qualified employees;
- losses or increased funding and expenses related to our pensions, other post-employment benefits and other long-term employee benefits plans;
- the risk that regulation and litigation pose to our business, including our ability to maintain required licenses and regulatory approvals and comply with applicable laws and regulations, and the effects of potential changes in governmental regulations;
- risk associated with our global operations, including natural disasters and currency fluctuations;
- changes in our effective income tax rate or accounting standards;
- costs or liabilities associated with environmental, health and safety matters; and
- the other factors presented under the heading “*Risk Factors*.”

We caution you that the foregoing list may not contain all of the factors that are important to you. In addition, in light of these risks and uncertainties, the matters referred to in the forward-looking statements contained in this offering memorandum may not in fact occur. We undertake no obligation to publicly update or revise any forward-looking statement as a result of new information, future events or otherwise, except as required by law.

SUMMARY

The following summary highlights certain information contained elsewhere in this offering memorandum and is qualified in its entirety by the more detailed information and consolidated financial statements included elsewhere in this offering memorandum. Because this is a summary, it may not contain all of the information that is important to you in making a decision to invest in the Notes. Before making an investment decision, you should carefully read the entire offering memorandum, including the "Risk Factors" and "Important Information and Cautionary Statement Regarding Forward-Looking Statements" sections, our audited combined and consolidated financial statements and the notes to those statements included in this offering memorandum.

Unless the context indicates otherwise, when we refer to "we", "our", "us", and "the Company" for purposes of this offering memorandum, we are referring to Constellium N.V. and its consolidated subsidiaries.

The Company

Overview

We are a global leader in the design and manufacture of a broad range of innovative specialty rolled and extruded aluminum products, serving primarily the aerospace, packaging and automotive end-markets. We have a strategic footprint of manufacturing facilities located in the United States, Europe and China. Our business model is to add value by converting aluminum into semi-fabricated products. We believe we are the supplier of choice to numerous blue-chip customers for many value-added products with performance-critical applications. Our product portfolio commands higher margins as compared to less differentiated, more commoditized fabricated aluminum products, such as common alloy coils, paintstock, foilstock and soft alloys for construction and distribution.

As of December 31, 2013, we operated 23 production facilities, 10 administrative and commercial sites and one research and development ("R&D") center, and have approximately 8,600 employees. We believe our portfolio of flexible and integrated facilities is among the most technologically advanced in the industry. It is our view that our established presence in the United States and Europe and our growing presence in China strategically position us to service our global customer base. For example, based on information available to us as an industry participant, we believe we are one of only two suppliers of aluminum products to the aerospace market with facilities in both the United States and Europe. We believe this gives us a key competitive advantage in servicing the needs of our aerospace customers, including Airbus S.A.S. ("Airbus") and The Boeing Company ("Boeing"). We believe our well-invested facilities combined with more than 50 years of manufacturing experience, quality and innovation and pre-eminent R&D capabilities have put us in a leadership position in our core markets.

We seek to sell to end-markets that have attractive characteristics for aluminum, including (i) higher margin products, (ii) stability through economic cycles, and (iii) favorable growth fundamentals supported by customer order backlogs in aerospace and substitution trends in automotive and European can sheet. We are the leading global supplier of aluminum aerospace plates, the leading European supplier of can body stock and a leading global supplier of automotive structures. Our unique platform has enabled us to develop a stable and diversified customer base and to enjoy long-standing relationships with our largest customers. Our relationships with our top 20 customers average over 25 years. Our customer base includes market leading firms in aerospace, automotive, and packaging, like Airbus, Boeing, Rexam PLC ("Rexam"), Ball Corporation, Crown Holdings, Inc. and several premium automotive original equipment manufacturers ("OEMs"), including BMW AG, Mercedes-Benz and Volkswagen AG. We believe that we are a "mission critical" supplier to many of our customers due to our technological and R&D capabilities as well as the long and complex qualification process required for many of our products. Our core products require close collaboration and, in many instances, joint development with our customers.

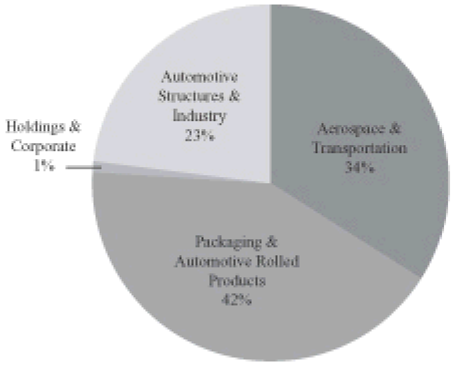
For the years ended December 31, 2011, 2012 and 2013, we shipped approximately 1,058 kt, 1,033 kt and 1,025 kt of finished products, generated revenues of €3,556 million, €3,610 million and €3,495 million, incurred net losses of €178 million and generated net income of €141 million and €100 million respectively, and generated Adjusted EBITDA of €156 million, €223 million and €280 million, respectively. The financial performance for the year ended December 31, 2013 represented a 1% decrease in shipments, a 3% decrease in revenues and a 26% increase in Adjusted EBITDA from the prior year. Please see the reconciliation of Adjusted EBITDA in "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Covenant Compliance and Financial Ratios*."

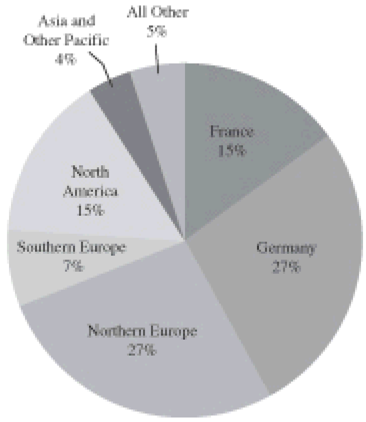
Our Operating Segments

Our business is organized into three operating segments: (i) Aerospace & Transportation ("A&T"), (ii) Packaging & Automotive Rolled Products ("P&ARP"), and (iii) Automotive Structures & Industry ("AS&I").

The following charts present our revenues by operating segment and geography for the year ended December 31, 2013:

Revenues per operating segment	Revenues by geographic zone[1]





1 Revenue by geographic zone is based on the destination of the shipment.

Aerospace & Transportation Operating Segment

Our Aerospace & Transportation operating segment has market leadership positions in technologically advanced aluminum and specialty materials products with wide applications across the global aerospace, defense, transportation, and industrial sectors. We offer a wide range of products including plate, sheet, extrusions and precision casting products which allows us to offer tailored solutions to our customers. We seek to differentiate our products and act as a key partner to our customers through our broad product range, advanced R&D capabilities, extensive recycling capabilities and portfolio of plants with an extensive range of capabilities across Europe and North America. In order to reinforce the competitiveness of our metal solutions, we design our processes and alloys with a view to optimizing our customers' operations and costs. This includes offering services such as customizing alloys to our customers' processing requirements, processing short lead time orders and providing vendor managed inventories or tolling arrangements. The Aerospace & Transportation operating segment accounted for 34% of our revenues and 45% of Management Adjusted EBITDA for the year ended December 31, 2013.

Eight of our manufacturing facilities produce products that are sold via our Aerospace & Transportation operating segment. Our aerospace plate manufacturing facilities in Ravenswood (West Virginia, United States), Issoire (France) and Sierre (Switzerland) offer the full spectrum of plate required by the aerospace industries (alloys, temper, dimensions, pre-machined) and have unique capabilities such as producing some wide and very high gauge plates required for some aerospace programs (civil and commercial).

Downstream aluminum products for the aerospace market require relatively high levels of R&D investment and advanced technological capabilities, and therefore tend to command higher margins compared to more commoditized products. We work in close collaboration with our customers to develop highly engineered solutions to fulfill their specific requirements. For example, we developed AIRWARE®, a lightweight specialty aluminum-lithium alloy for our aerospace customers to address increasing demand for lighter and more environmentally sound aircraft; it combines optimized density, corrosion resistance and strength in order to achieve up to 25% weight reduction compared to other aluminum products and significantly higher corrosion and fatigue resistance than equivalent composite products. In addition, unlike composite products, any scrap produced in the AIRWARE® manufacturing process can be fully recycled, which reduces production costs. We are the first company to commercialize and produce AIRWARE®, on an industrial scale, and the material is currently being used on a number of major aircraft models, including the newest Airbus A350 XWB aircraft, the fuselage of Bombardier's single-aisle twinjet C-Series short-haul planes, the Airbus A380 and the Boeing 787 Dreamliner. We recently announced plans to significantly increase the industrial capacity of our Issoire, France plant to meet accelerating demand for our AIRWARE® technology through ramped-up production at two new state-of-the-art casthouses. Our customer base includes Airbus, Boeing, Embraer, Dassault, Bombardier and Lockheed Martin.

On November 21, 2013, we announced that we have been awarded a multi-year agreement with Boeing to support all of Boeing's leading commercial airplane programs. With this agreement, we will increase both the scope and range of products we supply. Under the new agreement, we will supply Boeing aluminum products for airframes utilizing our current and advanced-generation aluminum alloys. The products will be supplied from our two major A&T manufacturing sites in Ravenswood, WV, United States and in Issoire, France.

Aerospace products are typically subject to long development and supply lead times and the majority of our contracts with our largest aerospace customers have a term of five years or longer, which provides excellent volume and profitability visibility. In addition, demand for our aerospace products typically correlates directly with aircraft backlogs and build rates. As of December 2013, the backlog reported by Airbus and Boeing for commercial aircraft reached 10,639 units on a combined basis, representing approximately 8 years of production at the current build rates.

The following table summarizes our volume, revenues, Management Adjusted EBITDA and Adjusted EBITDA for our Aerospace & Transportation operating segment for the periods presented:

	For the year ended December 31,		
	2011	2012	2013
	(unaudited) (€ in millions, unless otherwise noted)		
Aerospace & Transportation:			
Segment Revenues	1,016	1,182	1,197
Segment Shipments (kt)	216	224	244
Segment Management Adjusted EBITDA(1)	23	89	103
Segment Management Adjusted EBITDA (€/ton)	106	397	422
Segment Management Adjusted EBITDA margin (%)(2)	2%	8%	9%
Segment Adjusted EBITDA(3)	38	106	120
Segment Adjusted EBITDA (€/ton)	176	472	491
Segment Adjusted EBITDA margin (%)(4)	4%	9%	10%

(1) Management Adjusted EBITDA is not a measure defined under IFRS. Please see the reconciliation in "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Covenant Compliance and Financial Ratios*" and "*Summary Consolidated Historical Financial Data*."

(2) Management Adjusted EBITDA margin (%) is not a measure defined under IFRS. Management Adjusted EBITDA margin (%) is defined as Management Adjusted EBITDA as a percentage of Segment Revenues.

(3) Adjusted EBITDA is not a measure defined under IFRS. Adjusted EBITDA is defined and discussed in "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Covenant Compliance and Financial Ratios.*"

(4) Adjusted EBITDA margin (%) is not a measure defined under IFRS. Adjusted EBITDA margin (%) is defined as Adjusted EBITDA as a percentage of Segment Revenues.

Packaging & Automotive Rolled Products Operating Segment

In our Packaging & Automotive Rolled Products operating segment, we produce and develop customized aluminum sheet and coil solutions. Approximately 58% of operating segment volume for the year ended December 31, 2013 was in packaging applications, which primarily include beverage and food can stock as well as closure stock and foil stock. The remaining 42% of operating segment volume for that period was in automotive and customized solutions, which include technologically advanced products for the automotive and industrial sectors. Our Packaging & Automotive Rolled Products operating segment accounted for 42% of revenues and 33% of Management Adjusted EBITDA for the year ended December 31, 2013.

We are the leading European supplier of can body stock and the leading worldwide supplier of closure stock. We are also a major European player in automotive rolled products for Auto Body Sheet (the structural framework of a car), and heat exchangers. We have a diverse customer base, consisting of many of the world's largest beverage and food can manufacturers, specialty packaging producers, leading automotive firms and global industrial companies. Our customer base includes Rexam, Audi AG, Daimler AG, Peugeot S.A., Ball Corporation, Can-Pack S.A., Crown Holdings, Inc., Alanod GmbH & Co. KG, Ardagh Group S.A., Amcor Ltd. and ThyssenKrupp AG. Our automotive contracts are usually valid for the lifetime of a model, which is typically six to seven years.

We have two integrated rolling operations located in Europe's industrial heartland. Neuf-Brisach, our facility on the border of France and Germany, is, in our view, a uniquely integrated aluminum rolling and finishing facility. Singen, located in Germany, is specialized in high-margin niche applications and has an integrated hot/cold rolling line and high-grade cold mills with special surfaces capabilities that facilitate unique metallurgy and lower production costs. We believe Singen has enhanced our reputation in many product areas, most notably in the area of functional high-gloss surfaces for the automotive, lighting, solar and cosmetic industries, other decorative applications, closure stock, paintstock and foilstock. We recently announced plans to invest up to €200 million over the next three years to further grow our European Body-in-White business as well as plans to create a joint venture company to serve the North American Body-in-White market.

Our Packaging & Automotive Rolled Products operating segment has historically been relatively resilient during periods of economic downturn and has had relatively limited exposure to economic cycles and periods of financial instability. According to CRU International Limited ("CRU"), during the 2008-2009 economic crisis, can stock volumes decreased by 10% in 2009 versus 2007 levels as compared to a 24% decline for flat rolled aluminum products volumes in aggregate during the same period. This demonstrates that demand for beverage cans tends to be less correlated with general economic cycles. In addition, we believe European can body stock has an attractive long-term growth outlook due to the following trends: (i) end-market growth in beer, soft drinks and energy drinks, (ii) increasing use of cans versus glass in the beer market, (iii) increasing use of aluminum in can body stock in the European market, at the expense of steel, and (iv) increasing consumption in Eastern Europe linked to purchasing power growth.

The following table summarizes our volume, revenues, Management Adjusted EBITDA and Adjusted EBITDA for our Packaging & Automotive Rolled Products operating segment for the periods presented:

	For the year ended December 31,		
	2011	2012	2013
	(unaudited) (€ in millions, unless otherwise noted)		
Packaging & Automotive Rolled Products:			
Segment Revenues	1,625	1,554	1,472
Segment Shipments (kt)	621	606	595
Segment Management Adjusted EBITDA(1)	63	80	75
Segment Management Adjusted EBITDA (€/ton)	101	132	126
Segment Management Adjusted EBITDA margin (%)(2)	4%	5%	5%
Segment Adjusted EBITDA(3)	95	92	105
Segment Adjusted EBITDA (€/ton)	153	153	176
Segment Adjusted EBITDA margin (%)(4)	6%	6%	7%

(1) Management Adjusted EBITDA is not a measure defined under IFRS. Please see the reconciliation in "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Covenant Compliance and Financial Ratios*" and "*Summary Consolidated Historical Financial Data.*"
(2) Management Adjusted EBITDA margin (%) is not a measure defined under IFRS. Management Adjusted EBITDA margin (%) is defined as Management Adjusted EBITDA as a percentage of Segment Revenues.
(3) Adjusted EBITDA is not a measure defined under IFRS. Adjusted EBITDA is defined and discussed in "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Covenant Compliance and Financial Ratios.*"
(4) Adjusted EBITDA margin (%) is not a measure defined under IFRS. Adjusted EBITDA margin (%) is defined as Adjusted EBITDA as a percentage of Segment Revenues.

Automotive Structures & Industry Operating Segment

Our Automotive Structures & Industry operating segment produces (i) technologically advanced structures for the automotive industry including crash management systems, side impact beams and cockpit carriers and (ii) soft and hard alloy extrusions and large profiles for automotive, rail, road, energy, building and industrial applications. We complement our products with a comprehensive offering of downstream technology and services, which include pre-machining, surface treatment, R&D and technical support services. Our Automotive Structures & Industry operating segment accounted for 23% of revenues and 20% of Management Adjusted EBITDA for the year ended December 31, 2013.

We believe that we are the second largest provider of aluminum automotive structures in the world and the leading supplier of hard alloys and large profiles for industrial and other transportation markets in Europe. We manufacture automotive structures products for some of the largest European and North American car manufacturers supplying a global market, including Daimler AG, BMW AG, Audi AG, Chrysler Group LLC and Ford Motor Co. We also have a strong presence in soft alloys in France and Germany, with customized solutions for a diversity of end-markets.

Fifteen of our manufacturing facilities, located in Germany, the United States, the Czech Republic, Slovakia, France, Switzerland and China, produce products sold in our Automotive Structures & Industry operating segment. We believe our local presence, downstream services and industry leading cycle times help to ensure that we respond to our customer demands in a timely and consistent fashion. Our two integrated remelt and casting centers in Switzerland and the Czech Republic both provide security of metal supply and contribute to our recycling efforts.

The following table summarizes our volume, revenues, Management Adjusted EBITDA and Adjusted EBITDA for our Automotive Structures & Industry operating segment for the periods presented:

	For the year ended December 31,		
	2011	2012	2013
	(unaudited) (€ in millions, unless otherwise noted)		
Automotive Structures & Industry:			
Segment Revenues	910	861	805
Segment Shipments (kt)	219	206	191
Segment Management Adjusted EBITDA(1)	19	39	46
Segment Management Adjusted EBITDA (€/ton)	87	190	241
Segment Management Adjusted EBITDA margin (%)(2)	2%	5%	6%
Segment Adjusted EBITDA(3)	36	46	59
Segment Adjusted EBITDA(€/ton)	164	225	311
Segment Adjusted EBITDA margin (%)(4)	4%	5%	7%

(1) Management Adjusted EBITDA is not a measure defined under IFRS. Please see the reconciliation in "*Management's Discussion and Analysis of Financial Condition and Results of Operations— Covenant Compliance and Financial Ratios*" and "*Summary Consolidated Historical Financial Data.*"

(2) Management Adjusted EBITDA margin (%) is not a measure defined under IFRS. Management Adjusted EBITDA margin (%) is defined as Management Adjusted EBITDA as a percentage of Segment Revenues.

(3) Adjusted EBITDA is not a measure defined under IFRS. Adjusted EBITDA is defined and discussed in "*Management's Discussion and Analysis of Financial Condition and Results of Operations— Covenant Compliance and Financial Ratios.*"

(4) Adjusted EBITDA margin (%) is not a measure defined under IFRS. Adjusted EBITDA margin (%) is defined as Adjusted EBITDA as a percentage of Segment Revenues.

For information on the seasonality of our business see "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Seasonality*."

Holdings and Corporate

Our Holdings and Corporate segment includes the net cost of our head offices in Schiphol-Rijk, the Netherlands, our treasury center in Zurich and our corporate support services functions in Paris. Our Holdings and Corporate segment accounted for 1% of revenues and (1%) of Adjusted EBITDA for the year ended December 31, 2013. Our Management Adjusted EBITDA and Adjusted EBITDA is defined and discussed in "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Key Performance Indicators—Management Adjusted EBITDA*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Adjusted EBITDA Reconciliation*," respectively.

Voreppe Research & Development Center

Voreppe is our dedicated R&D center in Grenoble, France and, as of December 31, 2013, employs approximately 85 scientists and 90 technicians. Voreppe uses its full-scale facilities, which include a pilot casthouse that enables process and alloy development on an industrial scale, and external links with several universities and other research facilities to develop new solutions and meet customers' needs. Our scientists and technicians are active in the development of aluminum product metallurgy and casting, rolling and extrusion technologies. Voreppe's proven track record includes development of an intellectual property portfolio with approximately 900 active patents organized into over 150 patent families.

We believe that a major factor in our R&D success has been the close interaction with key customers in our most technically demanding markets at the early stages of the development and innovation process. This collaborative effort with long-term customers has led to the in-house development of advanced alloys and solutions that have applications for products sold to multiple end-markets. This collaboration often takes the form of formal partnership or co-development arrangements or the formation of joint teams with our customers.

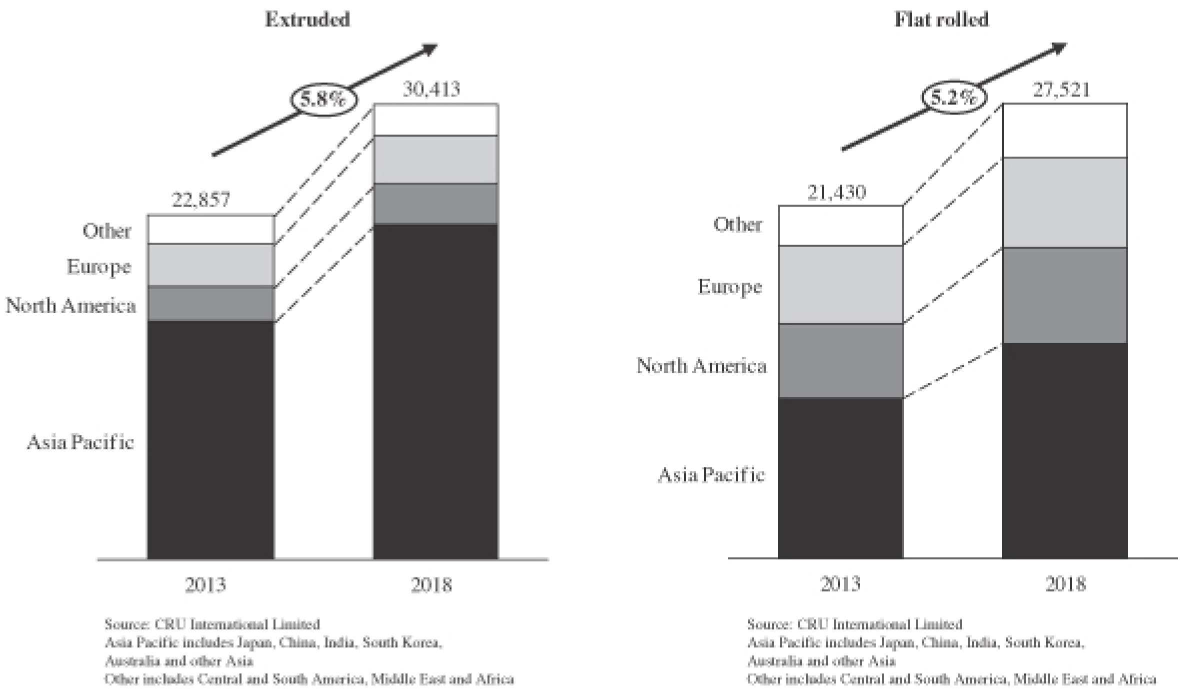
An example of such a development is our Surfalex® alloy, which was developed for the demanding specifications of the auto body market. We believe the alloy's superior surface appearance combined with high mechanical resistance level and optimized formability make it an alloy of choice for this sector. This alloy is already used at premium OEM's like Audi, Porsche and Daimler.

Our Industry

The specialty metals industry is comprised of producers of a variety of high performance metals and semi-fabricated products manufactured from those metals, which include stainless steel and titanium in addition to aluminum. We also compete with producers of other materials that can be used in our target end-markets, such as composites in aerospace or copper in certain automotive applications, as well as traditional carbon steel in automotive and packaging. Aluminum is lightweight, has a high strength-to-weight ratio and is resistant to corrosion. It compares favorably to several alternative materials, such as steel, in these respects. Aluminum is also unique in the respect that it can also be recycled repeatedly without any material decline in performance or quality. The recycling of aluminum delivers energy and capital investment savings relative to the cost of producing both primary aluminum and many other competing materials. Due to these qualities, the penetration of aluminum into a wide variety of applications continues to increase. We believe that long-term growth in aluminum consumption generally, and demand for those products we produce specifically, will be supported by factors that include growing populations, continued urbanization in emerging markets and increasing focus globally on sustainability and environmental issues. Aluminum is increasingly seen as the material of choice in a number of applications, including aerospace, packaging and automotive.

The following charts illustrate expected global demand for aluminum extruded and rolled products. The expected growth through 2018 for the extruded products market and the flat rolled products market is 5.8% and 5.2%, respectively.

Projected Aluminum Demand 2013-2018 (in thousand tons)



The global aluminum industry consists of (i) mining companies that produce bauxite, the ore from which aluminum is ultimately derived, (ii) primary aluminum producers that refine bauxite into alumina and smelt alumina into aluminum, (iii) aluminum semi-fabricated products manufacturers, including aluminum casters, recyclers, extruders and flat rolled products producers (such as Constellium) and (iv) integrated companies that are present across multiple stages of the aluminum production chain.

The price of aluminum, quoted on the London Metal Exchange (which we refer to in this offering memorandum as “LME”), is subject to global supply and demand dynamics and moves independently of the costs of many of its inputs. Producers of primary aluminum have limited ability to manage the volatility of aluminum prices and can experience a high degree of volatility in their cash flows and profitability. We do not smelt aluminum, nor do we participate in other upstream activities such as mining or refining bauxite. We recycle aluminum, both for our own use and as a service to our customers.

Rolled and extruded aluminum product prices are generally based on the price of metal plus a conversion fee (*i.e.*, the cost incurred to convert the aluminum into its semi-finished product). The price of aluminum is not a significant driver of our financial performance, in contrast to the more direct relationship of the price of aluminum to the financial performance of primary aluminum producers. Instead, the financial performance of producers of rolled and extruded aluminum products, such as Constellium, is driven by the dynamics in the end-markets that they serve, their relative positioning in those markets and the efficiency of their industrial operations.

Our Competitive Strengths

We believe that the following competitive strengths differentiate our business and will allow us to maintain and build upon our strong industry position:

Leading positions in each of our attractive and complementary end-markets

In our core industries—aerospace, packaging and automotive—we have market leading positions and established relationships with many of the main manufacturers. Within these attractive and diverse end-markets, we are particularly focused on product lines that require expertise, advanced R&D, and technology capabilities to produce. The drivers of demand in our core industries are varied and largely unrelated to one another.

We are the largest supplier globally of aerospace plates. We believe that our ability to fulfill the technical, R&D and quality requirements needed to supply the aerospace market gives us a significant competitive advantage. In addition, based on our knowledge as a market participant, we are one of only two suppliers of aerospace plate to have qualified facilities on two continents, which enables us to more effectively supply both Airbus and Boeing. We have sought to develop our strategic platform by making significant investments to increase our capacity and improve our capabilities and to develop our proprietary AIRWARE® material solution. We believe we are well positioned to benefit from strong demand in the aerospace sector, as demonstrated by the currently high backlogs for Boeing and Airbus that are driven by increased global demand for air travel, especially in Asia.

We are the largest supplier of European can body stock by volume and, in our view, we have benefited from our strong relationships with the leading European can manufacturers, our recycling capabilities and our fully integrated Neuf-Brisach facility, which has full production capabilities ranging from recycling and casting to rolling and finishing. As the leader in the European market, we believe that we are well-positioned to benefit from the ongoing trend of steel being replaced by aluminum as the material of choice for can sheet. Packaging historically has provided a stable cash flow stream through the economic cycle that can be used to invest in attractive opportunities in the aerospace and automotive industries to drive longer term growth.

In automotive, we believe our leading positions in the supply of aluminum products are due to our advanced design capabilities, efficient production systems and established relationships with leading automotive OEMs. This includes being the second largest global supplier of aluminum auto crash management systems by volume. We expect that EU and U.S. regulations requiring reductions in carbon emissions and fuel efficiency, as well as relatively high fuel prices, will continue to drive aluminum demand in the automotive industry. Whereas growth in aluminum use in vehicles has historically been driven by increased use of aluminum castings, we anticipate that future growth will be primarily in the kinds of extruded and rolled products that we supply to the OEMs.

In addition, we hold market leading positions in a number of other attractive product lines.

Leading Positions*

Aerospace & Transportation	Aerospace plates (global)	#1	(b)
	General engineering plates (global)	#2	(a)
Packaging & Automotive Rolled Products	Closure stock (global)	#1	(b)
	Can body stock (Europe)	#1	(a)
Automotive Structures & Industry	Aluminum crash management systems (global)	#2	(b)
	Hard alloy extrusions (Europe)	#1	(b)
	Large profiles (Europe)	#1	(b)

(a) CRU International Limited, based on data regarding the year ended 2012
(b) Based on Company internal market analysis for the year ended 2013
* Based on volumes

Global network of efficient facilities with a broad range of capabilities operated by a highly skilled workforce

We operate a network of strategically located facilities that we believe allows us to compete effectively in our selected end-markets across numerous geographies. With an estimated replacement value of over €6.5 billion, our facilities have enabled us to reliably produce a broad range of high-quality products. They are operated by a highly skilled workforce with decades of accumulated operational experience. We believe this collective knowledge base would be very difficult to replicate and is a key contributing factor to our ability to produce consistently high-quality products.

Our six key production sites feature industry-leading manufacturing capabilities with required industry qualifications that are in our view difficult for market outsiders to accomplish. For example, Neuf-Brisach is the most integrated downstream aluminum production facility in Europe, with capabilities spanning the recycling, casting, rolling and finishing phases of production. In July 2013, we completed two projects to enhance the capacity and performance of one of our main rolling mills at Neuf-Brisach, representing a total investment of €23 million. The first project modernized a casting complex dedicated to rolling slab production, delivering safety and quality improvements and increasing casting capacity, and the second project involved the complete replacement of a pusher furnace, dedicated to the homogenization and preheating of slabs before rolling. Our Issoire, France and Ravenswood, West Virginia, United States plants have unique capabilities for producing the specialized wide and very high gauge plates required for the aerospace sector. Additionally, our network of small extrusion and automotive structures plants enables us to serve many of our customers on a localized basis, allowing us to more rapidly meet demand through close proximity. We believe our portfolio of facilities provides us with a strong platform to retain and grow our global customer base.

Long-standing relationships with a diversified and blue-chip customer base

Our customer base includes some of the largest manufacturers in the aerospace, packaging and automotive end-markets. We believe that our ability to produce tailored, high value-added products fosters longer-term and synergistic relationships with this blue-chip customer base. We regard our relationships with our customers as partnerships in which we work together to utilize our unique R&D and technological capabilities to develop customized solutions to meet evolving requirements. This includes developing products together through long-term R&D partnerships. In addition, we collaborate with our customers to complete a rigorous process for qualifying our products, which requires substantial time and investment and creates high switching costs.

We have a relatively diverse customer base with our 10 largest customers representing approximately 45% of our revenues and approximately 50% of our volumes for the year ended December 31, 2013. The average length of our relationships with our top 20 customers exceeds 25 years, and in some cases goes back as far as 40 years, particularly with our aerospace and packaging customers. Most of our major packaging, aerospace and automotive customers have multi-year contracts with us (*i.e.*, contracts with terms of three to five years), making us critical partners to our customers. We estimate that approximately 58% of our volumes for 2013 were generated under multi-year contracts, more than 59% were governed by contracts valid until 2014 or later and more than 44% were governed by contracts valid until 2015 or later. In addition, more than 80% of our packaging volumes are contracted through 2014. This provides us with stability and significant visibility into our future volumes and earnings.

Advanced R&D and technological capabilities

We have made substantial investments to develop unique R&D and technological capabilities, which we believe give us a competitive advantage as a supplier of the high value-added, specialty products on which we focus and which make up the majority of our product portfolio. In particular, our R&D facility in Voreppe, France has given us a leading position in the development of proprietary next-generation specialty alloys, as evidenced by our robust intellectual property portfolio. We use our technological capabilities to develop tailored products in close partnerships with our customers, with the aim of building long-term and synergistic relationships.

One of our hallmark R&D achievements was the recent development of AIRWARE®, a lightweight specialty aluminum-lithium alloy developed for our aerospace customers to enable them to reduce fuel consumption and costs.

Stable business model that delivers robust free cash flow across the cycle

There are several ways in which our business model is designed to produce stable and consistent cash flows and profitability. For example, our pricing model allows us to pass through risks related to the volatility of commodity metal prices by charging customers LME aluminum prices plus a conversion premium. We minimize our exposure to commodity metal price volatility primarily by (i) passing through aluminum price risk to customers, whereby customers pay the same metal price we receive from our suppliers, (ii) using financial derivatives and (iii) utilizing metal owned by the customer (tolling).

Our business also features relatively countercyclical cash flows. During an economic downturn, lower demand causes our sales volumes to decrease, which results in a corresponding reduction in our inventory levels, a reduction in our working capital requirements and a positive impact on our operating cash flows. As a result, operating cash flows become positive. We believe this helps to drive robust free cash flow across cycles and provides significant downside protection for our liquidity position in the event of a downturn. For example, in 2009 during the last prolonged downturn in demand, our volumes declined from 1,058 kt to 868 kt. This decline resulted in a €276 million reduction of our total working capital, mainly driven by inventory reductions of €213 million and a positive operating cash flow from continuing operations of approximately €181 million.

In addition, we have a significant presence in the can sheet and packaging end-markets, which have proved to be relatively stable, recession-resilient and the aerospace end-market, which is driven by global demand trends rather than regional trends. Our automotive products are predominantly used in premium models manufactured by the German OEMs, which are not as dependent on the European economy and continue to benefit from rising demand in developing economies, particularly China. For example, LMC Automotive reports that in 2013, 51% of global light vehicles were sold in Asia, 23% were sold in Europe and 19% were sold in North America.

Robust financial profile

Our business model is built to maintain financial strength and flexibility throughout the business cycle, as demonstrated by our recent financial performance. As of December 31, 2013, we had Net Debt of €132 million and liquidity of €392 million. Pro forma for the proposed financing, we expect a modest increase in Net Debt to €147 million and a significant increase in liquidity to €751 million as of December 31, 2013. Our Adjusted EBITDA and Adjusted EBITDA per ton for the year ended December 31, 2013 were €280 million and €273 per ton, respectively, up from €223 million and €216 per ton for the year ended December 31, 2012, respectively.

Strong and experienced management team and Board of Directors

We have a strong and experienced management team led by Pierre Vareille, our Chief Executive Officer, who has more than 30 years of experience in the manufacturing industry and a successful track record of leading global manufacturing companies particularly in the domain of metal transformation for industries such as automotive and aerospace, and Didier Fontaine, our Chief Financial Officer, who has more than 30 years of experience in finance and IT at both private and public companies, including most recently serving as Chief Financial Officer and Information Technology Director of Plastic Omnium, a world-leading automotive supplier. Our executive officers and other key members of our management team have an average of more than 15 years of relevant industry experience. Our team has expertise across the commercial, technical and management aspects of our business and industry, which provides for strong customer service, rigorous quality and cost controls, and focus on health, safety and environmental improvements. Our board of directors includes current and former executives of Alcan, Rio Tinto, Bosch, Ascometal SAS, Alcatel-Lucent, Continental AG, Kaiser Aluminum and automotive suppliers such as Faurecia, who bring extensive experience in operations, finance, governance and corporate strategy.

Our Business Strategies

Our objective is to expand our leading position as a supplier of high value-added, technologically advanced products in which we believe that we have a competitive advantage. Our strategy to achieve this objective has three pillars: (i) selective participation, (ii) global leadership position and (iii) best-in-class efficiency and operational performance.

Selective Participation

Continue to target investment in high-return opportunities in our core markets (aerospace, packaging and automotive), with the goal of driving growth and profitability

We are focused on our three strategic end-markets—aerospace, packaging and automotive—which we believe have attractive growth prospects for aluminum. These are also markets where we believe that we can differentiate ourselves through our high value-added products, our strong customer relationships and our R&D and technological capabilities. Our capital expenditures and R&D spend are focused on these three strategic end-markets and are made in response to specific volume requirements from long-term customer contracts, which ensures relatively short payback periods and good visibility into return on investment. Our focus on high value-added products in our three strategic end-markets with our strong customer relationships enable us to maximize conversion premium growth and profitability rather than focusing on volume growth.

As part of our focus on our core end-markets and our strategy to improve our profitability, we also consider potential divestitures of non-strategic businesses. In May 2013, we announced the sale to OpenGate Capital of our French extrusion plants in Ham and Saint-Florentin, which were dedicated to the production of aluminum profiles intended mainly for the building and construction industry.

Focus on higher margin, technologically advanced products that facilitate long-term relationships as a "mission critical" supplier to our customers

Our product portfolio is predominantly focused on high value-added products, which we believe we are particularly well-suited to developing and manufacturing for our customers. These products tend to require close collaboration with our customers to develop tailored solutions, as well as significant effort and investment to adhere to rigorous qualification procedures, which enables us to foster long-term relationships with our customers. Our products typically command higher margins than more commoditized products, and are supplied to end-markets that we believe have highly attractive characteristics and long-term growth trends.

Global Leadership Position

Continue to differentiate our products, with the goal of maintaining our leading market positions and remaining a supplier of choice to our customers

We aim to deepen our ties with our customers by consistently providing best-in-class quality, market leading supply chain integration, joint product development projects, customer technical support and scrap and recycling solutions. We believe that our product offering is differentiated by our market-leading R&D capabilities. Our key R&D programs are focused on high growth and high margin areas such as specialty material solutions, next generation alloys and sustainable engineered solutions / manufacturing technologies. Recent examples of market-leading breakthroughs include our AIRWARE® lithium alloy technology and our Solar Surface® Selfclean, a coating solution used in the solar industry which provides additional performance and functionality of the aluminum by chemically breaking down dirt and contaminants in contact with the surface.

Build a global footprint with a focus on gaining scale in Europe and the United States as well as expanding in Asia

We intend to selectively expand our global operations where we see opportunities to enhance our manufacturing capabilities, grow with current customers and gain new customers, or penetrate higher-growth regions. We believe disciplined expansion focused on these objectives will allow us to achieve attractive returns. In line with these principles, our recently announced or completed expansions include:

- the announcement of plans to significantly increase the industrial capacity of our Issoire (France) plant to meet accelerating demand for our AIRWARE® technology through ramped-up production at two new state-of-the-art casthouses;
- the announcement of plans to invest up to €200 million over the next three years to further grow our European Body-in-White business, with investments to increase production capacity at Neuf-Brisach and to start Body-in-White production at Singen in Phase 1 and the addition of a new continuous annealing and conversion line in Europe in Phase 2;
- the announcement of plans to create a joint venture company in the United States with UACJ Corporation ("UACJ"), through Tri-Arrows Aluminum Inc. ("TAA") (UACJ's subsidiary with Sumitomo Corporation and Itochu Group), to serve the North American Body-in-White market;
- the successful expansion of our Constellium Automotive USA, LLC plant, located in Novi, Michigan, which is producing highly innovative crash-management systems for the automotive market; and
- the formation of a joint venture in China, Engley Automotive Structures Co., Ltd., which is currently producing aluminum crash-management systems in Changchun and Kunshan, China.

Best-in-Class Performance

Establish best-in-class operations through Lean manufacturing

We believe that there are significant opportunities to improve our services and quality and to reduce our manufacturing costs by implementing Lean manufacturing initiatives. "Lean manufacturing" is a production practice that improves efficiency of operations by identifying and removing tasks and process steps that do not contribute to value creation for the end customer. We continually evaluate debottlenecking opportunities globally through modifications of and investments in existing equipment and processes. We aim to establish best-in-class operations and achieve cost reductions by standardizing manufacturing processes and the associated upstream and downstream production elements where possible, while still allowing the flexibility to respond to local market demands and volatility.

To focus our efforts, we launched a Lean manufacturing program designed to improve the flow of value to customers by eliminating waste in both processes and resources. We measure operational success of this program in six key areas: (i) safety, (ii) quality, (iii) acceleration of the flows and working capital reduction, (iv) delivery performance, (v) equipment efficiency and (vi) innovation. Our Lean manufacturing program is overseen by a dedicated team, headed by Yves Mérel. Mr. Mérel reports directly to our Chief Executive Officer, Pierre Vareille. Mr. Vareille and Mr. Mérel have long track records of successfully implementing Lean manufacturing programs at other companies they have managed together in the past.

Recent Developments

Body-in-White Investment

On January 15, 2014, we announced that we plan to invest up to €200 million over the next three years to further grow our European Body-in-White business. Our investment is expected to run from 2014 through the end of 2016. In Phase 1, we plan to increase production capacity at our Neuf-Brisach facility in France and start Body-in-White production at our Singen facility in Germany by revamping its continuous annealing line. By 2016, we expect to add up to 40,000 tons to our current capacity with the first Body-in-White coils produced in Singen expected to be as early as mid-2014. In Phase 2, we plan to add a new continuous annealing and conversion line in Europe with a targeted capacity of 100,000 tons, with the aim to start commissioning in the second half of 2016.

Body-in-White Joint Venture

On January 23, 2014, we announced that Constellium and UACJ, through TAA, intend to create a joint venture company in the United States to serve the North American market.

The joint venture, in which Constellium expects to own 51% of the equity, is expected to include a continuous heat treatment and conversion line with an initial target capacity of 100,000 tons supplied by cold rolled coils from both partners' rolling mills. The planned facility is designed to allow for expansion beyond 100,000 tons. The total joint investment by both parties is expected to amount to approximately $150 million. Constellium and UACJ are working to finalize definitive documentation regarding the joint venture by the end of the second quarter 2014. Until such time as definitive agreements are executed, there can be no guarantee that the parties will engage in the joint venture.

New Casthouses in Issoire

On April 8, 2014, we announced that we expect to increase the industrial capacity of our Issoire (France) plant to meet accelerating demand for our AIRWARE® technology. Building on the experience of Constellium's first casthouse inaugurated in March 2013, which is already producing AIRWARE® at industrial scale, the two new state-of-the-art casthouses are expected to start and ramp-up production in 2015 and 2016 respectively. We believe that these two additional casthouses will allow us to nearly triple our production of advanced solutions based on our AIRWARE® technology.

Concurrent Transactions

Concurrently with this offering, we expect to enter into a new €120 million unsecured revolving credit facility (the "Unsecured Revolving Credit Facility") with a term of three years, which we currently expect will be available upon consummation of this offering. Borrowings under the Unsecured Revolving Credit Facility will bear interest at the eurocurrency rate plus a margin which we expect to be 2.50% per annum. We can give no assurances that the closing of the Unsecured Revolving Credit Facility will occur prior to the closing of this offering or at all. In addition, we expect to amend the credit agreement related to the Ravenswood asset-based revolving credit facility (the "U.S. Revolving Credit Facility") to permit the guarantee of the Notes by the borrower and guarantors under the U.S. Revolving Credit Facility. The amendment is expected to become effective concurrently with the consummation of this offering.

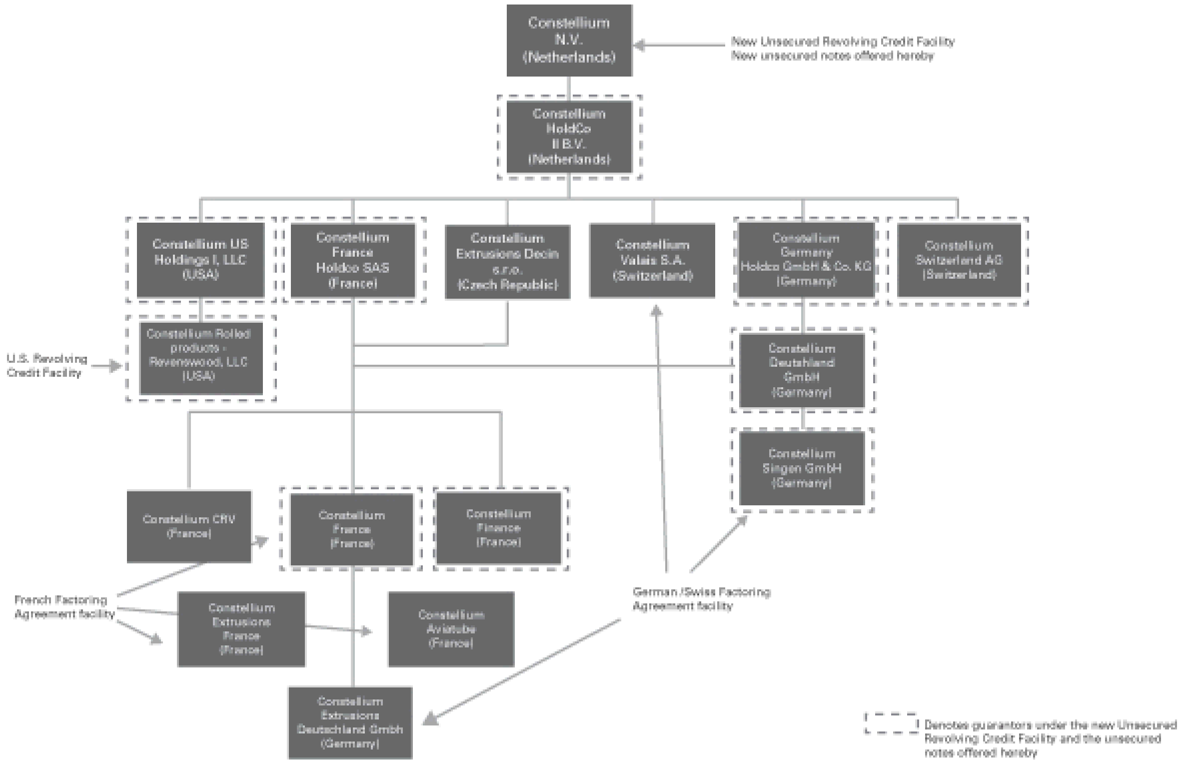
We intend to use a portion of the net proceeds of this offering to repay €333 million of our existing senior secured term loan B facility (the "Term Loan"). See "Use of Proceeds."

As used in this offering memorandum, the term "Transactions" refers to our entry into the Unsecured Revolving Credit Facility, the amendment of our U.S. Revolving Credit Facility, the issuance of the Notes offered hereby and the use a portion of the proceeds thereof to repay the Term Loan.

Corporate Information

Corporate Structure

The following diagram summarizes our corporate structure (including our significant subsidiaries):



Constellium Holdco B.V. (formerly known as Omega Holdco B.V.) was incorporated as a Dutch private limited liability company on May 14, 2010. Constellium Holdco B.V. was formed to serve as the holding company for various entities comprising the AEP Business, which Constellium acquired from affiliates of Rio Tinto on January 4, 2011. On May 21, 2013, Constellium Holdco B.V. was converted into a Dutch public limited liability company and renamed Constellium N.V.

The business address (head office) of Constellium N.V. is Tupolevlaan 41-61, 1119 NW Schiphol-Rijk, the Netherlands, and our telephone number is +31 20 654 97 80. The address for our agent for service of process in the United States is Corporation Service Company, 80 State Street, Albany, NY 12207-2543, and its telephone number is (518) 433-4740.

The summary below describes the principal terms of the Notes. The terms and conditions described below are subject to important limitations and exceptions. The "Description of the Notes" section of this offering memorandum contains a more detailed description of the terms and conditions of the Notes, including the definitions of certain terms used in this summary.

Issuer	Constellium N.V.
Notes Offered	$400,000,000 aggregate principal amount of 5.750% U.S. Dollar Notes and €300,000,000 aggregate principal amount of 4.625% Euro Notes. We may issue an unlimited amount of additional Notes at later dates under the indentures that govern the Notes, subject to compliance with the covenants contained in the indentures.
Maturity Dates	The U.S. Dollar Notes will mature on May 15, 2024. The Euro Notes will mature on May 15, 2021.
Interest	Interest will accrue at a rate of 5.750% per annum on the U.S. Dollar Notes and 4.625% per annum on the Euro Notes, and will be paid semi-annually on May 15 and November 15 of each year, beginning on November 15,

2014.

Denominations

The U.S. Dollar Notes will be issued in minimum denominations of $250,000 and any integral multiple of $1,000 in excess thereof. The Euro Notes will be issued in minimum denominations of €100,000 and any integral multiple of €1,000 in excess thereof.

Guarantors

The Notes will be guaranteed on a senior unsecured basis by each of our restricted subsidiaries that guarantees indebtedness under the Unsecured Revolving Credit Facility as of the issue date of the Notes. After the issue date, we will cause each of our other existing or future restricted subsidiaries (other than receivables subsidiaries) that guarantees any of our or the Guarantors' indebtedness under Credit Facilities (as defined herein) to execute and deliver to the trustee a supplemental indenture pursuant to which such restricted subsidiary will guarantee payment of the Notes on the same senior unsecured basis. The guarantees of the Notes by the Guarantors will be subject to certain limitations. See "*Limitations on Validity and Enforceability of the Guarantees and Certain Insolvency Law Considerations*." The Guarantors are providing full and unconditional guarantees of the Notes, subject to the limitations described herein.

For our fiscal year ended December 31, 2013, our non-guarantor subsidiaries represented approximately 36% of our net sales and approximately 10% of our Management Adjusted EBITDA and EBITDA. As of December 31, 2013, our non-guarantor subsidiaries represented approximately 36% of our total net assets and had approximately 30% of our total liabilities (including trade payables but excluding intercompany payables and receivables). As of December 31, 2013, our unrestricted subsidiaries represented approximately 1% of our total net assets and had approximately 1% of our total liabilities (including trade payables but excluding intercompany payables and receivables).

Ranking

The Notes will be our senior unsecured obligations, ranking:

- equal in right of payment with all of our existing and future senior indebtedness;
- senior in right of payment to all of our existing and future indebtedness expressly subordinated in right of payment to the Notes;
- effectively subordinated to all of our secured indebtedness to the extent of the value of the assets securing such indebtedness; and
- structurally subordinated to all liabilities (including trade payables) of any of our subsidiaries that do not guarantee the Notes.

The indentures relating to the Notes will permit the Company and its subsidiaries to incur substantial amounts of additional debt and other liabilities, some of which may be secured and some of which may be incurred by non-guarantor subsidiaries. As of December 31, 2013, on a pro forma basis to give effect to the Transactions, we and our subsidiaries would have had €628 million of indebtedness outstanding (exclusive of undrawn letters of credit), of which €24 million would have been secured (€18 of which secured debt would have been attributable to borrowings under the U.S. Revolving Credit Facility).

Each guarantee of the Notes will be a general unsecured obligation of the applicable Guarantor, ranking:

- equal in right of payment with any existing or future senior indebtedness of such Guarantor;
- senior in right of payment to any existing or future indebtedness of such Guarantor that is expressly subordinated in right of payment to such Guarantor's guarantee of the Notes; and

- effectively subordinated to any existing or future secured indebtedness of such Guarantor to the extent of the value of the assets securing such indebtedness;

Additional Amounts	The Company and any Guarantor will make all payments in respect of the Notes or the guarantees, including principal and interest payments, without deduction or withholding for or on account of any present or future taxes or other governmental changes in the Netherlands, the United States or certain other relevant tax jurisdictions, unless it is obligated by law to deduct or withhold such taxes or governmental charges. If the Company or any Guarantor is obligated by law to deduct or withhold taxes or governmental charges in respect of the Notes or the guarantees, subject to certain exceptions set forth in the Description of the Notes, the Company or the relevant Guarantor, as applicable, will pay to the holders of the Notes additional amounts so that the net amount received by the holders after any deduction or withholding will not be less than the amount the holders would have received if those taxes or governmental charges had not been withheld or deducted. See "*Description of the Notes—Withholding Taxes*."
Optional Redemption	Prior to May 15, 2019, in the case of the U.S. Dollar Notes, and prior to May 15, 2017, in the case of the Euro Notes, we may redeem some or all of the Notes at a price equal to 100% of the principal amount of the Notes of the applicable series redeemed plus accrued and unpaid interest, if any, to the redemption date plus a "make-whole" premium. The Notes will be subject to redemption at our option, in whole or in part, at any time or from time to time on or after May 15, 2019, in the case of the U.S. Dollar Notes, and on or after May 15, 2017, in the case of the Euro Notes, upon not less than 30 nor more than 60 days' prior notice, at the redemption prices set forth herein, plus accrued and unpaid interest thereon (if any) to the redemption date. In addition, at any time or from time to time prior to May 15, 2017, we may redeem Notes of either series in an aggregate amount equal to up to 35% of the original aggregate principal amount of the Notes of the applicable series (after giving effect to any issuance of additional Notes of such series) at a redemption price equal to 100% of the principal amount thereof plus a premium (expressed as a percentage of the principal amount thereof) equal to 5.750% for the U.S. Dollar Notes and 4.625% for the Euro Notes, plus accrued and unpaid interest thereon (if any) to the redemption date, with the net cash proceeds of one or more qualified equity offerings; provided that at least 50% of the original aggregate principal amount of Notes of the series being redeemed would remain outstanding immediately after giving effect to such redemption. Any such redemption shall be made within 90 days of such qualified equity offering. See "*Description of the Notes—Optional Redemption*."
Tax Redemption	In the event of certain developments affecting taxation (with respect to either the Euro Notes or the Dollar Notes), we may redeem all, but not less than all, of either the U.S. Dollar Notes or the Euro Notes, as the case may be, at 100% of the principal amount thereof, plus accrued and unpaid interest to the date of redemption. See "*Description of the Notes—Redemption for Taxation Reasons*."
Mandatory Offers to Purchase	Within 30 days of the occurrence of specific kinds of changes of control, the Company will be required to make an offer to purchase all outstanding Notes at a price in cash equal to 101% of the principal amount of the Notes, plus accrued and unpaid interest, if any, to the purchase date. See "*Description of the Notes—Change of Control*." Certain asset dispositions will be triggering events which may require us to use the proceeds from those asset dispositions to make an offer to purchase the Notes at 100% of their principal amount, together with

accrued and unpaid interest, if any, to the date of purchase, if such proceeds are not otherwise used within 15 months for certain permitted purposes.

	See "*Description of the Notes—Certain Covenants—Asset Sales*."
Certain Covenants	The indentures governing the Notes will contain certain covenants, including, among others, covenants with respect to the following matters: (i) limitation on incurring or guaranteeing additional indebtedness; (ii) limitation on paying dividends and making other restricted payments; (iii) limitation on creating restrictions on dividend and other payments to us from certain of our subsidiaries; (iv) limitation on creating or incurring certain liens; (v) limitation on sales of assets and subsidiary stock; (vi) transactions with affiliates; (vii) reports; (viii) future guarantors of the Notes; and (ix) limitations on transferring all or substantially all of our assets or entering into merger or consolidation transactions. All of the covenants are subject to a number of important qualifications and exceptions. See "*Description of the Notes*." Certain covenants will cease to apply to the Notes of a series during such time that the Notes of such series are rated investment grade by both Moody's Investors Service, Inc. ("Moody's") and Standard & Poor's Ratings Group ("S&P"); provided that no default or event of default has occurred and is continuing. Similarly, the "Change of Control" covenant will be suspended with respect to the Notes during all periods when the Notes have investment grade ratings from Moody's and S&P; provided that no event of default has occurred and is continuing.
Transfer Restrictions	The Notes and the guarantees have not been, and will not be, registered under the Securities Act or the securities laws of any other jurisdiction and are subject to restrictions on transferability and resale. See "*Transfer Restrictions*." We have not agreed to, or otherwise undertaken to, register the Notes and the guarantees (including by way of an exchange offer).
No Registration Rights	We have no obligation or intention to register the Notes for resale under the Securities Act or the securities laws of any other jurisdiction or to offer to exchange the Notes for registered notes under the Securities Act or the securities law of any other jurisdiction.
No Prior Market	The Notes will be new securities for which there is no market. Although the Initial Purchasers have informed us that they intend to make a market in the Notes, they are not obligated to do so and may discontinue market-making at any time without notice. Accordingly, a liquid market for the Notes may not develop or be maintained.
Listing	Application has been made for the Euro Notes to be admitted to listing on the Official List of the Luxembourg Stock Exchange and to trading on the Euro MTF Market in accordance with its rules.
Governing Law	The laws of the State of New York.
Use of Proceeds	We intend to use the net proceeds from this offering to repay amounts outstanding under our Term Loan (as defined below), including related transaction fees and expenses and prepayment premium thereon. We will use the remaining net proceeds for general corporate purposes. Affiliates of certain of the Initial Purchasers are agents and lenders under the Term Loan and therefore will receive a pro rata share of the net proceeds of this offering used to repay the Term Loan.
Risk Factors	Investing in the Notes involves substantial risk. You should carefully consider all of the information in this offering memorandum. In particular, for a discussion of some specific factors you should consider before buying the Notes, see "*Risk Factors*."

Summary Consolidated Historical Financial Data

The following tables set forth certain historical and other financial and operating data.

The selected historical financial information as of and for the years ended December 31, 2011, 2012 and 2013 has been derived from the audited consolidated financial statements included elsewhere in this offering memorandum.

The audited consolidated financial statements included elsewhere in this offering memorandum have been prepared according to the International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board (the "IASB"), and as endorsed by the European Union ("EU").

	As of and for the year ended December 31,		
	2011(1)	2012(1)	2013
	(€ in millions other than per ton data)		
Statement of income data:			
Revenue	3,556	3,610	3,495
Gross profit	317	474	471
Operating profit/(loss)	(63)	263	209
Profit/(loss) for the period—continuing operations	(170)	149	96
Profit/(loss) for the period	(178)	141	100
Balance sheet data:			
Cash and cash equivalents	113	142	233
Total debt	214	158	348
Total liabilities	1,725	1,668	1,728
Total assets	1,612	1,631	1,764
Share capital	—	—	2
Other operational and financial data (unaudited):			
Net trade working capital(2)	381	289	222
Capital expenditure	97	126	144
Volumes (in kt)	1,058	1,033	1,025
Net Debt(3)	91	17	132
Interest expense(4)	(31)	(39)	(53)
Adjusted EBITDA(5)	156	223	280
Adjusted EBITDA per ton (€ per ton)(5)	147	216	273
Pro Forma Credit Statistics (unaudited):			
Total debt, pro forma(6)			628
Net Debt, pro forma(7)			147
Pro forma leverage ratio(8)			2.2x
Pro forma net leverage ratio(9)			0.5x

(1) Comparative financial statements have been restated following the application of IAS 19 revised. The impacts of the restatements are disclosed in "*NOTE 32 – Implementation of IAS 19 Revised*" of the audited consolidated financial statements included elsewhere in this offering memorandum.

(2) Net trade working capital represents total inventories plus trade receivables less trade payables.

(3) Net Debt represents total borrowings plus the fair value of cross currency interest rate swaps less cash and cash equivalents and cash pledged for issuance of guarantees.

(4) Interest expense includes interest related to the Term Loan and the U.S. Revolving Credit Facility and interest and amortization of deferred financing costs related to the trade accounts receivable factoring programs. See Note 14—Trade Receivables and Other, Note 17—Borrowings and Note 10—Finance Costs—Net, in each case in the notes to the audited financial statements included elsewhere in this offering memorandum.

(5) The following table reconciles our profit or loss for the period from continuing operations to our Management Adjusted EBITDA for the years presented:

	For the year ended December 31,		
	2011	2012	2013
		(€ in millions)	
Profit/(loss) for the period from continuing operations	**(170)**	**149**	**96**
Finance costs—net	39	60	50
Income tax	(34)	46	39
Share of profit from joint ventures	—	5	(3)
Depreciation and amortization	2	11	32
Impairment charges	—	3	—
Expenses related to the Acquisition and separation(a)	102	3	—
Restructuring costs(b)	20	25	8
Unrealized losses on derivatives at fair value and exchange gains from the remeasurement of monetary assets and liabilities	140	(60)	(14)
Swiss pension plan settlement(c)	—	8	—
Ravenswood benefit plan amendment(d)	—	(58)	(11)
Ravenswood CBA renegotiation(e)	—	7	—
Net losses on disposals(f)	—	—	5
Other(g)	—	—	27
Management Adjusted EBITDA	**99**	**199**	**229**

(a) Represents expenses related to the Acquisition and separation of the Company from its previous owners.
(b) Restructuring costs represent one-time termination benefits or severance, plus contract termination costs, primarily related to equipment and facility lease obligations.
(c) Represents a loss generated by a settlement on withdrawal from the foundation that administered its employee benefit plan in Switzerland of €8 million.
(d) Represents a €58 million gain due to several amendments of our Ravenswood plan in 2012 and a gain of €11 million related to our amendment to our Ravenswood benefit plan in the year ended December 31, 2013.
(e) Represents non-recurring professional fees, including legal fees and bonuses in relation to the successful renegotiation of the 5-year collective bargaining agreement at our Ravenswood manufacturing site in September 2012.
(f) Represents losses on disposal of our plants in Ham and Saint Florentin, France which were completed on May 31, 2013 and other European assets.
(g) Represents costs incurred in connection with our IPO, amounting to €24 million of which €16 million is a fee paid to Apollo to terminate the management agreement upon consummation of the IPO, and with our secondary public offerings, amounting to €3 million.

The following table reconciles our Management Adjusted EBITDA to our Adjusted EBITDA for the years presented:

	For the year ended December 31,		
	2011	2012	2013
		(€ in millions)	
Management Adjusted EBITDA	**99**	**199**	**229**
Favorable / (unfavorable) metal price lag(a)	12	16	29
Transition and start-up costs(b)	21	—	—
Effects of Purchase Accounting adjustment(c)	12	—	—
Apollo management fee(d)	1	3	2
Exceptional employee bonuses in relation to cost savings and turnaround plans(e)	2	2	
Other(f)	9	3	20
Adjusted EBITDA	**156**	**223**	**280**

(a) Represents the financial impact of the timing difference between when aluminum prices included within our revenues are established and when aluminum purchase prices included in our cost of sales are established. We account for inventory using a weighted average price basis and this adjustment is to remove the effect of volatility in LME prices. This lag will, generally, increase our earnings and Adjusted EBITDA in times of rising primary aluminum prices and decrease our earnings and Adjusted EBITDA in times of declining primary aluminum prices. The calculation of our metal price lag adjustment is based on an internal standardized methodology calculated at each of our manufacturing sites and is calculated as the average value of product recorded in inventory, which approximates the spot price in the market, less the average value transferred out of inventory, which is the weighted average of the metal element of our cost of goods sold, by the quantity sold in the period.
(b) Represents exceptional external consultancy costs related to the implementation of our cost savings program and set up of our IT infrastructure in 2011.
(c) Represents the non-cash step up in inventory costs on the Acquisition of €12 million.
(d) Represents the Apollo management fee, payable annually post-Acquisition, which is equal to the greater of $2 million per annum or 1% of our Adjusted EBITDA measure before such fees, as defined in the Pre-IPO Shareholders Agreement, plus related expenses.
(e) Represents one-off bonuses under a two-year plan, paid to selected employees in relation to the achievement of cost savings targets and the costs of a bonus plan in relation to the turnaround program at our Ravenswood site.

(f) Other adjustments are as follows: (i) in 2011, includes €8 million of losses on metal purchases were attributable to the initial invoicing in U.S. dollars instead of euros by a metal supplier at inception of the contract. All invoices are now received and paid in euros. As this U.S. dollar-to-euro exposure from January through November 2011 was not effectively hedged, we consider this to be an exceptional loss and not part of our underlying trading; (ii) in 2012, the exceptional costs incurred in respect of our IPO efforts; and (iii) in the year ended December 31, 2013, incremental costs relating to our transition from a private to a public company for €9 million (including costs incurred in connection with the amendment of our management equity program following our IPO), start-up costs relating to new sites and business development initiatives for €7 million, scoping costs on the sale of existing sites for €2 million and other adjustments for €2 million.

(6) Total debt, pro forma, is defined as the aggregate principle of debt plus the fair value of cross currency interest rate swaps minus capitalized costs of the new debt, as adjusted to give effect to the Transactions.

(7) Net Debt, pro forma, is defined as our Net Debt (as defined in footnote 3 above) as of December 31, 2013, as adjusted to give effect to the Transactions (including the cash to balance sheet from the proceeds of this offering).

(8) The pro forma leverage ratio represents the ratio of our total debt, as adjusted (as defined in footnote 6 above), to our Adjusted EBITDA on a historical basis for the fiscal year ended December 31, 2013. The historical Adjusted EBITDA included in the calculation of the pro forma leverage ratio does not contain any pro forma adjustments. The use of the term “pro forma” does not mean that the ratio or any of its components is derived from financial information prepared in accordance with Article 11 of Regulation S-X.

(9) The pro forma net leverage ratio represents the ratio of our net debt, as adjusted (as defined in footnote 7 above), to our Adjusted EBITDA on a historical basis for the fiscal year ended December 31, 2013. The historical Adjusted EBITDA included in the calculation of the pro forma net leverage ratio does not contain any pro forma adjustments. The use of the term “pro forma” does not mean that the ratio or any of its components is derived from financial information prepared in accordance with Article 11 of Regulation S-X.

RISK FACTORS

An investment in the Notes involves a high degree of risk. Prospective investors in the Notes should carefully consider the risks described below and the other information contained in this offering memorandum before making a decision to invest in the Notes. Any of the following risks, individually or together, could adversely affect our business, financial condition, results of operations and prospects and, accordingly, the value of the Notes. This section describes the risks and uncertainties that we believe are material, but these risks and uncertainties may not be the only ones that we face. Additional risks and uncertainties, including those that we currently do not know about or deem immaterial, may also result in decreased revenues, assets and cash inflows, increased expenses, liabilities or cash outflows, or other events that could result in a decline in the value of the Notes, or which could have a material adverse effect on our business, financial condition, results of operations and prospects. The order in which the risks are presented does not necessarily reflect the likelihood of their occurrence or the magnitude of their potential impact on our business, financial condition, results of operations and prospects or on the value of the Notes.

Risks Related to Our Business

If we fail to implement our business strategy, including our productivity and cost reduction initiatives, our financial condition and results of operations could be materially adversely affected.

Our future financial performance and success depend in large part on our ability to successfully implement our business strategy, including investing in high-return opportunities in our core markets, focusing on higher-margin, technologically advanced products, differentiating our products, expanding our strategic relationships with customers in selected international regions, fixed-cost containment and cash management, and executing on our Lean manufacturing program, which is described in "*Business—Our Business Strategies*." We cannot assure you that we will be able to successfully implement our business strategy or be able to continue improving our operating results. For example, we have recently announced the intention to create a joint venture in the United States, to serve the North American market. The proposed Body-in-White joint venture is currently in the planning stages, and any inability to create or execute on our strategy with respect to the joint venture may cause a decline in the trading price of our ordinary shares. Implementation of our business strategy could be affected by a number of factors beyond our control, such as increased competition, legal and regulatory developments, general economic conditions or an increase in operating costs. Any failure to successfully implement our business strategy could adversely affect our financial condition and results of operations. In addition, we may decide to alter or discontinue certain aspects of our business strategy at any time. Although we have undertaken and expect to continue to undertake productivity and cost reduction initiatives to improve performance, such as the Lean manufacturing program, we cannot assure you that all of these initiatives will be completed or that any estimated cost savings from such activities will be fully realized. Even when we are able to generate new efficiencies in the short- to medium-term, we may not be able to continue to reduce cost and increase productivity over the long term.

The cyclical and seasonal nature of the metals industry, our end-use markets and our customers' industries, in particular our aerospace, automotive, heavy duty truck and trailer industries, could negatively affect our financial condition and results of operations.

The metals industry is generally cyclical in nature, and these cyclical fluctuations tend to directly correlate with changes in general and local economic conditions. These conditions include the level of economic growth, financing availability, the availability of affordable energy sources, employment levels, interest rates, consumer confidence and housing demand. Historically, in periods of recession or periods of minimal economic growth, metals companies have often tended to underperform other sectors. In addition, economic downturns in regional and global economies, including in Europe, or a prolonged recession in our principal industry segments, have had a negative impact on our operations in the past and could have a negative impact on our future financial condition or results of operations. Although we continue to seek to diversify our business on a geographic and end-market basis, we cannot assure you that diversification would mitigate the effect of cyclical downturns.

We are particularly sensitive to cycles in the aerospace, defense, automotive, other transportation, building and construction and general engineering end-markets, which are highly cyclical. During recessions or periods of low growth, these industries typically experience major cutbacks in production, resulting in decreased demand for aluminum products. This leads to significant fluctuations in demand and pricing for our products and services. Because our operations are capital intensive and we generally have high fixed costs and may not be able to reduce costs and production capacity on a sufficiently rapid basis, our near-term profitability may be significantly affected by decreased processing volumes. Accordingly, reduced demand and pricing pressures may significantly reduce our profitability and materially adversely affect our financial condition, results of operations and cash flows.

In particular, we derive a significant portion of our revenues from products sold to the aerospace industry, which is highly cyclical and tends to decline in response to overall declines in the general economy. The commercial aerospace industry is historically driven by the demand from commercial airlines for new aircraft. Demand for commercial aircraft is influenced by airline industry profitability, trends in airline passenger traffic, the state of the U.S. and global economies and numerous other factors, including the effects of terrorism. A number of major airlines have undergone Chapter 11 bankruptcy or comparable insolvency proceedings and experienced financial strain from volatile fuel prices. The aerospace industry also suffered significantly in the wake of the events of September 11, 2001, resulting in a sharp decrease globally in new commercial aircraft deliveries and order cancellations or deferrals by the major airlines. Despite existing backlogs, continued financial uncertainty in the industry, inadequate liquidity of certain airline companies, production issues and delays in the launch of new aircraft programs at major aircraft manufacturers, stock variations in the supply chain, terrorist acts or the increased threat of terrorism may lead to reduced demand for new aircraft that utilize our products, which could materially adversely affect our financial position, results of operations and cash flows.

Further, the demand for our automotive extrusions and rolled products and many of our general engineering and other industrial products is dependent on the production of cars, light trucks, and heavy duty vehicles and trailers. The automotive industry is highly cyclical, as new vehicle demand is dependent on consumer spending and is tied closely to the strength of the overall economy. We note that the demand for luxury vehicles in China has become significant over the past several years and therefore fluctuations in the Chinese economy may adversely affect the demand for our products. Production cuts by manufacturers may adversely affect the demand for our products. Many automotive “related manufacturers and first tier suppliers are burdened with substantial structural costs, including pension, healthcare and labor costs that have resulted in severe financial difficulty, including bankruptcy, for several of them. A worsening of these companies’ financial condition or their bankruptcy could have further serious effects on the conditions of the markets, which directly affects the demand for our products. In addition, the loss of business with respect to, or a lack of commercial success of, one or more particular vehicle models for which we are a significant supplier could have a materially adverse impact on our financial position, results of operations and cash flows.

Customer demand in the aluminum industry is also affected by holiday seasons, weather conditions, economic and other factors beyond our control. Our volumes are impacted by the timing of the holiday seasons in particular, with August and December typically being the lowest months and January to June being the strongest months. Our business is also impacted by seasonal slowdowns and upturns in certain of our customers’ industries. Historically, the can industry is strongest in the spring and summer season, whereas the automotive and construction sectors encounter slowdowns in both the third and fourth quarters of the calendar year. Therefore, our quarterly financial results could fluctuate as a result of climatic or other seasonal changes, and a prolonged period of unusually cool summers in different regions in which we conduct our business could have a negative effect on our financial results and cash flows.

We are subject to unplanned business interruptions that may materially adversely affect our business.

Our operations may be materially adversely affected by unplanned events such as explosions, fires, war or terrorism, inclement weather, accidents, equipment, information technology systems and process failures, electrical blackouts or outages, transportation interruptions and supply interruptions. Operational interruptions at one or more of our production facilities could cause substantial losses and delays in our production capacity or increase our operating costs. In addition, replacement of assets damaged by such events could be difficult or expensive, and to the extent these losses are not covered by insurance or our insurance policies have significant deductibles, our financial position, results of operations and cash flows may be materially adversely affected by such events. For example, in 2008, a stretcher at Constellium’s Ravenswood facility was damaged due to a defect in its hydraulic system, causing a substantial outage at that facility that had a material impact on our production volumes at this facility and on our financial results for the affected period.

Furthermore, because customers may be dependent on planned deliveries from us, customers that have to reschedule their own production due to our delivery delays may be able to pursue financial claims against us, and we may incur costs to correct such problems in addition to any liability resulting from such claims. Interruptions may also harm our reputation among actual and potential customers, potentially resulting in a loss of business.

Our business involves significant activity in Europe, and adverse conditions and disruptions in European economies could have a material adverse effect on our operations or financial performance.

A material portion of our sales are generated by customers located in Europe. The financial markets remain concerned about the ability of certain European countries to finance their deficits and service growing debt burdens amidst difficult economic conditions. This loss of confidence has led to rescue measures by Eurozone countries and the International Monetary Fund. Despite these measures, concerns persist regarding the debt burden of certain Eurozone countries and their ability to meet future financial obligations, the overall stability of the euro and the suitability of the euro as a single currency given the diverse economic and political circumstances in individual Eurozone countries. In addition, the actions required to be taken by those countries as a condition to rescue packages, and by other countries to mitigate similar developments in their economies, have resulted in increased political discord within and among Eurozone countries. The interdependencies among European economies and financial institutions have also exacerbated concern regarding the stability of European financial markets generally. These concerns could lead to the re-introduction of individual currencies in one or more Eurozone countries, or, in more extreme circumstances, the possible dissolution of the euro currency entirely. Should the euro dissolve entirely, the legal and contractual consequences for holders of euro-denominated obligations would be determined by laws in effect at such time. These potential developments, or market perceptions concerning these and related issues, could materially adversely affect the value of the Company's euro-denominated assets and obligations. In addition, concerns over the effect of this financial crisis on financial institutions in Europe and globally could have a material adverse impact on the capital markets generally. Persistent disruptions in the European financial markets, the overall stability of the euro and the suitability of the euro as a single currency or the failure of a significant European financial institution, could have a material adverse impact on our operations or financial performance.

In addition, there can be no assurance that the actions we have taken or may take in response to global economic conditions may be sufficient to counter any continuation or reoccurrence of the downturn or disruptions. A significant global economic downturn or disruptions in the financial markets would have a material adverse effect on our financial position, results of operations and cash flows.

Adverse changes in currency exchange rates could negatively affect our financial results.

The financial condition and results of operations of some of our operating entities are reported in various currencies and then translated into euros at the applicable exchange rate for inclusion in our consolidated financial statements. As a result, the appreciation of the euro against the currencies of our operating local entities may have a negative impact on reported revenues and operating profit, and the resulting accounts receivable, while depreciation of the euro against these currencies may generally have a positive effect on reported revenues and operating profit. We do not hedge translation of forecasted results or actual results.

In addition, while the majority of costs incurred are denominated in local currencies, a portion of the revenues are denominated in U.S. dollars. As a result, appreciation in the U.S. dollar may have a positive impact on earnings while depreciation of the U.S. dollar may have a negative impact on earnings. While we engage in significant hedging activity to attempt to mitigate this foreign transactions currency risk, this may not fully protect us from adverse effects due to currency fluctuations on our business, financial condition or results of operations.

A portion of our revenues is derived from our international operations, which exposes us to certain risks inherent in doing business globally.

We have operations primarily in the United States, Germany, France, Slovakia, Switzerland, the Czech Republic and China and primarily sell our products across Europe, Asia and North America. We also continue to explore opportunities to expand our international operations, particularly in other parts of Asia. Our operations generally are subject to financial, political, economic and business risks in connection with our global operations, including:

- changes in international governmental regulations, trade restrictions and laws, including those relating to taxes, employment and repatriation of earnings;
- currency exchange rate fluctuations;
- tariffs and other trade barriers;
- the potential for nationalization of enterprises or government policies favoring local production;
- renegotiation or nullification of existing agreements;
- interest rate fluctuations;
- high rates of inflation;
- currency restrictions and limitations on repatriation of profits;
- differing protections for intellectual property and enforcement thereof;
- divergent environmental laws and regulations; and
- political, economic and social instability.

The occurrence of any of these events could cause our costs to rise, limit growth opportunities or have a negative effect on our operations and our ability to plan for future periods. In certain emerging markets, the degree of these risks may be higher due to more volatile economic conditions, less developed and predictable legal and regulatory regimes and increased potential for various types of adverse governmental action.

Our results of operations, cash flows and liquidity could be adversely affected if we are unable to execute on our hedging policy, if counterparties to our derivative instruments fail to honor their agreements or if we are unable to purchase derivative instruments.

We purchase and sell London Metal Exchange (the "LME") and other forwards, futures and options contracts as part of our efforts to reduce our exposure to changes in currency exchange rates, aluminum prices and other raw materials prices. Our ability to realize the benefit of our hedging program is dependent upon many factors, including factors that are beyond our control. For example, our foreign exchange hedges are scheduled to mature on the expected payment date by the customer; therefore, if the customer fails to pay an invoice on time and does not warn us in advance, we may be unable to reschedule the maturity date of the foreign exchange hedge, which could result in an outflow of foreign currency that will not be offset until the customer makes the payment. We may realize a gain or a loss in unwinding such hedges. In addition, our metal-price hedging programs depend on our ability to match our monthly exposure to sold and purchased metal, which can be made difficult by seasonal variations in metal demand, unplanned changes in metal delivery dates by either us or by our customers and other disruptions to our inventories, including for maintenance.

We may also be exposed to losses if the counterparties to our derivative instruments fail to honor their agreements. Further, if major financial institutions continue to consolidate and are forced to operate under more restrictive capital constraints and regulations, there could be less liquidity in the derivative markets, which could have a negative effect on our ability to hedge and transact with creditworthy counterparties.

To the extent our hedging transactions fix prices or exchange rates and primary aluminum prices, energy costs or foreign exchange rates are below the fixed prices or rates established by our hedging transactions, our income and cash flows will be lower than they otherwise would have been. Similarly, if we do not adequately hedge for prices and premiums of our aluminum and other raw materials, our financial results may also be negatively impacted. Further, we do not apply hedge accounting to our forwards, futures or option contracts. As a result, unrealized gains and losses on our derivative financial instruments must be reported in our consolidated results of operations. The inclusion of such unrealized gains and losses in earnings may produce significant period to period earnings volatility that is not necessarily reflective of our underlying operating performance. In addition, in certain scenarios when market price movements result in a decline in value of our current derivatives position, our mark-to-market expense may exceed our credit line and counterparties may request the posting of cash collateral which, in turn, can be a significant demand on our liquidity.

At certain times, hedging instruments may simply be unavailable or not available on terms acceptable to us. In addition, recent legislation has been adopted to increase the regulatory oversight of over-the-counter derivatives markets and derivative transactions. Which companies and which transactions are subject to these regulations continues to evolve. If future regulations subject us to additional capital or margin requirements or other restrictions on our trading and commodity positions, they could have an adverse effect on our financial condition and results of operations.

Aluminum may become less competitive with alternative materials, which could reduce our share of industry sales, lower our selling prices and reduce our sales volumes.

Our fabricated aluminum products compete with products made from other materials—such as steel, glass, plastics and composites—for various applications. Higher aluminum prices relative to substitute materials tend to make aluminum products less competitive with these alternative materials. Environmental and other regulations may also increase our costs and may be passed on to our customers, and may restrict the use of chemicals needed to produce aluminum products. These regulations may make our products less competitive as compared to materials that are subject to fewer regulations.

Customers in our end-markets, including the aerospace, automotive and can sectors, use and continue to evaluate the further use of alternative materials to aluminum in order to reduce the weight and increase the efficiency of their products. Although trends in "lightweighting" have generally increased rates of using aluminum as a substitution of other materials, the willingness of customers to accept substitutions for aluminum, or the ability of large customers to exert leverage in the marketplace to reduce the pricing for fabricated aluminum products, could adversely affect the demand for our products, and thus materially adversely affect our financial position, results of operations and cash flows.

We are dependent on a limited number of suppliers for a substantial portion of our aluminum supply and a failure to successfully renew, renegotiate or re-price our long-term agreements or related arrangements with our suppliers may adversely affect our results of operations, financial condition and cash flows.

We have supply arrangements with a limited number of suppliers for aluminum and other raw materials. Our top 10 suppliers accounted for approximately 50% of our total purchases at December 31, 2013. Increasing aluminum demand levels have caused regional supply constraints in the industry, and further increases in demand levels could exacerbate these issues. We maintain long-term contracts for a majority of our supply requirements, and for the remainder we depend on annual and spot purchases. There can be no assurance that we will be able to renew, or obtain replacements for, any of our long-term contracts or any related arrangements when they expire on terms that are as favorable as our existing agreements or at all. Additionally, if any of our key suppliers is unable to deliver sufficient quantities of this material on a timely basis, our production may be disrupted and we could be forced to purchase primary metal and other supplies from alternative sources, which may not be available in sufficient quantities or may only be available on terms that are less favorable to us. As a result, an interruption in key supplies required for our operations could have a material adverse effect on our ability to produce and deliver products on a timely or cost-efficient basis and therefore on our financial condition, results of operations and cash flows. In addition, a significant downturn in the business or financial condition of our significant suppliers exposes us to the risk of default by the supplier on our contractual agreements, and this risk is increased by weak and deteriorating economic conditions on a global, regional or industry sector level.

We also depend on scrap aluminum for our operations and acquire our scrap inventory from numerous sources. These suppliers generally are not bound by long-term contracts and have no obligation to sell scrap metal to us. In periods of low inventory prices, suppliers may elect to hold scrap until they are able to charge higher prices. In addition, the slowdown in industrial production and consumer consumption during the recent economic crisis reduced and may continue to reduce the supply of scrap metal available. If an adequate supply of scrap metal is not available to us, we would be unable to recycle metals at desired volumes and our results of operation, financial condition and cash flows could be materially adversely affected.

If we were to lose order volumes from any of our largest customers, our sales volumes, revenues and cash flows would be reduced.

Our business is exposed to risks related to customer concentration. Our ten largest customers accounted for approximately 45% of our consolidated revenues for the year ended December 31, 2013. A significant downturn in the business or financial condition of our significant customers exposes us to the risk of default on contractual agreements and trade receivables, and this risk is increased by weak and deteriorating economic conditions on a global, regional or industry sector level.

If we fail to successfully renew, renegotiate or re-price our long-term agreements or related arrangements with our largest customers, our results of operations, financial condition and cash flows could be materially adversely affected.

We have long-term contracts and related arrangements with a significant number of our customers, some of which are subject to renewal, renegotiation or re-pricing at periodic intervals or upon changes in competitive and regulatory supply conditions. Our failure to successfully renew, renegotiate or re-price such agreements at all or on terms as favorable as our existing contracts and arrangements, or a material deterioration in or termination of these customer relationships, could result in a reduction or loss in customer purchase volume or revenue, and if we are not successful in replacing business lost from such customers, our results of operations, financial condition and cash flows could be materially adversely affected.

In addition, our strategy of having dedicated facilities and arrangements with customers subjects us to the inherent risk of increased dependence on a single or a few customers with respect to these facilities. In such cases, the loss of such a customer, or the reduction of that customer’s business at one or more of our facilities, could negatively affect our financial condition and results of operations, and we may be unable to timely replace, or replace at all, lost order volumes and revenue.

We may not be able to compete successfully in the highly competitive markets in which we operate, and new competitors could emerge, which could negatively impact our share of industry sales, sales volumes and selling prices.

We are engaged in a highly competitive industry. We compete in the production and sale of rolled aluminum products with a number of other aluminum rolling mills, including large, single-purpose sheet mills, continuous casters and other multi-purpose mills, some of which are larger and have greater financial and technical resources than we do. Producers with a different cost basis may, in certain circumstances, have a competitive pricing advantage. Our competitors may be better able to withstand reductions in price or other adverse industry or economic conditions.

In addition, a current or new competitor may also add or build new capacity, which could diminish our profitability by decreasing the equilibrium prices in our markets. New competitors could emerge from within Europe or North America or globally, including from China, Russia and the Middle East. Emerging or transitioning markets in these regions with abundant natural resources, low-cost labor and energy, and lower environmental and other standards may pose a significant competitive threat to our business. Our competitive position may also be affected by exchange rate fluctuations that may make our products less competitive. Changes in regulation that have a disproportionately negative effect on us or our methods of production may also diminish our competitive advantage and industry position. In addition, technological innovation is important to our customers who require us to lead or keep pace with new innovations to address their needs. If we do not compete successfully, our share of industry sales, sales volumes and selling prices may be negatively impacted.

In addition, the aluminum industry has experienced consolidation over the past years and there may be further industry consolidation in the future. Although industry consolidation has not yet had a significant negative impact on our business, if we do not have sufficient market presence or are unable to differentiate ourselves from our competitors, we may not be able to compete successfully against other companies. If as a result of consolidation, our competitors are able to obtain more favorable terms from suppliers or otherwise take actions that could increase their competitive strengths, our competitive position and therefore our business, results of operations and financial condition may be materially adversely affected.

The price volatility of energy costs may adversely affect our profitability.

Our operations use natural gas and electricity, which represent the third largest component of our cost of sales, after metal and labor costs. We purchase part of our natural gas and electricity on a spot-market basis. The volatility in costs of fuel, principally natural gas, and other utility services, principally electricity, used by our production facilities affect operating costs. Fuel and utility prices have been, and will continue to be, affected by factors outside our control, such as supply and demand for fuel and utility services in both local and regional markets as well as governmental regulation and imposition of further taxes on energy. Although we have secured some of our natural gas and electricity under fixed price commitments, future increases in fuel and utility prices, or disruptions in energy supply, may have an adverse effect on our financial position, results of operations and cash flows.

Regulations regarding carbon dioxide emissions, and unfavorable allocation of rights to emit carbon dioxide or other air emission related issues, could have a material adverse effect on our business, financial condition and results of operations.

Substantial quantities of greenhouse gases are released as a consequence of our operations. Compliance with existing, new or proposed regulations governing such emissions tend to become more stringent over time and could lead to a need for us to further reduce such greenhouse gas emissions, to purchase rights to emit from third parties, or to make other changes to our business, all of which could result in significant additional costs or could reduce demand for our products. In addition, we are a significant purchaser of energy. Existing, new and proposed regulations relating to the emission of carbon dioxide by our energy suppliers could result in materially increased energy costs for our operations, and we may be unable to pass along these increased energy costs to our customers, which could have a material adverse effect on our business, financial condition and results of operations.

Measures to reduce carbon dioxide and other greenhouse gas emissions that could directly or indirectly affect us or our suppliers are currently being developed or may be developed in the future. Many scientists, legislators and others attribute climate change to increased levels of greenhouse gases, including carbon dioxide, which has led to significant legislative and regulatory efforts to limit greenhouse gas emissions. Existing and possible new regulations regarding carbon dioxide and other greenhouse gas emissions, especially a revised European emissions trading system or a successor to the Kyoto Protocol under the United Nations Framework Convention on Climate Change, could have a material adverse effect on our business, financial condition and results of operations.

Our fabrication process is subject to regulations that may hinder our ability to manufacture our products. Some of the chemicals we use on our fabrication processes are subject to government regulation, such as REACH ("Registration, Evaluation, Authorisation, and Restriction of Chemicals substances") in the EU. Under REACH, we are required to register some of our products with the European Chemicals Agency, and this process could cause significant delays or costs. If we fail to comply with these or similar laws and regulations, we may be required to make significant expenditures to reformulate the chemicals that we use in our products and materials or incur costs to register such chemicals to gain and/or regain compliance, and we may lose customers or revenue as a result. Additionally, we could be subject to significant fines or other civil and criminal penalties should we not achieve such compliance. To the extent that other nations in which we operate also require chemical registration, potential delays similar to those in Europe may delay our entry into these markets. Any failure to obtain or delay in obtaining regulatory approvals for chemical products used in our facilities could have a material adverse effect on our business, financial condition and results of operations.

We may not be able to successfully develop and implement new technology initiatives and other strategic investments in a timely manner.

We have invested in, and are involved with, a number of technology and process initiatives, including the development of new aluminum-lithium products. Being at the forefront of technological development is important to remain competitive. Several technical aspects of certain of these initiatives are still unproven and/or the eventual commercial outcomes and feasibility cannot be assessed with any certainty. Even if we are successful with these initiatives, we may not be able to bring them to market as planned before our competitors or at all, and the initiatives may end up costing more than expected. As a result, the costs and benefits from our investments in new technologies and the impact on our financial results may vary from present expectations.

In addition, we have undertaken and may continue to undertake growth, streamlining and productivity initiatives to improve performance, including with respect to AIRWARE®, a lightweight specialty aluminum-lithium alloy, for our aerospace customers to address demand for lighter and more environmentally sound aircraft. We cannot assure you that these initiatives will be completed or that they will have their intended benefits, such as the realization of estimated cost savings from such activities. Capital investments in debottlenecking or other organic growth initiatives may not produce the returns we anticipate. Even if we are able to generate new efficiencies successfully in the short- to medium-term, we may not be able to continue to reduce cost and increase productivity over the long term.

Our business requires substantial capital investments that we may be unable to fulfill.

Our operations are capital intensive. Our total capital expenditures were €144 million for the year ended December 31, 2013 and €126 million and €97 million for the years ended December 31, 2012 and 2011, respectively. We may not generate sufficient operating cash flows and our external financing sources may not be available in an amount sufficient to enable us to make anticipated capital expenditures, service or refinance our indebtedness or fund other liquidity needs. If we are unable to make upgrades or purchase new plants and equipment, our financial condition and results of operations could be materially adversely affected by higher maintenance costs, lower sales volumes due to the impact of reduced product quality, and other competitive factors.

As part of our ongoing evaluation of our operations, we may undertake additional restructuring efforts in the future which could in some instances result in significant severance-related costs and other restructuring charges.

We recorded restructuring charges of €8 million for the year ended December 31, 2013, €25 million for the year ended December 31, 2012 and €20 million for the year ended December 31, 2011. Restructuring costs in 2013 were primarily related to corporate and other European sites restructuring operations. The 2012 costs were primarily in relation to an efficiency improvement program ongoing at our Sierre, Switzerland facility and corporate restructuring. Restructuring costs in 2011 were primarily in relation to corporate restructuring and full-time employee reductions throughout our operations. We may pursue additional restructuring activities in the future, which could result in significant severance-related costs, impairment charges, restructuring charges and related costs and expenses, including resulting labor disputes, which could materially adversely affect our profitability and cash flows.

A deterioration in our financial position or a downgrade of our ratings by a credit rating agency could increase our borrowing costs and our business relationships could be adversely affected.

A deterioration of our financial position or a downgrade of our credit ratings for any reason could increase our borrowing costs and have an adverse effect on our business relationships with customers, suppliers and hedging counterparties. As discussed above, we enter into various forms of hedging arrangements against currency, interest rate or metal price fluctuations and trade metal contracts on the LME. Financial strength and credit ratings are important to the availability and pricing of these hedging and trading activities. As a result, any downgrade of our credit ratings may make it more costly for us to engage in these activities, and changes to our level of indebtedness may make it more difficult or costly for us to engage in hedging and trading activities in the future.

In addition, a downgrade could adversely affect our existing financing, limit access to the capital or credit markets, or otherwise adversely affect the availability of other new financing on favorable terms, if at all, result in more restrictive covenants in agreements governing the terms of any future indebtedness that we incur, increase our borrowing costs, or otherwise impair our business, financial condition and results of operations.

Our indebtedness could materially adversely affect our ability to invest in or fund our operations, limit our ability to react to changes in the economy or our industry or force us to take alternative measures.

Our indebtedness impacts our flexibility in operating our business and could have important consequences for our business and operations, including the following: (i) it may make us more vulnerable to downturns in our business or the economy; (ii) a substantial portion of our cash flows from operations will be dedicated to the repayment of our indebtedness and will not be available for other purposes; (iii) it may restrict us from making strategic acquisitions, introducing new technologies or exploiting business opportunities; and (iv) it may adversely affect the terms under which suppliers provide goods and services to us. After giving effect to the offering of the Notes and the use of proceeds thereof, our indebtedness will be materially increased. By increasing our indebtedness as a result of the offering, we will make ourselves more susceptible to the risks discussed above.

If we are unable to meet our debt service obligations, including our obligations under the Notes and pay our expenses, we may be forced to reduce or delay business activities and capital expenditures, sell assets, obtain additional debt or equity capital, restructure or refinance all or a portion of our debt before maturity or take other measures. Such measures may materially adversely affect our business. If these alternative measures are unsuccessful, we could default on our obligations, which could result in the acceleration of our outstanding debt obligations and could have a material adverse effect on our business, results of operations and financial condition.

The terms of our indebtedness contain covenants that restrict our current and future operations, and a failure by us to comply with those covenants may materially adversely affect our business, results of operations and financial condition.

Our indebtedness contains, and any future indebtedness we may incur would likely contain, a number of restrictive covenants that will impose significant operating and financial restrictions on our ability to, among other things: (i) incur or guarantee additional debt; (ii) pay dividends and make other restricted payments; (iii) create or incur certain liens; (iv) make certain loans, acquisitions or investments; (v) engage in sales of assets and subsidiary stock; (vi) enter into transactions with affiliates; (vii) transfer all or substantially all of our assets or enter into merger or consolidation transactions; and (viii) enter into sale and lease-back transactions. In addition, at any time that loans under the Unsecured Revolving Credit Facility are (a) borrowed, to the extent that immediately after giving effect to such borrowing, loans in excess of 30% of the total commitments under the Unsecured Revolving Credit Facility would be outstanding, or (b) outstanding on the last day of our fiscal quarter, the Unsecured Revolving Credit Facility will require us to (x) maintain a consolidated total net leverage ratio of no more than 2.50 to 1.00, (y) maintain a minimum fixed charge coverage ratio of not less than 3.50 to 1.00, and (z) ensure that, taken together, the Company and the guarantors of the Unsecured Revolving Credit Facility have (i) assets representing not less than 60% of the consolidated total assets of the Company and its restricted subsidiaries and (ii) EBITDA representing not less than 75% of the consolidated EBITDA of the Company and its restricted subsidiaries. Additionally, our Factoring Agreements contain a group level minimum liquidity covenant that is tested quarterly and requires us to maintain minimum liquidity of at least $50 million.

A failure to comply with our debt covenants could result in an event of default that, if not cured or waived, could have a material adverse effect on our business, results of operations and financial condition. If we default under our indebtedness, we may not be able to borrow additional amounts and our lenders could elect to declare all outstanding borrowings, together with accrued and unpaid interest and fees, to be due and payable, or take other remedial actions. Our indebtedness also contains cross-default provisions, which means that if an event of default occurs under certain material indebtedness, such event of default may trigger an event of default under our other indebtedness. If our indebtedness were to be accelerated, we cannot assure you that our assets would be sufficient to repay such indebtedness in full and our lenders could foreclose on our pledged assets. See "*Description of Other Indebtedness*."

Our existing, and any future, variable rate indebtedness subjects us to interest rate risk, which could cause our annual debt service obligations to increase significantly.

A portion of our existing indebtedness is, and our future indebtedness may be, subject to variable rates of interest, exposing us to interest rate risk. See "*Description of Other Indebtedness*." If interest rates increase, our debt service obligations on the variable rate indebtedness would increase, resulting in a reduction of our net income, even though the amount borrowed would remain the same.

We could be required to make unexpected contributions to our defined benefit pension plans as a result of adverse changes in interest rates and the capital markets.

Most of our pension obligations relate to funded defined benefit pension plans for our employees in the United States and Switzerland, unfunded pension benefits in France and Germany, and lump sum indemnities payable to our employees in France and Germany upon retirement or termination. Our pension plan assets consist primarily of funds invested in listed stocks and bonds. Our estimates of liabilities and expenses for pensions and other post-retirement benefits incorporate a number of assumptions, including interest rates used to discount future benefits. Our results of operations, liquidity or shareholders' equity in a particular period could be materially adversely affected by capital market returns that are less than their assumed long-term rate of return or a decline in the rate used to discount future benefits. If the assets of our pension plans do not achieve assumed investment returns for any period, such deficiency could result in one or more charges against our earnings for that period. In addition, changing economic conditions, poor pension investment returns or other factors may require us to make unexpected cash contributions to the pension plans in the future, preventing the use of such cash for other purposes.

A substantial percentage of our workforce is unionized or covered by collective bargaining agreements that may not be successfully renegotiated.

A significant number of our employees (approximately 80% of our total headcount) are represented by unions or equivalent bodies or are covered by collective bargaining or similar agreements that are subject to periodic renegotiation. Although we believe that we will be able to successfully negotiate new collective bargaining agreements when the current agreements expire, these negotiations may not prove successful, may result in a significant increase in the cost of labor, or may break down and result in the disruption or cessation of our operations.

We could experience labor disputes and work stoppages that could disrupt our business and have a negative impact on our financial condition and results of operations.

From time to time, we may experience labor disputes and work stoppages at our facilities. For example, we experienced work stoppages and labor disturbances at our Ravenswood facility in 2012 in conjunction with the renegotiation of the collective bargaining agreement. Additionally, we experienced work stoppages and labor disturbances at our Issoire and Neuf-Brisach facilities in November 2013 and resumed normal operations in early December 2013. Existing collective bargaining agreements, mainly in Europe, may not prevent a strike or work stoppage at our facilities in the future. Any such stoppages or disturbances may have a negative impact on our financial condition and results of operations by limiting plant production, sales volumes, profitability and operating costs.

The loss of certain members of our management team may have a material adverse effect on our operating results.

Our success will depend, in part, on the efforts of our senior management and other key employees. These individuals possess sales, marketing, engineering, technical, manufacturing, financial and administrative skills that are critical to the operation of our business. If we lose or suffer an extended interruption in the services of one or more of our senior officers or other key employees, our ability to operate and expand our business, improve our operations, develop new products, and, as a result, our financial condition and results of operations, may be negatively affected. Moreover, the pool of qualified individuals is highly competitive, and we may not be able to attract and retain qualified personnel to replace or succeed members of our senior management or other key employees, should the need arise.

In addition, in light of demographic trends in the labor markets where we operate, we expect that our factories will be confronted with high levels of natural attrition in the coming years due to retirements. Strategic workforce planning will be a challenge to ensure a controlled exit of skills and competencies and the timely acquisition of new talent and competencies, in line with changing technological and industrial needs.

We have a short history as a standalone company which may pose operational challenges to our management.

Our management team has faced and could continue to face operational and organizational challenges and costs related to establishing ourselves and operating as a standalone company, such as establishing various corporate functions, formulating policies, preparing standalone financial statements and integrating the management team. These challenges may divert their attention from running our core business or otherwise materially adversely affect our operating results.

If we do not adequately maintain and evolve our financial reporting and internal controls, we may be unable to accurately report our financial results or prevent fraud and may, as a result, become subject to sanctions by the

Securities and Exchange Commission (the "SEC"). Establishing effective internal controls may also result in higher than anticipated operating expenses.

We will need to continue to improve existing, and implement new, financial reporting and management systems, procedures and controls to manage our business effectively and support our growth in the future, especially because we lack a history of operations as a standalone entity. Any delay in the implementation of, or disruption in the transition to, new or enhanced systems, procedures and controls, or the obsolescence of existing financial control systems, could harm our ability to accurately forecast sales demand and record and report financial and management information on a timely and accurate basis.

Moreover, to comply with our obligations as a public company under Section 404 of the Sarbanes-Oxley Act of 2002, we must enhance and maintain our internal controls. Effective internal controls are necessary for us to provide reliable financial reports and prevent fraud. We are in the process of refining and enhancing our internal controls to satisfy the requirements of Section 404, which requires annual management assessments of the effectiveness of our internal controls over financial reporting and a report by our independent registered public accounting firm on the effectiveness of our internal control over financial reporting, starting with our annual report for the year ending December 31, 2014. We are working to establish internal controls that will facilitate compliance with these requirements, and we may accordingly experience higher than anticipated operating expenses, as well as increased independent registered public accounting firm fees as we continue our compliance efforts.

If we fail to comply with the requirements of Section 404 in a timely manner, we might be subject to sanctions or investigations by regulatory authorities such as the SEC. If we do not adequately implement improvements to our disclosure controls and procedures or to our internal controls in a timely manner, our independent registered public accounting firm may not be able to certify as to the effectiveness of our internal control over financial reporting. This may subject us to adverse regulatory consequences or a loss of confidence in the reliability of our financial statements.

We could also suffer a loss of confidence in the reliability of our financial statements if our independent registered public accounting firm reports a material weakness in our internal controls, if we do not develop and maintain effective controls and procedures or if we are otherwise unable to deliver timely and reliable financial information. Any loss of confidence in the reliability of our financial statements or other negative reaction to our failure to develop timely or adequate disclosure controls and procedures or internal controls could result in a decline in the trading price of our ordinary shares. In addition, if we fail to remedy any material weakness, our financial statements may be inaccurate, we may face restricted access to the capital markets and the price of our ordinary shares may be materially adversely affected.

We may not be able to adequately protect proprietary rights to our technology.

Our success depends in part upon our proprietary technology and processes. We believe that our intellectual property has significant value and is important to the marketing of our products and maintaining our competitive advantage. Although we attempt to protect our intellectual property rights both in the United States and in foreign countries through a combination of patent, trademark, trade secret and copyright laws, as well as through confidentiality and nondisclosure agreements and other measures, these measures may not be adequate to fully protect our rights. For example, we have a growing presence in China, which historically has afforded less protection to intellectual property rights than the United States or the Netherlands. Our failure to obtain or maintain adequate protection of our intellectual property rights for any reason could have a material adverse effect on our business, results of operations and financial condition.

We have applied for patent protection relating to certain existing and proposed products and processes. While we generally apply for patents in those countries where we intend to make, have made, use or sell patented products, we may not accurately predict all of the countries where patent protection will ultimately be desirable. If we fail to timely file a patent application in any such country, we may be precluded from doing so at a later date. Furthermore, we cannot assure you that any of our patent applications will be approved. We also cannot assure you that the patents issuing as a result of our foreign patent applications will have the same scope of coverage as our United States patents. The patents we own could be challenged, invalidated or circumvented by others and may not be of sufficient scope or strength to provide us with any meaningful protection or commercial advantage. Further, we cannot assure you that competitors will not infringe our patents, or that we will have adequate resources to enforce our patents.

We also rely on unpatented proprietary technology. It is possible that others will independently develop the same or similar technology or otherwise obtain access to our unpatented technology. To protect our trade secrets and other proprietary information, we require employees, consultants, advisors and collaborators to enter into confidentiality agreements. We cannot assure you that these agreements will provide meaningful protection for our trade secrets, know-how or other proprietary information in the event of any unauthorized use, misappropriation or disclosure of such trade secrets, know-how or other proprietary information. If we are unable to maintain the proprietary nature of our technologies, we could be materially adversely affected.

We rely on our trademarks, trade names and brand names to distinguish our products from the products of our competitors, and have registered or applied to register many of these trademarks. We cannot assure you that our trademark applications will be approved. Third parties may also oppose our trademark applications, or otherwise challenge our use of the trademarks. In the event that our trademarks are successfully challenged, we could be forced to rebrand our products, which could result in loss of brand recognition, and could require us to devote resources to advertising and marketing new brands. Further, we cannot assure you that competitors will not infringe our trademarks, or that we will have adequate resources to enforce our trademarks.

We may institute or be named as a defendant in litigation regarding our intellectual property and such litigation may be costly and divert management's attention and resources.

Any attempts to enforce our intellectual property rights, even if successful, could result in costly and prolonged litigation, divert management's attention and resources, and materially adversely affect our results of operations and cash flows. The unauthorized use of our intellectual property may adversely affect our results of operations as our competitors would be able to utilize such property without having had to incur the costs of developing it, thus potentially reducing our relative profitability.

Furthermore, we may be subject to claims that we have infringed the intellectual property rights of another. Even if without merit, such claims could result in costly and prolonged litigation, cause us to cease making, licensing or using products or technologies that incorporate the challenged intellectual property, require us to redesign, reengineer or rebrand our products, if feasible, divert management's attention and resources, and materially adversely affect our results of operations and cash flows. We may also be required to enter into licensing agreements in order to continue using technology that is important to our business, or we may be unable to obtain license agreements on acceptable terms, either of which could negatively affect our financial position, results of operations and cash flows.

Failure to protect our information systems against cyber-attacks or information security breaches could have a material adverse effect on our business.

Information security risks have generally increased in recent years because of the proliferation of new technologies and the increased sophistication and activities of perpetrators of cyber-attacks. A failure in or breach of our information systems as a result of cyber-attacks or information security breaches could disrupt our business, result in the disclosure or misuse of confidential or proprietary information, damage our reputation, increase our costs or cause losses. As cyber threats continue to evolve, we may be required to expend additional resources to continue to enhance our information security measures or to investigate and remediate any information security vulnerabilities.

Current liabilities under, as well as the cost of compliance with, environmental, health and safety laws could increase our operating costs and negatively affect our financial condition and results of operations.

Our operations are subject to federal, state and local laws and regulations in the jurisdictions where we do business, which govern, among other things, air emissions, wastewater discharges, the handling, storage and disposal of hazardous substances and wastes, the remediation of contaminated sites, and employee health and safety. At December 31, 2013, we had close-down and environmental restoration costs provisions of €48 million. Future environmental regulations could impose stricter compliance requirements on the industries in which we operate. Additional pollution control equipment, process changes, or other environmental control measures may be needed at some of our facilities to meet future requirements. If we are unable to comply with these laws and regulations, we could incur substantial costs, including fines and civil or criminal sanctions, or costs associated with upgrades to our facilities or changes in our manufacturing processes in order to achieve and maintain compliance.

Financial responsibility for contaminated property can be imposed on us where current operations have had an environmental impact. Such liability can include the cost of investigating and remediating contaminated soil or ground water, fines and penalties sought by environmental authorities, and damages arising out of personal injury, contaminated property and other toxic tort claims, as well as lost or impaired natural resources. Certain environmental laws impose strict, and in certain circumstances joint and several, liability for certain kinds of matters, such that a person can be held liable without regard to fault for all of the costs of a matter even though others were also involved or responsible.

We have accrued, and expect to accrue, costs relating to the above matters that are reasonably expected to be incurred based on available information. However, it is possible that actual costs may differ, perhaps significantly, from the amounts expected or accrued. Similarly, the timing of those expenditures may occur faster than anticipated. These differences could negatively affect our financial position, results of operations and cash flows.

Other legal proceedings or investigations, or changes in applicable laws and regulations, could increase our operating costs and negatively affect our financial condition and results of operations.

We may from time-to-time be involved in, or be the subject of, disputes, proceedings and investigations with respect to a variety of matters, including matters related to personal injury, intellectual property, employees, taxes, contracts, anti-competitive or anti-corruption practices as well as other disputes and proceedings that arise in the ordinary course of business. It could be costly to address these claims or any investigations involving them, whether meritorious or not, and legal proceedings and investigations could divert management's attention as well as operational resources, negatively affecting our financial position, results of operations and cash flows. Additionally, as with the environmental laws and regulations, other laws and regulations which govern our business are subject to change at any time. Compliance with changes to existing laws and regulations could have a material adverse effect on our financial position, results of operations and cash flows.

Product liability claims against us could result in significant costs and could materially adversely affect our reputation and our business.

If any of the products that we sell are defective or cause harm to any of our customers, we could be exposed to product liability lawsuits and/or warranty claims. If we were found liable under product liability claims or are obligated under warranty claims, we could be required to pay substantial monetary damages. Even if we successfully defend ourselves against these types of claims, we could still be forced to spend a substantial amount of money in litigation expenses, our management could be required to devote significant time and attention to defending against these claims, and our reputation could suffer, any of which could harm our business.

Our operations present significant risk of injury or death.

Because of the heavy industrial activities conducted at our facilities, there exists a risk of injury or death to our employees or other visitors, notwithstanding the safety precautions we take. Our operations are subject to regulation by national, state and local agencies responsible for employee health and safety, which has from time to time levied fines against us for certain isolated incidents. While such fines have not been material and we have in place policies to minimize such risks, we may nevertheless be unable to avoid material liabilities for any employee death or injury that may occur in the future, and any such incidents may materially adversely impact our reputation.

The insurance that we maintain may not fully cover all potential exposures.

We maintain property, casualty and workers' compensation insurance, but such insurance does not cover all risks associated with the hazards of our business and is subject to limitations, including deductibles and maximum liabilities covered. We may incur losses beyond the limits, or outside the coverage, of our insurance policies, including liabilities for environmental compliance or remediation. In addition, from time to time, various types of insurance for companies in our industries have not been available on commercially acceptable terms or, in some cases, have not been available at all. In the future, we may not be able to obtain coverage at current levels, and our premiums may increase significantly on coverage that we maintain.

Increases in our effective tax rate and exposures to additional income tax liabilities due to audits could materially adversely affect our business.

We operate in multiple tax jurisdictions and pay tax on our income according to the tax laws of these jurisdictions. Various factors, some of which are beyond our control, determine our effective tax rate and/or the amount we are required to pay, including changes in or interpretations of tax laws in any given jurisdiction, our ability to use net operating loss and tax credit carry forwards and other tax attributes, changes in geographical allocation of income and expense, and our judgment about the realizability of deferred tax assets. Such changes to our effective tax rate could materially adversely affect our financial position, liquidity, results of operations and cash flows.

In addition, due to the size and nature of our business, we are subject to ongoing reviews by taxing jurisdictions on various tax matters, including challenges to positions we assert on our income tax and withholding tax returns. We accrue income tax liabilities and tax contingencies based upon our best estimate of the taxes ultimately expected to be paid after considering our knowledge of all relevant facts and circumstances, existing tax laws, our experience with previous audits and settlements, the status of current tax examinations and how the tax authorities view certain issues. Such amounts are included in income taxes payable, other non-current liabilities or deferred income tax liabilities, as appropriate, and updated over time as more information becomes available. We record additional tax expense in the period in which we determine that the recorded tax liability is less than the ultimate assessment we expect. We are currently subject to audit and review in a number of jurisdictions in which we operate, and further audits may commence in the future.

Our historical financial information presented in this offering memorandum may not be representative of future results.

Due to inherent uncertainties of our business, the historical financial information does not necessarily indicate what our results of operations, financial position, cash flows or costs and expenses will be in the future. Past performance is not necessarily an indicator of future performance. In addition, our financial results as a subsidiary of Rio Tinto may not be indicative of our results as a standalone company, as they may not be directly comparable.

We are a foreign private issuer under the U.S. securities laws within the meaning of the New York Stock Exchange ("NYSE") rules. As a result, we qualify for and rely on exemptions from certain corporate governance requirements and may rely on other exemptions available to us in the future.

As a "foreign private issuer," as such term is defined in Rule 405 under the Securities Act, we are permitted to follow our home country practice in lieu of certain corporate governance requirements of the NYSE, including that (i) a majority of the board of directors consists of independent directors; (ii) the nominating and corporate governance committee be composed entirely of independent directors with a written charter addressing the committee's purpose and responsibilities; and (iii) the compensation committee be composed entirely of independent directors with a written charter addressing the committee's purpose and responsibilities. Foreign private issuers are also exempt from certain U.S. securities law requirements applicable to U.S. domestic issuers, including the requirement to file quarterly reports on Form 10-Q and to distribute a proxy statement pursuant to Exchange Act Section 14 in connection with the solicitation of proxies for shareholder meetings.

We rely on the exemptions for foreign private issuers and follow Dutch corporate governance practices in lieu of some of the NYSE corporate governance rules specified above. We currently rely on exemptions from the requirements set out in (i), (ii) and (iii) above, but in the future, we may change what home country corporate governance practices we follow, and, accordingly, which exemptions we rely on from the NYSE requirements.

We may lose our foreign private issuer status in the future, which could result in significant additional costs and expenses.

Although we expect that we will continue to maintain our status as a foreign private issuer, we could lose our foreign private issuer status. The regulatory and compliance costs to us under U.S. securities laws as a U.S. domestic issuer may be significantly more than costs we incur as a foreign private issuer. If we are not a foreign private issuer, we will be required to file periodic reports and registration statements on U.S. domestic issuer forms with the SEC, including proxy statements pursuant to Section 14 of the Exchange Act. These SEC disclosure requirements are more detailed and extensive than the forms available to a foreign private issuer. In addition, our directors, officers and 10% owners would become subject to insider short-swing profit disclosure and recovery rules under Section 16 of the Exchange Act. We may also be required to modify certain of our policies to comply with corporate governance practices associated with U.S. domestic issuers. Such conversion and modifications would involve additional costs.

In addition, we would lose our ability to rely upon exemptions from certain NYSE corporate governance requirements that are available to foreign private issuers. In particular, within six months of losing our foreign private issuer status we would be required to have a majority of independent directors and a nominating/corporate governance committee and a compensation committee comprised entirely of independent directors, unless other exemptions are available under the NYSE rules. Any of these changes would likely increase our regulatory and compliance costs and expenses, which could have a material adverse effect on our business and financial results.

Our recent transformation into a public company may significantly increase our operating costs and disrupt the regular operations of our business.

Prior to our IPO, our business historically operated as a privately owned company, and therefore we have incurred and expect to incur significant additional legal, accounting, reporting and other expenses as a result of having publicly traded ordinary shares. We have incurred and will continue to incur increased costs or costs that we have not incurred previously, including, but not limited to, costs and expenses for directors' fees, directors and officers liability insurance, investor relations and various other costs of a public company. The additional demands associated with being a public company may disrupt the regular operations of our business by diverting the attention of our senior management team away from revenue producing activities to management and administrative oversight, adversely affecting our ability to identify and complete business opportunities and increasing the difficulty we face in both retaining professionals and managing and growing our businesses. Any of these effects could materially harm our business, results of operations and financial condition.

We also anticipate that we will incur costs associated with corporate governance requirements, including requirements under the Sarbanes-Oxley Act of 2002, as amended, as well as rules implemented by the SEC and the NYSE. We expect these rules and regulations to increase our legal and financial compliance costs and make some management and corporate governance activities more time-consuming and costly. For example, these rules and regulations may make it more difficult and more expensive for us to obtain director and officer liability insurance, and we may be required to accept reduced policy limits and coverage or incur substantially higher costs to obtain the same or similar coverage. This could have a material adverse impact on our ability to recruit and bring on qualified independent directors.

Risks Relating to an Investment in the Notes

Our level of indebtedness could limit cash flow available for our operations and could adversely affect our ability to service our debt or obtain additional financing, if necessary.

We have now and, after the offering, will continue to have a significant amount of indebtedness. As of December 31, 2013, we would have, after giving effect to the offering, had total indebtedness of €628 million (of which €590 million would have consisted of the principal amount of Notes and the balance would have consisted of debt under our U.S. Revolving Credit Facility and the fair value of our cross currency interest rate swap). Our level of indebtedness could adversely affect our operations and make it more difficult for us to satisfy our obligations under the Notes. Among other things, our substantial indebtedness could:

- limit our ability to obtain additional financing for working capital, capital expenditures, acquisitions and general corporate purposes;
- make it more difficult for us to satisfy our financial obligations, including those with respect to the Notes;
- increase our vulnerability to general adverse economic and industry conditions;
- require us to dedicate a substantial portion of our cash flow from operations to payments on our indebtedness, thereby reducing the availability of our cash flow to fund working capital, capital expenditures, research and development efforts and other general corporate purposes;
- limit our flexibility in planning for, or reacting to, changes in our business and the markets in which we compete; and
- place us at a competitive disadvantage compared to our competitors that have less debt.

In addition, the indentures and our Unsecured Revolving Credit Facility and U.S. Revolving Credit Facility contain financial and other restrictive covenants that will limit our ability to engage in activities that may be in our long-term best interests. Our failure to comply with those covenants could result in an event of default which, if not cured or waived, could result in the acceleration of all of our debts.

Despite current indebtedness levels, we and our subsidiaries may still be able to incur substantially more debt. This could further exacerbate the risks associated with our substantial leverage.

We and our subsidiaries may be able to incur substantial additional indebtedness in the future. The terms of the indentures and our Unsecured Revolving Credit Facility and U.S. Revolving Credit Facility do not fully prohibit us or our subsidiaries from doing so. If new debt is added to our and our subsidiaries' current debt levels, the related risks that we and they now face could intensify. See "*Description of Other Indebtedness*."

To service our indebtedness, we will require a significant amount of cash. Our ability to generate cash depends on many factors beyond our control.

Our ability to make payments on and to refinance our indebtedness, including the Notes, and to fund planned capital expenditures and research and development efforts will depend on our ability to generate cash in the future. Although there can be no assurances, we believe that the cash provided by our operations will be sufficient to provide for our cash requirements for the foreseeable future. However, our ability to satisfy our obligations will depend on our future operating performance and financial results, which will be subject, in part, to factors beyond our control, including interest rates and general economic, financial and business conditions. We cannot assure you, however, that our business will generate sufficient cash flow from operations or that future borrowings will be available to us in an amount sufficient to enable us to pay our indebtedness, including the Notes, or to fund our other liquidity needs. If we are unable to generate sufficient cash flow to service our debt, we may be required to:

- refinance all or a portion of our debt, including the Notes;
- obtain additional financing;
- sell some of our assets or operations;
- reduce or delay capital expenditures and acquisitions; or

- revise or delay our strategic plans.

If we are required to take any of these actions, it could have a material adverse affect on our business, financial condition and results of operations. In addition, we cannot assure you that we would be able to take any of these actions, that these actions would enable us to continue to satisfy our capital requirements or that these actions would be permitted under the terms of our various debt instruments.

Our corporate structure may impact your ability to receive payment on the Notes.

The Company is a holding company that does not conduct any operations and substantially all of its operating income and cash flow are derived from its subsidiaries. As a result, the Company will rely on its subsidiaries' operating income and cash flow to make payments due under the Notes. If our subsidiaries do not generate adequate operating income and cash flow to make such payments, or if such operating income and cash flow cannot be accessed by us due to legal or contractual restrictions or otherwise, then our ability to make payments on the notes will be materially and adversely impacted.

Your right to receive payments on the Notes will be effectively subordinated to the rights of our existing and future secured creditors, and certain of our pension and other post-employment benefit obligations may be effectively senior to our obligations under the Notes. Further, the guarantees will be effectively subordinated to all of the Guarantors' existing and future secured indebtedness and other obligations.

The Notes and the related guarantees will be general unsecured obligations. Lenders under our U.S. Revolving Credit Facility, and any other secured indebtedness we now have or may incur, will have claims that are prior to your claims as holders of the Notes to the extent of the value of the assets securing that other indebtedness. The Notes will be effectively subordinated to such secured indebtedness and any other secured indebtedness to the extent of the value of the assets securing such indebtedness. In the event of any distribution or payment of our assets in any foreclosure, dissolution, winding-up, liquidation, reorganization or other bankruptcy proceeding, holders of such secured indebtedness will have a prior claim to those of our and the guarantors' assets that constitute their collateral, and will be entitled to be paid in full from such collateral before any payment is made on the Notes. In any of the foregoing events, we cannot assure you that there will be sufficient assets to pay amounts due on the Notes. As a result, holders of the Notes may receive less than the amounts due under the Notes or nothing at all.

In addition, we have substantial pension and other post-employment benefit obligations, resulting in net liabilities of €507 million as of December 31, 2013. Certain of these obligations may, under applicable law in the United States, France, Germany, Switzerland or otherwise, be effectively senior to our obligations under the Notes. In particular, certain assets of Ravenswood are subject to a lien in favor of the Pension Benefit Guaranty Corporation pursuant to an agreement entered into in 2001 between Ravenswood and the Pension Benefit Guaranty Corporation.

If we default under our Unsecured Revolving Credit Facility or our U.S. Revolving Credit Facility, or other indebtedness we may incur, the lenders could declare all of the funds borrowed thereunder, together with accrued interest, immediately due and payable. If we were unable to repay indebtedness under the U.S. Revolving Credit Facility or any other secured indebtedness, the lenders could foreclose on the pledged assets, even if an event of default exists under the indentures governing the Notes. In any such event, it is possible that there would not be sufficient assets remaining from which your claims could be fully satisfied, if at all.

As of December 31, 2013, on a pro forma basis to give effect to the Transactions, we and our subsidiaries would have had €628 million of indebtedness outstanding (exclusive of undrawn letters of credit), of which €24 million would have been secured (€18 million of which secured debt would have been attributable to borrowings under the U.S. Revolving Credit Facility). In addition, we would have had an additional €120 million of capacity for additional borrowings under the Unsecured Revolving Credit Facility, and we would have had an additional €29 million of capacity for additional borrowings under the U.S. Revolving Credit Facility (net of outstanding letters of credit of approximately $1 million). We will be permitted to incur substantial additional indebtedness, including secured debt, in the future under the terms of the indentures governing the Notes, and the credit agreements governing the Unsecured Revolving Credit Facility and the U.S. Revolving Credit Facility. See "*Description of Other Indebtedness*" and "*Description of the Notes—Certain Covenants*."

In addition, pursuant to our factoring arrangements, certain of our subsidiaries may sell receivables to factoring counterparties, and following any such sale such receivables shall not be available to us or our other creditors. As of December 31, 2013, we had maximum unused financing capacity under our factoring arrangements of up to €350 million in the aggregate; however, actual availability under our factoring arrangements is determined based on the amount of receivables held by us at any given time, and as of December 31, 2013, this amount was €130 million.

The Notes will be structurally subordinated to all obligations of our existing and future subsidiaries that are not required to be and do not become guarantors of the Notes.

The Notes will be guaranteed on a senior unsecured basis by all of our current direct and indirect restricted subsidiaries that guarantee indebtedness under our Unsecured Revolving Credit Facility as of the issue date. In addition, after the issue date, each of our other existing or future restricted subsidiaries (other than receivables subsidiaries) that guarantees any of our or the Guarantors' indebtedness under Credit Facilities after the issue date will also be required to guarantee the Notes. Our subsidiaries that do not guarantee the Notes will have no obligation, contingent or otherwise, to pay amounts due under the Notes or to make any funds available to pay those amounts, whether by dividend, distribution, loan or other payment. The Notes will be structurally subordinated to all indebtedness and other obligations of any non-guarantor subsidiary such that in the event of insolvency, liquidation, reorganization, dissolution or other winding up of any subsidiary that is not a guarantor, all of that subsidiary's creditors (including trade creditors) and preferred stockholders would be entitled to payment in full out of that subsidiary's assets before we would be entitled to any payment from that subsidiary.

In addition, the indentures governing the Notes will, subject to certain limitations, permit these subsidiaries to incur additional indebtedness and will not contain any limitation on the amount of other liabilities, such as trade payables, that may be incurred by these subsidiaries.

For our fiscal year ended December 31, 2013, our non-guarantor subsidiaries represented approximately 36% of our net sales and approximately 10% of our Management Adjusted EBITDA and EBITDA. As of December 31, 2013, our non-guarantor subsidiaries represented approximately 36% of our total net assets and had approximately 30% of our total liabilities (including trade payables but excluding intercompany payables and receivables). As of December 31, 2013, our unrestricted subsidiaries represented approximately 1% of our total net assets and had approximately 1% of our total liabilities (including trade payables but excluding intercompany payables and receivables).

In addition, our subsidiaries that provide, or will provide, guarantees of the Notes will be automatically released from those guarantees upon the occurrence of certain events. If any subsidiary guarantee is released, no holder of the Notes will have a claim as a creditor against that subsidiary, and the indebtedness and other liabilities, including trade payables and preferred stock, if any, whether secured or unsecured, of that subsidiary will be effectively senior to the claim of any holders of the Notes. See "*Description of the Notes—Note Guarantees*."

Fraudulent transfer laws, and similar laws in applicable foreign jurisdictions, may permit a court to void the Notes or the related guarantees and, if that occurs, you may not receive any payments on the Notes.

Fraudulent transfer and conveyance laws, and similar laws in applicable foreign jurisdictions, may apply to the issuance of the Notes or the incurrence of the guarantees of the Notes. Under bankruptcy laws and fraudulent transfer or conveyance laws, which may vary from state to state and jurisdiction to jurisdiction, and other similar laws in applicable foreign jurisdictions, the Notes or the guarantees thereof could be voided or held unenforceable as a fraudulent transfer or conveyance or could otherwise become subject to challenge, if we or any of the guarantors, as applicable, (a) issued the Notes or incurred the guarantees with the intent of hindering, delaying or defrauding creditors or (b)(i) received less than reasonably equivalent value or fair consideration in return for either issuing the Notes or incurring the guarantees and (ii) one of the following is also true at the time thereof:

- we or any of the guarantors, as applicable, were insolvent or rendered insolvent by reason of the issuance of the Notes or the incurrence of the guarantees;
- the issuance of the Notes or the incurrence of the guarantees left us or any of the guarantors, as applicable, with an unreasonably small amount of capital or assets to carry on the business;
- we or any of the guarantors intended to, or believed that we or such guarantor would, incur debts beyond our or the guarantor's ability to pay as they mature; or
- we or any of the guarantors were a defendant in an action for money damages, or had a judgment for money damages docketed against us or the guarantor if, in either case, the judgment is unsatisfied after final judgment.

As a general matter, value is given for a transfer or an obligation if, in exchange for the transfer or obligation, property is transferred or a valid antecedent debt is secured or satisfied. A court would likely find that a guarantor did not receive reasonably equivalent value or fair consideration for its guarantee to the extent the guarantor did not obtain a reasonably equivalent benefit directly or indirectly from the issuance of the Notes.

We cannot be certain as to the standards a court would use to determine whether or not we or the guarantors were insolvent at the relevant time or, regardless of the standard that a court uses, whether the Notes or the guarantees would be subordinated to our or any of our guarantors' other debt. In general, however, a court would deem an entity insolvent if:

- the sum of its debts, including contingent and unliquidated liabilities, was greater than the fair saleable value of all of its assets;
- the present fair saleable value of its assets was less than the amount that would be required to pay its probable liability on its existing debts, including contingent liabilities, as they become absolute and mature; or
- it could not pay its debts as they became due.

If a court were to find that the issuance of the Notes or the incurrence of a guarantee was a fraudulent transfer or conveyance or is otherwise subject to challenge, the court could void the payment obligations under the Notes or that guarantee, could subordinate the Notes or that guarantee to presently existing and future indebtedness of ours or of the related guarantor, or could require the holders of the Notes to repay any amounts received with respect to that guarantee. In the event of a finding that a fraudulent transfer or conveyance occurred or in the event of another challenge on the basis of applicable insolvency laws, you may not receive any repayment on the Notes. Further, the avoidance of the Notes or the guarantees thereof could result in an event of default with respect to our and our subsidiaries' other debt that could result in acceleration of that debt.

Finally, as a court of equity, a U.S. bankruptcy court may subordinate the claims in respect of the Notes or the guarantees thereof to other claims against us under the principle of equitable subordination if the court determines that (1) the holder of the Notes or the guarantees thereof engaged in some type of inequitable conduct, (2) the inequitable conduct resulted in injury to our other creditors or conferred an unfair advantage upon the holders of the Notes and (3) equitable subordination is not inconsistent with the provisions of the bankruptcy code.

See "*Limitations on Validity and Enforceability of the Guarantees and Certain Insolvency Law Considerations*" for a description of fraudulent conveyance laws and the insolvency laws in France, the Netherlands, Germany and Switzerland.

Insolvency laws of jurisdictions outside the United States may not be as favorable to you as the U.S. bankruptcy laws and may preclude holders of the Notes from recovering payments due under the Notes.

We are incorporated in the Netherlands, and the non-U.S. guarantors are incorporated or organized in the Netherlands, France, Germany and Switzerland. The insolvency laws of these jurisdictions may not be as favorable to your interests as creditors as the laws of the United States or other jurisdictions with which you may be familiar, including in the areas of rights of creditors, priority of governmental and other creditors, ability to obtain post-petition interest and the duration of the proceeding.

See "*Limitations on Validity and Enforceability of the Guarantees and Certain Insolvency Law Considerations*" for a description of the insolvency laws in France, the Netherlands, Germany and Switzerland, which could limit the enforceability of the guarantees.

In the event that we, the initial guarantors, any future guarantors, if any, or any other of our subsidiaries experienced financial difficulty, it is not possible to predict with certainty in which jurisdiction or jurisdictions insolvency or similar proceedings would be commenced, or the outcome of such proceedings. Guarantees provided by entities organized in jurisdictions not discussed in this offering circular are also subject to material limitations pursuant to their terms, by statute or otherwise. Any enforcement of the guarantees after bankruptcy or an insolvency event in such other jurisdictions will be subject to the insolvency laws of the relevant entity's jurisdiction of organization or other jurisdictions. The insolvency and other laws of each of these jurisdictions may be materially different from, or in conflict with, each other, including in the areas of rights of secured and other creditors, the ability to void preferential transfer, priority of governmental and other creditors, ability to obtain post-petition interest and duration of the proceeding. The application of these laws, or any conflict among them, could call into question whether any particular jurisdiction's laws should apply, adversely affect a Noteholder's ability to enforce its rights under the guarantees in these jurisdictions and limit any amounts that such Noteholder may receive.

Enforcing your rights as a holder of the Notes or under the guarantees across multiple jurisdictions may be difficult.

The Notes will be issued by a Dutch entity and will be guaranteed by certain of our subsidiaries which are organized under the laws of the Netherlands, France, Germany, the United States (including states thereof) or Switzerland. In the event of bankruptcy, insolvency or a similar event, proceedings could be initiated in any of these jurisdictions or in the jurisdiction of incorporation or organization of a future guarantor. Your rights under the Notes and the guarantees will therefore be subject to the laws of multiple jurisdictions, and you may not be able to enforce effectively your rights in multiple bankruptcy, insolvency and other similar proceedings. Moreover, such multi-jurisdictional proceedings are typically complex and costly for creditors and often result in substantial uncertainty and delay in the enforcement of creditors' rights. In addition, the bankruptcy, insolvency, foreign exchange, administration and other laws of the various jurisdictions may be materially different from or in conflict with one another and those of the United States, including in respect of creditor's rights, priority of creditors, the ability to obtain post-petition interest and the duration of the insolvency proceeding. The consequences of the multiple jurisdictions involved could trigger disputes over which jurisdiction's law should apply, which could adversely affect your ability to enforce your rights and to collect payment in full under the Notes and the guarantees.

You may be unable to enforce judgments obtained in the United States and foreign courts against us, certain of the guarantors or our or their respective directors and executive officers.

Certain of our directors and executive officers and certain of the guarantors as well as the Issuer are, and will continue to be, non-residents of the United States, and most of the assets of these companies are located outside of the United States. As a consequence, you may not be able to effect service of process on the Issuer and guarantors located outside the United States or the non-United States resident directors and officers in the United States or to enforce judgments of United States courts in any civil liabilities proceedings under the U.S. federal securities laws. Moreover, any judgment obtained in the United States against the non-resident directors, the executive officers, the Issuer or such guarantors, including judgments with respect to the payment of principal, premium, if any, and interest on the Notes, may not be collectible in the United States. There is also uncertainty about the enforceability in the courts of certain jurisdictions, including judgments obtained in the United States against certain of the guarantors, whether or not predicated upon the federal securities laws of the United States. See "*Enforcements of Judgments*."

Because each guarantor's liability under its guarantee may be reduced to zero or avoided or released under certain circumstances, you may not receive any payments from some or all of the guarantors.

The Notes will be guaranteed by certain of our subsidiaries, including certain subsidiaries which are incorporated under the laws of France, Germany and Switzerland. However, each guarantee will be limited to an amount not to exceed the maximum amount that can be guaranteed by the applicable guarantor without (i) rendering the guarantee, as it relates to such guarantor, voidable under applicable law relating to limitations on guarantees, including fraudulent conveyance or fraudulent transfer or similar laws affecting the rights of creditors generally or (ii) resulting in any breach of corporate benefit, financial assistance, fraudulent preference, thin capitalization laws, retention of title claims, capital maintenance rules, general statutory limitations, or the laws or regulations (or analogous restrictions) of any applicable jurisdiction or any similar principles which may limit the ability of a guarantor to provide a guarantee or may require that the guarantee be limited by an amount or scope or otherwise or would, without corresponding limitations, result in a breach of law by a guarantor or its management (see "*—Limitations on Validity and Enforceability of the Guarantees and Certain Insolvency Law Considerations*").

Specifically, the obligations and liabilities of any French Guarantor (as defined below), any German Guarantor (as defined below) and any Swiss Guarantor (as defined below) and the calling upon of each such guarantee are subject to limitations and defenses applicable to guarantees under the laws of France, Germany and Switzerland, as applicable. These limitations and defenses include the applicable limitations and defenses described in the paragraph above, as such may be interpreted by French, German or Swiss courts. In particular, enforcement of the guarantee granted by any of the German Guarantors will be limited if, and to the extent, granting of or payments under the guarantee would cause the amount of such German Guarantor's net assets (i.e., assets minus liabilities and liability reserves) to fall below the amount of its registered share capital. In such event, the German Guarantor will be entitled to block enforcement of the guarantee in full or in part, as the case may be, and any payments received under the guarantee in violation thereof must be refunded to such German Guarantor. In addition, enforcement of the guarantee granted by the Swiss Guarantor will be limited to the amount of the Swiss Guarantor's freely distributable equity capital. The guarantee provided by the Swiss Guarantor could be held invalid or could even be considered null and void to the extent such amount is exceeded. Hence, the guarantee by the Swiss Guarantor will be limited accordingly by its terms. Further, the guarantee by the Swiss Guarantor is subject to certain corporate law procedures being complied with.

As a result, a guarantor's liability under a guarantee could be reduced to zero depending on, among other things, the amount of other obligations of such entity and/or the amounts of freely distributable assets (capitalization). Further, under certain circumstances, a court under applicable fraudulent conveyance and transfer statutes or other applicable laws could void the obligations under a guarantee, or subordinate the guarantee to other obligations of the guarantor. See "—*Fraudulent transfer laws, and similar laws in applicable foreign jurisdictions, may permit a court to void (or declare unenforceable) the Notes or the related guarantees and, if that occurs, you may not receive any payments on the Notes*" and "*Limitations on Validity and Enforceability of the Guarantees and Certain Insolvency Law Considerations*." As a result, an entity's liability under its guarantee could be materially reduced or eliminated depending upon the amounts of its other obligations, its capitalization and upon applicable laws. In particular, in certain jurisdictions, a guarantee granted by a company that is not in the company's corporate interests or where the burden of that guarantee exceeds the benefit to the company may not be valid and enforceable. It is possible that a creditor of an entity or the insolvency administrator in the case of an insolvency of an entity may contest the validity and enforceability of the guarantee and that the applicable court may determine that the guarantee should be limited or voided.

See "*Limitations on Validity and Enforceability of the Guarantees and Certain Insolvency Law Considerations*" for a description of the insolvency laws which could limit the enforceability of the guarantees.

There are no prior markets for the Notes and, if markets develop, they may not be liquid.

There can be no assurance that any liquid markets for the Notes will ever develop or be maintained. The Initial Purchasers have advised us that they currently intend to make a market in the Notes following the offering, as permitted. However, the Initial Purchasers have no obligation to make a market in the Notes and they may stop at any time.

Application has been made to list the Euro Notes on the Official List of the Luxembourg Stock Exchange for trading on the Euro MTF Market. We cannot guarantee that the application for the Euro Notes to be listed and admitted to trading on the Euro MTF Market of the Luxembourg Stock Exchange will be approved as of the Issue Date or at any time thereafter, and settlement of the Euro Notes is not conditioned on obtaining this admission to trading.

Furthermore, there can be no assurance as to the liquidity of any markets that may develop for the Notes or the prices at which you will be able to sell your Notes, if at all. Future trading prices of the Notes will depend on many factors, including:

- prevailing interest rates;
- our financial condition and results of operations;
- the then-current ratings assigned to the Notes;
- the market for similar securities; and
- general economic conditions.

Any trading markets that develop would be affected by many factors independent of and in addition to the foregoing, including the time remaining to the maturity of the Notes; the outstanding amount of the Notes; and the level, direction and volatility of market interest rates generally.

The market price for the Notes (if any) may be volatile.

Historically, the market for non-investment grade debt has been subject to disruptions that have caused substantial volatility in the prices of securities similar to the Notes. The market for the Notes, if any, may be subject to similar disruptions. Any such disruptions may adversely affect the value of the Notes.

Holders of the Notes will not be entitled to registration rights, and we will not register the Notes under U.S. federal or state securities laws. There are restrictions on your ability to transfer or resell the Notes.

The Notes are being offered and sold pursuant to an exemption from registration under the Securities Act and applicable state securities laws, and we will not register the Notes. The holders of the Notes will not be entitled to require us to register the Notes for resale or otherwise. Therefore, you may transfer or resell the Notes in the United States only in a transaction registered under or exempt from the registration requirements of the Securities Act and applicable state securities laws, and you may be required to bear the risk of your investment for an indefinite period of time. See "*Transfer Restrictions*."

The ratings of the Notes may change after the issuance of the Notes and those changes may have an adverse effect on the market prices and liquidity of the Notes.

Credit ratings that the Notes may receive will not address all material risks relating to an investment in the Notes, but reflect only the view of each rating agency at the time the rating is issued. There is no assurance that any such credit ratings will remain in effect for any given period of time or that such ratings will not be lowered, suspended or withdrawn entirely by the rating agencies, if, in each rating agency's judgment, circumstances so warrant. A downgrade or potential downgrade in these ratings or the assignment of new ratings that are lower than existing ratings could reduce the number of potential investors of the Notes and adversely affect the prices and liquidity of the Notes. A security rating is not a recommendation to buy, sell or hold the Notes.

Certain restrictive covenants in the indentures governing the Notes, and the requirement to make an offer to repurchase the Notes upon certain changes of control, will be suspended if the Notes achieve investment grade ratings.

Most of the restrictive covenants in the indentures governing the Notes will not apply for so long as the Notes achieve investment grade ratings from Moody's Investors Service, Inc. and Standard & Poor's Rating Services and no default or event of default has occurred. If these restrictive covenants cease to apply, we may take actions, such as incurring additional debt, undergoing a change of control transaction or making certain dividends or distributions that would otherwise be prohibited under, or would otherwise require a prepayment offer to noteholders under, the indentures governing the Notes. Ratings are given by these rating agencies based upon analyses that include many subjective factors. We cannot assure you that the Notes will (or will not) achieve investment grade ratings, nor can we assure you that investment grade ratings, if granted, will reflect all of the factors that would be important to holders of the Notes.

We may not have sufficient funds to repurchase the Notes upon a Change of Control and certain strategic transactions may not constitute a Change of Control.

The occurrence of a Change of Control (as defined in "*Description of the Notes— Change of Control*") will require us to offer to repurchase the Notes at a purchase price equal to 101% of the aggregate principal amount of Notes repurchased, plus accrued and unpaid interest on the Notes to the date of repurchase. It is possible that we will not have sufficient funds upon a Change of Control to make the required repurchase of the Notes and any failure to do so could result in cross defaults under our other debt agreements. In addition, some of our debt agreements or other similar agreements to which we may become a party may contain restrictions on our ability to purchase the Notes, regardless of the occurrence of a Change of Control.

We frequently evaluate and may in the future enter into strategic transactions. Any such transaction could happen at any time, could be material to our business and could take any number of forms, including, for example, an acquisition, merger or sale of assets. In the future, we could enter into certain other transactions that, although material, would not result in a Change of Control and, therefore, would not require us to make an offer to repurchase the Notes. Such transactions could significantly increase the amount of our indebtedness outstanding at such time or otherwise affect our capital structure or credit ratings.

Holders of the Notes may not be able to determine when a change of control giving rise to their right to have the Notes repurchased has occurred following a sale of "substantially all" of our assets.

The definition of change of control in the indentures that will govern the Notes includes a phrase relating to the sale of "all or substantially all" of our assets. There is no precise established definition of the phrase "substantially all" under applicable law. Accordingly, the ability of a holder of Notes to require us to repurchase its Notes as a result of a sale of less than all our assets to another person may be uncertain.

We may be required to obtain a banking license in the Netherlands as a result of issuing the Notes, which could have a material adverse effect on us.

Following recently promulgated regulation in the EU, there is uncertainty regarding how certain key definitions in the regulation will be defined, and, if such provisions are not defined in a manner that is consistent with current Dutch national guidance on which we rely, we could be categorized as a "*credit institution*," which would require us to obtain a banking license in the Netherlands.

Under the Council Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms, which amended Regulation (EU) No 648/2012 (the CRR), which took effect on January 1, 2014, the Company could be categorized as a credit institution as a consequence of issuing the Notes if it is deemed to be "an undertaking the business of which is to receive deposits or other repayable funds from the public and to grant credits for its own account."

There is limited official guidance at the EU level as to the key elements of the definition of "credit institution", such as the concepts of the "*repayable funds*" and "*the public*." The Netherlands government has indicated that, as long as there is no guidance at the EU level, it is to be expected that the current Dutch national interpretation of these key elements may continue to be taken into account for the interpretation of what constitutes a credit institution. We rely, inter alia, on this national guidance to reach the conclusion that a requirement to obtain a banking license is not triggered by notes issued in denominations which equal or are greater than the equivalent in U.S. dollars of €100,000.

If European guidance is published on what constitutes "*the public*" in relation to this regulation, and such guidance does not provide that the holder of a note of $250,000 or €100,000 respectively, such as is the case with notes offered hereby, is excluded from being considered part of "*the public*" in this sense and the current national interpretation of these concepts is not considered to be “grandfathered” into such definition, we may be required to obtain a banking license. If we are required to obtain a banking license, it could have a material adverse effect on us.

USE OF PROCEEDS

We intend to use the net proceeds from this offering to repay amounts outstanding under the Term Loan, including related transaction fees and expenses and prepayment premium thereon. The U.S. Dollar portion of the Term Loan accrued interest at Libor (subject to a floor of 1.25% per annum) plus a margin of 4.75% per annum. The Euro portion of the Term Loan accrued interest at Euribor (subject to a floor of 1.25% per annum) plus a margin of 5.25% per annum. If not repaid, the Term Loan would mature in March 2020. Affiliates of certain of the Initial Purchasers are lenders under our Term Loan and, therefore, will receive a portion of the net proceeds from this offering. See "*Plan of Distribution.*" We will use the remaining net proceeds for general corporate purposes.

The following table sets forth the estimated sources and uses of the proceeds of the Notes offered hereby:

Sources	(in millions)		Uses	(in millions)	
Euro Notes offered hereby…………...................	€	300	Repayment of Term Loan	€	333
U.S. Dollar Notes offered hereby ………..........		290	Prepayment premium		6
			Transaction fees and expenses		12
			Cash to balance sheet		239
Total……………………………… ……………	€	590	Total……………………………………………	€	590

CAPITALIZATION

The following table sets forth our cash and cash equivalents and our capitalization as of December 31, 2013 on (i) an historical basis and (ii) on an as-adjusted basis giving effect to the Transactions:

This table should be read in conjunction with "*Use of Proceeds*," "*Selected Financial Information*," "*Management's Discussion and Analysis of Financial Condition and Results of Operations*," and the consolidated financial statements and the related notes thereto, which appear elsewhere in this offering memorandum. Applicable exchange rates are as of December 31, 2013 of €1 to $1.3791.

	Historical December 31, 2013	Pro Forma December 31, 2013
	(€ in millions) (unaudited)	(€ in millions) (unaudited)
Cash and cash equivalents(1)	233	472
Cash pledged for issuance of guarantees	9	9
U.S. Revolving Credit Facility	18	18
Term Loan due March 2020(2)	333	—
Issuance costs relating to the Term Loan due March 2020	(9)	—
Other borrowings(3)	6	6
New €120 million unsecured revolving credit facility		—
New senior unsecured debt(4)		590
Issuance costs relating to the New senior unsecured debt		(12)
Cross currency interest swap(5)	26	26
Total borrowings	374	628
Share capital	2	2
Share premium	162	162
Retained deficit and other reserves	(132)	(132)
Total equity	32	32
Total capitalization(6)	406	660

(1) Cash and cash equivalents include cash in hand and in bank accounts, short-term deposits held on call with banks and highly liquid investments, which are readily convertible into cash, less bank overdrafts repayable on demand if there is a right of offset. Pro forma amount reflect the proceeds of this offering, net of estimated transaction cost of €12 million and the repayment of the principal.
(2) Includes €2 million of current borrowings.
(3) Represents other miscellaneous borrowings.
(4) Represent the principal amount of the Notes offered hereby.
(5) Represents the fair value of cross currency interest swaps entered into as a hedge of the U.S. dollar portion of Term Loan due March 2020.
(6) Total capitalization is total borrowings and total equity.

As of December 31, 2013, €348 million of our borrowings are secured and guaranteed.

SELECTED FINANCIAL INFORMATION

On January 4, 2011, Omega Holdco B.V., which later changed its name to Constellium Holdco B.V., and then again to Constellium N.V. acquired the AEP Business from affiliates of Rio Tinto.

The selected historical financial information as of and for the years ended December 31, 2011, 2012 and 2013 has been derived from the audited consolidated financial statements included elsewhere in this offering memorandum.

Management Adjusted EBITDA and Adjusted EBITDA are defined and discussed in footnotes (6) and (7) to the "*Summary Consolidated Historical Financial Data*." *Management Adjusted EBITDA is defined and discussed in* "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Key Performance Indicators*." Adjusted EBITDA is defined and discussed in "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Covenant Compliance and Financial Ratios*."

The audited consolidated financial statements included elsewhere in this offering memorandum have been prepared according to the International Financial Reporting Standards, or IFRS, as issued by the International Accounting Standards Board, or IASB, and as endorsed by EU.

Effective January 1, 2013, we have adopted IAS 19 "Employee Benefits" (revised) (IAS 19) in our audited consolidated financial statements as of and for the year ended December 31, 2013 and in accordance with transition rules in IAS 19 we have retrospectively applied this standard to the two years ending December 31, 2012 and 2011.

	As of and for the year ended December 31,		
	2011(1)	2012(1)	2013
	(€ in millions other than per ton data)		
Statement of income data:			
Revenue	3,556	3,610	3,495
Gross profit	317	474	471
Operating profit/(loss)	(63)	263	209
Profit/(loss) for the period—continuing operations	(170)	149	96
Profit/(loss) for the period	(178)	141	100
Balance sheet data:			
Cash and cash equivalents	113	142	233
Total debt	214	158	348
Total liabilities	1,725	1,668	1,728
Total assets	1,612	1,631	1,764
Share capital	—	—	2
Other operational and financial data (unaudited):			
Net trade working capital(2)	381	289	222
Capital expenditure	97	126	144
Volumes (in kt)	1,058	1,033	1,025
Net Debt(3)	91	17	132
Interest expense(4)	(31)	(39)	(53)
Adjusted EBITDA(5)	156	223	280
Adjusted EBITDA per ton (€ per ton)(5)	147	216	273

(1) Comparative financial statements have been restated following the application of IAS 19 revised. The impacts of the restatements are disclosed in "*NOTE 32 — Implementation of IAS 19 Revised*" of the audited consolidated financial statements included elsewhere in this offering memorandum.

(2) Net trade working capital represents total inventories plus trade receivables less trade payables.

(3) Net Debt represents total borrowings plus the fair value of cross currency interest rate swaps less cash and cash equivalents and cash pledged for issuance of guarantees.

(4) Interest expense includes interest related to the Term Loan and the U.S. Revolving Credit Facility and interest and amortization of deferred financing costs related to the trade accounts receivable factoring programs. See Note 14—Trade Receivables and Other, Note 17—Borrowings and Note 10—Finance Costs—Net, in each case in the notes to the audited financial statements included elsewhere in this offering memorandum.

(5) The following table reconciles our profit or loss for the period from continuing operations to our Management Adjusted EBITDA for the years presented:

	For the year ended December 31,		
	2011	2012	2013
		(€ in millions)	
Profit/(loss) for the period from continuing operations	**(170)**	**149**	**96**
Finance costs—net	39	60	50
Income tax	(34)	46	39
Share of profit from joint ventures	—	5	(3)
Depreciation and amortization	2	11	32
Impairment charges	—	3	—
Expenses related to the Acquisition and separation(a)	102	3	—
Restructuring costs(b)	20	25	8
Unrealized losses on derivatives at fair value and exchange gains from the remeasurement of monetary assets and liabilities	140	(60)	(14)
Swiss pension plan settlement(c)	—	8	—
Ravenswood benefit plan amendment(d)	—	(58)	(11)
Ravenswood CBA renegotiation(e)	—	7	—
Net losses on disposals(f)	—	—	5
Other(g)	—	—	27
Management Adjusted EBITDA	**99**	**199**	**229**

(a) Represents expenses related to the Acquisition and separation of the Company from its previous owners.
(b) Restructuring costs represent one-time termination benefits or severance, plus contract termination costs, primarily related to equipment and facility lease obligations.
(c) Represents a loss generated by a settlement on withdrawal from the foundation that administered its employee benefit plan in Switzerland of €8 million.
(d) Represents a €58 million gain due to several amendments of our Ravenswood plan in 2012 and a gain of €11 million related to our amendment to our Ravenswood benefit plan in the year ended December 31, 2013.
(e) Represents non-recurring professional fees, including legal fees and bonuses in relation to the successful renegotiation of the 5-year collective bargaining agreement at our Ravenswood manufacturing site in September 2012.
(f) Represents losses on disposal of our plants in Ham and Saint Florentin, France which were completed on May 31, 2013 and other European assets.
(g) Represents costs incurred in connection with our IPO, amounting to €24 million of which €16 million is a fee paid to Apollo to terminate the management agreement upon consummation of the IPO, and with our secondary public offerings, amounting to €3 million.

The following table reconciles our Management Adjusted EBITDA to our Adjusted EBITDA for the years presented:

	For the year ended December 31,		
	2011	2012	2013
		(€ in millions)	
Management Adjusted EBITDA	**99**	**199**	**229**
Favorable / (unfavorable) metal price lag(a)	12	16	29
Transition and start-up costs(b)	21	—	—
Effects of Purchase Accounting adjustment(c)	12	—	—
Apollo management fee(d)	1	3	2
Exceptional employee bonuses in relation to cost savings and turnaround plans(e)	2	2	
Other(f)	9	3	20
Adjusted EBITDA	**156**	**223**	**280**

(a) Represents the financial impact of the timing difference between when aluminum prices included within our revenues are established and when aluminum purchase prices included in our cost of sales are established. We account for inventory using a weighted average price basis and this adjustment is to remove the effect of volatility in LME prices. This lag will, generally, increase our earnings and Adjusted EBITDA in times of rising primary aluminum prices and decrease our earnings and Adjusted EBITDA in times of declining primary aluminum prices. The calculation of our metal price lag adjustment is based on an internal standardized methodology calculated at each of our manufacturing sites and is calculated as the average value of product recorded in inventory, which approximates the spot price in the market, less the average value transferred out of inventory, which is the weighted average of the metal element of our cost of goods sold, by the quantity sold in the period.
(b) Represents exceptional external consultancy costs related to the implementation of our cost savings program and set up of our IT infrastructure in 2011.
(c) Represents the non-cash step up in inventory costs on the Acquisition of €12 million.
(d) Represents the Apollo management fee, payable annually post-Acquisition, which is equal to the greater of $2 million per annum or 1% of our Adjusted EBITDA measure before such fees, as defined in the Pre-IPO Shareholders Agreement, plus related expenses.
(e) Represents one-off bonuses under a two-year plan, paid to selected employees in relation to the achievement of cost savings targets and the costs of a bonus plan in relation to the turnaround program at our Ravenswood site.
(f) Other adjustments are as follows: (i) in 2011, includes €8 million of losses on metal purchases were attributable to the initial invoicing in U.S. dollars instead of euros by a metal supplier at inception of the contract. All invoices are now received and paid in euros. As this U.S. dollar-to-euro exposure from January through November 2011 was not effectively hedged, we consider this to be an exceptional loss and not part of our underlying trading; (ii) in 2012, the exceptional costs incurred in respect of our IPO efforts; and (iii) in the year ended December 31, 2013, incremental costs relating to our transition from a private to a public company for €9 million (including costs incurred in connection with the amendment of our management equity

program following our IPO), start-up costs relating to new sites and business development initiatives for €7 million, scoping costs on the sale of existing sites for €2 million and other adjustments for €2 million.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis, or MD&A, is based principally on our audited consolidated financial statements as of and for the years ended December 31, 2011, 2012 and 2013 which appear elsewhere in this offering memorandum. The following discussion is to be read in conjunction with "Selected Financial Information," "Business" and our audited consolidated financial statements and the notes thereto, which appear elsewhere in this offering memorandum.

The following discussion and analysis includes forward-looking statements. These forward-looking statements are subject to risks, uncertainties and other factors that could cause our actual results to differ materially from those expressed or implied by our forward-looking statements. Factors that could cause or contribute to these differences include, but are not limited to, those discussed below and elsewhere in this offering memorandum. See in particular "Important Information and Cautionary Statement Regarding Forward-Looking Statements" and "Risk Factors."

Introduction

The following MD&A is provided to supplement the audited consolidated financial statements and the related notes included elsewhere in this offering memorandum to help provide an understanding of our financial condition, changes in financial condition and results of our operations. The MD&A is organized as follows:

- *Company Overview.* This section provides a general description of our business as well as an introduction to our operating segments, and key factors influencing our financial condition and results of operations.
- *Results of Operations.* This section provides a discussion of the results of operations on a historical basis for each of our fiscal periods in the years ended December 31, 2011, 2012 and 2013.
- *Key Performance Indicators.*
- *Covenant Compliance and Financial Ratios.* This section provides a reconciliation of our Adjusted EBITDA to our net income/loss for the period.
- *Liquidity and Capital Resources.* This section provides an analysis of our cash flows for each of our fiscal years ended December 31, 2011, 2012 and 2013.
- *Contractual Obligations and Contingencies.* This section provides a discussion of our commitments as of December 31, 2013.
- *Quantitative and Qualitative Disclosures about Market Risk.* This section discusses our exposure to potential losses arising from adverse changes in interest rates and commodity prices.
- *Critical Accounting Policies, Critical Accounting Estimates and Key Judgments.* This section discusses the accounting policies and estimates that we consider to be important to our financial condition and results of operations and that require significant judgment and estimates on the part of management in their application.

Company Overview

On January 4, 2011, Omega Holdco B.V., which later changed its name to Constellium Holdco B.V., and then again to Constellium N.V., acquired the AEP Business from affiliates of Rio Tinto. At the time of completion of the Acquisition, Apollo Funds and Bpifrance acquired 51% and 10%, respectively, of Constellium Holdco B.V., and Rio Tinto retained 39%. As of the date of this offering memorandum, Bpifrance holds 12.2% of our outstanding ordinary shares, Rio Tinto holds 10 ordinary shares and the Apollo Funds no longer own any of our ordinary shares.

We are a global leader in the development, manufacture and sale of a broad range of highly engineered, value-added specialty plate, coil, sheet and extruded aluminum products to the aerospace, packaging, automotive, other transportation and industrial end-markets. Our leadership positions include a joint number one position in global aerospace plates and a number one position in European can sheet. This global leadership is supported by our well-invested facilities in Europe and the United States, as well as more than 50 years of proven manufacturing quality and innovation, a global sales network and pre-eminent R&D capabilities.

As of December 31, 2013, we have approximately 8,600 employees and 23 state-of-the-art, integrated production facilities, ten administrative and commercial sites, and one R&D center.

Our product portfolio is predominantly focused on high value-added, technologically advanced specialty products that command higher margins than less differentiated aluminum products. This portfolio serves a broad range of end-markets that exhibit attractive growth trends in future periods such as aerospace or automotive. Our technological advantage and relationship with our customers is driven by our pre-eminent R&D capabilities. We believe that our R&D

capabilities are a key attraction for our customers. Many projects are designed to support specific commercial opportunities at the request of our customers and are carried out in partnership with them.

This regular interaction and partnership with our customers also help us maintain our leading market positions. We have long-standing, established relationships with some of the largest companies in the aerospace, packaging, automotive and other transportation industries including Boeing, Airbus, Rexam, Crown, Ball and Amcor, as well as a number of leading automotive firms. The average length of our customer relationships with our top 20 customers exceeds 25 years.

Our primary metal supply is secured through long-term contracts with several upstream companies, including affiliates of Rio Tinto. In addition, a material portion of our slab and billet supply is produced in our own casthouses. This provides a cost advantage compared to our competitors.

For the years ended December 31, 2011, 2012, and 2013 we generated revenues of €3,556 million, €3,610 million and €3,495 million, respectively. For the years ended December 31, 2011, 2012 and 2013, we incurred losses from continuing operations of €170 million and generated net income from continuing operations of €149 million and €96 million, respectively. We also generated Management Adjusted EBITDA for the years ended December 31, 2011, 2012 and 2013 of €99 million, €199 million and €229 million, respectively. Please see the reconciliation in "*—Key Performance Indicators*" and also in footnote (6) to "*Summary Consolidated Historical Financial Data*."

Our Operating Segments

We serve a diverse set of customers across a broad range of end-markets with very different product needs, specifications and requirements. As a result, we have organized our business into the following three segments to better serve our customer base:

Aerospace & Transportation Segment

Our global Aerospace & Transportation segment has market leadership positions in technologically advanced aluminum and specialty materials products with wide applications across the global aerospace, defense, transportation, and industrial sectors. We offer a wide range of products including plate, sheet, extrusions and precision casting products which allows us to offer tailored solutions to our customers. We seek to differentiate our products and act as a key partner to our customers through our broad product range, advanced R&D capabilities, extensive recycling capabilities and portfolio of plants with an extensive range of capabilities across Europe and North America. In order to reinforce the competitiveness of our metal solutions, we design our processes and alloys with a view to optimizing our customers' operations and costs. This includes offering services such as customizing alloys to our customers' processing requirements, processing short lead time orders and providing vendor managed inventories or tolling arrangements. Aerospace & Transportation accounted for 34% of our revenues and 45% of Management Adjusted EBITDA for the year ended December 31, 2013.

Packaging & Automotive Rolled Products Segment

In our Packaging & Automotive Rolled Products segment, we produce and develop customized aluminum sheet and coil solutions. Approximately 58% of segment volume for the year ended December 31, 2013 was in packaging applications, which primarily include beverage and food can stock as well as closure stock and foil stock. The remaining 42% of segment volume for that period was in automotive and customized solutions, which include technologically advanced products for the automotive and industrial sectors. Our Packaging & Automotive Rolled Products segment accounted for 42% of revenues and 33% of Management Adjusted EBITDA for the year ended December 31, 2013.

Automotive Structures & Industry Segment

Our Automotive Structures & Industry segment produces (i) technologically advanced structures for the automotive industry, including crash management systems, side impact beams and cockpit carriers and (ii) soft and hard alloy extrusions and large profiles for automotive, rail, road, energy, building and industrial applications. We complement our products with a comprehensive offering of downstream technology and service activities, which include pre-machining, surface treatment, R&D and technical support services. Our Automotive Structures & Industry segment accounted for 23% of revenues and 20% of Management Adjusted EBITDA for the year ended December 31, 2013.

Discontinued Operations

At December 30, 2011, we disposed of the vast majority of our specialty chemicals and raw materials supply chain services division, AIN. As at December 31, 2012, we have ceased operations in the remaining entities, therefore abandoning them.

In the year ended December 31, 2013, we sold two of our soft alloy plants in France, Ham and Saint Florentin, which do not meet the criteria of discontinued operations in accordance with IFRS and therefore have not been classified or disclosed as such. We have excluded the revenue or shipments from these plants in some of our analysis, where indicated, to allow comparison of period-on-period production.

In the year ended December 31, 2013, the investment in Alcan Strojmetal Aluminium Forging s.r.o., previously accounted for under the equity method, was sold, generating a €3 million disposal gain.

Key Factors Influencing Constellium's Financial Condition and Results from Operations

The Aluminum Industry

We participate in select segments of the aluminum semi-fabricated products industry, including rolled and extruded products. Aluminum is lightweight, has a high strength-to-weight ratio and is resistant to corrosion. It compares favorably to several alternative materials, such as steel, in these respects. Aluminum is also unique in the respect that it recycled repeatedly without any material decline in performance or quality. The recycling of aluminum delivers energy and capital investment savings relative to the cost of producing both primary aluminum and many other competing materials. Due to these qualities, the penetration of aluminum into a wide variety of applications continues to increase. We believe that long-term growth in aluminum consumption generally, and demand for those products we produce specifically, will be supported by factors that include growing populations, continued urbanization in emerging markets and increasing focus globally on sustainability and environmental issues. Aluminum is increasingly seen as the material of choice in a number of applications, including packaging, aerospace and automotive.

We do not mine bauxite, refine alumina, or smelt primary aluminum as part of our business. Our industry is cyclical and is affected by global economic conditions, industry competition and product development.

The financial performance of our operations is dependent on several factors, the most critical of which are as follows:

Volumes

The profitability of our businesses is determined, in part, by the volume of tons invoiced and processed. Increased production volumes will result in lower per unit costs, while higher invoiced volumes will result in additional revenues and associated margins.

Price and Margin

For all contracts, we continuously seek to eliminate the impact of aluminum price fluctuations in order to protect our net income and cash flows against the LME price variations of aluminum that we buy and sell, with the following methods:

- In cases where we are able to align the price and quantity of physical aluminum purchases with that of physical aluminum sales, we do not need to employ derivative instruments to further mitigate our exposure, regardless of whether the LME portion of the price is fixed or floating.
- However, when we are unable to align the price and quantity of physical aluminum purchases with that of physical aluminum sales, we enter into derivative financial instruments to pass through the exposure to financial institutions at the time the price is set.
- For a small portion of our volumes, the aluminum is owned by our customers and we bear no aluminum price risk.

We do not apply hedge accounting and therefore any mark-to-market movements are recognized in the "*other gains/(losses)—net*." Our risk management practices aim to reduce, but do not eliminate, our exposure to changing primary aluminum prices and, while we have limited our exposure to unfavorable price changes, we have also limited our ability to benefit from favorable price changes.

In addition, our operations require that a significant amount of inventory be kept on hand to meet future production requirements. The value of the base level of inventory is also susceptible to changing primary aluminum prices. In order to reduce these exposures, we focus on reducing inventory levels and offsetting future physical purchases and sales.

We refer to the timing difference between the price of primary aluminum included in our revenues and the price of aluminum impacting our cost of sales as "metal price lag."

Also included in our results is the impact of differences between changes in the prices of primary and scrap aluminum. As we price our product using the prevailing price of primary aluminum but purchase large amounts of scrap aluminum to produce our products, we benefit when primary aluminum price increases exceed scrap price increases. Conversely, when scrap price increases exceed primary aluminum price increases, our results will be negatively impacted. The difference between the price of primary aluminum and scrap prices is referred to as the “scrap spread” and is impacted by the effectiveness of our scrap purchasing activities, the supply of scrap available and movements in the terminal commodity markets.

Seasonality

Customer demand in the aluminum industry is cyclical due to a variety of factors, including holiday seasons, weather conditions, economic and other factors beyond our control. Our volumes are impacted by the timing of the holiday seasons in particular, with August and December typically being the lowest months and January to June being the strongest months. Our business is also impacted by seasonal slowdowns and upturns in certain of our customers’ industries. Historically, the can industry is strongest in the spring and summer seasons, whereas the automotive and construction sectors encounter slowdowns in both the third and fourth quarters of the calendar year. In response to this seasonality, we seek to scale back and may even temporarily close some operations to reduce our operating costs during these periods.

Economic Conditions, Markets and Competition

We are directly affected by the economic conditions which impact our customers and the markets in which they operate. General economic conditions in the geographic regions in which our customers operate—such as the level of disposable income, the level of inflation, the rate of economic growth, the rate of unemployment, exchange rates and currency devaluation or revaluation—influence consumer confidence and consumer purchasing power. These factors, in turn, influence the demand for our products in terms of total volumes and the price that can be charged. In some cases we are able to mitigate the risk of a downturn in our customers’ businesses by building committed minimum volume thresholds into our commercial contracts. We further seek to mitigate the risk of a downturn by utilizing a temporary workforce for certain operations, which allows us to match our resources with the demand for our services. We also have an “asset-light” policy and seek to purchase transportation and logistics services from third parties, to the extent possible, in order to manage our fixed costs base.

Although the metals industry and our end-markets are cyclical in nature and expose us to related risks, we believe that our portfolio is relatively resistant to these economic cycles in each of our three main end-markets (aerospace, packaging and automotive):

- We believe that the aerospace industry is currently insulated from the economic cycle through a combination of drivers sustaining its growth. These drivers include increasing passenger traffic and the replacement of the fleet fueled by the age of the planes in service and the need for more efficient planes in an environment of high oil prices. These factors have materialized in the form of historically high backlogs for the aircraft manufacturers; the combined order backlog for Boeing and Airbus currently represents approximately eight years of manufacturing at current delivery rates.
- Can packaging is a seasonal market peaking in the summer because of the increased consumption of soft drinks during the summer months. It tends not to be highly correlated to the general economic cycle and in addition, we believe European can body stock has an attractive long-term growth outlook due to ongoing trends in (i) end-market growth in beer, soft drinks and energy drinks, (ii) increasing use of cans versus glass in the beer market, (iii) increasing penetration of aluminum in can body stock at the expense of steel, and (iv) Eastern Europe consumption increase linked to purchasing power growth.
- Although the automotive industry as a whole is a cyclical industry, its demand for aluminum has been increasing in recent years. According to a study done by the research firm Frost & Sullivan, the global market in Automotive applications for aluminum is expected to more than double by 2017 from $13 billion in 2010 to $28 billion in 2017. This was due to the lightweighting requirement for new car models, which drove a positive substitution of heavier metals in favor of aluminum.

In addition to the counter-cyclicality of our key end-markets, we believe our cash flows are also largely protected from variations in LME prices due to the fact that we hedge our sales based on their replacement cost, by setting the maturity of our futures on the delivery date to our customers. As a result, when LME prices increase, we have limited additional cash requirements to finance the increased replacement cost of our inventory. Aluminum prices are determined by worldwide forces of supply and demand, and, as a result, aluminum prices are volatile. The average LME transaction price per ton of primary aluminum in 2011, 2012 and 2013 was, €1,720, €1,569 and €1,390, respectively. After high levels of volatility, LME prices reached a peak in the second quarter of 2011, before declining for the remainder of the year. Average LME aluminum prices per ton remained approximately 9% lower than the average 2011 levels and relatively constant during much of 2012. Prices continued to decline throughout 2013 with the average quarterly LME per ton in December 2013 decreasing to €1,300 per ton.

The average quarterly LME per ton using U.S. dollar prices converted to euros using the applicable European Central Bank rates are presented in the following table:

(Euros/ton)	2011	2012	2013
First Quarter	1,829	1,660	1,516
Second Quarter	1,808	1,541	1,405
Third Quarter	1,698	1,533	1,345
Fourth Quarter	1,549	1,540	1,300
Average for the year	1,720	1,569	1,390

A portion of our revenues are denominated in U.S. dollars while the majority of our costs incurred are denominated in local currencies. We engage in significant hedging activity to attempt to mitigate the effects of foreign transaction currency fluctuations on our profitability.

We mark-to-market derivatives at the period end giving rise to unrealized gains or losses which are classified as "*other gains/(losses)—net*". These unrealized gains/losses have no bearing on the underlying performance of the business and are removed when calculating Management Adjusted EBITDA and Adjusted EBITDA.

Currency

We are a global company with operations as of December 31, 2013 in France, the United States, Germany, Switzerland, the Czech Republic, Slovakia and China. As a result, our revenue and earnings have exposure to a number of currencies, primarily the U.S. dollar, the euro and the Swiss Franc. Our consolidated revenue and results of operations are affected by fluctuations in the exchange rates of the currencies of the countries in which we operate. We have implemented a strategy from mid-2011 onwards to hedge all highly probable or committed foreign currency cash flows. As we have a multiple-year sale agreement for the sale of fabricated metal products in U.S. dollars, the Company has entered into derivative contracts to forward sell U.S. dollars to match these future sales. Hedge accounting is not applied and therefore the mark-to-market impact is recorded in "*other gains/(losses)—net*."

Personnel Costs

Our operations are labor intensive and, as a result, our personnel costs represent 20% and 21% of our cost of sales, selling and administrative expenses and research and development expenses for the years ended December 31, 2013 and 2012, respectively. Personnel costs generally increase and decrease proportionately with the expansion, addition or closing of operating facilities. Personnel costs include the salaries, wages and benefits of our employees, as well as costs related to temporary labor. During our seasonal peaks and especially during summer months, we have historically increased our temporary workforce to compensate for staff on holiday and increased volume of activity.

Presentation of Financial Information

Constellium acquired the AEP Business from Rio Tinto on January 4, 2011. The financial information presented in this section is derived from our audited consolidated financial statements for the years ended December 31, 2011, 2012 and 2013.

Our consolidated financial statements have been prepared in accordance with IFRS as issued by the IASB and as endorsed by the EU. Our presentation currency is the euro.

Effective January 1, 2013, we have adopted IAS 19 "Employee Benefits" (revised) (IAS 19) in our audited consolidated financial statements as of and for the year ended December 31, 2013 and in accordance with transition rules in IAS 19, we have retrospectively applied this standard to the two years ending December 31, 2012 and 2011.

Results of Operations

Description of Key Line Items of the Historical Consolidated Statements of Income

Set forth below is a brief description of the composition of the key line items of our historical consolidated statements of income for continuing operations:

- *Revenue.* Revenue represents the income recognized from the delivery of goods to third parties, including the sale of scrap metal and tooling, less discounts, credit notes and taxes levied on sales.
- *Cost of sales.* Cost of sales include the costs of materials directly attributable to the normal operating activities of the business, including raw material and energy costs, personnel costs for those involved in production, depreciation and the maintenance of producing assets, packaging and freight on-board costs, tooling, dyes and utility costs.
- *Selling and administrative expenses.* Selling and administrative expenses include depreciation of non-producing assets, amortization, personnel costs of those personnel involved in sales and corporate functions such as finance and IT.
- *Research and development expenses.* Research and development expenses are costs in relation to bringing new products to market. Included in such expenses are personnel costs and depreciation and maintenance of assets offset by tax credits for research activities where applicable.
- *Restructuring costs.* Restructuring costs are the expenses incurred in implementing management initiatives for cost-cutting and efficiency improvements. These costs primarily relate to severance payments, pension curtailment costs and contract termination costs.
- *Other gains/(losses)—net.* Other expenses or income include unusual infrequent or non-recurring items, realized and unrealized gains or losses on derivative instruments and exchange gains or losses on remeasurements of monetary assets or liabilities.
- *Other expenses.* Other expenses mainly comprise acquisition and separation costs, which are costs incurred in relation to the acquisition by Constellium of substantially all of the entities, divisions and businesses of the AEP Business on January 4, 2011 and expenses related to our May 2013 IPO and subsequent secondary offerings.
- *Finance income or expenses.* Interest income mainly relates to interest earned on loans and deposits and lease payments received in relation to finance leases. Interest and similar expenses relate to interest and amortized set up fees charged on loans, factoring and other borrowings.
- *Share of profit in joint ventures.* A joint venture is a contractual arrangement whereby two or more parties undertake an economic activity that is subject to joint control. Results from investments in joint ventures represent Constellium's share of results of Rhenaroll S.A., a company specializing in chrome plating, grinding and repairing of rolling mills rolls and rollers and Strojmetal Kamenice which forges products for the automotive industry. The results of these joint ventures are accounted for using the equity method.
- *Income taxes.* Income tax represents the aggregate amount included in the determination of profit or loss for the year in respect of current tax and deferred tax. Current tax is the amount of income taxes payable (recoverable) in respect of the taxable profit/(loss) for a year. Deferred tax represents the amounts of income taxes payable/(recoverable) in future periods in respect of taxable (deductible) temporary differences and unused tax losses.

	For the year ended December 31,		
	2011(1)	2012(1)	2013
	(€ in millions and as a % of revenues)		
Continuing operations			
Revenue	**3,556**	**3,610**	**3,495**
Cost of sales	(3,239)	(3,136)	(3,024)
Gross profit	**317**	**474**	**471**
Selling and administrative expenses	(216)	(212)	(210)
Research and development expenses	(33)	(36)	(36)
Restructuring costs	(20)	(25)	(8)
Other gains/(losses)—net	(111)	62	(8)
Income/(Loss) from operations	**(63)**	**263**	**209**
Other expenses	(102)	(3)	(27)
Finance costs net	(39)	(60)	(50)
Share of profit/(loss) of joint ventures	—	(5)	3
Income/(Loss) before income taxes	**(204)**	**195**	**135**
Income tax	34	(46)	(39)
Net income/(Loss) from continuing operations	**(170)**	**149**	**96**
Net Income/(Loss) from discontinued operations	(8)	(8)	4
Net Income/(Loss)	**(178)**	**141**	**100**

Results of Operations for the years ended December 31, 2013 and 2012

	For the year ended December 31,			
	2012(1)		2013	
	(€ in millions and as a % of revenues)			
Continuing operations		%		%
Revenue	**3,610**	**100%**	**3,495**	**100%**
Cost of sales	(3,136)	87%	(3,024)	87%
Gross profit	**474**	**13%**	**471**	**13%**
Selling and administrative expenses	(212)	6%	(210)	6%
Research and development expenses	(36)	1%	(36)	1%
Restructuring costs	(25)	1%	(8)	—
Other gains/(losses)—net	62	2%	(8)	—
Income/(Loss) from operations	**263**	**7%**	**209**	**6%**
Other expenses	(3)	—	(27)	1%
Finance costs, net	(60)	2%	(50)	1%
Share of profits of joint ventures	(5)	—	3	—
Income/(Loss) before income taxes	**195**	**5%**	**135**	**4%**
Income tax	(46)	1%	(39)	1%
Net Income/(Loss) from continuing operations	**149**	**4%**	**96**	**3%**
Net loss from discontinued operations	(8)	—	4	—
Net Income/(Loss)	**141**	**4%**	**100**	**3%**
Shipment volumes (in kt)	1,033	n/a	1,025	n/a
Revenue per ton (€ per ton)	3,495	n/a	3,410	n/a
Gross profit margin	13%	n/a	13%	n/a

(1) Comparative financial statements have been restated following the application of IAS 19 revised. The impacts of the restatements are disclosed in "*NOTE 32 — Implementation of IAS 19 Revised*" of the audited consolidated financial statements included elsewhere in this offering memorandum.

Revenue

Revenue from continuing operations decreased by 3%, or €115 million, to €3,495 million for the year ended December 31, 2013, from €3,610 million for the year ended December 31, 2012. This decrease can be attributed to declining LME prices across all of our segments, coupled with a marginal decline in volumes shipped. The disposal of two soft alloy plants in France in May 2013 led to a 19 kt decrease in volumes shipped in our AS&I segment. Revenues per ton decreased by 2%, or €85 per ton, to €3,410 per ton, in the year ended December 31, 2013, from €3,495 per ton for the year ended December 31, 2012.

Lower LME prices in the year ended December 31, 2013 decreased our revenues by approximately €138 million after excluding the revenue generated by our two soft alloy plants sold in May 2013. In the year ended December 31, 2013, the average spot rate for LME per ton was €1,390 per ton in comparison to €1,569 per ton for the corresponding period of 2012.

After adjusting for constant LME prices, exchange rates and the divestiture of the two soft alloy plants in France, estimated revenues on a comparable basis were 4% ahead of the prior year or €3,473 million in 2013 compared to €3,330 million in 2012.

Our volumes remained stable as shipments marginally decreased by 1%, or 8 kt, to 1,025 kt for the year ended December 31, 2013, as compared to shipments of 1,033 kt for the year ended December 31, 2012. The decrease reflects higher shipment volumes in our A&T segment marginally offset by lower volumes in our P&ARP segment and the impact of the sale of Ham and Saint-Florentin, two of our soft alloy plants in France.

Our A&T segment increased production during the year ended December 31, 2013 with a 9%, or 20 kt, increase in shipment volumes as a result of increased shipments to our customers in the aerospace industry and by our new multi-year contract with Airbus. Segment revenue increased by €15 million, or 1%, however revenue per ton decreased by 7% to €4,906 per ton in the year ended December 31, 2013, from €5,278 per ton in the year ended December 31, 2012. This decrease was attributable to a less favorable sales mix in aerospace and competitive pressure in non-aerospace.

AS&I volumes and revenues were impacted by the disposal of two plants. Excluding production from our disposed soft alloy plants, our AS&I volume were stable. Segment revenue per ton for our AS&I segment increased to €4,219 per ton in the year ended December 31, 2013 from €4,180 per ton for the year ended December 31, 2012, benefiting from an increase in volumes in our Automotive Structures applications.

Our P&ARP segment volumes declined by 2%, or 11kt, and our revenues declined by €82 million, or 5%, as a result of decreasing LME prices. P&ARP's stable production, coupled with lower LME prices in 2013, has contributed to a decrease in segment revenue per ton to €2,476 per ton in the year ended December 31, 2013 from €2,566 per ton in the year ended December 31, 2012.

Our segment revenues are discussed in more detail in the "—*Key Performance Indicators*" section.

Cost of Sales and Gross Profit

Cost of sales decreased by 4%, or €112 million, to €3,024 million for the year ended December 31, 2013, from €3,136 million for the year ended December 31, 2012, in line with the lower input prices of metal. Falling LME prices contributed to a 6%, or €127 million, decrease in raw materials and consumable expenses to €1,860 million in the year ended December 31, 2013, as compared to €1,987 million in the year ended December 31, 2012.

Depreciation and impairment increased by €18 million, to €32 million for the year ended December 31, 2013, from €14 million for the year ended December 31, 2012, reflecting our level of investments.

On a per ton basis, cost of sales decreased by 3% to €2,950 per ton in the year ended December 31, 2013, from €3,036 per ton in the year ended December 31, 2012, due to lower spot prices for aluminum. Our raw materials cost per ton decreased by 6% to €1,815 per ton in 2013. The cost of energy increased by €10 million due to inflationary factors and higher taxes on energy in Germany, despite the cost saving impact of our productivity initiatives.

Gross profit remained stable at €471 million for the year ended December 31, 2013, from €474 million for the year ended December 31, 2012. Our gross profit margin remained stable at 13% of revenues in the year ended December 31, 2013 and 2012.

Our gross profit margin was impacted by our accounting for inventory under the weighted average cost method. Due to LME price movements and the timing of transfers from inventory to cost of sales this metal lag effect negatively impacted our gross profit by €29 million in the year ended December 31, 2013 compared to a negative impact of €16 million in the year ended December 31, 2012.

Selling and Administrative Expenses

Selling and administrative expenses decreased by 1%, or €2 million, to €210 million for the year ended December 31, 2013, from €212 million for the year ended December 31, 2012.

Consulting and audit fees increased by 16%, or €7 million, to €50 million for the year ended December 31, 2013, from €43 million for the year ended December 31, 2012. External consulting expenses related primarily to costs incurred in preparing for and operating as a publicly traded company.

Other selling & administrative expenses decreased by 5%, or €9 million, to €160 million for the year ended December 31, 2013, from €169 million for the year ended December 31, 2012. This decrease reflects our continuing efforts to rationalize our support functions.

Research and Development Expenses

Research and development expenses was stable at €36 million for both years ended December 31, 2013 and December 31, 2012, which reflects the continuity of our investment effort in all our segments with €25 million and €16 million expensed in A&T and P&ARP, respectively for the year ended December 31, 2013.

Restructuring Costs

Restructuring expenses decreased by 68%, or €17 million, to €8 million for the year ended December 31, 2013, from €25 million for the year ended December 31, 2012 as the restructuring initiatives have either been completed or are in their final phase.

Other (losses)/gains—Net

	Year ended December 31,	
	2012	2013
	(€ in millions)	
Realized losses on derivatives	(45)	(31)
Unrealized gains on derivatives at fair value through profit and loss—net	61	12
Unrealized exchange (losses)/gains from the remeasurement of monetary assets and liabilities— net	(1)	2
Ravenswood pension plan amendment	58	11
Swiss pension plan settlement	(8)	—
Ravenswood CBA renegotiation	(7)	—
Loss on disposal	—	(5)
Other—net	4	3
Total other (losses)/gains—net	**62**	**(8)**

Other losses—net were €8 million for the year ended December 31, 2013, compared to a gain of €62 million for the year ended December 31, 2012.

Unrealized gains on derivatives held at fair value through profit and loss decreased by €49 million to €12 million in the year ended December 31, 2013, from €61 million for the year ended December 31, 2012. Unrealized gains in the year ended December 31, 2013 included €21 million of unrealized gains on foreign exchange derivatives and €7 million of unrealized losses on LME derivatives compared to €35 million of unrealized gains on foreign exchange derivatives and €25 million of unrealized gains on LME derivatives in the year ended December 31, 2012, reflecting the volatility in LME prices and the weakening of the U.S. dollar against the euro.

Realized losses on derivatives decreased by €14 million to €31 million loss in the year ended December 31, 2013 from €45 million loss for the year ended December 31, 2012.

In the year ended December 31, 2013, we recognized an €11 million gain and in the year ended December 31, 2012, a €58 million gain associated with amendments to our Ravenswood pension plan reducing employee benefits resulting in recognition of negative past service cost. In the year ended December 31, 2012, we recognized an €8 million loss related to the transfer of our Swiss pension plans to a new foundation and adjustments of assets and employee benefits. This led to a partial liquidation and triggered a settlement.

During the third quarter of 2012, the collective bargaining agreement (CBA) regulating working conditions at Ravenswood was renegotiated and a new five-year CBA was put in place. Costs of €7 million were incurred during these renegotiations, related to professional fees including legal expenses and bonuses related to the successful resolution of this renewed 5-year agreement.

Loss on disposal in the year ended December 31, 2013 relates primarily to the disposal of our Saint Florentin and Ham plants.

Other Expenses

Other expenses were €27 million in the year ended December 31, 2013 as compared to €3 million expenses in the year ended December 31, 2012. In the year ended December 31, 2013 these expenses related to fees incurred in connection with our IPO in May 2013, amounting to €24 million, and with our secondary public offerings, amounting to €3 million.

Finance Cost-Net

Finance costs—net decreased by 17%, or €10 million, to €50 million in the year ended December 31, 2013, from €60 million for the year ended December 31, 2012.

Finance costs increased by €3 million, or 5%, to €67 million for the year ended December 31, 2013, from €64 million for the year ended December 31, 2012.

Interest expense on borrowings and factoring arrangements increased by €14 million, or 36%, to €53 million for the year ended December 31, 2013, from €39 million for the year ended December 31, 2012, due to the New Term Loan we entered into in March 2013. Our New Term Loan replaced the Original Term Loan entered into in May 2012 which in turn repaid our Shareholder Loan. In the year ended December 31, 2013, we recognized €8 million and €13 million of unamortized exit and arrangement fees, respectively, on the termination of the Original Term Loan. In the year ended December 31, 2012, we recognized €5 million of unamortized fees associated with the termination of the Shareholder Loan.

Over the period, the expenses associated with the amortization of our factoring arrangements were stable at €3 million for each of the years ended December 31, 2012 and 2013.

This increase in finance costs was offset by the decrease in realized and unrealized losses on debt derivatives at fair value which we entered into to minimize our exposure to foreign exchange rate volatility. The realized and unrealized gains and losses for the year ended December 31, 2013 was a net loss of €9 million (€4 million gain and €13 million loss, respectively), in comparison to a loss of €18 million for the year ended December 31, 2012, reflecting the changes in fair value of our cross currency interest rate swaps. We also recognized a €11 million unrealized and realized exchange gain on our foreign currency derivatives in the year ended December 31, 2013 (nil in the year ended December 31, 2012).

Income Tax

An income tax charge of €39 million was recognized for the year ended December 31, 2013, from €46 million for the year ended December 31, 2012. The effective tax rate for the year ended December 31, 2013 was 29% compared to 24% for the year ended December 31, 2012. This increase in effective tax rate reflected notably, the impact of a decrease in unrecognized deferred tax assets in fiscal year 2012, partially offset by a more favorable geographical mix in fiscal year 2013.

Net Income for the Year from Continuing Operations

Net income from continuing operations was €96 million for the year ended December 31, 2013, compared to €149 million for the year ended December 31, 2012, representing a decrease of €53 million. Gross profit margin remained stable and net income was impacted by €24 million of IPO related expenses and the €49 million decrease in unrealized gains and losses on derivatives at fair value. Our net income from continuing operations for the year ended December 31, 2012 also included a €58 million gain relating to the amendment of our Ravenswood other post-employment benefits ("OPEB") plan.

Discontinued Operations

Net income from discontinued operations of €4 million in the year ended December 31, 2013 represented the impact of the agreement reached with the buyer of our AIN business.

Losses from discontinued operations of €8 million were incurred in the year ended December 31, 2012 in respect of our AIN business and is mostly related to restructuring, separation and completion costs. All operations were ceased in 2012.

Results of Operations for the years ended December 31, 2012 and December 31, 2011

	For the year ended December 31,			
	2011		2012	
	(€ in millions and as a % of revenues)			
Continuing operations				
Revenue	**3,556**	**100%**	**3,610**	**100%**
Cost of sales	(3,239)	91%	(3,136)	87%
Gross profit	**317**	**9%**	**474**	**13%**
Selling and administrative expenses	(216)	6%	(212)	6%
Research and development expenses	(33)	1%	(36)	1%
Restructuring costs	(20)	1%	(25)	1%
Other gains/(losses)—net	(111)	3%	62	2%
Income/(Loss) from operations	**(63)**	**2%**	**263**	**7%**
Other expenses	(102)	3%	(3)	—
Finance costs, net	(39)	1%	(60)	2%
Share of profit of joint ventures	—	—	(5)	—
Income/(Loss) before income taxes	**(204)**	**6%**	**195**	**5%**
Income tax (expense)/benefit	34	1%	(46)	1%
Net Income/(Loss) for the year from continuing operations	**(170)**	**5%**	**149**	**4%**
Net loss from discontinued operations	(8)	—	(8)	—
Net Income/(Loss) for the year	**(178)**	**5%**	**141**	**4%**
Shipment volumes (in kt)	1,058	n/a	1,033	n/a
Revenue per ton (€ per ton)	3,362	n/a	3,495	n/a
Gross profit margin	9%	n/a	13%	n/a

Revenue

Revenue from continuing operations increased by 2%, or €54 million, to €3,610 million for the year ended December 31, 2012 from €3,556 million for the year ended December 31, 2011. This increase was attributed to stronger pricing as we benefited from foreign currency movements and also an advantageous product mix in our Aerospace and Packaging products. Our A&T segment performed strongly during 2012 as revenues increased by €166 million, primarily due to increased pricing as a result of foreign currency movements and higher spreads coupled with a 4% increase in shipment volumes as we encountered strong demand for aerospace products.

Our revenue growth was achieved against a background of lower LME prices in 2012. In 2012, the average spot rate for LME per ton was €1,569 per ton in comparison to €1,720 per ton in the year ended December 31, 2011.

Our volumes remained relatively stable as shipments marginally decreased by 2%, or 25 kt, to 1,033 kt for the year ended December 31, 2012 compared to shipments of 1,058 kt for the year ended December 31, 2011 resulting in a decline in revenue of €87 million. Our A&T segment performed strongly during 2012 with a 4%, or 8 kt, increase in shipment volumes as a result of increased activity in the aerospace industry whereas our other two operating segments suffered decreased volumes.

Revenues per ton increased by 4%, or €133 per ton, to €3,495 per ton in the year ended December 31, 2012 from €3,362 per ton for the year ended December 31, 2011. Our A&T segment saw revenue per ton increase by 12% to €5,278 per ton in the year ended December 31, 2012 from €4,704 per ton in the year ended December 31, 2011 as a result of improved pricing mix; new products and the strengthening of the U.S. dollar in 2012 as a significant portion of our aerospace revenues are invoiced in U.S. dollars. The average € to U.S. dollar exchange rate for the year was 1.2847 $/€ in 2012 in comparison to 1.3905 $/€ in 2011.

Our other segments encountered more challenging trading conditions with declining shipments coupled with lower LME prices in 2012. Segment revenue for our P&ARP and AS&I segments decreased by €71 million and €49 million, respectively. Our P&ARP and AS&I segment volumes decreased by 2% or 15 kt and 6% or 13 kt respectively.

Our segment revenues are discussed in more detail in the "—*Key Performance Indicators*" section.

Cost of Sales and Gross Profit

Cost of sales decreased by 3%, or €103 million, to €3,136 million for the year ended December 31, 2012 from €3,239 million for the year ended December 31, 2011. The decrease was primarily attributable to a decrease in shipment volumes of 25 kt and lower input prices of metal which led to an 8% or €174 million decrease in raw materials and consumable expenses over the period, to €1,987 million in the year ended December 31, 2012 compared to €2,161 million in the year ended December 31, 2011.

On a per ton basis, cost of sales decreased marginally by 1% to €3,036 per ton in the year ended December 31, 2012 from €3,062 per ton in the year ended December 31, 2011. This decrease was impacted by lower spot prices for aluminum, which contributed to our raw materials per ton decreasing by 6% to €1,924 per ton in 2012. These factors were offset by inflationary increases in employee remuneration across our segments.

Gross profit increased by 50%, or €157 million, to €474 million for the year ended December 31, 2012, from €317 million for the year ended December 31, 2011. Our gross profit margin increased to 13% in the year ended December 31, 2012 from 9% in the year ended December 31, 2011. Our margins were positively impacted by the strengthening of the U.S. dollar which increased our aerospace products revenues invoiced in U.S. dollars and margins where costs of goods sold were incurred primarily in euros and the overall impact of all our cost reduction initiatives which contributed to decreased maintenance costs. Our gross profit margin was negatively impacted by our accounting for inventory under the weighted average cost method. Due to LME price movements and the timing of transfers from inventory to cost of sales this decreased our gross profit by €16 million compared to a negative impact of €12 million in December 31, 2011.

Selling and Administrative Expenses

Selling and administrative expenses remained relatively stable with a decrease of 2%, or €4 million, to €212 million for the year ended December 31, 2012 from €216 million for the year ended December 31, 2011.

External consulting expenses decreased by 20%, or €11 million, to €43 million for the year ended December 31, 2012 from €54 million for the year ended December 31, 2011. External consulting expenses in the year ended December 31, 2012 related primarily to corporate tax and accounting advice, IT and other support related services and our pre-IPO costs of €4 million. In the year ended December 31, 2011, we incurred non-recurring consulting costs of €21 million related to the establishment of head office, IT and treasury functions which are fully operational in 2012.

The decrease in external consulting expenses was offset by an inflationary increase in labor costs which were in part due to increased bonuses linked to the success of our cost reduction initiatives.

Research and Development Expenses

Research and development expenses increased by 9%, or €3 million, to €36 million for the year ended December 31, 2012 from €33 million for the year ended December 31, 2011 as we continued to develop and expand our AIRWARE® offering.

Research and development expenses in the year ended December 31, 2012 were primarily incurred in our A&T segment of which €24 million was in relation to further development of our AIRWARE® product. Our P&ARP segment incurred €12 million across a number of various development projects which are ongoing and our AS&I segment reduced its research and development spend by €2 million as part of its cost efficiency program.

Research and development expenses in the year ended December 31, 2011 related to various projects, primarily in the A&T segment of €13 million and the P&ARP segment of €11 million.

Restructuring Costs

Restructuring expenses increased by 25%, or €5 million, to €25 million for the year ended December 31, 2012 from €20 million for the year ended December 31, 2011. Our expenses in the year ended December 31, 2012 were due to initiatives at our sites, primarily in Sierre, Switzerland, where we incurred €7 million during the period, as well as restructuring in other sites and at our corporate support services location in Paris.

The 2011 costs were related to restructuring programs put in place at our Ham and Singen facilities amounting to €14 million and €3 million respectively and at the corporate level amounting to €3 million.

Other Gains/(Losses)—Net

	Year ended December 31, 2011	Year ended December 31, 2012
	(€ in millions)	
Realized gains/(losses) on derivatives	31	(45)
Unrealized gains/(losses) on derivatives at fair value through profit and loss—net	(144)	61
Unrealized exchange (losses)/gains from the remeasurement of monetary assets and liabilities—net	4	(1)
Ravenswood pension plan amendment	—	58
Swiss pension plan settlement	—	(8)
Ravenswood CBA negotiation	—	(7)
Other—net	(2)	4
Total other gains/(losses)—net	**(111)**	**62**

Other gains (net) were €62 million for the year ended December 31, 2012, compared to other losses (net) of €111 million for the year ended December 31, 2011.

Unrealized gains on derivatives held at fair value through profit and loss in the year ended December 31, 2012 was €61 million compared to €144 million of unrealized losses for the year ended December 31, 2011, which is made up of unrealized losses or gains on derivatives entered into with the purpose of mitigating exposure to volatility in foreign currency and LME prices.

In the year ended December 31, 2011, the impact of our hedging strategy in relation to foreign currency led to unrealized losses on derivatives of €59 million which related primarily to the exposure on the multiple year sale agreement for fabricated products in U.S. dollars by a euro functional subsidiary of the group. In the year ended December 31, 2012 the impact of these derivatives was an unrealized gain of €35 million as the U.S. dollar weakened against the euro in the second half of 2012.

In the year ended December 31, 2011, €86 million of unrealized losses were recorded in relation to LME futures entered into to minimize the exposure to LME price volatility. A steep decline in LME prices of aluminum led to unrealized losses with the revaluation of the underlying transaction continuing to be off balance sheet as the sales had not yet been invoiced and recognized as revenue. In the year ended December 31, 2012 this resulted in an unrealized gain of €25 million. Hedges which had a significant negative mark-to-market at year end 2011 expired and offset the underlying commercial transactions during 2012. Further, the aluminum market traded sideways during 2012 and the mark-to-market at year end of derivatives related to aluminum hedging was close to zero.

In the year ended December 31, 2012, we also recognized a €58 million gain and an €8 million loss associated with changes in pension plans at Ravenswood and in Switzerland. The gain at Ravenswood was a result of certain plan amendments altering employee benefits resulting in recognition of negative past service cost. The loss in Switzerland resulted from the transfer of the pension plans to a new foundation and adjustments of assets and employee benefits.

During the third quarter of 2012, the collective bargaining agreement (“CBA”) regulating working conditions at Ravenswood was renegotiated and a new five-year CBA was put in place. Costs of €7 million were incurred during these renegotiations related to professional fees including legal expenses and bonuses related to the successful resolution of this renewed 5-year agreement.

Other Expenses

In the year ended December 31, 2012, we recorded non-recurring acquisition costs of €3 million incurred at the beginning of 2012 in relation to the ongoing separation. In the year ended December 31, 2011, these costs amounted to €102 million in relation to the costs of the transaction itself as well as costs of separation.

Finance Cost–Net

Finance costs–net increased by 54%, or €21 million, to €60 million in the year ended December 31, 2012, from €39 million for the year ended December 31, 2011.

The increase in finance costs–net can be attributed to the Original Term Loan which we entered into in May 2012. Our interest payable on borrowings and factoring arrangements increased by 26% or €8 million to €39 million for the year ended December 31, 2012 from €31 million in the year ended December 31, 2011, as we incurred €7 million of arrangement fees in respect of the Original Term Loan and U.S. Revolving Credit Facility.

The Original Term Loan had a variable interest rate and we entered into a cross currency interest rate swap to minimize our exposure to foreign exchange rate volatility on the US Dollar portion of our Term Loan. The realized and unrealized loss related to the cross currency interest rate swap on the Original Term Loan amounted to €18 million for the year ended December 31, 2012.

Income Tax

An income tax charge of €46 million was recognized for the year ended December 31, 2012, from an income tax benefit of €34 million for the year ended December 31, 2011. The effective rate of tax for the year ended December 31, 2012 was a 24% charge compared to a 17% benefit for the year ended December 31, 2011. In 2011 non-recurring Acquisition costs were considered nondeductible in some jurisdictions and deferred tax assets in 2011 were not recognized as it was determined to be more likely than not that sufficient future taxable profits would be generated in certain countries to allow the utilization of these tax losses or deferred tax assets.

Net Income/(Loss) for the Year from Continuing Operations

Net income for the year from continuing operations was €149 million for the year ended December 31, 2012, compared to a loss of €170 million for the year ended December 31, 2011. This was driven by an increase in gross profit and gross profit margin as a result of increased spreads, better product mix and a reduced cost base, as well as other gains. These were partially offset by higher finance costs associated with the 2012 refinancing.

Discontinued Operations

Losses from discontinued operations of €8 million were incurred in both years ended December 31, 2012 and 2011. The loss was attributable to restructuring, separation and completion costs.

Segment Revenue

The following table sets forth the revenues for our operating segments for the periods presented:

	For the year ended December 31,					
	2011		2012		2013	
	(€ in millions and as a % of revenue)					
A&T	1,016	28%	1,182	33%	1,197	34%
P&ARP	1,625	46%	1,554	43%	1,472	42%
AS&I	910	26%	861	24%	805	23%
Holdings and Corporate	5	—	13	—	21	1%
Total revenues from continuing operations	**3,556**	**100%**	**3,610**	**100%**	**3,495**	**100%**

A&T. Revenues in our A&T segment increased by 1%, or €15 million, to €1,197 million for the year ended December 31, 2013 compared to €1,182 million for the year ended December 31, 2012. Our volumes increased by 9%, or 20 kt, to 244 kt for the year ended December 31, 2013 from 224 kt for the year ended December 31, 2012. Revenues were negatively affected by lower LME prices, a less favorable sales mix in aerospace and competitive pressure in our non-aerospace applications.

Revenues in our A&T segment increased by 16%, or €166 million, to €1,182 million for the year ended December 31, 2012 compared to €1,016 million for the year ended December 31, 2011. Our volumes increased by 4%, or 8 kt, to 224 kt for the year ended December 31, 2012 from 216 kt for the year ended December 31, 2011. Our volume increases were attributable to increased aerospace demand for products produced at our Ravenswood facility and achievable due to our increased capacity following the operational turnaround of the facility. Offsetting this was a general softening of our transportation volumes, specifically in automotive products as the sector suffered from oversupply in all geographic regions. Revenues per ton increased by 12%, or €574 per ton, to €5,278 per ton for the year ended December 31, 2012 from €4,704 per ton for the year ended December 31, 2011. This was driven by an improved pricing mix, new products and a stronger U.S. dollar and a better product mix, especially in aerospace although these positive factors were partially offset by lower aluminum prices and the lowered production capacity at Ravenswood while the CBA was being renegotiated.

*P&ARP***.** Revenues in our P&ARP segment decreased by 5%, or €82 million, to €1,472 million for the year ended December 31, 2013 from €1,554 million for the year ended December 31, 2012. Volumes decreased by 2% or 11 kt, mainly in our packaging applications and despite the 27% increase in shipments in our Body-in-White applications. Revenue per ton decreased by 4%, or €90, per ton to €2,476 per ton for the year ended December 31, 2013, from €2,566 per ton as our improved product mix did not fully offset the decline in LME prices.

Revenues in our P&ARP segment decreased by 4%, or €71 million, to €1,554 million for the year ended December 31, 2012 from €1,625 million for the year ended December 31, 2011. This decrease was the result of a marginal decrease of volumes by 2% to 606 kt for the year ended December 31, 2012, from 621 kt for the year ended December 31, 2011. Decreases in LME prices contributed to a marginal decrease of 2% in our prices to revenues per ton of €2,566 in 2012. Volumes in our rigid packaging segment were stable over 2012 but our Automotive & Customized Solutions decreased marginally due to weak demand in the construction market. This was partially offset by a better product mix with volumes increasing in some of our higher value-added product lines as our food can volumes increased by 11% for the year ended December 31, 2012, compared to the year ended December 31, 2011 and improving margins.

AS&I **.** Revenues in our AS&I segment decreased by 7%, or €56 million, to €805 million for the year ended December 31, 2013, from €861 million in the year ended December 31, 2012. Our segment volumes decreased by 7% to 191 kt for the year ended December 31, 2013 from 206 kt for the year ended December 31, 2012. If volumes are adjusted to reflect the disposal of our two soft alloy plants in France, shipment volumes increased by 2%, and revenue increased by 1% compared to the same period in 2012. Our automotive structures shipments increased by 15% for the year ended December 31, 2013 from the equivalent period in 2012 due to the ramp up of projects. This was offset by lower soft alloy volumes as competitive pressures remained strong. Our revenue per ton increased by 1%, or €39 per ton, to €4,219 per ton in the year ended December 31, 2013, from €4,180 per ton in the year ended December 31, 2012, driven by the good performance of the automotive structures applications.

Revenues in our AS&I segment decreased by 5%, or €49 million, to €861 million for the year ended December 31, 2012 from €910 million in the year ended December 31, 2011. Our segment volume decreased by 6% to 206 kt for the year December 31, 2012 from 219kt for the year ended December 31, 2011 as our Soft Alloys products suffered from continued slowdowns in the construction industry specifically in France. This was partially offset by increased demand in Europe, North America and China for automotive products leading to a 19% increase in volumes shipped in our Automotive Structures. Revenues per ton remained stable at €4,180 per ton for the year ended December 31, 2012, compared to €4,155 per ton for the year ended December 31, 2011 due to a more advantageous product mix associated with better conversion prices for our higher value-added products. The impact of foreign exchange rates volatility on AS&I revenues was minimal and instead revenues continued to be impacted by aluminum prices which decreased by 13% over the period.

*Holdings and Corporate***.** Revenues in Holdings and Corporate segment increased by €8 million to €21 million for the year ended December, 2013 from €13 million in the year ended December 31, 2012, primarily reflecting metal sales to our former soft alloy plants.

Revenues in our Holdings and Corporate segment increased by €8 million, to €13 million for the year ended December 31, 2012 from €5 million in the year ended December 31, 2011. Included in our Intersegment revenues are revenues generated from our forging businesses.

Key Performance Indicators

In considering the financial performance of the business, management analyzes the primary financial performance measure of Management Adjusted EBITDA in all of our business segments and Adjusted EBITDA. Management Adjusted EBITDA and Adjusted EBITDA are not measures defined by IFRS. The most directly comparable IFRS measure to Management Adjusted EBITDA and Adjusted EBITDA is our profit or loss for the relevant period.

We believe Management Adjusted EBITDA and Adjusted EBITDA, as defined below, are useful to investors as they exclude items which do not impact our day-to-day operations and which management in many cases does not directly control or influence. Similar concepts of adjusted EBITDA are frequently used by securities analysts, investors and other interested parties in their evaluation of our company and in comparison to other companies, many of which present an adjusted EBITDA-related performance measure when reporting their results.

Management Adjusted EBITDA is defined as profit for the period from continuing operations before results from joint venture, net financial expenses, income taxes and depreciation, amortization and impairment as adjusted to exclude losses on disposal of property, plant and equipment, acquisition and separation costs, restructuring costs and unrealized gains or losses on derivatives and on foreign exchange differences.

Adjusted EBITDA is defined as Management Adjusted EBITDA further adjusted to exclude certain unusual items and reflect certain other adjustments which are permitted in calculating covenant compliance under the indentures for the Notes, the Unsecured Revolving Credit Facility and the Existing Term Loan.

Management Adjusted EBITDA and Adjusted EBITDA have limitations as analytical tools. They are not recognized terms under IFRS and therefore do not purport to be an alternative to operating profit as a measure of operating performance or to cash flows from operating activities as a measure of liquidity.

Management Adjusted EBITDA and Adjusted EBITDA are not necessarily comparable to similarly titled measures used by other companies. As a result, you should not consider these performance measures in isolation from, or as a substitute analysis for, our results of operations.

Management Adjusted EBITDA

The following tables show Constellium's consolidated Management Adjusted EBITDA for the years ended December 31, 2011, 2012 and 2013:

	For the year ended December 31,					
	2011		2012		2013	
	(millions of € and as a % of segment revenue)					
A&T	23	2%	89	8%	103	9%
P&ARP	63	4%	80	5%	75	5%
AS&I	19	2%	39	5%	46	6%
Holdings and Corporate	(6)	(120%)	(9)	(69%)	5	24%
Total Management Adjusted EBITDA	**99**	**3%**	**199**	**6%**	**229**	**7%**

A&T. Management Adjusted EBITDA in our A&T segment increased by 16%, or €14 million, for the year ended December 31, 2013 to €103 million, compared to €89 million for the year ended December 31, 2012. Management Adjusted EBITDA in our A&T segment increased to €422 per ton for the year ended December 31, 2013 from €397 per ton for the year ended December 31, 2012. This increase reflected the positive effect of increased shipments within the aerospace sector, notably as a result of the new multi-year contract entered into with Airbus. This positive trend was partly offset by weaker prices in our non-aerospace segments and less favorable product mix in aerospace applications.

Management Adjusted EBITDA in our A&T segment more than tripled to €89 million for the year ended December 31, 2012 compared to €23 million for the year ended December 31, 2011. Management Adjusted EBITDA in our A&T segment increased to €397 per ton for the year ended December 31, 2012 from €106 per ton for the year ended December 31, 2011. This increase included €44 million related to pricing and spreads on our aerospace products as well as €34 million related to favorable product mix. Management Adjusted EBITDA further benefitted from lower overhead expenses and labor costs of €1 million following the restructuring plan in Sierre, but suffered from the lowered productivity at Ravenswood while the CBA was being renegotiated. The increase was marginally offset by increased R&D costs of €4 million associated with the development of AIRWARE® and the negative impact of the Swiss franc weakening of €9 million.

P&ARP . Management Adjusted EBITDA in our P&ARP segment declined by 6%, or €5 million, to €75 million for the year ended December 31, 2013, from €80 million for the year ended December 31, 2012. Drivers of the decrease in Management Adjusted EBITDA were decreased volumes partially offset by improved pricing, improved productivity and cost saving initiatives.

Management Adjusted EBITDA in our P&ARP segment increased by 27%, or €17 million, to €80 million for the year ended December 31, 2012 from €63 million for the year ended December 31, 2011. Management Adjusted EBITDA per ton increased by 30% to €132 per ton for the year ended December 31, 2012 from €101 per ton for the year ended December 31, 2011. Our Management Adjusted EBITDA improved in 2012 due to better pricing and mix, mostly in can stock, which impacted Management Adjusted EBITDA by €21 million, and the impacts of the various cost reduction initiatives contributing €7 million to Management Adjusted EBITDA. This was partially offset by €6 million of inflation on labor and energy costs and the effect of declining volumes of €7 million. Foreign exchange variations had limited effect over 2012 as had our metal price lag adjustment.

AS&I. Management Adjusted EBITDA in our AS&I segment increased by 18%, or €7 million, for the year ended December 31, 2013 to €46 million, compared to €39 million for the year ended December 31, 2012. Management

Adjusted EBITDA in our AS&I segment increased to €241 per ton for the year ended December 31, 2013 from €190 per ton for the year ended December 31, 2012. This increase reflects the positive impact of the increase in volumes from our automotive structures application combined with a €4 million reduction in our costs partially offset by inflationary factors.

Management Adjusted EBITDA in our AS&I segment increased by 105%, or €20 million, to €39 million for the year ended December 31, 2012 from €19 million for the year ended December 31, 2011. Over the same period, Management Adjusted EBITDA per ton increased by 118%, to €190 per ton for the year ended December 31, 2012, from €87 per ton for the year ended December 31, 2011. Although inflationary impacts on labor and energy costs negatively impacted Management Adjusted EBITDA by €9 million in 2012, this was more than offset by a lower cost base of €19 million resulting from productivity improvements and effects of our previous and current restructuring programs at Sierre, Ham, Levice and Singen being realized. Management Adjusted EBITDA was also impacted in 2012 by €4 million due to better mix and prices and a lower spend on R&D.

Holdings and Corporate. Our Holdings and Corporate segment generated Management Adjusted EBITDA gains of €5 million for the year ended December 31, 2013. These gains are derived from management, procurement and treasury fees invoiced to the operating segments.

Management Adjusted EBITDA losses of €9 million for the year ended December 31, 2012 and €6 million for the year ended December 31, 2011 were incurred in our Holdings and Corporate segment. These losses were incurred due to non-integral operating entities such as our forging businesses, pass-through entities for import/export or income tax purposes, corporate and head office costs, non-service related pension and other post-retirement benefit costs and other non-operating items. The increase in our 2012 Management Adjusted EBITDA loss was primarily attributed to an increase in costs accrued centrally for employees in our corporate and head office function.

The following table reconciles our profit or loss for the period from continuing operations to our Management Adjusted EBITDA for the years presented:

	For the year ended December 31,		
	2011	2012	2013
		(€ in millions)	
Profit/(loss) for the period from continuing operations	**(170)**	**149**	**96**
Finance costs–net	39	60	50
Income tax	(34)	46	39
Share of profit from joint ventures	—	5	(3)
Depreciation and amortization	2	11	32
Impairment charges	—	3	—
Expenses related to the Acquisition and separation(a)	102	3	—
Restructuring costs(b)	20	25	8
Unrealized losses on derivatives at fair value and exchange gains from the remeasurement of monetary assets and liabilities	140	(60)	(14)
Swiss pension plan settlement(c)	—	8	—
Ravenswood benefit plan amendment(d)	—	(58)	(11)
Ravenswood CBA renegotiation(e)	—	7	—
Net losses on disposals(f)	—	—	5
Other(g)	—	—	27
Management Adjusted EBITDA	**99**	**199**	**229**

(a) Represents expenses related to the Acquisition and separation of the Company from its previous owners.
(b) Restructuring costs represent one-time termination benefits or severance, plus contract termination costs, primarily related to equipment and facility lease obligations.
(c) Represents a loss generated by a settlement on withdrawal from the foundation that administered its employee benefit plan in Switzerland of €8 million.
(d) Represents a €58 million gain due to several amendments of our Ravenswood plan in 2012 and a gain of €11 million related to our amendment to our Ravenswood benefit plan in the year ended December 31, 2013.
(e) Represents non-recurring professional fees, including legal fees and bonuses in relation to the successful renegotiation of the 5-year collective bargaining agreement at our Ravenswood manufacturing site in September 2012.
(f) Represents losses on disposal of our plants in Ham and Saint Florentin, France which were completed on May 31, 2013 and other European assets.
(g) Represents costs incurred in connection with our IPO, amounting to €24 million of which €16 million is a fee paid to Apollo to terminate the management agreement upon consummation of the IPO, and with our secondary public offerings, amounting to €3 million.

Quarterly Financial Information

The table below presents summary financial and operating data for our quarters in the fiscal years ended December 31, 2012 and 2013:

	2012				2013			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
	(unaudited) (€ in millions unless otherwise stated)							
Statement of income data (continuing operations):								
Revenue	935	976	885	814	911	916	862	806
Cost of sales	(814)	(823)	(786)	(713)	(784)	(788)	(748)	(704)
Gross profit	121	153	99	101	127	128	114	102
Income from operations	88	12	81	82	29	73	69	38
Income before income taxes	78	(17)	68	66	4	40	62	29
Net Income/(Loss) for the year from continuing operations	55	(18)	50	62	(2)	24	41	33
Other operational and financial data:								
Net trade working capital	470	514	463	289	401	373	320	222
Change in net trade working capital	(89)	(44)	51	174	(112)	28	53	98
Capital expenditure	32	15	23	56	23	32	37	52
Volumes (in kt)	265	277	256	235	260	274	257	234
Revenue per ton (€ per ton)	3,528	3,523	3,457	3,464	3,504	3,343	3,354	3,444
Management Adjusted EBITDA	57	72	31	39	67	70	50	42
Management Adjusted EBITDA per ton (€ per ton)	215	260	121	166	258	255	195	179
Adjusted EBITDA	60	82	39	42	73	85	64	59
Adjusted EBITDA per ton (€ per ton)*	226	296	153	180	280	309	247	253

* Adjusted EBITDA per ton is calculated on unrounded underlying figures.

	2012				2013			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
	(unaudited) (€ in millions unless otherwise stated)							
Continuing operations*								
Net Income/(Loss) for the year from continuing operations	**55**	**(18)**	**50**	**62**	**(2)**	**24**	**41**	**33**
Finance costs–net	9	28	12	11	25	9	10	6
Income tax	23	1	18	4	6	16	21	(4)
Share of (profit)/loss from joint ventures	—	—	—	5	—	—	(3)	—
Depreciation and impairment	1	1	5	7	4	5	10	13
Restructuring costs	1	9	5	10	2	—	4	2
Expenses related to the Acquisition and separation	1	1	1	—	—	—	—	—
Unrealized/(gains) losses on derivatives at fair value and exchange gains from the remeasurement of monetary assets and liabilities	(41)	50	(58)	(11)	32	(1)	(33)	(12)
Pension settlement and amendment	8	—	(10)	(48)	—	(11)	—	—
Ravenswood CBA renegotiation	—	—	8	(1)	—	—	—	—
Losses/(gains) on disposals	—	—	—	—	—	4	—	1
Other	—	—	—	—	—	24	—	3
Management Adjusted EBITDA	**57**	**72**	**31**	**39**	**67**	**70**	**50**	**42**
Favorable/(unfavorable) metal price lag	1	8	7	—	2	10	9	8
Apollo management fee	1	—	1	1	1	1	—	—
Exceptional employee bonuses in relation to cost savings and turnaround plans	1	2	—	(1)	—	—	—	—
Other	—	—	—	3	2	4	5	9
Adjusted EBITDA	**60**	**82**	**39**	**42**	**73**	**85**	**64**	**59**

* See footnotes (6) and (7) to the "*Summary Consolidated Historical Financial Data.*"

Covenant Compliance and Financial Ratios

Our debt agreements and the Notes contain or will contain customary covenants and events of default that, among other things, restrict, subject to certain exceptions, our ability and the ability of our subsidiaries, to incur indebtedness, sell assets, make investments, engage in acquisitions, mergers or consolidations and make dividends and other restricted payments. In addition, at any time that loans under the Unsecured Revolving Credit Facility are (a) borrowed, to the extent that immediately after giving effect to such borrowing, loans in excess of 30% of the total commitments under the Unsecured Revolving Credit Facility would be outstanding, or (b) outstanding on the last day of our fiscal quarter, the Unsecured Revolving Credit Facility will require us to (x) maintain a consolidated total net leverage ratio of no more than 2.50 to 1.00, (y) maintain a minimum fixed charge coverage ratio of not less than 3.50 to 1.00, and (z) ensure that, taken together, the Company and the guarantors of the Unsecured Revolving Credit Facility have (i) assets representing not less than 60% of the consolidated total assets of the Company and its restricted subsidiaries and (ii) EBITDA representing not less than 75% of the consolidated EBITDA of the Company and its restricted subsidiaries.

Our U.S. Revolving Credit Facility described in "*Description of Other Indebtedness—U.S. Revolving Credit Facility*" contains a financial maintenance covenant that requires Constellium Rolled Products Ravenswood, LLC to maintain excess availability of the greater of (i) $10 million and (ii) 10% of the aggregate revolving loan commitments. Constellium Rolled Products Ravenswood, LLC is currently in compliance with this financial maintenance covenant.

Our Factoring Agreements contain a group level minimum liquidity covenant that is tested quarterly and requires us to maintain minimum liquidity of at least $50 million.

Adjusted EBITDA Reconciliation

The following tables show Constellium's consolidated Adjusted EBITDA for the years ended December 31, 2011, 2012 and 2013:

	For the year ended December 31,		
	2011	2012	2013
		(€ in millions)	
A&T	38	106	120
P&ARP	95	92	105
AS&I	36	46	59
Intersegment and Other	(13)	(21)	(4)
Total Adjusted EBITDA	**156**	**223**	**280**

Adjusted EBITDA is not a presentation made in accordance with IFRS, but we believe it provides investors and other users of our financial information with useful information. Adjusted EBITDA is used as a performance measure as management believes this measure provides additional information used by our lending facilities providers with respect to the ongoing performance of our underlying business activities.

Adjusted EBITDA is defined as Management Adjusted EBITDA further adjusted to exclude certain unusual items and reflect certain other adjustments which are permitted in calculating covenant compliance under the indentures for the Notes, the Unsecured Revolving Credit Facility and the Existing Term Loan. Adjusted EBITDA is not a presentation made in accordance with IFRS, is not a measure of financial condition, liquidity or profitability, and should not be considered as an alternative to profit or loss for the year determined in accordance with IFRS or operating cash flows determined in accordance with IFRS.

The following table reconciles our Management Adjusted EBITDA to our Adjusted EBITDA for the years presented:

	For the year ended December 31,		
	2011	2012	2013
		€ in millions	
Management Adjusted EBITDA	**99**	**199**	**229**
Favorable / (unfavorable) metal price lag(a)	12	16	29
Transition and start-up costs(b)	21	—	—
Effects of Purchase Accounting adjustment(c)	12	—	—
Apollo management fee(d)	1	3	2
Exceptional employee bonuses in relation to cost savings and turnaround plans(e)	2	2	

	For the year ended December 31,		
	2011	2012	2013
		€ in millions	
Other(f)	9	3	20
Adjusted EBITDA	**156**	**223**	**280**

(a) Represents the financial impact of the timing difference between when aluminum prices included within our revenues are established and when aluminum purchase prices included in our cost of sales are established. We account for inventory using a weighted average price basis and this adjustment is to remove the effect of volatility in LME prices. This lag will, generally, increase our earnings and Adjusted EBITDA in times of rising primary aluminum prices and decrease our earnings and Adjusted EBITDA in times of declining primary aluminum prices. The calculation of our metal price lag adjustment is based on an internal standardized methodology calculated at each of our manufacturing sites and is calculated as the average value of product recorded in inventory, which approximates the spot price in the market, less the average value transferred out of inventory, which is the weighted average of the metal element of our cost of goods sold, by the quantity sold in the period.

(b) Represents exceptional external consultancy costs related to the implementation of our cost savings program and set up of our IT infrastructure in 2011.

(c) Represents the non-cash step up in inventory costs on the Acquisition of €12 million.

(d) Represents the Apollo management fee, payable annually post-Acquisition, which is equal to the greater of $2 million per annum or 1% of our Adjusted EBITDA measure before such fees, as defined in the Pre-IPO Shareholders Agreement, plus related expenses.

(e) Represents one-off bonuses under a two-year plan, paid to selected employees in relation to the achievement of cost savings targets and the costs of a bonus plan in relation to the turnaround program at our Ravenswood site.

(f) Other adjustments are as follows: (i) in 2011, includes €8 million of losses on metal purchases were attributable to the initial invoicing in U.S. dollars instead of euros by a metal supplier at inception of the contract. All invoices are now received and paid in euros. As this U.S. dollar-to-euro exposure from January through November 2011 was not effectively hedged, we consider this to be an exceptional loss and not part of our underlying trading; (ii) in 2012, the exceptional costs incurred in respect of our IPO efforts; and (iii) in the year ended December 31, 2013, incremental costs relating to our transition from a private to a public company for €9 million (including costs incurred in connection with the amendment of our management equity program following our IPO), start-up costs relating to new sites and business development initiatives for €7 million, scoping costs on the sale of existing sites for €2 million and other adjustments for €2 million.

Liquidity and Capital Resources

Our primary sources of cash flow have historically been cash flows from operating activities and funding or borrowings from external parties and related parties.

As part of our cash flow management, we have improved our net working capital through procurement initiatives designed to leverage economies of scale and improve terms of payment to suppliers, as well as through collection initiatives designed to improve our billings and collections processes to reduce outstanding receivables. Our net working capital as a percentage of annual revenue decreased from 11% in 2011 to 8% in 2012 and to 6% in 2013. We define net working capital days, days of inventories, days of payables and days of sales outstanding as net trade working capital, inventories, trade payables and trade receivables divided by revenues for the last quarter, multiplied by 90, respectively. Net trade working capital is inventories plus trade receivables net, less trade payables. We believe this measure helps users of the financial statements compare our cash management from period to period and against our peers in respect to our efficiency of working capital employed and the ability to provide sufficient liquidity in the short and long term.

Based on our current and anticipated levels of operations, and the condition in our markets and industry, we believe that our cash on hand, cash flows from operations, and availability under our revolving credit facilities and factoring arrangements will enable us to meet our working capital, capital expenditures, debt service and other funding requirements for the foreseeable future. However, our ability to fund working capital needs, debt payments and other obligations, and to comply with the financial covenants in the Unsecured Revolving Credit Facility, depends on our future operating performance and cash flows and many factors outside of our control, including the costs of raw materials, the state of the overall industry and financial and economic conditions and other factors, including those described under "*Risk Factors*."

It is our policy to hedge all highly probable or committed foreign currency operating cash flows. As we have significant third party future receivables denominated in U.S. dollars, we enter into combinations of forward contracts and currency options with financial institutions, selling forward U.S. dollars against euros. In addition, as discussed in "*Business—The Company—Managing our Metal Price Exposure*," when we are unable to align the price and quantity of physical aluminum purchases with that of physical aluminum sales, we enter into derivative financial instruments to pass through the exposure to metal price fluctuations to financial institutions at the time the price is set. As the U.S. dollar appreciates versus the euro or the LME price for aluminum falls, the derivative contracts entered into with financial institution counterparties have a negative mark-to-market. Our financial institution counterparties may require margin calls should our negative mark-to-market exceed a pre-agreed contractual limit. In order to protect the Company from the potential margin calls for significant market movements, we hold a significant liquidity buffer in cash or in availability under our various borrowing facilities, we enter into derivatives with a large number of financial counterparties and we monitor margin requirements on a daily basis for adverse movements in the U.S. dollar versus the euro and in aluminum prices.

At December 31, 2013, the margin requirement related to foreign exchange hedges amounted to €11 million comprising €11 million of fixed margin and none of variable margin (as of December 31, 2012, the margin requirement related to foreign exchange hedges amounted to €15 million). As of December 31, 2013, the margin requirement related to aluminum hedges was zero (as of December 31, 2012, margin posted on aluminum hedges was also zero). The highest margin posted in 2013 related to foreign exchange derivatives was $20 million on January 3, 2013. The highest margin made in 2012 related to foreign exchange derivatives and aluminum hedges was €60 million on July 26, 2012 and €2 million on June 29, 2012, respectively.

At December 31, 2013, we had €392 million of total liquidity, comprised of €233 million in cash and cash equivalents, €29 million of undrawn credit facilities under our U.S. Revolving Credit Facility and €130 million available under our factoring arrangements. As of December 31, 2013, we had drawn €18 million under the U.S. Revolving Credit Facility, had about $1 million letters of credit outstanding and we had drawn €324 million under the Term Loan facility entered into on March 25, 2013.

Cash Flows

The following table summarizes our operating, investing and financing activities for the years ended December 31, 2011, 2012 and 2013:

	For the year ended December 31,		
	2011	2012	2013
		(€ in millions)	
Net cash provided by / (used) in:			
Operating activities	(29)	246	184
Investing activities	(69)	(131)	(132)
Financing activities	201	(86)	43
Net increase in cash and cash equivalents	**103**	**29**	**95**

Net cash from operating activities

Net cash from operating activities decreased by €62 million, from an inflow of €246 million in the year ended December 31, 2012, to an inflow of €184 million for the year ended December 31, 2013. This reflected the €53 million decrease in cash generated from net income from continuing operations of €149 million in the year ended December 31, 2012 compared to €96 million in the year ended December 31, 2013. The unrealized gains on derivatives and from remeasurement of monetary assets and liabilities were €14 million for the year ended December 31, 2013 compared to €60 million for the year ended December 31, 2012. Net working capital days decreased by 7 days to 25 days for the year ended December 31, 2013, from 32 days for the year ended December 31, 2012. Of the decrease in net working capital days, a 6-day decrease was driven by lower inventories across all of our segments.

Net cash provided / (used) by operating activities increased by €275 million, to an inflow of €246 million, for the year ended December 31, 2012, from an outflow of €29 million for the year ended December 31, 2011. Cash generated in the year ended December 31, 2012 reflected cash generated from net income from continuing operations as well as a decrease in net working capital of €117 million. Net working capital days decreased by 11 days to 32 days for the year ended December 31, 2012 from 43 days in the year ended December 31, 2011. Of the decrease in net working capital days, a 5-day decrease was driven by the implementation of Lean manufacturing and specific actions to reduce inventories in our AS&I and P&ARP segments, and was partially offset by increased inventories in our A&T segment in preparation of the ramp-up of sales in Q1 2013 at Issoire. Net working capital days decreased by 7 days to 25 days for the year ended December 31, 2013, from 32 days for the year ended December 31, 2012. Of the decrease in net working capital days, a 6-day decrease was driven by lower inventories across all of our segments.

Net cash from investing activities

Cash flows used in investing activities increased by €1 million to €132 million for the year ended December 31, 2013, from €131 million for the year ended December 31, 2012. Cash flows used in investing activities for the year ended December 31, 2013 related to €144 million of capital expenditure and €13 million proceeds received from the disposal of our Saint Florentin and Ham plants and other European assets, including Alcan Strojmetal Aluminium Forging. Our capital expenditures projects for the year ended December 31, 2013 included assets reflected in construction and work in progress. Our significant projects included €14 million spent in Neuf-Brisach for a heat treatment and conversion line, €6 million spent on our new Singen press line which started production in May 2013 and €11 million spent on Automotive Structures projects.

Cash flows used in investing activities increased by €62 million to an outflow of €131 million for the year ended December 31, 2012, from an outflow of €69 million for the year ended December 31, 2011. Cash flows used in investing activities for the year ended December 31, 2012 were primarily due to €126 million of capital expenditures and other activities. Significant capital expenditure projects for the year ended December 31, 2012 included the furnace at Issoire, the new press line at Singen and the Tube Center at Aviatube.

Cash flows used in investing activities was an outflow of €69 million for the year ended December 31, 2011 primarily due to €97 million of capital expenditures. This was partially offset by the proceeds from disposal of our AIN business of €9 million and purchase of net assets on acquisition—net of cash acquired of €13 million. Significant capital expenditure projects included the AIRWARE® industrial facility at Issoire, France in 2011 and 2012 and the stretcher at Ravenswood in 2011. For further details on capital expenditures projects, see the "*—Financing Arrangements—Historical Capital Expenditures*" section below.

Net cash from financing activities

Net cash used in financing activities was an outflow of €86 million for the year ended December 31, 2012 and an inflow of €43 million for the year ended December 31, 2013. Net cash provided by financing activities in the year ended December 31, 2013 reflected the €162 million of proceeds received from the issuance of ordinary shares in our IPO and the €351 million proceeds from the Term Loan offset by €147 million of dividends and €103 million of share premium distributed to our shareholders as well as repayments of the Original Term Loan amounting to €156 million.

Net cash provided by financing activities decreased to an outflow of €86 million for the year ended December 31, 2012, from an inflow of €201 million for the year ended December 31, 2011. Net cash used in financing activities in the year ended December 31, 2012 reflected the €154 million of proceeds from the Original Term Loan, offset by €148 million of repayment of the term loan facility provided by the Apollo Funds and Bpifrance, outflows from factoring of €49 million and €28 million of interest paid. Net cash provided by financing activities in the year ended December 31, 2011 is due to the financing associated with the Acquisition described above.

Financing Arrangements

Historical Capital Expenditures

The following table provides a breakdown of the historical capital expenditures for property, plant and equipment by segment for the periods indicated:

	For the year ended December 31,		
	2011	2012	2013
		(€ in millions)	
A&T	40	42	53
AS&I	20	40	49
P&ARP	26	39	37
Intersegment and Other	11	5	5
Total from continuing operations	**97**	**126**	**144**

Capital expenditure in the Company predominantly relates to development, maintenance and health & safety expenditures.

Main projects undertaken during the period included the equipment upgrades completed in 2011 and 2012 at Ravenswood (hot mill and new stretcher), the first phase of the AIRWARE® casthouse at Issoire, completed in the second half of 2012, the electrical revamping of the Neuf-Brisach cold mills started in 2011 and the Singen press line which started operations in May 2013.

Capital expenditures increased by €18 million, or 14%, to €144 million in the year ended December 31, 2013 from €126 million in the year ended December 31, 2012, as a result of the continuation of existing projects and a number of new projects, including €11 million spent on Automotive Structures projects, €14 million relating to a heat treatment and conversion line at our Neuf-Brisach plant and €6 million spent on our new Singen press line.

Capital expenditures increased by €29 million or 30%, to €126 million in the year ended December 31, 2012 from €97 million in the year ended December 31, 2011, as a result of the continuation of existing projects and a number of new projects, including the furnace at Issoire, the new press line in Singen and the Tube Center Project at Aviatube.

As at December 31, 2013, we had €119 million of construction in progress which relates to our continued modernization and rebuilding projects at our Neuf Brisach, Issoire, Ravenswood and Singen sites.

Our principal capital expenditures are expected to total approximately €531 million, for the years ended December 31, 2014 and 2015 in the aggregate. We currently expect all of our capital expenditures to be financed internally.

Off-Balance Sheet Arrangements

As of December 31, 2013, we have no significant off-balance sheet arrangements.

Contractual Obligations

The following table summarizes our estimated material contractual cash obligations and other commercial commitments at December 31, 2013:

		Cash payments due by period			
	Total	Less than 1 year	1-3 years	3-5 years	After 5 years
	(unaudited, € in millions)				
Borrowings(1)	352	21	7	7	317
Interest(2)	124	20	40	40	24
Derivatives relating to currencies and aluminum	54	24	17	13	—
Operating lease obligations(3)	38	9	15	11	3
Capital expenditures	46	46	—	—	—
Total(4)	**614**	**120**	**79**	**71**	**344**

(1) Borrowings include revolving credit facilities which are considered short-term in nature and are included in the category "Less than 1 year."

(2) For this table, we have assumed an interest rate on the Term Loan equal to (i) a floor of 1.25% per annum plus (ii) a margin of 4.75% per annum for U.S. Dollar-denominated borrowings and 5.25% per annum for Euro-denominated borrowings.

(3) Operating leases relate to buildings, machinery and equipment.

(4) Retirement benefit obligations of €507 million are not presented above as the timing of the settlement of this obligation is uncertain.

Environmental Contingencies

Our operations, like those of other basic industries, are subject to federal, state, local and international laws, regulations and ordinances. These laws and regulations (i) govern activities or operations that may have adverse environmental effects, such as discharges to air and water, as well as waste handling and disposal practices and (ii) impose liability for costs of cleaning up, and certain damages resulting from, spills, disposals or other releases or regulated materials. From time to time, our operations have resulted, or may result, in certain noncompliance with applicable requirements under such environmental laws. To date, any such noncompliance with such environmental laws has not had a material adverse effect on our financial position or results of operations.

Pension Obligations

Constellium operates various pension plans for the benefit of its employees across a number of countries. Some of these plans are defined benefit plans and others are defined contribution plans. The largest of these plans are in the United States, Switzerland, Germany and France. Pension benefits are generally based on the employee's service and highest average eligible compensation before retirement, and are periodically adjusted for cost of living increases, either by practice, collective agreement or statutory requirement.

We also provide health and life insurance benefits to retired employees and in some cases to their beneficiaries and covered dependents. These plans are predominantly in the United States.

United States pensions and healthcare plans

In the United States, we operate defined benefit plans, which, as of December 31, 2013, covered 2,743 active, 337 deferred and 3,808 retired employees.

There is a defined contribution (401(k)) savings plan and an unfunded post-employment benefit scheme.

Switzerland

In 2012, and as part of the separation agreement with Rio Tinto, we withdrew from the foundation that previously had administered our employee benefit plans in Switzerland and joined a new commercial multi-employee foundation for our Swiss employees. This change led to a partial liquidation of the previous scheme which triggered a settlement. At the same time there was a change in employee benefit entitlements that resulted in a decrease in past service costs. The net effect of the settlement and the change in benefits resulted in a €8 million loss recorded within other gains/losses in the income statement. As of December 31, 2013, there were 765 employees and 80 retired employees in the Swiss pension plan.

Germany

In Germany, there are a number of defined benefit and defined contribution pension schemes, which, as of December 31, 2013, covered a total of 1,527 active, 453 deferred and 2,785 retired employees.

France

In France, there are unfunded defined benefit pension plans, which, as of December 31, 2013, covered 3,854 active and 305 retired employees.

Our pension liabilities and other post-retirement healthcare obligations are reviewed regularly by a firm of qualified external actuaries and are revalued taking into account changes in actuarial assumptions and experience. The assumptions include assumed discount rates on plan liabilities and expected rates of return on plan assets. Both of these require estimates and projections on a variety of factors and these can fluctuate from period to period.

For the year ended December 31, 2013, the total expense recognized in the income statement in relation to all our pension and post-retirement benefits was €29 million (compared to a gain of €2 million for the year ended December 31, 2012). At December 31, 2013, the fair value of the plans assets was €277 million (compared to €267 million as of December 31, 2012), compared to a present value of our obligations of €784 million (compared to €878 million as of December 31, 2012), resulting in an aggregate plan deficit of €507 million (compared to €611 million as of December 31, 2012). Contributions to pension plans totaled €27 million for the year ended December 31, 2013 (compared to €26 million for the year ended December 31, 2012). Contributions for other benefits totaled €16 million for the year ended December 31, 2013 (compared to €14 million for the year ended December 31, 2012).

For the year ended December 31, 2012, the total amount recognized in the income statement in relation to all our pension and post-retirement benefits was a gain of €2 million after the non-recurring pension plan settlements and amendments gains or losses of €50 million net (compared to an expense of €43 million for the year ended December 31, 2011). At December 31, 2012, the fair value of the plans assets was €267 million (compared to €287 million as of December 31, 2011), compared to a present value of our obligations of €878 million (compared to €865 million as of December 31, 2011), resulting in an aggregate plan deficit of €611 million (compared to €578 million as of December 31, 2011). Contributions to pension plans totaled €26 million for the year ended December 31, 2012 (compared to €28 million for the year ended December 31, 2011). Contributions for other benefits totaled €14 million for the year ended December 31, 2012 (compared to €13 million for the year ended December 31, 2011).

Our estimated funding for our funded pension plans and other post-retirement benefit plans is based on actuarial estimates using benefit assumptions for discount rates, rates of compensation increases, and health care cost trend rates. The deficit in the pension plan and the unfunded post-retirement healthcare obligation as of December 31, 2013 were €208 million and €299 million, respectively. The deficit in the pension plan and the unfunded post-retirement healthcare obligation as of December 31, 2012 were €266 million and €345 million, respectively. Estimating when the obligations will require settlement is not practicable and therefore these have not been included in the Contractual Obligations table above.

Quantitative and Qualitative Disclosures about Market Risk

In addition to the risks inherent in our operations, we are exposed to a variety of financial risks, such as market risk (including foreign currency exchange, interest rate and commodity price risk), credit risk and liquidity risk, and further information can be found in Note 23 to our audited consolidated financial statements contained elsewhere in this offering memorandum.

Principal Accounting Policies, Critical Accounting Estimates and Key Judgments

Our principal accounting policies are set out in Note 2 to the audited consolidated financial statements which appear elsewhere in this offering memorandum. New standards and interpretations not yet adopted are also disclosed in Note 2.3 to our audited consolidated financial statements.

BUSINESS

The Company

Overview

We are a global leader in the design and manufacture of a broad range of innovative specialty rolled and extruded aluminum products, serving primarily the aerospace, packaging and automotive end-markets. We have a strategic footprint of manufacturing facilities located in the United States, Europe and China. Our business model is to add value by converting aluminum into semi-fabricated products. We believe we are the supplier of choice to numerous blue-chip customers for many value-added products with performance-critical applications. Our product portfolio commands higher margins as compared to less differentiated, more commoditized fabricated aluminum products, such as common alloy coils, paintstock, foilstock and soft alloys for construction and distribution.

As of December 31, 2013, we operated 23 production facilities, 10 administrative and commercial sites and one R&D center, and have approximately 8,600 employees. We believe our portfolio of flexible and integrated facilities is among the most technologically advanced in the industry. It is our view that our established presence in the United States and Europe and our growing presence in China strategically position us to service our global customer base. For example, based on information available to us as an industry participant, we believe we are one of only two suppliers of aluminum products to the aerospace market with facilities in both the United States and Europe. We believe this gives us a key competitive advantage in servicing the needs of our aerospace customers, including Airbus S.A.S. (“Airbus”) and The Boeing Company (Boeing”). We believe our well-invested facilities combined with more than 50 years of manufacturing experience, quality and innovation and pre-eminent R&D capabilities have put us in a leadership position in our core markets.

We seek to sell to end-markets that have attractive characteristics for aluminum, including (i) higher margin products, (ii) stability through economic cycles, and (iii) favorable growth fundamentals supported by customer order backlogs in aerospace and substitution trends in automotive and European can sheet. We are the leading global supplier of aluminum aerospace plates, the leading European supplier of can body stock and a leading global supplier of automotive structures. Our unique platform has enabled us to develop a stable and diversified customer base and to enjoy long-standing relationships with our largest customers. Our relationships with our top 20 customers average over 25 years. Our customer base includes market leading firms in aerospace, automotive, and packaging, like Airbus, Boeing, Rexam, Ball Corporation, Crown Holdings, Inc. and several premium automotive original equipment manufacturers (“OEMs”), including BMW AG, Mercedes-Benz and Volkswagen AG. We believe that we are a “mission critical” supplier to many of our customers due to our technological and R&D capabilities as well as the long and complex qualification process required for many of our products. Our core products require close collaboration and, in many instances, joint development with our customers.

For the years ended December 31, 2011, 2012 and 2013, we shipped approximately 1,058 kt, 1,033 kt and 1,025 kt of finished products, generated revenues of €3,556 million, €3,610 million and €3,495 million, incurred net losses of €178 million and generated net income of €141 million and €100 million respectively, and generated Adjusted EBITDA of €156 million, €223 million and €280 million, respectively. The financial performance for the year ended December 31, 2013 represented a 1% decrease in shipments, a 3% decrease in revenues and a 26% increase in Adjusted EBITDA from the prior year. Please see the reconciliation of Adjusted EBITDA in “*Management’s Discussion and Analysis of Financial Condition and Results of Operations—Covenant Compliance and Financial Ratios.*”

Table: Overview of Operating Segments (as of December 31, 2013)

	Aerospace & Transportation	*Packaging & Automotive Rolled Products*	*Automotive Structures & Industry*
Commercial and Manufacturing Sites	• 15 (France, United States, Switzerland)	• 3 (France, Germany, Switzerland)	• 15 (France, Germany, Switzerland, Czech Republic, Slovakia, United States, China)
Employees (as of December 31, 2013)	• 3,862	• 1,996	• 1,945

Key products	• Aerospace plates and sheets
	• Aerospace wingskins
	• Aerospace extruded products
	• Plates for general engineering
	• Sheets for transportation applications
		• Can Body Stock
		• Can End Stock
		• Auto Body Sheet
		• Closure Stock
		• Heat Exchangers
		• Specialty reflective sheet (Bright)
			• Extruded products
			  • Soft alloys
			  • Hard alloys
			  • Large profiles
			• Automotive structures

Key customers	• **Aerospace**: Airbus, Boeing, Embraer, Dassault, Bombardier, Lockheed Martin • **Transport**: Ryerson, ThyssenKrupp, FreightCar America, Amari	• **Packaging**: Rexam, Can-Pack, Ball, Crown, Amcor, Ardagh Group • **Automotive**: Daimler, Audi, Volkswagen, Valeo, Peugeot S.A.	• **Automotive**: Audi, BMW, Daimler, Porsche, General Motors, Ford, Benteler, Peugeot S.A. • **Rail**: Stadler, CAF
Key facilities	• Ravenswood (USA) • Issoire (FR) • Sierre (CH)	• Neuf-Brisach (FR) • Singen (DE)	• Děčín (CZ) • Levice (SK) • Gottmadingen (DE)

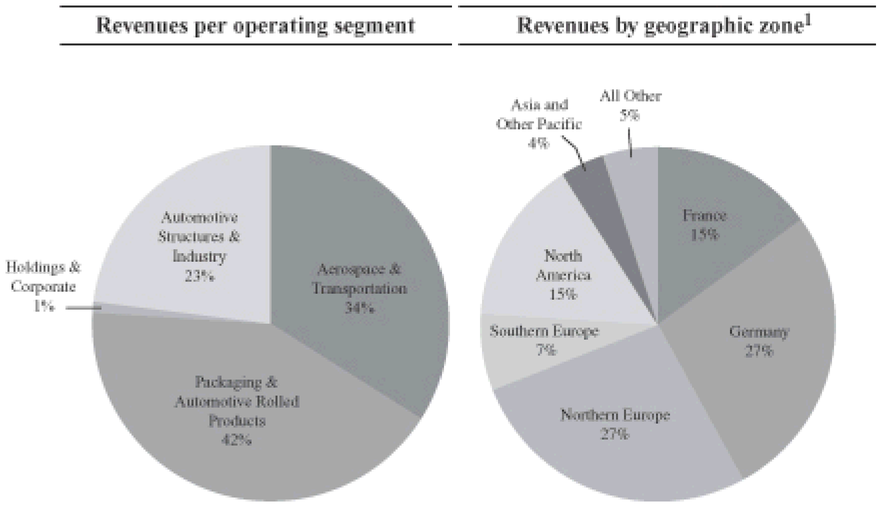
Our Operating Segments

Our business is organized into three operating segments: (i) Aerospace & Transportation, (ii) Packaging & Automotive Rolled Products, and (iii) Automotive Structures & Industry.

Operating Segment	Products	Description
Aerospace & Transportation	Rolled Products and Extrusion	Includes the production of rolled and extruded aluminum products for the aerospace market, as well as rolled products for transport and industry end-uses. We produce aluminum plate, sheet and fabricated products in our European and North American facilities. Substantially all of these aluminum products are manufactured to specific customer requirements using direct-chill ingot cast technologies that allow us to use and offer a variety of alloys and products.
Packaging & Automotive Rolled Products	Rolled Products	Includes the production of rolled aluminum products in our French and German facilities. We supply the packaging market with can stock and closure stock for the beverage and food industry, as well as foil stock for the flexible packaging market. In addition we supply products for a number of technically sophisticated applications such as automotive sheet, heat exchangers, and sheet and coils for the building and constructions markets.

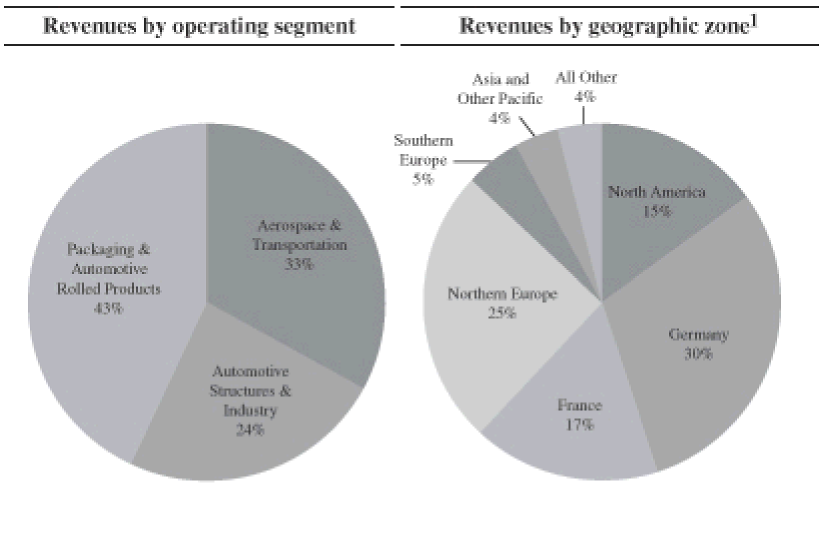
Operating Segment	Products	Description
Automotive Structures & Industry	Extrusions	Includes the production of hard and soft aluminum alloy extruded profiles in Germany, France, the Czech Republic and Slovakia. Our extruded products are targeted at high demand end-uses in the automotive, engineering, building and construction and other transportation markets (rail and shipbuilding). In addition, we fabricate highly advanced crash-management systems in Germany, the United States and China.

The following charts present our revenues by operating segment and geography for the year ended December 31, 2013:



[1] Revenue by geographic zone is based on the destination of the shipment.

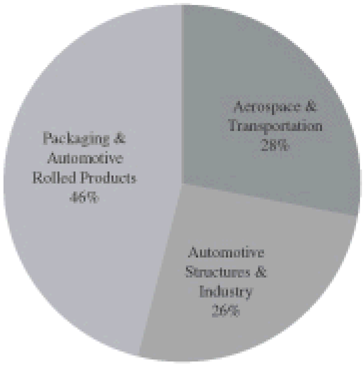
The following charts present our revenues by operating segment and geography for the year ended December 31, 2012:



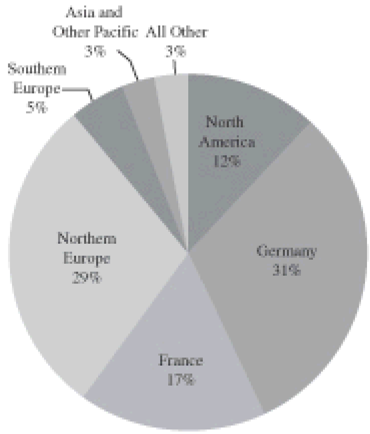
[1] Revenue by geographic zone is based on the destination of the shipment.

The following charts present the percentage of our revenues by operating segment and geography for the year ended December 31, 2011:

Revenues per operating segment



Revenues by geographic zone[1]



[1] Revenue by geographic zone is based on the destination of the shipment.

Aerospace & Transportation Operating Segment

Our Aerospace & Transportation operating segment has market leadership positions in technologically advanced aluminum and specialty materials products with wide applications across the global aerospace, defense, transportation, and industrial sectors. We offer a wide range of products including plate, sheet, extrusions and precision casting products which allows us to offer tailored solutions to our customers. We seek to differentiate our products and act as a key partner to our customers through our broad product range, advanced R&D capabilities, extensive recycling capabilities and portfolio of plants with an extensive range of capabilities across Europe and North America. In order to reinforce the competitiveness of our metal solutions, we design our processes and alloys with a view to optimizing our customers' operations and costs. This includes offering services such as customizing alloys to our customers' processing requirements, processing short lead time orders and providing vendor managed inventories or tolling arrangements. The Aerospace & Transportation operating segment accounted for 34% of our revenues and 45% of Management Adjusted EBITDA for the year ended December 31, 2013.

Principal end-use/ product category	Major Customers	Competitors
• Aerospace plates	• Airbus, Boeing, Dassault, Bombardier, Embraer, Lockheed Martin	• Alcoa, Aleris, Kaiser Aluminum
• General engineering and armor plate	• Thyssenkrupp	• Alcoa, Aleris, Austria Metall
• Sheets for aerospace and transportation	• Airbus, Boeing, Dassault, Ryerson, Amari	• Alcoa, Aleris, Kaiser Aluminum
• Other extrusions	• Airbus, Boeing	• Universal Alloy Corporation

Eight of our manufacturing facilities produce products that are sold via our Aerospace & Transportation operating segment. Our aerospace plate manufacturing facilities in Ravenswood (West Virginia, United States), Issoire (France) and Sierre (Switzerland) offer the full spectrum of plate required by the aerospace industries (alloys, temper, dimensions, pre-machined) and have unique capabilities such as producing some wide and very high gauge plates required for some aerospace programs (civil and commercial).

Downstream aluminum products for the aerospace market require relatively high levels of R&D investment and advanced technological capabilities, and therefore tend to command higher margins compared to more commoditized products. We work in close collaboration with our customers to develop highly engineered solutions to fulfill their specific requirements. For example, we developed AIRWARE®, a lightweight specialty aluminum-lithium alloy for our aerospace customers to address increasing demand for lighter and more environmentally sound aircraft; it combines optimized density, corrosion resistance and strength in order to achieve up to 25% weight reduction compared to other aluminum products and significantly higher corrosion and fatigue resistance than equivalent composite products. In addition, unlike composite products, any scrap produced in the AIRWARE® manufacturing process can be fully recycled, which reduces production costs. We are the first company to commercialize and produce AIRWARE®, on an industrial scale, and the material is currently being used on a number of major aircraft models, including the newest Airbus A350 XWB aircraft, the fuselage of Bombardier's single-aisle twinjet C-Series short-haul planes, the Airbus A380 and the Boeing 787 Dreamliner. We recently announced plans to significantly increase the industrial capacity of our Issoire, France plant to meet accelerating demand for our AIRWARE® technology through ramped-up production at two new state-of-the-art casthouses.

On November 21, 2013, we announced that we have been awarded a multi-year agreement with Boeing to support all of Boeing's leading commercial airplane programs. With this agreement, we will increase both the scope and range of products we supply. Under the new agreement, we will supply Boeing aluminum products for airframes utilizing our current and advanced-generation aluminum alloys. The products will be supplied from our two major A&T manufacturing sites in Ravenswood, WV, United States and in Issoire, France.

Aerospace products are typically subject to long development and supply lead times and the majority of our contracts with our largest aerospace customers have a term of five years or longer, which provides excellent volume and profitability visibility. In addition, demand for our aerospace products typically correlates directly with aircraft backlogs and build rates. As of December 2013, the backlog reported by Airbus and Boeing for commercial aircraft reached 10,639 units on a combined basis, representing approximately 8 years of production at the current build rates.

Additionally, aerospace products are generally subject to long qualification periods. Aerospace production sites are regularly audited by external certification organizations including the National Aerospace and Defense Contractors Accreditation Program ("NADCAP") and/or the International Organization for Standardization ("ISO"). NADCAP is a cooperative organization of numerous aerospace OEMs that defines industry-wide manufacturing standards. The NADCAP appoints private auditors who grant suppliers like Constellium a NADCAP certification, which customers tend to require. New products or alloys are certified by the OEM that uses the product. Our sites have been qualified by external certification organizations and our products have been qualified by our customers. We are typically able to obtain qualification within 6 months to one year. We believe we are able to obtain such qualifications within that time frame for two main reasons. First, some new product qualifications depend on having older qualifications regarding their alloy, temper or shape which we have already obtained through our long history of working with the main aircraft OEMs. This range of qualifications includes in excess of 100 specifications, some of which we obtained during programs dating back to the 1960s. Second, over the course of the decades that we have been working with the aerospace OEMs, we have invested in a number of capital intensive equipment and R&D programs to be able to qualify to the current industry norms and standards.

Our Ravenswood facility is a critical asset to Constellium and a central element of our strategy. A qualified AIRWARE® platform, it runs what is in our view the industry's most powerful stretcher and wide coil hot rolling capabilities. Despite historical losses, it has been subject to a very successful turnaround plan and is now profitable.

The following table summarizes our volume, revenues, Management Adjusted EBITDA and Adjusted EBITDA for our Aerospace & Transportation operating segment for the periods presented:

	For the year ended December 31,		
	2011	2012	2013
		(unaudited) (€ in millions, unless otherwise noted)	
Aerospace & Transportation:			
Segment Revenues	1,016	1,182	1,197
Segment Shipments (kt)	216	224	244
Segment Management Adjusted EBITDA(1)	23	89	103
Segment Management Adjusted EBITDA (€/ton)	106	397	422
Segment Management Adjusted EBITDA margin (%)(2)	2%	8%	9%
Segment Adjusted EBITDA(3)	38	106	120
Segment Adjusted EBITDA (€/ton)	176	472	491
Segment Adjusted EBITDA margin (%)(4)	4%	9%	10%

(1) Management Adjusted EBITDA is not a measure defined under IFRS. Please see the reconciliation in "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Covenant Compliance and Financial Ratios*" and "*Summary Consolidated Historical Financial Data*."

(2) Management Adjusted EBITDA margin (%) is not a measure defined under IFRS. Management Adjusted EBITDA margin (%) is defined as Management Adjusted EBITDA as a percentage of Segment Revenues.

(3) Adjusted EBITDA is not a measure defined under IFRS. Adjusted EBITDA is defined and discussed in "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Covenant Compliance and Financial Ratios*."

(4) Adjusted EBITDA margin (%) is not a measure defined under IFRS. Adjusted EBITDA margin (%) is defined as Adjusted EBITDA as a percentage of Segment Revenues.

Packaging & Automotive Rolled Products Operating Segment

In our Packaging & Automotive Rolled Products operating segment, we produce and develop customized aluminum sheet and coil solutions. Approximately 58% of operating segment volume for the year ended December 31, 2013 was in packaging applications, which primarily include beverage and food can stock as well as closure stock and foil stock. The remaining 42% of operating segment volume for that period was in automotive and customized solutions, which include technologically advanced products for the automotive and industrial sectors. Our Packaging & Automotive Rolled Products operating segment accounted for 42% of revenues and 33% of Management Adjusted EBITDA for the year ended December 31, 2013.

Principal end-use/ product category	Major Customers	Competitors
• Can stock	• Rexam, Crown, Ball, Can-Pack, Ardagh Group	• Novelis, Hydro, Alcoa
• Brazing coil and sheet (*e.g.*, *heat exchangers)*	• Valeo, Denso, Behr, Visteon	• Aleris, Alcoa, Sapa, Hydro
• Automotive body sheet (inner, outer, and structural parts)	• Audi, BMW, Daimler, Peugeot S.A., Renault	• Novelis, Aleris, Hydro
• Foilstock	• Amcor, Comital, Carcano	• Hydro, Novelis

We are the leading European supplier of can body stock and the leading worldwide supplier of closure stock. We are also a major European player in automotive rolled products for Auto Body Sheet, and heat exchangers. We have a diverse customer base, consisting of many of the world's largest beverage and food can manufacturers, specialty packaging producers, leading automotive firms and global industrial companies. Our customer base includes Rexam, Audi AG, Daimler AG, Peugeot S.A., Ball Corporation, Can-Pack S.A., Crown Holdings, Inc., Alanod GmbH & Co. KG, Ardagh Group S.A., Amcor Ltd. and ThyssenKrupp AG. Our automotive contracts are usually valid for the lifetime of a model, which is typically six to seven years.

We have two integrated rolling operations located in Europe's industrial heartland. Neuf-Brisach, our facility on the border of France and Germany, is, in our view, a uniquely integrated aluminum rolling and finishing facility. Singen, located in Germany, is specialized in high-margin niche applications and has an integrated hot/cold rolling line and high-grade cold mills with special surfaces capabilities that facilitate unique metallurgy and lower production costs. We believe Singen has enhanced our reputation in many product areas, most notably in the area of functional high-gloss surfaces for the automotive, lighting, solar and cosmetic industries, other decorative applications, closure stock, paintstock and foilstock. We recently announced plans to invest up to €200 million over the next three years to further grow our European Body-in-White business as well as plans to create a joint venture company to serve the North American Body-in-White market.

Our Packaging & Automotive Rolled Products operating segment has historically been relatively resilient during periods of economic downturn and has had relatively limited exposure to economic cycles and periods of financial instability. According to CRU International Limited ("CRU"), during the 2008-2009 economic crisis, can stock volumes decreased by 10% in 2009 versus 2007 levels as compared to a 24% decline for flat rolled aluminum products volumes in aggregate during the same period. This demonstrates that demand for beverage cans tends to be less correlated with general economic cycles. In addition, we believe European can body stock has an attractive long-term growth outlook due to the following trends: (i) end-market growth in beer, soft drinks and energy drinks, (ii) increasing use of cans versus glass in the beer market, (iii) increasing use of aluminum in can body stock in the European market, at the expense of steel, and (iv) increasing consumption in Eastern Europe linked to purchasing power growth.

The following table summarizes our volume, revenues, Management Adjusted EBITDA and Adjusted EBITDA for our Packaging & Automotive Rolled Products operating segment for the periods presented:

	For the year ended December 31,		
	2011	2012	2013
	(unaudited) (€ in millions, unless otherwise noted)		
Packaging & Automotive Rolled Products:			
Segment Revenues	1,625	1,554	1,472
Segment Shipments (kt)	621	606	595
Segment Management Adjusted EBITDA(1)	63	80	75

	For the year ended December 31,		
	2011	2012	2013
	(unaudited) (€ in millions, unless otherwise noted)		
Segment Management Adjusted EBITDA (€/ton)	101	132	126
Segment Management Adjusted EBITDA margin (%)(2)	4%	5%	5%
Segment Adjusted EBITDA(3)	95	92	105
Segment Adjusted EBITDA(€/ton)	153	153	176
Segment Adjusted EBITDA margin (%)(4)	6%	6%	7%

(1) Management Adjusted EBITDA is not a measure defined under IFRS. Please see the reconciliation in "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Covenant Compliance and Financial Ratios*" and "*Summary Consolidated Historical Financial Data*."

(2) Management Adjusted EBITDA margin (%) is not a measure defined under IFRS. Management Adjusted EBITDA margin (%) is defined as Management Adjusted EBITDA as a percentage of Segment Revenues.

(3) Adjusted EBITDA is not a measure defined under IFRS. Adjusted EBITDA is defined and discussed in "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Covenant Compliance and Financial Ratios*."

(4) Adjusted EBITDA margin (%) is not a measure defined under IFRS. Adjusted EBITDA margin (%) is defined as Adjusted EBITDA as a percentage of Segment Revenues.

Automotive Structures & Industry Operating Segment

Our Automotive Structures & Industry operating segment produces (i) technologically advanced structures for the automotive industry including crash management systems, side impact beams and cockpit carriers and (ii) soft and hard alloy extrusions and large profiles for automotive, rail, road, energy, building and industrial applications. We complement our products with a comprehensive offering of downstream technology and services, which include pre-machining, surface treatment, R&D and technical support services. Our Automotive Structures & Industry operating segment accounted for 23% of revenues and 20% of Management Adjusted EBITDA for the year ended December 31, 2013.

Principal end-use/ product category	Major Customers	Competitors
• Soft alloy extrusions	• Peugeot S.A., Renault	• Hydro Aluminum, Sapa Group
• Hard alloy extrusions	• Bosch, Daimler, TRW	• Alcoa, Aleris, Eural, Fuchs, Impol
• Large profiles (urban transport systems, high speed trains, etc.)	• Alstom, AnsaldoBreda, Bombardier, Siemens; Stadler; CAF	• Aleris, Sapa Group
• Automotive Structures	• Audi, Daimler, BMW, Peugeot S.A., Ford, Chrysler; Porsche; General Motors; Fiat	• Benteler, YKK, Magna, Waldaschaff

We believe that we are the second largest provider of aluminum automotive structures in the world and the leading supplier of hard alloys and large profiles for industrial and other transportation markets in Europe. We manufacture automotive structures products for some of the largest European and North American car manufacturers supplying a global market, including Daimler AG, BMW AG, Audi AG, Chrysler Group LLC and Ford Motor Co. We also have a strong presence in soft alloys in France and Germany, with customized solutions for a diversity of end-markets.

Fifteen of our manufacturing facilities, located in Germany, the United States, the Czech Republic, Slovakia, France, Switzerland and China, produce products sold in our Automotive Structures & Industry operating segment. We believe our local presence, downstream services and industry leading cycle times help to ensure that we respond to our customer demands in a timely and consistent fashion. Our two integrated remelt and casting centers in Switzerland and the Czech Republic both provide security of metal supply and contribute to our recycling efforts.

The following table summarizes our volume, revenues, Management Adjusted EBITDA and Adjusted EBITDA for our Automotive Structures & Industry operating segment for the periods presented:

	For the year ended December 31,		
	2011	2012	2013
	(unaudited) (€ in millions, unless otherwise noted)		
Automotive Structures & Industry:			
Segment Revenues	910	861	805
Segment Shipments (kt)	219	206	191
Segment Management Adjusted EBITDA(1)	19	39	46
Segment Management Adjusted EBITDA (€/ton)	87	190	241
Segment Management Adjusted EBITDA margin (%)(2)	2%	5%	6%
Segment Adjusted EBITDA(3)	36	46	59
Segment Adjusted EBITDA(€/ton)	164	225	311
Segment Adjusted EBITDA margin (%)(4)	4%	5%	7%

(1) Management Adjusted EBITDA is not a measure defined under IFRS. Please see the reconciliation in "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Covenant Compliance and Financial Ratios*" and "*Summary Consolidated Historical Financial Data*."

(2) Management Adjusted EBITDA margin (%) is not a measure defined under IFRS. Management Adjusted EBITDA margin (%) is defined as Management Adjusted EBITDA as a percentage of Segment Revenues.

(3) Adjusted EBITDA is not a measure defined under IFRS. Adjusted EBITDA is defined and discussed in "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Covenant Compliance and Financial Ratios*."

(4) Adjusted EBITDA margin (%) is not a measure defined under IFRS. Adjusted EBITDA margin (%) is defined as Adjusted EBITDA as a percentage of Segment Revenues.

Holdings and Corporate

Our Holdings and Corporate segment includes the net cost of our head offices in Schiphol-Rijk, the Netherlands, our treasury center in Zurich and our corporate support services functions in Paris. Our Holdings and Corporate segment accounted for 1% of revenues and (1%) of Adjusted EBITDA for the year ended December 31, 2013. Our Management Adjusted EBITDA and Adjusted EBITDA is defined and discussed in "*Management's Discussion and Analysis of Financial Condition and Results of operations—Key Performance Indicators—Management Adjusted EBITDA*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Adjusted EBITDA Reconciliation*," respectively.

Voreppe Research & Development Center

Voreppe is our dedicated R&D center in Grenoble, France and, as of December 31, 2013, employs approximately 85 scientists and 90 technicians. Voreppe uses its full-scale facilities, which include a pilot casthouse that enables process and alloy development on an industrial scale, and external links with several universities and other research facilities to develop new solutions and meet customers' needs. Our scientists and technicians are active in the development of aluminum product metallurgy and casting, rolling and extrusion technologies. Voreppe's proven track record includes development of an intellectual property portfolio with approximately 900 active patents organized into over 150 patent families.

We believe that a major factor in our R&D success has been the close interaction with key customers in our most technically demanding markets at the early stages of the development and innovation process. This collaborative effort with long-term customers has led to the in-house development of advanced alloys and solutions that have applications for products sold to multiple end-markets. This collaboration often takes the form of formal partnership or co-development arrangements or the formation of joint teams with our customers.

An example of such a development is our Surfalex® alloy, which was developed for the demanding specifications of the auto body market. We believe the alloy's superior surface appearance combined with high mechanical resistance level and optimized formability make it an alloy of choice for this sector. This alloy is already used at premium OEM's like Audi, Porsche and Daimler.

Our Industry

Aluminum sector value chain

The global aluminum industry consists of (i) mining companies that produce bauxite, the ore from which aluminum is ultimately derived, (ii) primary aluminum producers that refine bauxite into alumina and smelt alumina into aluminum, (iii) aluminum semi-fabricated products manufacturers (such as Constellium), including aluminum casters, recyclers, extruders and flat rolled products producers, and (iv) integrated companies that are present across multiple stages of the aluminum production chain.

The price of aluminum, quoted on the LME, is subject to global supply and demand dynamics and moves independently of the costs of many of its inputs. Producers of primary aluminum have limited ability to manage the volatility of aluminum prices and can experience a high degree of volatility in their cash flows and profitability. We do not smelt aluminum, nor do we participate in other upstream activities such as mining or refining bauxite. We recycle aluminum, both for our own use and as a service to our customers.

Rolled and extruded aluminum product prices are generally based on the price of metal plus a conversion fee (*i.e.*, the cost incurred to convert the aluminum into its semi-finished product). The price of aluminum is not a significant driver of our financial performance, in contrast to the more direct relationship of the price of aluminum to the financial performance of primary aluminum producers. Instead, the financial performance of producers of rolled and extruded aluminum products, such as Constellium, is driven by the dynamics in the end markets that they serve, their relative positioning in those markets and the efficiency of their industrial operations.

Aluminum rolled products overview

According to CRU, aluminum rolled products, i.e., sheet, plate and foil, are semi-finished products that constitute almost 50% of all aluminum volumes used. They provide the raw material for the manufacture of finished goods ranging from packaging to automotive body panels. The packaging industry is a major consumer of the majority of sheet and foil for making beverage cans, foil containers and foil wrapping. Sheet is also used extensively in transport for airframes, road and rail vehicles, in marine applications, including offshore platforms, and superstructures and hulls of boats and in building for roofing and siding. Plate is used for airframes, military vehicles and bridges, ships and other large vessels and as tooling plate for the production of plastic products. Foil applications outside packaging include electrical equipment, insulation for buildings, lithographic plate and foil for heat exchangers.

Independent aluminum rolled products producers and integrated aluminum companies alike participate in this market. Our rolling process consists of passing aluminum through a hot-rolling mill and then transferring it to a cold-rolling mill, which can gradually reduce the thickness of the metal down to approximately 0.2-6 mm for sheet or plates, which are thicker than 6 mm.

There are three sources of input metal for aluminum rolled or extruded products:

- Primary aluminum, which is primarily in the form of standard ingot
- Sheet ingot or rolling slab
- Extrusion billets
- Recycled aluminum, which comes either from scrap from fabrication processes, known as recycled process material, or from recycled end products in their end of life phase, such as beverage cans.

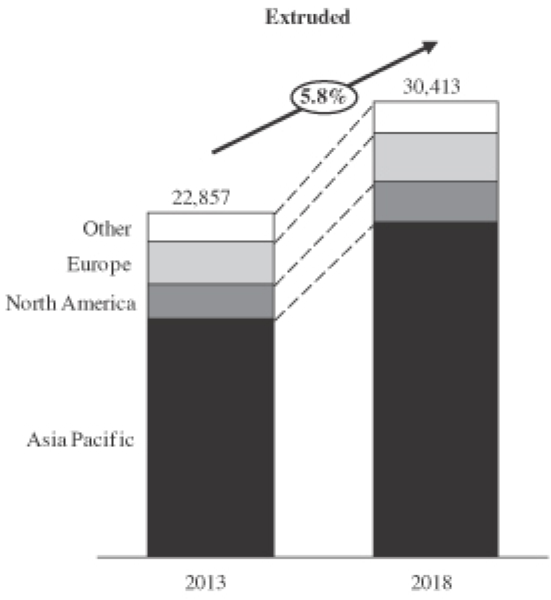
We buy various types of metal, including primary metal from smelters in the form of ingots, rolling slabs or extrusion billets, remelted metal from external casthouses (in addition to our own casthouses) in the form of rolling slabs or extrusion billets, production scrap from our customers, and end of life scrap.

Primary aluminum and sheet ingot can generally be purchased at prices set on the LME plus a premium that varies by geographic region on delivery, alloying material, form (ingot or molten metal) and purity.

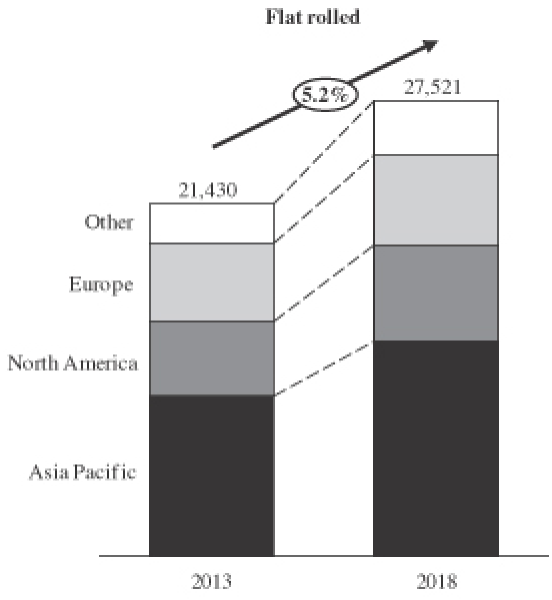
Recycled aluminum is also an important source of input material and is tied to the LME pricing (typically sold at discounts of up to 20%). Aluminum is indefinitely recyclable and recycling it requires only approximately 5% of the energy required to produce primary aluminum. As a result, in regions where aluminum is widely used, manufacturers and customers are active in setting up collection processes in which used beverage cans and other end-of-life aluminum products are collected for re-melting at purpose-built plants. Manufacturers may also enter into agreements with customers who return recycled process material and pay to have it re-melted and rolled into the same product again.

The following charts illustrate expected global demand for aluminum extruded and rolled products. The expected growth through 2018 for the extruded products market and the flat rolled products market is 5.8% and 5.2%, respectively.

Projected Aluminum Demand 2013-2018 (in thousand tons)



Source: CRU International Limited
Asia Pacific includes Japan, China, India, South Korea, Australia and other Asia
Other includes Central and South America, Middle East and Africa



Source: CRU International Limited
Asia Pacific includes Japan, China, India, South Korea, Australia and other Asia
Other includes Central and South America, Middle East and Africa

The market for aluminum rolled products tends to be less subject to demand cyclicality than the markets for primary aluminum and sheet ingot, which are affected by commodity price movements. A significant share of aluminum rolled products is used in the production of consumer staples, which have historically experienced relatively stable demand characteristics. These factors combine to create an industry that has lower cyclicality than the primary aluminum industry.

As the aluminum rolled products industry is characterized by economies of scale, significant capital investments required to achieve and maintain technological capabilities and demanding customer qualification standards. The service and efficiency demands of large customers have encouraged consolidation among suppliers of aluminum rolled products.

The supply of aluminum rolled products has historically been affected by production capacity, alternative technology substitution and trade flows between regions. The demand for aluminum rolled products has historically been affected by economic growth, substitution trends, down-gauging, cyclicality and seasonality.

Aluminum extrusions overview

Aluminum extrusion is a technique used to transform aluminum billets into objects with a definitive cross-sectional profile for a wide range of uses. Extrusions can be manufactured in many sizes and in almost any shape for which a die can be created. The extrusion process makes the most of aluminum’s unique combination of physical characteristics. Its malleability allows it to be easily machined and cast, and yet aluminum is one-third the density and stiffness of steel so the resulting products offer strength and stability, particularly when alloyed with other metals.

The process of aluminum extrusion consists of the following steps:

- After designing and creating the shape of the die, a cylindrical billet of aluminum alloy is heated to 800°F-925°F.
- The aluminum billet is then transferred to a loader, where a lubricant is added to prevent it from sticking to the extrusion machine, the ram/dummy block
- Substantial pressure is applied to a dummy block using a ram, which pushes the aluminum billet into the container, forcing it through the die.
- To avoid the formation of surface oxides when extruding harder alloys, nitrogen in liquid or gaseous form is introduced and allowed to flow through the sections of the die. This creates an inert atmosphere and improves the surface finish of the extrusion while also increasing the life of the die.
- The extruded part is cooled “quenched”, by an in line air or water system as it extrudes onto a run-out table. The elongated piece that is now the same shape as the die opening then transfers to a cooling table where additional cooling can be applied, prior to stretching.
- When the cooling is completed, the extruded aluminum is moved to a stretcher, for straightening and stress relief.
- The straightened extrusions are brought to the saw table and cut according to the required lengths.
- The final step is to age harden the extrusions by heating in an ageing furnace to harden the material.

Extruded profiles can be produced in solid or hollow form, while additional complexities can be applied using advanced die designs. After the extrusion process, a variety of options are available to adjust the color, texture and brightness of the aluminum’s finish. This may include aluminum anodizing or painting.

Today, aluminum extrusion is used for a wide range of purposes, including components of the transportation and industrial markets. Virtually every type of vehicle contains aluminum extrusions, including cars, boats, bicycles and trains. Home appliances and tools take advantage of aluminum’s excellent strength-to-weight ratio. The increased focus on green building is also leading contractors and architects to use more extruded aluminum products, as aluminum extrusions are flexible and corrosion-resistant. These diverse applications are possible due to the advantageous attributes of aluminum, from its particular blend of strength and ductility to its conductivity, its non-magnetic properties and its ability to be recycled repeatedly without loss of integrity. All of these capabilities make aluminum extrusions a viable and adaptable solution for a growing number of manufacturing needs.

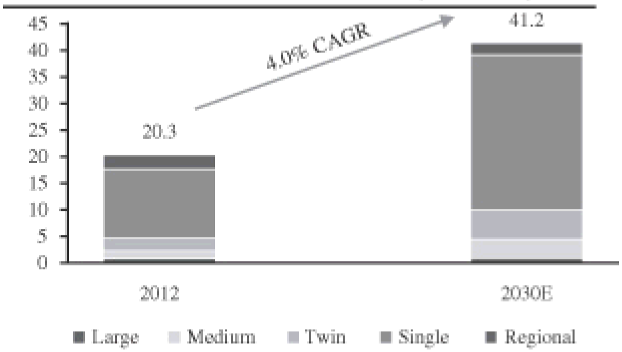
Our Key End-markets

Within the downstream aluminum market, we have chosen to focus our product portfolio on selected end-markets that we believe have particularly attractive characteristics for aluminum and favorable growth fundamentals, including aerospace, packaging and automotive.

Aerospace

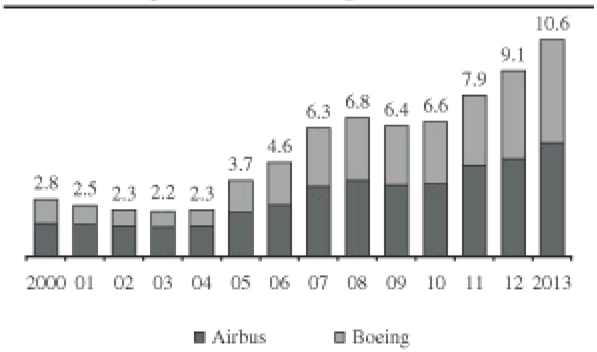
Demand for aerospace plates is primarily driven by the build rate of aircrafts, which we believe will be supported for the foreseeable future by (i) necessary replacement of aging fleets by airline operators, particularly in the United States and Western Europe, (ii) increasing global passenger air traffic (the aerospace industry publication The Airline Monitor estimates that global revenue passenger miles will grow at a compound annual growth rate (“CAGR”) of approximately 6.0% from 2014 to 2020) and iii) “lightweighting” (the substitution for lighter metals) to improve fuel efficiency and address increasingly rigorous environmental requirements. Due to a combination of these factors, in 2012, both Boeing and Airbus predicted the need for approximately 35,000 new aircraft over the next 20 years across all categories of large commercial aircraft.

World’s commercial aircraft fleet (thousands)



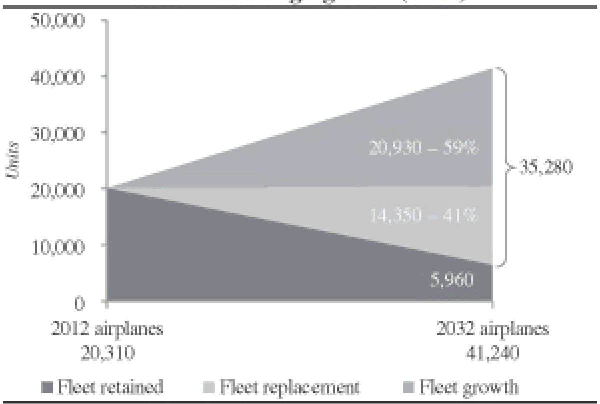
Data Source: Boeing publicly available information

Airplane order backlog (thousands)

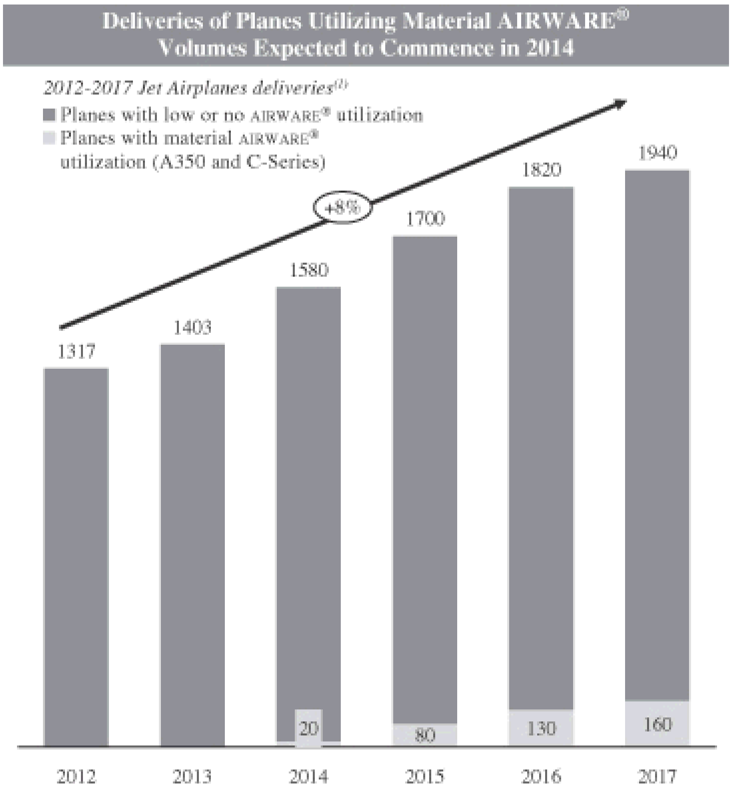


Data Source: Boeing and Airbus publicly available information

Fleet Development Driven by Passenger Demand and Aging Fleet (units)



Data Source: Boeing publicly available information

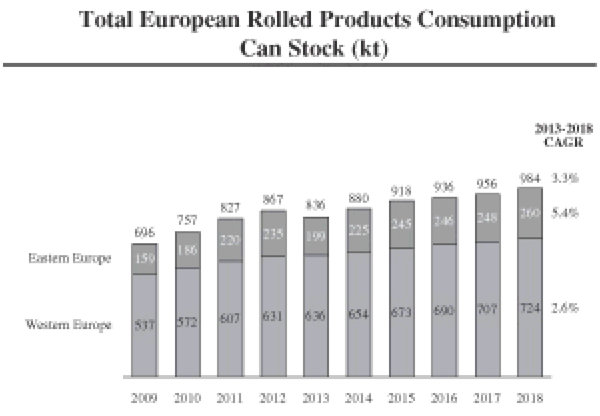


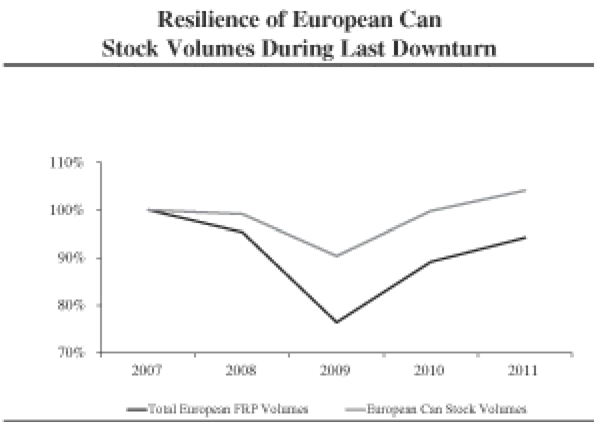
(1) Includes Boeing, Airbus and BRJ.
Source: Airline Monitor, February 2014.

In addition, according to Airline Monitor, deliveries of planes that typically utilize AIRWARE® are expected to grow from 20 units in 2014 to 160 units in 2017.

Rigid Packaging

Aluminum beverage cans represented approximately 18% of the total European aluminum flat rolled demand by volume in 2013. Aluminum is a preferred material for beverage packaging as it allows drinks to chill faster, can be stacked for transportation and storage more densely than competing formats (such as glass bottles), is highly formable for unique or differentiated branding, and offers the environmental advantage of easy, cost- and energy-efficient recycling. As a result of these benefits, aluminum is displacing glass as the preferred packaging material in certain markets, such as beer. In our core European market, aluminum is replacing steel as the standard for beverage cans. Between 2001 and 2013, we believe that aluminum's penetration of the European can stock market versus tinplate increased from 58% to 78%. In addition, we are benefitting from increased consumption in Eastern Europe and growth in high margin products such as the specialty cans used for energy drinks.





Source: CRU International.

In addition to expected growth, demand for can sheet has been highly resilient across economic cycles. Between 2007 and 2009, during the economic crisis, European can body stock volumes decreased by less than 9% as compared to a 24% decline for total European flat rolled products volumes.

According to CRU, the aluminum demand for the can stock market in Western and Eastern Europe is expected to grow by 3.3% per year between 2013 and 2018.

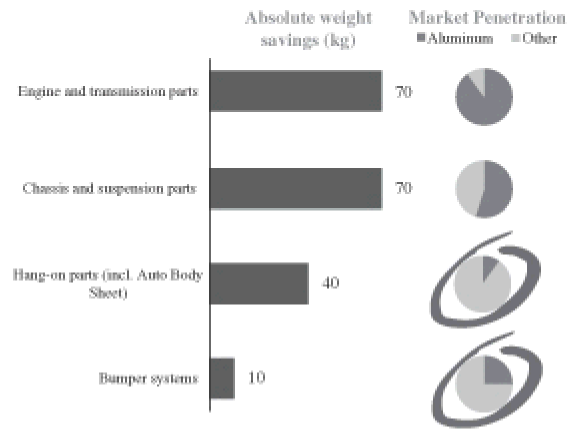
Automotive

We supply the automotive sector with flat rolled products out of our Packaging & Automotive Rolled Products operating segment and extrusions and automotive structures out of our Automotive Structures & Industry operating segment.

In our view, the main drivers of automotive sales are overall economic growth, credit availability, consumer prices and consumer confidence. According to LMC Automotive, light vehicle production is expected to grow from 78 million units in 2013 to 107 million units in 2021 in Europe, Asia and North America.

Within the automotive sector, the demand for aluminum has been increasing faster than the underlying demand for light vehicles due to recent growth in the use of aluminum products in automotive applications. We believe a main reason for this is aluminum's high strength-to-weight ratio in comparison to steel. This lightweighting facilitates better fuel economy and improved emissions performance. As a result, manufacturers are seeking additional applications where aluminum can be used in place of steel and an increased number of cars are being manufactured with aluminum panels and crash management systems. We believe that this trend will continue as increasingly stringent EU and U.S. regulations relating to reductions in carbon emissions, as well as high fuel prices, will force the automotive industry to increase its use of aluminum to "lightweight" vehicles. The fleet average to be achieved by all new cars in Europe is 130 grams of CO_2 per kilometer (g/km) by 2015—with the target phased in from 2012. In 2012, an average of 65% of each manufacturer's newly registered cars must comply with the limit value curve set by the legislation. This is expected to rise to 75% in 2013, 80% in 2014, and 100% from 2015 onwards.

Aluminum's Direct Weight Savings and Market Penetration

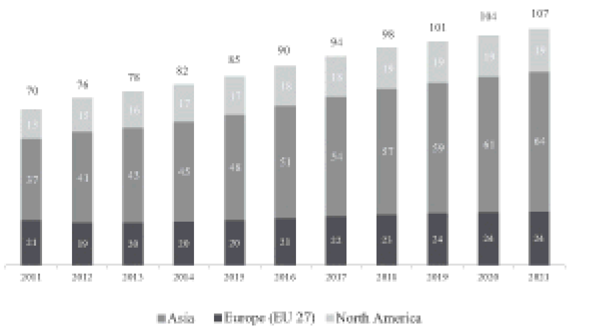


Source: EEA Aluminum Penetration in Car

We believe that Constellium is one of only a limited number of companies that is able to produce the quality and quantity required by car manufacturers for both flat rolled products and automotive structures, and that we are therefore well positioned to take advantage of these market trends.

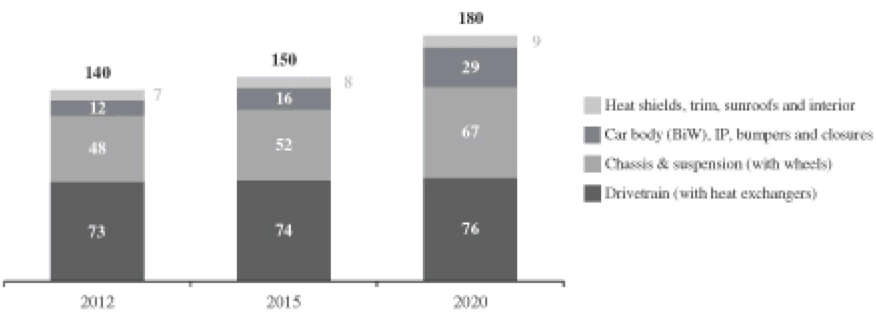
Our R&D-focused approach led to the development of a number of innovative automotive product solutions; for example, Constellium worked with Mercedes-Benz to develop an all-aluminum crash management system that reduced the system's weight by 50%. In addition, increasing demand for European luxury cars in emerging markets, particularly in China, is expected to enhance the long-term growth prospects for our automotive products given our strong established relationships with the major German car manufacturers, who are particularly well placed in this region.

Light vehicle production (million units)



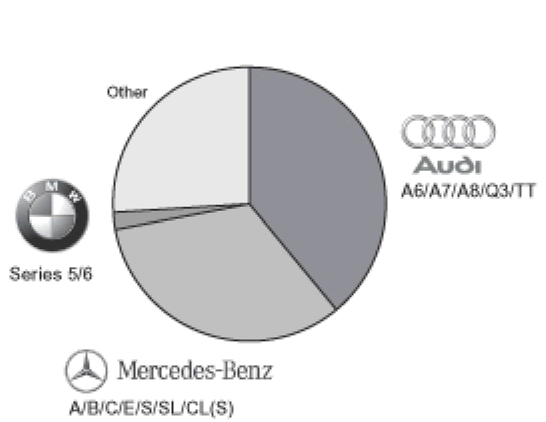
Data Source: LMC Automotive, Global Light Vehicle Production by Region, Group, Marque, Model & Source, Q1 2014

Aluminum in European Light Vehicles (kg)



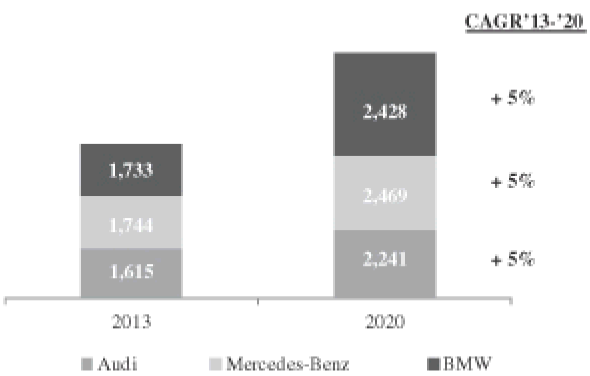
Source: Ducker Worldwide

2013 Constellium Auto Body Sheet sales by OEM*



**Car models are not exhaustive and are for illustrative purposes only.*

Worldwide Production of Selected Premium OEMs



Source: LMC Automotive

According to the CRU, the aluminum demand for the Auto Body market in Western Europe and North America passenger cars was expected to grow by 18% between 2012 and 2015[(1)] and the aluminum demand for the Auto Body market in Western Europe and North America is expected to grow by 31% per year between 2013 and 2018[(2)].

(1) Calculated based on NA Passenger Cars and Western Europe Auto Body

(2) Calculated based on NA Auto Body and Western Europe Auto Body

Our Competitive Strengths

Aluminum is a widely used, attractive industrial material, and several factors support fundamental long-term growth in aluminum consumption generally, including urbanization in emerging economies, economic recovery in developed economies and a global focus on sustainability. We believe that we are well positioned to benefit from this growth and increase our market share due to (i) our leading positions in attractive and complementary end-markets (aerospace, packaging and automotive), (ii) our advanced R&D technological capabilities, (iii) our global network of efficient facilities with a broad range of capabilities operated by a highly skilled workforce, (iv) our long-standing relationships with a diversified and blue-chip customer base, (v) our stable business model that delivers robust free cash flow across the cycle and (vi) our strong and experienced management team.

We believe that the following competitive strengths differentiate our business and will allow us to maintain and build upon our strong industry position:

Leading positions in each of our attractive and complementary end-markets

In our core industries—aerospace, packaging and automotive—we have market leading positions and established relationships with many of the main manufacturers. Within these attractive and diverse end-markets, we are particularly focused on product lines that require expertise, advanced R&D, and technology capabilities to produce. The drivers of demand in our core industries are varied and largely unrelated to one another.

We are the largest supplier globally of aerospace plates. We believe that our ability to fulfill the technical, R&D and quality requirements needed to supply the aerospace market gives us a significant competitive advantage. In addition, based on our knowledge as a market participant, we are one of only two suppliers of aerospace plate to have qualified facilities on two continents, which enables us to more effectively supply both Airbus and Boeing. We have sought to develop our strategic platform by making significant investments to increase our capacity and improve our capabilities and to develop our proprietary AIRWARE® material solution. We believe we are well positioned to benefit from strong demand in the aerospace sector, as demonstrated by the currently high backlogs for Boeing and Airbus that are driven by increased global demand for air travel, especially in Asia. For example, Boeing estimates that between 2013 and 2032, 39% of sales of new airplanes will be to Asia Pacific, 21% to Europe and 17% to North America.

We are the largest supplier of European can body stock by volume and, in our view, we have benefited from our strong relationships with the leading European can manufacturers, our recycling capabilities and our fully integrated Neuf-Brisach facility, which has full production capabilities ranging from recycling and casting to rolling and finishing. As the leader in the European market, we believe that we are well-positioned to benefit from the ongoing trend of steel being replaced by aluminum as the material of choice for can sheet. Packaging historically has provided a stable cash flow stream through the economic cycle that can be used to invest in attractive opportunities in the aerospace and automotive industries to drive longer term growth.

In automotive, we believe our leading positions in the supply of aluminum products are due to our advanced design capabilities, efficient production systems and established relationships with leading automotive OEMs. This includes being the second largest global supplier of aluminum auto crash management systems by volume. We expect that EU and U.S. regulations requiring reductions in carbon emissions and fuel efficiency, as well as relatively high fuel prices, will continue to drive aluminum demand in the automotive industry. Whereas growth in aluminum use in vehicles has historically been driven by increased use of aluminum castings, we anticipate that future growth will be primarily in the kinds of extruded and rolled products that we supply to the OEMs.

In addition, we hold market leading positions in a number of other attractive product lines.

Leading Positions*

Segment	Product line	Position	Source
Aerospace & Transportation	Aerospace plates (global)	#1	(b)
	General engineering plates (global)	#2	(a)
Packaging & Automotive Rolled Products	Closure stock (global)	#1	(b)
	Can body stock (Europe)	#1	(a)
Automotive Structures & Industry	Aluminum crash management systems (global)	#2	(b)
	Hard alloy extrusions (Europe)	#1	(b)
	Large profiles (Europe)	#1	(b)

(a) CRU International Limited, based on data regarding the year ended 2012
(b) Based on Company internal market analysis for the year ended 2013
* Based on volumes

Global network of efficient facilities with a broad range of capabilities operated by a highly skilled workforce

We operate a network of strategically located facilities that we believe allows us to compete effectively in our selected end-markets across numerous geographies. With an estimated replacement value of over €6.5 billion, our facilities have enabled us to reliably produce a broad range of high-quality products. They are operated by a highly skilled workforce with decades of accumulated operational experience. We believe this collective knowledge base would be very difficult to replicate and is a key contributing factor to our ability to produce consistently high-quality products.

Our six key production sites feature industry-leading manufacturing capabilities with required industry qualifications that are in our view difficult for market outsiders to accomplish. For example, Neuf-Brisach is the most integrated downstream aluminum production facility in Europe, with capabilities spanning the recycling, casting, rolling and finishing phases of production. In July 2013, we completed two projects to enhance the capacity and performance of one of our main rolling mills at Neuf-Brisach, representing a total investment of €23 million. The first project modernized a casting complex dedicated to rolling slab production, delivering safety and quality improvements and increasing casting capacity, and the second project involved the complete replacement of a pusher furnace, dedicated to the homogenization and preheating of slabs before rolling. Our Issoire, France and Ravenswood, West Virginia, United States plants have unique capabilities for producing the specialized wide and very high gauge plates required for the aerospace sector. Additionally, our network of small extrusion and automotive structures plants enables us to serve many of our customers on a localized basis, allowing us to more rapidly meet demand through close proximity. We believe our portfolio of facilities provides us with a strong platform to retain and grow our global customer base.

Long-standing relationships with a diversified and blue-chip customer base

Our customer base includes some of the largest manufacturers in the aerospace, packaging and automotive end-markets. We believe that our ability to produce tailored, high value-added products fosters longer-term and synergistic relationships with this blue-chip customer base. We regard our relationships with our customers as partnerships in which we work together to utilize our unique R&D and technological capabilities to develop customized solutions to meet evolving requirements. This includes developing products together through long-term R&D partnerships. In addition, we collaborate with our customers to complete a rigorous process for qualifying our products, which requires substantial time and investment and creates high switching costs.

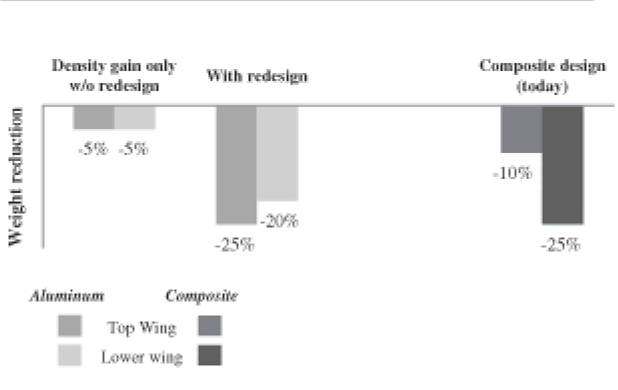
We have a relatively diverse customer base with our 10 largest customers representing approximately 45% of our revenues and approximately 50% of our volumes for the year ended December 31, 2013. The average length of our relationships with our top 20 customers exceeds 25 years, and in some cases goes back as far as 40 years, particularly with our aerospace and packaging customers. Most of our major packaging, aerospace and automotive customers have multi-year contracts with us (*i.e.*, contracts with terms of three to five years), making us critical partners to our customers. We estimate that approximately 58% of our volumes for 2013 were generated under multi-year contracts, more than 59% were governed by contracts valid until 2014 or later and more than 44% were governed by contracts valid until 2015 or later. In addition, more than 80% of our packaging volumes are contracted through 2014. This provides us with stability and significant visibility into our future volumes and earnings.

Advanced R&D and technological capabilities

We have made substantial investments to develop unique R&D and technological capabilities, which we believe give us a competitive advantage as a supplier of the high value-added, specialty products on which we focus and which make up the majority of our product portfolio. In particular, our R&D facility in Voreppe, France has given us a leading position in the development of proprietary next-generation specialty alloys, as evidenced by our robust intellectual property portfolio. We use our technological capabilities to develop tailored products in close partnerships with our customers, with the aim of building long-term and synergistic relationships.

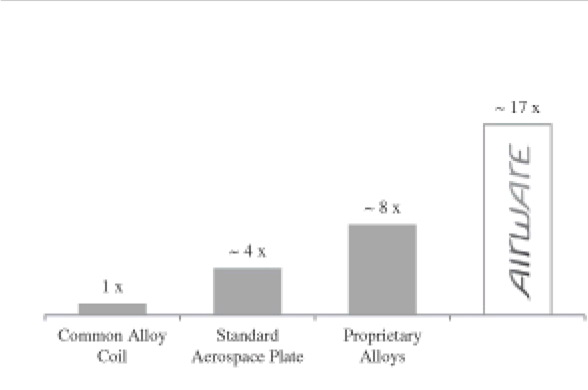
One of our hallmark R&D achievements was the recent development of AIRWARE®, a lightweight specialty aluminum-lithium alloy developed for our aerospace customers to enable them to reduce fuel consumption and costs. AIRWARE® was developed for certain customers using our pilot cast-house in Voreppe, and following a substantial capital expenditure investment, is now being produced on an industrial scale in our aerospace facility in Issoire, France. AIRWARE® combines optimized density, corrosion resistance and strength in order to achieve up to 25% weight reduction compared to other aluminum products and significantly higher corrosion and fatigue resistance than equivalent composite products.

AIRWARE® Lightweighting Comparison



Source: Company Estimates

AIRWARE® Relative Contribution Margin/Ton



Source: Company Estimates

Stable business model that delivers robust free cash flow across the cycle

There are several ways in which our business model is designed to produce stable and consistent cash flows and profitability. For example, our pricing model allows us to pass through risks related to the volatility of commodity metal prices by charging customers LME aluminum prices plus a conversion premium. We minimize our exposure to commodity metal price volatility primarily by (i) passing through aluminum price risk to customers, whereby customers pay the same metal price we receive from our suppliers, (ii) using financial derivatives and (iii) utilizing metal owned by the customer (tolling).

Our business also features relatively countercyclical cash flows. During an economic downturn, lower demand causes our sales volumes to decrease, which results in a corresponding reduction in our inventory levels, a reduction in our working capital requirements and a positive impact on our operating cash flows. As a result, operating cash flows become positive. We believe this helps to drive robust free cash flow across cycles and provides significant downside protection for our liquidity position in the event of a downturn. For example, in 2009 during the last prolonged downturn in demand, our volumes declined from 1,058 kt to 868 kt. This decline resulted in a €276 million reduction of our total working capital, mainly driven by inventory reductions of €213 million and a positive operating cash flow from continuing operations of approximately €181 million.

In addition, we have a significant presence in the can sheet and packaging end-markets, which have proved to be relatively stable, recession-resilient and the aerospace end-market, which is driven by global demand trends rather than regional trends. Our automotive products are predominantly used in premium models manufactured by the German OEMs, which are not as dependent on the European economy and continue to benefit from rising demand in developing economies, particularly China. For example, LMC Automotive reports that in 2013, 51% of global light vehicles were sold in Asia, 23% were sold in Europe and 19% were sold in North America.

Robust financial profile

Our business model is built to maintain financial strength and flexibility throughout the business cycle, as demonstrated by our recent financial performance. As of December 31, 2013, we had Net Debt of €132 million and liquidity of €392 million. Pro forma for the proposed financing, we expect a modest increase in Net Debt to €147 million and a significant increase in liquidity to €751 million as of December 31, 2013. Our Adjusted EBITDA and Adjusted EBITDA per ton for the year ended December 31, 2013 were €280 million and €273 per ton, respectively, up from €223 million and €216 per ton for the year ended December 31, 2012, respectively.

Strong and experienced management team and Board of Directors

We have a strong and experienced management team led by Pierre Vareille, our Chief Executive Officer, who has more than 30 years of experience in the manufacturing industry and a successful track record of leading global manufacturing companies particularly in the domain of metal transformation for industries such as automotive and aerospace, and Didier Fontaine, our Chief Financial Officer, who has more than 30 years of experience in finance and IT at both private and public companies, including most recently serving as Chief Financial Officer and Information Technology Director of Plastic Omnium, a world-leading automotive supplier. Our executive officers and other key members of our management team have an average of more than 15 years of relevant industry experience. Our team has expertise across the commercial, technical and management aspects of our business and industry, which provides for strong customer service, rigorous quality and cost controls, and focus on health, safety and environmental improvements. Our board of directors includes current and former executives of Alcan, Rio Tinto, Bosch, Ascometal SAS, Alcatel-Lucent, Continental AG, Kaiser Aluminum and automotive suppliers such as Faurecia, who bring extensive experience in operations, finance, governance and corporate strategy.

Our Business Strategies

Our objective is to expand our leading position as a supplier of high value-added, technologically advanced products in which we believe that we have a competitive advantage. Our strategy to achieve this objective has three pillars: (i) selective participation, (ii) global leadership position and (iii) best-in-class efficiency and operational performance.

Selective Participation

Continue to target investment in high-return opportunities in our core markets (aerospace, packaging and automotive), with the goal of driving growth and profitability

We are focused on our three strategic end-markets—aerospace, packaging and automotive—which we believe have attractive growth prospects for aluminum. These are also markets where we believe that we can differentiate ourselves through our high value-added products, our strong customer relationships and our R&D and technological capabilities. Our capital expenditures and R&D spend are focused on these three strategic end-markets and are made in response to specific volume requirements from long-term customer contracts, which ensures relatively short payback periods and good visibility into return on investment. Our focus on high value-added products in our three strategic end-markets with our strong customer relationships enable us to maximize conversion premium growth and profitability rather than focusing on volume growth.

For example, in aerospace, we continue to invest in expanding the capabilities of our two leading aerospace plate mills, Issoire and Ravenswood. At Issoire and Voreppe, approximately €52 million is being invested for the construction of a state-of-the-art AIRWARE® casthouse in order to meet the strong growing volume demands for AIRWARE® from our customers, of which approximately €26 million has been spent as of December 31, 2013. The construction is expected to be completed in 2015.

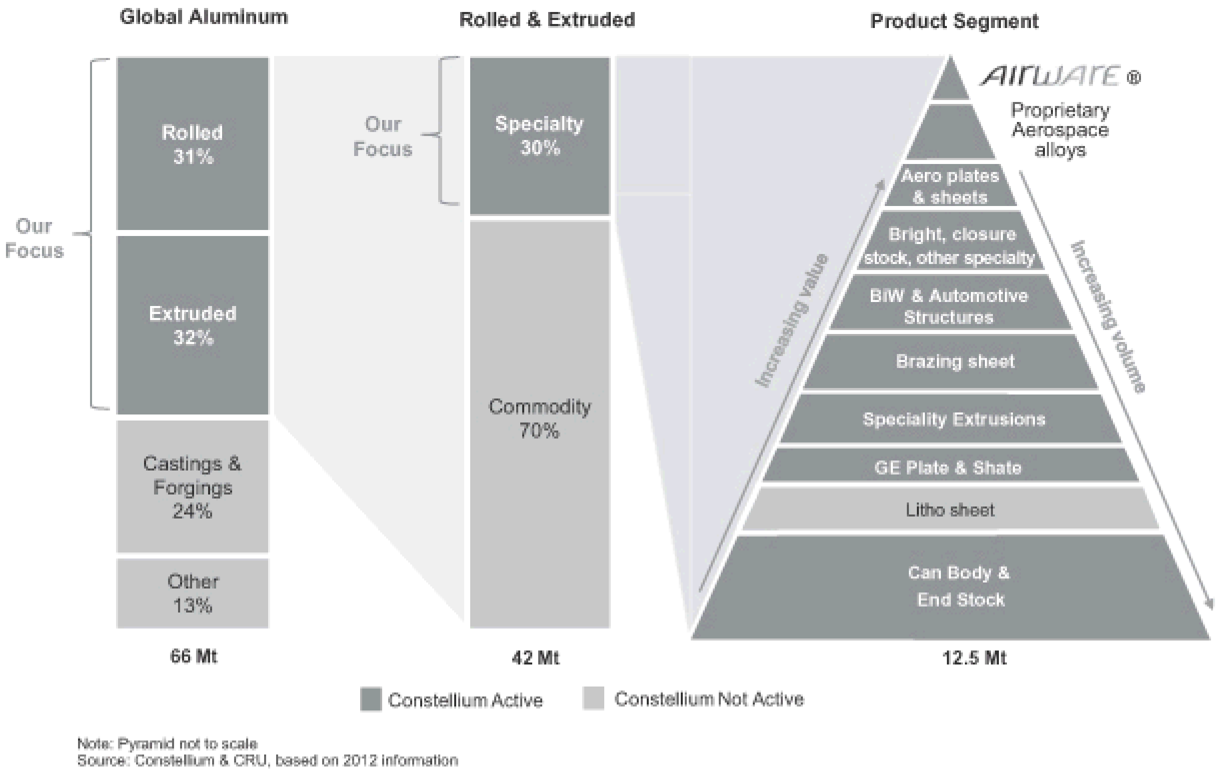
We are also investing in an expansion of our global Automotive Structures & Industry operating segment, including by making a significant investment in a new state-of-the-art 40 MegaNewton automotive extrusion press in Singen, Germany. In addition, at our Neuf-Brisach facility, we have completed substantial investments in a heat treatment and conversion line to serve growing customer demand for aluminum automotive sheets, as well as investments focused on productivity improvements, debottlenecking and recycling, each of which has helped us reinforce our presence in the European can body sheet market.

As part of our focus on our core end-markets and our strategy to improve our profitability, we also consider potential divestitures of non-strategic businesses. In May 2013, we announced the sale to OpenGate capital of our French extrusion plants in Ham and Saint-Florentin, which were dedicated to the production of aluminum profiles intended mainly for the building and construction industry.

Focus on higher margin, technologically advanced products that facilitate long-term relationships as a "mission critical" supplier to our customers

Our product portfolio is predominantly focused on high value-added products, which we believe we are particularly well-suited to developing and manufacturing for our customers. These products tend to require close collaboration with our customers to develop tailored solutions, as well as significant effort and investment to adhere to rigorous qualification procedures, which enables us to foster long-term relationships with our customers. Our products typically command higher margins than more commoditized products, and are supplied to end-markets that we believe have highly attractive characteristics and long-term growth trends.

Constellium Product Focus



Global Leadership Position

Continue to differentiate our products, with the goal of maintaining our leading market positions and remaining a supplier of choice to our customers

We aim to deepen our ties with our customers by consistently providing best-in-class quality, market leading supply chain integration, joint product development projects, customer technical support and scrap and recycling solutions. We believe that our product offering is differentiated by our market-leading R&D capabilities. Our key R&D programs are focused on high growth and high margin areas such as specialty material solutions, next generation alloys and sustainable engineered solutions / manufacturing technologies. Recent examples of market-leading breakthroughs include our AIRWARE® lithium alloy technology and our Solar Surface® Selfclean, a coating solution used in the solar industry which provides additional performance and functionality of the aluminum by chemically breaking down dirt and contaminants in contact with the surface.

Build a global footprint with a focus on gaining scale in Europe and the United States as well as expanding in Asia

We intend to selectively expand our global operations where we see opportunities to enhance our manufacturing capabilities, grow with current customers and gain new customers, or penetrate higher-growth regions. We believe disciplined expansion focused on these objectives will allow us to achieve attractive returns. In line with these principles, our recently announced or completed expansions include:

- the announcement of plans to significantly increase the industrial capacity of our Issoire (France) plant to meet accelerating demand for our AIRWARE® technology through ramped-up production at two new state-of-the-art casthouses.
- the announcement of plans to invest up to €200 million over the next three years to further grow our European Body-in-White business, with investments to increase production capacity at Neuf-Brisach and to start Body-in-White production at Singen in Phase 1 and the addition of a new continuous annealing and conversion line in Europe in Phase 2;
- the announcement of plans to create a joint venture company in the United States with UACJ, through TAA (UACJ's subsidiary with Sumitomo Corporation and Itochu Group), to serve the North American Body-in-White market;
- the successful expansion of our Constellium Automotive USA, LLC plant, located in Novi, Michigan, which is producing highly innovative crash-management systems for the automotive market; and
- the formation of a joint venture in China, Engley Automotive Structures Co., Ltd., which is currently producing aluminum crash-management systems in Changchun and Kunshan, China.

Best-in-Class Performance

Establish best-in-class operations through Lean manufacturing

We believe that there are significant opportunities to improve our services and quality and to reduce our manufacturing costs by implementing Lean manufacturing initiatives. "Lean manufacturing" is a production practice that improves efficiency of operations by identifying and removing tasks and process steps that do not contribute to value creation for the end customer. We continually evaluate debottlenecking opportunities globally through modifications of and investments in existing equipment and processes. We aim to establish best-in-class operations and achieve cost reductions by standardizing manufacturing processes and the associated upstream and downstream production elements where possible, while still allowing the flexibility to respond to local market demands and volatility.

To focus our efforts, we launched a Lean manufacturing program designed to improve the flow of value to customers by eliminating waste in both processes and resources. We measure operational success of this program in six key areas: (i) safety, (ii) quality, (iii) acceleration of the flows and working capital reduction, (iv) delivery performance, (v) equipment efficiency and (vi) innovation.

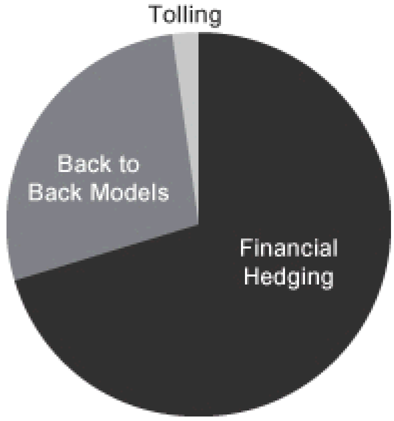
Our Lean manufacturing program is overseen by a dedicated team, headed by Yves Mérel. Mr. Mérel reports directly to our Chief Executive Officer, Pierre Vareille. Mr. Vareille and Mr. Mérel have long track records of successfully implementing Lean manufacturing programs at other companies they have managed together in the past.

Managing Our Metal Price Exposure

Our business model is to add value by converting aluminum into semi-fabricated products. It is our policy not to speculate on metal price movements.

For all contracts, we continuously seek to eliminate the impact of aluminum price fluctuations in order to protect our net income and cash flows against the LME price variations of aluminum that we buy and sell, with the following methods:

- In cases where we are able to align the price and quantity of physical aluminum purchases with that of physical aluminum sales, we do not need to employ derivative instruments to further mitigate our exposure, regardless of whether the LME portion of the price is fixed or floating.
- However, when we are unable to align the price and quantity of physical aluminum purchases with that of physical aluminum sales, we enter into derivative financial instruments to pass through the exposure to financial institutions at the time the price is set.
- For a small portion of our volumes, the metal is owned by our customers and we bear no metal price risk.



We mark-to-market derivatives at the period end giving rise to unrealized gains or losses which are classified as "*other gains/(losses)-net*". These unrealized gains/losses have no bearing on the underlying performance of the business and are removed when calculating Management Adjusted EBITDA and Adjusted EBITDA.

Sales and Marketing

Our sales force is based in Europe (France, Germany, Czech Republic, United Kingdom and Italy), the United States and Asia (Tokyo, Shanghai, Seoul, and Singapore). We serve our customers either directly or through distributors.

Raw Materials and Supplies

Our primary metal supply is secured through long-term contracts with several upstream companies, including affiliates of Rio Tinto. In addition, approximately two-thirds of our slab supply is produced in our casthouses. All of our top 10 suppliers have been long-standing suppliers to our plants (in many cases for more than 10 years) and in aggregate accounted for approximately 50% of our total purchases at December 31, 2013. We typically enter into multi-year contracts with these metal suppliers pursuant to which we purchase various types of metal, including:

- Primary metal from smelters or metal traders in the form of ingots, rolling slabs or extrusion billets.
- Remelted metal in the form of rolling slabs or extrusion billets from external casthouses, as an addition to our own casthouses.
- Production scrap from customers and scrap traders.
- End-of-life scrap (e.g. used beverage cans) from customers, collectors and scrap traders.
- Specific alloying elements and prime ingots from producers and metal traders.

Our operations use natural gas and electricity, which represent the third largest component of our cost of sales, after metal and labor costs. We purchase part of our natural gas and electricity on a spot-market basis. However, in an effort to acquire the most favorable energy costs, we have secured some of our natural gas and electricity pursuant to fixed-price commitments. To reduce the risks associated with our natural gas and electricity requirements, we use financial futures or forward contracts with our suppliers to fix the price of energy cost. Furthermore, in our longer-term sales contracts, we try to include indexation clauses on energy prices.

Our Customers

Our customer base includes some of the largest leading manufacturers in the aerospace, packaging and automotive end-markets. We have a relatively diverse customer base with our 10 largest customers representing approximately 45% of our revenues and approximately 50% of our volumes for the year ended December 31, 2013.

The average length of our relationships with each of our top 20 customers exceeds 25 years, and in some cases goes back as far as 40 years, particularly with our aerospace and packaging customers.

Most of our major packaging, aerospace and automotive customers have multi-year contracts with us (*i.e.*, contracts with terms of three to five years). We estimate that approximately 58% of our volumes for 2013 were generated under multi-year contracts, more than 59% were governed by contracts valid until 2014 or later and more than 44% were governed by contracts valid until 2015 or later. In addition, more than 80% of our packaging volumes are contracted through 2014. This provides us with significant visibility into our future volumes and earnings.

We see our relationships with our customers as partnerships where we work together to find customized solutions to meet their evolving requirements. In addition, we collaborate with our customers to complete a rigorous process for qualifying our products in each of our end-markets, which requires substantial time and investment and creates high switching costs, resulting in longer-term, mutually beneficial relationships with our customers. For example, in the packaging industry, where qualification happens on a plant-by-plant basis, we are currently the exclusive qualified supplier to several facilities of our customers.

Employees

As of December 31, 2013, we employed approximately 8,600 employees of which approximately 7,500 were engaged in production and maintenance activities and approximately 1,000 were employed in support functions. Approximately 4,000 of our employees were employed in France, 1,900 in Germany, 1,150 in the United States, 850 in Switzerland, and 700 in Eastern Europe and other regions. As of December 31, 2012 and 2011, we employed approximately 8,845 and 8,900 employees, respectively.

The vast majority of non-U.S. employees and approximately 60% of U.S. employees are covered by collective bargaining agreements. These agreements are negotiated on site, regionally or on a national level and are of different durations. Except in connection with prior negotiations around our plan to restructure our plant in Ham, France (which has since been disposed of), completed during the fourth quarter 2011, we have not experienced a prolonged labor stoppage in any of our production facilities in the past 10 years.

In addition to our employees, we employed 847, 691, and 1,031 temporary employees, respectively, as of December 31, 2011, 2012, and 2013.

Competition

The worldwide aluminum industry is highly competitive and we expect this dynamic to continue for the foreseeable future. We believe the most important competitive factors in our industry are: product quality, price, timeliness of delivery and customer service, geographic coverage and product innovation. Aluminum competes with other materials such as steel, plastic, composite materials and glass for various applications. Our key competitors in our Aerospace & Transportation operating segment are Alcoa Inc., Aleris International, Inc., Kaiser Aluminum Corp., Austria Metall AG, and Universal Alloy Corporation. Our key competitors in our Packaging & Automotive Rolled Products operating segment are Novelis Inc., Norsk Hydro ASA, Alcoa, Inc., and Sapa AB. Our key competitors in our Automotive Structures & Industry operating segment are Norsk Hydro ASA, Sapa AB, Alcoa, Inc., Aleris International, Inc., Eural Gnutti S.p.A., Otto Fuchs KG, Impol Aluminum Corp., Benteler International AG and YKK.

Research and Development

We believe that our research and development capabilities coupled with our integrated, long-standing customer relationships create a distinctive competitive advantage versus our competition. Our R&D center is based in Voreppe, France and provides services and support to all of our facilities. The R&D center focuses on product and process development, provides technical assistance to our plants and works with our customers to develop new products. In developing new products, we focus on increased performance that aims to lower the total cost of ownership for the end users of our products, for example, by developing materials that decrease maintenance costs of aircraft or increase fuel efficiency in cars. As of December 31, 2013, the research and development center employs 260 employees, including approximately 85 scientists and 90 technicians.

Within the Voreppe facility, we also focus on the development, improvement, and testing of processes used in our plants such as melting, casting, rolling, extruding, finishing and recycling. We also develop and test technologies used by our customers, such as friction stir welding and automotive hoods bumping and provide technological support to our customers.

The key contributors to our success in establishing our R&D capabilities include:

- Close interaction with key customers, including through formal partnerships or joint development teams—examples include Strongalex®, Formalex® and Surfalex®, which were developed with automotive Auto Body Sheet customers (mainly Daimler and Audi) and the Fusion bottle, a draw wall ironed technology created in partnership with Rexam.
- Technologically advanced equipment.
- Long-term partnerships with European universities—for example, Swiss Technology Partners and École Polytechnique Fédérale de Lausanne in Switzerland generate significant innovation opportunities and foster new ideas.

We invested in research and development €36 million in each of the years ended December 31, 2013 and December 31, 2012, and €33 million in the year ended December 31, 2011.

Trademarks, Patents, Licenses and IT

In connection with the Acquisition, Rio Tinto assigned or licensed to us certain patents, trademarks and other intellectual property rights. In connection with our collaborations with universities such as the École Polytechnique Fédérale de Lausanne and other third parties, we occasionally obtain royalty-bearing licenses for the use of third party technologies in the ordinary course of business.

We actively review intellectual property arising from our operations and our research and development activities and, when appropriate, apply for patents in the appropriate jurisdictions. We currently hold approximately 150 active patent families and regularly apply for new ones. While these patents and patent applications are important to the business on an aggregate basis, we do not believe any single patent family or patent application is critical to the business.

We are from time to time involved in opposition and re-examination proceedings that we consider to be part of the ordinary course of our business, in particular at the European Patent Office, the U.S. Patent and Trademark Office, and the State Intellectual Property Office of the People's Republic of China. We believe that the outcome of existing proceedings would not have a material adverse effect on our financial position, results of operations or cash flows.

Insurance

We have implemented a corporate-wide insurance program consisting of both corporate-wide master policies with worldwide coverage and local policies where required by applicable regulations. Our insurance coverage includes: (i) property damage and business interruption; (ii) general liability including operation, professional, product and environment liability; (iii) aviation product liability; (iv) marine cargo (transport); (v) business travel and personal accident; (vi) construction all risk (EAR/CAR); (vii) automobile liability and motor contingency (France); (viii) trade credit; and (ix) other specific coverages for management, employment and business practice liability.

We believe that our insurance coverage terms and conditions are customary for a business such as Constellium and are sufficient to protect us against catastrophic losses.

We also purchase and maintain insurance on behalf of our directors and officers to insure them against such liabilities, expenses and claims.

Governmental Regulations and Environmental, Health and Safety Matters

Our operations are subject to a number of federal, state and local regulations relating to the protection of the environment and to workplace health and safety. Our operations involve the use, handling, storage, transportation and disposal of hazardous substances, and accordingly we are subject to extensive federal, state and local laws and regulations governing emissions to air, discharges to water emissions, the generation, storage, transportation, treatment or disposal of hazardous materials or wastes and employee health and safety matters. In addition, prior operations at certain of our properties have resulted in contamination of soil and groundwater which we are required to investigate and remediate pursuant to applicable environmental, health and safety ("EH&S") laws. Environmental compliance at our key facilities is overseen by the Direction Régionale de l'Environnement de l'Aménagement et du Logement in France, the Umweltbundesamt in Germany, the Service de la Protection de l'Environnement du Canton du Valais in Switzerland, the West Virginia Department of Environmental Protection in the United States and the Regional Authority of the Usti Region in the Czech Republic. Violations of EH&S laws, and remediation obligations arising under such laws, may result in restrictions being imposed on our operating activities as well as fines, penalties, damages or other costs. Accordingly, we have implemented EH&S policies and procedures to protect the environment and ensure compliance with these laws, and incorporate EH&S considerations into our planning for new projects. We perform regular risk assessments and EH&S reviews. We closely and systematically monitor and manage situations of noncompliance with EH&S laws and cooperate with authorities to redress any noncompliance issues. We believe that we have made adequate reserves with respect to our remediation obligations. Nevertheless, new regulations or other unforeseen increases in the number of our non-compliant situations may impose costs on us that may have a material adverse effect on our financial condition, results of operations or liquidity.

Our operations also result in the emission of substantial quantities of carbon dioxide, a greenhouse gas that is regulated under the EU's Emissions Trading System ("ETS"). Although compliance with the ETS to date has not resulted in material costs to our business, compliance with ETS requirements currently being developed for the 2013—2020 period, and increased energy costs due to ETS requirements imposed on our energy suppliers, could have a material adverse effect on our business, financial condition or results of operations. We may also be liable for personal injury claims or workers' compensation claims relating to exposure to hazardous substances. In addition, we are, from time to time, subject to environmental reviews and investigations by relevant governmental authorities.

Additionally, some of the chemicals we use in our fabrication processes are subject to REACH in the EU. Under REACH, we are required to register some of our products with the European Chemicals Agency, and this process could cause significant delays or costs. We are currently compliant with REACH, and expect to stay in compliance, but if the nature of the regulation changes in the future, we may be required to make significant expenditures to reformulate the chemicals that we use in our products and materials or incur costs to register such chemicals to gain and/or regain compliance. Future noncompliance could also subject us to significant fines or other civil and criminal penalties. Obtaining regulatory approvals for chemical products used in our facilities is an important part of our operations.

We accrue for costs associated with environmental investigations and remedial efforts when it becomes probable that we are liable and the associated costs can be reasonably estimated. The aggregate close down and environmental restoration costs provisions at December 31, 2013 were €48 million. All accrued amounts have been recorded without giving effect to any possible future recoveries. With respect to ongoing environmental compliance costs, including maintenance and monitoring, we expense the costs when incurred.

We have incurred, and in the future will continue to incur, operating expenses related to environmental compliance. As part of the general capital expenditure plan, we expect to incur capital expenditures for other capital projects that may, in addition to improving operations, reduce certain environmental impacts.

Litigation and Legal Proceedings

From time to time, we are party to a variety of claims and legal proceedings that arise in the ordinary course of business. The Company is currently not involved, nor has it been involved during the twelve-month period immediately prior to the date of this offering memorandum, in any governmental, legal or arbitration proceedings which may have or have had a significant effect on the Company's business, financial position or profitability, and the Company is not aware of any such proceedings which are currently pending or threatened.

In recent years, asbestos-related claims have been filed against us relating to historic asbestos exposure in our production process. Constellium has implemented internal controls to comply with applicable environmental law. We have made reserves for potential occupational disease claims in France of €6 million as of December 31, 2013, which we believe are adequate. It is not anticipated that the reduction of such litigation and proceedings will have a material effect of on the future results of the Company.

On February 20, 2013, five retirees of Constellium Rolled Products-Ravenswood LLC and the United Steelworkers union filed a class action lawsuit against Constellium Rolled Products-Ravenswood LLC in a federal district court in West Virginia, alleging that Ravenswood improperly modified retiree health benefits. Specifically, the complaint alleges that Constellium Rolled Products-Ravenswood LLC was obligated to provide retirees with health benefits throughout their retirement at no cost, and that Constellium Rolled Products-Ravenswood LLC improperly capped, through changes that went into effect in January 2013, the amount it would pay annually toward those benefits. In 2013, the caps resulted in additional costs of $5 per month for approximately 1,800 retiree health plan participants. The parties are currently engaged in discovery. Dispositive motions are due in April 2014 and are scheduled to be argued to the court at the end of May 2014, with the trial scheduled to commence in October 2014. We believe that these claims are unfounded, and that Constellium Rolled Products-Ravenswood LLC had a legal and contractual right to make the applicable modifications and the Company will continue to vigorously defend this claim.

Property, plants and equipment

At December 31, 2013, we operated 23 production sites serving both global and local customers, including six major facilities and one world class R&D center. Our top six sites (Ravenswood, Neuf-Brisach, Issoire, Singen, Děčín and Sierre) make up a total of approximately 990,000 square meters. A summary of the six major facilities and our R&D center is provided below:

Our Principal Industrial Facilities

Source: Company Information as of December 2013
Note: Headcount does not include temporary employees, except when otherwise noted
(1) Temporary employees only
(2) Novi only.

- The Ravenswood, West Virginia facility has significant assets for producing aerospace plates and is a recognized supplier to the defense industry. The facility has wide-coil capabilities and stretchers that make it the only facility in the world capable of producing plates of a size needed for the largest commercial aircraft. We spent approximately €31.2 million from 2012 to December 31, 2013 on significant equipment upgrades (including a hot mill and new state-of-the-art stretcher), which are in the completion stages.
- The Issoire, France facility is one of the world's two leading aerospace plate mills based on volumes. It contains our AIRWARE® industrial casthouse and currently uses recycling capabilities to take back scrap along the entire fabrication chain. Issoire works as an integrated platform with Ravenswood, providing a significant competitive advantage for us as a global supplier to the aerospace industry. We invested €49.7 million in the facility in the two-year period ended December 31, 2013.
- The Neuf-Brisach, France facility is an integrated aluminum rolling, finishing and recycling facility in Europe. Our recent investments in a can body stock slitter and recycling furnace has enabled us to secure long-term can stock contracts. Additionally, the facility's automotive furnace has allowed it to become a significant supplier of aluminum Auto Body Sheet in the automotive market. We invested €53.5 million in the facility in the two-year period ended December 31, 2013.
- The Děčín, Czech Republic facility is a large extrusion facility, mainly focusing on hard alloy extrusions for industrial applications, with significant recycling capabilities. It is located near the German border, strategically positioning it to supply the German OEMs. Its integrated casthouse allows it to offer high value-add customized hard alloys to our customers. We invested €14.9 million in the facility in the two-year period ended December 31, 2013.
- The Singen, Germany facility has one of the largest extrusion presses in the world as well as advanced and highly productive integrated bumper manufacturing lines. We recently invested in a new state-of-the-art 40 MegaNewton automotive extrusion press. We invested €60.8 million in the facility in the two-year period ended

December 31, 2013. The rolling part has industry leading cycle times and high-grade cold mills with special surfaces capabilities.

- The Sierre, Switzerland facility is dedicated to precision plates for general engineering and is a leading supplier for high-speed train railway manufacturers. Sierre has the capacity to produce non-standard billets and a wide range of extrusions. Its recent qualification as an aerospace plate plant increases our aerospace production and will help us to support the increased build rates of commercial aircraft OEMs. We invested €12.4 million in the facility in the two-year period ended December 31, 2013.

Our production facilities are listed below by operating segment:

Operating Segment	Location	Country	Owned/ Leased
Aerospace & Transportation	Ravenswood, WV	United States	Owned
Aerospace & Transportation	Carquefou	France	Owned
Aerospace & Transportation	Issoire	France	Owned
Aerospace & Transportation	Montreuil-Juigné	France	Owned
Aerospace & Transportation	Tarascon sur Ariège	France	Leased(2)
Aerospace & Transportation	Ussel	France	Owned
Aerospace & Transportation	Steg	Switzerland	Owned
Aerospace & Transportation	Sierre	Switzerland	Owned
Packaging & Automotive Rolled Products	Biesheim, Neuf-Brisach	France	Owned
Packaging & Automotive Rolled Products	Singen	Germany	Owned/Leased(1)
Automotive Structures & Industry	Novi, MI	United States	Leased
Automotive Structures & Industry	van Buren, MI	United States	Leased
Automotive Structures & Industry	Changchun, Jilin Province (JV)	China	Leased
Automotive Structures & Industry	Kunshan, Jiangsu Province (JV)	China	Leased
Automotive Structures & Industry	Děčín	Czech Republic	Owned
Automotive Structures & Industry	Nuits-Saint-Georges	France	Owned
Automotive Structures & Industry	Burg	Germany	Owned
Automotive Structures & Industry	Crailsheim	Germany	Owned
Automotive Structures & Industry	Neckarsulm	Germany	Owned
Automotive Structures & Industry	Gottmadingen	Germany	Owned
Automotive Structures & Industry	Landau/Pfalz	Germany	Owned
Automotive Structures & Industry	Singen	Germany	Owned
Automotive Structures & Industry	Levice	Slovakia	Owned
Automotive Structures & Industry	Chippis	Switzerland	Owned
Automotive Structures & Industry	Sierre	Switzerland	Owned

(1) While a majority of the land is owned by us, certain plots of land are subject to a lease agreement.
(2) While the land is owned by a third party, we own the structures on the land.

The production capacity and utilization rate for our main plants are listed below as of December 31, 2013:

Plant	Capacity	Utilization Rate
Neuf-Brisach	400-450kt	80-85%
Singen	290-310kt	70-75%
Issoire	85-90kt	90-95%
Ravenswood	125-130kt	90-95%
Sierre	60-65kt	70-75%
Děčín	55kt	65-70%

* Estimates assume currently operating equipment, current staffing configuration and current product mix.

For information concerning the material plans to construct expand or improve facilities, see "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources*."

MANAGEMENT

Executive Officers and Board of Directors

The following table provides information regarding our executive officers and the members of our board of directors as of the date of this offering memorandum (ages are given as of April 23, 2014). The business address of each of our executive officers and directors listed below is c/o Constellium, Tupolevlaan 41-61, 1119 NW Schiphol-Rijk, the Netherlands.

Name	Age	Position	Date of Appointment
Richard B. Evans	66	Chairman	January 5, 2011
Pierre Vareille	56	Director	March 1, 2012
Gareth N. Turner	49	Director	May 14, 2010
Guy Maugis	60	Director	January 5, 2011
Matthew H. Nord	34	Director	May 14, 2010
Philippe Guillemot	54	Director	May 21, 2013
Pieter Oosthoek	50	Director	May 21, 2013
Werner P. Paschke	64	Director	May 21, 2013

Pursuant to a shareholders agreement between the Company and Bpifrance, Mr. Maugis was selected to serve as a director by Bpifrance.

Richard B. Evans. Mr. Evans has served as our Chairman since December 2012. He has been a director of the Company since January 2011 and from November 2011 to March 2012 acted as interim Chairman and Chief Executive Officer. Mr. Evans is currently an independent director and member of the Audit Committee of Noranda Aluminum Holding Corporation, an independent director and member of the Audit Committee of CGI, an IT consulting and outsourcing company and a director of Tyhee Gold Corp., a gold development company. He retired in May 2013 as Non-Executive Chairman and director of Resolute Forest Products, a Forest Products company based in Montreal. He retired in April 2009 as an Executive Director of London-based Rio Tinto plc and Melbourne-based Rio Tinto Ltd., and as Chief Executive Officer of Rio Tinto Alcan Inc., a wholly owned subsidiary of Rio Tinto. Previously, Mr. Evans was President and Chief Executive Officer of Montreal-based Alcan Inc. from March 2006 to October 2007, and led the negotiation of the acquisition of Alcan by Rio Tinto in October 2007. He was Alcan's Executive Vice President and Chief Operating Officer from September 2005 to March 2006. Prior to joining Alcan in 1997, he held various senior management positions with the Kaiser Aluminum and Chemical Company during his 27 years with that company. Mr. Evans also is currently a member of the Advisory Board of the Global Economic Symposium based in Kiel, Germany. He is a past Chairman of the International Aluminum Institute (IAI) and is a past Chairman of the Washington, DC-based U.S. Aluminum Association. He previously served as Co-Chairman of the Environmental and Climate Change Committee of the Canadian Council of Chief Executives and as a member of the Board of USCAP, a Washington, DC-based coalition concerned with climate change.

Pierre Vareille. Mr. Vareille has been the Chief Executive Officer of Constellium since March 2012. Prior to joining Constellium, Mr. Vareille was Chairman and Chief Executive Officer of FCI, a world-leading manufacturer of connectors. Mr. Vareille is a graduate of the French engineering school Ecole Centrale de Paris and the Sorbonne University (economics and finance). He started his career in 1982 with Vallourec, holding various positions in manufacturing, controlling, sales and strategy before being appointed Chief Executive Officer of several subsidiaries. From 1995 to 2000 Mr. Vareille was Chairman and Chief Executive Officer of GFI Aerospace (now LISI Aerospace), after which he joined Faurecia as a member of the executive committee and Chief Executive Officer of the Exhaust Systems business. In 2002, he moved to Pechiney as a member of the executive committee in charge of the aluminum conversion sector and as Chairman and Chief Executive Officer of Rhenalu. He was then named in 2004 as Group Chief Executive of Wagon Automotive, a company listed on the London Stock Exchange, where he stayed until 2008. Mr. Vareille has been a member of the Société Bic board since 2009.

Gareth N. Turner. Mr. Turner is a senior partner of Apollo, having joined Apollo in 2005. From 1997 to 2005, Mr. Turner was employed by Goldman Sachs and from 2003 to 2005 as a Managing Director in its investment banking group. Mr. Turner was head of the Goldman Sachs Global Metals and Mining Group and managed the firm's investment banking relationships with major companies in the metals and mining sector. He has a broad range of experience in both capital markets and mergers and acquisitions transactions. Prior to joining Goldman Sachs, Mr. Turner was employed at Lehman Brothers from 1992 to 1997. He also worked for Salomon Brothers from 1991 to 1992 and RBC Dominion Securities from 1986 to 1989. Mr. Turner serves on the board of directors of The Monier Group, Ascometal SAS, and Noranda Aluminum Holding Corporation. Mr. Turner received an MBA, with distinction, from the University of Western Ontario in 1991 and a BA from the University of Toronto in 1986. Mr. Turner has been actively involved in the metals sector as an advisor to many of the major metals and mining companies during his career and has over 20 years of experience in financing, analyzing and investing in public and private companies, including many in the metals and mining sector.

Guy Maugis. Mr. Maugis has been the President of Robert Bosch France SAS since January 2004. The French subsidiary covers all the activities of the Bosch Group, a leader in the domains of the Automotive Equipments, Industrial Techniques and Consumer Goods and Building Techniques. Mr. Maugis is a former graduate of École Polytechnique, Engineer of "Corps des Ponts et Chaussées" and has worked for several years at the Equipment Ministry. At Pechiney, he managed the flat rolled products factory of Rhenalu Neuf-Brisach. At PPG Industries, he became President of the European Flat Glass activities. With the purchase of PPG Glass Europe by ASAHI Glass, Mr. Maugis assumed the function of Vice-President in charge of the business development and European activities of the automotive branch of the Japanese group.

Matthew H. Nord. Mr. Nord is a partner of Apollo, having joined Apollo in 2003. Prior to that time, Mr. Nord was a member of the Investment Banking division of Salomon Smith Barney Inc. Mr. Nord serves on the board of directors of Affinion Group Inc., Novitex Enterprise Solutions, Noranda Aluminum Holding Corporation, and MidCap Financial Holdings, LLC. Mr. Nord has previously served on the board of directors of Evertec, Inc., SourceHOV Holdings, Inc. and Hughes Telematics, Inc. Mr. Nord also serves on the Board of Overseers of the University of Pennsylvania's School of Design. Mr. Nord graduated summa cum laude with a BS in Economics from the University of Pennsylvania's Wharton School of Business. Mr. Nord has over 10 years of experience in financing, analyzing and investing in public and private companies, including significant experience making and managing private equity investments on behalf of Apollo. He has worked on numerous metals industry transactions at Apollo, particularly in the aluminum sector.

Philippe Guillemot. Mr. Guillemot is Chief Operating Officer of Alcatel-Lucent and Chairman of Ascometal's Strategic Committee. He has nearly thirty years of experience in quality control and management, particularly with automotive components manufacturers and power distribution product manufacturers. From April 2010 to February 2012, he served as Chief Executive Officer of Europcar Group, the leading provider of car rental services in Europe with a presence in 150 countries. Mr. Guillemot served as Chairman and CEO of Areva T&D from 2004 to 2010, and previously served in management positions at Valeo and Faurecia. Mr. Guillemot began his career at Michelin, where he was initially responsible for production quality and plant quality at sites in Canada, France and Italy. He was a member of Booz Allen Hamilton's Automotive Practice from 1991 to 1993 before returning to Michelin to serve as an operations manager, director of Michelin Group's restructuring in 1995-1996, Group Quality Executive Vice-President, and Chief Information Officer. Mr. Guillemot received his undergraduate degree in 1982 from Ecole des Mines in Nancy and received his MBA from Harvard University in Cambridge, MA in 1991.

Pieter Oosthoek. Mr. Oosthoek is General Counsel of Intertrust (Netherlands) B.V., which provides trust and corporate management services. Mr. Oosthoek has served in this role since 2010. From 2000 to 2010, he was head of Intertrust's Financial Governance product team, administering a broad range of securitization transactions, and from 2000 to 2002 led Intertrust's Asian and Middle East regional team, performing trust services for clients in those regions. Prior to joining Intertrust, Mr. Oosthoek was an account manager for Equity Trust Co. N.V., responsible for a client portfolio of royalty, holding and finance companies. Mr. Oosthoek received his master's degree in Dutch law from the University of Groningen (Rijksuniversiteit Groningen) in 1988.

Werner P. Paschke. Mr. Paschke is an independent director of several companies, including Monier Holdings GP SA and Schustermann & Borenstein GmbH. He is chair of the Audit Committee and member of the Remuneration Committee of the Board of Monier Holdings. In previous years he was also Board member at Conergy AG and Coperion GmbH. Between 2003 and 2006 Mr. Paschke served as Managing Director and Chief Financial Officer of Demag Holding in Luxemburg, where he was responsible for actively enhancing the value of seven former Siemens and Mannesmann units. From 1992 to 2003 he worked for Continental AG, since 1994 as Generalbevollmächtigter for corporate controlling, plus later accounting. In years 1988 to 1992 he served as Chief Financial Officer for General Tire Inc., Akron, Ohio, USA. From 1973 to 1987 he held different positions at Continental AG in finance, distribution, marketing and controlling. Mr. Paschke studied economics at Universities Hannover, Hamburg and Munster/Westphalia and is a 1993 graduate of the International Senior Management Program at Harvard University.

The following persons are our officers:

Name	Age	Title
Pierre Vareille	56	Chief Executive Officer
Didier Fontaine	52	Chief Financial Officer
Laurent Musy	47	President, Packaging & Automotive Rolled Products
Paul Warton	52	President, Automotive Structures & Industry
Marc Boone	51	Vice-President, Human Resources
Jeremy Leach	52	Vice President and Group General Counsel

Name	Age	Title
Nicolas Brun	48	Vice President, Communications
Yves Merel	47	Vice President, EHS & Lean Transformation
Jean-Christophe Figueroa	50	President, Aerospace & Transportation
Simon Laddychuk	47	Vice President, Manufacturing & Technology Director

The following paragraphs set forth biographical information regarding our officers:

Didier Fontaine. Mr. Fontaine has been the Chief Financial Officer of Constellium since September 2012. Prior to joining Constellium, Mr. Fontaine was from March 2009 Executive Vice President and Chief Financial Officer and Information Technology Director of Plastic Omnium, a world-leading automotive supplier present in 27 countries with over 20,000 employees, which is listed on Euronext Paris and is part of the CAC Mid 60. Mr. Fontaine was also a member of the executive committee during his time at Plastic Omnium and was instrumental in orchestrating the company's post-2008 recovery by generating a strong cash position and operating margin. In 2010, Plastic Omnium was recognized as the company with the highest share price improvement on Euronext Paris. Mr. Fontaine started his career in 1987 with Crédit Lyonnais, holding various positions in Canada, France and Brazil in corporate and structured finance. From 1995 to 2001, he worked for the Schlumberger Group where he held various positions in the Treasury and Controller departments. In 2001, he joined Faurecia Exhaust System as Vice President of Finance and IT and managed the South American and South African operations up to 2004. In 2005, Mr. Fontaine joined Inergy Automotive System, a fuel tank business and a joint venture between Solvay Group and Plastic Omnium as the Chief Financial Officer and IT director (and was also a member of the company's executive committee). Mr. Fontaine is a graduate of L'Institut d'Études Politiques of Paris "Sciences Po" (with a major in finance and tax) and has a master's degree in econometrics from Lyon University.

Laurent Musy. Mr. Musy has served as President, Packaging & Automotive Rolled Products since January 2011 and held the same position at Alcan Engineered products since April 2008. Prior to that, Mr. Musy worked in the upstream aluminum industry, including as General Manager of the Pechiney St-Jean smelter in France, CEO of Tomago Aluminium in Australia and President of Alcan Bauxite & Alumina's Atlantic Operations. He led the worldwide integration of Rio Tinto and Alcan in bauxite and alumina. Earlier in his career, he worked for Bull Japan, Saint-Gobain and McKinsey. At the EAA, Mr. Musy is currently the chairman of the packaging board and was chairman of the rollers' division. He chairs Constellium's sustainability council and is the chairman of Constellium Deutschland's and Constellium Singen's supervisory boards. Mr. Musy is a graduate of the Ecole des Mines de Paris and holds an MBA from INSEAD, France.

Paul Warton. Mr. Warton has served as our President, Automotive Structures & Industry since January 2011, and previously held the same role at Alcan Engineered Products since November 2009. Mr. Warton joined Alcan Engineered Aluminum Products in November 2009. Following manufacturing, sales and management positions in the automotive and construction industries, he spent 17 years managing aluminum extrusion companies across Europe and in China. He held the positions of President Sapa Building Systems & President Sapa North Europe Extrusions during the integration process with Alcoa soft alloy extrusions. Mr. Warton served on the Building Board of the European Aluminum Association (EAA) and was Chairman of the EAA Extruders Division. He holds an MBA from the London Business School.

Marc Boone. Mr. Boone joined Constellium in June 2011 as Vice-President, Human Resources. From 2003 through 2010, Mr. Boone served as the Human Resources Director at Uniq plc, and prior to 2003, held human resources and change management positions in industrial and service companies such as Alcatel Mietec, Johnson Controls, MasterCard, General Electric and KPMG.

Jeremy Leach. Mr. Leach joined Constellium as Vice President and Group General Counsel and Secretary to the Board of Constellium in January 2011 and previously was Vice President and General Counsel at Alcan Engineered Products. Mr. Leach joined Pechiney in 1991 from the international law firm Richards Butler (now Reed Smith). Prior to becoming General Counsel at Alcan Engineered Products, he was the General Counsel of Alcan Packaging and held various senior legal positions in Rio Tinto, Alcan and Pechiney. He is admitted in a number of jurisdictions, holds a law degree from Oxford University (MA Jurisprudence) and an MBA from the London Business School.

Nicolas Brun. Mr. Brun has served as our Vice President, Communications since January 2011, and previously held the same role at Alcan Engineered Products since June 2008. From 2005 through June 2008, Mr. Brun served in the roles of Vice President, Communications for Thales Alenia Space and also as Head of Communications for Thales' Space division. Prior to 2005, Mr. Brun held senior global communications positions as Vice President External Communications with Alcatel, Vice President Communications Framatome ANP/AREVA, and with the Carlson Wagonlit Travel Group. Mr. Brun attended the University of Paris-La Sorbonne and received a degree in economics and also has a master's degree in corporate communications from Ecole Française des Attachés de Presse and also a certificate in marketing management for distribution networks from the Ecole Supérieure de Commerce in Paris.

Yves Mérel. Mr. Mérel has served as our Vice President, EHS and Lean Transformation, since August 2012. Prior to that, Mr. Mérel led several Lean Transformation programs with impressive improvement track records in the automotive and electronic industries. Mr. Mérel discovered the Lean principles during his 10 years at Valeo, mostly as Plant Manager and has since implemented Lean within more than 21 countries and cultures. From May 2008 until he joined Constellium he served as Group Lean Director and then as Vice President Industrial Development at FCI. He also extends his Lean expertise to functions out of the usual EHS, Quality, Supply Chain and Production areas, such as to Engineering, Purchasing, Human Resources, Finance and Sales. Mr. Mérel holds an Engineering degree from Compiegne University of Technology and a degree from Harvard Business School's General Management Program.

Jean-Christophe Figueroa. Mr. Figueroa has been the President of Constellium Aerospace and Transportation since September 1, 2013. Prior to joining Constellium, Mr. Figueroa served as Vice President, Vehicle Control Systems, for WABCO, leading its combined Vehicle Dynamics and Driveline Control business units. Mr. Figueroa joined WABCO in 2005 as Vice President, Vehicle Dynamics and Control. WABCO is a leading global supplier for safety systems serving the commercial vehicle industry, listed on NYSE as WBC. Mr. Figueroa joined WABCO from tier-one automotive supplier Valeo, where he served as Chief Purchasing Officer, based in Paris. Mr. Figueroa spent 13 years in senior management business and purchasing positions for Valeo, including leadership of the Automotive Climate Control business in both Mexico and subsequently Western Europe. Prior to joining Valeo, Mr. Figueroa spent seven years with Bocar, Mexico, in various leadership positions in logistics, purchasing and program management. Mr. Figueroa holds a BS in industrial Engineering from La Universidad Nacional Autónoma de México and an MBA from INSEAD, France.

Simon Laddychuk. A practiced leader with over 20 years of experience gained in the metals industry, Mr. Laddychuk was appointed Vice President and Chief Technical Officer for Constellium in September 2013. In this role, he oversees the research and development, technology and group engineering activities, including large capital project development and execution. Prior to his current role, Mr. Laddychuk was the Vice President of Manufacturing for our Aerospace and Transportation division (A&T), serving key aerospace customers with advanced aluminum solutions for current and future aircraft and other value-added market applications. Born in South Wales, United Kingdom, Mr. Laddychuk graduated in the UK. He holds a number of engineering qualifications, a Bachelor of Science Degree in Materials Science and an MBA. He joined Constellium (then, Alcan Engineered Products) in 1991, where he held operational and corporate management positions in different sectors in packaging and aluminum conversion in Europe and North America.

There are no family relationships between the executive officers and the members of our board of directors.

Board Structure

Our board of directors currently consists of eight directors, less than a majority of whom are citizens or residents of the United States.

We maintain a one-tier board of directors consisting of both executive directors and non-executive directors (each a "director"). Under Dutch law, the board of directors is responsible for our policy and day-to-day management. The non-executive directors supervise and provide guidance to the executive directors. Each director owes a duty to us to properly perform the duties assigned to him and to act in our corporate interest. Under Dutch law, the corporate interest extends to the interests of all corporate stakeholders, such as shareholders, creditors, employees, customers and suppliers.

The Management and Supervision Act (*Wet bestuur en toezicht*), effective as of January 1, 2013, strives for a balanced composition of management and supervisory boards of "large" companies, such as Constellium, to the effect that at least 30% of the positions on the management and supervisory boards of such companies are held by women and at least 30% by men. There is no legal sanction if the composition of such company's board is not balanced in accordance with the Act. An appointment contrary to these rules will therefore not be null and void. However, in such case, the company must explain any noncompliance with the 30% criteria in its annual report. The explanation must include the reasons for noncompliance and the actions the company intends to take in order to comply in the future. These rules will expire on January 1, 2016 but may be extended prior to this date.

Our Articles of Association provide that our shareholders acting at a general meeting (a "General Meeting") appoint directors upon a binding nomination by the board of directors. The General Meeting may at all times overrule the binding nature of such nomination by a resolution adopted by a majority of at least two-thirds of the votes cast, provided that such majority represents more than 50% of our issued share capital. If the binding nomination is overruled, the non-executive directors may then make a new nomination. If such a nomination has not been made or has not been made in time, this shall be stated in the notice and the General Meeting shall be free to appoint a director in its discretion. Such a resolution of the General Meeting must be adopted by at least two-thirds of the votes cast, provided that such majority represents more than 50% of our issued share capital.

The members of our board of directors may be suspended or dismissed at any time by the General Meeting. A resolution to suspend or dismiss a director must be adopted by at least two-thirds of the votes cast, provided that such majority represents more than 50% of our issued share capital. If, however, the proposal to suspend or dismiss the directors is made by the board of directors, the proposal must be adopted by simple majority of the votes cast at the General Meeting. An executive director can at all times be suspended by the board of directors.

Director Independence

As a foreign private issuer under the NYSE rules, we are not required to have independent directors on our board of directors, except to the extent that our audit committee is required to consist of independent directors. However, our board of directors has determined that, under current NYSE listing standards regarding independence (which we are not currently subject to), and taking into account any applicable committee standards, Messrs. Maugis, Guillemot, Oosthoek and Paschke are independent directors.

Committees

Audit Committee

Our audit committee currently consists of three independent directors under the NYSE requirements. Our board of directors has determined that at least one member is an “audit committee financial expert” as defined by the SEC and also meets the additional criteria for independence of audit committee members set forth in Rule 10A-3(b)(1) under the Securities Exchange Act of 1934, as amended.

The principal duties and responsibilities of our audit committee are to oversee and monitor the following:

- our financial reporting process and internal control system;
- the integrity of our consolidated financial statements;
- the independence, qualifications and performance of our independent registered public accounting firm;
- the performance of our internal audit function;
- our related party transactions; and
- our compliance with legal, ethical and regulatory matters.

Remuneration Committee

Our remuneration committee currently consists of three directors. The principal duties and responsibilities of the remuneration committee are as follows:

- to review, evaluate and make recommendations to the full board of directors regarding our compensation policies and establish performance-based incentives that support our long-term goals, objectives and interests;
- to review and approve the compensation of our Chief Executive Officer, all employees who report directly to our Chief Executive Officer and other members of our senior management;
- to review and make recommendations to the board of directors with respect to our incentive compensation plans and equity-based compensation plans;
- to set and review the compensation of and reimbursement policies for members of the board of directors;
- to provide oversight concerning selection of officers, management succession planning, expense accounts, indemnification and insurance matters, and separation packages; and
- to provide regular reports to the board of directors and take such other actions as are necessary and consistent with our Articles of Association.

Nominating/Governance Committee

Our nominating/corporate governance committee currently consists of three directors. The principal duties and responsibilities of the nominating/corporate governance committee are as follows:

- to establish criteria for board and committee membership and recommend to our board of directors proposed nominees for election to the board of directors and for membership on committees of our board of directors; and
- to make recommendations to our board of directors regarding board governance matters and practices.

PRINCIPAL SHAREHOLDERS

The following table sets forth the principal shareholders of Constellium N.V. (each person or group of affiliated persons who is known to be the beneficial owner of more than 5% of ordinary shares) and the number and percentage of ordinary shares owned by each such shareholder, in each case as of April 23, 2014.

Under the rules of the SEC, a person is deemed to be a “beneficial owner” of a security if that person has or shares “voting power,” which includes the power to vote or to direct the voting of such security, or “investment power,” which includes the power to dispose of or to direct the disposition of such security. A person is also deemed to be a beneficial owner of any securities of which that person has a right to acquire beneficial ownership within 60 days. Under these rules, more than one person may be deemed to be a beneficial owner of such securities as to which such person has voting or investment power.

The beneficial ownership percentages in this table have been calculated on the basis of the total number of Class A ordinary shares and Class B ordinary shares.

Name of beneficial owner	Number of Class A shares beneficially owned	Beneficial ownership percentage
Bpifrance Participations(1)	12,846,969	12.2%
Ontario Teachers’ Pension Plan Board(2)	7,981,900	7.6%
Prudential Financial, Inc.(3)	6,083,527	5.8%
Jennison Associates LLC(4)	6,083,435	5.8%

(1) Consists of 12,846,969 Class A ordinary shares held directly by Bpifrance Participations (“Bpifrance”). Bpifrance does not own any Class B shares. Bpifrance is a wholly-owned subsidiary of BPI-Groupe (bpifrance), a French financial institution (“BPI”) jointly owned and controlled by the Caisse des Dépôts et Consignations, a French special public entity (établissement special) (“CDC”) and EPIC BPI-Groupe, a French public institution of industrial and commercial nature (“EPIC”). Neither BPI, CDC nor EPIC holds any ordinary shares directly. BPI may be deemed to be the beneficial owner of 12,846,969 ordinary shares, indirectly through its sole ownership of Bpifrance. CDC and EPIC may be deemed to be the beneficial owners of 12,846,969 ordinary shares, indirectly through their joint ownership and control of BPI. The principal address for CDC is 56, rue de Lille, 75007 Paris, France and for Bpifrance, BPI and EPIC is 27-31 avenue du Général Leclerc 94700 Maisons-Alfort, France. All information about Bpifrance, BPI and EPIC is based on a Schedule 13D/A filed with the SEC on July 25, 2013.

(2) Consists of 7,981,900 Class A ordinary shares held directly by Ontario Teachers’ Pension Plan Board (“OTPP”). OTPP does not own any Class B shares. OTPP is a corporation incorporated under the laws of the Province of Ontario, Canada. Of the 7,981,900 Class A ordinary shares beneficially owned by OTPP, 6,900 Class A ordinary shares were held by a third party investment adviser trading on behalf of Downsview Managed Account Platform Inc. (“DMAP”), a wholly-owned direct subsidiary of OTPP. The DMAP shares were held in a discretionary trading account with the relevant investment manager being terminable on less than 60 days’ notice. The principal address for OTPP is 5650 Yonge Street, 3rd Floor, Toronto, Ontario, Canada M2M 4H5. All information about OTPP is based on a Schedule 13G filed with the SEC on January 21, 2014.

(3) Through its parent/subsidiary relationship, Prudential Financial, Inc. may be deemed the beneficial owner of the securities held by its subsidiaries Jennison Associates LLC (6,083,435 ordinary shares) and Quantitative Management Associates LLC (92 ordinary shares) and may have direct or indirect voting and/or investment discretion over 6,083,527 shares. The principal address for Prudential Financial, Inc. is 751 Broad Street Newark, New Jersey 07102-3777. All information about Prudential Financial, Inc. is based on a Schedule 13G filed with the SEC on February 5, 2014.

(4) Jennison Associates LLC (“Jennison”) furnishes investment advice to several investment companies, insurance separate accounts, and institutional clients (“Managed Portfolios”). As a result of its role as investment adviser of the Managed Portfolios, Jennison may be deemed to be the beneficial owner of our ordinary shares held by such Managed Portfolios. Prudential indirectly owns 100% of equity interests of Jennison. As a result, Prudential may be deemed to have the power to exercise or to direct the exercise of such voting and/or dispositive power that Jennison may have with respect to our ordinary shares held by the Managed Portfolios. Jennison does not file jointly with Prudential, as such, our ordinary shares reported on Jennison’s 13G may be included in the shares reported on the 13G filed by Prudential. These shares were acquired in the ordinary course of business, and not with the purpose or effect of changing or influencing control of the Issuer. All information about Jennison is based on a Schedule 13G filed with the SEC on February 6, 2014.

None of our principal shareholders have voting rights different from those of other shareholders.

CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS

Pre-IPO Shareholders Agreement

In connection with the Acquisition, Apollo Omega, Rio Tinto, Bpifrance and the other parties thereto entered into a pre-IPO Shareholders Agreement, dated as of January 4, 2011 (the "Pre-IPO Shareholders Agreement"). The Pre-IPO Shareholders Agreement provided for, among other items, certain restrictions on the transferability of equity ownership in Constellium as well as certain tag-along rights, drag-along rights, and piggy-back registration rights. We amended and restated the Pre-IPO Shareholders Agreement in connection with the IPO. See "*—Amended and Restated Shareholders Agreement*."

Amended and Restated Shareholders Agreement

The Company, Apollo Omega, Rio Tinto and Bpifrance entered into an amended and restated shareholders agreement on May 29, 2013 (the "Shareholders Agreement"). The Shareholders' Agreement terminated with respect to Apollo Omega and Rio Tinto in connection with certain of their respective sales of our ordinary shares. The Shareholders' Agreement provides for, among other things, piggyback registration rights and demand registration rights for Bpifrance for so long as Bpifrance owns any of our ordinary shares.

In addition, the Shareholders Agreement provides that, except as otherwise required by applicable law, Bpifrance will be entitled to designate for binding nomination one director to our board of directors so long as its percentage ownership interest is equal to or greater than 4% or it continues to hold all of the ordinary shares it subscribed for at the closing of the Acquisition (such share number adjusted for the pro rata share issuance). Our directors will be elected by our shareholders acting at a general meeting upon a binding nomination by the board of directors as described in "*Management*." A shareholder's percentage ownership interest is derived by dividing (i) the total number of ordinary shares owned by such shareholder and its affiliates by (ii) the total number of outstanding ordinary shares (but excluding ordinary shares issued pursuant to the MEP).

The Company has agreed to share financial and other information with Bpifrance to the extent reasonably required to comply with its tax, investor or regulatory obligations and with a view to keeping Bpifrance properly informed about the financial and business affairs of the Company. The Shareholders Agreement contains provisions to the effect that Bpifrance is obliged to treat all information provided to it as confidential, and to comply with all applicable rules and regulations in relation to the use and disclosure of such information.

Share Sale Agreement

The Share Sale Agreement between the Company and affiliates of Rio Tinto (the "SPA"), dated as of December 23, 2010, contains customary warranties and indemnities given by affiliates of Rio Tinto regarding the Constellium business. The warranties are subject to customary qualifications and limitations on Rio Tinto's liability and expired generally at the end of March 2013, except for those with respect to certain environmental matters which survive for five years following completion of the Acquisition, certain warranties relating to retirement benefit arrangements and antitrust warranties which survive for three years following completion of the Acquisition and certain warranties regarding taxes and ownership of shares which generally survive until the statutory limitations date. The SPA and certain indemnity agreements executed pursuant to the SPA provide for certain other specific indemnities, in each case subject to specified conditions and limitations.

Shareholding Agreement

In connection with the sale by Rio Tinto in December 2013 of the Company's ordinary shares, Rio Tinto agreed with the Company to maintain a shareholding of at least 10 ordinary shares until such time certain indemnification obligations of Rio Tinto under the SPA and related agreements relating to the original sale of a portion of the outstanding capital stock of the Company by affiliates of Rio Tinto to affiliates of the Apollo Funds and Bpifrance have expired and any pending claims made by the Company in respect of such indemnification obligations have been finally resolved. Rio Tinto has also agreed that it will no longer be entitled to exercise its registration rights pursuant to the Shareholders Agreement entered into in May 2013.

Shareholder Term Loan Facility

In connection with the Acquisition, Apollo Omega and Bpifrance entered into a term loan facility which provided for an aggregate funding commitment amount of $275 million (equivalent to €212 million at the 2011 year-end exchange rate). See "*Description of Other Indebtedness*." This term loan facility was terminated on May 25, 2012 and all indebtedness outstanding thereunder was repaid in full.

Transitional Services Agreements and Sublease

At the closing of the Acquisition, Constellium Switzerland AG, a wholly owned subsidiary of Constellium ("Constellium Switzerland"), and Alcan France SAS, a wholly owned subsidiary of Alcan Holdings Switzerland AG, the seller in the Constellium SPA, entered into a Transitional Services Agreement to provide, on a transitional basis, certain administrative, information technology, accounting, payroll, human resources, compliance, finance, and treasury services and other assistance, consistent with the services provided by Rio Tinto before the transaction. The charges for the transitional services generally were intended to allow Rio Tinto to fully recover the costs directly associated with providing the services, plus an additional charge for administrative costs for services that were provided beyond the original service term specified in the Transitional Services Agreement.

The services provided under the Transitional Services Agreement terminated at various times specified in the agreement (generally one year after the completion of the Acquisition). Constellium had the right to terminate services by giving prior written notice to the provider of such services and paying any applicable termination charge.

Subject to certain exceptions, the liability of Rio Tinto under the Transitional Services Agreement was generally limited to the aggregate charges actually paid to Rio Tinto by Constellium pursuant to the Transitional Services Agreement. The Transitional Services Agreement also provided that Rio Tinto will be liable to Constellium under the agreement only to the extent any liabilities arise from Rio Tinto's willful and intentional breach, willful misconduct, fraud or gross negligence, and that Rio Tinto will not be liable to the recipient of such service for any indirect or consequential damages. All services under this agreement have terminated.

In connection with the Acquisition, an affiliate of Constellium also entered into a sublease of premises in La Défense Paris France, leased by an affiliate of Rio Tinto. The sublease provided for a reimbursement of certain costs under certain conditions to such Constellium affiliate by the Rio Tinto affiliate. The sublease was terminated on November 30, 2011.

Management Agreement with Apollo

Prior to the IPO, and in connection with the Acquisition, Apollo entered into a management agreement with Constellium relating to the provision of certain financial and strategic advisory services and consulting services. Constellium agreed to pay Apollo an annual fee equal to the greater of $2 million and 1% of an adjusted EBITDA measure as defined in the Pre-IPO Shareholders Agreement discussed above, plus related expenses. The Apollo management fee was $3 million or €2 million in 2012 and $2 million or €1.5 million in 2011. Constellium also agreed to indemnify Apollo and its affiliates, as well as their respective directors, officers and representatives, for any losses relating to the services contemplated by the management agreement. On May 29, 2013, the Company and Apollo agreed to terminate the management agreement. The Company paid Apollo a $20 million (€16 million) fee to terminate the agreement upon consummation of the IPO. We have no further fee obligations pursuant to the management agreement.

Metal Supply Agreements

In connection with the Acquisition, Constellium Switzerland, a wholly owned indirect subsidiary of Constellium N.V., entered into certain agreements dated as of January 4, 2011 with Rio Tinto Alcan Inc. ("Rio Tinto Alcan"), Aluminium Pechiney and Alcan Holdings Switzerland AG ("AHS"), each of which is an affiliate of Rio Tinto, which provide for, among other things, the supply of metal by Rio Tinto affiliates to Constellium Switzerland, the provision of certain technical assistance and other services relating to aluminum-lithium, a covenant by Rio Tinto Alcan to refrain from producing, supplying or selling aluminum-lithium alloys to third parties and certain cost reimbursement obligations of AHS. Constellium has provided a guarantee to Rio Tinto Alcan and Aluminium Pechiney in respect of Constellium Switzerland's obligations under the supply agreements.

European Slab Supply Agreement. Constellium Switzerland and Rio Tinto Alcan have a multi-year supply agreement for the supply of sheet ingot. The agreement provides for certain representations and warranties, audit and inspection rights, on-time shipment requirements and other customary terms and conditions. Each party is required to pay certain penalty or reimbursement amounts in the event it fails or is unable to purchase or supply, as applicable, specified minimum annual quantities of metal.

Billets Supply Agreement. Constellium Switzerland and Aluminium Pechiney entered into an agreement for the supply of extrusion ingot for an initial term that ended in 2011, and thereafter automatically renewed for one-year terms unless a notice of non-renewal is given at least six months prior to expiration of the then-current term. The agreement provides for certain representations and warranties, audit and inspection rights, on-time shipment requirements and other customary terms and conditions. We delivered a notice of non-renewal to Aluminum Pechiney dated as of June 28, 2013, and thus the agreement is in its ramp-down phase and will expire at the end of 2015.

Aluminum-Lithium Supply Agreement. Constellium Switzerland and Rio Tinto Alcan entered into a multi-year supply agreement for the supply of aluminum-lithium slabs. The metal will be supplied to Constellium's facilities at Ravenswood (United States), Issoire (France) and Montreuil Juigné (France). Constellium is required to pay certain penalty amounts in the event it fails to purchase specified minimum annual quantities of metal. The agreement provides for certain representations and warranties, audit and inspection rights, on-time shipment requirements and other customary terms and conditions. Constellium Switzerland has granted Rio Tinto Alcan a license to use certain aluminum-lithium know-how of Constellium in the casting and production of metal alloys.

Rod Supply Agreement. Constellium Switzerland and Aluminium Pechiney entered into an agreement for the supply of aluminum rod that will expire at the end of 2014. The agreement provides for an annual supply of aluminum rod to Constellium's facility at Montreuil Juigné. The agreement provides for certain representations and warranties, audit and inspection rights, on-time shipment requirements and other customary terms and conditions. In 2013, Rio Tinto Alcan sold the rod operations. The new owner of the production facilities (Trimet France SA) has been delivering on the basis of the same agreement.

Management Equity Plan

Investments by our officers and directors in Constellium were facilitated by their participation in a management equity plan (the "MEP") implemented through Omega Management GmbH & Co. KG, a German limited partnership ("Management KG"), which subscribed for Class A and Class B ordinary shares in Constellium. Our board of directors has the power to appoint the board of Stichting Management Omega, a foundation under Dutch law, which is a limited partner of Management KG and wholly owns Omega MEP GmbH, the general partner of Management KG. The main function of Stichting Management Omega is to act as a "warehousing" entity following a situation in which participants in the MEP cease to be employed by Constellium. In such a circumstance, Stichting Management Omega is entitled to acquire all or part of the limited partnership interest in Management KG attributable to a departing participant in the MEP under the conditions of the MEP. See also "—*Stichting Reacquisition*."

Stichting Reacquisition

Prior to our IPO, Rio Tinto, Apollo Omega, Bpifrance, Constellium and Stichting Management Omega had entered into an agreement (the "Funding Agreement"), effective as of July 1, 2011, that provided that limited partnership interests in Management KG held by Stichting Management Omega would be so held for the pro rata benefit and risk of Rio Tinto, Apollo Omega, and Bpifrance. In connection with the freezing of the MEP, our board of directors approved the reacquisition and our shareholders approved the cancellation of all Class A ordinary shares and Class B2 ordinary shares attributable to the Management KG interests held by Stichting Management Omega, and all such shares were reacquired by us prior to the completion of the IPO for an acquisition amount of approximately €900,000. As a result of this reacquisition, the Management KG interests held by Stichting Management Omega ceased to have economic value, and Stichting Management Omega ceased to be an indirect owner of our ordinary shares. In connection with the IPO, the Funding Agreement was amended to provide that any limited partnership interests in Management KG acquired by Stichting Management Omega following the completion of the IPO will be held for the benefit of Constellium.

Intellectual Property Licenses

In connection with the Acquisition, affiliates of Rio Tinto have granted a license to Constellium Switzerland to use certain "Pechiney" and "Alcan" trade names and trademarks, subject to terms and conditions specified in the license agreements, for a limited transitional period of two years and three years, respectively, from and after January 4, 2011.

Environmental Liabilities Agreement

In connection with the Acquisition, Constellium Valais SA (formerly Alcan Aluminium Valais SA), Metallwerke Refonda AG, a subsidiary of Rio Tinto, Alcan Holdings Switzerland and the Canton du Valais (and the municipalities of Chippis, Sierre, Niedergesteln and Steg-Hohtenn) entered into an agreement providing for the allocation of costs and risk regarding environmental liabilities pertaining to certain plots at the Valais site (Chippis, Sierre, Niedergesteln and Steg) and AHS provided a guarantee to the benefit of the Canton du Valais for the performance of the obligations of Metallwerke Refonda AG under such agreement. Certain plots of land and environmental liabilities relating to land no longer used for operations by Constellium Valais SA were transferred to Metallwerke Refonda AG under a separate agreement among those two parties.

Share Sales by Management KG

In connection with a previous secondary offering of our ordinary shares, which closed on November 14, 2013 (the "November 2013 offering"), Management KG offered a total of 808,645 Class A ordinary shares. Certain of our officers who are participants in the MEP and directly or indirectly hold a limited partnership interest in Management KG were allocated a portion of the proceeds from the November 2013 offering in proportion to the number of Class A ordinary shares represented by their respective limited partnership interests that they elected to sell in such offering. Mr. Vareille did not participate in the November 2013 offering.

DESCRIPTION OF OTHER INDEBTEDNESS

The following summary of the material terms of certain financing arrangements to which the Issuer and certain of its subsidiaries will be party following the Transactions contemplated hereby and the use of proceeds thereof does not purport to be complete and is subject to, and qualified in its entirety by reference to, the underlying documents. For further information regarding our existing indebtedness, see "Use of Proceeds," "Capitalization" and "Management's Discussion and Analysis of Financial Condition and Results of Operations."

Unsecured Revolving Credit Facility

On the issue date of the Notes, the Company plans to enter into a new senior unsecured revolving credit facility (the "Unsecured Revolving Credit Facility") in an aggregate principal amount of up to €120 million with a term of three years, pursuant to a credit agreement among the Company, as borrower, the lenders from time to time party thereto and Deutsche Bank AG New York Branch, as administrative agent. The proceeds of the Unsecured Revolving Credit Facility will be used for working capital and general corporate purposes of the Company and its subsidiaries. In addition, we may increase commitments under our Unsecured Revolving Credit Facility in an aggregate amount of up to €30 million, with such additional commitments having terms identical to those of the existing commitments under the Unsecured Revolving Credit Facility.

Interest under the Unsecured Revolving Credit Facility is expected to be calculated based on the adjusted eurocurrency rate plus 2.50% per annum.

In addition to paying interest on outstanding loans under the Unsecured Revolving Credit Facility, we will be required to pay (a) commitment fees equal to 1.00% per annum times the undrawn portion of the commitments under the facility and (b) utilization fees equal to (i) if the daily average drawn portion of the commitments under the facility (the "Drawn Amount") is less than 50.0% of the aggregate commitments, 0.25% per annum times the Drawn Amount or (ii) if the Drawn Amount is greater than or equal to 50.0% of the aggregate Revolving Commitments, 0.50% per annum times the Drawn Amount.

Subject to customary "breakage" costs, borrowings under the Unsecured Revolving Credit Facility may be repaid from time to time without premium or penalty.

Our obligations under the Unsecured Revolving Credit Facility will be guaranteed by each of our subsidiaries which guarantees the Notes.

The Unsecured Revolving Credit Facility will contain customary terms and conditions, including, among other things, negative covenants limiting our and our restricted subsidiaries' ability to incur debt, grant liens, enter into sale and lease-back transactions, make investments, loans and advances, make acquisitions, sell assets, pay dividends and other restricted payments, prepay certain debt, merge, consolidate or amalgamate and engage in affiliate transactions.

In addition, at any time that loans are (a) borrowed, to the extent that immediately after giving effect to such borrowing, loans in excess of 30% of the total commitments under the Unsecured Revolving Credit Facility would be outstanding, or (b) outstanding on the last day of our fiscal quarter, the Unsecured Revolving Credit Facility will require us to (x) maintain a consolidated total net leverage ratio of no more than 2.50 to 1.00, (y) maintain a minimum fixed charge coverage ratio of not less than 3.50 to 1.00, and (z) ensure that, taken together, the Company and the guarantors of the Unsecured Revolving Credit Facility have (i) assets representing not less than 60% of the consolidated total assets of the Company and its restricted subsidiaries and (ii) EBITDA representing not less than 75% of the consolidated EBITDA of the Company and its restricted subsidiaries.

The Unsecured Revolving Credit Facility will also contain customary events of default.

U.S. Revolving Credit Facility

On May 25, 2012, Constellium Rolled Products Ravenswood, LLC ("Ravenswood, LLC") entered into a $100 million asset-based revolving credit facility (the "U.S. Revolving Credit Facility"), with the lenders from time to time party thereto and Deutsche Bank Trust Company Americas as administrative agent (the "U.S. Administrative Agent") and collateral agent. Ravenswood, LLC amended the U.S. Revolving Credit Facility on October 1, 2013 to, among other things, extend the maturity to October 2018 and reduce pricing. As amended, the U.S. Revolving Credit Facility has sublimits of $25 million for letters of credit and 10% of the revolving credit facility commitments for swingline loans. The U.S. Revolving Credit Facility provides Ravenswood, LLC a working capital facility for its operations.

Ravenswood, LLC's ability to borrow under the U.S. Revolving Credit Facility is limited to a borrowing base equal to the sum of (a) 85% of eligible accounts receivable plus (b) up to the lesser of (i) 80% of the lesser of cost or market value of eligible inventory and (ii) 85% of the net orderly liquidation value of eligible inventory minus (c) applicable reserves, and is subject to other conditions, limitations and reserve requirements.

Interest under the U.S. Revolving Credit Facility is calculated, at Ravenswood, LLC's election, based on either the LIBOR or base rate (as calculated by the U.S. Administrative Agent in accordance with the U.S. Revolving Credit Facility). LIBOR loans accrue interest at a rate of LIBOR plus a margin of 1.50-2.00% per annum (determined based on average quarterly excess availability). Base rate loans accrue interest at the base rate plus a margin of .50-1.00% per annum (determined based on average quarterly excess availability). Ravenswood, LLC is required to pay a commitment fee on the unused portion of the U.S. Revolving Credit Facility of 0.25% or 0.375% per annum (determined on a ratio of unutilized revolving credit commitments to available revolving credit commitments).

Subject to customary "breakage" costs with respect to LIBOR loans, borrowings under the U.S. Revolving Credit Facility may be repaid from time to time without premium or penalty.

Ravenswood, LLC's obligations under the U.S. Revolving Credit Facility are guaranteed by Constellium U.S. Holdings I, LLC ("U.S. Holdings I") and Constellium Holdco II B.V. . Ravenswood, LLC's obligations under the U.S. Revolving Credit Facility are not guaranteed by Constellium or any of Constellium Holdco II B.V.'s subsidiaries organized outside of the United States. Ravenswood, LLC's obligations under the U.S. Revolving Credit Facility are, subject to certain permitted liens, secured on a first priority basis by all accounts receivable, inventory and cash of Ravenswood, LLC and U.S. Holdings I, and on a second priority basis by substantially all other assets of Ravenswood, LLC; upon repayment and termination of the Term Loan in connection with the issuance of the Notes, Ravenswood, LLC's obligations under the U.S. Revolving Credit Facility will be, subject to certain permitted liens, secured on a first priority basis by substantially all assets of Ravenswood, LLC. Ravenswood, LLC's obligations under the U.S. Revolving Credit Facility are not secured by any assets of Constellium or any of its subsidiaries organized outside of the United States. The guarantee by Constellium Holdco II B.V. of the U.S. Revolving Credit Facility is unsecured.

The U.S. Revolving Credit Facility contains customary terms and conditions, including, among other things, negative covenants limiting Ravenswood, LLC's ability to incur debt, grant liens, enter into sale and lease-back transactions, make investments, loans and advances (including to other Constellium group companies), make acquisitions, sell assets, pay dividends and other restricted payments, prepay certain debt, merge, consolidate or amalgamate and engage in affiliate transactions. The negative covenants contained in the U.S. Revolving Credit Facility do not apply to Constellium or any of its subsidiaries organized outside of the United States.

The U.S. Revolving Credit Facility also contains a minimum availability covenant that requires Ravenswood, LLC to maintain excess availability under the U.S. Revolving Credit Facility of at least the greater of (a) $10 million and (b) 10% of the aggregate revolving loan commitments.

The U.S. Revolving Credit Facility also contains customary events of default.

Factoring Agreements

On January 4, 2011, certain of our French subsidiaries (the "French Sellers") entered into a factoring agreement with GE Factofrance S.A.S., as factor (the "French Factor"), which has been amended from time to time, including on January 31, 2014 (the "French Factoring Agreement"). On December 16, 2010, certain of our German and Swiss subsidiaries (the "German/Swiss Sellers" together with the French Sellers, the "Sellers") entered into factoring agreements with GE Capital Bank AG, as factor (the "German/Swiss Factor" together with the French Factor, the "Factors"), which have been amended from time to time. (the "German/Swiss Factoring Agreements," together with the French Factoring Agreement, the "Factoring Agreements"). The Factoring Agreements provide for the sale by the Sellers to the Factors of receivables originated by the Sellers, subject to a maximum financing amount of €235 million available to the French Sellers under the French Factoring Agreement and €115 million available to the German/Swiss Sellers under the German/Swiss Factoring Agreements. The Factoring Agreements have a termination date of June 4, 2017. The funding made available to the Sellers by the Factors is used by the Sellers for general corporate purposes.

Generally speaking, receivables sold to the Factors under the Factoring Agreements are with limited recourse to the Sellers in the event of a payment default by the relevant customer, in the case of the French factoring agreement, to the extent that such receivables are covered by credit insurance purchased for the benefit of the Factor. The Factors are entitled to claim the repayment of any amount financed by them in respect of a receivable by withdrawing the financing provided against such assigned receivable or requiring the Sellers to repurchase/unwind the purchase of such receivable under certain circumstances, including when (i) the non-payment of that receivable arises from a dispute between a Seller and the relevant customer, (ii) in relation to the French Factoring Agreement only, the French Factor cannot recover from a credit insurer for such non-payment or (iii) the receivable proves not to have satisfied the eligibility criteria set forth in the Factoring Agreements. The Factoring Agreements allow the Sellers to sell some receivables on a non-recourse basis.

The German/Swiss Factoring Agreements are without recourse to the German/Swiss Sellers, respectively, for any credit risk resulting from the inability of a debtor to meet its payment obligations under the receivables sold to the German/Swiss Factor.

Constellium Holdco II B.V. has provided a performance guaranty for the Sellers' obligations under the Factoring Agreements.

Subject to some exceptions, the Sellers will collect the transferred receivables on behalf of the Factors pursuant to a receivables collection mandate under the Factoring Agreements. The receivables collection mandate may be terminated upon the occurrence of certain events. In the event that the receivables collection mandate is terminated, the Factors will be entitled to notify the account debtors of the assignment of receivables and collect directly from the account debtors the assigned receivables.

The Factoring Agreements contain customary fees, including (i) a financing fee on the outstanding amount financed in respect of the assigned receivables, (ii) a non-utilization fee on the portion of the facilities not utilized by the Factors and (iii) a factoring fee on all assigned receivables. In addition, the Sellers incur the cost of maintaining the necessary credit insurance (as stipulated in the Factoring Agreements) on assigned receivables.

The Factoring Agreements contain certain affirmative and negative covenants, including relating to the administration and collection of the assigned receivables, the terms of the invoices and the exchange of information, but do not contain restrictive financial covenants other than a group level minimum liquidity covenant that is tested quarterly. As of and for the fiscal quarter ended December 31, 2013, the Sellers were in compliance with all applicable covenants under the Factoring Agreements.

DESCRIPTION OF THE NOTES

General

Constellium N.V. (the "*Issuer*") will issue the U.S. Dollar Notes (as defined below) under an indenture (the "*U.S. Dollar Indenture*"), to be dated as of May 7, 2014, by and among itself, the Note Guarantors (as defined below) and Deutsche Bank Trust Company Americas as trustee (the "*Trustee*") and will issue the Euro Notes (as defined below) under an indenture (the "Euro Indenture," and together with the U.S. Dollar Indenture, the "*Indentures*" and each an "*Indenture*"), to be dated as of May 7, 2014, by and among itself, the Note Guarantors and the Trustee. Except as otherwise indicated in this Description of the Notes, the redemption provisions, covenants, events of default and other terms applicable to the U.S. Dollar Notes and the Euro Notes will be substantially identical.

The following summary of certain provisions of the Indentures and the Notes (as defined below) does not purport to be complete and is subject to, and is qualified in its entirety by reference to, all the provisions of the Indentures and the Notes, including the definitions of certain terms therein. The Indentures will not be qualified under or incorporate or include any of the provisions of the U.S. Trust Indenture Act of 1939, as amended.

Application has been made for the Euro Notes to be listed on the Official List of the Luxembourg Stock Exchange and traded on the Euro MTF Market.

Capitalized terms used in this "Description of the Notes" section and not otherwise defined have the meanings set forth in the section "—Certain Definitions." As used in this "Description of the Notes" section, "we," "us" and "our" mean Constellium N.V. and its Subsidiaries and the "Issuer" refers only to Constellium N.V.

The Issuer will issue $400 million in initial aggregate principal amount of senior unsecured notes denominated in U.S. Dollars (the "*Initial U.S. Dollar Notes*") and €300 million in initial aggregate principal amount of senior unsecured notes denominated in Euros (the "*Initial Euro Notes*" and together with the Initial U.S. Dollar Notes, the "*Initial Notes*"). The Issuer may issue additional Notes denominated in U.S. Dollars (the "*Additional U.S. Dollar Notes*" and, together with the Initial U.S. Dollar Notes, the "*U.S. Dollar Notes*") and/or additional Notes denominated in Euros (the "*Additional Euro Notes*" and, together with the Initial Euro Notes, the "*Euro Notes*") from time to time after this offering without the consent of holders. The Additional U.S. Dollar Notes and the Additional Euro Notes are collectively referred to herein as the "*Additional Notes*," and the Initial Notes and the Additional Notes are collectively referred to herein as the "*Notes*." Any offering of Additional Notes is subject to the covenant described below under the caption "—Certain Covenants—Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock." Except as otherwise stated herein, the Initial U.S. Dollar Notes and any Additional U.S. Dollar Notes subsequently issued under the U.S. Dollar Indenture will be treated as a single series for all purposes under the U.S. Dollar Indenture, including, without limitation, waivers, amendments, redemptions and offers to purchase. Except as otherwise stated herein, the Initial Euro Notes and any Additional Euro Notes subsequently issued under the Euro Indenture will be treated as a single series for all purposes under the Euro Indenture, including, without limitation, waivers, amendments, redemptions and offers to purchase. The U.S. Dollar Notes and the Euro Notes will be treated as separate series for all purposes, including, without limitation, with respect to waivers, amendments, redemptions and offers to purchase. Unless the context otherwise requires, for all purposes of the Indentures and this "Description of the Notes," references to the Notes include any Additional Notes actually issued.

Principal of, premium, if any, and interest on the Notes will be payable, and the Notes may be exchanged or transferred, at the office or agency designated by the Issuer (which initially shall be the applicable Paying Agent).

The Notes will be issued only in fully registered form, without coupons. The U.S. Dollar Notes will be issued in minimum denominations of $250,000 and any integral multiple of $1,000 in excess thereof. The Euro Notes will be issued in minimum denominations of €100,000 and any integral multiple of €1,000 in excess thereof. No service charge will be made for any registration of transfer or exchange of Notes, but the Issuer may require payment of a sum sufficient to cover any transfer tax or other similar governmental charge payable in connection therewith.

The Issuer is a holding company for its Subsidiaries, with no material operations of its own and only limited assets. Accordingly, the Issuer is dependent upon the distribution of the earnings of its Subsidiaries, whether in the form of dividends, advances, payments on account of intercompany obligations or otherwise, to service its debt obligations.

Terms of the Notes

The Notes will be senior 5.750% unsecured obligations of the Issuer. The U.S. Dollar Notes will mature on May 15, 2024, and the Euro Notes will mature on May 15, 2021.

Interest on the Notes will be payable semiannually in arrears on each May 15 and November 15 commencing on November 15, 2014. The Issuer will make each interest payment to the holders of record of the Notes as of the immediately preceding May 1 and November 1. Interest on the Notes will accrue from the Issue Date or the most recent date to which interest has been paid or provided for. Interest will be computed on the basis of a 360-day year comprised of twelve 30-day months. Interest on the U.S. Dollar Notes will accrue at the rate of 5.750% per annum, and interest on the Euro Notes will accrue at the rate of 4.625% per annum.

Optional Redemption

Except as described below, the U.S. Dollar Notes are not redeemable at the Issuer's option prior to May 15, 2019 and the Euro Notes are not redeemable at the Issuer's option prior to May 15, 2017. On or after May 15, 2019, in the case of the U.S. Dollar Notes, and on or after May 15, 2017, in the case of the Euro Notes, the Issuer may redeem the U.S. Dollar Notes or the Euro Notes, as applicable, at its option, in whole at any time or in part from time to time, upon not less than 30 nor more than 60 days' prior notice delivered electronically or by first-class mail to each holder's registered address, at the following redemption prices (expressed as a percentage of principal amount), plus accrued and unpaid interest, if any, to the redemption date (subject to the right of holders of record on the relevant record date to receive interest due on the relevant interest payment date), if redeemed during the twelve-month period commencing on of the years set forth below:

Period	U. S. Dollar Notes Redemption Price	Euro Notes Redemption Price
2017	N/A	102.313%
2018	N/A	101.156%
2019	102.875%	100.000%
2020	101.917%	100.000%
2021	100.958%	N/A
2022 and thereafter	100.000%	N/A

In addition, prior to May 15, 2019, in the case of the U.S. Dollar Notes, and prior to May 15, 2017, in the case of the Euro Notes, the Issuer may redeem the U.S. Dollar Notes or the Euro Notes, as applicable, at its option, in whole at any time or in part from time to time, upon not less than 30 nor more than 60 days' prior notice electronically delivered or mailed by first-class mail to each holder's registered address, at a redemption price equal to 100% of the principal amount of the Notes of the applicable series redeemed plus the Applicable Premium as of, and accrued and unpaid interest, if any, to, the applicable redemption date (subject to the right of holders of record on the relevant record date to receive interest due on the relevant interest payment date).

Notwithstanding the foregoing, at any time and from time to time prior to May 15, 2017, the Issuer may redeem Notes of any series in an aggregate amount equal to up to 35% of the original aggregate principal amount of Notes of such series (calculated after giving effect to any issuance of Additional Notes of such series) with an amount equal to the net cash proceeds of one or more Equity Offerings by the Issuer, at a redemption price (expressed as a percentage of principal amount thereof) of 100% plus a premium (expressed as a percentage of principal amount thereof) equal to 5.750% for the U.S. Dollar Notes and 4.625% for the Euro Notes, plus accrued and unpaid interest to the redemption date (subject to the right of holders of record on the relevant record date to receive interest due on the relevant interest payment date); *provided*, *however*, that at least 50% of the original aggregate principal amount of Notes of the series being redeemed (calculated after giving effect to any issuance of Additional Notes of such series) must remain outstanding after each such redemption; *provided*, *further*, that such redemption shall occur within 90 days after the date on which any such Equity Offering is consummated upon not less than 30 nor more than 60 days' notice electronically delivered or mailed to each holder of Notes being redeemed and otherwise in accordance with the procedures set forth in the applicable Indenture.

Any redemption or notice of any redemption may, at the Issuer's discretion, be subject to one or more conditions precedent, including, but not limited to, completion of an Equity Offering, other debt or equity financing, acquisition or other corporate transaction or event, and, at the Issuer's discretion, the redemption date may be delayed until such time as any or all of such conditions have been satisfied. In addition, we may provide in any notice of redemption that payment of the redemption price and the performance of our obligations with respect to such redemption may be performed by another person; *provided*, *however*, that the Issuer will remain obligated to pay the redemption price and perform its obligations with respect to such redemption in the event such other person fails to do so and all conditions to such redemption, if any, are satisfied. Notice of any redemption in respect of an Equity Offering may be given prior to completion thereof.

If an optional redemption date is on or after an interest record date and on or before the related interest payment date, the accrued and unpaid interest, if any, will be paid to the Person in whose name the Note is registered at the close of business on such record date.

Redemption for Taxation Reasons

The Issuer may redeem either series of Notes, at its option, in whole, but not in part, at any time upon giving not less than 30 nor more than 60 days prior notice to holders (which notice shall be irrevocable) at a redemption price equal to 100% of the principal amount of such series, together with accrued and unpaid interest, if any, to (but not including) the date fixed for redemption of such series (a "*Tax Redemption Date*") (subject to the right of holders of record on the relevant record date to receive interest due on the relevant interest payment date) and all Additional Amounts (as defined under "—Withholding Taxes"), if any, then due or that will become due on the Tax Redemption Date as a result of the redemption or otherwise, if any, if the Issuer determines in good faith that, as a result of:

(1) any change in, or amendment to, the law or treaties (or any regulations, protocols or rulings promulgated thereunder) of a Relevant Taxing Jurisdiction (as defined under "—Withholding Taxes") affecting taxation; or

(2) any change in official position regarding the application, administration or interpretation of such laws, treaties, regulations, protocols or rulings (including a holding, judgment or order by a government agency or court of competent jurisdiction)

(each of the foregoing in clauses (1) and (2), a "*Change in Tax Law*"), any Payor (as defined under "—Withholding Taxes"), with respect to such series of Notes or a Note Guarantee is, or on the next date on which any amount would be payable in respect of such series of Notes would be, required to pay any Additional Amounts, and such obligation cannot be avoided by taking reasonable measures available to such Payor (including the appointment of a new Paying Agent or, where such payment would be reasonable, the payment through another Payor); *provided* that no Payor shall be required to take any measures that in the Issuer's good faith determination would result in the imposition on such person of any legal or regulatory burden (other than any such burden that is *de minimis* to the Issuer) or the incurrence by such person of additional costs (other than any such costs that are *de minimis* to the Issuer) or would otherwise result in any adverse consequences to such person (other than any such adverse consequences that are *de minimis*).

In the case of any Payor, the Change in Tax Law must be announced and become effective on or after the date of this offering memorandum (or if the applicable Relevant Tax Jurisdiction becomes a Relevant Tax Jurisdiction on a date after the date of this offering memorandum, then such later date). Notwithstanding the foregoing, no such notice of redemption will be given earlier than 90 days prior to the earliest date on which the Payor would be obligated to make such payment of Additional Amounts. Prior to the publication, mailing or delivery of any notice of redemption of either series of Notes pursuant to the foregoing, the Issuer will deliver to the Trustee and applicable Paying Agent (a) an Officer's Certificate stating that it is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to its right so to redeem have been satisfied and (b) an opinion of an independent tax counsel of recognized standing to the effect that the Payor would be obligated to pay Additional Amounts as a result of a Change in Tax Law. The Trustee will accept such Officer's Certificate and opinion as sufficient evidence of the satisfaction of the conditions precedent described above, in which event it will be conclusive and binding on the holders of Notes of such series.

The foregoing provisions will apply mutatis mutandis to any successor to a Payor. The foregoing provisions will survive any termination, defeasance or discharge of the Indentures.

Withholding Taxes

All payments made by or on behalf of the Issuer or any Guarantor or any successor in interest to any of the foregoing (each, a "*Payor*") on or with respect to the Notes or any Note Guarantee will be made without withholding or deduction for, or on account of, any Taxes unless such withholding or deduction is required by law. If any deduction or withholding for, or on account of, any Taxes imposed or levied by or on behalf of:

(1) any jurisdiction from or through which payment on the Notes or any Note Guarantee is made or any political subdivision or governmental authority thereof or therein having the power to tax (including the jurisdiction of any Paying Agent); or

(2) any other jurisdiction in which a Payor that actually makes a payment on the Notes or its Note Guarantee is organized or otherwise considered to be engaged in business or resident for tax purposes, or any political subdivision or governmental authority thereof or therein having the power to tax,

(each of clause (1) and (2), a "*Relevant Taxing Jurisdiction*"), will at any time be required by law to be made from any payments made with respect to the Notes or any Note Guarantee, including payments of principal, redemption price, interest or premium, if any, the Payor will pay (together with such payments) such additional amounts (the "*Additional Amounts*") as may be necessary in order that the net amounts received in respect of such payments, after such withholding or deduction (including any such deduction or withholding from such Additional Amounts), will not be less than the amounts that would have been received in respect of such payments on the Notes or the Note Guarantees in the absence of such withholding or deduction; *provided*, *however*, that no such Additional Amounts will be payable for or on account of:

(1) any Taxes that would not have been so imposed or levied but for the existence of any present or former connection between the holder (or between a fiduciary, settlor, beneficiary, partner, member or shareholder of, or possessor of power over, the holder, if such holder is an estate, nominee, trust, partnership, limited liability company or corporation) and the Relevant Taxing Jurisdiction (including being a citizen or resident or national of, or carrying on a business or maintaining a permanent establishment in, or being physically present in, the Relevant Taxing Jurisdiction) but excluding, in each case, any connection arising solely from the acquisition, ownership or holding of such Notes or the receipt of any payment in respect thereof;

(2) any Taxes that would not have been so imposed or levied if the holder had complied with a reasonable request in writing of the Payor (such request being made at a time that would enable such holder acting reasonably to comply with that request) to make a declaration of nonresidence or any other claim or filing or satisfy any certification, information or reporting requirement for exemption from, or reduction in the rate of, withholding to which it is entitled (*provided* that such declaration of nonresidence or other claim, filing or requirement is required by the applicable law, treaty, regulation or administrative practice of the Relevant Taxing Jurisdiction as a precondition to exemption from the requirement to deduct or withhold all or a part of any such Taxes) but only to the extent such holder is legally entitled to provide such certification or documentation;

(3) any Taxes that are payable otherwise than by withholding from a payment on the Notes or any Note Guarantee;

(4) any estate, inheritance, gift, sales, excise, transfer, personal property or similar Taxes;

(5) any Taxes that are imposed pursuant to or required to be deducted or withheld on a payment pursuant to the European Union Directive 2003/48/EC regarding the taxation of savings income (the "*Directive*") or the Agreement between the European Community and the Swiss Confederation dated October 26, 2004 providing for measures equivalent to those laid down in the Directive (the "*Swiss Agreement*") or any law implementing or complying with, or introduced in order to conform to the Directive or the Swiss Agreement;

(6) any Taxes that are required to be deducted or withheld on a payment by a Note Guarantor incorporated in Switzerland and/or having its registered office in Switzerland and/or qualifying as a Swiss resident pursuant to art 9 of the Swiss Withholding Tax Act (a "*Swiss Note Guarantor*") as Swiss withholding tax under the Swiss Federal Act on the Withholding Tax of 13 October 1965 (*Bundesgesetz über die Verrechnungssteuer*);

(7) any Taxes imposed in connection with a Note presented for payment by or on behalf of a holder who would have been able to avoid such Tax by presenting the relevant Note to another paying agent in a member state of the European Union;

(8) any Taxes payable under Sections 1471 through 1474 of the Code, as of the date of this offering memorandum (or any amended or successor version that is substantively comparable and not materially more onerous to comply with), any current or future regulations or official interpretations thereof and any agreements (including any intergovernmental agreements) entered into pursuant thereto;

(9) any Taxes if the holder is a fiduciary or partnership or person other than the sole beneficial owner of such payment and the Taxes that would otherwise give rise to such Additional Amounts would not have been imposed on such payment had the holder been the beneficiary, partner or sole beneficial owner, as the case may be, of such Note (but only if there is no material cost or expense associated with transferring such Note to such beneficiary, partner or sole beneficial owner and no restriction on such transfer that is outside the control of such beneficiary, partner or sole beneficial owner);

(10) any Taxes payable pursuant to laws enacted by Switzerland providing for the taxation of payments according to principles similar to those laid down in the draft legislation proposed by the Swiss Federal Council on 24 August 2011, in particular, the principle to have a person other than the Issuer withhold or deduct tax;

(11) any Taxes payable pursuant to an agreement between Switzerland and another country on final withholding taxes levied by Swiss paying agents in respect of persons resident in the other country on income of such person on Notes booked or deposited with a Swiss paying agent (*Abgeltungssteuer*); or

(12) any combination of the above.

Such Additional Amounts will also not be payable (x) if the payment could have been made without such deduction or withholding if the relevant Note had been presented for payment (where presentation is required) within 30 days after the relevant payment was first made available for payment to the holder or (y) to the extent where, had the beneficial owner of the relevant Note been the holder of such Note, such beneficial owner would not have been entitled to payment of Additional Amounts by reason of any of clauses (1) to (12) inclusive above.

The Payor will (i) make any required withholding or deduction and (ii) remit the full amount deducted or withheld to the relevant taxing authority of the Relevant Taxing Jurisdiction in accordance with applicable law. Upon request, the Payor will use all reasonable efforts to obtain certified copies of tax receipts evidencing the payment of any Taxes so deducted or withheld from each relevant taxing authority of each Relevant Taxing Jurisdiction imposing such Taxes and will provide such certified copies to the Trustee. If, notwithstanding the efforts of such Payor to obtain such receipts, the same are not obtainable, such Payor will provide the Trustee with other reasonable evidence of payment. Such receipts or other evidence received by the Trustee will be made available by the Trustee to holders on request.

If any Payor will be obligated to pay Additional Amounts under or with respect to any payment made on the Notes or any Note Guarantee, at least 30 days prior to the date of such payment, the Payor will deliver to the Trustee and applicable Paying Agent an Officer's Certificate stating the fact that Additional Amounts will be payable and the amount so payable and such other information necessary to enable the Paying Agent to pay Additional Amounts on the relevant payment date (unless such obligation to pay Additional Amounts arises less than 45 days prior to the relevant payment date, in which case the Payor shall deliver such Officer's Certificate and such other information as promptly as practicable thereafter).

Wherever in the Indentures, the Notes, any Note Guarantee or this "Description of the Notes" there is mentioned, in any context:

(1) the payment of principal;

(2) redemption prices or purchase prices in connection with a redemption or purchase of Notes;

(3) interest; or

(4) any other amount payable on or with respect to any of the Notes or any Note Guarantee;

such reference shall be deemed to include payment of Additional Amounts as described under this heading to the extent that, in such context, Additional Amounts are, were or would be payable in respect thereof.

The Payor will pay any present or future stamp, court or documentary Taxes, or any other excise, property or similar Taxes that arise in any Relevant Taxing Jurisdiction from the execution, delivery, issuance, initial resale, registration or enforcement of any Notes, Note Guarantee, Indenture or any other document or instrument in relation thereto (other than a transfer of the Notes occurring after the initial resale). The foregoing obligations will survive any termination, defeasance or discharge of the Indentures and will apply mutatis mutandis to any jurisdiction in which any successor to a Payor is organized or otherwise considered to be engaged in business or resident for Tax purposes, or any political subdivision or taxing authority or agency thereof or therein.

Selection and Notice

In the case of any redemption of less than all Notes of any series, selection of Notes for redemption will be made by the relevant Registrar pro rata, by lot or such other manner in the case of global notes, as may be required by the applicable procedures of DTC, with respect to U.S. Dollar Notes, or Euroclear or Clearstream (as defined below) or their common depositary, with respect to Euro Notes; *provided* that no U.S. Dollar Notes of $250,000 or less, and no Euro Notes of €100,000 or less, shall be redeemed in part. If any Note is to be redeemed in part only, the notice of redemption relating to such Note shall state the portion of the principal amount thereof to be redeemed. A new Note in principal amount equal to the unredeemed portion thereof will be issued in the name of the holder thereof upon cancellation of the original Note. On and after the redemption date, interest will cease to accrue on Notes or portions thereof called for redemption so long as the Issuer has deposited with the applicable Paying Agent funds sufficient to pay the principal of, plus accrued and unpaid interest (if any) on, the Notes to be redeemed.

For Euro Global Notes held on behalf of Euroclear or Clearstream, notices may be given by delivery of the relevant notices to Euroclear or Clearstream for communication to entitled account holders in substitution for the aforesaid mailing. So long as any Euro Notes are listed on the Official List of the Luxembourg Stock Exchange and admitted for trading on the Euro MTF Market and the rules of the Luxembourg Stock Exchange so require, any such notice to the holders of the relevant Euro Notes shall also be published in a newspaper having a general circulation in the Grand Duchy of Luxembourg (which is expected to be the *Luxemburger Wort*) or, to the extent and in the manner permitted by such rules, posted on the official website of the Luxembourg Stock Exchange (*www.bourse.lu*) and, in connection with any redemption, the Issuer will notify the Luxembourg Stock Exchange of any change in the principal amount of Euro Notes outstanding.

Mandatory Redemption; Offers to Purchase; Open Market Purchases

The Issuer is not required to make any mandatory redemption or sinking fund payments with respect to the Notes. However, under certain circumstances, the Issuer may be required to offer to purchase Notes as described under the captions "—Change of Control" and "—Certain Covenants—Asset Sales."

From time to time, the Issuer or its affiliates may acquire Notes through open market purchases, privately negotiated transactions, tender offers, exchange offers, redemptions or otherwise, upon such terms and at such prices as the Issuer or its affiliates may determine, which may be more or less than the consideration for which the Notes offered hereby are being sold and could be for cash or other consideration. There can be no assurance as to which, if any, of these alternatives or combinations thereof the Issuer or its affiliates may choose to pursue in the future.

Ranking

The indebtedness evidenced by the Notes will be unsecured senior Indebtedness of the Issuer, effectively subordinated to all Secured Indebtedness of the Issuer to the extent of the value of the assets securing such Indebtedness and to all Indebtedness and other liabilities (including trade liabilities) of the Issuer's Subsidiaries (other than subsidiaries that become Note Guarantors pursuant to the provisions described below under "—Note Guarantees"), equal in right of payment to all existing and future senior Indebtedness of the Issuer and senior in right of payment to all existing and future Subordinated Indebtedness of the Issuer.

The indebtedness evidenced by the Note Guarantees will be unsecured senior Indebtedness of the applicable Note Guarantor, effectively subordinated to all Secured Indebtedness of such Note Guarantor to the extent of the value of the assets securing such Indebtedness, equal in right of payment to all existing and future senior Indebtedness of such Note Guarantor and senior in right of payment to all existing and future Subordinated Indebtedness of such Note Guarantor.

As of a December 31, 2013, on a pro forma basis to give effect to the Transactions, we and our subsidiaries would have had €628 million of indebtedness outstanding (exclusive of undrawn letters of credit), of which €24 million would have been secured (€18 of which secured debt would have been attributable to borrowings under the U.S. Revolving Credit Facility).

Note Guarantees

Each of the Issuer's direct and indirect Restricted Subsidiaries that guarantee Indebtedness under the Unsecured Revolving Credit Facility as of the Issue Date (the "*Note Guarantors*") will, subject to the paragraph immediately below, jointly and severally guarantee on a senior unsecured basis the performance and punctual payment when due, whether at Stated Maturity, by acceleration or otherwise, of all Obligations of the Issuer under the Indentures and the Notes, whether for payment of principal of, premium, if any, or interest on the Notes, expenses, indemnification or otherwise (all such obligations guaranteed by such Note Guarantors being herein called the "*Guaranteed Obligations*"). After the Issue Date, the Issuer will cause each Restricted Subsidiary (unless such Subsidiary is a Receivables Subsidiary) that guarantees Indebtedness under any Credit Facilities of (a) the Issuer or (b) any Note Guarantor, to execute and deliver to the Trustee a supplemental indenture pursuant to which such Restricted Subsidiary will guarantee payment of the Notes on the same unsecured senior basis. See "—Certain Covenants—Future Note Guarantors."

Each Note Guarantee will be limited to an amount not to exceed the maximum amount that can be guaranteed by the applicable Note Guarantor without (i) rendering the Note Guarantee, as it relates to such Note Guarantor, voidable under applicable law relating to limitations on guarantees, including fraudulent conveyance or fraudulent transfer or similar laws affecting the rights of creditors generally or (ii) resulting in any breach of corporate benefit, financial assistance, fraudulent preference, thin capitalization laws, retention of title claims, capital maintenance rules, general statutory limitations, or the laws or regulations (or analogous restrictions) of any applicable jurisdiction or any similar principles which may limit the ability of any Foreign Subsidiary to provide a guarantee or may require that the guarantee be limited by an amount or scope or otherwise or would, without corresponding limitations, result in a breach of law by any Foreign Subsidiary or its management. See "Risk Factors—Risks Relating to an Investment in the Notes—Because each guarantor's liability under its guarantee may be reduced to zero or avoided or released under certain circumstances you may not receive any payments from some or all of the guarantors."

Each Note Guarantee will be a continuing guarantee and shall:

(1) subject to the next succeeding paragraph, remain in full force and effect until payment in full of all the Guaranteed Obligations under the applicable Indenture and series of Notes;

(2) subject to the next succeeding paragraph, be binding upon each such Note Guarantor and its successors; and

(3) inure to the benefit of and be enforceable by the Trustee, the holders of the applicable series of Notes and their successors, transferees and assigns.

A Note Guarantee of a Note Guarantor will be automatically released upon:

(1) the sale, disposition or other transfer (including through merger or consolidation) of (x) the Capital Stock of the applicable Note Guarantor to a Person who is not (either before or after giving effect to the transaction) the Issuer or a Restricted Subsidiary of the Issuer, following which the applicable Note Guarantor is no longer a Restricted Subsidiary or (y) all or substantially all of the assets of such Note Guarantor, in each case if such sale, disposition or other transfer is not prohibited by the applicable Indenture,

(2) the Issuer designating such Note Guarantor to be an Unrestricted Subsidiary in accordance with the provisions set forth under "—Certain Covenants—Limitation on Restricted Payments" and the definition of "Unrestricted Subsidiary,"

(3) in the case of any Restricted Subsidiary that after the Issue Date is required to guarantee the applicable series of Notes pursuant to the covenant described under "—Certain Covenants—Future Note Guarantors," the release or discharge of the guarantee by such Restricted Subsidiary of the Indebtedness of the Issuer or Note Guarantor, as the case may be, or the repayment of the Indebtedness, in each case, which resulted in the obligation to guarantee such series of Notes, or

(4) the Issuer's exercise of its legal defeasance option or covenant defeasance option with respect to the applicable series of Notes as described under "—Defeasance," or if the Issuer's obligations under the applicable Indenture are satisfied and discharged in accordance with the terms of such Indenture.

Change of Control

Upon the occurrence of any of the following events (each, a "*Change of Control*"), each holder will have the right to require the Issuer to repurchase all or any part of such holder's Notes at a purchase price in cash equal to 101% of the principal amount thereof, plus accrued and unpaid interest, if any, to the date of repurchase (subject to the right of holders of record on the relevant record date to receive interest due on the relevant interest payment date), except to the extent the Issuer has previously elected to redeem the applicable series of Notes as described under "—Optional Redemption." The term Change of Control means:

(1) the sale, lease or transfer, in one or a series of related transactions, of all or substantially all the assets of the Issuer and its Subsidiaries, taken as a whole, to any Person; or

(2) the Issuer becomes aware (by way of a report or any other filing pursuant to Section 13(d) of the Exchange Act, proxy, vote, written notice or otherwise) of the acquisition by any Person or group (within the meaning of Section 13(d)(3) or Section 14(d)(2) of the Exchange Act, or any successor provision), including any group acting for the purpose of acquiring, holding or disposing of securities (within the meaning of Rule 13d-5(b)(1) under the Exchange Act), in a single transaction or in a related series of transactions, by way of merger, consolidation or other business combination or purchase of beneficial ownership (within the meaning of Rule 13d-3 under the Exchange Act, or any successor provision), of more than 50% of the total voting power of the Voting Stock of the Issuer; *provided*, *however*, that any entity (including Constellium N.V. upon a sale of all or substantially all of its assets to a Subsidiary in a transaction permitted under the applicable Indenture, if at such time Constellium N.V. meets the requirements of this proviso) that conducts no material activities other than holding Equity Interests of the Issuer or any direct or indirect parent of the Issuer and has no other material assets or liabilities other than such Equity Interests will not be considered a "Person or group" for purposes of this clause (2).

Within 30 days following any Change of Control, except to the extent that the Issuer has exercised its right to redeem the relevant series of Notes as described under "—Optional Redemption," the Issuer shall electronically deliver or mail a notice (a "*Change of Control Offer*") to each holder with a copy to the Trustee and applicable Paying Agent stating:

(1) that a Change of Control has occurred and that such holder has the right to require the Issuer to repurchase such holder's Notes at a repurchase price in cash equal to 101% of the principal amount thereof, plus accrued and unpaid interest, if any, to the date of repurchase (subject to the right of holders of record on a record date to receive interest on the relevant interest payment date);

(2) the circumstances and relevant facts and financial information regarding such Change of Control;

(3) the repurchase date (which shall be no earlier than 30 days nor later than 60 days from the date such notice is electronically delivered or mailed, except that such notice may provide that, if the Change of Control does not occur on the repurchase date so designated, then the repurchase date may be delayed until such time as the applicable Change of Control shall occur);

(4) the instructions determined by the Issuer, consistent with this covenant, that a holder must follow in order to have its Notes purchased; and

(5) if such notice is electronically delivered or mailed prior to the occurrence of a Change of Control pursuant to a definitive agreement for the Change of Control, that such offer is conditioned on the occurrence of such Change of Control.

For the avoidance of doubt, a Change of Control Offer may be made in advance of a Change of Control, and be conditional upon such Change of Control, if a definitive agreement is in place in respect of the Change of Control at the time of making of the Change of Control Offer.

In addition, the Issuer will not be required to make a Change of Control Offer with respect to a series of Notes upon a Change of Control if a third party makes the Change of Control Offer in the manner, at the times and otherwise in compliance with the requirements set forth in the corresponding Indenture applicable to a Change of Control Offer made by the Issuer and purchases all Notes of such series validly tendered and not withdrawn under such Change of Control Offer.

If holders of not less than 90% in aggregate principal amount of the outstanding Notes of either series validly tender and do not withdraw such Notes in a Change of Control Offer and the Issuer, or any third party making a Change of Control Offer in lieu of the Issuer as described above, purchases all of the Notes of such series validly tendered and not withdrawn by such holders, the Issuer or such third party will have the right, upon not less than 30 nor more than 60 days' prior notice, given not more than 30 days following such purchase pursuant to the Change of Control Offer described above, to repurchase all Notes of such series that remain outstanding following such purchase at a price in cash equal to 101% of the principal amount thereof plus accrued and unpaid interest to but excluding the date of repurchase.

Notes repurchased by the Issuer pursuant to a Change of Control Offer will have the status of Notes issued but not outstanding or will be retired and canceled at the option of the Issuer. Notes purchased by a third party pursuant to the preceding paragraph will have the status of Notes issued and outstanding.

The definition of Change of Control includes a phrase relating to the sale, lease or transfer of "all or substantially all" the assets of the Issuer and its Subsidiaries taken as a whole. Although there is a developing body of case law interpreting the phrase "substantially all," there is no precise established definition of the phrase under applicable law. Accordingly, the ability of a holder of Notes to require the Issuer to repurchase such Notes as a result of a sale, lease or transfer of less than all of the assets of the Issuer and its Subsidiaries taken as a whole to another Person or group may be uncertain.

To the extent that the provisions of any securities laws or regulations conflict with provisions of this covenant, the Issuer will comply with the applicable securities laws and regulations and will not be deemed to have breached its obligations under this covenant by virtue thereof.

The provisions under the Indentures relating to the Issuer's obligation to make an offer to repurchase the Notes as a result of a Change of Control may be waived or modified with the written consent of the holders of a majority in principal amount of the applicable series of Notes.

Certain Covenants

Set forth below are summaries of certain covenants that will be contained in the Indentures.

Covenant Suspension. If, on any date following the Issue Date, (i) the Notes of a series have Investment Grade Ratings from both Rating Agencies, and the Issuer has delivered an Officer's Certificate of such Investment Grade Ratings to the Trustee, and (ii) no Default has occurred and is continuing under the applicable Indenture then, beginning on that day (the "*Suspension Date*"), the covenants specifically listed under the following captions in this "Description of the Notes" section of this offering memorandum will no longer be applicable to that series of Notes:

(1) "—Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock";

(2) "—Limitation on Restricted Payments";

(3) "—Dividend and Other Payment Restrictions Affecting Subsidiaries";

(4) "—Asset Sales";

(5) "—Transactions with Affiliates";

(6) "—Future Note Guarantors";

(7) "—Change of Control"; and

(8) clause (4) of the first paragraph of, and the entirety of the third and fourth paragraphs of, "—Merger, Amalgamation, Consolidation or Sale of All or Substantially All Assets"

(collectively, the "*Suspended Covenants*"). In the event that the Issuer and the Restricted Subsidiaries are not subject to the Suspended Covenants under the applicable Indenture for any period of time as a result of the foregoing, and on any subsequent date (the "*Reversion Date*") one or both of the Rating Agencies withdraw their Investment Grade Rating or downgrade the rating assigned to the Notes of the applicable series below an Investment Grade Rating, then the Issuer and its Restricted Subsidiaries will thereafter again be subject to the Suspended Covenants under such Indenture with respect to future events. The period of time between the Suspension Date and the Reversion Date is referred to as the "*Suspension Period*." Notwithstanding that the Suspended Covenants may be reinstated, no Default will be deemed to have occurred as a result of a failure to comply with the Suspended Covenants during the Suspension Period. During any Suspension Period, the Issuer may not designate any Subsidiary as an Unrestricted Subsidiary unless the Issuer would have been permitted to designate such Subsidiary as an Unrestricted Subsidiary under the applicable Indenture if a Suspension Period had not been in effect for any period, and such designation shall be deemed to have created a Restricted Payment under such Indenture pursuant to the covenant described under "—Limitation on Restricted Payments" following the Reversion Date.

On the Reversion Date, all Indebtedness Incurred, or Disqualified Stock or Preferred Stock issued, during the Suspension Period will be classified to have been Incurred or issued pursuant to the first paragraph of the covenant described under "—Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock" or one of the clauses set forth in the second paragraph of the covenant described under "—Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock" (in each case, to the extent such Indebtedness would be permitted to be Incurred thereunder as of the Reversion Date and after giving effect to Indebtedness Incurred prior to the Suspension Period and outstanding on the Reversion Date). To the extent such Indebtedness or Disqualified Stock or Preferred Stock would not be so permitted to be Incurred or issued pursuant to the first or second paragraph of the covenant described under "—Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock," such Indebtedness or Disqualified Stock or Preferred Stock will be deemed to have been outstanding on the Issue Date, so that it is classified as permitted under clause (d) of the second paragraph of the covenant described under "—Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock." For purposes of the covenant described under "—Future Note Guarantors," all Indebtedness Incurred during the Suspension Period and outstanding on the Reversion Date by any Restricted Subsidiary that is not a Note Guarantor will be deemed to have been Incurred on the Reversion Date. Calculations made after the Reversion Date of the amount available to be made as Restricted Payments under the covenant described under "—Limitation on Restricted Payments" will be made as though the covenant described under "—Limitation on Restricted Payments" had been in effect since the Issue Date and throughout the Suspension Period. Accordingly, Restricted Payments made during the Suspension Period will reduce the amount available to be made as Restricted Payments under the first paragraph of the covenant described under "—Limitation on Restricted Payments" and the items specified in clauses (1) through (6) of the definition of "Cumulative Credit" will increase the amount available to be made as Restricted Payments under the first paragraph thereof. For purposes of determining compliance with the covenant described under "—Asset Sales," on the Reversion Date, the Net Proceeds from all Asset Sales not applied in accordance with the covenant will be deemed to be reset to zero.

In addition, in the event that the Issuer and the Restricted Subsidiaries are not subject to the Suspended Covenants under the applicable Indenture for any period as a result of the foregoing, and on any subsequent date the Issuer or any of its Affiliates enters into an agreement to effect a transaction that would result in a Change of Control and one or more of the Rating Agencies indicate that if consummated, such transaction (alone or together with any related recapitalization or refinancing transactions) would cause such Rating Agency to withdraw its Investment Grade Rating or downgrade the ratings assigned to the Notes of the applicable series below an Investment Grade Rating, then the Issuer and its Restricted Subsidiaries will thereafter again be subject to the covenant described under the caption "—Change of Control" until the occurrence, if any, of another Suspension Date, or the termination of such agreement, or the withdrawal by such Rating Agency of such indication, whichever occurs earliest.

There can be no assurance that the Notes of a series will ever achieve or maintain Investment Grade Ratings.

Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock. The Indentures will provide that:

(1) the Issuer will not, and will not permit any of its Restricted Subsidiaries to, directly or indirectly, Incur any Indebtedness (including Acquired Indebtedness) or issue any shares of Disqualified Stock; and

(2) the Issuer will not permit any of its Restricted Subsidiaries (other than a Note Guarantor) to issue any shares of Preferred Stock;

provided, *however*, that the Issuer and any Restricted Subsidiary may Incur Indebtedness (including Acquired Indebtedness) or issue shares of Disqualified Stock and any Restricted Subsidiary may issue shares of Preferred Stock, in each case if the Fixed Charge Coverage Ratio of the Issuer for the most recently ended four full fiscal quarters for which internal financial statements are available immediately preceding the date on which such additional Indebtedness is Incurred or such Disqualified Stock or Preferred Stock is issued would have been at least 2.00 to 1.00 determined on a pro forma basis (including a pro forma application of the net proceeds therefrom), as if the additional Indebtedness had been Incurred, or the Disqualified Stock or Preferred Stock had been issued, as the case may be, and the application of proceeds therefrom had occurred at the beginning of such four-quarter period; *provided*, *however*, that Indebtedness (including Acquired Indebtedness), Disqualified Stock and Preferred Stock that may be incurred or issued, as applicable, by all Subsidiaries other than Note Guarantors pursuant to this paragraph may not, at the time incurred, exceed the greater of (i) €125.0 million and (ii) 7.0% of Total Assets at such time.

The foregoing limitations will not apply to:

(a) the Incurrence by Constellium Holdco II B.V. or any Note Guarantor organized under the laws of the United States of Indebtedness under the ABL Facility, in an aggregate principal amount that at the time of incurrence does not exceed the greater of (i) $100.0 million and (ii) the then applicable Borrowing Base, *plus* the amount necessary to pay any fees and expenses, including premiums, related in connection with any refinancing, refunding, extension, renewal or replacement of Indebtedness under the ABL Facility;

(b) the Incurrence by the Issuer or any Note Guarantor of (A) Indebtedness under Credit Facilities in an aggregate principal amount that at the time of incurrence does not exceed the greater of (i) €600.0 million *plus* the amount necessary to pay any fees and expenses, including premiums, in connection with any refinancing, refunding, extension, renewal or replacement of Indebtedness incurred pursuant to this clause (b)(A)(i) and (ii) an aggregate principal amount that does not cause the Consolidated Secured Net Debt Ratio of the Issuer to exceed 1.50 to 1.00 as of the time of Incurrence (*provided*, that solely for the purpose of determining compliance with this covenant, any Indebtedness that is Incurred and outstanding or proposed to be Incurred pursuant to this clause (b) (in the case of unsecured Indebtedness, to the extent such unsecured Indebtedness has not been reclassified as being Incurred pursuant to another clause of this covenant in accordance with the applicable Indenture), will be deemed to be Secured Indebtedness for purposes of calculating the Consolidated Secured Net Debt Ratio) and (B) Indebtedness under Credit Facilities incurred to refinance, refund, extend, renew or replace Indebtedness Incurred and outstanding pursuant to clause (b)(A)(ii); *provided*, *however* that (x) any such Indebtedness that is Incurred pursuant to this clause (B) satisfies the requirements of sub-clauses (1) through (4) of clause (o) of this paragraph and (y) if the Indebtedness being refinanced thereby is unsecured, such Indebtedness that is Incurred pursuant to this clause (B) is also unsecured;

(c) the Incurrence by the Issuer and the Note Guarantors of Indebtedness represented by the Initial Notes and the Note Guarantees;

(d) Indebtedness, Disqualified Stock or Preferred Stock existing and/or committed to on the Issue Date (other than Indebtedness described in clauses (a), (b) and (c));

(e) Indebtedness (including Capitalized Lease Obligations) Incurred by the Issuer or any of its Restricted Subsidiaries, Disqualified Stock issued by the Issuer or any of its Restricted Subsidiaries and Preferred Stock issued by any Restricted Subsidiaries of the Issuer to finance (whether prior to or within 270 days after) the purchase, lease, construction, repair, replacement or improvement of property (real or personal) (whether through the direct purchase of property or the Capital Stock of any Person owning such property); *provided* that the aggregate amount of Indebtedness, Disqualified Stock and Preferred Stock Incurred pursuant to this clause (e), together with any Refinancing Indebtedness (as defined below) Incurred with respect to such Indebtedness pursuant to clause (o) below, does not exceed the greater of (i) €125.0 million and (ii) 7.0% of Total Assets as of the date of any incurrence pursuant to this clause (e);

(f) Indebtedness Incurred by the Issuer or any of its Restricted Subsidiaries constituting reimbursement obligations with respect to letters of credit and bank guarantees issued in the ordinary course of business, including without limitation letters of credit in respect of workers' compensation claims, health, disability or other benefits to employees or former employees or their families or property, casualty or liability insurance or self-insurance, and letters of credit in connection with the maintenance of, or pursuant to the requirements of, environmental or other permits or licenses from governmental authorities, or other Indebtedness with respect to reimbursement type obligations regarding workers' compensation claims;

(g) Indebtedness arising from agreements of the Issuer or a Restricted Subsidiary providing for indemnification, adjustment of purchase price or similar obligations, in each case, Incurred in connection with an acquisition or disposition of any business, assets or a Subsidiary of the Issuer in accordance with the terms of the applicable Indenture, other than guarantees of Indebtedness Incurred by any Person acquiring all or any portion of such business, assets or Subsidiary for the purpose of financing such acquisition;

(h) Indebtedness (other than Secured Indebtedness) of the Issuer to a Restricted Subsidiary; *provided* that, except in respect of intercompany current liabilities incurred in the ordinary course of business in connection with the cash management operations of the Issuer and its Subsidiaries, any such Indebtedness owed to a Restricted Subsidiary that is not a Note Guarantor shall be subordinated in right of payment to the obligations of the Issuer under the applicable series of Notes; *provided*, *further*, that any subsequent issuance or transfer of any Capital Stock or any other event which results in any such Restricted Subsidiary ceasing to be a Restricted Subsidiary or any other subsequent transfer of any such Indebtedness (except to the Issuer or another Restricted Subsidiary) shall be deemed, in each case, to be an Incurrence of such Indebtedness;

(i) shares of Preferred Stock of a Restricted Subsidiary issued to the Issuer or another Restricted Subsidiary; *provided* that any subsequent issuance or transfer of any Capital Stock or any other event which results in any Restricted Subsidiary that holds such shares of Preferred Stock of another Restricted Subsidiary ceasing to be a Restricted Subsidiary or any other subsequent transfer of any such shares of Preferred Stock (except to the Issuer or another Restricted Subsidiary) shall be deemed, in each case, to be an issuance of shares of Preferred Stock;

(j) Indebtedness (other than Secured Indebtedness) of a Restricted Subsidiary to the Issuer or another Restricted Subsidiary; *provided* that, except in respect of intercompany current liabilities incurred in the ordinary course of business in connection with the cash management operations of the Issuer and its Subsidiaries, if a Note Guarantor incurs such Indebtedness to a Restricted Subsidiary that is not a Note Guarantor, such Indebtedness shall be subordinated in right of payment to the applicable Note Guarantee of such Note Guarantor; *provided*, *further*, that any subsequent issuance or transfer of any Capital Stock or any other event which results in any Restricted Subsidiary holding such Indebtedness ceasing to be a Restricted Subsidiary or any other subsequent transfer of any such Indebtedness (except to the Issuer or another Restricted Subsidiary) shall be deemed, in each case, to be an Incurrence of such Indebtedness;

(k) Hedging Obligations that are not incurred for speculative purposes and are either (1) for the purpose of fixing or hedging interest rate risk with respect to any Indebtedness that is permitted by the terms of the applicable Indenture to be outstanding; (2) for the purpose of fixing or hedging currency exchange rate risk with respect to any currency exchanges; (3) for the purpose of fixing or hedging commodity price risk with respect to any commodity purchases or sales; or (4) for any combination of the foregoing;

(l) obligations (including reimbursement obligations with respect to letters of credit and bank guarantees) in respect of performance, bid, appeal and surety bonds and completion guarantees provided by the Issuer or any Restricted Subsidiary in the ordinary course of business or consistent with past practice or industry practice;

(m) Indebtedness or Disqualified Stock of the Issuer or any Restricted Subsidiary of the Issuer and Preferred Stock of any Restricted Subsidiary of the Issuer not otherwise permitted hereunder in an aggregate principal amount or liquidation preference, which when aggregated with the principal amount or liquidation preference of all other Indebtedness, Disqualified Stock and Preferred Stock then outstanding and Incurred pursuant to this clause (m), does not exceed the greater of (i) €100.0 million and (ii) 5.5% of Total Assets at the time of Incurrence (it being understood that any Indebtedness Incurred under this clause (m) shall cease to be deemed Incurred or outstanding for purposes of this clause (m) but shall be deemed Incurred for purposes of the first paragraph of this covenant from and after the first date on which the Issuer, or the Restricted Subsidiary, as the case may be, could have Incurred such Indebtedness under the first paragraph of this covenant without reliance upon this clause (m));

(n) any guarantee by (x) the Issuer or a Note Guarantor of Indebtedness or other obligations of the Issuer or any of its Restricted Subsidiaries, or (y) a Subsidiary that is not a Note Guarantor of Indebtedness or other obligations of another Subsidiary that is not a Note Guarantor, in each case so long as the Incurrence of such Indebtedness Incurred by the Issuer or such Restricted Subsidiary is permitted under the terms of the applicable Indenture; *provided* that if such Indebtedness is by its express terms subordinated in right of payment to the applicable series of Notes or the applicable Note Guarantee of such Restricted Subsidiary, as applicable, any such guarantee of such Note Guarantor with respect to such Indebtedness shall be subordinated in right of payment to such Note Guarantor's Note Guarantee with respect to the Notes of such series substantially to the same extent as such Indebtedness is subordinated to such series of Notes or such Note Guarantee of such Restricted Subsidiary, as applicable;

(o) the Incurrence by the Issuer or any of its Restricted Subsidiaries of Indebtedness or Disqualified Stock or Preferred Stock of a Restricted Subsidiary of the Issuer which serves to refund, refinance or defease any Indebtedness Incurred or committed or Disqualified Stock or Preferred Stock issued as permitted under the first paragraph of this covenant and clauses (c), (d), (e), this clause (o), (p) and (t) of this paragraph or any Indebtedness, Disqualified Stock or Preferred Stock Incurred to so refund, refinance or defease such Indebtedness, Disqualified Stock or Preferred Stock, including any Indebtedness, Disqualified Stock or Preferred Stock Incurred to pay premiums (including tender premiums), expenses, defeasance costs and fees in connection therewith (subject to the following proviso, "*Refinancing Indebtedness*"); *provided*, *however*, that such Refinancing Indebtedness:

(1) has a Weighted Average Life to Maturity at the time such Refinancing Indebtedness is Incurred which is not less than the shorter of (x) the remaining Weighted Average Life to Maturity of the Indebtedness, Disqualified Stock or Preferred Stock being refunded, refinanced or defeased and (y) the Weighted Average Life to Maturity that would result if all payments of principal on the Indebtedness, Disqualified Stock and Preferred Stock being refunded, refinanced or defeased that were due on or after the date that is one year following the maturity date of any Notes of the applicable series then outstanding were instead due on such date;

(2) has a Stated Maturity which is not earlier than the earlier of (x) the Stated Maturity of the Indebtedness being refunded, refinanced or defeased or (y) 91 days following the maturity date of the applicable series of Notes;

(3) to the extent such Refinancing Indebtedness refinances (a) Indebtedness subordinated to the applicable series of Notes or the applicable Note Guarantee of such Restricted Subsidiary, as applicable, such Refinancing Indebtedness is subordinated to the Notes of such series or such Note Guarantee of such Restricted Subsidiary, as applicable, or (b) Disqualified Stock or Preferred Stock, such Refinancing Indebtedness is Disqualified Stock or Preferred Stock;

(4) is Incurred in an aggregate amount (or if issued with original issue discount, an aggregate issue price) that is equal to or less than the aggregate amount (or if issued with original issue discount, the aggregate accreted value) then outstanding of the Indebtedness being refinanced plus premium, expenses, costs and fees Incurred in connection with such refinancing;

(5) shall not include (x) Indebtedness of a Restricted Subsidiary of the Issuer that is not a Note Guarantor that refinances Indebtedness of the Issuer or a Restricted Subsidiary that is a Note Guarantor, or (y) Indebtedness of the Issuer or a Restricted Subsidiary that refinances Indebtedness of an Unrestricted Subsidiary; and

(6) in the case of any Refinancing Indebtedness Incurred to refinance Indebtedness outstanding under clause (e), shall be deemed to have been Incurred and to be outstanding under clause (e), and not this clause (o), for purposes of determining amounts outstanding under clause (e);

(p) Indebtedness, Disqualified Stock or Preferred Stock of (x) the Issuer or any of its Restricted Subsidiaries Incurred to finance an acquisition or (y) Persons that are acquired by the Issuer or any of its Restricted Subsidiaries or merged or amalgamated with or into the Issuer or any of its Restricted Subsidiaries in accordance with the terms of the Indenture; *provided*, *however*, that after giving effect to such acquisition, merger or amalgamation, either:

(1)(A) the Issuer would be permitted to incur at least $1.00 of additional Indebtedness pursuant to the Fixed Charge Coverage Ratio test set forth in the first sentence of this covenant or (B) the Fixed Charge Coverage Ratio would be equal to or greater than immediately prior to such acquisition, merger, consolidation or amalgamation; or

(2) such Indebtedness, Disqualified Stock or Preferred Stock

(a) is unsecured Subordinated Indebtedness with subordination terms no more favorable to the holders thereof than subordination terms that are customarily obtained in connection with "high-yield" senior subordinated note issuances at the time of Incurrence (*provided* that, in the case of any such Subordinated Indebtedness incurred by a Foreign Subsidiary, such subordination terms will be customary for "high-yield" senior subordinated note issuances by issuers resident in the jurisdiction of formation or organization of such Foreign Subsidiary, including, without limitation, provisions for the automatic release of guarantees upon the release of the Note Guarantees);

(b) is not Incurred while a Default exists and no Default shall result therefrom, and

(c) does not mature (and is not mandatorily redeemable in the case of Disqualified Stock or Preferred Stock) and does not require any payment of principal prior to the final scheduled maturity of the applicable series of Notes;

(q) Indebtedness incurred under (i) the Factoring Facilities and (ii) any other Qualified Receivables Financing;

(r) Indebtedness arising from the honoring by a bank or other financial institution of a check, draft or similar instrument drawn against insufficient funds in the ordinary course of business or other cash management services in the ordinary course of business; *provided* that such Indebtedness is extinguished within ten Business Days of its Incurrence;

(s) Indebtedness of the Issuer or any Restricted Subsidiary supported by a letter of credit or bank guarantee issued pursuant to the Credit Facilities, in a principal amount not in excess of the stated amount of such letter of credit or bank guarantee;

(t) Indebtedness or Disqualified Stock of the Issuer or any Restricted Subsidiary not otherwise permitted hereunder in an aggregate principal amount or liquidation preference, together with the aggregate principal amount or liquidation preference of any Refinancing Indebtedness Incurred with respect to such Indebtedness or Disqualified Stock pursuant to clause (xv) below, not exceeding at any time outstanding 100% of the net cash proceeds received by the Issuer and the Restricted Subsidiaries since immediately after the Issue Date from the issue or sale of Equity Interests of the Issuer or any direct or indirect parent entity of the Issuer (which proceeds are contributed to the Issuer or a Restricted Subsidiary) or cash contributed to the capital of the Issuer (in each case other than proceeds of Disqualified Stock or sales of Equity Interests to, or contributions received from, the Issuer or any of its Subsidiaries), as determined in accordance with clauses (2) and (3) of the definition of Cumulative Credit, to the extent such net cash proceeds or cash have not been applied pursuant to such clauses to make Restricted Payments or to make other Investments, payments or exchanges pursuant to the third paragraph of "—Limitation on Restricted Payments" or to make Permitted Investments (other than Permitted Investments specified in clauses (1) and (3) of the definition thereof);

(u) Indebtedness of the Issuer or any Restricted Subsidiary consisting of (x) the financing of insurance premiums or (y) take-or-pay obligations contained in supply arrangements, in each case, in the ordinary course of business;

(v) Indebtedness arising as a result of implementing composite accounting or other cash pooling arrangements involving solely the Issuer and the Restricted Subsidiaries or solely among Restricted Subsidiaries and entered into the ordinary course of business;

(w) Indebtedness issued by the Issuer or a Restricted Subsidiary to current or former officers, directors and employees thereof or any direct or indirect parent thereof, or their respective estates, spouses or former spouses, in each case to finance the purchase or redemption of Equity Interests of the Issuer or any of its direct or indirect parent companies to the extent permitted under clause (4) of the third paragraph of the covenant under "—Limitation on Restricted Payments";

(x) Indebtedness of Restricted Subsidiaries which are not Note Guarantors; *provided*, *however*, that the aggregate principal amount of Indebtedness Incurred under this clause (x) does not exceed the greater of (i) €100.0 million and (ii) 5.5% of Total Assets at the time of Incurrence;

(y) Indebtedness incurred on behalf of, or representing guarantees of Indebtedness of, joint ventures of the Issuer or any Restricted Subsidiary not in excess, at any one time outstanding, of the greater of (i) €50.0 million and (ii) 3.0% of Total Assets at the time that such Indebtedness is incurred; and

(z) Indebtedness representing deferred compensation or stock-based compensation to employees of the Issuer and the Restricted Subsidiaries.

For purposes of determining compliance with this covenant, in the event that an item of Indebtedness, Disqualified Stock or Preferred Stock meets the criteria of more than one of the categories of permitted Indebtedness, Disqualified Stock or Preferred Stock described in clauses (a) through (z) above or is entitled to be Incurred pursuant to the first paragraph of this covenant, the Issuer shall, in its sole discretion, classify or reclassify, or later divide, classify or reclassify, such item of Indebtedness in any manner that complies with this covenant; *provided* that all Indebtedness outstanding under the ABL Facility and the Revolving Credit Facility on the Issue Date will be deemed to have been Incurred on such date in reliance on clause (a) and clause (b), respectively, of the second paragraph of this covenant and the Issuer shall not be permitted to reclassify all or any portion of such Indebtedness. The Issuer will also be entitled to treat a portion of any Indebtedness, Disqualified Stock or Preferred Stock as having been Incurred under the first paragraph of this covenant and thereafter the remainder of such Indebtedness, Disqualified Stock or Preferred Stock as having been Incurred under the second paragraph of this covenant. Accrual of interest, the accretion of accreted value, the payment of interest in the form of additional Indebtedness with the same terms, the payment of dividends on Preferred Stock in the form of additional shares of Preferred Stock of the same class, accretion of original issue discount or liquidation preference and increases in the amount of Indebtedness outstanding solely as a result of fluctuations in the exchange rate of currencies will not be deemed to be an Incurrence of Indebtedness, Disqualified Stock or Preferred Stock for purposes of this covenant. Guarantees of, or obligations in respect of letters of credit relating to, Indebtedness which is otherwise included in the determination of a particular amount of Indebtedness shall not be included in the determination of such amount of Indebtedness; *provided* that the Incurrence of the Indebtedness represented by such guarantee or letter of credit, as the case may be, was in compliance with this covenant.

Currency Translation. For purposes of determining compliance with any Euro-denominated restriction or basket limitation under the covenants described under the captions "—Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock," "—Limitation on Restricted Payments," "—Asset Sales" and "—Liens" (including any defined terms referenced and utilized in such covenants), as of any time of determination, any such basket limitation shall be deemed to be the greater of (i) the applicable Euro-denominated amount set forth in the applicable Indenture and (ii) the amount of Euro obtained by multiplying the applicable Euro-denominated amount set forth in the applicable Indenture by 1.3774 (which was the dollar-to-Euro Exchange Rate as of March 31, 2014) and then multiplying the result by a number equal to the amount of Euros into which 1 U.S. Dollar may be converted using the Exchange Rate in effect at the time of determination.

In addition, for purposes of determining compliance with any of the covenants referred to in the paragraph above, utilized amounts under any such covenant or basket shall be tracked in Euro irrespective of what currency is actually used to make the incurrence. When an incurrence is made in a currency other than Euro, the amount of Euro for purposes of the applicable covenant(s) shall be calculated based on the relevant currency Exchange Rate in effect on the date such incurrence was made; *provided* that if Indebtedness is Incurred to refinance other Indebtedness denominated in a currency other than Euros, and such refinancing would cause the applicable Euro-denominated restriction to be exceeded if calculated at the relevant currency Exchange Rate in effect on the date of such refinancing, such Euro-denominated restriction shall be deemed not to have been exceeded so long as the principal amount of such refinancing Indebtedness does not exceed the principal amount of such Indebtedness being refinanced.

Limitation on Restricted Payments. The Indentures will provide that the Issuer will not, and will not permit any of its Restricted Subsidiaries to, directly or indirectly:

(1) declare or pay any dividend or make any distribution on account of the Issuer's or any of its Restricted Subsidiaries' Equity Interests, including any payment made in connection with any merger, amalgamation or consolidation involving the Issuer (other than (A) dividends or distributions by the Issuer payable solely in Equity Interests (other than Disqualified Stock) of the Issuer; or (B) dividends or distributions by a Restricted Subsidiary so long as, in the case of any dividend or distribution payable on or in respect of any class or series of securities issued by a Restricted Subsidiary other than a Wholly Owned Restricted Subsidiary, the Issuer or a Restricted Subsidiary receives at least its pro rata share of such dividend or distribution in accordance with its Equity Interests in such class or series of securities);

(2) purchase or otherwise acquire or retire for value any Equity Interests of the Issuer or any direct or indirect parent of the Issuer;

(3) make any principal payment on, or redeem, repurchase, defease or otherwise acquire or retire for value, in each case prior to any scheduled repayment or scheduled maturity, any Subordinated Indebtedness of the Issuer or any of its Restricted Subsidiaries (other than the payment, redemption, repurchase, defeasance, acquisition or retirement of (A) Subordinated Indebtedness in anticipation of satisfying a sinking fund obligation, principal installment or final maturity, in each case due within one year of the date of such payment, redemption, repurchase, defeasance, acquisition or retirement and (B) Indebtedness permitted under clauses (h) and (j) of the second paragraph of the covenant described under "—Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock"); or

(4) make any Restricted Investment

(all such payments and other actions set forth in clauses (1) through (4) above being collectively referred to as "*Restricted Payments*"), unless, at the time of such Restricted Payment:

(a) no Default under the applicable Indenture shall have occurred and be continuing or would occur as a consequence thereof;

(b) immediately after giving effect to such transaction on a pro forma basis, the Issuer could Incur $1.00 of additional Indebtedness under the provisions of the first paragraph of the covenant described under "—Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock"; and

(c) such Restricted Payment, together with the aggregate amount of all other Restricted Payments made by the Issuer and its Restricted Subsidiaries after the Issue Date (and not returned or rescinded) (including Restricted Payments permitted by clauses (1) and (8)(b) of the second succeeding paragraph, but excluding all other Restricted Payments permitted by the second succeeding paragraph), is less than an amount equal to the Cumulative Credit.

"*Cumulative Credit*" means the sum of (without duplication):

(1) 50% of the Consolidated Net Income of the Issuer for the period (taken as one accounting period, the "*Reference Period*") from April 1, 2014, to the end of the Issuer's most recently ended fiscal quarter for which internal financial statements are available at the time of such Restricted Payment (or, in the case such Consolidated Net Income for such period is a deficit, minus 100% of such deficit); *plus*

(2) 100% of the aggregate net proceeds, including cash and the Fair Market Value (as determined in good faith by the Issuer) of property other than cash, received by the Issuer after the Issue Date (other than net proceeds to the extent such net proceeds have been used to Incur Indebtedness, Disqualified Stock or Preferred Stock pursuant to clause (t) of the second paragraph of the covenant described under "—Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock") from the issue or sale of Equity Interests of the Issuer (excluding Refunding Capital Stock (as defined below), Designated Preferred Stock, Excluded Contributions or Disqualified Stock), including Equity Interests issued upon conversion of Indebtedness or Disqualified Stock or upon exercise of warrants or options (other than an issuance or sale to a Restricted Subsidiary of the Issuer or an employee stock ownership plan or trust established by the Issuer or any of its Subsidiaries), *plus*

(3) 100% of the aggregate amount of contributions to the capital of the Issuer received in cash and the Fair Market Value (as determined in good faith by the Issuer) of property other than cash after the Issue Date (other than Excluded Contributions, Refunding Capital Stock, Designated Preferred Stock, contributions to the extent such contributions have been used to Incur Indebtedness, Disqualified Stock or Preferred Stock pursuant to clause (t) of the second paragraph of the covenant described under "—Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock" and Disqualified Stock), *plus*

(4) 100% of the principal amount of any Indebtedness, or the liquidation preference or maximum fixed repurchase price, as the case may be, of any Disqualified Stock of the Issuer or any Restricted Subsidiary thereof issued after the Issue Date (other than Indebtedness or Disqualified Stock issued to a Restricted Subsidiary) which has been converted into or exchanged for Equity Interests in the Issuer (other than Disqualified Stock) or any direct or indirect parent of the Issuer (provided that, in the case of any parent, such Indebtedness or Disqualified Stock is retired or extinguished), *plus*

(5) 100% of the aggregate amount received by the Issuer or any Restricted Subsidiary in cash and the Fair Market Value (as determined in good faith by the Issuer) of property other than cash received by the Issuer or any Restricted Subsidiary from:

(a) the sale or other disposition (other than to the Issuer or a Restricted Subsidiary of the Issuer) of Restricted Investments made by the Issuer and its Restricted Subsidiaries and from repurchases and redemptions of such Restricted Investments from the Issuer and its Restricted Subsidiaries by any Person (other than the Issuer or any of its Restricted Subsidiaries) and from repayments of loans or advances (including the release of any guarantee that constituted a Restricted Investment when made) that constituted Restricted Investments (other than in each case to the extent that the Restricted Investment was made pursuant to clause (7) or (10) of the succeeding paragraph),

(b) the sale (other than to the Issuer or a Restricted Subsidiary of the Issuer) of the Capital Stock of an Unrestricted Subsidiary, or

(c) a distribution or dividend from an Unrestricted Subsidiary, *plus*

(6) in the event any Unrestricted Subsidiary of the Issuer has been redesignated as a Restricted Subsidiary or has been merged, consolidated or amalgamated with or into, or transfers or conveys its assets to, or is liquidated into, the Issuer or a Restricted Subsidiary, the Fair Market Value (as determined in good faith by the Issuer) of the Investment of the Issuer in such Unrestricted Subsidiary at the time of such redesignation, combination or transfer (or of the assets transferred or conveyed, as applicable), after taking into account any Indebtedness associated with the Unrestricted Subsidiary so designated or combined or any Indebtedness associated with the assets so transferred or conveyed (other than in each case to the extent that the designation of such Subsidiary as an Unrestricted Subsidiary was made pursuant to clause (7) or (10) of the succeeding paragraph or constituted a Permitted Investment).

The foregoing provisions will not prohibit:

(1) the payment of any dividend or distribution within 60 days after the date of declaration thereof, if at the date of declaration such payment would have complied with the provisions of the Indentures;

(2)(a) the redemption, repurchase, retirement or other acquisition of any Equity Interests ("*Retired Capital Stock*") of the Issuer or any direct or indirect parent of the Issuer or Subordinated Indebtedness of the Issuer, any direct or indirect parent of the Issuer or any Note Guarantor in exchange for, or out of the proceeds of, the substantially concurrent sale of, Equity Interests of the Issuer or any direct or indirect parent of the Issuer or contributions to the equity capital of the Issuer (other than any Disqualified Stock or any Equity Interests sold to a Subsidiary of the Issuer or to an employee stock ownership plan or any trust established by the Issuer or any of its Subsidiaries) (collectively, including any such contributions, "*Refunding Capital Stock*"); and

(b) the declaration and payment of dividends on the Retired Capital Stock out of the proceeds of the substantially concurrent sale (other than to a Subsidiary of the Issuer or to an employee stock ownership plan or any trust established by the Issuer or any of its Subsidiaries) of Refunding Capital Stock; and if immediately prior to the retirement of Retired Capital Stock, the declaration and payment of dividends thereon was permitted under clause (6) of this paragraph and not made pursuant to this clause (2)(b), the declaration and payment of dividends on the Refunding Capital Stock (other than Refunding Capital Stock the proceeds of which were used to redeem, repurchase, retire or otherwise acquire any Equity Interests of any direct or indirect parent of the Issuer) in an aggregate amount per year no greater than the aggregate amount of dividends per annum that were declarable and payable on such Retired Capital Stock immediately prior to such retirement;

(3) the redemption, repurchase, defeasance or other acquisition or retirement of Subordinated Indebtedness of the Issuer or any Note Guarantor made by exchange for, or out of the proceeds of the substantially concurrent sale (or as promptly as practicable after giving any requisite notice to the holders of such Subordinated Indebtedness) of, new Indebtedness of the Issuer or a Note Guarantor which is Incurred in accordance with the covenant described under "— Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock" so long as

(a) the principal amount (or accreted value, if applicable) of such new Indebtedness does not exceed the principal amount (or accreted value, if applicable), plus any accrued and unpaid interest of the Subordinated Indebtedness being so redeemed, repurchased, defeased, acquired or retired for value (plus the amount of any premium required to be paid under the terms of the instrument governing the Subordinated Indebtedness being so redeemed, repurchased, defeased, acquired or retired plus any tender premiums, defeasance costs or other fees and expenses incurred in connection therewith),

(b) such Indebtedness is subordinated to the applicable series of Notes or the related Note Guarantee, as the case may be, at least to the same extent as such Subordinated Indebtedness so purchased, exchanged, redeemed, repurchased, defeased, acquired or retired for value,

(c) such Indebtedness has a final scheduled maturity date equal to or later than the earlier of (x) the final scheduled maturity date of the Subordinated Indebtedness being so redeemed, repurchased, acquired or retired or (y) 91 days following the maturity date of the U.S. Dollar Notes (in the case of the U.S. Dollar Indenture) or the Euro Notes (in the case of the Euro Indenture), and

(d) such Indebtedness has a Weighted Average Life to Maturity at the time Incurred which is not less than the shorter of (x) the remaining Weighted Average Life to Maturity of the Subordinated Indebtedness being so redeemed, repurchased, defeased, acquired or retired and (y) the Weighted Average Life to Maturity that would result if all payments of principal on the Indebtedness being so redeemed, repurchased, defeased, acquired or retired that were due on or after the date one year following the maturity date of any U.S. Dollar Notes then outstanding (in the case of the U.S. Dollar Indenture) or Euro Notes then outstanding (in the case of the Euro Indenture), in each case were instead due on such date;

(4) the repurchase, retirement or other acquisition (or dividends to any direct or indirect parent of the Issuer to finance any such repurchase, retirement or other acquisition) for value of Equity Interests of the Issuer or any direct or indirect parent of the Issuer held by any future, present or former employee, director or consultant of the Issuer or any direct or indirect parent of the Issuer or any Subsidiary of the Issuer pursuant to any management equity plan or stock option plan or any other management or employee benefit plan or other agreement or arrangement; *provided*, *however*, that the aggregate amounts paid under this clause (4) do not exceed €15.0 million in any calendar year (with unused amounts in any calendar year being permitted to be carried over for the two succeeding calendar years); *provided*, *further*, *however*, that such amount in any calendar year may be increased by an amount not to exceed:

(a) the cash proceeds received by the Issuer or any of its Restricted Subsidiaries from the sale of Equity Interests (other than Disqualified Stock) of the Issuer or any direct or indirect parent of the Issuer (to the extent contributed to the Issuer) to members of management, directors or consultants of the Issuer and its Restricted Subsidiaries or any direct or indirect parent of the Issuer that occurs after the Issue Date (*provided* that the amount of such cash proceeds utilized for any such repurchase, retirement, other acquisition or dividend will not increase the amount available for Restricted Payments under clause (c) of the first paragraph under "—Limitation on Restricted Payments"); *plus*

(b) the cash proceeds of key man life insurance policies received by the Issuer or any direct or indirect parent of the Issuer (to the extent contributed to the Issuer) or the Issuer's Restricted Subsidiaries after the Issue Date; *less*

(c) the amount of any Restricted Payments previously made pursuant to subclauses (a) and (b) of this second proviso of clause (4);

provided that the Issuer may elect to apply all or any portion of the aggregate increase contemplated by clauses (a) and (b) above in any calendar year;

(5) the declaration and payment of dividends or distributions to holders of any class or series of Disqualified Stock of the Issuer or any of its Restricted Subsidiaries issued or incurred in accordance with the covenant described under "—Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock";

(6)(a) the declaration and payment of dividends or distributions to holders of any class or series of Designated Preferred Stock (other than Disqualified Stock) issued after the Issue Date, (b) a Restricted Payment to any direct or indirect parent of the Issuer, the proceeds of which will be used to fund the payment of dividends to holders of any class or series of Designated Preferred Stock (other than Disqualified Stock) of any direct or indirect parent of the Issuer issued after the Issue Date and (c) the declaration and payment of dividends on Refunding Capital Stock that is Preferred Stock in excess of the dividends declarable and payable thereon pursuant to clause (2) of this paragraph; *provided*, *however*, that, (x) for the most recently ended four full fiscal quarters for which internal financial statements are available immediately preceding the date of issuance of such Designated Preferred Stock or Refunding Capital Stock, after giving effect to such issuance (and the payment of dividends or distributions) on a pro forma basis, the Issuer would have had a Fixed Charge Coverage Ratio of at least 2.00 to 1.00 and (y) the aggregate amount of dividends declared and paid pursuant to subclauses (a) and (b) of this clause (6) does not exceed the net cash proceeds actually received by the Issuer from any such sale of Designated Preferred Stock (other than Disqualified Stock) issued after the Issue Date;

(7) Investments in Unrestricted Subsidiaries and joint ventures having an aggregate Fair Market Value, taken together with all other Investments made pursuant to this clause (7) that are at that time outstanding, not to exceed the greater of (i) €50.0 million and (ii) 2.5% of Total Assets at the time of such Investment (with the Fair Market Value of each Investment being measured at the time made and without giving effect to subsequent changes in value); *provided* that the amount of Investments deemed to have been made pursuant to this clause (7) at any time shall be reduced by the Fair Market Value of the proceeds received by the Issuer and/or the Restricted Subsidiaries from the subsequent sale, disposition or other transfer of such Investments without giving effect to subsequent changes in value;

(8) the payment of dividends on the Issuer's common stock in an aggregate amount per calendar year not to exceed the sum of (a) €20.0 million plus (b) an amount per annum up to 6.0% of the net proceeds received after the Issue Date (including, without limitation, contributions to the Issuer with the proceeds of sales of common stock of any direct or indirect parent) by the Issuer from any public offering of common stock of the Issuer or any direct or indirect parent of the Issuer;

(9) Restricted Payments that are made with Excluded Contributions;

(10) (a) Restricted Payments pursuant to clauses (1), (2) and (3) of the definition thereof after the Issue Date and (b) Restricted Payments pursuant to clause (4) of the definition thereof at any time outstanding in an aggregate amount pursuant to this clause (10) not to exceed €100.0 million;

(11) the distribution, as a dividend or otherwise, of shares of Capital Stock of, or Indebtedness owed to the Issuer or a Restricted Subsidiary of the Issuer by, Unrestricted Subsidiaries;

(12) the payment of dividends or other distributions to any direct or indirect parent of the Issuer in amounts required for such parent to pay federal, state or local income taxes (or other applicable political subdivision, as the case may be) imposed directly on such parent to the extent such income taxes are attributable to the income of the Issuer and its Subsidiaries (including, without limitation, by virtue of such parent being the common parent of a consolidated or combined tax group of which the Issuer and/or its Subsidiaries are members);

(13) repurchases of Equity Interests deemed to occur upon exercise of stock options or warrants if such Equity Interests represent a portion of the exercise price of such options or warrants;

(14) purchases of receivables pursuant to a Receivables Repurchase Obligation in connection with a Qualified Receivables Financing and the payment or distribution of Receivables Fees;

(15) payments of cash, or dividends, distributions or advances by the Issuer or any Restricted Subsidiary to allow the payment of cash in lieu of the issuance of fractional shares upon the exercise of options or warrants or upon the conversion or exchange of Capital Stock of any such Person;

(16) the repurchase, redemption or other acquisition or retirement for value of any Subordinated Indebtedness pursuant to the provisions similar to those described under the captions "—Change of Control" and "—Asset Sales"; *provided* that all Notes of the applicable series tendered in connection with a Change of Control Offer or Asset Sale Offer, as applicable, have been repurchased, redeemed or acquired for value;

(17) payments or distributions to dissenting stockholders pursuant to applicable law or in connection with a consolidation, amalgamation, merger or transfer of all or substantially all of the assets of the Issuer and its Restricted Subsidiaries, taken as a whole, that complies with the covenant described under the caption "—Merger, Amalgamation, Consolidation or Sale of All or Substantially All Assets"; *provided* that as a result of such consolidation, amalgamation, merger or transfer of assets, the Issuer shall have made a Change of Control Offer (if required by the applicable Indenture) and that all Notes of the applicable series tendered in connection with such Change of Control Offer have been repurchased, redeemed or acquired for value;

(18) other Restricted Payments; *provided* that Restricted Payments may only be made pursuant to this clause (18) at such time as the Consolidated Net Debt Ratio of the Issuer and its Restricted Subsidiaries, on a pro forma basis after giving effect to such Restricted Payments, is less than 2.00 to 1.00; and

(19) the payment of any Restricted Payment, if applicable:

(a) in amounts required for any direct or indirect parent of the Issuer, if applicable, (i) to pay fees and expenses (including franchise or similar taxes) required to maintain its corporate existence and its status as a public company, customary salary, bonus and other benefits payable to, and indemnities provided on behalf of, officers and employees of any direct or indirect parent of the Issuer, if applicable, and general corporate overhead expenses of any direct or indirect parent of the Issuer, if applicable, in each case to the extent such fees and expenses are attributable to the ownership or operation of the Issuer, if applicable, and its Subsidiaries and (ii) to pay tax liabilities incurred as a result of transactions that occurred prior to the Issue Date;

(b) in amounts required for any direct or indirect parent of the Issuer, if applicable, to pay interest and/or principal on Indebtedness the proceeds of which have been contributed to the Issuer or any of its Restricted Subsidiaries and that has been guaranteed by, or is otherwise considered Indebtedness of, the Issuer Incurred in accordance with the covenant described under "—Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock"; and

(c) in amounts required for any direct or indirect parent of the Issuer to pay fees and expenses, other than to Affiliates of the Issuer, related to any unsuccessful equity or debt offering of such parent.

provided, *however*, that at the time of, and after giving effect to, any Restricted Payment permitted under clauses (6), (7), (10), (11) and (18), no Default under the applicable Indenture shall have occurred and be continuing or would occur as a consequence thereof.

The amount of any Restricted Payment (other than cash) will be the Fair Market Value on the date of the Restricted Payment of the asset(s) or securities proposed to be transferred or issued by the Issuer or such Subsidiary, as the case may be, pursuant to the Restricted Payment. Except as otherwise provided herein, the Fair Market Value of any assets or securities that are required to be valued by this covenant will be determined in good faith by the Issuer.

As of the Issue Date, all of the Issuer's Subsidiaries will be Restricted Subsidiaries, other than Quiver Ventures, LLC and Constellium Engley (Changchung) Automotive Structures Co Ltd. The Issuer will not permit any Unrestricted Subsidiary to become a Restricted Subsidiary except pursuant to the definition of "Unrestricted Subsidiary." For purposes of designating any Restricted Subsidiary as an Unrestricted Subsidiary, all outstanding Investments by the Issuer and its Restricted Subsidiaries (except to the extent repaid) in the Subsidiary so designated will be deemed to be Restricted Payments in an amount determined as set forth in the last sentence of the definition of "Investments." Such designation will only be permitted if a Restricted Payment in such amount would be permitted at such time and if such Subsidiary otherwise meets the definition of an Unrestricted Subsidiary.

Dividend and Other Payment Restrictions Affecting Subsidiaries. The Indentures will provide that the Issuer will not, and will not permit any of its Restricted Subsidiaries to, directly or indirectly, create or otherwise cause or suffer to exist or become effective any consensual encumbrance or consensual restriction on the ability of any Restricted Subsidiary to pay dividends or make any other distributions to the Issuer or any of its Restricted Subsidiaries (i) on its Capital Stock, or (ii) with respect to any other interest or participation in, or measured by, its profits; except in each case for such encumbrances or restrictions existing under or by reason of:

(1) contractual encumbrances or restrictions in effect on the Issue Date, including pursuant to the Credit Facilities and the related documentation in effect on the Issue Date and in each case, any similar contractual encumbrances effected by any amendments, modifications, restatements, renewals, supplements, refundings, replacements or refinancings of such agreements or instruments;

(2) the Indentures, the Notes and the Note Guarantees;

(3) applicable law or any applicable rule, regulation or order;

(4) any agreement or other instrument of a Person acquired by the Issuer or any Restricted Subsidiary which was in existence at the time of such acquisition (but not created in contemplation thereof or to provide all or any portion of the funds or credit support utilized to consummate such acquisition), which encumbrance or restriction is not applicable to any Person, or the properties or assets of any Person, other than the Person or its Subsidiaries, or the property or assets of the Person or its Subsidiaries, so acquired;

(5) contracts or agreements for the sale of assets, including any restriction with respect to a Restricted Subsidiary imposed pursuant to an agreement entered into for the sale or disposition of the Capital Stock or assets of such Restricted Subsidiary;

(6) Secured Indebtedness otherwise permitted to be Incurred pursuant to the covenants described under "—Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock" and "—Liens" that limit the right of the debtor to dispose of the assets securing such Indebtedness;

(7) restrictions on cash or other deposits or net worth imposed by customers under contracts entered into in the ordinary course of business;

(8) customary provisions in joint venture agreements and other similar agreements entered into in the ordinary course of business;

(9) purchase money obligations and Capitalized Lease Obligations for property acquired or leased in the ordinary course of business that impose restrictions on the property so acquired or leased;

(10) customary provisions contained in leases, licenses and other similar agreements entered into in the ordinary course of business that impose restrictions on the property subject to such lease;

(11) any encumbrance or restriction effected in connection with (i) a Factoring Facility (provided that such encumbrance or restriction (I) exists on the date hereof or (II) is in the good faith determination of the Issuer (x) necessary or advisable to effect such Receivables Financing and applies only to the relevant Subsidiaries to which such Receivables Financing is made available or (y) not materially more burdensome than the encumbrances and restrictions under the Factoring Facilities in effect on the date hereof) or (ii) a Qualified Receivables Financing; *provided*, *however*, that in the case of this clause (ii), such encumbrances or restrictions (A) apply only to a Receivables Subsidiary or (B) are in the good faith determination of the Issuer (x) necessary or advisable to effect such Qualified Receivables Financing and applicable only to the relevant Subsidiaries to which such Receivables Financing is made available or (y) not materially more burdensome than the encumbrances and restrictions under the Factoring Facilities in effect on the date hereof;

(12)(A) other Indebtedness or Disqualified Stock of the Issuer or any of its Restricted Subsidiaries, or (B) Preferred Stock of any Restricted Subsidiary, in each case that is Incurred subsequent to the Issue Date pursuant to the covenant described under "—Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock";

(13) any Restricted Investment not prohibited by the covenant described under "—Limitation on Restricted Payments" and any Permitted Investment; or

(14) any encumbrances or restrictions of the type referred to in clauses (i) and (ii) above imposed by any amendments, modifications, restatements, renewals, increases, supplements, refundings, replacements or refinancings of the contracts, instruments or obligations referred to in clauses (1) through (13) above; *provided* that such amendments, modifications, restatements, renewals, increases, supplements, refundings, replacements or refinancings are, in the good faith judgment of the Issuer, no more restrictive with respect to such encumbrances and other restrictions than those contained in the encumbrances or other restrictions prior to such amendment, modification, restatement, renewal, increase, supplement, refunding, replacement or refinancing.

For purposes of determining compliance with this covenant, (1) the priority of any Preferred Stock in receiving dividends or liquidating distributions prior to dividends or liquidating distributions being paid on common stock shall not be deemed a restriction on the ability to make distributions on Capital Stock and (2) the subordination of loans or advances made to the Issuer or a Restricted Subsidiary of the Issuer to other Indebtedness Incurred by the Issuer or any such Restricted Subsidiary shall not be deemed a restriction on the ability to make loans or advances.

Asset Sales. The Indentures will provide that the Issuer will not, and will not permit any of its Restricted Subsidiaries to, cause or make an Asset Sale, unless (x) the Issuer or any of its Restricted Subsidiaries, as the case may be, receives consideration at the time of such Asset Sale at least equal to the Fair Market Value (as determined in good faith by the Issuer) of the assets sold or otherwise disposed of, and (y) at least 75% of the consideration therefor received by the Issuer or such Restricted Subsidiary, as the case may be, is in the form of cash or Cash Equivalents; *provided* that the amount of:

(a) any liabilities (as shown on the Issuer's or such Restricted Subsidiary's most recent balance sheet or in the notes thereto) of the Issuer or any Restricted Subsidiary of the Issuer (other than liabilities that are by their terms subordinated to the applicable series of Notes or any applicable Note Guarantee) that are assumed by the transferee of any such assets,

(b) any notes or other obligations or other securities or assets received by the Issuer or such Restricted Subsidiary of the Issuer from such transferee that are converted by the Issuer or such Restricted Subsidiary of the Issuer into cash within 180 days of the receipt thereof (to the extent of the cash received), and

(c) any Designated Non-cash Consideration received by the Issuer or any of its Restricted Subsidiaries in such Asset Sale having an aggregate Fair Market Value (as determined in good faith by the Issuer), taken together with all other Designated Non-cash Consideration received pursuant to this clause (c) that is at that time outstanding, not to exceed the greater of 2.0% of Total Assets and €35.0 million at the time of the receipt of such Designated Non-cash Consideration (with the Fair Market Value of each item of Designated Non-cash Consideration being measured at the time received and without giving effect to subsequent changes in value) shall be deemed to be Cash Equivalents for the purposes of this provision.

Within 15 months after the Issuer's or any Restricted Subsidiary of the Issuer's receipt of the Net Proceeds of any Asset Sale, the Issuer or such Restricted Subsidiary of the Issuer may apply the Net Proceeds from such Asset Sale, at its option:

(1) to repay Indebtedness constituting Credit Facilities or Secured Indebtedness (and, if the Indebtedness repaid is revolving credit Indebtedness, to correspondingly reduce commitments with respect thereto), Pari Passu Indebtedness (*provided* that if the Issuer or any Note Guarantor shall so reduce Obligations under Pari Passu Indebtedness (other than Credit Facilities or Secured Indebtedness), the Issuer will make an offer to all holders of the applicable series of Notes to equally and ratably reduce a pro rata principal amount of the Notes of such series through a repurchase offer (in accordance with the procedures set forth below for an Asset Sale Offer) at a purchase price equal to or greater than (in the Issuer's sole discretion) 100% of the principal amount thereof, plus accrued and unpaid interest, if any) or Indebtedness of a Restricted Subsidiary that is not a Note Guarantor, in each case other than Indebtedness owed to the Issuer or an Affiliate of the Issuer,

(2) to make an investment in any one or more businesses (*provided* that if such investment is in the form of the acquisition of Capital Stock of a Person, such acquisition results in such Person becoming a Restricted Subsidiary of the Issuer), assets, or property or capital expenditures, in each case used or useful in a Similar Business, or

(3) to make an investment in any one or more businesses (*provided* that if such investment is in the form of the acquisition of Capital Stock of a Person, such acquisition results in such Person becoming a Restricted Subsidiary of the Issuer), properties or assets that replace the properties and assets that are the subject of such Asset Sale.

In the case of clauses (2) and (3) above, a binding commitment shall be treated as a permitted application of the Net Proceeds from the date of such commitment; *provided* that in the event such binding commitment is later canceled or terminated for any reason before such Net Proceeds are so applied, the Issuer or such Restricted Subsidiary enters into another binding commitment within nine months of such cancellation or termination of the prior binding commitment; *provided*, *further* that the Issuer or such Restricted Subsidiary may only enter into such a commitment under the foregoing provision one time with respect to each Asset Sale.

Pending the final application of any such Net Proceeds, the Issuer or such Restricted Subsidiary of the Issuer may temporarily reduce Indebtedness under a revolving credit facility, if any, or otherwise invest such Net Proceeds in any manner not otherwise prohibited by the applicable Indenture. Any Net Proceeds from any Asset Sale that are not applied as provided and within the time period set forth in the first sentence of the second paragraph of this covenant (it being understood that any portion of such Net Proceeds used to make an offer to purchase Notes, as described in clause (1) above, shall be deemed to have been invested per the second paragraph of this covenant whether or not such offer is accepted) will be deemed to constitute "*Excess Proceeds*." When the aggregate amount of Excess Proceeds exceeds €15.0 million, the Issuer shall make an offer to all holders of the applicable series of Notes (and, at the option of the Issuer, to holders of any Pari Passu Indebtedness) (an "*Asset Sale Offer*") to purchase the maximum aggregate principal amount of Notes of the applicable series (and such Pari Passu Indebtedness), that is at least $250,000 or €100,000, as the case may be, and an integral multiple of $1,000 or €1,000, as the case may be, that may be purchased out of the Excess Proceeds at an offer price in cash in an amount equal to 100% of the principal amount thereof (or, in the event such Pari Passu Indebtedness was issued with significant original issue discount, 100% of the accreted value thereof), plus accrued and unpaid interest, if any (or, in respect of such Pari Passu Indebtedness, such lesser price, if any, as may be provided for by the terms of such Pari Passu Indebtedness), to the date fixed for the closing of such offer, in accordance with the procedures set forth in the applicable Indenture. The Issuer will commence an Asset Sale Offer with respect to Excess Proceeds within ten (10) Business Days after the date that Excess Proceeds exceeds €15.0 million by electronically delivering or mailing the notice required pursuant to the terms of the applicable Indenture, with a copy to the Trustee and applicable Paying Agent. To the extent that the aggregate amount of Notes of the applicable series (and such Pari Passu Indebtedness) tendered pursuant to an Asset Sale Offer is less than the Excess Proceeds, the Issuer may use any remaining Excess Proceeds for general corporate purposes. If the aggregate principal amount of Notes of the applicable series (and such Pari Passu Indebtedness) surrendered by holders thereof exceeds the amount of Excess Proceeds, the applicable Registrar shall select the Notes of such series to be purchased in the manner described below. Upon completion of any such Asset Sale Offer, the amount of Excess Proceeds under the applicable Indenture shall be reset at zero.

To the extent that the provisions of any securities laws or regulations conflict with the provisions of the applicable Indenture, the Issuer will comply with the applicable securities laws and regulations and shall not be deemed to have breached its obligations described in the applicable Indenture by virtue thereof.

If more Notes (and such Pari Passu Indebtedness) are tendered pursuant to an Asset Sale Offer than the Issuer is required to purchase, selection of such Notes for purchase will be made by the applicable Registrar pro rata, by lot or such other manner in the case of global notes, as may be required by the applicable procedures of DTC, with respect to U.S. Dollar Notes, or Euroclear or Clearstream (as defined below) or their common depositary, with respect to Euro Notes; *provided* that no U.S. Dollar Notes of $250,000 or less, and no Euro Notes of €100,000 or less, shall be purchased in part. Selection of such Pari Passu Indebtedness will be made pursuant to the terms of such Pari Passu Indebtedness.

Notices of an Asset Sale Offer shall be electronically delivered or mailed by first class mail, postage prepaid by the Issuer, at least 30 but not more than 60 days before the purchase date to each holder of Notes of the applicable series at such holder's registered address. If any Note is to be purchased in part only, any notice of purchase that relates to such Note shall state the portion of the principal amount thereof that has been or is to be purchased.

The provisions under the Indentures relating to the Issuer's obligation to make an Asset Sale Offer may be waived or modified with the written consent of holders of a majority in principal amount of the applicable series of Notes.

Transactions with Affiliates. The Indentures will provide that the Issuer will not, and will not permit any of its Restricted Subsidiaries to, directly or indirectly, make any payment to, or sell, lease, transfer or otherwise dispose of any of its properties or assets to, or purchase any property or assets from, or enter into or make or amend any transaction or series of transactions, contract, agreement, understanding, loan, advance or guarantee with, or for the benefit of, any Affiliate of the Issuer (each of the foregoing, an "*Affiliate Transaction*") involving aggregate consideration in excess of €10.0 million, unless:

(a) such Affiliate Transaction is on terms that are not materially less favorable to the Issuer or the relevant Restricted Subsidiary than those that could have been obtained in a comparable transaction by the Issuer or such Restricted Subsidiary with an unrelated Person;

(b) with respect to any Affiliate Transaction or series of related Affiliate Transactions involving aggregate consideration in excess of €25.0 million (excluding any Affiliate Transaction or series of related Affiliate Transactions substantially limited to the sale of inventory), the Issuer delivers to the Trustee an Officer's Certificate certifying that such Affiliate Transaction complies with clause (a) above; and

(c) with respect to any Affiliate Transaction or series of related Affiliate Transactions involving aggregate consideration in excess of €50.0 million (excluding any Affiliate Transaction or series of related Affiliate Transactions substantially limited to the sale of inventory), the Issuer delivers to the Trustee a resolution adopted in good faith by the majority of the Board of Directors of the Issuer, approving such Affiliate Transaction and set forth in an Officer's Certificate certifying that such Affiliate Transaction complies with clause (a) above.

The foregoing provisions will not apply to the following:

(1) transactions between or among the Issuer and/or any of its Restricted Subsidiaries (or an entity that becomes a Restricted Subsidiary as a result of such transaction) and any merger, consolidation or amalgamation of the Issuer and any direct parent of the Issuer; *provided* that at the time of such merger, consolidation or amalgamation such parent shall have no material liabilities and no material assets other than cash, Cash Equivalents and the Capital Stock of the Issuer and such merger, consolidation or amalgamation is otherwise in compliance with the terms of the applicable Indenture and effected for a bona fide business purpose;

(2) Restricted Payments permitted by the provisions of the applicable Indenture described above under the covenant "—Limitation on Restricted Payments" and Permitted Investments;

(3) the payment of reasonable and customary fees and reimbursement of expenses paid to, and indemnity provided on behalf of, officers, directors, employees or consultants of the Issuer or any Restricted Subsidiary or any direct or indirect parent of the Issuer;

(4) transactions in which the Issuer or any of its Restricted Subsidiaries, as the case may be, delivered to the Trustee a letter from an Independent Financial Advisor stating that such transaction is fair to the Issuer or such Restricted Subsidiary from a financial point of view or meets the requirements of clause (a) of the preceding paragraph;

(5) payments or loans (or cancellation of loans) to directors, officers, employees or consultants which are approved by a majority of the Board of Directors of the Issuer in good faith;

(6) any agreement as in effect as of the Issue Date or any amendment thereto (so long as any such agreement together with all amendments thereto, taken as a whole, is not more disadvantageous to the holders of the applicable series of Notes in any material respect than the original agreement as in effect on the Issue Date) or any transaction contemplated thereby as determined in good faith by the Issuer;

(7) the existence of, or the performance by the Issuer or any of its Restricted Subsidiaries of its obligations under the terms of, any stockholders agreement (including any registration rights agreement or purchase agreement related thereto) to which it is a party as of the Issue Date, and any transaction, agreement or arrangement in effect on the Issue Date and described in this offering memorandum (or the documents incorporated by reference herein) and, in each case, any amendment thereto or similar transactions, agreements or arrangements which it may enter into thereafter; provided, however, that the existence of, or the performance by the Issuer or any of its Restricted Subsidiaries of its obligations under, any future amendment to any such existing transaction, agreement or arrangement or under any similar transaction, agreement or arrangement entered into after the Issue Date shall only be permitted by this clause (7) to the extent that the terms of any such existing transaction, agreement or arrangement together with all amendments thereto, taken as a whole, or new transaction, agreement or arrangement are not otherwise more disadvantageous to the holders of the applicable series of Notes in any material respect than the original transaction, agreement or arrangement as in effect on the Issue Date;

(8)(a) transactions with customers, clients, suppliers or purchasers or sellers of goods or services, or transactions otherwise relating to the purchase or sale of goods or services, in each case in the ordinary course of business and otherwise in compliance with the terms of the applicable Indenture, which are fair to the Issuer and its Restricted Subsidiaries in the reasonable determination of the Issuer, or are on terms at least as favorable as might reasonably have been obtained at such time from an unaffiliated party or (b) transactions with joint ventures or Unrestricted Subsidiaries entered into in the ordinary course of business;

(9) any transaction effected as part of a Factoring Facility or a Qualified Receivables Financing;

(10) the issuance of Equity Interests (other than Disqualified Stock) of the Issuer to any Person;

(11) the issuances of securities or other payments, loans (or cancellation of loans) awards or grants in cash, securities or otherwise pursuant to, or the funding of, employment arrangements, stock option and stock ownership

plans or similar employee benefit plans approved by the Board of Directors of the Issuer or any direct or indirect parent of the Issuer or of a Restricted Subsidiary of the Issuer, as appropriate, in good faith;

(12) transactions permitted by, and complying with, the provisions of the covenant described under "—Merger, Amalgamation, Consolidation or Sale of All or Substantially All Assets" and/or "—Asset Sales";

(13) transactions between the Issuer or any of its Restricted Subsidiaries and any Person, a director of which is also a director of the Issuer; *provided*, *however*, that such director abstains from voting as a director of the Issuer or such direct or indirect parent, as the case may be, on any matter involving such other Person;

(14) pledges of Equity Interests of Unrestricted Subsidiaries;

(15) the provision to Unrestricted Subsidiaries of cash management, accounting and other overhead services in the ordinary course of business undertaken in good faith and not for the purpose of circumventing any covenant set forth in the Indenture;

(16) any employment agreements entered into by the Issuer or any of its Restricted Subsidiaries in the ordinary course of business, and any termination of employment agreements and payments in connection therewith at the net present value of future payments;

(17) intercompany transactions undertaken in good faith for the purpose of improving the consolidated tax efficiency of the Issuer and its Subsidiaries and not for the purpose of circumventing any covenant set forth in the Indenture;

(18) the entering into of any tax sharing agreement or arrangement providing for, and the making of, any payments permitted by clause (12) of the third paragraph of the covenant described under "—Limitation on Restricted Payments";

(19)(i) payments made to the Issuer or any of its Restricted Subsidiaries by Quiver Ventures, LLC in connection with tax sharing arrangements and (ii) any repayments or reimbursements by the Issuer or any of its Restricted Subsidiaries to Quiver Ventures, LLC to the extent that amounts paid thereby pursuant to clause (i) are in excess of the ultimate tax liability attributable thereto, in each case consistent with past practice of the Issuer and its Restricted Subsidiaries for other consolidated groups; and

(20) any agreements or arrangements between a third party and an Affiliate of the Issuer that are acquired or assumed by the Issuer or any Restricted Subsidiary in connection with an acquisition or merger of such third party (or assets of such third party) by or with the Issuer or any Restricted Subsidiary; provided that (A) such acquisition or merger is permitted under the applicable Indenture and (B) such agreements or arrangements are not entered into in contemplation of such acquisition or merger or otherwise for the purpose of avoiding the restrictions imposed by this section.

Liens. The Indentures will provide that the Issuer will not, and will not permit any of its Restricted Subsidiaries to, directly or indirectly, create, Incur or suffer to exist any Lien on any asset or property of the Issuer or such Restricted Subsidiary securing Indebtedness unless the applicable series of Notes is equally and ratably secured with (or on a senior basis to, in the case of obligations subordinated in right of payment to such Notes) the obligations so secured until such time as such obligations are no longer secured by a Lien.

The preceding paragraph will not require the Issuer or any Restricted Subsidiary of the Issuer to secure the Notes of such series if the Lien consists of a Permitted Lien. Any Lien that is granted to secure the Notes of such series or such Note Guarantee under the preceding paragraph shall be automatically released and discharged at the same time as the release of the Lien that gave rise to the obligation to secure such Notes or such Note Guarantee.

Reports and Other Information. So long as any Notes are outstanding and whether or not the Issuer is then subject to Section 13(a) or 15(d) of the Exchange Act, the Issuer will furnish to the Trustee: (1) within 65 days after the end of each of the first three fiscal quarters in each fiscal year, quarterly reports containing unaudited financial statements (including a balance sheet and statement of income, changes in stockholders' equity and cash flow) for and as of the end of such fiscal quarter and year to date period (with comparable financial statements for the corresponding fiscal quarter and year to date period of the immediately preceding fiscal year); (2) within 120 days after the end of each fiscal year, an annual report that includes all information that would be required to be filed with the SEC on Form 20-F (or any successor form); and (3) at or prior to such times as would be required to be filed or furnished to the SEC as a "foreign private issuer" subject to Section 13(a) or 15(d) of the Exchange Act, all such other reports and information that the Issuer would have been required to file or furnish pursuant thereto; provided, however, that to the extent that the Issuer ceases to qualify as a "foreign private issuer" within the meaning of the Exchange Act, whether or not the Issuer is then subject to Section 13(a) or 15(d) of the Exchange Act, the Issuer will either file or furnish with the SEC (as a "voluntary filer" if the Issuer is not then subject to Section 13(a) or 15(d) of the Exchange Act) or furnish to the Trustee, so long as any notes are outstanding, within 30 days of the respective dates on which the Issuer would be required to file such documents with the SEC if it was required to file such documents under the Exchange Act, all reports and other information that would be required to be filed with (or furnished to) the SEC pursuant to Section 13(a) or 15(d) of the Exchange Act as, in the Issuer's sole discretion, either a "foreign private issuer" or a U.S. domestic registrant.

In addition, if required by the rules and regulations of the SEC, the Issuer will electronically file or furnish, as the case may be, a copy of all such information and reports with the SEC for public availability within the time periods specified above. In addition, the Issuer has agreed that, for so long as any notes remain outstanding, it will furnish to the holders and prospective investors identified by a holder, upon their request, the information required to be delivered pursuant to Rule 144A(d)(4) under the Securities Act. The Issuer will also make any of the foregoing information available during normal business hours at the offices of the listing agent in the Grand Duchy of Luxembourg if and for so long as the Euro Notes are listed on the Official List of the Luxembourg Stock Exchange and are traded on the Luxembourg Stock Exchange's Euro MTF Market and the regulations of the Luxembourg Stock Exchange so require.

Notwithstanding the foregoing, the Issuer will be deemed to have furnished such reports referred to in the first paragraph of this covenant to the Trustee and the holders of Notes if the Issuer has filed or furnished such reports with the SEC and such reports are publicly available on the SEC's website; provided, however, that the Trustee shall have no obligation whatsoever to determine whether or not such information, documents or reports have been so filed or furnished. Delivery of such reports, information and documents to the Trustee pursuant to this covenant is for informational purposes only and the Trustee's receipt of such shall not constitute constructive notice of any information contained therein or determinable from information contained therein, including the Issuer's compliance with any of its covenants under the Indentures (as to which the Trustee is entitled to rely exclusively on Officer's Certificates).

So long as any Notes are outstanding, the Issuer will also: (1) not later than 10 Business Days after furnishing to the Trustee the annual and quarterly reports required by clause (1) and (2) of the first paragraph of this covenant, hold a publicly accessible conference call to discuss such reports and the results of operations for the relevant reporting period (including a question and answer portion of the call); and (2) issue a press release to an internationally recognized wire service no fewer than three Business Days prior to the date of the conference call required by the foregoing clause (1) of this paragraph, announcing the time and date of such conference call and either including all information necessary to access the call or directing holders of the Notes, prospective investors, broker dealers and securities analysts to contact the appropriate person at the Issuer to obtain such information.

At any time that any of the Issuer's Subsidiaries that are Significant Subsidiaries are Unrestricted Subsidiaries, then the quarterly and annual financial information required by the first paragraph of this "Reports and Other Information" covenant will include a reasonably detailed presentation, either on the face of the financial statements or in the footnotes thereto or in the "Management's Discussion and Analysis of Financial Condition and Results of Operations," of the financial condition and results of operations of the Issuer and its Restricted Subsidiaries separate from the financial condition and results of operations of the Unrestricted Subsidiaries of the Issuer, *provided* that the Issuer will not be required to provide such separate information to the extent such Unrestricted Subsidiaries are the subject of a confidential filing of a registration statement with the SEC.

Notwithstanding anything herein to the contrary, the Issuer will not be deemed to have failed to comply with any of its agreements hereunder for purposes of clause (4) under "Defaults" until 30 days after the date any report hereunder is required to be filed with the SEC (or otherwise made available to holders or the Trustee) pursuant to this covenant.

In the event that the rules and regulations of the SEC permit the Issuer or any direct or indirect parent of the Issuer to report at such parent entity's level on a consolidated basis, the Indentures will permit the Issuer to satisfy its obligations in this covenant by furnishing financial information and reports relating to such parent; *provided* that the same is accompanied by consolidating information that explains in reasonable detail the differences between the information relating to such direct or indirect parent and any of its Subsidiaries other than the Issuer and its Subsidiaries, on the one hand, and the information relating to the Issuer, the Note Guarantors and the other Subsidiaries of the Issuer on a stand-alone basis, on the other hand.

Listing and General Information. The Issuer will use all commercially reasonable efforts to list and maintain the listing of the Euro Notes on the Euro MTF Market of the Luxembourg Stock Exchange; *provided* that if (1) the Issuer is unable to list the Euro Notes on the Euro MTF Market of the Luxembourg Stock Exchange, (2) maintenance of such listing becomes unduly onerous, or (3) the Euro MTF Market of the Luxembourg Stock Exchange requires financial information from the Issuer or any of its Subsidiaries, then the Issuer will, prior to the delisting of the Euro Notes from the Euro MTF Market of the Luxembourg Stock Exchange (if then listed on the Euro MTF Market of the Luxembourg Stock Exchange), use all commercially reasonable efforts to list and maintain a listing of the Euro Notes on the Global Exchange Market of the Irish Stock Exchange or another internationally recognized stock exchange (in which case, references in this covenant to the Euro MTF Market of the Luxembourg Stock Exchange shall be deemed to refer to such other stock exchange). For avoidance of doubt, in no event will this covenant require the Issuer to list or maintain a listing on any exchange that requires financial reporting for any fiscal period in addition to the periods required by the SEC (for a “foreign private issuer”) and the Netherlands Authority for the Financial Markets (*Autoriteit Financiële Markten*).

So long as the Euro Notes are listed on the Official List of the Luxembourg Stock Exchange and admitted to trading on the Euro MTF Market and the rules of the Luxembourg Stock Exchange shall so require, copies, current and future, of all of our annual audited consolidated and unconsolidated financial statements, our unaudited consolidated interim quarterly financial statements, in each case as required to be filed pursuant to the rules of the SEC or the Netherlands Authority for the Financial Markets, and this offering memorandum may be obtained, free of charge, during normal business hours at the offices of the listing agent in the Grand Duchy of Luxembourg.

Future Note Guarantors. The Indentures will provide that, after the Issue Date, with respect to each series of Notes, the Issuer will cause each Restricted Subsidiary (unless such Subsidiary is a Receivables Subsidiary) that guarantees any Indebtedness under Credit Facilities of (a) the Issuer or (b) any of the Note Guarantors, on the Issue Date or at any time thereafter, to execute and deliver to the Trustee a supplemental indenture pursuant to which such Subsidiary will guarantee payment of the applicable series of Notes. Each Note Guarantee will be limited to an amount not to exceed the maximum amount that can be guaranteed by that Restricted Subsidiary without (i) rendering the Note Guarantee, as it relates to such Restricted Subsidiary, voidable under applicable law relating to fraudulent conveyance or fraudulent transfer or similar laws affecting the rights of creditors generally or (ii) resulting in any breach of corporate benefit, financial assistance, fraudulent preference, thin capitalization laws, retention of title claims, capital maintenance rules, general statutory limitations, or the laws or regulations (or analogous restrictions) of any applicable jurisdiction or any similar principles which may limit the ability of any Foreign Subsidiary to provide a guarantee or may require that the guarantee be limited by an amount or scope or otherwise.

Each Note Guarantee shall be released in accordance with the provisions of the applicable Indenture described under "—Note Guarantees."

Merger, Amalgamation, Consolidation or Sale of All or Substantially All Assets

The Indentures will provide that the Issuer may not, directly or indirectly, consolidate, amalgamate or merge with or into or wind up or convert into (whether or not the Issuer is the surviving Person), or sell, assign, transfer, lease, convey or otherwise dispose of all or substantially all of its properties or assets in one or more related transactions, to any Person unless:

(1) the Issuer is the surviving Person or the Person formed by or surviving any such consolidation, amalgamation, merger, winding up or conversion (if other than the Issuer) or to which such sale, assignment, transfer, lease, conveyance or other disposition will have been made is a corporation, partnership or limited liability company organized or other person existing under the laws of any country in the European Union, of Switzerland, or of the United States, any state thereof, the District of Columbia, or any territory thereof (the Issuer or such Person, as the case may be, being herein called the "*Successor Company*"); *provided* that in the case where the surviving Person is not a corporation or limited liability company (or equivalent of a corporation or limited liability company in any permitted jurisdiction listed in this clause (1)), a co-obligor of the applicable series of Notes is a corporation;

(2) the Successor Company (if other than the Issuer) expressly assumes all the obligations of the Issuer under the applicable Indenture and the applicable series of Notes pursuant to supplemental indentures or other documents or instruments;

(3) immediately after giving effect to such transaction (and treating any Indebtedness which becomes an obligation of the Successor Company or any of its Restricted Subsidiaries as a result of such transaction as having been Incurred by the Successor Company or such Restricted Subsidiary at the time of such transaction) no Default shall have occurred and be continuing;

(4) immediately after giving pro forma effect to such transaction, as if such transaction had occurred at the beginning of the applicable four-quarter period (and treating any Indebtedness which becomes an obligation of the Successor Company or any of its Restricted Subsidiaries as a result of such transaction as having been Incurred by the Successor Company or such Restricted Subsidiary at the time of such transaction), either:

(a) the Successor Company would be permitted to Incur at least $1.00 of additional Indebtedness pursuant to the Fixed Charge Coverage Ratio test set forth in the first sentence of the covenant described under "—Certain Covenants—Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock"; or

(b) the Fixed Charge Coverage Ratio for the Successor Company and its Restricted Subsidiaries would be equal to or greater than such ratio for the Issuer and its Restricted Subsidiaries immediately prior to such transaction;

(5) if the Successor Company is not the Issuer, each Note Guarantor, unless it is the other party to the transactions described above, shall have by supplemental indenture confirmed that its Note Guarantee shall apply to such Person's obligations under the applicable Indenture and the Notes; and

(6) the Successor Company (if other than the Issuer) shall have delivered to the Trustee an Officer's Certificate and an Opinion of Counsel, each stating that such consolidation, amalgamation, merger or transfer and such supplemental indentures (if any) comply with the applicable Indenture.

The Successor Company (if other than the Issuer) will succeed to, and be substituted for, the Issuer under the applicable Indenture and the applicable series of Notes, and in such event the Issuer will automatically be released and discharged from its obligations under such Indenture and Notes. Notwithstanding the foregoing clauses (3) and (4), (a) any Restricted Subsidiary may merge, consolidate or amalgamate with or transfer all or part of its properties and assets to the Issuer or to another Restricted Subsidiary, and (b) the Issuer may merge, consolidate or amalgamate with an Affiliate incorporated solely for the purpose of reincorporating the Issuer in any country in the European Union, of Switzerland, a state of the United States, the District of Columbia or any territory of the United States , so long as the amount of Indebtedness of the Issuer and its Restricted Subsidiaries is not increased thereby. This covenant in respect of "—Merger, Amalgamation, Consolidation or Sale of All or Substantially All Assets" will not apply to a sale, assignment, transfer, conveyance or other disposition of assets between or among the Issuer and its Restricted Subsidiaries.

The Indentures further will provide that, subject to certain limitations in the Indentures governing release of a Note Guarantee upon the sale or disposition of a Restricted Subsidiary of the Issuer that is a Note Guarantor, no Note Guarantor will, and the Issuer will not permit any Note Guarantor to, consolidate, amalgamate or merge with or into or wind up into (whether or not such Note Guarantor is the surviving Person), or sell, assign, transfer, lease, convey or otherwise dispose of all or substantially all of its properties or assets in one or more related transactions to, any Person unless:

(1) either (a) such Note Guarantor is the surviving Person or the Person formed by or surviving any such consolidation, amalgamation or merger (if other than such Note Guarantor) or to which such sale, assignment, transfer, lease, conveyance or other disposition will have been made is a corporation, partnership or limited liability company or other person organized or existing under the laws of any country in the European Union, of Switzerland, or of the United States, any state thereof, the District of Columbia, or any territory thereof (such Note Guarantor or such Person, as the case may be, being herein called the "*Successor Note Guarantor*") and the Successor Note Guarantor (if other than such Note Guarantor) expressly assumes all the obligations of such Note Guarantor under the applicable Indenture and such Note Guarantor's applicable Note Guarantee pursuant to a supplemental indenture or other documents or instruments, or (b) such sale or disposition or consolidation, amalgamation or merger is not in violation of the covenant described above under the caption "—Certain Covenants—Asset Sales"; and

(2) in the case of clause (1)(a) above, the Successor Note Guarantor (if other than such Note Guarantor) shall have delivered or caused to be delivered to the Trustee an Officer's Certificate and an Opinion of Counsel, each stating that such consolidation, amalgamation, merger or transfer and such supplemental indenture (if any) comply with the applicable Indenture.

Subject to certain limitations described in the Indentures, the Successor Note Guarantor (if other than such Note Guarantor) will succeed to, and be substituted for, such Note Guarantor under the applicable Indenture and such Note Guarantor's applicable Note Guarantee, and such Note Guarantor will automatically be released and discharged from its obligations under the applicable Indenture and such Note Guarantor's applicable Note Guarantee. Notwithstanding the foregoing, (1) a Note Guarantor may merge, amalgamate or consolidate with an Affiliate incorporated solely for the purpose of reincorporating such Note Guarantor in any country in the European Union, Switzerland, the United States, or a state of the United States, the District of Columbia or any territory of the United States so long as the amount of Indebtedness of the Note Guarantor is not increased thereby and (2) a Note Guarantor may merge, amalgamate or consolidate with another Note Guarantor or the Issuer.

In addition, notwithstanding the foregoing, any Note Guarantor may consolidate, amalgamate or merge with or into or wind up into, or sell, assign, transfer, lease, convey or otherwise dispose of all or substantially all of its properties or assets (collectively, a "*Transfer*") to (x) the Issuer or any Note Guarantor or (y) any Restricted Subsidiary of the Issuer that is not a Note Guarantor; *provided* that at the time of each such Transfer pursuant to clause (y) the aggregate amount of all such Transfers since the Issue Date shall not exceed 5.0% of the consolidated assets of the Issuer and the Note Guarantors as shown on the most recent available balance sheet of the Issuer and the Restricted Subsidiaries after giving effect to each such Transfer and including all Transfers occurring from and after the Issue Date.

Defaults

An Event of Default will be defined in the Indentures as:

(1) a default in any payment of interest (including any Additional Amounts) on any Note of the applicable series when due, continued for 30 days;

(2) a default in the payment of principal or premium, if any, of any Note of the applicable series when due at its Stated Maturity, upon optional redemption, upon required repurchase, upon declaration or otherwise;

(3) the failure by the Issuer or any Restricted Subsidiary to comply with the covenant described under "—Merger, Amalgamation, Consolidation or Sale of All or Substantially All Assets" above;

(4) the failure by the Issuer or any Restricted Subsidiary to comply for 60 days after notice with its other agreements contained in the applicable series of Notes or the applicable Indenture;

(5) the failure by the Issuer or any Significant Subsidiary to pay any Indebtedness (other than Indebtedness owing to the Issuer or a Restricted Subsidiary) within any applicable grace period after final maturity or the acceleration of any such Indebtedness by the holders thereof because of a default, in each case, if the total amount of such Indebtedness unpaid or accelerated exceeds €50.0 million or its foreign currency equivalent (the "*cross acceleration provision*");

(6) certain events of bankruptcy, insolvency or reorganization of the Issuer or a Significant Subsidiary (the "*bankruptcy provisions*");

(7) failure by the Issuer or any Significant Subsidiary to pay final judgments aggregating in excess of €50.0 million or its foreign currency equivalent (net of any amounts which are covered by enforceable insurance policies issued by solvent carriers), which judgments are not discharged, waived or stayed for a period of 60 days (the "*judgment default provision*"); and

(8) any Note Guarantee of a Significant Subsidiary with respect to the applicable series of Notes ceases to be in full force and effect (except as contemplated by the terms thereof) or any Note Guarantor that qualifies as a Significant Subsidiary denies or disaffirms its obligations under the applicable Indenture or any Note Guarantee with respect to the applicable series of Notes and such Default continues for 10 days.

The foregoing will constitute Events of Default whatever the reason for any such Event of Default and whether it is voluntary or involuntary or is effected by operation of law or pursuant to any judgment, decree or order of any court or any order, rule or regulation of any administrative or governmental body.

However, a default under clause (4) will not constitute an Event of Default until the Trustee or the holders of at least 25% in principal amount of the Notes of the applicable series notify the Issuer of the default and the Issuer does not cure such default within the time specified in clause (4) hereof after receipt of such notice.

If an Event of Default (other than a Default relating to certain events of bankruptcy, insolvency or reorganization of the Issuer) occurs with respect to the Notes of a series and is continuing, the Trustee or the holders of at least 25% in principal amount of the Notes of the applicable series by notice to the Issuer may declare the principal of, premium, if any, and accrued but unpaid interest on all such Notes to be due and payable; *provided*, *however*, that so long as any Bank Indebtedness remains outstanding, no such acceleration shall be effective until the earlier of (1) five Business Days after the giving of written notice to the Issuer and the Representative under the Bank Credit Facilities and (2) the day on which any Bank Indebtedness is accelerated. Upon such a declaration, such principal and interest will be due and payable immediately. If an Event of Default relating to certain events of bankruptcy, insolvency or reorganization of the Issuer occurs, the principal of, premium, if any, and interest on all the Notes of the applicable series will become immediately due and payable without any declaration or other act on the part of the Trustee or any holders. Under certain circumstances, the holders of a majority in principal amount of the outstanding Notes of the applicable series may rescind any such acceleration with respect to the Notes of the applicable series and its consequences.

In the event of any Event of Default specified in clause (5) of the first paragraph above, such Event of Default and all consequences thereof (excluding, however, any resulting payment default) will be annulled, waived and rescinded, automatically and without any action by the Trustee or the holders of the Notes of the applicable series, if within 20 days after such Event of Default arose the Issuer delivers an Officer's Certificate to the Trustee stating that (x) the Indebtedness or guarantee that is the basis for such Event of Default has been discharged or (y) the holders thereof have rescinded or waived the acceleration, notice or action (as the case may be) giving rise to such Event of Default or (z) the default that is the basis for such Event of Default has been cured, it being understood that in no event shall an acceleration of the principal amount of the Notes of the applicable series as described above be annulled, waived or rescinded upon the happening of any such events.

Subject to the provisions of the Indentures relating to the duties of the Trustee, in case an Event of Default occurs and is continuing, the Trustee will be under no obligation to exercise any of the rights or powers under the Indentures at the request or direction of any of the holders unless such holders have offered to the Trustee reasonable indemnity and security satisfactory to the Trustee against any loss, liability or expense. Except to enforce the right to receive payment of principal, premium (if any) or interest when due, no holder may pursue any remedy with respect to the Indentures or the Notes unless:

(1) such holder has previously given the Trustee notice that an Event of Default is continuing,

(2) holders of at least 25% in principal amount of the outstanding Notes of the applicable series has requested the Trustee to pursue the remedy;

(3) such holders have offered the Trustee reasonable security and indemnity satisfactory to the Trustee against any loss, liability or expense;

(4) the Trustee has not complied with such request within 60 days after the receipt of the request and the offer of security or indemnity; and

(5) the holders of a majority in principal amount of the outstanding Notes of the applicable series have not given the Trustee a direction inconsistent with such request within such 60-day period.

Subject to certain restrictions, the holders of a majority in principal amount of outstanding Notes of the applicable series are given the right to direct the time, method and place of conducting any proceeding for any remedy available to the Trustee or of exercising any trust or power conferred on the Trustee. The Trustee, however, may refuse to follow any direction that conflicts with law or the Indentures or that is unduly prejudicial to the rights of any other holder or that would involve the Trustee in personal or financial liability. Prior to taking any action under the applicable Indenture, the Trustee will be entitled to indemnification and security satisfactory to it in its sole discretion against all losses and expenses caused by taking or not taking such action.

The Indentures provide that if a Default occurs and is continuing and is actually known to the Trustee, the Trustee must electronically deliver or mail to each holder of the applicable series of Notes notice of the Default within the earlier of 90 days after it occurs or 30 days after it is actually known to a Responsible Officer of the Trustee or written notice of it is received by the Trustee. Except in the case of a Default in the payment of principal of, premium (if any) or interest on any Note, the Trustee may withhold notice if and so long as a Responsible Officer of the Trustee in good faith determines that withholding notice is in the interests of the noteholders. In addition, the Issuer is required to deliver to the Trustee, within 120 days after the end of each fiscal year, a certificate indicating whether the signers thereof know of any Default that occurred during the previous year. The Issuer also is required to deliver to the Trustee, within 30 days after the occurrence thereof, written notice of any event which would constitute certain Defaults, their status and what action the Issuer is taking or proposes to take in respect thereof.

Amendments and Waivers

Subject to certain exceptions, the Indentures may be amended with the consent of the holders of a majority in principal amount of the outstanding Notes of the applicable series and any past default or compliance with any provisions may be waived with the consent of the holders of a majority in principal amount of the outstanding Notes of the applicable series. However, without the consent of each holder of an outstanding Note of a series affected, no amendment may, among other things:

(1) reduce the amount of Notes of the applicable series whose holders must consent to an amendment;

(2) reduce the rate of or extend the time for payment of interest on any Note of such series;

(3) reduce the principal of or change the Stated Maturity of any Note of such series;

(4) reduce the premium payable upon the redemption of any Note of such series or change the time at which any Note of such series may be redeemed as described under "—Optional Redemption" above;

(5) make any Note of such series payable in money other than that stated in such Note;

(6) expressly subordinate the Notes of such series or any applicable Note Guarantee to any other Indebtedness of the Issuer or any Note Guarantor;

(7) impair the right of any holder to receive payment of principal of, premium, if any, and interest on such holder's Notes on or after the due dates therefor or to institute suit for the enforcement of any payment on or with respect to such holder's Notes;

(8) make any change in the amendment provisions which requires each holder's consent or in the waiver provisions; or

(9) except as expressly permitted by the Indenture of such series, modify the applicable Note Guarantee of any Significant Subsidiary, or the Note Guarantee of one or more Restricted Subsidiaries that collectively would, at the time of such amendment, represent a Significant Subsidiary, in any manner adverse to the holders.

With respect to each series of Notes, without the consent of any holder of the Notes of such series, the Issuer and the Trustee may amend the applicable Indenture to cure any ambiguity, omission, mistake, defect or inconsistency, to provide for the assumption by a Successor Company of the obligations of the Issuer under the applicable Indenture and the applicable series of Notes, to provide for the assumption by a Successor Guarantor of the obligations of a Note Guarantor under the applicable Indenture and the applicable Note Guarantee, to provide for uncertificated Notes of such series in addition to or in place of certificated Notes of such series (*provided* that the uncertificated Notes are issued in registered form for purposes of Section 163(f) of the Code), to add a Note Guarantee with respect to the applicable series of Notes, to make any change that would provide additional rights or benefits to the holders of the Notes of such series or that does not adversely affect the legal rights of any such holder under the applicable Indenture, to make changes relating to the transfer and legending of the Notes of such series as permitted by the applicable Indenture, to secure the applicable series of Notes, to add to the covenants of the Issuer for the benefit of the holders of the Notes of such series or to surrender any right or power conferred upon the Issuer or any Note Guarantor, to make any change that does not adversely affect the rights of any holder of the Notes of such series in any material respect, to effect any provision of the applicable Indenture, to make certain changes to the applicable Indenture to provide for the issuance of Additional Notes of the applicable series, to evidence and provide for the acceptance and appointment under the applicable Indenture of a successor Trustee thereunder pursuant to the requirements thereof, to conform and evidence the release, termination and discharge of any Note Guarantee or Lien securing the Notes of a series when such release, termination or discharge is permitted by the applicable Indenture, or to conform the text of the applicable Indenture, Note Guarantees or the applicable series of Notes to any provision of this “Description of the Notes” to the extent that such provision in this “Description of the Notes” was intended to be a verbatim recitation of a provision of such Indenture, Note Guarantee or such series of Notes.

The consent of the noteholders is not necessary under the Indentures to approve the particular form of any proposed amendment. It is sufficient if such consent approves the substance of the proposed amendment.

After an amendment under the applicable Indenture becomes effective, the Issuer is required to deliver electronically or mail to the holders of the notes of such series a notice briefly describing such amendment. However, the failure to give such notice to all noteholders entitled to receive such notice, or any defect therein, will not impair or affect the validity of the amendment.

For avoidance of doubt, the U.S. Dollar Notes and the Euro Notes are separate series of debt securities issued under separate indentures. Any amendment or consent granted by the holders of one series of Notes is not binding upon the other, and certain actions which may be taken without the consent of one series of Notes may require a consent under the other series.

No Personal Liability of Directors, Officers, Employees, Managers and Stockholders

No director, officer, employee, manager, incorporator or holder of any Equity Interests in the Issuer or any direct or indirect parent corporation, as such, will have any liability for any obligations of the Issuer under the Notes, the Indentures, or for any claim based on, in respect of, or by reason of, such obligations or their creation. Each holder of Notes by accepting a Note waives and releases all such liability. The waiver and release are part of the consideration for issuance of the Notes. The waiver may not be effective to waive liabilities under the federal securities laws.

Transfer and Exchange

A noteholder may transfer or exchange Notes of a series in accordance with the Indenture for notes of that series. Upon any transfer or exchange, the applicable Registrar may require a noteholder, among other things, to furnish appropriate endorsements and transfer documents and the Issuer may require a noteholder to pay any taxes required by law or permitted by the applicable Indenture. The Issuer is not required to transfer or exchange any Note selected for redemption or to transfer or exchange any Note for a period of 15 days prior to a selection of Notes to be redeemed. The Notes will be issued in registered form and the registered holder of a Note will be treated as the owner of such Note for all purposes.

Satisfaction and Discharge

The Indenture for a series of Notes will be discharged and will cease to be of further effect (except as to surviving rights of registration or transfer or exchange of the Notes of such series, as expressly provided for in such Indenture) as to all outstanding Notes of such series when:

(1) either (a) all the Notes of such series theretofore authenticated and delivered (except lost, stolen or destroyed Notes of such series which have been replaced or paid and Notes of such series for whose payment money has theretofore been deposited in trust or segregated and held in trust by the Issuer and thereafter repaid to the Issuer or discharged from such trust) have been delivered to the Trustee for cancellation or (b) all of the Notes of such series (i) have become due and payable, (ii) will become due and payable at their stated maturity within one year or (iii) if redeemable at the option of the Issuer, are to be called for redemption within one year under arrangements satisfactory to the Trustee for the giving of notice of redemption by the Trustee in the name, and at the expense, of the Issuer, and the Issuer has irrevocably deposited or caused to be deposited with the Trustee or its designee funds in an amount sufficient to pay and discharge the entire Indebtedness on the Notes of such series not theretofore delivered to the Trustee for cancellation, for principal of, premium, if any, and interest on the Notes of such series to the date of deposit together with irrevocable written instructions from the Issuer directing the Trustee to apply such funds to the payment thereof at maturity or redemption, as the case may be;

(2) the Issuer and/or the Note Guarantors have paid all other sums payable under the applicable Indenture; and

(3) the Issuer has delivered to the Trustee an Officer's Certificate and an Opinion of Counsel stating that all conditions precedent under the applicable Indenture relating to the satisfaction and discharge of such Indenture have been complied with.

Defeasance

The Issuer at any time may terminate all its obligations under the Notes of a series and the applicable Indenture with respect to the holders of the Notes of such series ("*legal defeasance*"), except for certain obligations, including those respecting the defeasance trust and obligations to register the transfer or exchange of the Notes, to replace mutilated, destroyed, lost or stolen Notes and to maintain a registrar and paying agent in respect of the Notes of such series. The Issuer at any time may terminate its obligations under the covenants described under "—Certain Covenants" for the benefit of the holders of the Notes of a series, the operation of the cross acceleration provision, the bankruptcy provisions with respect to Significant Subsidiaries, the judgment default provision described under "—Defaults" and the undertakings and covenants contained under "—Change of Control" and "—Merger, Amalgamation, Consolidation or Sale of All or Substantially All Assets" ("*covenant defeasance*") for the benefit of the holders of the Notes of such series. If the Issuer exercises its legal defeasance option or its covenant defeasance option, each Note Guarantor will be released from all of its obligations with respect to its Note Guarantee of the Notes of such series.

The Issuer may exercise its legal defeasance option notwithstanding its prior exercise of its covenant defeasance option. If the Issuer exercises its legal defeasance option, payment of the applicable series of Notes may not be accelerated because of an Event of Default with respect thereto. If the Issuer exercises its covenant defeasance option, payment of the applicable series of Notes may not be accelerated because of an Event of Default specified in clause (3), (4), (5), (6), (7) or (8) under "—Defaults" or because of the failure of the Issuer to comply with clause (4) under "—Merger, Amalgamation, Consolidation or Sale of All or Substantially All Assets."

In order to exercise its defeasance option, the Issuer must irrevocably deposit in trust (the "*defeasance trust*") with the Trustee or its designee (a) for the benefit of holders of the U.S. Dollar Notes, money, U.S. Government Obligations or a combination thereof, and (b) for the benefit of the holders of Euro Notes, money, European Government Obligations, or a combination thereof, in each case sufficient, in the case where any U.S. Government Obligations or European Government Obligations are deposited, in the opinion of an Independent Financial Advisor, for the payment of principal, premium (if any) and interest on the applicable series of Notes to redemption or maturity, as the case may be, and must comply with certain other conditions, including delivery to the Trustee of an Opinion of Counsel to the effect that the beneficial owners of such Notes will not recognize income, gain or loss for U.S. Federal income tax purposes as a result of such deposit and defeasance and will be subject to U.S. Federal income tax on the same amount and in the same manner and at the same times as would have been the case if such deposit and defeasance had not occurred (and, in the case of legal defeasance only, such Opinion of Counsel must be based on a ruling of the Internal Revenue Service or change in applicable U.S. Federal income tax law after the date hereof).

Concerning the Trustee

Deutsche Bank Trust Company Americas is the Trustee under the Indentures and has been appointed by the Issuer as a Registrar and a Paying Agent with regard to the U.S. Dollar Notes.

Governing Law

The Indentures, the Notes and the Note Guarantees will provide that it and they will be governed by, and construed in accordance with, the laws of the State of New York.

Consent to Jurisdiction and Service

In relation to any legal action or proceedings arising out of or in connection with the Indentures, the Notes and the Note Guarantees, the Trustee (in the case of clauses (1) and (2) below only), the Issuer and each Note Guarantor that is organized under laws other than the United States or a state thereof will in the Indentures (1) irrevocably submits to the jurisdiction of the federal and state courts in the Borough of Manhattan in the City, County and State of New York, United States, (2) consents that any such action or proceeding may be brought in such courts and waives any objection that it may now or hereafter have to the venue of any such action or proceeding in any such court or that such action or proceeding was brought in an inconvenient court and agree not to plead or claim the same, (3) designates and appoints Constellium U.S. Holdings I, LLC, 830 Third Avenue 9th floor, New York, NY 10022 as its authorized agent upon which process may be served in any such action or proceeding that may be instituted in any such court and (4) agrees that service of any process, summons, notice or document by U.S. registered mail addressed to such agent for service of process, with written notice of said service to such Person at the address of the agent for service of process set forth in the Indentures shall be effective service of process for any such action or proceeding brought in any such court.

Currency Indemnity

The Euro is the sole currency of account and payment for all sums payable by the Issuer or any Note Guarantor under or in connection with the Euro Notes and the U.S. Dollar is the sole currency of account and payment for all sums payable by the Issuer or any Note Guarantor under or in connection with the U.S. Dollar Notes, in each case including damages. Any amount with respect to the Euro Notes or the U.S. Dollar Notes or the guarantees thereof received or recovered in a currency other than Euros or U.S. Dollars, respectively, whether as a result of, or the enforcement of, a judgment or order of a court of any jurisdiction, in the winding-up or dissolution of the Issuer or any Note Guarantor or otherwise by any noteholder or by the Trustee, in respect of any sum expressed to be due to it from the Issuer or any Note Guarantor will only constitute a discharge to the Issuer or any Note Guarantor to the extent of the Euro or U.S. Dollar amount, as applicable, which the recipient is able to purchase with the amount so received or recovered in that other currency on the date of that receipt or recovery (or, if it is not practicable to make that purchase on that date, on the first date on which it is practicable to do so).

If that Euro or U.S. Dollar amount is less than the Euro or U.S. Dollar amount expressed to be due to the recipient or the Trustee under the Euro Notes or the U.S. Dollar Notes, as applicable, the Issuer and each Note Guarantor will indemnify such recipient and/or the Trustee against any loss sustained by it as a result. In any event, the Issuer and each Note Guarantor will indemnify the recipient against the cost of making any such purchase. For the purposes of this currency indemnity provision, it will be prima facie evidence of the matter stated therein, for the holder of a Euro Note, U.S. Dollar Note or the Trustee to certify in a manner satisfactory to the Issuer (indicating the sources of information used) the loss it incurred in making any such purchase. These indemnities constitute a separate and independent obligation from the Issuer's and each Note Guarantor's other obligations, will give rise to a separate and independent cause of action, will apply irrespective of any waiver granted by any holder of a Euro Note, U.S. Dollar Note or the Trustee (other than a waiver of the indemnities set out herein) and will continue in full force and effect despite any other judgment, order, claim or proof for a liquidated amount in respect of any sum due under any Euro Note, U.S. Dollar Note or to the Trustee. For the purposes of this indemnity, it will be sufficient for the Trustee or the holder, as applicable, to certify (indicating the sources of information used) that it would have suffered a loss had the actual purchase of Euro or U.S. Dollars been made with the amount so received in that other currency on the date of receipt or recovery (or, if a purchase of Euro or U.S. Dollars on such date had not been practicable due to current market conditions generally, on the first date on which it would have been practicable, it being required that the need for a change of date be certified in the manner mentioned above).

The U.S. Dollar Global Notes

Book-Entry, Delivery and Form

The U.S. Dollar Notes are being offered and sold to qualified institutional buyers in reliance on Rule 144A ("*U.S. Dollar Rule 144A Notes*"). U.S. Dollar Notes also may be offered and sold in offshore transactions in reliance on Regulation S ("*U.S. Dollar Regulation S Notes*"). Following the initial distribution of U.S. Dollar Rule 144A Notes and U.S. Dollar Regulation S Notes, such Notes may be transferred to certain institutional "accredited investors" in the secondary market ("*U.S. Dollar IAI Notes*"). Except as set forth below, U.S. Dollar Notes will be issued in registered, global form in minimum denominations of $250,000 and any integral multiple of $1,000 in excess thereof. U.S. Dollar Notes will be issued at the closing of this offering only against payment in immediately available funds.

U.S. Dollar Rule 144A Notes initially will be represented by one or more global notes in registered form without interest coupons (collectively, the "*U.S. Dollar Rule 144A Global Notes*"). U.S. Dollar Regulation S Notes initially will be represented by one or more global notes in registered form without interest coupons (collectively, the "*U.S. Dollar Regulation S Global Notes*"). U.S. Dollar IAI Notes initially will be represented by one or more global notes in registered form without interest coupons (collectively, the "*U.S. Dollar IAI Global Notes*"). The U.S. Dollar Rule 144A Global Notes, the U.S. Dollar IAI Global Notes and the U.S. Dollar Regulation S Global Notes are collectively referred to herein as the "U.S. Dollar Global Notes." The U.S. Dollar Global Notes will be deposited upon issuance with the Trustee as custodian for The Depository Trust Company ("*DTC*"), and registered in the name of DTC or its nominee, in each case for credit to an account of a direct or indirect participant in DTC as described below.

Through and including the 40th day after the later of the commencement of this offering and the closing of this offering (such period through and including such 40th day, the "*Distribution Compliance Period*"), beneficial interests in the U.S. Dollar Regulation S Global Notes may be held only through Euroclear and Clearstream (each as defined below) (as indirect participants in DTC), unless transferred to a person that takes delivery through a U.S. Dollar Rule 144A Global Note in accordance with the certification requirements described below.

Beneficial interests in the U.S. Dollar Rule 144A Global Notes may not be exchanged for beneficial interests in the U.S. Dollar Regulation S Global Notes or the U.S. Dollar IAI Global Notes at any time except in the limited circumstances described below. See "—Exchanges Among U.S. Dollar Global Notes."

Except as set forth below, the U.S. Dollar Global Notes may be transferred, in whole and not in part, only to another nominee of DTC or to a successor of DTC or its nominee. Beneficial interests in the U.S. Dollar Global Notes may not be exchanged for U.S. Dollar Notes in certificated form ("*Certificated U.S. Dollar Notes*") except in the limited circumstances described below. See "—Exchange of U.S. Dollar Global Notes for Certificated U.S. Dollar Notes." Except in the limited circumstances described below, owners of beneficial interests in the U.S. Dollar Global Notes will not be entitled to receive physical delivery of Notes in certificated form.

U.S. Dollar Rule 144A Notes (including beneficial interests in the U.S. Dollar Rule 144A Global Notes) will be subject to certain restrictions on transfer and will bear a restrictive legend as described under "Transfer Restrictions." U.S. Dollar Regulation S Notes and U.S. Dollar IAI Notes will also be subject to certain restrictions on transfer and will also bear the legend as described under "Transfer Restrictions." In addition, transfers of beneficial interests in the U.S. Dollar Global Notes will be subject to the applicable rules and procedures of DTC and its direct or indirect participants, which may change from time to time.

Depositary Procedures

The following description of the operations and procedures of DTC is provided solely as a matter of convenience. These operations and procedures are solely within the control of the respective settlement systems and are subject to changes by them. We take no responsibility for these operations and procedures and urge investors to contact the system or their participants directly to discuss these matters.

DTC has advised us that DTC is a limited-purpose trust company organized under the laws of the State of New York, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the Uniform Commercial Code and a "clearing agency" registered pursuant to the provisions of Section 17A of the Exchange Act. DTC was created to hold securities for its participating organizations (collectively, the "*participants*") and to facilitate the clearance and settlement of transactions in those securities between participants through electronic book-entry changes in accounts of its participants. The participants include securities brokers and dealers (including the initial purchasers), banks, trust companies, clearing corporations and certain other organizations. Access to DTC's system is also available to other entities such as banks, brokers, dealers and trust companies that clear through or maintain a custodial relationship with a participant, either directly or indirectly (collectively, the "*indirect participants*"). Persons who are not participants may beneficially own securities held by or on behalf of DTC only through the participants or the indirect participants. The ownership interests in, and transfers of ownership interests in, each security held by or on behalf of DTC are recorded on the records of the participants and indirect participants.

DTC has also advised us that, pursuant to procedures established by it:

(1) upon deposit of the U.S. Dollar Global Notes, DTC will credit the accounts of participants designated by the initial purchasers with portions of the principal amount of the U.S. Dollar Global Notes; and

(2) ownership of these interests in the U.S. Dollar Global Notes will be shown on, and the transfer of ownership of these interests will be effected only through, records maintained by DTC (with respect to the participants) or by the participants and the indirect participants (with respect to other owners of beneficial interests in the U.S. Dollar Global Notes).

Investors in the U.S. Dollar Global Notes who are participants in DTC's system may hold their interests therein directly through DTC. Investors in the U.S. Dollar Global Notes who are not participants may hold their interests therein indirectly through organizations which are participants in such system. All interests in a U.S. Dollar Global Note may be subject to the procedures and requirements of DTC. The laws of some states require that certain Persons take physical delivery in definitive form of securities that they own. Consequently, the ability to transfer beneficial interests in a U.S. Dollar Global Note to such Persons will be limited to that extent. Because DTC can act only on behalf of participants, which in turn act on behalf of indirect participants, the ability of a Person having beneficial interests in a U.S. Dollar Global Note to pledge such interests to Persons that do not participate in the DTC system, or otherwise take actions in respect of such interests, may be affected by the lack of a physical certificate evidencing such interests.

Except as described below, owners of an interest in the U.S. Dollar Global Notes will not have U.S. Dollar Notes registered in their names, will not receive physical delivery of U.S. Dollar Notes in certificated form and will not be considered the registered owners or "holders" thereof under the U.S. Dollar Indenture for any purpose.

Payments in respect of the principal of, and interest and premium, if any, on a U.S. Dollar Global Note registered in the name of DTC or its nominee will be payable to DTC in its capacity as the registered holder under the U.S. Dollar Indenture. Under the terms of the U.S. Dollar Indenture, the Issuer and the Trustee will treat the Persons in whose names the U.S. Dollar Notes, including the U.S. Dollar Global Notes, are registered as the owners of such U.S. Dollar Notes for the purpose of receiving payments and for all other purposes. Consequently, neither the Issuer, the Trustee nor any agent of the Issuer or the Trustee has or will have any responsibility or liability for:

(1) any aspect of DTC's records or any participant's or indirect participant's records relating to or payments made on account of beneficial ownership interests in the U.S. Dollar Global Notes or for maintaining, supervising or reviewing any of DTC's records or any participant's or indirect participant's records relating to the beneficial ownership interests in the U.S. Dollar Global Notes; or

(2) any other matter relating to the actions and practices of DTC or any of its participants or indirect participants.

DTC has advised us that its current practice, upon receipt of any payment in respect of securities such as the U.S. Dollar Notes (including principal and interest), is to credit the accounts of the relevant participants with the payment on the payment date unless DTC has reason to believe it will not receive payment on such payment date. Each relevant participant is credited with an amount proportionate to its beneficial ownership of an interest in the principal amount of the relevant security as shown on the records of DTC. Payments by the participants and the indirect participants to the beneficial owners of U.S. Dollar Notes will be governed by standing instructions and customary practices and will be the responsibility of the participants or the indirect participants and will not be the responsibility of DTC, the Trustee or the Issuer. Neither the Issuer nor the Trustee will be liable for any delay by DTC or any of its participants in identifying the beneficial owners of the U.S. Dollar Notes, and the Issuer and the Trustee may conclusively rely on and will be protected in relying on instructions from DTC or its nominee for all purposes.

Subject to the transfer restrictions set forth under "Transfer Restrictions," transfers between participants in DTC will be effected in accordance with DTC's procedures, and will be settled in same-day funds.

DTC has advised the Issuer that it will take any action permitted to be taken by a holder of U.S. Dollar Notes only at the direction of one or more participants to whose account DTC has credited the interests in the U.S. Dollar Global Notes and only in respect of such portion of the aggregate principal amount of the U.S. Dollar Notes as to which such participant or participants has or have given such direction. However, if there is an Event of Default under the U.S. Dollar Notes, DTC reserves the right to exchange the U.S. Dollar Global Notes for legended U.S. Dollar Notes in certificated form, and to distribute such U.S. Dollar Notes to its participants.

Although DTC has agreed to the foregoing procedures in order to facilitate transfers of interests in the U.S. Dollar Global Notes among participants, it is under no obligation to perform such procedures, and such procedures may be discontinued or changed at any time. Neither the Issuer nor the Trustee nor any of their respective agents will have any responsibility for the performance by DTC or its participants or indirect participants of their respective obligations under the rules and procedures governing their operations.

Exchange of U.S. Dollar Global Notes for Certificated U.S. Dollar Notes

A U.S. Dollar Global Note is exchangeable for Certificated U.S. Dollar Notes if:

(1) DTC (a) notifies the Issuer that it is unwilling or unable to continue as depositary for the U.S. Dollar Global Notes or (b) has ceased to be a clearing agency registered under the Exchange Act and, in each case, a successor depositary is not appointed;

(2) the Issuer, at its option, notifies the Trustee in writing that it elects to cause the issuance of the Certificated U.S. Dollar Notes; or

(3) there has occurred and is continuing a Default with respect to the U.S. Dollar Notes.

In addition, beneficial interests in a U.S. Dollar Global Note may be exchanged for Certificated U.S. Dollar Notes upon prior written notice given to the Trustee by or on behalf of DTC in accordance with the U.S. Dollar Indenture. In all cases, Certificated U.S. Dollar Notes delivered in exchange for any U.S. Dollar Global Note or beneficial interests in U.S. Dollar Global Notes will be registered in the names, and issued in any approved denominations, requested by or on behalf of the depositary (in accordance with its customary procedures) and will bear the applicable restrictive legend referred to in "Transfer Restrictions," unless that legend is not required by applicable law.

Exchange of Certificated U.S. Dollar Notes for U.S. Dollar Global Notes

Certificated U.S. Dollar Notes may not be exchanged for beneficial interests in any U.S. Dollar Global Note unless the transferor first delivers to the Trustee a written certificate (in the form provided in the U.S. Dollar Indenture) to the effect that such transfer will comply with the appropriate transfer restrictions applicable to such U.S. Dollar Notes. See "Transfer Restrictions."

Exchanges Among U.S. Dollar Global Notes

Prior to the expiration of the Distribution Compliance Period, beneficial interests in the U.S. Dollar Regulation S Global Note may be exchanged for beneficial interests in the U.S. Dollar Rule 144A Global Note only if:

(1) such exchange occurs in connection with a transfer of the relevant Notes pursuant to Rule 144A; and

(2) the transferor first delivers to the trustee a written certificate (in the form provided in the indenture) to the effect that the relevant Notes are being transferred to a Person:

(a) who the transferor reasonably believes to be a qualified institutional buyer within the meaning of Rule 144A;

(b) purchasing for its own account or the account of a qualified institutional buyer in a transaction meeting the requirements of Rule 144A; and

(c) in accordance with all applicable securities laws of the states of the United States and other jurisdictions.

Beneficial interest in a U.S. Dollar Rule 144A Global Note or a U.S. Dollar IAI Global Note may be transferred to a Person who takes delivery in the form of an interest in the U.S. Dollar Regulation S Global Note, whether before or after the expiration of the Distribution Compliance Period, only if the transferor first delivers to the Trustee a written certificate (in the form provided in the Indenture) to the effect that such transfer is being made in accordance with Rule 903 or 904 of Regulation S or Rule 144.

Beneficial interest in the U.S. Dollar Rule 144A Global Note may be exchanged for a beneficial interest in the U.S. Dollar IAI Global Note only upon certification that, among other things, (i) the beneficial interest in such U.S. Dollar Rule 144A Global Note is being transferred to an "accredited investor" under the Securities Act that is an institutional "accredited investor" acquiring the securities for its own account or for the account of an institutional "accredited investor" and (ii) such transfer is being made in accordance with all applicable securities laws of the States of the United States of America and other jurisdictions. Beneficial interest in the U.S. Dollar IAI Global Note may be exchanged for a beneficial interest in the U.S. Dollar Rule 144A Global Note only upon certification that, among other things, such interest is being transferred in a transaction in accordance with Rule 144A.

Transfers involving exchanges of beneficial interests among the U.S. Dollar Regulation S Global Notes, the U.S. Dollar IAI Global Notes and the U.S. Dollar Rule 144A Global Notes will be effected in DTC by means of an instruction originated by the Trustee through the DTC Deposit/Withdraw at Custodian system. Accordingly, in connection with any such transfer, appropriate adjustments will be made to reflect the changes in the principal amounts of the U.S. Dollar Regulation S Global Note, the U.S. Dollar IAI Global Note and the U.S. Dollar Rule 144A Global Note, as applicable. Any beneficial interest in one of the U.S. Dollar Global Notes that is transferred to a Person who takes delivery in the form of an interest in another U.S. Dollar Global Note will, upon transfer, cease to be an interest in such U.S. Dollar Global Note and will become an interest in such other U.S. Dollar Global Note and, accordingly, will thereafter be subject to all transfer restrictions and other procedures applicable to beneficial interest in such other U.S. Dollar Global Note for so long as it remains such an interest.

Same Day Settlement and Payment

The Issuer will make payments in respect of the U.S. Dollar Notes represented by the Global Notes (including principal, premium, if any, and interest) by wire transfer of immediately available funds to the accounts specified by the U.S. Dollar Global Note holder. The Issuer will make all payments of principal, interest and premium, if any, with respect to Certificated U.S. Dollar Notes by wire transfer of immediately available funds to the accounts specified by the holders of the Certificated U.S. Dollar Notes or, if no such account is specified, by mailing a check to each such holder's registered address. The U.S. Dollar Notes represented by the U.S. Dollar Global Notes are expected to be made eligible to trade in DTC's Same-Day Funds Settlement System, and any permitted secondary market trading activity in such U.S. Dollar Notes will, therefore, be required by DTC to be settled in immediately available funds. The Issuer expects that secondary trading in any Certificated U.S. Dollar Notes will also be settled in immediately available funds.

The Euro Global Notes

The Euro Notes are being offered and sold to qualified institutional buyers in reliance on Rule 144A ("*Euro Rule 144A Notes*"). Euro Notes also may be offered and sold in offshore transactions in reliance on Regulation S ("*Euro Regulation S Notes*"). Following the initial distribution of Euro Rule 144A Notes and Euro Regulation S Notes, such Notes may be transferred to certain institutional "accredited investors" in the secondary market ("*Euro IAI Notes*"). Except as set forth below, Euro Notes will be issued in the form of one or more fully registered Notes in global form (a "*Euro Global Note*"). Upon issuance, the Euro Global Note will be deposited and held by, or on behalf of, a common depositary for the accounts of Euroclear Bank SA/NV ("*Euroclear*") and for Clearstream Banking, *société anonyme*, Luxembourg ("*Clearstream*"). All the Euro Notes will be issued in registered, global form in minimum denominations of €100,000 and integral multiples of €1,000 in excess of €100,000. The Euro Notes will be issued at the closing of this Offering only against payment in immediately available funds.

Beneficial interests in a Euro Global Note may not be exchanged for Euro Notes in physical, certificated form ("*Certificated Euro Notes*") except in the limited circumstances described below. The Euro Global Note and beneficial interests in such Euro Global Note will be subject to restrictions on transfer as described under "Transfer Restrictions."

Book-entry procedures for the Euro Global Notes

The Euro Notes represented by the Euro Global Notes are expected to be listed on the Official List of the Luxembourg Stock Exchange and admitted for trading on the Euro MTF Market. On the Issue Date, the Euro Global Notes will be deposited with, and registered in the name of, the common depositary or its nominee, which we refer to as "Book-Entry Interests." The Euro Notes will not be eligible for clearance with DTC.

Book-Entry Interests will be limited to persons that have accounts with Euroclear and/or Clearstream or persons that may hold interests through such participants. Book-Entry Interests will be shown on, and transfers thereof will be effected only through, records maintained in book-entry form by Euroclear and/or Clearstream and their participants.

The Book-Entry Interests will not be held in definitive form. Instead, Euroclear and/or Clearstream will credit on their respective book-entry registration and transfer systems a participant's account with the Book-Entry Interest beneficially owned by such participant. The laws of some jurisdictions, including certain states of the United States, may require that certain purchasers of securities take physical delivery of such securities in definitive form. The foregoing limitations may impair the ability to own, transfer or pledge Book-Entry Interests.

Except as described below, owners of an interest in the Euro Global Notes will not have Euro Notes registered in their names, will not receive physical delivery of Euro Notes in certificated form and will not be considered the registered owners or "holders" thereof under the Euro Indenture for any purpose.

Certificated Euro Notes

Euro Notes in physical, certificated form will be issued and delivered to each person that either Euroclear or Clearstream, or their common depositary, identifies as a beneficial owner of the related Euro Notes only if:

(1) Euroclear or Clearstream notifies the Issuer that it is unwilling or unable to continue as depositary for the Euro Global Notes and a successor depositary is not appointed;

(2) the Issuer, at its option, notifies the Trustee and applicable Paying Agent in writing that it elects to cause the issuance of Certificated Euro Notes; or

(3) there has occurred and is continuing a Default with respect to the Euro Notes.

Redemption of Euro Global Notes

In the event any of the Euro Global Notes, or any portion thereof, is redeemed, Euroclear and/or Clearstream, as applicable, will distribute the amount received by them in respect of the Euro Global Note so redeemed to the holders of the Book-Entry Interests in such Euro Global Note from the amount received by it in respect of the redemption of such Euro Global Note. The redemption price payable in connection with the redemption of such Book-Entry Interests will be equal to the amount received by Euroclear or Clearstream, as applicable, in connection with the redemption of such Euro Global Note (or any portion thereof). The Issuer understands that under existing practices of Euroclear and Clearstream, if fewer than all of the Euro Notes are to be redeemed at any time, Euroclear and Clearstream will credit their respective participants' accounts on a proportionate basis (with adjustments to prevent fractions) or on such other basis as they deem fair and appropriate; provided, however, that no Book-Entry Interest of less than €100,000 in principal amount may be redeemed in part.

Payments on Euro Global Notes; Paying Agent, Registrar and Transfer Agent for the Euro Notes

Payments of any amounts owing in respect of the Euro Global Notes will be made by the Issuer in Euros to the applicable Paying Agent. The Paying Agent will, in turn, make such payments to the Depositary, which will distribute such payments to participants in accordance with their respective procedures.

Under the terms of the Euro Indenture, the Issuer and the Trustee will treat the registered holder of the Euro Global Notes (i.e., Euroclear or Clearstream (or their respective nominee)) as the owner thereof for the purpose of receiving payments and for all other purposes. Consequently, neither the Issuer, the Trustee nor any of their respective agents has or will have any responsibility for the performance by Euroclear or Clearstream, or their respective participants or indirect participants, of their respective obligations under the rules and procedures governing their operations.

The Issuer will maintain one or more paying agents for the Euro Notes (i) in the Grand Duchy of Luxembourg (the "*Luxembourg Paying Agent*") for as long as the notes are listed on the Official List of the Luxembourg Stock Exchange and traded on the Euro MTF Market and the rules of this exchange so require, and (ii) London, United Kingdom (the "*Principal Paying Agent*" and together with the Luxembourg Paying Agent, the "*Paying Agents*"). The initial Paying Agents are expected to be Deutsche Bank Luxembourg S.A. in the Grand Duchy of Luxembourg and Deutsche Bank AG, London Branch in London. The *Paying Agents* also will act as Transfer Agent. The Transfer Agent is responsible for, among other things, facilitating any transfers or exchanges of beneficial interests in different global notes between holders.

In addition, the Issuer undertakes that it will ensure that it maintains a Paying Agent in a Member State of the European Union that is not obliged to withhold or deduct tax pursuant to European Council Directive 2003/48/EC or any other Directive implementing the conclusions of the European Council of Economics and Finance Ministers ("*ECOFIN*") meeting of November 26-27, 2000 or any law implementing or complying with, or introduced in order to conform to, such Directive.

The Issuer also will maintain one or more registrars (each a "*Registrar*"). The initial Registrar is expected to be Deutsche Bank Luxembourg S.A. The Registrar will maintain a register reflecting ownership of Definitive Registered Notes outstanding from time to time and will make payments on Definitive Registered Notes on behalf of the Issuer.

The Issuer may change the Paying Agents, the Transfer Agents or the Registrars without prior notice to the holders. For so long as the notes are listed on the Official List of the Luxembourg Stock Exchange and traded on the Euro MTF Market and the rules of this exchange so require, the Issuer will publish a notice of any change of Paying Agent, Transfer Agent or Registrar in a newspaper having a general circulation in the Grand Duchy of Luxembourg (currently expected to be the *Luxemburger Wort*) or the website of the Luxembourg Stock Exchange (*www.bourse.lu*).

Prescription

Claims against the Issuer or any Guarantor for the payment of principal or Additional Amounts, if any, of the Notes, will be prescribed six years after the applicable due date for payment thereof. Claims against the Issuer or any Guarantor for the payment of interest, if any, of the Notes, will be prescribed six years after the applicable due date for payment of interest

Certain Definitions

"*ABL Facility*" means the ABL Credit Agreement, dated as of May 25, 2012, among Constellium Holdco II B.V., Constellium U.S. Holdings I, LLC, Constellium Rolled Products Ravenswood, LLC, as borrower, the lenders from time to time party thereto Deutsche Bank Trust Company Americas, as administrative agent and collateral agent, as amended by the First Amendment dated as of January 7, 2013, the Second Amendment dated as of March 20, 2013, and the Third Amendment dated as of October 1, 2013, and as may be further amended, restated, supplemented, waived, replaced (whether or not upon termination, and whether with the original lenders or otherwise), restructured, repaid, refunded, refinanced or otherwise modified from time to time, including any agreement extending the maturity thereof, refinancing, replacing or otherwise restructuring all or any portion of the Indebtedness under such agreement or agreements or any successor or replacement agreement or agreements or increasing the amount loaned or issued thereunder or altering the maturity thereof.

"*ABL Obligors*" means the borrower and the guarantors under the ABL Facility.

"*Acquired Indebtedness*" means, with respect to any specified Person:

(1) Indebtedness, Preferred Stock or Disqualified Stock of any other Person existing at the time such other Person is merged, consolidated or amalgamated with or into or became a Restricted Subsidiary of such specified Person, and

(2) Indebtedness, Preferred Stock or Disqualified Stock secured by a Lien encumbering any asset acquired by such specified Person.

"*Affiliate*" of any specified Person means any other Person directly or indirectly controlling or controlled by or under direct or indirect common control with such specified Person. For purposes of this definition, "control" (including, with correlative meanings, the terms "controlling," "controlled by" and "under common control with"), as used with respect to any Person, means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of such Person, whether through the ownership of voting securities, by agreement or otherwise.

"*Applicable Premium*" means, with respect to any Note of a series on any applicable redemption date, the greater of the following, as calculated by the Issuer:

(1) 1% of the then outstanding principal amount of the Note of such series; and

(2) the excess of:

(a) the present value at such redemption date of (i) the redemption price of such Note at May 15, 2019 in the case of the U.S. Dollar Notes and at May 15, 2017 in the case of the Euro Notes (each such redemption price being set forth in the applicable table appearing above under "—Optional Redemption") plus (ii) all required interest payments due on the Note through May 15, 2019 in the case of the U.S. Dollar Notes and May 15, 2017 in the case of the Euro Notes (excluding accrued but unpaid interest), computed using a discount rate equal to the Treasury Rate, in the case of the U.S. Dollar Notes, or the Bund Rate, in the case of the Euro Notes, in each case as of such redemption date plus 50 basis points; over

(b) the then outstanding principal amount of such Note.

"*Asset Sale*" means:

(1) the sale, conveyance, transfer or other disposition (whether in a single transaction or a series of related transactions) of property or assets (including by way of a Sale/Leaseback Transaction) outside the ordinary course of business of the Issuer or any Restricted Subsidiary of the Issuer (each referred to in this definition as a "*disposition*") or

(2) the issuance or sale of Equity Interests (other than directors' qualifying shares and shares issued to foreign nationals or other third parties to the extent required by applicable law) of any Restricted Subsidiary (other than to the Issuer or another Restricted Subsidiary of the Issuer) (whether in a single transaction or a series of related transactions),

in each case other than:

(a) a disposition of Cash Equivalents or Investment Grade Securities or damaged, obsolete or worn out property or equipment in the ordinary course of business;

(b) transactions permitted pursuant to the provisions described above under "—Merger, Amalgamation, Consolidation or Sale of All or Substantially All Assets" or any disposition that constitutes a Change of Control;

(c) any Restricted Payment or Permitted Investment that is permitted to be made, and is made, under the covenant described above under "—Certain Covenants—Limitation on Restricted Payments";

(d) any disposition of assets or issuance or sale of Equity Interests of any Restricted Subsidiary, which assets or Equity Interests so disposed or issued have an aggregate Fair Market Value of less than €10.0 million;

(e) any disposition of property or assets, or the issuance of securities, by a Restricted Subsidiary of the Issuer to the Issuer or by the Issuer or a Restricted Subsidiary of the Issuer to a Restricted Subsidiary of the Issuer;

(f) any exchange of assets (including a combination of assets and Cash Equivalents) for assets related to a Similar Business of comparable or greater market value or usefulness to the business of the Issuer and its Restricted Subsidiaries as a whole, as determined in good faith by the Issuer;

(g) foreclosure or any similar action with respect to any property or any other assets of the Issuer or any of its Restricted Subsidiaries;

(h) any sale of Equity Interests in, or Indebtedness or other securities of, an Unrestricted Subsidiary;

(i) the lease, assignment or sublease of any real or personal property in the ordinary course of business;

(j) any sale of inventory or other assets in the ordinary course of business, or which are no longer useful or necessary in the operation of the business of the Issuer and its Restricted Subsidiaries;

(k) any grant in the ordinary course of business of any license of patents, trademarks, know-how or any other intellectual property;

(l) an issuance of Capital Stock pursuant to an equity incentive or compensation plan approved by the Board of Directors of the Issuer;

(m) dispositions in connection with Permitted Liens;

(n) any financing transaction with respect to property built or acquired by the Issuer or any Restricted Subsidiary after the Issue Date, including any Sale/Leaseback Transaction or asset securitization permitted by the Indenture;

(o) any disposition of Capital Stock of a Restricted Subsidiary pursuant to an agreement or other obligation with or to a Person (other than the Issuer or a Restricted Subsidiary) from whom such Restricted Subsidiary was acquired or from whom such Restricted Subsidiary acquired its business and assets (having been newly formed in connection with such acquisition), made as part of such acquisition and in each case comprising all or a portion of the consideration in respect of such sale or acquisition;

(p) any surrender or waiver of contract rights or the settlement, release, recovery on or surrender of contract, tort or other claims of any kind;

(q) a transfer of accounts receivable and related assets of the type specified in the definition of "Receivables Financing" (or a fractional undivided interest therein) by a Receivables Subsidiary or any Restricted Subsidiary (w) under the Factoring Facilities, (x) in a Qualified Receivables Financing, (y) under any other factoring on arm's-length terms or (z) in the ordinary course of business;

(r) the sale of any property in a Sale/Leaseback Transaction within six months of the acquisition of such property; and

(s) dispositions of receivables in connection with the compromise, settlement or collection thereof in the ordinary course of business or in bankruptcy or similar proceedings and exclusive of factoring or similar arrangements.

"*Bank Credit Facilities*" means the credit facilities described in clauses (i) and (ii) of the definition of Credit Facilities.

"*Bank Indebtedness*" means any and all amounts payable under or in respect of any Credit Facilities provided by bank or other institutional lenders (excluding Credit Facilities providing for publicly offered or privately placed capital markets indebtedness), as amended, restated, supplemented, waived, replaced, restructured, repaid, refunded, refinanced or otherwise modified from time to time (including after termination of the Bank Credit Facilities), including principal, premium (if any), interest (including interest accruing on or after the filing of any petition in bankruptcy or for reorganization relating to the Issuer whether or not a claim for post-filing interest is allowed in such proceedings), fees, charges, expenses, reimbursement obligations, guarantees and all other amounts payable thereunder or in respect thereof.

"*Board of Directors*" means, as to any Person, the board of directors or managers, as applicable, of such Person (or, if such Person is a partnership, the board of directors or other governing body of the general partner of such Person) or any duly authorized committee thereof.

"*Borrowing Base*" means, as of any date, an amount equal to:

(1) 85% of the face amount of accounts receivable owned by the ABL Obligors as of the end of the most recent fiscal quarter preceding such date; plus

(2) the lesser of (i) 80% of the lower of cost or market and (ii) 85% of net orderly liquidation value, in each case, of inventory owned by the ABL Obligors as of the end of the most recent fiscal quarter preceding such date.

"*Bund Rate*" means, as of any redemption date of the Euro Notes, the yield to maturity as of the earlier of (a) such redemption date or (b) the date on which such Euro Notes are defeased or satisfied and discharged, of the most recently issued direct obligations of the Federal Republic of Germany (Bunds or Bundesanleihen) with a constant maturity (as officially compiled and published in the most recent financial statistics that have become publicly available at least two Business Days prior to such earlier date (or, if such financial statistics are not so published or available, any publicly available source of similar market data selected by the Issuer in good faith)) most nearly equal to the period from the redemption date to May 15, 2017; *provided*, *however*, that if the period from the redemption date to May 15, 2017, is less than one year, the weekly average yield on actually traded direct obligations of the Federal Republic of Germany adjusted to a constant maturity of one year will be used. Any such Bund Rate shall be obtained by the Issuer.

"*Business Day*" means a day other than a Saturday, Sunday or other day on which banking institutions are authorized or required by law to close in New York City or London or Amsterdam.

"*Capital Stock*" means:

(1) in the case of a corporation, corporate stock or shares;

(2) in the case of an association or business entity, any and all shares, interests, participations, rights or other equivalents (however designated) of corporate stock

(3) in the case of a partnership or limited liability company, partnership or membership interests (whether general or limited); and

(4) any other interest or participation that confers on a Person the right to receive a share of the profits and losses of, or distributions of assets of, the issuing Person.

"*Capitalized Lease Obligation*" means, at the time any determination thereof is to be made, the amount of the liability in respect of a capital lease that would at such time be required to be capitalized and reflected as a liability on a balance sheet (excluding the footnotes thereto) in accordance with IFRS.

" *Cash Equivalents*" means:

(1) All cash, including without limitation U.S. dollars, pounds sterling, euros, Swiss franc, the national currency of any member state in the European Union or such other currencies held by the Issuer or any Restricted Subsidiary from time to time in the ordinary course of business;

(2) Securities and other readily marketable obligations issued or directly and fully guaranteed or insured by the U.S. government or any country that is a member of the European Union or Switzerland, or any agency or instrumentality thereof in each case maturing not more than two years from the date of acquisition;

(3) certificates of deposit, time deposits and eurodollar time deposits with maturities of one year or less from the date of acquisition, bankers' acceptances, in each case with maturities not exceeding one year and overnight bank deposits, in each case with any commercial bank having capital and surplus in excess of $250.0 million;

(4) repurchase obligations for underlying securities of the types described in clauses (2) and (3) above entered into with any financial institution meeting the qualifications specified in clause (3) above;

(5) commercial paper issued by a corporation (other than an Affiliate of the Issuer) rated at least "A-2" or the equivalent thereof by Moody's or S&P (or reasonably equivalent ratings of another internationally recognized ratings agency) and in each case maturing within one year after the date of acquisition;

(6) readily marketable direct obligations issued by any state of the United States of America or any political subdivision thereof having an Investment Grade Rating in each case with maturities not exceeding two years from the date of acquisition;

(7) Indebtedness issued by Persons with a rating of "A" or higher from S&P or "A-2" or higher from Moody's in each case with maturities not exceeding two years from the date of acquisition;

(8) investment funds investing at least 95% of their assets in securities of the types described in clauses (1) through (7) above;

(9) investments with average maturities of 12 months or less from the date of acquisition in mutual funds rated AA- (or the equivalent thereof) or better by S&P or Aaa3 (or the equivalent thereof) or better by Moody's; and

(10) marketable short-term money market and similar highly liquid funds either (i) having assets in excess of $250,000,000 or (ii) having a rating of at least A-2 or P-2 from either S&P or Moody's (or, if at any time neither S&P nor Moody's shall be rating such obligations, an equivalent rating from another nationally recognized rating service).

"*Code*" means the United States Internal Revenue Code of 1986, as amended.

"*Consolidated Interest Expense*" means, with respect to any Person for any period, the sum, without duplication, of:

(1) consolidated interest expense of such Person and its Restricted Subsidiaries for such period, to the extent such expense was deducted in computing Consolidated Net Income (including amortization of original issue discount, noncash interest payments, the interest component of Capitalized Lease Obligations and net payments and receipts (if any) pursuant to interest rate Hedging Obligations (but excluding unrealized mark-to-market gains and losses attributable to such Hedging Obligations, amortization of deferred financing fees and expensing of any bridge or other financing fees), and excluding interest expense attributable to the Factoring Facilities or any Qualified Receivables Financing or other factoring arrangements (to the extent accounted for as interest expense under IFRS), amortization of deferred financing fees, debt issuance costs, commissions, fees and expenses and expensing of any bridge commitment or other financing fees); *plus*

(2) consolidated capitalized interest of such Person and its Restricted Subsidiaries for such period, whether paid or accrued; *plus*

(3) Preferred Stock dividends paid in cash in respect of Disqualified Stock of the Issuer held by persons other than the Issuer or a Restricted Subsidiary; *plus*

(4) Commissions based on draws, discounts and yield (but excluding other fees and charges, including commitment fees) Incurred in connection with any Receivables Financing which are payable to Persons other than the Issuer and its Restricted Subsidiaries; *minus*

(5) interest income for such period.

For purposes of this definition, interest on a Capitalized Lease Obligation shall be deemed to accrue at an interest rate reasonably determined by a responsible financial or accounting officer of the Issuer to be the rate of interest implicit in such Capitalized Lease Obligation in accordance with IFRS.

"*Consolidated Net Debt Ratio*" means, with respect to any Person at any date, the ratio of (i) the aggregate amount of all Consolidated Total Indebtedness, less 100% of the unrestricted cash and Cash Equivalents that would be stated on the balance sheet of such Person and its Restricted Subsidiaries as of such date, to (ii) EBITDA of such Person for the four full fiscal quarters for which internal financial statements are available immediately preceding such date. The second sentence of the first paragraph of the definition of "Fixed Charge Coverage Ratio" and paragraphs 2, 3, and 4 thereof shall apply to the calculation of Consolidated Net Debt Ratio, and such calculation shall give pro forma effect to the application of the proceeds of any Indebtedness that is incurred on the calculation date (with any proceeds that are initially to be held as cash or Cash Equivalents being deemed to have been applied as of the calculation date).

"*Consolidated Net Income*" means, with respect to any Person for any period, the aggregate of the Net Income of such Person and its Restricted Subsidiaries for such period, on a consolidated basis; *provided*, *however*, that:

(1) any net after-tax extraordinary, nonrecurring or unusual gains or losses or income, expenses or charges (less all fees and expenses relating thereto), including, without limitation, any (i) severance, relocation or other restructuring expenses, any expenses related to any reconstruction, decommissioning, recommissioning or reconfiguration of fixed assets for alternate uses and fees, expenses or charges relating to new product lines, plant shutdown costs, curtailments or modifications to pension and post-retirement employee benefits plans, excess pension charges, acquisition integration costs, facilities opening costs, project start-up costs, business optimization costs, signing, retention or completion bonuses and (ii) any fees, expenses or charges related to any Equity Offering, Permitted Investment, acquisition, disposition, receivables financing, recapitalization or issuance, repayment, incurrence, refinancing, amendment or modification of Indebtedness permitted to be Incurred by the applicable Indenture (in each case, whether or not successful), in each case, shall be excluded;

(2) any increase in amortization or depreciation or any non-cash charges, in each case resulting from purchase accounting in connection with any acquisition that is consummated after the Issue Date shall be excluded;

(3) the Net Income for such period shall not include the cumulative effect of a change in accounting principles during such period;

(4) any net after-tax income or loss from disposed, abandoned, transferred, closed or discontinued operations and any net after-tax gains or losses on disposal of disposed, abandoned, transferred, closed or discontinued operations shall be excluded;

(5) any net after-tax gains or losses (less all fees and expenses or charges relating thereto) attributable to business dispositions or asset dispositions other than in the ordinary course of business (as determined in good faith by the Issuer) shall be excluded;

(6) any net after-tax gains or losses (less all fees and expenses or charges relating thereto) attributable to the early extinguishment of indebtedness or Hedging Obligations or other derivative instruments shall be excluded;

(7) the Net Income for such period of any Person that is not a Subsidiary of such Person, or is an Unrestricted Subsidiary, or that is accounted for by the equity method of accounting, shall be included only to the extent of the amount of dividends or distributions or other payments paid in cash (or to the extent converted into cash) to the referent Person or a Restricted Subsidiary thereof in respect of such period;

(8) solely for the purpose of determining the amount available for Restricted Payments under clause (1) of the definition of Cumulative Credit contained in "—Certain Covenants—Limitation on Restricted Payments," the Net Income for such period of any Restricted Subsidiary (other than any Note Guarantor) shall be excluded to the extent that the declaration or payment of dividends or similar distributions by such Restricted Subsidiary of its Net Income is not at the date of determination permitted without any prior governmental approval (which has not been obtained) or, directly or indirectly, by the operation of the terms of its charter or any agreement, instrument, judgment, decree,

order, statute, rule or governmental regulation applicable to that Restricted Subsidiary or its stockholders, unless such restrictions with respect to the payment of dividends or similar distributions have been legally waived; *provided* that the Consolidated Net Income of such Person shall be increased by the amount of dividends or other distributions or other payments actually paid in cash (or converted into cash) by any such Restricted Subsidiary to such Person, to the extent not already included therein;

(9) any non-cash impairment charges or asset write-offs resulting from the application of IFRS and the amortization of intangibles arising pursuant to IFRS shall be excluded;

(10) any non-cash expense realized or resulting from stock option plans, employee benefit plans or post-employment benefit plans, grants and sales of stock, stock appreciation or similar rights, stock options or other rights of such Person or any of its Restricted Subsidiaries shall be excluded;

(11) any (a) severance or relocation costs or expenses, (b) one-time non-cash compensation charges, (c) the costs and expenses after the Issue Date related to employment of terminated employees, (d) costs or expenses realized in connection with, resulting from or in anticipation of the Transactions or (e) costs or expenses realized in connection with or resulting from stock appreciation or similar rights, stock options or other rights existing on the Issue Date of officers, directors and employees, in each case of such Person or any of its Restricted Subsidiaries, shall be excluded;

(12) accruals and reserves that are established or adjusted in accordance with IFRS or changes as a result of the adoption or modification of accounting policies shall be excluded;

(13) (a)(i) the non-cash portion of "straight-line" rent expense shall be excluded and (ii) the cash portion of "straight-line" rent expense which exceeds the amount expensed in respect of such rent expense shall be included and (b) non-cash gains, losses, income and expenses resulting from fair value accounting shall be excluded;

(14) unrealized gains and losses relating to hedging transactions and mark-to-market of Indebtedness denominated in foreign currencies shall be excluded;

(15) solely for the purpose of calculating Restricted Payments, the difference, if positive, of the Consolidated Taxes of the Issuer calculated in accordance with IFRS and the actual Consolidated Taxes paid in cash by the Issuer during any Reference Period shall be included;

(16) non-cash charges for deferred tax asset valuation allowances shall be excluded;

(17) an adjustment (which may be a negative number) shall be made to the extent that Net Income was calculated on an average cost basis with respect to inventory, in order to reflect the additional Net Income (or the reduction to Net Income) which would have been recognized using an approximation of last in first out inventory accounting; and

(18) any loss on sale of receivables and related assets in a Factoring Facility or other Qualified Receivables Financing shall be excluded.

Notwithstanding the foregoing, for the purpose of the covenant described under "—Certain Covenants—Limitation on Restricted Payments" only, there shall be excluded from Consolidated Net Income any dividends, repayments of loans or advances or other transfers of assets from Unrestricted Subsidiaries of the Issuer or a Restricted Subsidiary of the Issuer to the extent such dividends, repayments or transfers increase the amount of Restricted Payments permitted under such covenant pursuant to clauses (5) and (6) of the definition of Cumulative Credit contained therein.

"*Consolidated Non-cash Charges*" means, with respect to any Person for any period, the aggregate depreciation, amortization, accretion and other non-cash expenses of such Person and its Restricted Subsidiaries reducing Consolidated Net Income of such Person for such period on a consolidated basis and otherwise determined in accordance with IFRS, but excluding any such charge which consists of or requires an accrual of, or cash reserve for, anticipated cash charges for any future period.

"*Consolidated Secured Net Debt Ratio*" means, with respect to any Person at any date, the ratio of (i) the aggregate amount of all Consolidated Total Indebtedness secured by a Lien (other than any Indebtedness under the Factoring Facilities or any Qualified Receivables Financing), less 100% of the unrestricted cash and Cash Equivalents that would be stated on the balance sheet of such Person and its Restricted Subsidiaries as of such date, to (ii) EBITDA of such Person for the four full fiscal quarters for which internal financial statements are available immediately preceding such date. The second sentence of the first paragraph of the definition of "Fixed Charge Coverage Ratio" and paragraphs 2, 3, and 4 thereof shall apply to the calculation of the Consolidated Secured Net Debt Ratio, and such calculation shall give pro forma effect to the application of the proceeds of any Indebtedness that is incurred on the calculation date (with any proceeds that are initially to be held as cash or Cash Equivalents being deemed to have been applied as of the calculation date).

"*Consolidated Taxes*" means provision for taxes based on income, profits or capital, including, without limitation, state, franchise and similar taxes.

"*Consolidated Total Indebtedness*" means, as of any date of determination, the aggregate principal amount of consolidated funded Indebtedness for borrowed money (which, for the avoidance of doubt, shall not include any Indebtedness under the Factoring Facilities or any Qualified Receivables Financing) of the Issuer and its Restricted Subsidiaries outstanding on such date.

"*Contingent Obligations*" means, with respect to any Person, any obligation of such Person guaranteeing any leases, dividends or other obligations that do not constitute Indebtedness ("*primary obligations*") of any other Person (the "*primary obligor*") in any manner, whether directly or indirectly, including, without limitation, any obligation of such Person, whether or not contingent:

(1) to purchase any such primary obligation or any property constituting direct or indirect security therefor,

(2) to advance or supply funds:

(a) for the purchase or payment of any such primary obligation; or

(b) to maintain working capital or equity capital of the primary obligor or otherwise to maintain the net worth or solvency of the primary obligor; or

(3) to purchase property, securities or services primarily for the purpose of assuring the owner of any such primary obligation of the ability of the primary obligor to make payment of such primary obligation against loss in respect thereof.

"*Credit Facilities*" means (i) the Revolving Credit Facility, dated on or about the Issue Date, among the Issuer, the guarantors named therein, the financial institutions named therein, and Deutsche Bank AG New York Branch as Administrative Agent, as amended, restated, supplemented, waived, replaced (whether or not upon termination, and whether with the original lenders or otherwise), restructured, repaid, refunded, refinanced or otherwise modified from time to time, including any agreement or indenture extending the maturity thereof, refinancing, replacing or otherwise restructuring all or any portion of the Indebtedness under such agreement or agreements or indenture or indentures or any successor or replacement agreement or agreements or indenture or indentures or increasing the amount loaned or issued thereunder or altering the maturity thereof (the "*Revolving Credit Facility*"); (ii) Indebtedness Incurred and outstanding pursuant to clause (a) of the second paragraph of the covenant described under "—Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock" (it being understood that Indebtedness that is Incurred pursuant to such clause and subsequently reclassified as being Incurred pursuant to a different clause in accordance with the Indenture will not be deemed outstanding pursuant to such clause (a)); and (iii) whether or not the Credit Facilities referred to in clauses (i) or (ii) remain outstanding, if designated by the Issuer to be included in the definition of "Credit Facilities," one or more (A) debt facilities or commercial paper facilities, providing for revolving credit loans, term loans, receivables financing (including through the sale of receivables to lenders or to special purpose entities formed to borrow from lenders against such receivables) or letters of credit, (B) debt securities, indentures or other forms of debt financing (including convertible or exchangeable debt instruments or bank guarantees or bankers' acceptances), or (C) instruments or agreements evidencing any other Indebtedness, in each case, with the same or different borrowers or issuers and, in each case, as amended, supplemented, modified, extended, restructured, renewed, refinanced, restated, replaced or refunded in whole or in part from time to time.

"*Default*" means any event which is, or after notice or passage of time or both would be, an Event of Default.

"*Designated Non-cash Consideration*" means the Fair Market Value of non-cash consideration received by the Issuer or one of its Restricted Subsidiaries in connection with an Asset Sale that is so designated as Designated Non-cash Consideration pursuant to an Officer's Certificate, setting forth the basis of such valuation, less the amount of Cash Equivalents received in connection with a subsequent sale of or collection on such Designated Non-cash Consideration.

"*Designated Preferred Stock*" means Preferred Stock of the Issuer or any direct or indirect parent of the Issuer (other than Disqualified Stock), that is issued for cash (other than to the Issuer or any of its Subsidiaries or an employee stock ownership plan or trust established by the Issuer or any of its Subsidiaries) and is so designated as Designated Preferred Stock, pursuant to an Officer's Certificate, on the issuance date thereof.

"*Disqualified Stock*" means, with respect to any Person, any Capital Stock of such Person which, by its terms (or by the terms of any security into which it is convertible or for which it is redeemable or exchangeable), or upon the happening of any event:

(1) matures or is mandatorily redeemable, pursuant to a sinking fund obligation or otherwise (other than as a result of a change of control or asset sale; *provided* that the relevant asset sale or change of control provisions, taken as a whole, are not materially more disadvantageous to the holders of the applicable series of Notes than is customary in comparable transactions (as determined in good faith by the Issuer)),

(2) is convertible or exchangeable for Indebtedness or Disqualified Stock of such Person, or

(3) is redeemable at the option of the holder thereof, in whole or in part (other than as a result of a change of control or asset sale; *provided* that the relevant asset sale or change of control provisions, taken as a whole, are not

materially more disadvantageous to the holders of the applicable series of Notes than is customary in comparable transactions (as determined in good faith by the Issuer)),

in each case prior to 91 days after (x) the maturity date of the applicable series of Notes or (y) the date the applicable series of Notes are no longer outstanding; *provided*, *however*, that only the portion of Capital Stock which so matures or is mandatorily redeemable, is so convertible or exchangeable or is so redeemable at the option of the holder thereof prior to such date shall be deemed to be Disqualified Stock; *provided*, *further*, *however*, that if such Capital Stock is issued to any employee or to any plan for the benefit of employees of the Issuer or its Subsidiaries or by any such plan to such employees, such Capital Stock shall not constitute Disqualified Stock solely because it may be required to be repurchased by the Issuer in order to satisfy applicable statutory or regulatory obligations or as a result of such employee's termination, death or disability; *provided*, *further*, that any class of Capital Stock of such Person that by its terms authorizes such Person to satisfy its obligations thereunder by delivery of Capital Stock that is not Disqualified Stock shall not be deemed to be Disqualified Stock.

" *EBITDA*" means, with respect to any Person for any period, the Consolidated Net Income of such Person and its Restricted Subsidiaries for such period plus, without duplication, to the extent the same was deducted in calculating Consolidated Net Income:

(1) Consolidated Taxes; *plus*

(2) Consolidated Interest Expense; *plus*

(3) Consolidated Non-cash Charges; *plus*

(4) business optimization expenses and other restructuring charges or expenses (which, for the avoidance of doubt, shall include, without limitation, the effect of inventory optimization programs, plant closures, facility consolidations, retention, severance, systems establishment costs, contract termination costs, future lease commitments and excess pension charges); *provided* that the aggregate amount of business optimization expenses and other restructuring charges or expenses added pursuant to this clause (4) shall not exceed the greater of (i) €20 million and (ii) 10% of EBITDA for such period; *less*, without duplication,

(5) non-cash items increasing Consolidated Net Income for such period (excluding the recognition of deferred revenue or any items which represent the reversal of any accrual of, or cash reserve for, anticipated cash charges in any prior period and any items for which cash was received in a prior period).

"*Equity Interests*" means Capital Stock and all warrants, options or other rights to acquire Capital Stock (but excluding any debt security that is convertible into, or exchangeable for, Capital Stock).

"*Equity Offering*" means any public or private sale after the Issue Date of common stock or Preferred Stock of the Issuer or any direct or indirect parent of the Issuer, as applicable (other than Disqualified Stock), other than:

(1) public offerings with respect to the Issuer's or such direct or indirect parent's common stock registered on Form F-8 or F-4; and

(2) any such public or private sale that constitutes an Excluded Contribution.

"*European Government Obligations*" means any security that is (i) a direct obligation of Ireland, Belgium, the Netherlands, France, Germany or any country that is a member of the European Monetary Union on the date of the Euro Indenture, for the payment of which the full faith and credit of such country is pledged or (ii) an obligation of a person controlled or supervised by and acting as an agency or instrumentality of any such country the payment of which is unconditionally guaranteed as a full faith and credit obligation by such country, which, in either case under the preceding clause (i) or (ii), is not callable or redeemable at the option of the issuer thereof.

"*Euros*" and "€" each mean the single currency of the Member States of the European Union participating in the third stage of the economic and monetary union pursuant to the Treaty on the Functioning of the European Union, as amended or supplemented from time to time.

"*Exchange Act*" means the Securities Exchange Act of 1934, as amended, and the rules and regulations of the SEC promulgated thereunder.

"*Exchange Rate*" means, as of any day, the rate at which the relevant currency may be exchanged into Euro or U.S. Dollars, as applicable, at approximately 11:00 a.m., New York City time, on such date on the Bloomberg Key Cross Currency Rates Page (or any successor page) for the relevant currency. In the event that such rate does not appear on any Bloomberg Key Cross Currency Rates Page (or any successor page), the Exchange Rate shall be determined by the Issuer in good faith.

"*Excluded Contributions*" means the Cash Equivalents or other assets (valued at their Fair Market Value as determined in good faith by the Issuer) received by the Issuer after the Issue Date from:

(1) contributions to its common equity capital, and

(2) the sale (other than to a Subsidiary of the Issuer or to any Subsidiary management equity plan or stock option plan or any other management or employee benefit plan or agreement) of Capital Stock (other than Disqualified Stock and Designated Preferred Stock) of the Issuer,

in each case designated as Excluded Contributions pursuant to an Officer's Certificate executed by an Officer of the Issuer on or promptly after the date such capital contributions are made or the date such Capital Stock is sold, as the case may be.

"*Factoring Facilities*" means the receivables purchase facilities granted to certain Subsidiaries of the Issuer pursuant to (a) the agreement dated as of January 4, 2011 between GE Factofrance S.A.S. as purchaser, Constellium France, Constellium Extrusions France and Constellium Aviatube as sellers, Constellium Holdco II B.V. and Constellium Switzerland AG, (b) the agreement dated as of December 16, 2010 between GE Capital Bank AG as purchaser and Constellium Singen GmbH as seller, (c) the agreement dated as of December 16, 2010 between GE Capital Bank AG as purchaser and Constellium Extrusions Deutschland GmbH as seller and (d) the agreement dated as of December 16, 2010 between GE Capital Bank AG as purchaser and Constellium Valais AG as seller, in each case, as such agreement may be amended, restated, supplemented, waived, replaced (whether or not upon termination, and whether with the original parties or otherwise), restructured, or otherwise modified from time to time.

"*Fair Market Value*" means, with respect to any asset or property, the price which could be negotiated in an arm's-length, free market transaction, for cash, between a willing seller and a willing and able buyer, neither of whom is under undue pressure or compulsion to complete the transaction.

"*Fixed Charge Coverage Ratio*" means, with respect to any Person for any period, the ratio of EBITDA of such Person for such period to the Fixed Charges of such Person for such period. In the event that the Issuer or any of its Restricted Subsidiaries Incurs, repays, repurchases, retires, extinguishes, defeases, discharges or redeems any Indebtedness (other than in the case of revolving credit borrowings or revolving advances under any receivables financing, in which case interest expense shall be computed based upon the average daily balance of such Indebtedness during the applicable period unless such Indebtedness has been permanently repaid and has not been replaced) or issues, repurchases or redeems Disqualified Stock or Preferred Stock subsequent to the commencement of the period for which the Fixed Charge Coverage Ratio is being calculated but on or prior to the event for which the calculation of the Fixed Charge Coverage Ratio is made (the "*Calculation Date*"), then the Fixed Charge Coverage Ratio shall be calculated giving pro forma effect to such Incurrence, repayment, repurchase or redemption of Indebtedness, or such issuance, repurchase, retirement, extinguishment, defeasance, discharge or redemption of Disqualified Stock or Preferred Stock, as if the same had occurred at the beginning of the applicable four-quarter period.

For purposes of making the computation referred to above, Investments, acquisitions, dispositions, mergers, amalgamations, consolidations and discontinued operations (as determined in accordance with IFRS), in each case with respect to an operating unit of a business, and any operational changes that the Issuer or any of its Restricted Subsidiaries has determined to make and/or made during the four-quarter reference period or subsequent to such reference period and on or prior to or simultaneously with the Calculation Date (each, for purposes of this definition, a "*pro forma event*") shall be calculated on a pro forma basis assuming that all such Investments, acquisitions, dispositions, mergers, amalgamations, consolidations, discontinued operations and operational changes (and the change of any associated fixed charge obligations and the change in EBITDA resulting therefrom) had occurred on the first day of the four-quarter reference period. If since the beginning of such period any Person that subsequently became a Restricted Subsidiary or was merged with or into the Issuer or any Restricted Subsidiary since the beginning of such period shall have made any Investment, acquisition, disposition, merger, amalgamation, consolidation, discontinued operation or operational change, in each case with respect to an operating unit of a business, that would have required adjustment pursuant to this definition, then the Fixed Charge Coverage Ratio shall be calculated giving pro forma effect thereto for such period as if such Investment, acquisition, disposition, discontinued operation, merger, amalgamation, consolidation or operational change had occurred at the beginning of the applicable four-quarter period.

For purposes of this definition, whenever pro forma effect is to be given to any pro forma event, the pro forma calculations shall be made in good faith by a responsible financial or accounting officer of the Issuer. Any such pro forma calculation may include adjustments appropriate, in the reasonable good faith determination of the Issuer, to reflect (1) operating expense reductions and other operating improvements or synergies reasonably expected to result from the applicable pro forma event, and (2) all adjustments of the nature used in connection with the calculation of "Adjusted EBITDA" as set forth in "Summary Consolidated Historical Financial Data" in this offering memorandum to the extent such adjustments, without duplication, continue to be applicable to such four-quarter period.

If any Indebtedness bears a floating rate of interest and is being given pro forma effect, the interest on such Indebtedness shall be calculated as if the rate in effect on the Calculation Date had been the applicable rate for the entire period (taking into account any Hedging Obligations applicable to such Indebtedness if such Hedging Obligation has a remaining term in excess of 12 months). Interest on a Capitalized Lease Obligation shall be deemed to accrue at an interest rate reasonably determined by a responsible financial or accounting officer of the Issuer to be the rate of interest implicit in such Capitalized Lease Obligation in accordance with IFRS. For purposes of making the computation referred to above, interest on any Indebtedness under a revolving credit facility computed on a pro forma basis shall be computed based upon the average daily balance of such Indebtedness during the applicable period. Interest on Indebtedness that may optionally be determined at an interest rate based upon a factor of a prime or similar rate, a eurocurrency interbank offered rate, or other rate, shall be deemed to have been based upon the rate actually chosen, or, if none, then based upon such optional rate chosen as the Issuer may designate.

"*Fixed Charges*" means, with respect to any Person for any period, the sum, without duplication, of:

(1) Consolidated Interest Expense of such Person for such period, and

(2) all cash dividend payments (excluding items eliminated in consolidation) on any series of Preferred Stock or Disqualified Stock of such Person and its Restricted Subsidiaries.

"*Foreign Subsidiary*" means a Restricted Subsidiary not organized or existing under the laws of the United States of America or any state or territory thereof or the District of Columbia.

"*GAAP*" means generally accepted accounting principles in the United States set forth in the opinions and pronouncements of the Accounting Principles Board of the American Institute of Certified Public Accountants and statements and pronouncements of the Financial Accounting Standards Board or in such other statements by such other entity as have been approved by a significant segment of the accounting profession.

"*guarantee*" means a guarantee (other than by endorsement of negotiable instruments for collection in the ordinary course of business), direct or indirect, in any manner (including, without limitation, letters of credit and reimbursement agreements in respect thereof), of all or any part of any Indebtedness or other obligations. The amount of any guarantee shall be deemed to be an amount equal to the stated or determinable amount of the related primary obligation, or portion thereof, in respect of which such guarantee is made or, if not stated or determinable, the maximum reasonably anticipated liability in respect thereof as determined in good faith by the Issuer. The term "guarantee" as a verb has a corresponding meaning.

" *Hedging Obligations*" means, with respect to any Person, the obligations of such Person under:

(1) currency exchange, interest rate or commodity Swap Agreements, currency exchange, interest rate or commodity cap agreements and currency exchange, interest rate or commodity collar agreements; and

(2) other agreements or arrangements designed to protect such Person against fluctuations in currency exchange, interest rates or commodity prices.

"*holder*" or "*noteholder*" means the Person in whose name a Note is registered.

"*Incur*" means issue, assume, guarantee, incur or otherwise become liable for; *provided*, *however*, that any Indebtedness or Capital Stock of a Person existing at the time such Person becomes a Subsidiary (whether by merger, amalgamation, consolidation, acquisition or otherwise) shall be deemed to be Incurred by such Person at the time it becomes a Subsidiary.

"*IFRS*" means International Financial Reporting Standards promulgated from time to time by the International Accounting Standards Board (or any successor board or agency, together the "*IASB*") and as adopted by the European Union and statements and pronouncements of the IASB or in such other statements by such other entity as have been approved by a significant segment of the accounting profession, which are in effect from time to time (other than with respect to Capitalized Lease Obligations), it being understood that, for purposes of the Indentures, all references to codified accounting standards specifically named in the Indentures shall be deemed to include any successor, replacement, amended or updated accounting standard under IFRS; *provided* that, at any time after adoption of GAAP by the Issuer (or the relevant reporting entity) for its financial statements and reports for all financial reporting purposes, the Issuer (or the relevant reporting entity) may irrevocably elect to apply GAAP for all purposes of the Indentures, and, upon any such election, references in the Indentures to IFRS shall be construed to mean GAAP as in effect on the date of such election and thereafter from time to time; *provided* that (1) all financial statements and reports required to be provided after such election pursuant to the Indentures shall be prepared on the basis of GAAP, (2) from and after such election, all ratios, computations, calculations and other determinations based on IFRS contained in the Indentures shall be computed in conformity with GAAP (other than with respect to Capitalized Lease Obligations) with retroactive effect being given thereto assuming that such election had been made on the Issue Date, (3) such election shall not have the effect of rendering invalid any payment or Investment made prior to the date of such election pursuant to the covenant described under "—Certain Covenants—Limitation on Restricted Payments" or any Incurrence of Indebtedness or Liens Incurred prior to the date of such election pursuant to the covenant described under "—Certain Covenants—Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock" (or any other action conditioned on the Issuer and the Restricted Subsidiaries having been able to Incur $1.00 of additional Indebtedness) or "—Certain Covenants—Liens" if such payment, Investment, Incurrence or other action was valid under the applicable Indenture on the date made, Incurred or taken, as the case may be and (4) all accounting terms and references in the Indentures to accounting standards shall be deemed to be references to the most comparable terms or standards under GAAP. The Issuer shall give written notice of any election to the Trustee and the holders of Notes within 15 days of such election. For the avoidance of doubt, (i) solely making an election (without any other action) referred to in this definition will not be treated as an Incurrence of Indebtedness or Liens, and (ii) nothing herein shall prevent the Issuer, any Restricted Subsidiary or reporting entity from adopting or changing its functional or reporting currency in accordance with IFRS, or GAAP, as applicable; *provided* that such adoption or change shall not have the effect of rendering invalid any payment or Investment made prior to the date of such election pursuant to the covenant described under "—Certain Covenants—Limitation on Restricted Payments" or any Incurrence of Indebtedness or Liens Incurred prior to the date of such adoption or change pursuant to the covenant described under "—Certain Covenants—Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock" or "—Certain Covenants—Liens" (or any other action conditioned on the Issuer and the Restricted Subsidiaries having been able to Incur $1.00 of additional Indebtedness) if such payment, Investment, Incurrence or other action was valid under the applicable Indenture on the date made, Incurred or taken, as the case may be.

"*Indebtedness*" means, with respect to any Person (without duplication):

(1) the principal and premium (if any) of any indebtedness of such Person, whether or not contingent, (a) in respect of borrowed money, (b) evidenced by bonds, notes, debentures or similar instruments (except any such obligation issued in the ordinary course of business with a maturity date of no more than six months in a transaction intended to extend payment terms of trade payables or similar obligations to trade creditors incurred in the ordinary course of business) or letters of credit or bankers' acceptances (or, without duplication, reimbursement agreements in respect thereof), (c) representing the deferred and unpaid purchase price of any property (except (i) any such balance that constitutes a trade payable or similar obligation to a trade creditor, in each case Incurred in the ordinary course of business, (ii) any earn-out obligations until such obligation becomes a liability on the balance sheet of such Person in accordance with IFRS and (iii) liabilities incurred in the ordinary course of business), (d) in respect of Capitalized Lease Obligations, or (e) representing any Hedging Obligations, if and to the extent that any of the foregoing indebtedness would appear as a liability on a balance sheet (excluding the footnotes thereto) of such Person prepared in accordance with IFRS;

(2) to the extent not otherwise included, any obligation of such Person to be liable for, or to pay, as obligor, guarantor or otherwise, the Indebtedness of another Person (other than by endorsement of negotiable instruments for collection in the ordinary course of business); and

(3) to the extent not otherwise included, Indebtedness of another Person secured by a Lien on any asset owned by such Person (whether or not such Indebtedness is assumed by such Person); *provided*, *however*, that the amount of such Indebtedness will be the lesser of: (a) the Fair Market Value of such asset at such date of determination, and (b) the amount of such Indebtedness of such other Person;

provided, *however*, that notwithstanding the foregoing, Indebtedness shall be deemed not to include (1) Contingent Obligations incurred in the ordinary course of business and not in respect of borrowed money; (2) deferred or prepaid revenues; (3) purchase price holdbacks in respect of a portion of the purchase price of an asset to satisfy warranty or other unperformed obligations of the respective seller; or (4) obligations under or in respect of Factoring Facilities or Qualified Receivables Financings.

Notwithstanding anything to the contrary herein, Indebtedness shall not include, and shall be calculated without giving effect to, the effects of International Accounting Standards No. 39 and related interpretations to the extent such effects would otherwise increase or decrease an amount of Indebtedness for any purpose under either Indenture as a result of accounting for any embedded derivatives created by the terms of such Indebtedness and any such amounts that would have constituted Indebtedness under such Indenture but for the application of this sentence shall not be deemed an incurrence of Indebtedness.

"*Independent Financial Advisor*" means an accounting, appraisal or investment banking firm or consultant, in each case of nationally recognized standing, that is, in the good faith determination of the Issuer, qualified to perform the task for which it has been engaged.

"*Investment Grade Rating*" means a rating equal to or higher than Baa3 (or the equivalent) by Moody's and BBB- (or the equivalent) by S&P, or an equivalent rating by any other Rating Agency.

" *Investment Grade Securities*" means:

(1) securities issued or directly and fully guaranteed or insured by the U.S. government or any agency or instrumentality thereof (other than Cash Equivalents),

(2) securities that have a rating equal to or higher than Baa3 (or equivalent) by Moody's or BBB- (or equivalent) by S&P, or an equivalent rating by any other Rating Agency, but excluding any debt securities or loans or advances between and among the Issuer and its Subsidiaries,

(3) investments in any fund that invests exclusively in investments of the type described in clauses (1) and (2) which fund may also hold immaterial amounts of cash pending investment and/or distribution, and

(4) corresponding instruments in countries other than the United States customarily utilized for high quality investments and in each case with maturities not exceeding two years from the date of acquisition.

"*Investments*" means, with respect to any Person, all investments by such Person in other Persons (including Affiliates) in the form of loans (including guarantees), advances or capital contributions (excluding accounts receivable, trade credit and advances to customers and commission, travel and similar advances to officers, employees and consultants made in the ordinary course of business), purchases or other acquisitions for consideration of Indebtedness, Equity Interests or other securities issued by any other Person and investments that are required by IFRS to be classified on the balance sheet of the Issuer in the same manner as the other investments included in this definition to the extent such transactions involve the transfer of cash or other property. For purposes of the definition of "Unrestricted Subsidiary" and the covenant described under "— Certain Covenants—Limitation on Restricted Payments":

(1) "Investments" shall include the portion (proportionate to the Issuer's equity interest in such Subsidiary) of the Fair Market Value of the net assets of a Subsidiary of the Issuer at the time that such Subsidiary is designated an Unrestricted Subsidiary; *provided*, *however*, that upon a redesignation of such Subsidiary as a Restricted Subsidiary, the Issuer shall be deemed to continue to have a permanent "Investment" in an Unrestricted Subsidiary equal to an amount (if positive) equal to:

(a) the Issuer's "Investment" in such Subsidiary at the time of such redesignation less

(b) the portion (proportionate to the Issuer's equity interest in such Subsidiary) of the Fair Market Value of the net assets of such Subsidiary at the time of such redesignation; and

(2) any property transferred to or from an Unrestricted Subsidiary shall be valued at its Fair Market Value at the time of such transfer, in each case as determined in good faith by the Issuer.

"*Issue Date*" means the date on which the Notes are originally issued.

"*Lien*" means, with respect to any asset, any mortgage, lien, pledge, charge, security interest or encumbrance of any kind in respect of such asset, whether or not filed, recorded or otherwise perfected under applicable law (including any conditional sale or other title retention agreement, any lease in the nature thereof, any option or other agreement to give a security interest in and any filing of or agreement to give any financing statement under the Uniform Commercial Code (or equivalent statutes) of any jurisdiction); *provided* that in no event shall an operating lease or an option or an agreement to sell be deemed to constitute a Lien.

"*Moody's*" means Moody's Investors Service, Inc. or any successor to the rating agency business thereof.

"*Net Income*" means, with respect to any Person, the net income (loss) of such Person, determined in accordance with IFRS and before any reduction in respect of Preferred Stock dividends.

"*Net Proceeds*" means the aggregate cash proceeds received by the Issuer or any of its Restricted Subsidiaries in respect of any Asset Sale (including, without limitation, any cash received in respect of or upon the sale or other disposition of any Designated Non-cash Consideration received in any Asset Sale and any cash payments received by way of deferred payment of principal pursuant to a note or installment receivable or otherwise, but only as and when received, but excluding the assumption by the acquiring person of Indebtedness relating to the disposed assets or other consideration received in any other non-cash form), net of the direct costs relating to such Asset Sale and the sale or disposition of such Designated Non-cash Consideration (including, without limitation, legal, accounting and investment banking fees, and brokerage and sales commissions), and any relocation expenses Incurred as a result thereof, taxes paid or payable as a result thereof (after taking into account any available tax credits or deductions and any tax sharing arrangements related thereto), amounts required to be applied to the repayment of principal, premium (if any) and interest on Indebtedness required (other than pursuant to the second paragraph of the covenant described under "—Certain Covenants—Asset Sales") to be paid as a result of such transaction, and any deduction of appropriate amounts to be provided by the Issuer as a reserve in accordance with IFRS against any liabilities associated with the asset disposed of in such transaction and retained by the Issuer after such sale or other disposition thereof, including, without limitation, pension and other post-employment benefit liabilities and liabilities related to environmental matters or against any indemnification obligations associated with such transaction.

"*Note Guarantee*" means any guarantee of the obligations of the Issuer under an Indenture and the corresponding series of Notes by any Person in accordance with the provisions of such Indenture.

"*Note Guarantor*" means any Person that Incurs a Note Guarantee; *provided* that upon the release or discharge of such Person from its Note Guarantee in accordance with the applicable Indenture, such Person ceases to be a Note Guarantor under such Indenture.

"*Obligations*" means any principal, interest, penalties, fees, indemnifications, reimbursements (including, without limitation, reimbursement obligations with respect to letters of credit and bankers' acceptances), damages and other liabilities payable under the documentation governing any Indebtedness; *provided* that Obligations with respect to a series of Notes shall not include fees or indemnifications in favor of the Trustee and other third parties other than the holders of such Notes.

"*Officer*" means the chairman of the board, chief executive officer, chief financial officer, president, any executive vice president, senior vice president or vice president, the treasurer or the secretary of the issuer or its subsidiary, as applicable.

"*Officer's Certificate*" means a certificate signed on behalf of the Issuer or its Subsidiary (as applicable) by an officer of the Issuer or its Subsidiary (as applicable), who must be the principal executive officer, the principal financial officer, the treasurer, the secretary or the principal accounting officer of the Issuer or its Subsidiary, as applicable, that meets the requirements set forth in the applicable Indenture.

"*Opinion of Counsel*" means a written opinion from legal counsel who is reasonably acceptable to the Trustee. The counsel may be an employee of or counsel to the Issuer or any Subsidiary.

" *Pari Passu Indebtedness*" means:

(1) with respect to the Issuer, any Indebtedness which ranks pari passu in right of payment to the Notes; and

(2) with respect to any Note Guarantor, any Indebtedness which ranks pari passu in right of payment to such Note Guarantor's Note Guarantee.

" *Permitted Investments*" means:

(1) any Investment in the Issuer or any Restricted Subsidiary;

(2) any Investment in Cash Equivalents or Investment Grade Securities;

(3) any Investment by the Issuer or any Restricted Subsidiary of the Issuer in a Person if as a result of such Investment (a) such Person becomes a Restricted Subsidiary of the Issuer, or (b) such Person, in one transaction or a series of related transactions, is merged, consolidated or amalgamated with or into, or transfers or conveys all or substantially all of its assets to, or is liquidated into, the Issuer or a Restricted Subsidiary of the Issuer;

(4) any Investment in securities or other assets not constituting Cash Equivalents and received in connection with an Asset Sale made pursuant to the provisions of "—Certain Covenants—Asset Sales" or any other disposition of assets not constituting an Asset Sale;

(5) any Investment existing on, or made pursuant to binding commitments existing on, the Issue Date or an Investment consisting of any extension, modification or renewal of any Investment existing on the Issue Date; *provided* that the amount of any such Investment may only be increased as required by the terms of such Investment as in existence on the Issue Date;

(6) advances to directors, officers or employees, taken together with all other advances made pursuant to this clause (6), not to exceed €15.0 million at any one time outstanding;

(7) any Investment acquired by the Issuer or any of its Restricted Subsidiaries (a) in exchange for any other Investment or accounts receivable held by the Issuer or any such Restricted Subsidiary in connection with or as a result of a bankruptcy, workout, reorganization or recapitalization of the issuer of such other Investment or accounts receivable; (b) as a result of a foreclosure by the Issuer or any of its Restricted Subsidiaries with respect to any secured Investment or other transfer of title with respect to any secured Investment in default; or (c) as a result of the settlement, compromise or resolution of litigation, arbitration or other disputes with Persons who are not Affiliates;

(8) Hedging Obligations permitted under clause (k) of the second paragraph of the covenant described under "—Certain Covenants—Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock";

(9) additional Investments by the Issuer or any of its Restricted Subsidiaries having an aggregate Fair Market Value, taken together with all other Investments made pursuant to this clause (9) that are at that time outstanding, not to exceed the greater of (x) €100.0 million and (y) 5.5% of Total Assets at the time of such Investment (with the Fair Market Value of each Investment being measured at the time made and without giving effect to subsequent changes in value); *provided*, *however*, that if any Investment made pursuant to this clause (9) is made in any Person that is not a Restricted Subsidiary of the Issuer at the date of the making of such Investment and such Person becomes a Restricted Subsidiary of the Issuer after such date, such Investment shall thereafter be deemed to have been made pursuant to clause (1) above and shall cease to have been made pursuant to this clause (9) for so long as such Person continues to be a Restricted Subsidiary;

(10) loans and advances to officers, directors and employees for business-related travel expenses, moving expenses and other similar expenses, in each case Incurred in the ordinary course of business or to fund such Person's purchase of Equity Interests of the Issuer or any direct or indirect parent of the Issuer;

(11) Investments, the payment for which consists of Equity Interests of the Issuer (other than Disqualified Stock) or any direct or indirect parent of the Issuer, as applicable; *provided*, *however*, that the issue of such Equity Interests will not increase the amount available for Restricted Payments under clause (2) of the definition of Cumulative Credit contained in "—Certain Covenants—Limitation on Restricted Payments";

(12) any transaction to the extent it constitutes an Investment that is permitted by and made in accordance with the provisions of the second paragraph of the covenant described under "—Certain Covenants—Transactions with Affiliates" (except transactions described in clauses (2), (6), and (8)(b) of such paragraph);

(13) Investments consisting of the licensing or contribution of intellectual property pursuant to joint marketing arrangements with other Persons;

(14) guarantees issued in accordance with the covenants described under "—Certain Covenants—Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock" and "—Certain Covenants—Future Note Guarantors";

(15) Investments consisting of or to finance purchases and acquisitions of inventory, supplies, materials, services or equipment or purchases of contract rights or licenses or leases of intellectual property, in each case in the ordinary course of business;

(16)(i) any Investment in a Receivables Subsidiary or any Investment by a Receivables Subsidiary in any other Person in connection with a Qualified Receivables Financing, including Investments of funds held in accounts permitted or required by the arrangements governing such Qualified Receivables Financing or any related Indebtedness; *provided*, *however*, that any Investment in a Receivables Subsidiary is in the form of a Purchase Money Note, contribution of additional receivables or an equity interest and (ii) any other Investment in connection with a Qualified Receivables Financing or Factoring Facility;

(17) any Investment in an entity or purchase of a business or assets in each case owned (or previously owned) by a customer of a Restricted Subsidiary as a condition or in connection with such customer (or any member of such customer's group) contracting with a Restricted Subsidiary, in each case in the ordinary course of business;

(18) Investments of a Restricted Subsidiary of the Issuer acquired after the Issue Date or of an entity merged into, amalgamated with, or consolidated with the Issuer or a Restricted Subsidiary of the Issuer in a transaction that is not prohibited by the covenant described under "—Merger, Amalgamation, Consolidation or Sale of All or Substantially All Assets" after the Issue Date to the extent that such Investments were not made in contemplation of such acquisition, merger, amalgamation or consolidation and were in existence on the date of such acquisition, merger, amalgamation or consolidation;

(19) any Investment in any Subsidiary (including any Unrestricted Subsidiary) or joint venture in connection with intercompany cash management arrangements or related activities arising in the ordinary course of business;

(20) Investments in Quiver Ventures, LLC in an amount not to exceed €80 million at any time outstanding; and

(21) guarantees by the Issuer or any Restricted Subsidiary of operating leases or of other obligations that do not constitute Indebtedness, in each case, entered into in the ordinary course of business.

" *Permitted Liens*" means, with respect to any Person:

(1) pledges or deposits by such Person under workmen's compensation laws, unemployment insurance laws or similar legislation, or good faith deposits in connection with bids, tenders, contracts (other than for the payment of Indebtedness) or leases to which such Person is a party, or deposits to secure public or statutory obligations of such Person or deposits of cash or U.S. government bonds to secure surety or appeal bonds to which such Person is a party, or deposits as security for contested taxes or import duties or for the payment of rent, in each case Incurred in the ordinary course of business;

(2) Liens imposed by law, such as carriers', warehousemen's and mechanics' Liens, in each case for sums not yet due or being contested in good faith by appropriate proceedings or other Liens arising out of judgments or awards against such Person with respect to which such Person shall then be proceeding with an appeal or other proceedings for review;

(3) Liens for taxes, assessments or other governmental charges not yet due or which are being contested in good faith by appropriate proceedings;

(4) Liens in favor of issuers of performance and surety bonds or bid bonds or with respect to other regulatory requirements or letters of credit issued pursuant to the request of and for the account of such Person in the ordinary course of its business;

(5) minor survey exceptions, minor encumbrances, easements or reservations of, or rights of others for, licenses, rights-of-way, sewers, electric lines, telegraph and telephone lines and other similar purposes, or zoning or other restrictions as to the use of real properties or Liens incidental to the conduct of the business of such Person or to the ownership of its properties which were not Incurred in connection with Indebtedness and which do not in the aggregate materially adversely affect the value of said properties or materially impair their use in the operation of the business of such Person;

(6) Liens securing Indebtedness permitted to be Incurred pursuant to clause (e) of the second paragraph of the covenant described under "—Certain Covenants—Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock;" *provided* that such Lien extends only to the property and/or Capital Stock, the purchase, lease, construction or improvement of which is financed thereby and any income or profits therefrom);

(7) Liens existing on the Issue Date (other than Liens that secure the Credit Facilities existing on the Issue Date);

(8) Liens on assets, property or shares of stock of a Person in existence at the time such Person becomes a Subsidiary; *provided*, *however*, that such Liens are not created or Incurred in connection with, or in contemplation of, such other Person becoming such a Subsidiary; *provided*, *further*, *however*, that such Liens may not extend to any other property owned by the Issuer or any Restricted Subsidiary of the Issuer;

(9) Liens on assets or property at the time the Issuer or a Restricted Subsidiary of the Issuer acquired the assets or property, including any acquisition by means of a merger, amalgamation or consolidation with or into the Issuer or any Restricted Subsidiary of the Issuer; *provided*, *however*, that such Liens are not created or Incurred in connection with, or in contemplation of, such acquisition; *provided*, *further*, *however*, that the Liens may not extend to any other property owned by the Issuer or any Restricted Subsidiary of the Issuer;

(10) Liens on assets of a Restricted Subsidiary that is not a Note Guarantor securing Indebtedness of such Restricted Subsidiary permitted to be Incurred pursuant to the covenant described under "—Certain Covenants—Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock," other than Indebtedness owed to another Restricted Subsidiary that is not a Note Guarantor;

(11) Liens securing Hedging Obligations not incurred in violation of the applicable Indenture;

(12) Liens on specific items of inventory or other goods and proceeds of any Person securing such Person's obligations in respect of bankers' acceptances issued or created for the account of such Person to facilitate the purchase, shipment or storage of such inventory or other goods;

(13) leases and subleases of real property which do not materially interfere with the ordinary conduct of the business of the Issuer or any of its Restricted Subsidiaries;

(14) Liens arising from Uniform Commercial Code financing statement filings regarding operating leases entered into by the Issuer and its Restricted Subsidiaries in the ordinary course of business;

(15) Liens in favor of the Issuer or any Note Guarantor;

(16) Liens on accounts receivable and related assets of the type specified in the definition of “Receivables Financing” Incurred in connection with a Qualified Receivables Financing and Factoring Facilities;

(17) deposits made in the ordinary course of business to secure liability to insurance carriers;

(18) Liens on the Equity Interests of Unrestricted Subsidiaries;

(19) grants of software and other technology licenses in the ordinary course of business;

(20) Liens to secure any refinancing, refunding, extension, renewal or replacement (or successive refinancings, refundings, extensions, renewals or replacements) as a whole, or in part, of any Indebtedness secured by any Lien referred to in the foregoing clauses (6), (7), (8) and (9); *provided*, *however*, that (x) such new Lien shall be limited to all or part of the same property that secured the original Lien (plus improvements on such property), and (y) the Indebtedness secured by such Lien at such time is not increased to any amount greater than the sum of (A) the outstanding principal amount or, if greater, committed amount of the Indebtedness described under clauses (6), (7), (8) and (9) at the time the original Lien became a Permitted Lien under the applicable Indenture, and (B) an amount necessary to pay any fees and expenses, including premiums, related to such refinancing, refunding, extension, renewal or replacement.

(21) Liens on equipment of the Issuer or any Restricted Subsidiary granted in the ordinary course of business to the Issuer's or such Restricted Subsidiary's client at which such equipment is located;

(22) judgment and attachment Liens not giving rise to an Event of Default and notices of *lis pendens* and associated rights related to litigation being contested in good faith by appropriate proceedings and for which adequate reserves have been made;

(23) Liens arising out of conditional sale, title retention, consignment or similar arrangements for the sale of goods entered into in the ordinary course of business;

(24) Liens incurred to secure cash management services or to implement cash pooling arrangements in the ordinary course of business;

(25) Liens arising by virtue of any statutory or common law provisions or under the Dutch General Banking Conditions relating to banker's liens, rights of set-off or similar rights and remedies as to deposit accounts or other funds maintained with a depository or financial institution;

(26) any interest or title of a lessor under any Capitalized Lease Obligations;

(27) any encumbrance or restriction (including put and call arrangements) with respect to Capital Stock of any joint venture or similar arrangement pursuant to any joint venture or similar agreement;

(28) Liens in favor of customs and revenue authorities arising as a matter of law to secure payment of customs duties in connection with the importation of goods;

(29) Liens solely on any cash earnest money deposits made by the Issuer or any of its Restricted Subsidiaries in connection with any letter of intent or purchase agreement in respect of any Investment permitted hereunder;

(30) Liens on securities that are the subject of repurchase agreements constituting Cash Equivalents;

(31) Liens on equity interests of a joint venture securing Indebtedness of such joint venture;

(32) Liens securing Indebtedness and other Obligations under Credit Facilities Incurred pursuant to clauses (a) or (b) of the second paragraph of the covenant described under "—Certain Covenants—Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock" (other than Indebtedness Incurred pursuant to clause (b) of such paragraph if such Indebtedness is required to be unsecured pursuant to the proviso to sub-clause (B) thereof);

(33) Liens securing obligations which obligations do not exceed, at the time of incurrence thereof, the greater of (i) €75.0 million and (ii) 4.5% of Total Assets; and

(34) Liens securing obligations in respect of letters of credit or bank guarantees issued in the ordinary course of business, which letters of credit or bank guarantees do not secure debt for borrowed money.

"*Person*" means any individual, corporation, partnership, limited liability company, joint venture, association, joint-stock company, trust, unincorporated organization, government or any agency or political subdivision thereof or any other entity.

"*Preferred Stock*" means any Equity Interest with preferential right of payment of dividends or upon liquidation, dissolution, or winding up.

"*Purchase Money Note*" means a promissory note of a Receivables Subsidiary evidencing a line of credit, which may be irrevocable, from the Issuer or any Subsidiary of the Issuer to a Receivables Subsidiary in connection with a Qualified Receivables Financing, which note is intended to finance that portion of the purchase price that is not paid by cash or a contribution of equity.

"*Qualified Receivables Financing*" means (i) the Receivables Financing pursuant to the Factoring Facilities (including any increase in the amount thereof); and (ii) any Receivables Financing that meets the following conditions: (a) the Issuer shall have determined in good faith that such Receivables Financing (including financing terms, covenants, termination events and other provisions) is in the aggregate economically fair and reasonable to the Issuer or, as the case may be, the Subsidiary in question; (b) all sales of accounts receivable and related assets are made at Fair Market Value; and (c) the financing terms, covenants, termination events and other provisions thereof shall be market terms (as determined in good faith by the Issuer) and may include Standard Undertakings and provided that in the case of Receivables Financings under clause (ii), such Receivables Financings shall have no greater recourse in any material respect to the Issuer and its Restricted Subsidiaries than the recourse to the Issuer and its Restricted Subsidiaries in the Factoring Facilities.

"*Rating Agency*" means, with respect to each series of Notes, (1) each of Moody's and S&P and (2) if Moody's or S&P ceases to rate such series of Notes for reasons outside of the Issuer's control, a "nationally recognized statistical rating organization" within the meaning of Section 3(a)(62) under the Exchange Act selected by the Issuer or any direct or indirect parent of the Issuer as a replacement agency for Moody's or S&P, as the case may be.

"*Receivables Fees*" means distributions or payments made directly or by means of discounts with respect to any participation interests issued or sold in connection with, and all other fees paid to a Person that is not a Restricted Subsidiary in connection with, any Receivables Financing.

"*Receivables Financing*" means any transaction or series of transactions that may be entered into by any of the Issuer's Subsidiaries pursuant to which such Subsidiary may sell, convey or otherwise transfer to any other Person, or may grant a security interest in, any accounts receivable (whether now existing or arising in the future) of such Subsidiary, and any assets related thereto including, without limitation, all collateral securing such accounts receivable, all contracts and all guarantees or other obligations in respect of such accounts receivable, proceeds of such accounts receivable and other assets, in each case, which are customarily transferred in or in respect of which security interests are customarily granted in connection with asset securitization transactions or factoring transactions involving accounts receivable.

"*Receivables Repurchase Obligation*" means any obligation of a seller of receivables in a Qualified Receivables Financing to repurchase receivables arising as a result of a breach of a representation, warranty or covenant or otherwise, including as a result of a receivable or portion thereof becoming subject to any asserted defense, dispute, off-set or counterclaim of any kind as a result of any action taken by, any failure to take any action by or any other event relating to the seller.

" *Receivables Subsidiary*" means a Wholly Owned Restricted Subsidiary of the Issuer (or another Person formed for the purposes of engaging in Qualified Receivables Financing with the Issuer in which the Issuer or any Subsidiary of the Issuer makes an Investment and to which the Issuer or any Subsidiary of the Issuer transfers accounts receivable and related assets) which engages in no activities other than in connection with the financing of accounts receivable of the Issuer and its Subsidiaries, all proceeds thereof and all rights (contractual or other), collateral and other assets relating thereto, and any business or activities incidental or related to such business, and which is designated by the Issuer as a Receivables Subsidiary and:

(a) no portion of the Indebtedness or any other obligations (contingent or otherwise) of which (i) is guaranteed by the Issuer or any other Subsidiary of the Issuer (excluding guarantees of obligations (other than the principal of and interest on, Indebtedness) pursuant to Standard Undertakings), (ii) is recourse to or obligates the Issuer or any other Subsidiary of the Issuer in any way other than pursuant to Standard Undertakings, or (iii) subjects any property or asset of the Issuer or any other Subsidiary of the Issuer, directly or indirectly, contingently or otherwise, to the satisfaction thereof, other than pursuant to Standard Undertakings;

(b) with which neither the Issuer nor any other Subsidiary of the Issuer has any material contract, agreement, arrangement or understanding other than on terms which the Issuer reasonably believes to be no less favorable to the Issuer or such Subsidiary than those that might be obtained at the time from Persons that are not Affiliates of the Issuer; and

(c) to which neither the Issuer nor any other Subsidiary of the Issuer has any obligation to maintain or preserve such entity's financial condition or cause such entity to achieve certain levels of operating results.

"*Representative*" means the trustee, agent or representative (if any) for an issue of Indebtedness; *provided* that if, and for so long as, such Indebtedness lacks such a Representative, then the Representative for such Indebtedness shall at all times constitute the holder or holders of a majority in outstanding principal amount of obligations under such Indebtedness.

"*Responsible Officer of the Trustee*" means:

(1) any officer within the corporate trust department of the Trustee, including any vice president, assistant vice president, assistant secretary, assistant treasurer, trust officer or any other officer of the Trustee who customarily performs functions similar to those performed by the Persons who at the time shall be such officers, respectively, or to whom any corporate trust matter is referred because of such Person's knowledge of and familiarity with the particular subject; and

(2) who shall have direct responsibility for the administration of the applicable Indenture.

"*Restricted Investment*" means an Investment other than a Permitted Investment.

"*Restricted Subsidiary*" means, with respect to any Person, any Subsidiary of such Person other than an Unrestricted Subsidiary of such Person. Unless otherwise indicated in this "Description of the Notes," all references to Restricted Subsidiaries shall mean Restricted Subsidiaries of the Issuer.

"*Revolving Credit Facility*" has the meaning ascribed thereto in clause (i) of the definition of "Credit Facilities."

"*Sale/Leaseback Transaction*" means an arrangement relating to property now owned or hereafter acquired by the Issuer or a Restricted Subsidiary whereby the Issuer or a Restricted Subsidiary transfers such property to a Person and the Issuer or such Restricted Subsidiary leases it from such Person, other than leases between the Issuer and a Restricted Subsidiary of the Issuer or between Restricted Subsidiaries of the Issuer.

"*S&P*" means Standard & Poor's Ratings Group or any successor to the rating agency business thereof.

"*SEC*" means the Securities and Exchange Commission.

"*Secured Indebtedness*" means any Indebtedness secured by a Lien.

"*Securities Act*" means the Securities Act of 1933, as amended, and the rules and regulations of the SEC promulgated thereunder.

"*Significant Subsidiary*" means any Restricted Subsidiary that would be a "Significant Subsidiary" of the Issuer within the meaning of Rule 1-02 under Regulation S-X promulgated by the SEC.

"*Similar Business*" means a business, the majority of whose revenues are derived from the activities of the Issuer and its Subsidiaries as of the Issue Date or any business or activity that is reasonably similar or complementary thereto or a reasonable extension, development or expansion thereof or ancillary thereto.

"*Standard Undertakings*" means representations, warranties, covenants, indemnities and guarantees of performance entered into by the Issuer or any Subsidiary of the Issuer that are determined by the Issuer in good faith to be customary in a Receivables Financing, including, without limitation, those relating to the servicing of assets of a Subsidiary, it being understood that any Receivables Repurchase Obligation shall be deemed to be a Standard Undertaking.

"*Stated Maturity*" means, with respect to any security, the date specified in such security as the fixed date on which the final payment of principal of such security is due and payable, including pursuant to any mandatory redemption provision (but excluding any provision providing for the repurchase of such security at the option of the holder thereof upon the happening of any contingency beyond the control of the issuer unless such contingency has occurred).

"*Subordinated Indebtedness*" means (a) with respect to the Issuer, any Indebtedness of the Issuer which is by its terms subordinated in right of payment to the applicable series of Notes, and (b) with respect to any Note Guarantor, any Indebtedness of such Note Guarantor which is by its terms subordinated in right of payment to its applicable Note Guarantee.

"*Subsidiary*" means, with respect to any Person, (1) any corporation, association or other business entity (other than a partnership, joint venture or limited liability company) of which more than 50% of the total voting power of shares of Capital Stock entitled (without regard to the occurrence of any contingency) to vote in the election of directors, managers or trustees thereof is at the time of determination owned or controlled, directly or indirectly, by such Person or one or more of the other Subsidiaries of that Person or a combination thereof, and (2) any partnership, joint venture or limited liability company of which (x) more than 50% of the capital accounts, distribution rights, total equity and voting interests or general and limited partnership interests, as applicable, are owned or controlled, directly or indirectly, by such Person or one or more of the other Subsidiaries of that Person or a combination thereof, whether in the form of membership, general, special or limited partnership interests or otherwise, and (y) such Person or any Subsidiary of such Person is a controlling general partner or otherwise controls such entity.

"*Swap Agreement*" means any agreement with respect to any swap, forward, future or derivative transaction or option or similar agreement involving, or settled by reference to, one or more rates, currencies, commodities, equity or debt instruments or securities, or economic, financial or pricing indices or measures of economic, financial or pricing risk or value or any similar transaction or any combination of these transactions; *provided* that no phantom stock or similar plan providing for payments only on account of services provided by current or former directors, officers, employees or consultants of the Issuer or any of the Restricted Subsidiaries shall be a Swap Agreement.

"*Taxes*" means all present and future taxes, levies, imposts, deductions, charges, duties, and withholdings and any similar governmental charges (including interest and penalties with respect thereto) by any government or taxing authority.

"*Total Assets*" means, as of any date of determination, the total consolidated assets of the Issuer and the Restricted Subsidiaries, as shown on the most recent balance sheet of the Issuer, and determined as of the time of the occurrence of any event giving rise to the requirement to determine Total Assets and after giving pro forma effect to the occurrence of such event and all other acquisitions or dispositions of a Person, business or assets that have been completed or are subject to a definitive agreement from the date of such balance sheet to the date of such event giving rise to the requirement to determine Total Assets.

"*Transactions*" means the issuance of the Notes of each series on the applicable Issue Date, the repayment of certain existing credit facilities of the Issuer with the proceeds thereof, and the payment of fees and expenses and premium in connection therewith.

"*Treasury Rate*" means, as of any redemption date of the U.S. Dollar Notes, the yield to maturity as of the earlier of (a) such redemption date or (b) the date on which such U.S. Dollar Notes are defeased or satisfied and discharged, of the most recently issued U.S. Treasury securities with a constant maturity (as compiled and published in the most recent Federal Reserve Statistical Release H.15 (519) that has become publicly available at least two Business Days prior to such earlier date (or, if such Statistical Release is no longer published, any publicly available source of similar market data)) most nearly equal to the period from the redemption date to May 15, 2019; *provided*, *however*, that if the period from the redemption date to May 15, 2019, is less than one year, the weekly average yield on actually traded U.S. Treasury securities adjusted to a constant maturity of one year will be used. Any such Treasury Rate shall be obtained by the Issuer.

"*Trustee*" means the party named as such in the applicable Indenture until a successor replaces it and, thereafter, means the successor.

"*Unrestricted Subsidiary*" means:

(1) any Subsidiary of the Issuer that at the time of determination shall be designated an Unrestricted Subsidiary by the Board of Directors of such Person in the manner provided below;

(2) any Subsidiary of an Unrestricted Subsidiary; and

(3) Quiver Ventures, LLC and Constellium Engley (Changchung) Automotive Structures Co. Ltd.

The Board of Directors of the Issuer may designate any Subsidiary of the Issuer (including any newly acquired or newly formed Subsidiary of the Issuer) to be an Unrestricted Subsidiary unless such Subsidiary or any of its Subsidiaries owns any Equity Interests or Indebtedness of, or owns or holds any Lien on any property of, the Issuer or any other Subsidiary of the Issuer that is not a Subsidiary of the Subsidiary to be so designated; *provided*, *however*, that the Subsidiary to be so designated and its Subsidiaries do not at the time of designation have and do not thereafter Incur any Indebtedness pursuant to which the lender has recourse to any of the assets of the Issuer or any of its Restricted Subsidiaries; *provided*, *further*, *however*, that either:

(a) the Subsidiary to be so designated has total consolidated assets of $1,000 or less; or

(b) if such Subsidiary has consolidated assets greater than $1,000, then such designation would be permitted under the covenant described under "—Certain Covenants—Limitation on Restricted Payments."

The Board of Directors of the Issuer may designate any Unrestricted Subsidiary to be a Restricted Subsidiary; *provided*, *however*, that immediately after giving effect to such designation:

(x)(1) the Issuer could Incur $1.00 of additional Indebtedness pursuant to the Fixed Charge Coverage Ratio test described under "—Certain Covenants—Limitation on Incurrence of Indebtedness and Issuance of Disqualified

Stock and Preferred Stock," or (2) the Fixed Charge Coverage Ratio for the Issuer and its Restricted Subsidiaries would be equal to or greater than such ratio for the Issuer and its Restricted Subsidiaries immediately prior to such designation, in each case on a pro forma basis taking into account such designation, and

(y) no Event of Default shall have occurred and be continuing.

Any such designation by the Board of Directors of the Issuer shall be evidenced to the Trustee by promptly filing with the Trustee a copy of the resolution of the Board of Directors of the Issuer giving effect to such designation and an Officer's Certificate certifying that such designation complied with the foregoing provisions.

"*U.S. Dollars*" and "*$*" each mean the lawful currency of the United States of America.

" *U.S. Government Obligations*" means securities that are:

(1) direct obligations of the United States of America for the timely payment of which its full faith and credit is pledged, or

(2) obligations of a Person controlled or supervised by and acting as an agency or instrumentality of the United States of America, the timely payment of which is unconditionally guaranteed as a full faith and credit obligation by the United States of America, which, in each case, are not callable or redeemable at the option of the issuer thereof, and shall also include a depository receipt issued by a bank (as defined in Section 3(a)(2) of the Securities Act) as custodian with respect to any such U.S. Government Obligations or a specific payment of principal of or interest on any such U.S. Government Obligations held by such custodian for the account of the holder of such depository receipt; *provided* that (except as required by law) such custodian is not authorized to make any deduction from the amount payable to the holder of such depository receipt from any amount received by the custodian in respect of the U.S. Government Obligations or the specific payment of principal of or interest on the U.S. Government Obligations evidenced by such depository receipt.

"*Voting Stock*" of any Person as of any date means the Capital Stock of such Person that is at the time entitled to vote in the election of the Board of Directors of such Person.

"Weighted Average Life to Maturity" means, when applied to any Indebtedness or Disqualified Stock, as the case may be, at any date, the quotient obtained by dividing (1) the sum of the products of the number of years from the date of determination to the date of each successive scheduled principal payment of such Indebtedness or redemption or similar payment with respect to such Disqualified Stock multiplied by the amount of such payment, by (2) the sum of all such payments.

"*Wholly Owned Restricted Subsidiary*" is any Wholly Owned Subsidiary that is a Restricted Subsidiary.

"*Wholly Owned Subsidiary*" of any Person means a Subsidiary of such Person 100% of the outstanding Capital Stock or other ownership interests of which (other than directors' qualifying shares or shares required to be held by Foreign Subsidiaries) shall at the time be owned by such Person or by one or more Wholly Owned Subsidiaries of such Person.

LIMITATIONS ON VALIDITY AND ENFORCEABILITY OF THE GUARANTEES AND CERTAIN INSOLVENCY LAW CONSIDERATIONS

The following is a summary description of certain limitations on the validity and enforceability of the guarantees for the Notes, and a summary of certain insolvency law considerations in some of the jurisdictions in which the Company and the Guarantors are incorporated or organized. The description is only a summary and does not purport to be complete or to discuss all of the limitations or considerations that may affect the validity and enforceability of the Notes and the guarantees. Prospective investors in the Notes should consult their own legal advisors with respect to such limitations and considerations.

European Union

The Company and certain of the Guarantors are organized under the laws of Member States of the EU. Pursuant to Council Regulation (EC) no. 1346/2000 on insolvency proceedings (the "EU Insolvency Regulation"), the court which has jurisdiction to open insolvency proceedings in relation to a company is the court of the member state of the EU ("Member State") (other than Denmark) where the company concerned has its "centre of main interests" (as that term is used in Article 3(1) of the EU Insolvency Regulation). The determination of where any such company has its "centre of main interests" is a question of fact on which the courts of the different Member States may have differing and even conflicting views.

The term "centre of main interests" is not a static concept and may change from time to time. Although there is a rebuttable presumption under Article 3(1) of the EU Insolvency Regulation that any such company has its "centre of main interests" in the Member State in which it has its registered office, Preamble 13 of the EU Insolvency Regulation states that the "centre of main interests" of a debtor should correspond to the place where the debtor conducts the administration of its interests on a regular basis and "is therefore ascertainable by third parties." In that respect, factors such as where board meetings are held, the location where the company conducts the majority of its business and the location where the large majority of the company's creditors are established may all be relevant in the determination of the place where the company has its "centre of main interests."

If the centre of main interests of a company is and remains located in the state in which it has its registered office, the main insolvency proceedings in respect of the company under the EU Insolvency Regulation would be commenced in such jurisdiction and accordingly a court in such jurisdiction would be entitled to commence the types of insolvency proceedings referred to in Annex A to the EU Insolvency Regulation. Insolvency proceedings opened in one Member State under the EU Insolvency Regulation are to be recognized in the other Member States (other than Denmark), although secondary proceedings may be opened in another Member State (other than Denmark). If the "centre of main interests" of a debtor is in one Member State (other than Denmark), under Article 3(2) of the EU Insolvency Regulation, the courts of another Member State (other than Denmark) have jurisdiction to open "territorial proceedings" only in the event that such debtor has an "establishment" in the territory of such other Member State. The effects of those territorial proceedings are restricted to the assets of the debtor situated in the territory of such other Member State. If the company does not have an establishment in any other Member State, no court of any other Member State has jurisdiction to open territorial proceedings in respect of such company under the EU Insolvency Regulation.

In the event that any one or more of the Company or the Guarantors experience financial difficulty, it is not possible to predict with certainty in which jurisdiction or jurisdictions insolvency or similar proceedings would be commenced, or the outcome of such proceedings. Applicable insolvency laws may affect the enforceability of the obligations and the security of the Company and the Guarantors.

The Netherlands

Insolvency

The Company and Constellium Holdco II B.V. (the "Dutch Guarantor") are incorporated in The Netherlands. Any insolvency proceedings concerning the Company or the Dutch Guarantor would likely be based on Dutch insolvency law. Under certain circumstances, bankruptcy proceedings may also be opened in The Netherlands in accordance with Dutch law over the assets of companies that are not established under Dutch law.

The following is a brief description of certain aspects of Dutch insolvency law. There are two primary insolvency regimes under Dutch law: the first, moratorium of payments, is intended to facilitate the reorganization of a debtor's indebtedness and enable the debtor to continue as a going concern. The second, bankruptcy, is primarily designed to liquidate and distribute the proceeds of the assets of a debtor to its creditors. Both insolvency regimes are set forth in the Dutch Bankruptcy Act. A general description of the principles of both insolvency regimes is set out below.

An application for a moratorium of payments can only be made by the debtor itself. Once the request for a moratorium of payments is filed, a court will immediately (*dadelijk*) grant a provisional moratorium and appoint an administrator. A meeting of creditors is required to decide on the definitive moratorium. If a draft composition (*ontwerp akkoord*) is filed simultaneously with the application for moratorium of payments, the court can order that the composition will be processed before a decision about a definitive moratorium. If the composition is accepted and subsequently ratified by the court (*gehomologeerd*), the provisional moratorium ends. The definitive moratorium will generally be granted unless a qualified minority (more than one-quarter in amount of claims held by creditors represented at the creditors' meeting or more than one-third in number of creditors represented at such creditors' meeting) of the unsecured non-preferential creditors withholds its consent. The moratorium of payments is only effective with regard to unsecured non-preferential creditors. Unlike Chapter 11 proceedings under U.S. bankruptcy law, during which both secured and unsecured creditors are generally barred from seeking to recover on their claims during a moratorium of payments, under Dutch law, secured and preferential creditors (including tax and social security authorities) may enforce their rights against assets of the company in moratorium of payments to satisfy their claims as if there were no moratorium of payments. A recovery under Dutch law could, therefore, involve a sale of assets that does not reflect the going concern value of the debtor. However, the court may order a "cooling down period" (*afkoelingsperiode*) for a maximum period of four months during which enforcement actions by secured or preferential creditors are barred. Also in a definitive moratorium of payments, a composition (*akkoord*) may be offered to creditors. A composition will be binding on all unsecured and non-preferential creditors if it is (i) approved by a majority in number of the creditors represented at the creditors' meeting, representing at least 50% in amount of the claims that are admitted for voting purposes and (ii) subsequently confirmed by the court. Consequently, Dutch insolvency laws could preclude or inhibit the ability of the holders of the Notes to effect a restructuring and could reduce the recovery of a holder of Notes in Dutch moratorium of payments proceedings. Interest payments that fall due after the date on which a moratorium of payments is granted cannot be claimed in a composition.

Under Dutch law, a debtor can be declared bankrupt when it is no longer able to pay its debts when due. The bankruptcy can be requested by a creditor of a claim that is due and payable but left unpaid when there is at least one other creditor. The debtor can also request the application of bankruptcy proceedings itself.

Under Dutch bankruptcy proceedings, the assets of a debtor are generally liquidated and the proceeds distributed to the debtor's creditors in accordance with the respective rank and priority of their claims. The general principle of Dutch bankruptcy law is the so-called *paritas creditorum* (principle of equal treatment) which means that all creditors have an equal right to payment and that the proceeds of bankruptcy proceedings shall be distributed in proportion to the size of their claims. However, certain creditors (such as secured creditors and tax and social security authorities) will have special rights that take priority over the rights of other creditors. Consequently, Dutch insolvency laws could reduce your potential recovery in Dutch bankruptcy proceedings.

The claim of a creditor may be limited depending on the date the claim becomes due and payable in accordance with its terms. Generally, claims of the holders of the Notes that were not due and payable by their terms on the date of a bankruptcy of the relevant Guarantor will be accelerated and become due and payable as of that date. Each of these claims will have to be submitted to the bankruptcy receiver to be verified. "Verification" under Dutch law means that the receiver determines the value of the claim and whether and to what extent it will be admitted in the bankruptcy proceedings to the purpose of the distribution of the proceeds. The valuation of claims that otherwise would not have been payable at the time of the bankruptcy proceedings may be based on a net present value analysis. Interest payments that fall due after the date of the bankruptcy cannot be verified. The existence, value and ranking of any claims submitted by the holders of the Notes may be challenged in the Dutch bankruptcy proceedings. Generally, in a creditors' meeting (*verificatievergadering*), the bankruptcy receiver, the insolvent debtor and all verified creditors may dispute the verification of claims of other creditors. Creditors whose claims or value thereof are disputed in the creditors' meeting may be referred to separate court proceedings (*renvooiprocedure*). These procedures could cause holders of the Notes to recover less than the principal amount of their Notes or less than they could recover in a U.S. liquidation. Such *renvooi* proceedings could also cause payments to the holders of the Notes to be delayed compared with holders of undisputed claims. As in moratorium of payments proceedings, in a bankruptcy a composition may be offered to creditors, which shall be binding on unsecured non-preferential creditors if it is (i) approved by a majority in number of the creditors represented at the creditors' meeting, representing at least 50% in amount of the claims that are admitted for voting purposes and (ii) subsequently confirmed by the court. The Dutch Bankruptcy Act does not in itself recognize the concept of classes of creditors. Remaining amounts, if any, after satisfaction of the secured and the preferential creditors are distributed among the unsecured non-preferential creditors, who will be satisfied on a pro rata basis. Contractual subordination may to a certain extent be given effect in Dutch insolvency proceedings. The actual effect depends largely on the way such subordination is construed.

Secured creditors may enforce their rights against assets of the debtor to satisfy their claims under a Dutch bankruptcy as if there is no bankruptcy. As in moratorium of payments proceedings, the court may order a “cooling down period” for a maximum of four months during which enforcement actions by secured creditors are barred unless such creditors have obtained leave for enforcement from the supervisory judge (*rechter-commissaris*). Further, a receiver in bankruptcy can force a secured creditor to enforce its security interest within a reasonable period of time, failing which the receiver will be entitled to sell the secured assets located in the Netherlands, if any, and the secured creditor will have to share in the bankruptcy costs, which may be significant. Excess proceeds of enforcement must be returned to the bankrupt estate; they may not be set-off against an unsecured claim of the secured creditor in the bankruptcy. Such set-off is allowed prior to the bankruptcy, although a set-off prior to bankruptcy may be subject to clawback in the case of fraudulent conveyance or bad faith in obtaining the claim used for set-off. Moreover, to the extent that Dutch law applies, a legal act performed by a debtor (including, without limitation, an agreement pursuant to which it guarantees the performance of the obligations of a third party or agrees to provide or provides security for any of its or a third party’s obligations, enters into additional agreements benefiting from existing security and any other legal act having a similar effect) can be challenged in an insolvency proceeding or otherwise and may be nullified by any of its creditors or its trustee in bankruptcy.

Under Dutch law, as soon as a debtor is declared bankrupt, in principle all pending executions of judgments against such debtor, as well as all attachments on the debtor’s assets, will be terminated by operation of law. Simultaneously with the opening of the bankruptcy, a receiver will be appointed. The proceeds resulting from the liquidation of the bankrupt estate may not be sufficient to satisfy unsecured creditors under the guarantees granted by an insolvent debtor after the secured and the preferential creditors have been satisfied. In principle, litigation pending on the date of the bankruptcy order is automatically stayed.

France

Insolvency

We conduct a part of our business activity in France and, to the extent that the center of our main interests is deemed to be in France, we would be subject to French insolvency proceedings affecting creditors, including court-assisted pre-insolvency proceedings (*mandat ad hoc or conciliation* proceedings) and court-administered insolvency proceedings being either safeguard (*sauvegarde*), accelerated financial safeguard (*sauvegarde financière accélérée*), reorganization or liquidation proceedings (*redressement* or *liquidation judiciaire*). Similarly, Constellium France Holdco SAS (“Constellium France Holdco”), Constellium France SAS (“Constellium France”) and Constellium Finance SAS (“Constellium Finance” and, together with Constellium France Holdco and Constellium France, the “French Guarantors”) would be subject to French insolvency proceedings. In general, French insolvency legislation favors the continuation of a business and protection of employment over the payment of creditors and could limit your ability to enforce your rights under the Notes and/or the guarantees granted by the French Guarantors and corresponding security interests.

The following is a general discussion of insolvency proceedings governed by French law for informational purposes only and does not address all the French legal considerations that may be relevant to holders of the Notes.

Grace periods

In addition to insolvency laws discussed below, you could, like any other creditors, be subject to Article 1244-1 of the French Civil Code (*Code civil*).

Pursuant to the provisions of this article, French courts may, in any civil proceeding involving the debtor, defer or otherwise reschedule over a maximum period of two years the payment dates of payment obligations and decide that any amounts, the payment date of which is thus deferred or rescheduled, will bear interest at a rate that is lower than the contractual rate (but not lower than the legal rate as published annually by decree) or that payments made shall first be allocated to repayment of principal. A court order made under Article 1244-1 of the French Civil Code will suspend any pending enforcement measures, and any contractual interest or penalty for late payment will not accrue or be due during the period ordered by the court.

Emergency Procedure

The statutory auditors of the company can request the management and the board of directors to provide an explanation as to elements which the auditors believe put the company’s existence as a going concern in jeopardy. Failing satisfactory explanations or corrective measures, the auditors can request that a shareholders’ meeting be convened. The auditors must inform the Commercial Court. Shareholders representing at least 5% of the share capital and the workers’ committee have similar rights. The Commercial Court can also itself summon the management to provide explanations on elements which the court believe put the company's existence as a going concern in jeopardy.

Court-assisted Pre-insolvency Proceedings

A French company facing difficulties may request the opening of court-assisted pre-insolvency proceedings (*mandat ad hoc* or *conciliation*), the aim of which is to reach an agreement with the debtor's main creditors. *Mandat ad hoc* and *conciliation* are proceedings carried out under the supervision of the president of the court, which do not involve any stay of the proceedings.

French law does not provide for any specific rule in respect of *mandat ad hoc*. In practice, *mandat ad hoc* proceedings are used by debtors that are facing difficulties of an economic or financial nature but are not in a state of cessation of payments (*cessation de paiements*) (the debtor is considered in a state of cessation of payments where it is unable to pay its debts when they fall due with its liquid assets (taking into account available credit lines and existing rescheduling agreements)). They are confidential and are not limited in time. The agreement reached by the parties (if any) with the help of the court-appointed officer (*mandataire ad hoc*) is reported by the latter to the court but is not sanctioned by the court.

Conciliation proceedings are available to a debtor that faces actual or foreseeable difficulties of a legal, economic or financial nature but which has not been in a state of cessation of payments for more than 45 days. The debtor petitions the President of the Commercial Court for the appointment of a conciliator in charge of assisting the debtor in negotiating an agreement with all or part of its creditors and/or trade partners. *Conciliation* proceedings are confidential and may last up to five months. During the proceedings, creditors may continue to individually claim payment of their claims but the debtor retains the right to petition for debt rescheduling for a maximum of two years pursuant to Article 1244-1 of the French Civil Code. Upon its execution, the agreement reached by the parties becomes binding upon them and creditors may not take action against the company in respect of claims governed by the agreement. In addition, without such formalities being an obligation on the parties, the agreement can be either:

- upon all parties' request, acknowledged (*constaté*) by the President of the court, which makes it immediately enforceable; or
- upon the debtor's request, sanctioned (*homologué*) by decision of the Commercial Court, which will have the following specific consequences:
  - creditors who provide new money, goods or services designed to ensure the continuation of the business of the distressed company (other than shareholders providing new equity) will enjoy a priority of payment over all pre-proceeding and post-proceeding claims (other than certain post-proceeding employment claims and procedural costs), in the event of subsequent safeguard proceedings, judicial reorganization proceedings or judicial liquidation proceedings; and
  - in the event of subsequent judicial reorganization proceedings or judicial liquidation proceedings, the date of the *cessation des paiements* and therefore the starting date of the suspect period (as defined below) cannot be fixed by the court as of a date earlier than the date of the sanction of the agreement by the court (see above regarding the definition of the date of the *cessation des paiements*).

The court decision sanctioning the agreement does not make its terms public but discloses the guarantees and priority of payment granted to the creditors.

Provided the agreement (whether acknowledged, sanctioned or not) is duly executed, any individual proceedings by creditors with respect to the claims included in the agreement are suspended. In case of breach of the agreement, any party to the agreement can petition the court for its termination.

Court-administered Proceedings—Safeguard, Reorganization and Liquidation Proceedings

Court-administered proceedings may be initiated:

- in the event of safeguard proceedings, upon petition by the debtor only; and
- in the event of judicial reorganization or liquidation, upon petition by the debtor, any creditor or the public prosecutor, or on the court's own initiative.

The debtor may file for safeguard proceedings at any time it is facing difficulties that it cannot overcome, as long as it is not in a state of cessation of payments. It is required to petition for the opening of judicial reorganization proceedings (if recovery is possible) or judicial liquidation proceedings (if recovery is manifestly not possible) within 45 days of the date upon which the cessation of payments occurred. If it fails to do so, its directors and officers are subject to civil liability.

The period from the date of the court decision commencing the proceedings (whether a safeguard or a judicial reorganization) to the date on which the court takes a decision on the outcome of the proceedings is called the observation period and may last up to 18 months. During the observation period, a court-appointed administrator, whose name can be suggested by the debtor in safeguard proceedings, investigates the business of the company. In safeguard proceedings, the administrator's mission is limited to either supervising or assisting the debtor's management and assisting it in preparing a safeguard plan for the company. In judicial reorganization proceedings, the administrator's mission is usually to assist the management and to make proposals for the reorganization of the company, which proposals may include the sale of all or part of the company's business to a third party.

At the end of the observation period, if it considers that the company can survive as a going concern, the court will adopt a safeguard or reorganization plan which will entail a restructuring and/or rescheduling of debts and may entail the divestiture of some or all of the debtor's assets and businesses (a sale of the entire business is not possible in a safeguard plan). Unlike in safeguard proceedings, at the end of the observation period of judicial reorganization proceedings and, alternatively to a reorganization plan, the court may determine that all or part of the business should be sold to purchasers who have submitted bids. If the court adopts a safeguard plan, a reorganization plan or a plan for the sale of the business, it can set a time period during which the assets that it deems to be essential to the continued business of the debtor may not be sold without its consent. At any time during safeguard proceedings, the court may convert such proceedings into reorganization proceedings (i) upon its own initiative, if the debtor becomes in a state of cessation of payments, or (ii) at the debtors' request, if the approval of a safeguard plan is manifestly impossible and if the company would become insolvent should safeguard proceedings be closed. At any time during safeguard or reorganization proceedings, the court may convert such proceedings into liquidation proceedings if the debtor is in suspension of payments and its recovery is manifestly impossible.

Creditors' Committees and Adoption of the Safeguard or Reorganization Plan

During the observation period, in the case of large companies (with more than 150 employees or turnover greater than €20 million), two creditors' committees (one for credit institutions and "similar entities" having a claim against the debtor – *i.e.* any third party having entered into a credit transaction with the debtor—and the other for suppliers having a claim that represents more than 3% of the total amount of the claims of all the debtor's suppliers) have to be established.

If there are any outstanding debt securities in the form of *obligations* (such as bonds or notes), a general meeting gathering all holders of such debt securities will be established irrespective of whether or not there are different issuances and of the governing law of those *obligations* (the "bondholders' general assembly"). The Notes constitute *obligations* for the purposes of a safeguard or reorganization proceeding.

These two committees and the bondholders' general assembly will be consulted on the safeguard or reorganization plan drafted by the debtor's management with the assistance of the judicial administrator during the observation period.

The plan submitted to the committees and the bondholders:

- must take into account subordination agreements entered into by the creditors before the opening of the proceedings;
- may treat creditors differently if it is justified by their differences in situation; and
- may include a rescheduling or cancellation of debts, and/or debt-for-equity swaps (debt-for-equity swaps requiring the relevant shareholder consent).

In the first instance, the plan must be approved by each of the two creditors' committees. Each committee must announce whether its members approve or reject such plan. Such approval requires the affirmative vote of creditors holding at least two-thirds of the amounts of the claims held by the members of such committee that expressed a vote.

Following the approval of the plan by the two creditors' committees, the plan will be submitted for approval to the bondholders' general meeting. The approval of the plan at such meeting requires the affirmative vote of bondholders representing at least two-thirds of the amount of the claims held by bondholders expressing a vote in the bondholders' general meeting.

Creditors for whom the plan does not provide any modification of their repayment schedule or provides for a payment of their claims in cash in full as soon as the plan is adopted or as soon as their claims are admitted do not take part in the vote

Following approval by the creditors' committees and the bondholders' general meeting and determination of a rescheduling of the claim of creditors that are not members of the committees or bondholders as discussed hereafter, the plan has to be approved (*arrêté*) by the court. In considering such approval, the court has to verify that the interests of all creditors are sufficiently protected. Once approved by the relevant court, the safeguard or reorganization plan accepted by the committees and the bondholders' general meeting will be binding on all the members of the committees and all bondholders (including those who did not vote or voted against the adoption of the plan).

Creditors who are not members of the creditors' committees and the bondholders' general meeting are consulted individually as to the restructuring of the debt. With respect to those with whom no agreement is reached, the court can reschedule repayment of their claims over a maximum period of ten years, except for claims with maturity dates of more than ten years, in which case the maturity date shall remain the same. The court cannot oblige creditors subject to such a rescheduling to waive any part of their claim. The first payment must be made within a year of the judgment adopting the plan (in the third and subsequent years, the amount of each annual installment must be of at least 5% of the total amount of the debt claim – however, if no portion of a loan or claim is yet due and payable on the date of the first annual installment, such claim will be subject to specific rules whereby the first payment will occur on the date of the first installment following the maturity date).

In the event that the debtor's proposed plan is not approved by both committees and the general meeting of bondholders within the first six months of the observation period, either because they do not vote on the plan or because they reject it, the court can still adopt a safeguard plan in the time remaining until the end of the observation period. In such a case the rules are the same as the ones applicable to creditors that are not part of the committees and that are not bondholders and, in particular, the court can only impose a rescheduling of the repayment of the debts over a maximum period of ten years (as described in the immediately preceding paragraph).

Court-administered Proceedings—Accelerated Financial Safeguard

A debtor in *conciliation* proceedings may request commencement of Accelerated Financial Safeguard proceedings. The Accelerated Financial Safeguard procedure has been designed to "fast-track" purely financial difficulties of large companies having (i) either more than 150 employees or a turnover greater than €20 million or (ii) whose total balance sheet exceeds (a) €25 million or (b) €10 million if they control another company (1) which has more than 150 employees or (2) whose turnover for the previous financial year is greater than €20 million or (3) whose total balance sheet exceeds €25 million.

The proceedings apply only to debt owed to financial institutions (and "similar entities") and bondholders (*i.e.* mainly debts towards credit institutions and bond debt) the payment of which is suspended to be determined by the plan adopted through the Accelerated Financial Safeguard proceedings, other debts continuing to be paid in the ordinary course of business (*i.e.* trade debt).

To be eligible to the Accelerated Financial Safeguard, the debtor must fulfill three conditions:

- as is the case for regular safeguard proceedings, the debtor must (i) not be in cessation of payments and (ii) face difficulties which it is not in a position to overcome;
- the debtor must be subject to ongoing *conciliation* proceedings when it applies for the opening of the Accelerated Financial Safeguard; and
- the debtor must have prepared a draft safeguard plan ensuring the continuation of his business as a going concern supported by enough of its financial creditors (*i.e.*, credit institutions and bondholders) to render its adoption by a two-thirds majority of its financial creditors within a maximum of two months of the opening of the proceedings.

The list of claims of credit institutions and bondholders party to the *conciliation* proceeding shall be drawn up by the debtor and certified by the statutory auditor and shall be deemed to constitute the filing of such claims (see below) unless the creditors otherwise elect to make such a filing (see below).

The total duration of the Accelerated Financial Safeguard (*i.e.*, the period between the judgment opening the Accelerated Financial Safeguard and the judgment adopting the plan) is one month, unless the court decides to extend it by one additional month.

Status of Creditors during Safeguard, Accelerated Financial Safeguard, Judicial Reorganization or Judicial Liquidation Proceedings

Contractual provisions pursuant to which the opening of the proceedings constitutes an event of default are not enforceable against the debtor, while the court-appointed officer can unilaterally decide to terminate ongoing contracts (*contrats en cours*) which it believes the debtor will not be able to continue to perform. The court-appointed officer can, on the contrary, require that other parties to a contract continue to perform their obligations even though the debtor may have been in default, but on the condition that it fully performs its post-petition contractual obligations.

In addition, during the observation period:

- accrual of interest is suspended (except in respect of loans providing for a term of at least one year, or contracts providing for a payment which is differed by at least one year);
- the debtor is prohibited from paying debts incurred prior to the date of the court decision commencing the proceedings, subject to specified exceptions which essentially cover the set-off of related (*connexes*) debts and payments authorized by the insolvency judge to recover assets for which recovery is justified by the continued operation of the business; and
- creditors may not pursue any individual legal action against the debtor (or a guarantor of the debtor provided such guarantor is an individual) with respect to any claim arising prior to the court decision commencing the proceedings if the objective of such legal action is:
  - to obtain an order for payment of a sum of money by the debtor to the creditor (however, the creditor may require that a court determine the amount due);
  - to terminate a contract for non-payment of amounts owed by the creditor; or
  - to enforce the creditor's rights against any assets of the debtor.

In Accelerated Financial Safeguard, the above rules only apply to the creditors which are subject to the Accelerated Financial Safeguard (*i.e.*, credit institutions and bondholders).

As a general rule, creditors domiciled in France whose debts arose prior to the commencement of proceedings must file a claim with the creditors' representative within two months of the publication of the court decision in the *Bulletin Officiel des annonces civiles et commerciales*; this period is extended to four months for creditors domiciled outside France. Creditors who have not submitted their claims during the relevant period are, except with respect to very limited exceptions, barred from receiving distributions made in connection with the proceedings. Employees are not subject to limitations and are preferential creditors under French law.

If the court adopts a safeguard plan or reorganization plan, claims of creditors included in the plan will be paid according to the terms of the plan. The court can also set a time period during which the assets that it deems to be essential to the continued business of the debtor may not be sold without its consent.

If the court adopts a plan for the sale of the business (*plan de cession*), the proceeds of the sale will be allocated for the repayment of the creditors according to the ranking of the claims. If the court decides to order the judicial liquidation of the debtor, the court will appoint a liquidator in charge of selling the assets of the company and settling the relevant debts in accordance with their ranking.

French insolvency law assigns priority to the payment of certain preferred creditors, including employees, officials appointed by the insolvency court, creditors who, as part of the sanctioned *conciliation* agreement, have provided new money or goods or services, post-petition creditors, certain secured creditors essentially in the event of liquidation proceedings and the French State (taxes and social charges).

The "Suspect Period" in Judicial Reorganization and Liquidation Proceedings

The court determines the date on which the cessation of payments is deemed to have occurred. It can be any date within the 18 months preceding the date of the opening of the proceedings. This marks the beginning of the "suspect period" (*période suspecte*). Certain transactions entered into by the debtor during the suspect period are automatically void or voidable by the court.

Automatically void transactions mostly include transactions or payments entered into during the suspect period that may constitute voluntary preferences for the benefit of some creditors to the detriment of other creditors. These include in particular transfers of assets for no, or nominal, consideration, contracts under which the reciprocal obligations of the debtor significantly exceed those of the other party, payments of debts not due at the time of payment, payments made in a manner which is not commonly used in the ordinary course of business and security granted for debts (including a security granted to secure a guarantee obligation such as the guarantees) previously incurred and provisional measures, unless the right of attachment or seizure predates the date of cessation of payments.

Transactions voidable by the court include payments made on accrued debts, transactions for consideration and notices of attachments made to third parties (*avis à tiers détenteur*), seizures (*saisie attribution*) and oppositions made during the suspect period, if the court determines that the creditor or co-contractor knew of the cessation of payments of the debtor. Transactions relating to the transfer of assets for no consideration are also voidable when entered into during the six-month period prior to the beginning of the suspect period. See "*Risk Factors—Risks Related to the Notes—*

Insolvency laws of jurisdictions outside the United States may not be as favorable to you as the U.S. bankruptcy laws and may preclude holders of the Notes from recovering payments due under the Notes" and "*—Fraudulent Conveyance.*"

Creditors' Liability

Pursuant to article L. 650-1 of the French Commercial Code, where insolvency proceedings or safeguard have been commenced, creditors may be held liable for the losses suffered as a result of facilities granted to the debtor only if evidence is brought either: (i) that a fraud was committed; or (ii) of a wrongful interference of the relevant creditor with the management of the debtor; or (iii) that the security or guarantees taken to support the facilities are disproportionate to such facilities. In addition, any security or guarantees taken to support facilities in respect of which a creditor is found liable on any of these grounds can be cancelled or reduced by the court.

Limitations on Enforcement of Guarantees

The obligations of each French Guarantor and the enforcement of each such Note Guarantee issued by a French Guarantor are subject to limitations and defenses applicable to guarantees under the laws of France. These limitations and defenses may include those that relate to financial assistance, capital maintenance or thin capitalization rules, fiduciary duties and civil or criminal liabilities of the directors of such French Guarantor and regulations or defenses affecting the rights of creditors generally. In addition, the Note Guarantees of the French Guarantors will also be limited so that the granting of such Note Guarantee would not be against the relevant French Guarantor's corporate benefit. Existence of corporate benefit is a factual matter which must be determined on a case-by-case basis, and we cannot be certain as to the standard a French court would use to determine the French Guarantor's corporate benefit, any limit on the applicable Note Guarantee or whether such Note Guarantee would be deemed void.

Accordingly, the Note Guarantees of the French Guarantors will contain language limiting the debt guaranteed to an amount that will not violate applicable French law restrictions. In particular, the Note Guarantees of the French Guarantors issued on the Issue Date will be limited to the portion of the proceeds from the issuance of the Notes, if any, that are on-lent (directly or indirectly) to such French Guarantor or to subsidiaries of such French Guarantor and to the extent such on-loans remain outstanding at the time of enforcement of such Note Guarantees. The amount on-lent to any French Guarantor will vary over time depending on the needs of the French Guarantor, and there can be no assurance as to the amount that will have actually been on-lent and not repaid by a French Guarantor as of any date on which the related Note Guarantee may be called upon.

In light of the foregoing, a French Guarantor's liability under its Note Guarantee could be materially reduced or eliminated.

It is also possible that a French Guarantor, or a creditor of a French Guarantor, or the bankruptcy trustee in the case of a bankruptcy of a French Guarantor, may contest the validity and enforceability of the French Guarantor's Note Guarantee on any of the above grounds and that the applicable court may determine that such Note Guarantee should be limited or voided.

Fraudulent Conveyance

French law contains specific provisions dealing with fraudulent conveyance both in and outside of bankruptcy, the so-called *action paulienne* provisions. The *action paulienne* offers creditors protection against a decrease in their means of recovery. A legal act performed by a person (including, without limitation, an agreement pursuant to which it guarantees the performance of the obligations of a third party or agrees to provide or provides security for any of its or a third party's obligations, enters into additional agreements benefiting from existing security and any other legal act having similar effect) can be challenged in or outside bankruptcy of the relevant person by the bankruptcy trustee or receiver in a bankruptcy of the relevant person or by any of the creditors of the relevant person, and may be declared unenforceable against third parties if: (i) the person performed such acts without an obligation to do so; (ii) the creditor concerned or, in the case of the person's bankruptcy, any creditor, was prejudiced in its means of recovery as a consequence of the act; and (iii) at the time the act was performed both the person and the counterparty to the transaction knew or should have known that one or more of its creditors (existing or future) would be prejudiced in their means of recovery, unless the act was entered into for no consideration (*à titre gratuit*), in which case such knowledge of the counterparty is not necessary for a successful challenge on grounds of fraudulent conveyance. If a court found that the issuance of the Notes or the granting of a guarantee involved a fraudulent conveyance that did not qualify for any defense under applicable law, then the issuance of the Notes or the granting of such guarantee could be declared unenforceable against third parties or declared unenforceable against the creditor that lodged the claim in relation to the relevant act. As a result of such successful challenges, holders of the Notes may not enjoy the benefit of the Notes or the guarantees and the value of any consideration that holders of the Notes received with respect to the Notes or the guarantees could also be subject to recovery from the holders of the Notes and, possibly, from subsequent transferees. In addition, under such circumstances, holders of the Notes might be held liable for any damages incurred by prejudiced creditors of the Company or the Guarantors as a result of the fraudulent conveyance.

Reform of French Insolvency Law

It should be pointed out that a law (*ordonnance*) dated 12 March 2014 and amending French insolvency law will come into force on 1 July 2014. A brief non-exhaustive description of some key features of this law is as follows:

- contractual provisions triggering consequences that are detrimental to the debtor on the sole ground that *mandat ad hoc* or conciliation proceedings have been opened are deemed void.
- in conciliation proceedings, the priority of payment creditors who provide new money, goods or services designed to ensure the continuation of the business of the distressed company has been reinforced. In the framework of subsequent safeguard proceedings or judicial reorganization proceedings, those debts cannot be rescheduled without the creditors' consent.
- safeguard proceedings can be converted into judicial reorganization proceedings at the request of the administrator, even if the debtor is not in a state of cessation of payments, if no plan has been adopted by the creditors' committees and the bondholders' general assembly and provided that (i) the adoption of a safeguard plan is manifestly impossible, and (ii) the termination of the safeguard proceedings would shortly and certainly lead to a cessation of payments.
- in safeguard proceedings or judicial reorganization proceedings, if creditors' committees are created, the members of such committees can prepare safeguard plans, as an alternative to the safeguard plan prepared by the debtor. Not only the debtor's draft safeguard plan, but also such alternative safeguard plan(s) must be put to a vote in the creditors' committees (and also in the bondholders' general assembly is there is one).
- in the creditors' committees (and also in the bondholders' general assembly is there is one), creditors that are parties to subordination agreements or agreements relating to the exercise of their voting rights, or that benefit from an agreement whereby a third party shall pay all or part of the debt, must provide this information to the administrator. Then it is for the administrator to fix their voting rights. In the event of a disagreement as to the voting rights, the administrator or the relevant creditor may start summary proceedings to obtain a decision from the President of the court.
- in addition to the existing accelerated financial safeguard, a new procedure named accelerated safeguard has been introduced. It is very similar to accelerated financial safeguard except as to its scope, given that its effects are not limited to financial institutions and bondholders. It can last up to 3 months.
- in judicial reorganization proceedings, if certain conditions are met, the administrator may request the appointment of an official that will be entitled to convene a shareholders' meeting and to vote for a share capital increase in favor of persons that undertake to comply with the safeguard plan.

Germany

The obligations of each German subsidiary of the Company (such as Constellium Germany Holdco GmbH & Co. KG ("Constellium Germany"), Constellium Deutschland GmbH ("Constellium Deutschland") and Constellium Singen GmbH ("Constellium Singen" and, together with Constellium Germany and Constellium Deutschland, the "German Guarantors"))) and the enforcement of the guarantee granted by any of the German Guarantors are subject to limitations and defenses applicable to guarantees under the laws of Germany. These limitations and defenses may include those that relate to financial assistance, capital maintenance or thin capitalization rules, fiduciary duties and civil or criminal liabilities of the directors of such German Guarantor and regulations or defenses affecting the rights of creditors generally. In particular, enforcement of the guarantee granted by any of the German Guarantors will be limited if, and to the extent, granting of or payments under the guarantee would cause the amount of such German Guarantor's net assets (i.e., assets minus liabilities and liability reserves) to fall below the amount of its registered share capital. In such event, the German Guarantor will be entitled to block enforcement of the guarantee in full or in part, as the case may be, and any payments received under the guarantee in violation thereof must be refunded to such German Guarantor. See "*Limitation on Enforcement*" below.

Insolvency

In the event of insolvency of a German Guarantor, main insolvency proceedings may be initiated in Germany if it was held to have its centre of main interest within the territory of the Federal Republic of Germany at such time. Such proceedings would then be governed by German law. However, pursuant to the EU Insolvency Regulation, where a German company conducts business in more than one member state of the EU, the jurisdiction of the German courts may be limited if the company's "centre of main interests" is found to be in a member state other than Germany or it maintains an "establishment" within the meaning of Art. 2 (h) of the EU Insolvency Regulation in another Member State (other than

Denmark). In the case of a secondary insolvency proceeding in another Member State, assets that would otherwise be allocated to the main office may be allocated to the relevant establishment and form part of such secondary insolvency proceedings (see — "*European Union*"). This issue is to be determined at the time when the application for the opening of insolvency proceedings (*Insolvenzeröffnungsantrag*) is filed.

Under German law, insolvency proceedings can be initiated upon the occurrence of a cause of insolvency, with over-indebtedness (*Überschuldung*), illiquidity (*Zahlungsunfähigkeit*) and impending illiquidity (*drohende Zahlungsunfähigkeit*) of the relevant company constituting such causes of insolvency. In case of impending illiquidity, though, only the relevant company's management but not its creditors may initiate insolvency proceedings.

According to the relevant provision of the German Insolvency Code (*Insolvenzordnung*), a debtor is over-indebted when its liabilities exceed the value of its assets (based on their liquidation values), unless a continuation of the debtor's business is predominantly likely to be able to meet its payment obligations as and when due during the relevant ongoing and next following business year (*positive Fortbestehensprognose*). A company is considered to be illiquid if it is unable to pay its debts as and when they fall due. Impending illiquidity (*drohende Zahlungsunfähigkeit*) exists if the company is currently is able to service its payment obligations, but will presumably not be able to continue to do so at some point in time within a certain prognosis period.

Upon a limited liability company (*Gesellschaft mit beschränkter Haftung*—GmbH) or any company not having an individual as its personally liable shareholder becoming over-indebted, its managing director(s) and, in certain circumstances its shareholders, are required by law to file for insolvency without undue delay, however, at the latest within three weeks after the mandatory insolvency reason (i.e., illiquidity and/or over-indebtedness) occurred. Failure to comply with this obligation exposes the management to both severe damage claims as well as sanctions under criminal law.

The insolvency proceedings are administered by the competent insolvency court which monitors the due performance of the proceedings. Upon receipt of the insolvency petition, the insolvency court may and usually does take preliminary measures to secure the property of the debtor during the preliminary proceedings (*Insolvenzeröffnungsverfahren*). The insolvency court may and usually does prohibit or suspend any measures taken to enforce individual claims against the debtor's assets during these preliminary proceedings (court ordered stay). In addition, the court will usually also appoint a preliminary insolvency administrator (*vorläufiger Insolvenzverwalter*), unless the debtor has successfully petitioned for preliminary debtor-in possession status (*vorläufige Eigenverwaltung*)—an insolvency process in which the debtor's management generally remains in charge of administering the debtor's business affairs under the supervision of a preliminary custodian (*vorläufiger Sachwalter*). Depending on the size of the debtor's business operations, the insolvency court must or may appoint a preliminary creditors' committee (*vorläufiger Gläubigerausschuss*) to form a view on the profile of the officeholder of the preliminary insolvency administrator to be appointed or even to make a suggestion for a particular individual to be appointed by the court. In case the members of the preliminary creditors' committee unanimously agree on an individual, such suggestion is binding on the court (unless the suggested individual is not eligible; i.e., not competent and/or impartial). To ensure that the preliminary creditors' committee reflects the interests of all creditor constituencies, it needs to include a representative of the secured creditors, one for the large and one for the small creditors as well as one for the employees. The duty of the preliminary insolvency administrator is, in particular, to safeguard and to preserve the debtor's assets (which includes the continuation of the business carried out by the debtor), to verify the existence of the reason for insolvency and to assess whether the debtor's net assets will be sufficient to cover the costs of the insolvency proceedings. The court orders the opening (*Eröffnungsbeschluss*) of formal insolvency proceedings (*eröffnetes Insolvenzverfahren*) if certain requirements are met, particularly if there are sufficient assets to cover at least the cost of the insolvency proceedings. If the assets of the debtor are not expected to be sufficient, the insolvency court will only open formal insolvency proceedings if third parties, such as creditors, advance the costs themselves. In the absence of such advancement, the petition for the opening of insolvency proceedings is dismissed for insufficiency of assets (*Abweisung mangels Masse*).

Upon the opening of formal main insolvency proceedings, an insolvency administrator (usually the same person who acted as preliminary insolvency administrator) is appointed by the insolvency court unless a debtor-in-possession status (*Eigenverwaltung*) is ordered. In the absence of a debtor-in-possession status, the right to administer the debtor's business affairs and to dispose of the assets of the debtor passes to the insolvency administrator with the insolvency creditors (*Insolvenzgläubiger*) only being entitled to change the individual appointed as insolvency administrator upon the occasion of the first creditors' assembly (*erste Gläubigerversammlung*) with such change requiring that (i) a simple majority of votes cast (by heads and amount of insolvency claims) has voted in favor of the proposed individual to become insolvency administrator and (ii) the proposed individual being eligible as officeholder (i.e., he or she is sufficiently qualified, business-experienced and impartial). The insolvency administrator may raise new financial indebtedness and incur other liabilities to continue the debtor's business. These new liabilities incurred by the insolvency administrator qualify as preferential claims against the estate (*Masseforderung*) which are preferred to any insolvency claim of an unsecured creditor (with the residual claim of a secured insolvency creditor remaining after realization of the available collateral (if any) also qualifying as unsecured insolvency claim).

All creditors, whether secured or unsecured, who wish to assert claims against the debtor and the insolvency estate need to participate in the insolvency proceedings. Any individual enforcement action brought against the debtor by any of its creditors is subject to an automatic stay once insolvency proceedings have been opened. German insolvency proceedings are collective proceedings and creditors are generally no longer entitled to pursue their individual claims in the insolvency proceedings separately, but can instead only enforce them in compliance with the restrictions of the German Insolvency Code. In the insolvency proceedings, however, secured creditors have certain preferential rights (*Absonderungs-/Aussonderungsrechte*). Depending on the legal nature of the security interest, entitlement to enforce such security is either vested with the secured creditor or the insolvency administrator. In this context, it should be noted that the insolvency administrator generally has the sole right to realize any movable assets in its or the debtor's possession that are subject to preferential rights (e.g., liens over movable assets (*Mobiliarsicherungsrechte*), or security transfer of title (*Sicherungsübereignung*)) as well as to collect any claims that are subject to security assignment agreements (*Sicherungsabtretungen*). Pursuant to a minority view, the insolvency administrator is also entitled to enforce share pledges and account pledges. If the enforcement right is vested with the insolvency administrator, the enforcement proceeds, less certain contributory charges for (i) assessing the value of the secured assets (*Feststellungskosten*) and (ii) realizing the secured assets (*Verwertungskosten*) which, in the aggregate, usually add up to 9% (or more in certain circumstances) of the gross enforcement proceeds plus VAT (if any), are disbursed to the creditor holding a security interest in the relevant collateral up to an amount equal to its secured claims. With the remaining unencumbered assets of the debtor, the insolvency administrator is obliged to satisfy the preferential creditors of the insolvency estate (*Massegläubiger*) (including the costs of the insolvency proceedings as well as any preferred liabilities incurred by the insolvency estate after the opening of formal insolvency proceedings) with priority over all other unsecured claims. Thereafter, all other unsubordinated claims (insolvency claims) (*Insolvenzforderungen*), are satisfied on a pro rata basis if and to the extent there is cash remaining in the insolvent estate (*Insolvenzmasse*) after the security interest and the preferential claims against the estate have been settled and paid in full. Therefore, the proceeds resulting from the realization of the insolvency estate of the debtor (including the Company (in any German insolvency proceeding relating to it (main or secondary)) or a German Guarantor) may not be sufficient to satisfy unsecured creditors of the Company or claims under a guarantee granted by any German Guarantor in full after the secured creditors have been satisfied. Claims of subordinated creditors in the insolvency proceedings (*nachrangige Insolvenzgläubiger*) are satisfied only after the claims of other non-subordinated creditors (including the unsecured insolvency claims) have been satisfied in full. In addition, it may take several years until the final proceeds resulting from the liquidation and the realization of all assets of the Company or a German Guarantor (if any) are distributed to unsecured creditors.

While in ordinary insolvency proceedings the value of the debtor's assets is realized by way of a piecemeal sale or, as the case may be, by a bulk sale of the debtor's business as a going concern, a different approach aimed at the rehabilitation of the debtor can be taken based on an insolvency plan (*Insolvenzplan*). Such plan can be submitted by the debtor or the insolvency administrator and requires, among other things and subject to certain exceptions, the consent of the debtor and the consent of each class of creditors in accordance with specific majority rules and the approval of the insolvency court. The insolvency court may order the deemed approval of one or more opposing creditor groups under certain conditions (cram down). The insolvency plan may derogate from certain standard provisions of the German Insolvency Code. In particular, it may contain provisions regarding the discharge of secured and unsecured creditors, the disposal of the insolvency estate as well as procedure. It may also create, modify, transfer or terminate rights in rem such as property rights or security interests. If the debtor is a corporate entity, the shares or, as the case may be, the membership rights in the debtor can also be included in the insolvency plan, e.g., these can be transferred to third parties, including a transfer to creditors based on a debt-to-equity swap. This means that an insolvency plan could under certain circumstances provide for provisions regarding the guarantees which are less favorable to the holders of the Notes than the standard provisions of the German Insolvency Code. Under certain conditions, such provisions could be adopted against the votes of the affected holders of the Notes. Moreover, if the debtor has filed a petition for the opening of insolvency proceedings based on a reason for the insolvency other than illiquidity (i.e., impending illiquidity or over-indebtedness), combined with a petition to initiate such process based on a debtor-in possession status and can demonstrate that a restructuring of its business is not obviously futile, the court may grant a period of up to three months to draw up an insolvency plan for the debtor business (*Schutzschirmverfahren*). During this period, the creditors' rights to enforce security may—upon application of the filing debtor—be suspended. Under these circumstances, the insolvency court must appoint a preliminary custodian (*vorläufiger Sachwalter*) to supervise the process. The debtor is entitled to suggest an individual to be appointed as custodian with such suggestion being binding on the insolvency court unless the suggested person is obviously not eligible to become a custodian (i.e., he or she is obviously not competent or impartial).

Under German insolvency law, there is no consolidation of the assets and liabilities of a group of companies in the event of insolvency. In case of a group of companies, each entity, from an insolvency law point of view, has to be dealt with separately on an entity-by-entity basis (i.e., there is no group insolvency concept under German insolvency law).

While initiatives exist to facilitate the handling of group insolvencies, it is currently unclear if and when any corresponding legislation might be adopted by parliament.

Under German insolvency law, termination rights, automatic termination events or "escape clauses" entitling one party to terminate an agreement, or resulting in an automatic termination of an agreement upon the filing for or opening of insolvency proceedings in respect of the other party or the occurrence of reasons justifying the opening of insolvency proceedings (*insolvenzbezogene Kündigungsrechte oder Lösungsklauseln*) may be invalid if they frustrate the election right of the insolvency administrator whether or not to perform the contract unless they reflect termination rights applicable under statutory law. This likely also includes agreements that are not governed by German law.

Finally, the insolvency estate serves to satisfy the liquidated claims held by the personal creditors against the debtor on the date when the insolvency proceedings were opened. The following claims are satisfied ranking below the other claims of insolvency creditors in the order given below, and according to the proportion of their amounts if ranked with equal status: (i) interest and penalty payments accrued on the claims of the insolvency creditors from the opening of the insolvency proceedings; (ii) costs incurred by individual insolvency creditors due to their participation in the proceedings; (iii) fines, regulatory fines, coercive fines and administrative fines, as well as such incidental legal consequences of a criminal or administrative offense binding the debtor to pay money; (iv) claims to the debtor's gratuitous performance of a consideration; and (v) claims for restitution of a shareholder loan or claims resulting from legal transactions corresponding in economic terms to such a loan.

Limitation on Enforcement

The German Guarantors are established in the form of limited liability companies (*Gesellschaft mit beschränkter Haftung*, "GmbH") or limited liability partnerships (*Kommanditgesellschaft*, "KG") with a general partner (*Komplementär*) incorporated as a limited liability company (GmbH, so called GmbH & Co. KG). The grant of collateral or a guarantee by a German Guarantor established in the form of a German limited liability company (GmbH) is subject to certain provisions of the German Limited Liability Company Act (*Gesetz betreffend die Gesellschaften mit beschränkter Haftung*, "GmbHG").

Sections 30 and 31 of the GmbHG ("Sections 30 and 31") prohibit a GmbH from disbursing its assets to its shareholders to the extent that the amount of the GmbH's net assets determined in accordance with the provisions of the German Commercial Code (*Handelsgesetzbuch*, HGB) (i.e., assets minus liabilities and liability reserves) is or would fall below the amount of its stated share capital (*Stammkapital*). Guarantees, share pledges and any other collateral granted by a GmbH in order to guarantee or secure liabilities of a direct or indirect parent or sister company are considered disbursements under Sections 30 and 31. Therefore, in order to enable subsidiaries incorporated in Germany in the legal form of a German limited liability company (GmbH) to grant collateral or a guarantee to secure liabilities of a direct or indirect parent or sister company without the risk of violating Sections 30 and 31, it is standard market practice for credit agreements, guarantees and security documents to contain so-called "limitation language" in relation to such subsidiaries. Pursuant to such limitation language, the secured parties agree to enforce the collateral and the beneficiaries of the guarantees agree to enforce the guarantees against the German subsidiary only to the extent that the granting or enforcement of such guarantee does not result in the subsidiary's net assets falling below its stated share capital. Accordingly, the documentation in relation to the guarantees and the security interests, to the extent they relate to a German Guarantor in the legal form of a German limited liability company (GmbH), includes such limitation language and such guarantees and security interests are limited in the manner described.

In addition to the limitations resulting from the capital maintenance rules described above, the guarantees granted by a German Guarantor in the legal form of a German limited liability company (GmbH) will contain additional provisions limiting the enforcement in the event the enforcement would result in an illiquidity of such German Guarantor.

The limitations set out above apply *mutatis mutandis* where a guarantee is granted by a German Guarantor incorporated as a limited liability partnership (KG) in relation to each general partner (*Komplementär*) incorporated as a limited liability company (GmbH, so called GmbH & Co. KG).

German capital maintenance rules are subject to evolving case law. We cannot assure you that future court rulings may not further limit the access of shareholders to assets of their subsidiaries constituted in the form of a GmbH, which can negatively affect the ability of the Company to make payment on the Notes, of the subsidiaries to make payments on the guarantees or of the beneficiaries of the guarantees to enforce the guarantees.

In addition, it cannot be ruled out that the case law of the German Federal Court of Justice (*Bundesgerichtshof*) regarding "destructive interference" (*existenzvernichtender Eingriff*) (i.e., a situation in which a shareholder deprives a German limited liability company (GmbH) of the liquidity necessary for it to meet its own payment obligations) may be applied by courts with respect to the enforcement of a subsidiary guarantee or security granted by the German Guarantors. In such a case, the amount of proceeds to be realized in an enforcement process may be reduced.

According to a decision of the German Federal Court of Justice (*Bundesgerichtshof*), a security agreement may be void due to tortuous inducement of breach of contract if a creditor knows about the distressed financial situation of the debtor and anticipates that the debtor will only be able to grant collateral by disregarding the vital interests of its other business partners. It cannot be ruled out that German courts may apply this case law with respect to the granting of subsidiary guarantees or security by the German Guarantors. Furthermore, the beneficiary of a transaction effecting a repayment of the stated share capital of the grantor of the subsidiary guarantee could moreover become personally liable under exceptional circumstances. The German Federal Court of Justice (*Bundesgerichtshof*) ruled that this could be the case if, for example, the creditor were to act with the intention of detrimentally influencing the position of the other creditors of the debtor in violation of the legal principle of *bonos mores* (*Sittenwidrigkeit*). Such intention would be assumed if the beneficiary of the transaction was aware of any circumstances indicating that the grantor of the guarantee or security was close to collapse (*Zusammenbruch*), or had reason to enquire further with respect thereto.

Hardening Periods and Fraudulent Transfer

In the event of insolvency proceedings with respect to a German Guarantor based on and governed by the insolvency laws of Germany, the guarantee provided by that entity could be subject to potential challenges by an insolvency administrator (*Insolvenzverwalter*) under the rules of avoidance (*Anfechtungsregelungen*) as set out in the German Insolvency Code (*Insolvenzordnung*).

Acts (*Rechtshandlungen*) or transactions (*Rechtsgeschäft*) (which term includes the provision of security or the repayment of debt) taken by the debtor and its creditors that have been detrimental to the insolvency estate may be challenged by an insolvency administrator. This may affect actions which have occurred up to ten years prior or at any time after an insolvency petition with respect to the relevant debtor's assets has been filed.

In particular, an act (*Rechtshandlung*) or a legal transaction (*Rechtsgeschäft*) (which term includes the granting of a guarantee, the provision of security and the payment of debt) detrimental to the creditors of the debtor may be voided according to the German Insolvency Code in the following cases:

- any act or transaction granting a creditor security or satisfaction for a debt (*Befriedigung*) can be voided if the transaction was effected (i) in the last three months prior to the filing of a petition for the opening of insolvency proceedings, if at the time of the act or transaction the debtor was illiquid (*zahlungsunfahig*), which means such debtor was unable to pay its debt when due and the creditor had knowledge thereof, or (ii) after a petition for the opening of insolvency proceedings has been filed and the creditor had knowledge thereof or of the debtor being illiquid (or knowledge of circumstances suggesting such illiquidity or filing);
- any act or transaction granting a creditor security or satisfaction for a debt to which such creditor had no right, no right at the respective time or no right as to the respective manner, can be voided if the act or transaction was effected in the month prior to the filing of a petition for the opening of insolvency proceedings; if the act or transaction was effected in the second and third month prior to the filing, it can be voided if at the time of the transaction (i) the debtor was illiquid, or (ii) the creditor knew that the act or transaction would be detrimental to the creditors of the debtor;
- any act or transaction effected by the debtor which is directly detrimental to the creditors of the debtor can be voided if the transaction was effected (i) in the last three months prior to the filing of a petition for the opening of insolvency proceedings against the debtor, if at the time of the act or transaction the debtor was illiquid and the other party to the act or transaction had knowledge thereof or (ii) after a petition for the opening of insolvency proceedings has been filed against the debtor and the other party to the legal transaction had knowledge thereof or of the debtor being illiquid;
- if an act or transaction whereby a debtor grants security for a third-party debts is regarded as having been granted gratuitously (*unentgeltlich*); such gratuitous act or transaction can be voided unless it was effected earlier than four years prior to the filing of a petition for the opening of insolvency proceedings against the debtor;
- any act or transaction performed by the debtor during a period of ten years prior to the filing of the petition for the opening of insolvency proceedings or at any time after such filing can be voided if the debtor acted with the intent to disadvantage its creditors and the beneficiary of the act or transaction had knowledge of such intent at the time of the act or transaction, with such knowledge being presumed if the beneficiary knew that the debtor was at least imminent illiquid and that the act or transaction disadvantaged the other creditors;
- any non-gratuitous contract concluded between the debtor and an affiliated party which directly operates to the detriment of the creditors can be voided unless such contract was concluded earlier than two years prior to the filing of the petition for the opening of insolvency proceedings or the other party had no knowledge of the

debtor's intention to disadvantage its creditors as of the time the contract was concluded; in relation to corporate entities, the term "affiliated party" includes, subject to certain limitations, members of management or the supervisory board, general partners and shareholders owning more than 25% of the debtor's share capital, persons or companies holding comparable positions that give them access to information about the economic situation of the debtor, and other persons who are spouses, relatives or members of the household of any of the foregoing persons;

- any act that provides security or satisfaction for a claim of a shareholder for the repayment of a shareholder loan (*Gesellschafterdarlehen*) or an economically equivalent claim can be voided (i) in the event it provided security, if the transaction was effected within the last ten years prior to the filing of a petition for the opening of insolvency proceedings or thereafter or (ii) in the event it provided satisfaction, if the transaction was effected in the last year prior to the filing of a petition for the opening of insolvency proceedings or thereafter; or
- any act whereby the debtor grants satisfaction for a loan claim or an economically equivalent claim to a third party can be voided if the transaction was effected in the last year prior to the filing of a petition for the opening of insolvency proceedings or thereafter and if a shareholder of the debtor had granted security or was liable as a guarantor (*Bürge*) (in which case the shareholder must compensate the debtor for the amounts paid (subject to further conditions)).

For purposes of the above, the knowledge of circumstances from which a compelling conclusion regarding the debtor's illiquidity or regarding the filing of a petition for the opening of insolvency proceedings can be drawn, are considered tantamount to the actual knowledge of the debtor's illiquidity or of the filing of the petition for the opening of insolvency proceedings.

When successful, the challenge of such act or transaction results in an obligation of the relevant creditor to return the benefit obtained through or in connection with such action to the insolvency estate, while a claim for the return of a consideration originally granted to the debtor for the debtor's performance (if any) may constitute only a regular, unsecured insolvency claim which may be satisfied only to the extent a general insolvency dividend is paid upon the distribution of the insolvency estate to the creditors.

Such transactions can include the payment of any amounts to the holders of the Notes as well as granting them any security interest. In the event that such a transaction is successfully avoided, the holders of the Notes would be under an obligation to repay the amounts received or to waive the guarantee or security interest, as applicable, or both.

If the guarantee given or by a German Guarantor were avoided or held unenforceable for any reason, you would cease to have any claim in respect thereof. Any amounts received from a transaction that has been avoided would have to be repaid to the insolvent estate.

Furthermore, even in the absence of an insolvency proceeding, a third-party creditor who has obtained an enforcement order (*Vollstreckungstitel*) but has failed to obtain satisfaction of its enforceable claims by a levy of execution (*Zwangsvollstreckung*) or where such levy of execution (*Zwangsvollstreckung*) can be expected not to result in full satisfaction of such claims, under certain circumstances, has the right to avoid certain transactions, such as the payment of debt and the granting of security pursuant to the German Code on Avoidance (*Anfechtungsgesetz*). The prerequisites differ to a certain extent from the rules described above and the voidance periods are calculated from the date when a creditor exercises its rights of avoidance in the courts.

Switzerland

Guarantee Limitation

A Guarantor, Constellium Switzerland AG (the "Swiss Guarantor"), is incorporated under the laws of Switzerland.

The granting of a guarantee, indemnity, security or other benefit, as well as any other undertaking contained in any agreement having the same or a similar effect, such as, but not limited to, the waiver of set-off or subrogation rights or the subordination of intra-group claims, granted by the Swiss Guarantor for the benefit of the Swiss Guarantor's direct and indirect parent and sister companies (so-called "Upstream/Cross-stream Obligations") are subject to certain restrictions and risk being held invalid or partially invalid under Swiss corporate law.

Therefore, the Indenture and/or any other relevant document will contain certain limitation language in relation to Upstream/Cross-stream Obligations of the Swiss Guarantor, in order to enable the Swiss Guarantor to grant a guarantee securing liabilities of the Issuer without the risk of violating such restrictions under Swiss law and to protect management from personal liability; such limitation language is standard market practice for, among others, notes and guarantees in relation to subsidiaries incorporated in Switzerland in the form of a Swiss stock corporation (*Aktiengesellschaft*) or Swiss limited liability company (*Gesellschaft mit beschränkter Haftung*).

Limitations on the enforcement of any guarantee granted by a Swiss Guarantor apply in relation to Upstream/Cross-stream Obligations. The ability of the Swiss Guarantors to assume Upstream/ Cross-stream Obligations is restricted under Swiss law insofar as such Upstream/Cross-stream Obligations must be within the corporate purposes and interests of such Swiss Guarantor and must not result in a repayment of the legally protected reserves (*gesetzlich geschützte Reserven*) or other non-permitted distribution of assets to shareholders, board members or other persons close to the Swiss Guarantor. In light of the foregoing, the Indenture and/or any other relevant document will limit the value of any Upstream/Cross-stream Obligations assumed by a Swiss Guarantor to its freely distributable equity at the time of enforcement. Freely distributable equity is equal to the maximum amount that the relevant Swiss Guarantor can distribute to its shareholders as a dividend payment under Swiss law at such time, which is currently the total shareholder equity less the total of (i) the aggregate share capital and (ii) the statutory reserves (to the extent such reserves cannot be transferred into unrestricted, distributable reserves). In addition, the performance of Upstream/ Cross-stream Obligations may require further corporate action by the Swiss Guarantor.

In addition, the enforcement of a Swiss Guarantor's Upstream/Cross-stream Obligations may give rise to Swiss withholding taxes (of up to 35% at present rates, subject to applicable double taxation treaties) to the extent that the payment or enforcement of such Upstream/Cross-stream Obligations are regarded as a deemed dividend distribution. Under Swiss law, any obligation of a Swiss Guarantor to gross-up, indemnify or otherwise hold harmless the holders of the Notes for the deduction of Swiss withholding tax may not be valid and, thus, may prejudice the enforceability of anything to the contrary contained above under "Additional Amounts" or in the Indenture. In addition, any obligation to gross-up, indemnify or otherwise hold harmless the holders of the Notes for the deduction of Swiss withholding tax in connection with Upstream/ cross-stream guarantees granted by a Swiss Guarantor would in any case be limited by the amount of the freely distributable equity of the Swiss Guarantor.

Enforcement of Guarantees and other Security

Generally, any guarantee or security is enforced in accordance with its terms under Swiss law. Unconditional and irrevocable guarantees within the meaning of art. 111 of the Swiss Code of Obligations are typically due and payable upon request of the beneficiaries or their representative.

Other security (e.g., rights in rem) is enforced in accordance with the terms of the respective security agreement. Typically, the security agreements provide for the right of a security agent acting on behalf of the secured parties to enforce the security either by: (i) private realization (*Private Verwertung*) and set-off of the proceeds against the secured obligations, or (ii) official enforcement proceedings pursuant to the Swiss Federal Act on Debt Enforcement and Bankruptcy, in which case the right of objection pursuant to Article 41 (1bis) of the Swiss Federal Act on Debt Enforcement and Bankruptcy (*Einrede der Betreibung auf Pfandverwertung*) is typically waived in the security agreements. In such case, the parties also typically agree in advance that a private sale (*Freihandverkauf*) will be admissible. In the course of a private realization, the security agent acting on behalf of the secured parties may acquire any or all of the pledged assets (*Selbsteintritt*) if so agreed in the relevant security agreement.

In case of an assignment of claims for security purposes, the security agent will, on behalf of the secured parties, collect all assigned claims. Alternatively, it is often entitled to sell such assigned claims to third parties by way of a private sale (*Freihandverkauf*) or acquire the assigned claims for its own account, in each case without having to initiate proceedings under the Swiss Federal Act on Debt Enforcement and Bankruptcy.

Insolvency Proceedings

In the event of the Swiss Guarantor's insolvency, insolvency proceedings may be initiated in Switzerland and Swiss insolvency laws would then govern those proceedings. The insolvency laws of Switzerland and, in particular, the provisions of the Swiss Federal Act on Debt Enforcement and Bankruptcy (*Bundesgesetz über Schuldbetreibung und Konkurs*) may be less favorable to the interests of creditors than the insolvency laws of other jurisdictions, including in respect of priority of creditors, the ability to obtain post-petition interest and the duration of the insolvency proceedings, and therefore may limit the ability of creditors to recover payments due on the Notes to an extent exceeding the limitations arising under other insolvency laws.

The following is a brief description of certain aspects of the insolvency laws of Switzerland.

Under Swiss insolvency laws, there is no group insolvency concept, which means there is no consolidation of the assets and liabilities of a group of companies in the event of insolvency. In case of a group of companies, each entity has, from an insolvency law point of view, to be dealt with separately. As a consequence, there is, in particular, no pooling of claims among the respective entities of a group, but rather claims of, and against, each entity have to be dealt with separately.

Under Swiss insolvency laws, insolvency proceedings are not initiated by the competent insolvency court *ex officio*, but rather require that the debtor or a creditor files a petition for the opening of insolvency proceedings based on an application for commencement of enforcement proceedings and the threat of insolvency (as discussed in the paragraphs below). Moreover, insolvency proceedings must be initiated by the debtor itself according to Swiss corporate law in the event of over-indebtedness (*Überschuldung*) or can be initiated by a creditor according to Swiss insolvency laws in the event that the debtor has obviously and permanently stopped to pay its debts as and when they fall due or has acted fraudulently, or is attempting to act fraudulently to the detriment of its creditors. Furthermore, a debtor may also initiate insolvency proceedings if it declares itself insolvent (*zahlungsunfähig*) before court. Generally, pursuant to the Swiss corporate law, a debtor is over-indebted when its liabilities exceed the value of its assets, which must be assessed on the basis of a balance sheet to be drawn up (i) on the basis of the liquidation value of the debtor's assets and (ii) based upon the going concern value. If the interim balance sheet shows that the creditors' claims are neither covered by assets valued at liquidation values nor at going concern values, the debtor's board of directors has to notify the bankruptcy court, provided that creditors of the debtor do not agree to subordinate their claims in the amount necessary to cover the over-indebtedness (Article 725 Swiss Code of Obligations). The debtor's board of directors is obliged to file for insolvency without delay and noncompliance with this obligation exposes the board of directors to damage claims and, in extreme cases, to sanctions under criminal law. Under certain circumstances, the auditors of an over-indebted company are obliged to file for insolvency.

If a creditor wants to initiate insolvency proceedings, it has to file an application for commencement of enforcement proceedings (*Betreibungsbegehren*) with the competent debt collection office (*Betreibungsamt*). With respect to unsecured claims, the competent debt collection office is located where the debtor is registered or resident. The debt collection office will then serve the debtor with the writ of payment (*Zahlungsbefehl*). There is no material assessment of the claim at this stage. The debtor may within ten days upon having been served with the writ of payment, file an objection (*Rechtsvorschlag*) to bring the procedure to a halt and obtain an individual stay of proceedings. No reasons need to be given for such objection. The debt collection office notifies the creditor of the objection.

For claims based on an enforceable judgment, the creditor can without any further delay file an application to lift this stay with the court (*Rechtsöffnungsbegehren*). For claims not based on an enforceable judgment, but on a certified and/or signed document evidencing the claim, provisional lifting of such stay can be applied for in summary proceedings (*provisorische Rechtsöffnung*). In the event the objection is set aside in these summary proceedings, the debtor may within 20 days bring an action in ordinary court proceedings for negative declaration that the creditor's claim does not exist (*Aberkennungsklage*).

The creditor may then ask the debt collection office to continue the enforcement proceeding (*Fortsetzungsbegehren*) in relation to an existing writ of payment having full force and effect. The competent debt collection office delivers a bankruptcy warning (*Konkursandrohung*) to the debtor. The insolvency court may take preliminary measures to secure property of the debtor in case this is requested by a creditor and required to secure the creditor's rights. After 20 days from receipt of the bankruptcy warning (*Konkursandrohung*), the creditor may petition the opening of insolvency proceedings. The competent insolvency court decides upon the insolvency without any delay, provided that there are no reasons which would lead to a suspension of the insolvency court's decision. In addition, the debtor has the right to file a request for a moratorium. The parties may file an appeal against any decision taken by the insolvency court.

The insolvency court orders the continuation of insolvency proceedings if certain requirements are met, in particular if there are sufficient assets to cover at least the costs of the insolvency proceedings. If the assets of the debtor are not expected to be sufficient, the insolvency court will only order to continue insolvency proceedings if third parties, for instance creditors, advance the costs of the insolvency proceedings themselves. In the absence of such advancement, the insolvency proceedings will be closed for insufficiency of assets (*Einstellung des Konkursverfahrens mangels Aktiven*). Alternatively, the insolvency office may request the insolvency court to resolve upon summary insolvency proceedings (*summarisches Konkursverfahren*), if the assets are not sufficient to cover the cost of ordinary insolvency proceedings and the actual facts of the case are not complicated. Also, in such case, creditors have the right to request ordinary insolvency proceedings.

Upon the opening of formal insolvency proceedings (*Konkurseröffnung*), the right to administer and dispose over the business and the assets of the debtor passes to the insolvency office (*Konkursamt*). Assets which are subject to a pledge and similar security rights are considered to be part of the debtor's estate (*Konkursmasse*). The insolvency office has full administrative and disposal authority over the debtor's estate, provided that certain acts require the approval of the insolvency court. The creditors' meeting may appoint a private insolvency administration (*private Konkursverwaltung*) and, in addition, a creditors' committee (*Gläubigerausschuss*). In such case, the private insolvency administration will be competent to maintain and liquidate the debtor's estate. The creditors' committee has additional competences.

Insolvency results in the acceleration of all claims against a debtor (secured or unsecured), except for those secured by a mortgage on the debtor's real property, and the relevant claims become due upon insolvency. As a result of such acceleration, a creditor's bankruptcy claim consists of the principal amount of the debt (discounted at 5% if not interest bearing), interest accrued thereon until the date of insolvency, and (limited) costs of enforcement. Upon insolvency, interest ceases to accrue. Only claims secured by a pledge enjoy a preferential treatment insofar as interest that would have accrued until the collateral is realized will be honored if and to such extent as the proceeds of the collateral suffice to cover such interests.

All creditors, whether secured or unsecured (unless they have a segregation right (*Aussonderungsrecht*), wishing to assert claims against the debtor need to participate in the insolvency proceedings in Switzerland. Swiss insolvency proceedings are collective proceedings and creditors may generally no longer pursue their individual claims separately, but can instead only enforce them in compliance with, and subject to, the restrictions of Swiss insolvency laws. Therefore, secured creditors are generally not entitled to enforce any security interest outside the insolvency proceedings. In the insolvency proceedings, however, secured creditors have certain preferential rights (*Vorzugsrechte*). Generally, entitlement to realize such security is vested with the insolvency administration. Realization proceedings are governed by Swiss insolvency laws which provide for a public auction, or, subject to certain conditions, a private sale. Proceeds from enforcement are used to cover (i) enforcement costs, (ii) the claims of the secured creditors and (iii) any excess proceeds will be used to satisfy unsecured creditors.

Typically, liabilities resulting from acts of the insolvency administrator after commencement of formal insolvency proceedings constitute liabilities of the debtor's estate. Thereafter, all other claims (insolvency claims—*Konkursforderungen*), in particular claims of unsecured creditors, will be satisfied pursuant to the distribution provisions of Swiss insolvency laws, which provide for certain privileged classes of creditors, such as a debtor's employees. Certain privileges can further result for the Swiss government and its subdivisions based on specific provisions of federal law. All other creditors will be satisfied on a *pro rata* basis if and to the extent there are funds remaining in the debtor's estate after the security interests and privileged claims have been settled and paid in full.

Swiss insolvency laws also provide for reorganization procedures by composition with the debtor's creditors. Reorganization is initiated by a request with the competent court for a stay (*Nachlassstundung*) pending negotiation of one of the several statutory types of composition agreement with the creditors and confirmation of such agreement by the competent court.

Avoidance

Under Swiss insolvency laws, the insolvency administration may, under certain conditions, avoid transactions, such as, *inter alia*, the granting of, or the payment under, any guarantee or security or, if a payment has already been made under the relevant guarantee or security, require that the recipients return the amount received to the debtor's estate. In particular, a transaction (which term includes the granting of a guarantee, the provision of security and the payment of debt) detrimental to the debtor's other creditors may be avoided according to Swiss insolvency laws in the following cases if such acts result in damages to the creditors:

- The debtor has made a transaction being considered as a gift or a disposal of assets without any consideration, provided that the debtor made such transaction within the last year prior to the opening of formal insolvency proceedings (*Konkurseröffnung*). Similarly, transactions pursuant to which the debtor received a consideration which was disproportionate to its own performance, may be avoided.
- Certain acts are voidable if performed by the debtor within the last year prior to the opening of formal insolvency proceedings (*Konkurseröffnung*), provided that the debtor was already over-indebted at that time: (i) granting of security for already existing claims, provided that the debtor was not previously obliged to grant such security, (ii) payment of a monetary obligation (*Geldschuld*) in any other way than by payment in cash (*Barschaft*) or other customary means of payment, and (iii) the payment of a debt not yet due. However, any avoidance action is excluded if the beneficiary of the transaction can prove that it was not aware of the debtor's over-indebtedness and, being diligent, could not know that the debtor had been over-indebted at that time.
- Furthermore, any acts performed within the last five years prior to, inter alia, the opening of formal insolvency proceedings (*Konkurseröffnung*) performed by the debtor with the intention to disadvantage its creditors, or discriminate some creditors against others or to favor some creditors to others are voidable if such intention was, or exercising the requisite due diligence must have been known, to the debtor's counterparty.

If any guarantee or security is avoided as summarized above or held unenforceable for any other reason, the claimant would cease to have any claim in respect of the guarantee and would have a claim solely under the Notes and the remaining guarantees, if any. Any amounts obtained from transactions that have been avoided would have to be repaid.

ENFORCEMENTS OF JUDGMENTS

The Netherlands

In connection with the IPO we converted from a private limited liability company (*besloten vennootschap met beperkte aansprakelijkheid*) to a public limited liability company (*naamloze vennootschap*) incorporated under the laws of the Netherlands. Most of our executive officers and members of our board of directors, and a substantial number of our employees, are citizens or residents of countries other than the United States. All or a substantial portion of the assets of such persons and a substantial portion of our assets are located outside the United States. As a result, it may not be possible for you to effect service of process within the United States upon such persons or upon us, or to enforce judgments obtained in U.S. courts, including judgments predicated upon civil liabilities under the securities laws of the United States or any state or territory within the United States. In addition, there is substantial doubt as to the enforceability, in the Netherlands, of original actions or actions for enforcement based on the federal securities laws of the United States or judgments of U.S. courts, including judgments predicated upon the civil liability provisions of the securities laws of the United States.

The United States and the Netherlands do not currently have a treaty providing for reciprocal recognition and enforcement of judgments, other than arbitration awards, in civil and commercial matters. Accordingly, a final judgment for the payment of money rendered by U.S. courts based on civil liability, whether or not predicated solely upon the U.S. federal securities laws, would not be directly enforceable in the Netherlands. However, if the party in whose favor such final judgment is rendered brings a new suit in a competent court in the Netherlands, that party may submit to the Dutch court the final judgment that has been rendered in the United States. A judgment by a federal or state court in the United States against us will neither be recognized nor enforced by a Dutch court but such judgment may serve as evidence in a similar action in a Dutch court. Additionally, under current practice, a Dutch court will generally grant the same judgment without a review of the merits of the underlying claim if (i) that judgment resulted from legal proceedings compatible with Dutch notions of due process, (ii) that judgment does not contravene public policy of the Netherlands and (iii) the jurisdiction of the United States federal or state court has been based on internationally accepted principles of private international law.

Subject to the foregoing and service of process in accordance with applicable treaties, you may be able to enforce in the Netherlands judgments in civil and commercial matters obtained from U.S. federal or state courts. We believe that you may originate actions in a Dutch court. There is doubt as to whether a Dutch court would impose civil liability on us, the members of our board of directors, our officers or certain experts named herein in an original action predicated solely upon the U.S. federal securities laws brought in a court of competent jurisdiction in the Netherlands against us or such members, officers or experts, respectively.

France

The French Note Guarantors have been advised by Clifford Chance Europe LLP, their French law counsel, that there is no international treaty in force between the United States and France relating to the reciprocal enforcement of court judgments rendered in civil or commercial matters. Accordingly, a judgment rendered by any U.S. federal or state court based on civil liability, whether or not predicated solely upon U.S. federal or state securities laws, enforceable in the United States, would not directly be enforceable in France.

Enforcement in France of an enforceable and valid judgment for a sum of money rendered by a U.S. court is obtained following an *inter-partes* action for recognition and enforcement (*exequatur*) before the relevant civil court (*Tribunal de Grande Instance*), aiming at verifying that the following conditions have been met:

- such U.S. judgment was rendered by a court having jurisdiction over the matter as the dispute, meaning that (i) French courts did not have exclusive jurisdiction over the matter, or (ii) the choice of the U.S. court was not fraudulent and/or there is a sufficient nexus between the matter and the jurisdiction of such court;
- such U.S. judgment does not contravene French international public policy rules, both pertaining to the merits and to the procedure of the case, including fair trial rights;
- such U.S. judgment is not tainted with fraud; and
- such U.S. judgment does not conflict with a French judgment or a foreign judgment that has been recognized in France, and there are no proceedings pending before French courts and having the same or similar subject matter as such U.S. judgment.

The French court will not in such an action re-open the merits of the case.

If the French civil court is satisfied that the above conditions are met, the U.S. judgment will benefit from the res judicata effect as of the date of the decision of the French civil court. It will normally become enforceable in France, unless the exequatur decision is appealed.

A discovery process in connection with a judicial or administrative U.S. action filed in the United States could under certain circumstances be adversely affected by French criminal law No. 68-678 of July 26, 1968, as modified by French law No. 80-538 of July 16, 1980 and French Ordinance No. 2000-916 of September 19, 2000 (relating to the communication of documents and information of an economic, commercial, industrial, financial or technical nature to foreign authorities or persons), which could restrict obtaining evidence directly from a person or entity located in France or from French persons. Pursuant to the regulations above, litigants and/or U.S. authorities would however obtain such evidence by, for example, complying with international (1970 Hague Convention on the Taking of Evidence Abroad) or French procedural rules on the taking of evidence.

Similarly, French data protection rules (law No. 78-17 of January 6, 1978 on data processing, data files and individual liberties, as most recently modified by French Ordinance No. 2011-1012 of August 24, 2011) can under certain circumstances limit the possibility of obtaining information in France or from French persons in connection with a judicial or administrative U.S. action in a discovery context.

If an original action is brought in France, a French court applies to the dispute the law chosen by the parties, if any, or the law designated by the French rules of conflict of laws. This said, if the application of such law in the case at hand leads to a practical outcome that infringes French international public policy, as determined on a case-by-case basis by French courts (for example: non-compensatory exemplary or punitive damages considered by a French court of an excessive nature), French courts may refuse to apply the foreign law chosen by the parties or designated by the applicable French rule of conflict of laws. Furthermore, in an action brought in France on the basis of U.S. federal or state securities laws, French courts may not have the requisite power to grant all the remedies sought, if unknown to or conflicting with the French judicial system.

Under French law, a French court has jurisdiction to hear a claim where a French national, either a company or an individual, (i) sues a foreign defendant (article 14 of the French Civil Code) or (ii) is sued by a foreign claimant (article 15 of the French Civil Code). That French national may waive the right to benefit from the provisions of articles 14 and 15 of the French Civil Code, for example by a choice of jurisdiction clause or an arbitration clause, or by way of conduct (e.g., by voluntarily appearing before the foreign court, without raising its lack of jurisdiction). For a long time, these provisions were construed as meaning that, if the French national was summoned to appear against its will before a foreign jurisdiction, the decision to be rendered would not be recognized and enforced in France. According to recent case law, this remains true only if either the action commenced abroad against a French national has an insufficient nexus with the court seized or if the choice of that foreign jurisdiction is fraudulent.

Germany

We have been advised by our German counsel, Clifford Chance Partnerschaftsgesellschaft, that there is doubt as to the enforceability of U.S. judgments in Germany, or the applicability of U.S. federal or state laws in an action brought before a German court. There is no treaty in force between the United States and Germany relating to the enforcement of court judgments rendered in civil or commercial matters. Accordingly, a judgment rendered by any U.S. federal or state court based on civil liability, whether or not predicated solely upon U.S. federal or state securities laws, enforceable in the United States, would not directly be enforceable in Germany. However, under current practice, a final and conclusive judgment by a U.S. court for a definite sum of money may be recognized and thereby given binding effect within the territory of Germany, unless the German court finds that, *inter alia*, the recognition of the U.S. judgment leads to a result manifestly irreconcilable with material principles of German law or that proper legal procedures have not been observed.

The recognition and enforcement of the U.S. judgment by a German court is conditional upon a number of factors, including the following:

- U.S. courts could take jurisdiction of the case in accordance with the principles on jurisdictional competence according to German law;
- the document introducing the proceedings was duly made known to the defendant in a timely manner that allowed for adequate defense;
- the judgment does not conflict with (i) any prior judgment which became *res judicata* rendered by a German court and (ii) any prior judgment which became *res judicata* rendered by another foreign court which is

recognized in Germany and the proceedings leading to such judgment were not initiated after the commencement of proceedings on the same subject matter in a German court;

- the effects of its recognition will not be in conflict with material principles of German law, including without limitation, fundamental rights under the constitution of Germany (*Grundrechte*). In this context, it should be noted that any component of a U.S. federal or state court civil judgment awarding punitive damages or any other damages which do not serve a compensatory purpose, such as treble damages, will not be enforced in Germany. They are regarded to be in conflict with material principles of German law;
- the reciprocity of enforcement of judgments is guaranteed; and
- the judgment became *res judicata* in accordance with the law of the place where it was rendered.

Furthermore, enforcement and foreclosure based on U.S. judgments may be sought against German defendants after having received an enforcement decision from a competent German court in accordance with the above principles. Subject to the foregoing, purchasers of the Notes may be able to enforce judgments in civil and commercial matters obtained from U.S. federal or state courts in Germany. We cannot, however, assure you that any attempts to enforce judgments in Germany will be successful. In addition, the recognition and enforcement of punitive damages awards might be denied by German courts as incompatible with German public policy. Alternatively, a German court may reduce the amount of damages granted by a U.S. court and recognize damages only to the extent that they are necessary to compensate actual losses or damages. Enforcement is also subject to the effect of any applicable bankruptcy, insolvency, reorganization, liquidation, moratorium as well as other similar laws affecting creditor's rights generally.

German civil procedure differs substantially from U.S. civil procedure in a number of respects. With respect to the production of evidence, for example, U.S. federal and state law and the laws of several other jurisdictions based on common law provide for pre-trial discovery, a process by which parties to the proceedings, may prior to trial, compel the production of documents by adverse or third parties and the depositions of witnesses. Evidence obtained in this manner may be decisive in the outcome of any proceeding. No such pre-trial discovery process exists under German law.

If the party in whose favor such final judgment is rendered brings a new suit in a competent court in Germany, such party may submit to the German court the final judgment rendered in the United States. Under such circumstances, a judgment by a U.S. federal or state court against the Company or such persons will be regarded by a German court only as evidence of the outcome of the dispute to which such judgment relates. A German court may choose to re-hear the dispute and may render a judgment not in line with the judgment rendered by a U.S. federal or state court.

Switzerland

We have been advised by our Swiss counsel, Walder Wyss Ltd., that there is doubt as to the enforceability of U.S. judgments in Switzerland, or the applicability of U.S. federal or state laws in an action brought before a Swiss court. The United States and Switzerland currently do not have a treaty providing for the reciprocal recognition and enforcement of judgments, other than arbitration awards, in civil and commercial matters. Consequently, a final judgment by any U.S. federal or state court for payment, whether or not predicated solely upon U.S. federal or state laws, would not automatically be enforceable in Switzerland. A final judgment by a U.S. federal or state court, however, may be recognized in Switzerland in an action before a court of competent jurisdiction in accordance with the proceeding set forth by the Swiss Federal Act on International Private Law (*Bundesgesetz über das internationale Privatrecht*) and the Swiss Federal Act on Civil Procedure (*Schweizerische Zivilprozessordnung*). In such an action, a Swiss court generally would not reinvestigate the merits of the original matter decided by a U.S. court. The recognition and enforcement of a U.S. judgment by a Swiss court would be conditional upon a number of conditions including those set out in articles 25 *et seq.* of the Swiss Federal Act on International Private Law (*Bundesgesetz über das international Privatrecht*), which include:

- The U.S. court having had jurisdiction over the original proceedings from a Swiss perspective;
- The judgment being final under U.S. federal or state law, and no ordinary legal remedy being available against such judgment;
- The defendant having had the chance to defend herself or himself against any unduly or untimely served complaint except for a defendant having unconditionally consented to the original proceeding before the respective court;
- The original proceeding not having been conducted under a violation of material principles of Swiss civil proceedings law, in particular the right to be heard;
- The matter (*Verfahren*) resulting in the judgment of the U.S. court not being consistent with a matter (*Verfahren*) pending before a Swiss court, provided such Swiss matter was pending before a Swiss court prior to the U.S. court entered its proceedings; and

- The enforcement of the judgment by the U.S. court not being manifestly incompatible with Swiss public policy (*schweizerischer Ordre public*).

Subject to the foregoing, purchasers of the Notes may be able to enforce judgments in civil and commercial matters obtained from U.S. federal or state courts in Switzerland. We cannot, however, assure you that any attempts to enforce judgments in Switzerland will be successful; in particular, it is uncertain whether a Swiss court would recognize U.S. jurisdiction if the defendant did not enter an appearance before a U.S. court during the substantive proceedings in the sense of art. 6 of the Swiss Federal Act on International Private Law (*Bundesgesetz über das internationale Privatrecht*). In addition, the recognition and enforcement of punitive damages awards might be denied by Swiss courts as incompatible with Swiss public policy (*schweizerischer Ordre public*). Alternatively, a Swiss court may reduce the amount of damages granted by a U.S. court and recognize damages only to the extent that they are necessary to compensate actual losses or damages.

Furthermore, it is not certain that a Swiss court, if substantive proceedings were commenced in Switzerland, would apply U.S. federal or state laws. Notwithstanding a valid choice of law by the parties to an agreement, a court of Switzerland or other authority will not apply a provisions of foreign law if and to the extent that this would, in the court's or authority's view, lead to a result violating Swiss public policy (*schweizerischer Ordre public*) or similar general principles. Moreover, a court of Switzerland or other authority will apply, notwithstanding a valid choice of law by the parties, any provisions of Swiss law (and, subject to further conditions, of another foreign law) which in the court's or authority's view imperatively demand application in view of their specific purpose (*lois d'application immédiate*).

Swiss civil procedure differs substantially from U.S. civil procedure in a number of respects. With respect to the production of evidence, for example, U.S. federal and state law and the laws of several other jurisdictions based on common law provide for pre-trial discovery, a process by which parties to the proceedings, may prior to trial, compel the production of documents by adverse or third parties and the depositions of witnesses. Evidence obtained in this manner may be decisive in the outcome of any proceeding. In Switzerland, no such pre-trial discovery process exists. Instead, a Swiss court would decide upon the claims for which evidence is required from the parties and the related burden of proof.

MATERIAL TAX CONSEQUENCES

Certain United States Federal Income Tax Considerations

TO ENSURE COMPLIANCE WITH U.S. TREASURY DEPARTMENT CIRCULAR 230, EACH TAXPAYER IS HEREBY NOTIFIED THAT: (A) ANY DISCUSSION OF U.S. FEDERAL TAX ISSUES IN THIS OFFERING MEMORANDUM IS NOT INTENDED OR WRITTEN TO BE USED, AND CANNOT BE USED, BY A TAXPAYER FOR THE PURPOSE OF AVOIDING PENALTIES THAT MAY BE IMPOSED ON THE TAXPAYER UNDER U.S. FEDERAL TAX LAW; (B) ANY SUCH DISCUSSION IS WRITTEN TO SUPPORT THE PROMOTION OR MARKETING OF THE NOTES IN THIS OFFERING; AND (C) THE TAXPAYER SHOULD SEEK ADVICE BASED ON ITS PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISOR.

* * * * *

The following is a summary of certain U.S. federal income tax consequences of the acquisition, ownership and disposition of the Notes by a U.S. Holder (as defined below). This summary deals only with Initial Purchasers of Notes at the "issue price" (the first price at which a substantial amount of the Notes is sold for cash to investors other than to bond houses, brokers or similar persons acting in the capacity of underwriters, placement agents or wholesalers) that are U.S. Holders and that will hold the Notes as capital assets (generally, property held for investment). The discussion does not cover all aspects of U.S. federal income taxation that may be relevant to, or the actual tax effect that any of the matters described herein will have on, the acquisition, ownership or disposition of the Notes by any particular investor, and does not address state, local, foreign or other tax laws. This summary also does not discuss all of the tax considerations that may be relevant to certain types of investors subject to special treatment under the U.S. federal income tax laws (such as banks or other financial institutions, insurance companies, dealers in securities or other persons that generally mark their securities to market for U.S. federal income tax purposes, tax-exempt entities, retirement plans, regulated investment companies, real estate investment trusts, former citizens or residents of the U.S., partnerships or other pass-through entities (or investors therein), persons that hold the Notes as part of a straddle, hedge, conversion or other integrated transaction, persons subject to the alternative minimum tax or U.S. Holders that have a "functional currency" other than the U.S. dollar).

As used herein, the term "U.S. Holder" means a beneficial owner of a Note that is, for U.S. federal income tax purposes, (i) an individual who is a citizen or resident of the United States, (ii) a corporation (or other entity treated as a corporation for U.S. federal income tax purposes) created or organized in or under the laws of the United States, any state thereof, or the District of Columbia, (iii) an estate the income of which is subject to U.S. federal income taxation regardless of its source or (iv) a trust (x) with respect to which a court within the United States is able to exercise primary supervision over its administration and one or more U.S. persons have the authority to control all of its substantial decisions, or (y) that has in effect a valid election under applicable U.S. Treasury regulations to be treated as a U.S. person.

If an entity treated as a partnership for U.S. federal income tax purposes invests in a Note, the tax treatment of a partner of such entity will depend in part upon the status and activities of the entity and of the particular partner. Any such entity should consult its own tax advisor regarding the U.S. federal income tax consequences applicable to it and its partners relating to the acquisition, ownership and disposition of the Notes.

This summary is based on the tax laws of the United States, including the Internal Revenue Code of 1986, as amended, its legislative history, existing and proposed regulations thereunder, published rulings and court decisions, all as in effect on the date hereof, and all of which are subject to change or to different interpretation, possibly with retroactive effect. This summary is for general information only and is not tax advice. This summary is not binding on the Internal Revenue Service ("IRS") or a court. We have not sought, and do not intend to seek, any ruling from the IRS with respect to any of the statements made in this summary, and there can be no assurance that the IRS will not take a position contrary to these statements, or that a contrary position taken by the IRS would not be sustained by a court.

PROSPECTIVE PURCHASERS SHOULD CONSULT THEIR OWN TAX ADVISORS REGARDING THE U.S. FEDERAL, STATE AND LOCAL AND NON-U.S. TAX CONSIDERATIONS RELATING TO THE PURCHASE, OWNERSHIP AND DISPOSITION OF THE NOTES IN LIGHT OF THEIR PARTICULAR CIRCUMSTANCES.

Effect of Certain Contingent Payments

In certain circumstances, we are required to make payments on the Notes in addition to stated interest and principal (*see, e.g.* "*Description of the Notes—Optional Redemption*," "*Description of the Notes—Redemption for Taxation Reasons*," "*Description of the Notes—Change of Control*," "*Description of the Notes—Withholding Taxes*," and "*Description of the Notes—Certain Covenants—Asset Sales*"). U.S. Treasury regulations provide special rules for contingent payment debt instruments which, if applicable, could cause the timing, amount and character of a U.S. Holder's income, gain or loss with respect to the Notes to be different from those described below. For purposes of determining whether a debt instrument is a contingent payment debt instrument, remote or incidental contingencies are ignored. We intend to treat the possibility of our making any of the above payments as remote or to treat such payments as incidental. Accordingly, we do not intend to treat the Notes as contingent payment debt instruments. Our position will be binding on all U.S. Holders, except a U.S. Holder that discloses its differing position in a statement attached to its timely filed U.S. federal income tax return for the taxable year during which the Notes were acquired by such U.S. Holder. However, our position is not binding on the IRS. If the IRS were to successfully challenge our position, a U.S. Holder might be required to accrue ordinary income on the Notes in excess of stated interest, to treat as ordinary income, rather than capital gain, any gain recognized on the taxable disposition of the Notes before the resolution of the contingencies, and, to the extent relating to the Euro Notes, to recognize foreign currency exchange gain or loss with respect to such income. In any event, if we actually make any such additional payment, the timing, amount and character of a U.S. Holder's income, gain or loss with respect to the Notes may be affected. The remainder of this discussion assumes that the Notes will not be treated as contingent payment debt instruments.

Payments of Interest

General

Interest on a Note will be taxable to a U.S. Holder as ordinary income at the time it is received or accrued, depending on the holder's method of accounting for U.S. federal income tax purposes. It is expected, and this summary assumes, that the Notes will not be treated as issued with "original issue discount" for U.S. federal income tax purposes. Interest paid by the Issuer on the Notes generally will be considered income from sources outside the United States and, for purposes of the U.S. foreign tax credit, generally will be considered passive category income. U.S. Holders should consult their tax advisors concerning the applicability of the U.S. foreign tax credit and source of income rules to income attributable to the Notes.

Foreign Currency Denominated Interest

The amount of interest income recognized by a cash basis U.S. Holder in respect of the Euro Notes will be the U.S. dollar value of the Euro interest payment, based on the exchange rate in effect on the date of receipt, regardless of whether the payment is in fact converted into U.S. dollars.

An accrual basis U.S. Holder may determine the amount of income recognized with respect to an interest payment denominated in Euros in respect of the Euro Notes in accordance with either of two methods. Under the first method, the amount of income accrued will be based on the average exchange rate in effect during the interest accrual period (or, in the case of an accrual period that spans two taxable years of a U.S. Holder, the part of the period within the taxable year).

Under the second method, a U.S. Holder may elect to determine the amount of income accrued on the basis of the exchange rate in effect on the last day of the accrual period (or, in the case of an accrual period that spans two taxable years, the exchange rate in effect on the last day of the part of the period within the taxable year). Additionally, if a payment of interest is actually received within five business days of the last day of the accrual period, an electing accrual basis U.S. Holder may instead translate the accrued interest into U.S. dollars at the exchange rate in effect on the day the payment is received. A U.S. Holder that elects to use this second method must apply it consistently to all debt instruments held by the U.S. Holder at the beginning of the first taxable year to which the election applies and any debt instruments thereafter acquired by the U.S. Holder, and the U.S. Holder cannot revoke the election without the consent of the IRS.

Upon receipt of a Euro interest payment (including a payment attributable to accrued but unpaid interest upon the sale or retirement of a Euro Note), an accrual basis U.S. Holder will generally recognize U.S. source exchange gain or loss (which is taxable as ordinary income or loss, and is generally not treated as an adjustment to interest income or expense) equal to the difference, if any, between the amount received (translated into U.S. dollars at the spot rate on the date of receipt) and the amount previously accrued in U.S. dollars with respect to such payment, regardless of whether the payment is in fact converted into U.S. dollars.

Sale, Exchange, Redemption, Retirement or Other Taxable Disposition of the Notes

Upon the sale, exchange, redemption, retirement or other taxable disposition of a Note, a U.S. Holder generally will recognize gain or loss in an amount equal to the difference, if any, between (i) the amount realized on such disposition (*i.e.*, the amount of cash and the fair market value of any property received, excluding amounts attributable to accrued but unpaid interest, which will be taxable as ordinary income to such U.S. Holder, to the extent not previously included in income) and (ii) such U.S. Holder's "adjusted tax basis" in such Note. A U.S. Holder's "adjusted tax basis" in a Note is generally its U.S. dollar cost (as defined below).

The U.S. dollar cost of a Euro Note purchased with Euros will generally be the U.S. dollar value of the purchase price on the date of purchase, or the settlement date for the purchase, in the case of Euro Notes traded on an established securities market, as defined in the applicable U.S. Treasury regulations, that are purchased by a cash basis U.S. Holder (or an accrual basis U.S. Holder that so elects). The amount realized on a sale, exchange, redemption, retirement or other taxable disposition for an amount in Euros will be the U.S. dollar value of this amount on the date of such disposition, or the settlement date for the sale, in the case of Euro Notes traded on an established securities market sold by a cash basis U.S. Holder (or an accrual basis U.S. Holder that so elects). A U.S. Holder that makes the election described above must apply it consistently to all debt instruments held by the U.S. Holder at the beginning of the first taxable year to which the election applies and any debt instruments thereafter acquired by such U.S. Holder, and such U.S. Holder cannot revoke the election without the consent of the IRS. If a Euro Note is not traded on an established securities market (or, if a Euro Note is so traded, but a U.S. Holder is an accrual basis taxpayer that has not made the settlement date election), a U.S. Holder will recognize foreign currency gain or loss (taxable as ordinary income or loss) to the extent that the U.S. dollar value of the Euros received on the settlement date differs from the U.S. dollar value of the amount realized on the date of the taxable disposition.

A U.S. Holder will recognize U.S. source exchange rate gain or loss (taxable as ordinary income or loss) on the sale, exchange, redemption, retirement or other taxable disposition of a Euro Note equal to the difference, if any, between the U.S. dollar values of the U.S. Holder's purchase price for the Euro Note (i) on the date of such disposition and (ii) on the date on which the U.S. Holder acquired the Euro Note. Any such exchange rate gain or loss (including any exchange gain or loss with respect to the receipt of accrued but unpaid interest) will be realized only to the extent of total gain or loss realized on the taxable disposition.

Except to the extent attributable to changes in exchange rates, gain or loss recognized by a U.S. Holder on the sale, exchange, redemption, retirement or other taxable disposition of a Note will be U.S. source capital gain or loss and will be long-term U.S. source capital gain or loss if the Note was held by the U.S. Holder for more than one year. For certain non-corporate holders (including individuals), any such long-term capital gain is currently subject to U.S. federal income tax at preferential rates. The deductibility of capital losses is subject to limitations. Prospective purchasers should consult their tax advisors as to the foreign tax credit implications of the sale, exchange, redemption, retirement or other taxable disposition of Notes.

Disposition of Foreign Currency

A U.S. Holder's tax basis in the Euros received as interest on a Euro Note or on the sale or retirement of a Euro Note will be the U.S. dollar value of the Euros at the time the Euros are received. In addition, foreign currency that is purchased will generally have a tax basis equal to the U.S. dollar value of the foreign currency on the date of purchase. Any gain or loss recognized on a sale or other disposition of a foreign currency (including its use to purchase Euro Notes or upon exchange for U.S. dollars) generally will be U.S. source ordinary income or loss.

Backup Withholding and Information Reporting

Payments of principal and interest on, and the proceeds of the sale or other disposition of Notes by a U.S. paying agent or other U.S. intermediary will be reported to the IRS and to the U.S. Holder as may be required under applicable regulations. Backup withholding may apply to these payments if the U.S. Holder fails to provide an accurate taxpayer identification number and fails to report all interest and dividends required to be shown on its U.S. federal income tax returns, or otherwise fails to establish its exempt status. Certain U.S. Holders (including, among others, corporations) generally are not subject to backup withholding. U.S. Holders should consult their tax advisors as to their qualification for exemption from backup withholding and the procedure for obtaining an exemption.

Reportable Transactions

A U.S. taxpayer that participates in a "reportable transaction" will be required to disclose its participation to the IRS. Under the relevant rules, if the Euro Notes are denominated in a foreign currency, a U.S. Holder may be required to treat a foreign currency exchange loss from the Euro Notes as a reportable transaction if this loss exceeds the relevant threshold in the regulations ($50,000 in a single taxable year if the U.S. Holder is an individual or trust, or higher amounts for other non-individual U.S. Holders), and to disclose its investment by filing Form 8886 with the IRS. Prospective purchasers should consult their tax advisors regarding the application of these rules.

Foreign Financial Asset Reporting

Certain U.S. Holders may be required to report information relating to their holding of certain foreign financial assets, including debt of foreign entities, if the aggregate value of all of these assets exceeds $50,000. The Notes are expected to constitute foreign financial assets subject to these requirements unless the Notes are held in an account at certain financial institutions. U.S. Holders should consult their tax advisors regarding their reporting obligations with respect to the Notes.

Certain Netherlands Tax Considerations

General

The information set out below is a general summary of certain material Netherlands tax consequences of the acquisition, holding and disposition of the Notes, and it does not purport to be a comprehensive description of all the Netherlands tax considerations that may be relevant for a particular holder of Notes, some of which may be subject to special rules. This summary does not describe any tax consequences arising under the laws of any state, locality or taxing jurisdiction other than the Netherlands.

This summary is based on the tax laws of the Netherlands as in effect on the date of this Offering Memorandum, as well as regulations, rulings and decisions of the Netherlands or of its taxing and other authorities available in printed form on or before such date and now in effect, and as applied and interpreted by Netherlands courts, without prejudice to any changes introduced at a later date and implemented with or without retroactive effect. All of the foregoing is subject to change, which change could apply retroactively and could affect the continued validity of this summary.

All references in this summary to the Netherlands and Netherlands law are only to the European part of the Kingdom of the Netherlands and its law, respectively.

Because it is a general summary, prospective holders of Notes should consult their own tax advisors as to the Netherlands or other tax consequences of the acquisition, holding and transfer of the Notes including, in particular, the application to their particular situations of the tax considerations discussed below, as well as the application of state, local, foreign or other tax laws.

Withholding tax

All payments of interest and principal under the Notes may be made free from withholding or deduction for any taxes of whatsoever nature imposed, levied, withheld or assessed by the Netherlands or any political subdivision or taxing authority thereof or therein.

Tax on income and capital gains

General

The description of taxation set out in this section of the Offering Memorandum is not intended for any holder of Notes, who:

(i) is an individual and for whom the income or capital gains derived from the Notes are attributable to employment activities the income from which is taxable in the Netherlands;

(ii) is an entity that is a resident or deemed to be a resident of the Netherlands and that is, in whole or in part, not subject to or exempt from Netherlands corporate income tax;

(iii) is a fiscal investment institution (*fiscale beleggingsinstelling*), as meant in Article 28 of the Netherlands Corporate Income Tax Act 1969 (*Wet op de vennootschapsbelasting 1969*); or

(iv) has directly or indirectly, a Substantial Interest or a deemed Substantial Interest (as defined below) in the Issuer.

Generally a holder of Notes will have a substantial interest in the Issuer (a “Substantial Interest”) if he holds, alone or together with his partner (a statutorily defined term), whether directly or indirectly, the ownership of, or certain other rights over, shares representing 5% or more of the total issued and outstanding capital of the Issuer (or the issued and outstanding capital of any class of shares), or rights to acquire shares, whether or not already issued, that represent at any time 5% or more of the total issued and outstanding capital of the Issuer (or the issued and outstanding capital of any class of shares) or the ownership of certain profit participating certificates that relate to 5% or more of the annual profit and/or to 5% or more of the liquidation proceeds of the Issuer. A holder of Notes will also have a Substantial Interest in the Issuer if one or certain relatives of that holder or of his partner has a Substantial Interest in the Issuer. If a holder of Notes does not have a Substantial Interest, a deemed Substantial Interest will be present if (part of) a Substantial Interest has been disposed of, or is deemed to have been disposed of, without recognizing taxable gain.

Residents of the Netherlands

Individuals

An individual who is resident or deemed to be resident in the Netherlands, or who opts to be taxed as a resident of the Netherlands for purposes of Dutch taxation (a "Dutch Resident Individual") is subject to Netherlands income tax on income and/or capital gains derived from the Notes at progressive rates (up to 52 per cent; rate for 2014) if:

(i) the holder derives profits from an enterprise or deemed enterprise, whether as an entrepreneur (*ondernemer*) or pursuant to a co-entitlement to the net worth of such enterprise (other than as an entrepreneur or a shareholder), to which enterprise the Notes are attributable; or

(ii) the holder derives income or capital gains from the Notes that are taxable as benefits from "miscellaneous activities" (*resultaat uit overige werkzaamheden*, as defined in the Netherlands Income Tax Act 2001), which include the performance of activities with respect to the Notes that exceed regular, active portfolio management (*normaal, actief vermogensbeheer*).

If conditions (i) and (ii) mentioned above do not apply, any holder of Notes who is a Dutch Resident Individual will be subject to Netherlands income tax on a deemed return regardless of the actual income and/or capital gains derived from the Notes. This deemed return has been fixed at a rate of 4 per cent of the individual's yield basis (*rendementsgrondslag*) insofar as this exceeds a certain threshold (*heffingvrij vermogen*). The individual's yield basis is determined as the fair market value of certain qualifying assets (including, as the case may be, the Notes) held by the Dutch Resident Individual less the fair market value of certain qualifying liabilities, both determined on 1 January of the relevant year. The deemed return of 4 per cent will be taxed at a rate of 30 per cent (rate for 2014).

Entities

An entity that is resident or deemed to be resident in the Netherlands (a "Dutch Resident Entity") will generally be subject to Netherlands corporate income tax with respect to income and capital gains derived from the Notes. The Netherlands corporate income tax rate is 20 per cent for the first € 200,000 of the taxable amount, and 25 per cent for the excess of the taxable amount over € 200,000 (rates applicable for 2014).

Non-residents of the Netherlands

A person who is neither a Dutch Resident Individual nor Dutch Resident Entity (a "Non-Dutch Resident") and who holds the Notes is generally not subject to Netherlands income tax or corporate income tax on income and capital gains derived from the Notes, provided that:

(i) such Non-Dutch Resident does not derive profits from an enterprise or deemed enterprise, whether as an entrepreneur (*ondernemer*) or pursuant to a co-entitlement to the net worth of such enterprise (other than as an entrepreneur or a shareholder) which enterprise is, in whole or in part, carried on through a permanent establishment or a permanent representative in the Netherlands and to which enterprise or part of an enterprise, as the case may be, the Notes are attributable or deemed attributable;

(ii) in the case of a Non-Dutch Resident who is an individual, such individual does not derive income or capital gains from Notes that are taxable as benefits from "miscellaneous activities" performed or deemed to be performed in the Netherlands (*resultaat uit overige werkzaamheden in Nederland*, as defined in the Netherlands Income Tax Act 2001), which include the performance of activities with respect to the Notes that exceed regular, active portfolio management (*normaal, actief vermogensbeheer*);

(iii) in the case of a Non-Dutch Resident who is not an individual, such Non-Dutch Resident is neither entitled to a share in the profits of an enterprise effectively managed in the Netherlands nor co-entitled to the net worth of such enterprise, other than by way of the holding of securities, to which enterprise the Notes or payments in respect of the Notes are attributable; and

(iv) in the case of a Non-Dutch Resident who is an individual, such individual is not entitled to a share in the profits of an enterprise effectively managed in the Netherlands, other than by way of the holding of securities or through an employment contract, to which enterprise the Notes or payments in respect of the Notes are attributable.

Gift or inheritance tax

No Netherlands gift or inheritance taxes will be levied on the transfer of the Notes by way of gift by or on the death of a holder of the Notes, who is neither a resident nor deemed to be a resident of the Netherlands for the purpose of the relevant provisions, unless:

(i) the transfer is construed as an inheritance or bequest or as a gift made by or on behalf of a person who, at the time of the gift or death, is or is deemed to be a resident of the Netherlands for the purpose of the relevant provisions; or

(ii) such holder dies while being a resident or deemed resident of the Netherlands within 180 days after the date of a gift of the Notes.

For purposes of Netherlands gift and inheritance tax, an individual who is of Netherlands nationality will be deemed to be a resident of the Netherlands if he has been a resident of the Netherlands at any time during the ten years preceding the date of the gift or his death.

For purposes of Netherlands gift tax, an individual will, irrespective of his nationality, be deemed to be resident of the Netherlands if he has been a resident of the Netherlands at any time during the 12 months preceding the date of the gift.

Value added tax

No Netherlands value added tax will be payable by a holder of Notes in respect of payments under the Notes or on a transfer of the Notes (other than value added taxes on fees payable in respect of services not exempt from Netherlands value added tax).

Other taxes or duties

No Netherlands registration tax, stamp duty or any other similar documentary tax or duty will be payable by the holders of the Notes in respect of (i) the issue of the Notes or (ii) the payment of interest or principal by the Issuer under the Notes.

The European Savings Directive

Under the European Union Directive on the taxation of savings income (Council Directive 2003/48/EC, the "EU Savings Directive"), each Member State is required to provide to the tax authorities of another Member State details of payments of interest or other similar income paid by a person within its jurisdiction to, or collected by such a person for, an individual resident in that other Member State; however, for a transitional period, Austria and Luxembourg may instead apply a withholding system in relation to such payments, deducting tax at a rate of 35%. The transitional period is to terminate at the end of the first full fiscal year following agreement by certain non-EU countries to the exchange of information relating to such payments. Luxembourg has announced that it will no longer apply the withholding tax system as from 1 January 2015 and will provide details of payments of interest (or similar income) as from this date.

A number of non-EU countries, and certain dependent or associated territories of certain Member States, have agreed to adopt similar measures (either provision of information or transitional withholding) in relation to payments made by a person within its jurisdiction to, or collected by such a person for, an individual resident in a Member State. In addition, the Member States have entered into reciprocal provision of information arrangements or transitional withholding arrangements with certain of those dependent or associated territories in relation to payments made by a person in a Member State to, or collected by such a person for, an individual resident in one of those territories.

On 24 March 2014, the European Council 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 EU Savings 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 to the holder of the Notes or to otherwise compensate the holder of Notes for the reduction in the amounts that they will receive as a result of the imposition of such withholding tax. However, the Issuer is required to maintain a paying agent in a Member State that will not be obliged to withhold or deduct tax pursuant to the Directive (if such a state exists).

TRANSFER RESTRICTIONS

Because of the following restrictions, purchasers are advised to consult legal counsel prior to making any offer, sale, resale, pledge or other transfer of the Notes offered hereby.

We have not registered the Notes under the Securities Act, and the Notes may not be offered or sold within the United States or to, or for the account or benefit of, any U.S. person except to (i) "qualified institutional buyers" in reliance on Rule 144A under the Securities Act and (ii) certain persons in offshore transactions in reliance on Regulation S under the Securities Act. Terms used above and otherwise in this section of the offering memorandum have the meanings given to them by Regulation S and Rule 144A under the Securities Act.

Each purchaser of Notes will be deemed to have represented and agreed as follows:

(1) You understand and acknowledge that the Notes have not been registered under the Securities Act or any other applicable securities laws and that the Notes are being offered for resale in transactions not requiring registration under the Securities Act or any other securities laws, including sales pursuant to Rule 144A under the Securities Act, and, unless so registered, may not be offered, sold or otherwise transferred except in compliance with the registration requirements of the Securities Act or any other applicable securities laws, pursuant to an exemption therefrom, or in a transaction not subject thereto, and in each case in compliance with the conditions for transfer set forth in paragraph (3) below.

You are not our "affiliate" (as defined in Rule 144 under the Securities Act), you are not acting on our behalf and you are either:

(a) a qualified institutional buyer and are aware that any sale of these Notes to you will be made in reliance on Rule 144A and such acquisition will be for your own account or for the account of another qualified institutional buyer; or

(b) not a "U.S. person" as defined in Regulation S under the Securities Act or purchasing for the account or benefit of a U.S. person (other than a distributor) and you are purchasing the Notes in an offshore transaction in accordance with Regulation S.

(2) You acknowledge that none of us, the Initial Purchasers or any person representing us or the Initial Purchasers has made any representation to you with respect to us or the offer or sale of any of the Notes, other than the information contained in this offering memorandum, which offering memorandum has been delivered to you and upon which you are relying in making your investment decision with respect to the Notes. You acknowledge that the Initial Purchasers make no representation or warranty as to the accuracy or completeness of this offering memorandum. You have had access to such financial and other information concerning us and the Notes, including an opportunity to ask questions of, and request information from, us and the Initial Purchasers.

(3) You are purchasing these Notes for your own account, or for one or more investor accounts for which you are acting as a fiduciary or agent, in each case for investment, and not with a view to, or for offer or sale in connection with, any distribution thereof in violation of the Securities Act, subject to any requirement of law that the disposition of your property or the property of such investor account or accounts be at all times within your or their control and subject to your or their ability to resell such Notes pursuant to Rule 144A, Regulation S or any other available exemption from registration available under the Securities Act. You agree on your own behalf and on behalf of any investor account for which you are purchasing the Notes, and each subsequent holder of these Notes by its acceptance thereof will agree, to offer, sell or otherwise transfer such Notes prior to the date which is one year after the later of the date of the original issue of these Notes and the last date on which we or any of our affiliates were the owner of such Notes (or any predecessor thereto) or (y) such later date, if any, as may be required by applicable law (the "Resale Restriction Termination Date") only:

(a) to us;

(b) pursuant to a registration statement which has been declared effective under the Securities Act;

(c) for so long as the Notes are eligible for resale pursuant to Rule 144A, to a person you reasonably believe is a qualified institutional buyer that purchases for its own account or for the account of another qualified institutional buyer to whom you give notice that the transfer is being made in reliance on Rule 144A;

(d) pursuant to offers and sales to non-U.S. persons occurring outside the United States within the meaning of Regulation S under the Securities Act; or

(e) pursuant to any other available exemption from the registration requirements of the Securities Act;

subject in each of the foregoing cases to any requirement of law that the disposition of the seller's property or the property of an investor account or accounts be within the seller or account's control, and in compliance with any applicable state securities laws.

The foregoing restrictions on resale will not apply subsequent to the Resale Restriction Termination Date. You acknowledge that we, the trustee and the registrar reserve the right prior to any offer, sale or other transfer of the Notes offered hereby pursuant to clause (d) above prior to the end of the 40-day distribution compliance period within the meaning of Regulation S under the Securities Act or pursuant to clause (e) above prior to the Resale Restriction Termination Date of the Notes to require the delivery of an opinion of counsel, certifications and/or other information satisfactory to us, the trustee and the registrar.

Each purchaser acknowledges that each Note offered hereby will contain a legend substantially in the following form:

> "THIS NOTE HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), AND THIS NOTE MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT OR IN ACCORDANCE WITH AN APPLICABLE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT (SUBJECT TO THE DELIVERY OF SUCH EVIDENCE, IF ANY, REQUIRED UNDER THE INDENTURE PURSUANT TO WHICH THIS NOTE IS ISSUED) AND IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR ANY OTHER JURISDICTION. EACH PURCHASER OF THE SECURITY EVIDENCED HEREBY IS HEREBY NOTIFIED THAT THE SELLER MAY BE RELYING ON THE EXEMPTION FROM THE PROVISIONS OF SECTION 5 OF THE SECURITIES ACT PROVIDED BY RULE 144A THEREUNDER OR ANOTHER EXEMPTION UNDER THE SECURITIES ACT. THE HOLDER OF THE SECURITY EVIDENCED HEREBY AGREES FOR THE BENEFIT OF THE ISSUER THAT (A) SUCH SECURITY MAY BE RESOLD, PLEDGED OR OTHERWISE TRANSFERRED ONLY (1)(a) TO A PERSON WHO THE SELLER REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT) IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A, (b) IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144 UNDER THE SECURITIES ACT, (c) OUTSIDE THE UNITED STATES TO A FOREIGN PERSON IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 904 UNDER THE SECURITIES ACT OR (d) IN ACCORDANCE WITH ANOTHER EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT (AND BASED UPON AN OPINION OF COUNSEL IF THE ISSUER SO REQUESTS), SUBJECT TO THE RECEIPT BY THE REGISTRAR OF A CERTIFICATION OF THE TRANSFEROR AND AN OPINION OF COUNSEL TO THE EFFECT THAT SUCH TRANSFER IS IN COMPLIANCE WITH THE SECURITIES ACT, (2) TO THE ISSUER OR (3) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT AND, IN EACH CASE, IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR ANY OTHER APPLICABLE JURISDICTION AND (B) THE HOLDER WILL AND EACH SUBSEQUENT HOLDER IS REQUIRED TO NOTIFY ANY PURCHASER FROM IT OF THE SECURITY EVIDENCED HEREBY OF THE RESALE RESTRICTION SET FORTH IN (A) ABOVE."

If you purchase Notes, you will also be deemed to acknowledge that the foregoing restrictions apply to holders of beneficial interests in these Notes as well as to holders of these Notes.

(4) You acknowledge that the registrar will not be required to accept for registration of transfer any Notes acquired by you, except upon presentation of evidence satisfactory to us and the registrar that the restrictions set forth herein have been complied with.

(5) You acknowledge that:

    (a) we, the Initial Purchasers and others will rely upon the truth and accuracy of your acknowledgements, representations and agreements set forth herein and you agree that, if any of your acknowledgements, representations or agreements herein cease to be accurate and complete, you will notify us and the Initial Purchasers promptly in writing; and

    (b) if you are acquiring any Notes as fiduciary or agent for one or more investor accounts, you represent with respect to each such account that:

        (i) you have sole investment discretion; and

        (ii) you have full power to make the foregoing acknowledgements, representations and agreements.

(6) You agree that you will give to each person to whom you transfer these Notes notice of any restrictions on the transfer of the Notes.

(7) If you are a purchaser in a sale that occurs outside the United States within the meaning of Regulation S under the Securities Act, you acknowledge that until the expiration of the "distribution compliance period" (as defined below), you shall not make any offer or sale of these Notes to a U.S. person or for the account or benefit of a U.S. person within the meaning of Rule 902 under the Securities Act. The "distribution compliance period" means the 40-day period following the issue date for the Notes.

(8) You understand that no action has been taken in any jurisdiction (including the United States) by us or the Initial Purchasers that would permit a public offering of the Notes or the possession, circulation or distribution of this offering memorandum or any other material relating to us or the Notes in any jurisdiction where action for that purpose is required. Consequently, any transfer of the Notes will be subject to the selling restrictions set forth under "Plan of Distribution."

(9) If a resident of the United Kingdom, the purchaser is a person to whom communications or offers of securities may be addressed without breach of the FSMA or other applicable United Kingdom laws and regulations. In addition, one or more of the following exemptions apply to the purchaser:

  (a) the purchaser is a person who receives the offering memorandum outside the United Kingdom;

  (b) the purchaser is a person falling within Article 49(2)(a) to (d) "high net worth companies, unincorporated associations, etc." of the FSMA (Financial Promotion) Order 2005, being a person who is either (i) a body corporate with a called up share capital or net assets of not less than 2.0 million, or (b) an unincorporated association or partnership which has net assets of not less than 2.0 million or (c) a trust where the aggregate value of the cash and investments which form part of the trust's assets (before deducting the amount of its liabilities) is 2.0 million or more;

  (c) the purchaser is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business; or

  (d) the purchaser is a person who is sufficiently sophisticated and professionally experienced to understand the risks involved in accepting the offer set out in this offering memorandum.

The Notes offered hereby may not be sold or transferred to, and you as a purchaser, by your purchase of the Notes shall be deemed to have represented and covenanted that you are not acquiring the Notes for or on behalf of, and will not transfer the Notes to, any "employee benefit plan" (as defined in Section 3(3) of the U.S. Employee Retirement Income Security Act of 1974, as amended ("ERISA")) subject to Title I of ERISA, any plan, individual retirement account or other arrangement subject to Section 4975 of the Internal Revenue Code of 1986, as amended from time to time (the "Code"), including the regulations promulgated and the rules issued thereunder or provisions under any federal, state, local, non-U.S. or other laws or regulations that are similar to such provisions of ERISA or the Internal Revenue Code, or any entity whose assets include "plan assets" (within the meaning of 29 C.F.R. Section 2510.3-101, as modified by Section 3(42) of ERISA) of any such plan, account or otherwise (each, a "Plan Entity") except that such a purchase for or on behalf of an employee benefit plan shall be permitted:

(1) to the extent such purchase is made by or on behalf of a bank collective investment fund maintained by the purchaser in which no Plan Entity (together with any other plans maintained by the same employer or employee organization) has an interest in excess of 10% of the total assets in such collective investment fund and the conditions of Section III of Prohibited Transaction Class Exemption 91-38 issued by the U.S. Department of Labor are satisfied;

(2) to the extent such purchase is made by or on behalf of an insurance company pooled separate account maintained by the purchaser in which, at any time while the Notes are outstanding, no Plan Entity (together with any other plans maintained by the same employer or employee organization) has an interest in excess of 10% of the total of all assets in such pooled separate account and the conditions of Section III of Prohibited Transaction Class Exemption 90-1 issued by the U.S. Department of Labor are satisfied;

(3) to the extent such purchase is made on behalf of a Plan Entity by:

  (a) an investment advisor registered under the U.S. Investment Advisers Act of 1940, as amended, that had as of the last day of its most recent fiscal year total assets under its management and control in excess of $50.0 million and had stockholders' or partners' equity in excess of $750,000, as shown in its most recent balance sheet prepared in accordance with generally accepted accounting principles; or

  (b) a bank as defined in Section 202(a)(2) of the U.S. Investment Advisers Act of 1940, as amended, with equity capital in excess of $1.0 million as of the last day of its most recent fiscal year; or

  (c) an insurance company that is qualified under the laws of more than one state to manage, acquire or dispose of any assets of a Plan Entity, which insurance company has as of the last day of its most recent fiscal year, net worth in excess of $1.0 million and which is subject to supervision and examination by a state authority having supervision over insurance companies; or

  (d) in any case, such investment advisor, bank or insurance company is otherwise a qualified professional asset manager, as such term is used in Prohibited Transaction Class Exemption 84-14 issued by the U.S. Department of Labor, and the assets of that Plan Entity when combined with the assets or other plans established or maintained by the same employer (or affiliate thereof) or employee organization and managed by such investment advisor, bank or insurance company, do not represent more than

20% of the total client assets managed by such investment advisor, bank or insurance company, and the conditions of Section 1 of such exemption are otherwise satisfied;

(4) to the extent such purchase is made with funds from an insurance company general account, the conditions of Sections I and IV of Prohibited Transactions Class Exemption 95-60 issued by the U.S. Department of Labor are satisfied;

(5) to the extent such plan is a governmental plan (as defined in Section 3(32) of ERISA) which is not subject to the provisions of Title I of ERISA or Section 4975 of the Code;

(6) to the extent an in-house asset manager makes such purchase on behalf of a Plan Entity and the conditions of Part I of Prohibited Transactions Class Exemption 96-23 issued by the U.S. Department of Labor are satisfied; or

to the extent such purchase is made on behalf of a plan entity as to which any other statutory, regulatory, administrative or other exemption from the prohibited rules set forth in Section 406 of ERISA and Section 4975 of the Code applies.

PLAN OF DISTRIBUTION

Subject to the terms and conditions of the purchase agreement, the Initial Purchasers, through their representatives Deutsche Bank Securities Inc., BNP Paribas Securities Corp. and Goldman, Sachs & Co., have agreed, severally and not jointly, to purchase the Notes at the initial offering price set forth on the cover page of this offering memorandum less discounts and commissions.

The purchase agreement provides that the obligations of the Initial Purchasers to purchase the Notes are subject to certain conditions precedent and that the Initial Purchasers will purchase all of the Notes if any of these Notes are purchased. The purchase agreement also provides that if an initial purchaser defaults, the purchase commitments of the non-defaulting Initial Purchasers may be increased or this offering may be terminated.

The Company and the Guarantors have agreed, on a joint and several basis, to indemnify the Initial Purchasers against some specified types of liabilities, including liabilities under the Securities Act, and to contribute to payments the Initial Purchasers may be required to make in respect of any of these liabilities. We have also agreed to reimburse the Initial Purchasers for certain expenses incidental to the sale of the Notes. After the initial offering, representatives of the Initial Purchasers may change the offering price and other selling terms.

No Sale of Similar Securities

The Company and the Guarantors have agreed that during the period from the date hereof through and including the date that is 90 days from the date of the purchase agreement, without the prior written consent of Deutsche Bank Securities Inc., the Company and the Guarantors will not, directly or indirectly, offer, sell, contract to sell, grant any option for the sale of, or otherwise dispose of, any debt securities issued or guaranteed by the Company or any Guarantor or such similar securities, except for the Notes sold to the Initial Purchasers pursuant to the purchase agreement.

Selling Restrictions

The Notes have not been registered under the Securities Act or any state securities laws and, unless so registered, may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws. Each initial purchaser has agreed that it will offer or sell the Notes only (i) in the United States to qualified institutional buyers in reliance on Rule 144A under the Securities Act or (ii) in offshore transactions in reliance on Regulation S under the Securities Act. The Notes being offered and sold pursuant to Regulation S may not be offered, sold or delivered in the United States or to, or for the account or benefit of, any U.S. person, unless the Notes are registered under the Securities Act or an exemption from the registration requirements thereof is available. Terms used above have the meanings given to them by Regulation S and Rule 144A under the Securities Act. See "*Notice to Investors*."

Until the expiration of forty (40) days after the commencement of the offering, any offer or sale of Notes within the United States by a broker-dealer may violate the registration requirements of the Securities Act, unless such offer or sale is made pursuant to Rule 144A under the Securities Act or another available exemption from the registration requirements thereof.

Each purchaser of the Notes will be deemed to have made acknowledgements and agreements as described under *"Notice to Investors*."

New Issue of Notes

The Notes are a new issue of securities with no established trading market. The Notes will not be listed on any United States securities exchange or on any automated dealer quotation system. The Initial Purchasers may make a market in the Notes after completion of the offering, but will not be obligated to do so and may discontinue any market-making activities at any time without notice. Application has been made to list the Euro Notes on the Official List of the Luxembourg Stock Exchange for admission to trading on the Euro MTF Market, though we cannot assure you that the Euro Notes will be approved for listing or that such listing will be maintained.

No assurance can be given as to the liquidity of the trading market for the Notes or that an active public market for the Notes will develop. If an active public trading market for the Notes does not develop, the market price and liquidity of the Notes may be adversely affected.

Stabilization and Short Sales

In connection with the offering, the Initial Purchasers may purchase and sell the Notes in the open market. These transactions may include short sales, purchases to cover positions created by short sales and stabilizing transactions.

Short sales involve the sale by the Initial Purchasers of a greater principal amount of Notes than they are required to purchase in the offering. The Initial Purchasers may close out any short position by purchasing Notes in the open market. A short position is more likely to be created if the Initial Purchasers are concerned that there may be downward pressure on the price of the Notes in the open market prior to the completion of the offering.

Stabilizing transactions consist of various bids for or purchases of the Notes made by the Initial Purchasers in the open market prior to the completion of the offering.

Purchases to cover a short position and stabilizing transactions may have the effect of preventing or slowing a decline in the market price of the Notes. Additionally, these purchases, along with the imposition of the penalty bid, may stabilize, maintain or otherwise affect the market price of the Notes. As a result, the price of the Notes may be higher than the price that might otherwise exist in the open market. These transactions may be effected in the over-the-counter market or otherwise.

Delivery, Payment and Settlement

The Company expects that delivery of the Notes will be made against payment therefore on or about the date specified on the cover page of this offering memorandum, which will be the fifth business day following the date of pricing of the Notes (this settlement cycle referred to as “T+5“). Under Rule 15c6-1 of the Securities Exchange Act of 1934, as amended, trades in the secondary market generally are required to settle in three business days, unless the parties to any such trade expressly agree otherwise. Accordingly, purchasers who wish to trade Notes on the date of pricing or the next succeeding business day will be required, by virtue of the fact that the Notes will initially settle in T+5, to specify an alternate settlement cycle at the time of any such trade to prevent a failed settlement. Purchasers of the Notes who wish to trade Notes on the date of pricing or the next succeeding business day should consult their own advisor.

Other Relationships

The Initial Purchasers are full service financial institutions engaged in various activities which may include securities trading, commercial and investment banking, financial advisory, investment management, principal investment, hedging financing and brokerage activities. Some of the Initial Purchasers and their affiliates have engaged in, and may in the future engage in, investment banking and other commercial dealings in the ordinary course of business with us or our affiliates. They have received, or may in the future receive customary fees and commissions for these transactions. Affiliates of certain of the Initial Purchasers are arrangers, lenders and agents under our credit facilities and receive fees in connection therewith. Additionally, affiliates of certain of the Initial Purchasers are lenders under our Term Loan and, therefore, will receive a portion of the net proceeds from this offering. See *“Use of Proceeds*.” As a result, affiliates of certain of the Initial Purchasers may receive more than 5% of the net proceeds of this offering. Deutsche Bank Trust Company Americas, an affiliate of Deutsche Bank Securities Inc., will be acting as trustee under the indentures governing the Notes.

If any of the Initial Purchasers or their affiliates has a lending relationship with us, certain of those Initial Purchasers or their affiliates routinely hedge, and certain other of those Initial Purchasers or their affiliates may hedge, their credit exposure to us consistent with their customary risk management policies. Typically, these Initial Purchasers and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in our securities, including potentially the Notes offered hereby. Any such credit default swaps or short positions could adversely affect future trading prices of the Notes offered hereby.

Notice to Prospective Investors in the European Economic Area

In relation to each member state of the European Economic Area that has implemented the Prospectus Directive (each, a relevant member state), with effect from and including the date on which the Prospectus Directive is implemented in that relevant member state (the relevant implementation date), an offer of Notes described in this offering memorandum may not be made to the public in that relevant member state other than:

- to any legal entity which is a qualified investor as defined in the Prospectus Directive;
- to fewer than 100 or, if the relevant member state has implemented the relevant provision of the 2010 PD Amending Directive, 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive), as permitted under the Prospectus Directive, subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by us for any such offer; or
- in any other circumstances falling within Article 3(2) of the Prospectus Directive, provided that no such offer of securities shall require us or any Initial Purchasers to publish a prospectus pursuant to Article 3 of the Prospectus Directive.

For purposes of this provision, the expression an "offer of securities to the public" in any relevant member state means the communication in any form and by any means of sufficient information on the terms of the offer and the securities to be offered so as to enable an investor to decide to purchase or subscribe for the securities, as the expression may be varied in that member state by any measure implementing the Prospectus Directive in that member state, and the expression "Prospectus Directive" means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the relevant member state) and includes any relevant implementing measure in the relevant member state. The expression 2010 PD Amending Directive means Directive 2010/73/EU.

The sellers of the Notes have not authorized and do not authorize the making of any offer of Notes through any financial intermediary on their behalf, other than offers made by the Initial Purchasers with a view to the final placement of the Notes as contemplated in this offering memorandum. Accordingly, no purchaser of the Notes, other than the Initial Purchasers, is authorized to make any further offer of the Notes on behalf of the sellers or the Initial Purchasers.

Notice to Prospective Investors in the Netherlands

In relation to the Netherlands, the Initial Purchasers have represented and agreed that they have not made and will not make any offer of Notes which are the subject of the offering contemplated by this offering memorandum in the Netherlands, unless in reliance on Article 3(2) of the Prospectus Directive and provided:

(a) such offer is made exclusively to legal entities which are qualified investors (as defined in the Prospectus Directive) in the Netherlands; or

(b) standard exemption logo and wording are disclosed as required by article 5:20(5) of the Dutch Financial Supervision Act (*Wet op het financieel toezicht*, the "FSA"); or

(c) such offer is otherwise made in circumstances in which article 5:20(5) of the FSA is not applicable.

Notice to Prospective Investors in the United Kingdom

This offering memorandum is only being distributed to, and is only directed at, persons in the United Kingdom that are qualified investors within the meaning of Article 2(1)(e) of the Prospectus Directive that are also (i) investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "Order") or (ii) high net worth entities, and other persons to whom it may lawfully be communicated, falling within Article 49(2)(a) to (d) of the Order (each such person being referred to as a "relevant person"). This offering memorandum and its contents are confidential and should not be distributed, published or reproduced (in whole or in part) or disclosed by recipients to any other persons in the United Kingdom. Any person in the United Kingdom that is not a relevant person should not act or rely on this document or any of its contents.

Notice to Prospective Investors in France

This offering memorandum has not been prepared in the context of a public offering in France within the meaning of Article L. 411-1 of the *Code monétaire et financier* and Title I of Book II of the *Règlement Général de l'autorité des marchés financiers* (the "AMF") and therefore has not been submitted for clearance to the AMF. Consequently, the Notes may not be, directly or indirectly, offered or sold to the public in France, and offers and sales of the Notes will only be made in France to providers of investment services relating to portfolio management for the account of third parties (*personnes fournissant le service d'investissement de gestion de portefeuille pour le compte de tiers*) and/or to qualified investors (*investisseurs qualifiés*) and/or to a closed circle of investors (*cercle restreint d'investisseurs*) acting for their own accounts, as defined in and in accordance with Articles L.411-1, L.411-2, D.411-1, D.411-4, D.744-1, D.754-1 and D.764-1 of the French Code monétaire et financier. Neither this offering memorandum nor any other offering or marketing materials relating to the Notes may be made available or distributed in any way that would constitute, directly or indirectly, an offer to the public in France.

Notice to Prospective Investors in Hong Kong

The Notes may not be offered or sold in Hong Kong by means of any document other than (i) in circumstances which do not constitute an offer to the public within the meaning of the Companies Ordinance (Cap. 32, Laws of Hong Kong), or (ii) to "professional investors" within the meaning of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) and any rules made thereunder, or (iii) in other circumstances which do not result in the document being a "prospectus" within the meaning of the Companies Ordinance (Cap. 32, Laws of Hong Kong) and no advertisement, invitation or document relating to the Notes may be issued or may be in the possession of any person for the purpose of issue (in each case whether in Hong Kong or elsewhere), which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the laws of Hong Kong) other than with respect to the Notes which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" within the meaning of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) and any rules made thereunder.

Notice to Prospective Investors in Japan

The Notes have not been and will not be registered under the Financial Instruments and Exchange Act and are subject to the Special Taxation Measures Act. Each of the Initial Purchasers has represented and agreed that (i) it has not, directly or indirectly, offered or sold and will not, directly or indirectly, offer or sell, Notes in Japan or to any person resident in Japan for Japanese securities law purposes (including any corporation or other entity organized under the laws of Japan), except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Financial Instruments and Exchange Act; and (ii) it has not, directly or indirectly, offered or sold and will not, as part of its initial distribution, directly or indirectly offer or sell Notes to, or for the benefit of, any person other than a gross recipient or to others for re-offering or re-sale, directly or indirectly, to, or for the benefit of, any person other than a gross recipient. A "gross recipient" for this purpose is (i) a beneficial owner that is, for Japanese tax purposes, neither (x) an individual resident of Japan or a Japanese corporation, nor (y) an individual non-resident of Japan or a non-Japanese corporation that in either case is a person having a special relationship with the Company as described in Article 6, paragraph (4) of the Special Taxation Measures Act, (ii) a Japanese financial institution or financial instruments business operator as, designated in Article 3-2-2 paragraph (29) of the Cabinet Order relating to the Special Taxation Measures Act (Cabinet Order No. 43 of 1957, as amended) that will hold Notes for its own proprietary account or (iii) an individual resident of Japan or a Japanese corporation whose receipt of interest on the Notes will be made through a payment handling agent in Japan as defined in Article 2-2 paragraph (2) of the Cabinet Order.

Notice to Prospective Investors in Singapore

This offering memorandum has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this offering memorandum and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Notes may not be circulated or distributed, nor may the Notes be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the Securities and Futures Act, Chapter 289 of Singapore (the "SFA"), (ii) to a relevant person pursuant to Section 275(1), or any person pursuant to Section 275(1A), and in accordance with the conditions specified in Section 275, of the SFA, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Notes are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

(1) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or

(2) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities (as defined in Section 239(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Notes pursuant to an offer made under Section 275 of the SFA except:

(1) to an institutional investor or to a relevant person defined in Section 275(2) of the SFA, or to any person from an offer referred to in Section 275(1A) or 276(4)(i)(B) of the SFA;

(2) where no consideration is or will be given for the transfer;

(3) where the transfer is by operation of law;

(4) as specified in Section 276(7) of the SFA; or

(5) as specified in Regulation 32 of the Securities and Futures (Offers of Investments) (Shares and Debentures) Regulations 2005 of Singapore.

Notice to Prospective Investors in Switzerland

The Notes may not be publicly offered, sold or advertised, directly or indirectly, in or from Switzerland. Neither this offering memorandum nor any other offering or marketing material relating to the Company or the Notes constitutes an offering prospectus as such term is understood pursuant to article 652a or article 1156 of the Swiss Federal Code of Obligations, and neither this offering memorandum nor any other offering or marketing material relating to the Company or the Notes may be publicly distributed or otherwise made publicly available in Switzerland. The Notes will be offered in Switzerland and this offering memorandum and any other offering or marketing material relating to the Notes will be distributed or otherwise made available in Switzerland on a private placement basis only, without any public advertisement and only to investors who do not purchase the Notes with the intention to distribute them to the public. This offering memorandum, as well as any other material relating to the Notes, is personal and confidential and does not constitute an offer to any other person. This offering memorandum, as well as any other material relating to the Notes, may only be used by those investors to whom it has been handed out in connection with the offering described herein and may neither directly nor indirectly be distributed or made available to other persons without the Issuer's express consent. This offering memorandum, as well as any other material relating to the Notes, may not be used in connection with any other offer and shall in particular not be copied and/or distributed to the public in (or from) Switzerland. No application has been or will be made to list the Notes on the SIX Swiss Exchange Ltd., and, consequently, neither this offering memorandum nor any other offering or marketing material relating to the Company or the Notes constitutes a listing prospectus within the meaning of the listing rules of the SIX Swiss Exchange Ltd. Investors are advised to contact their legal, financial or tax advisers to obtain an independent assessment of the financial and tax consequences of an investment in the Notes.

Notice to Prospective Investors in the Grand Duchy of Luxembourg

This Offering Memorandum has not been approved by and will not be submitted for approval to the Luxembourg financial sector supervisory authority (Commission de Surveillance du Secteur Financier) for purposes of a public offering or sale in the Grand Duchy of Luxembourg. Accordingly, the Notes may not be offered or sold to the public in the Grand Duchy of Luxembourg, directly or indirectly, and neither this Offering Memorandum nor any other circular, prospectus, form of application, advertisement or other material may be distributed, or otherwise made available in or from, or published in, the Grand Duchy of Luxembourg except for the sole purpose of the admission of the Notes to listing on the Official List of the Luxembourg Stock Exchange and to trading on the Euro MTF Market of the Luxembourg Stock Exchange, and except in circumstances that do not constitute a public offer of securities to the public, subject to prospectus requirements, in accordance with the Luxembourg law of July 10, 2005 on prospectuses for securities which has implemented the Directive 2003/71/EC, as amended by the Luxembourg law of 3 July 2012 which has implemented the Directive 2010/73/EU.

LEGAL MATTERS

Certain legal matters in connection with the offering of the Notes will be passed upon for the Issuer by Wachtell, Lipton, Rosen & Katz as to matters of U.S. federal and Delaware and New York State law, Stibbe N.V., Amsterdam, the Netherlands as to matters of Netherlands law, Clifford Chance Europe LLP, Paris, France as to matters of French law, Clifford Chance Partnerschaftsgesellschaft, Frankfurt, Germany as to matters of German law and Walder Wyss Ltd., Zurich, Switzerland as to matters of Swiss law. Certain legal matters in connection with the offering of the Notes will be passed upon for the Initial Purchasers by Latham & Watkins LLP as to matters of U.S. federal and New York State law, and NautaDutilh N.V. as to matters of Netherlands law.

INDEPENDENT ACCOUNTANTS

The financial statements as of December 31, 2013 and December 31, 2012 and for each of the three years in the period ended December 31, 2013, included in this offering memorandum, have been audited by PricewaterhouseCoopers Audit, an independent registered public accounting firm, as stated in the report included herein. The address of PricewaterhouseCoopers Audit is 63 Rue de Villiers, 92208 Neuilly-sur-Seine Cedex, Paris, France.

LISTING AND GENERAL INFORMATION

Listing

The address of the Issuer is Tupolevlaan 41-61, 1119 NW Schiphol-Rijk, the Netherlands. The Issuer has an issued and paid-up share capital of € 2,100,541.10 and is registered with the commercial register of The Netherlands Chamber of Commerce under number 34393663.

Each of the Guarantors, i.e. Constellium Rolled Products Ravenswood, LLC, Constellium Singen GmbH, Constellium France S.A.S., Constellium France S.A.S., Constellium France Holdco S.A.S., Constellium Finance S.A.S., Constellium US Holdings I, LLC, Constellium Deutschland GmbH, Constellium Germany Holdco GmbH & Co. KG, Constellium Switzerland AG and Constellium Holdco II B.V., are wholly owned (directly or indirectly) by the Issuer and are providing full and unconditional guarantees of the Notes. The share capital of each of the Guarantors is fully paid-up.

Constellium Rolled Products Ravenswood, LL has its registered office at c/o the Corporation Trust Company, 1209 Orange Street, Wilmington, County of New Castle 19801, U.S.A., and operates in our A&T segment.

Constellium Singen GmbH has its seat (*Sitz*) in Singen (Hohentwie*l*), Germany, registered in the commercial register (*Handelsregister*) of the local court (*Amtsgericht*) of Freiburg im Breisgau under HRB 540034 , and operates in our AS&I, P&ARP and Holdings and Corporate segments.

Constellium France S.A.S., has its registered office at 40-44, rue Washington, 75008 Paris, France, and operates in our A&T, P&ARP and Holdings and Corporate segments.

Constellium France Holdco S.A.S. has its registered office at 40-44, rue Washington, 75008 Paris, France, and operates in our Holdings and Corporate segment.

Constellium Finance S.A.S. has its registered office at 40-44, rue Washington, 75008 Paris, France, and operates in our Holdings and Corporate segment.

Constellium US Holdings I, LLC has its address at c/o the Corporation Trust Company, 1209 Orange Street, Wilmington, County of New Castle 19801, U.S.A., and operates in our Holdings and Corporate segment.

Constellium Deutschland GmbH has its seat (*Sitz*) in Singen (Hohentwiel), Germany, registered in the commercial register (*Handelsregister*) of the local court (*Amtsgericht*) of Freiburg im Breisgau under HRB 540888**,** and operates in our Holdings and Corporate segment.

Constellium Germany Holdco GmbH & Co. KG has its seat (*Sitz*) in Singen (Hohentwiel), Germany, registered in the commercial register (*Handelsregister*) of the local court (*Amtsgericht*) of Freiburg im Breisgau under HRA 703288, and operates in our Holdings and Corporate segment.

Constellium Switzerland AG has its registered office at Max Högger-Strasse 6, 8048 Zürich, Switzerland, and operates in our Holdings and Corporate segment.

Constellium Holdco II B.V. has its address at Tupolevlaan 41-61, 1119 NW Schiphol-Rijk, the Netherlands, and engages in our Holdings and Corporate segment.

Application has been made to list the Euro Notes on the Official List of the Luxembourg Stock Exchange and for the Euro Notes to be admitted to trading on the Euro MTF Market of the Luxembourg Stock Exchange. This offering memorandum constitutes a prospectus for the purpose of the Prospectus Law. Notice of any optional redemption or change of control will be published on the official website of the Luxembourg Stock Exchange (*www.bourse.lu*) if the Notes are admitted for trading on that exchange.

If, and for so long as, the Euro Notes are listed on the Luxembourg Stock Exchange, copies of the following documents may be inspected and obtained at the specified office of the listing agent in the Grand Duchy of Luxembourg during normal business hours on any weekday:

- the organizational documents of the Issuer and each of the guarantors;
- the Indenture relating to the Euro Notes (which includes the guarantees and the form of the Euro Notes); and
- the annual audited consolidated financial statements and interim unaudited consolidated financial statements of the Issuer, as required to be filed pursuant to the rules of the SEC or the Netherlands Authority for the Financial Markets, on an annual and half-yearly basis, respectively.

We accept responsibility for the information contained in this Offering Memorandum. To the best of our knowledge, except as otherwise noted, the information contained in this Offering Memorandum is in accordance with the facts and does not omit anything likely to affect the import of this Offering Memorandum.

Except as disclosed herein, there has been no material adverse change in the Issuer's or any Guarantors' financial position since the last published consolidated financial statements of the Issuer, as of and for the year ended December 31, 2013.

Neither we nor any of our subsidiaries is a party to any litigation that, in our judgment, is material in the context of the issue of the Notes, except as disclosed herein.

If required by the rules of the Luxembourg Stock Exchange, we will maintain a paying and transfer agent in the Grand Duchy of Luxembourg for as long as any of the Euro Notes are listed on the Luxembourg Stock Exchange. We expect to appoint Deutsche Bank Luxembourg S.A. as a Luxembourg paying and transfer agent and Luxembourg listing agent, if required by the rules of the Luxembourg Stock Exchange. We reserve the right to vary such appointments and we will publish notice of any such change of appointment in a newspaper having general circulation in the Grand Duchy of Luxembourg (which is expected to be the *Luxemburger Wort*) or, to the extent and in the manner permitted by such rules, posted on the official website of the Luxembourg Stock Exchange (*www.bourse.lu*).

The issuance of the Notes was authorized by resolutions of the board of directors of the Issuer passed at a meeting held on April 17, 2014.

The Euro Rule 1144A Notes and the Euro Regulation S Notes have been accepted for clearance through the facilities of Clearstream Banking and Euroclear under common codes 106488266 and 106488231, respectively. The ISIN numbers are XS1064882662 for the Euro Rule 1144A Notes and XS1064882316 for the Euro Regulation S Notes. The amount of Euro Notes sold pursuant to Rule 144A are € 34,005,000 and the amount of Euro Notes sold pursuant to Regulation S are € 265,995,000.

If listed on the Luxembourg Stock Exchange, application may be made to the Luxembourg Stock Exchange to have the Euro Notes removed from listing on the Luxembourg Stock Exchange, including if necessary to avoid any new withholding taxes in connection with the listing.

If listed on the Luxembourg Stock Exchange, so long as the Euro Notes remain listed, the Euro Notes will be freely transferable and negotiable in accordance with the rules of the Luxembourg Stock Exchange.

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the board of directors and shareholders of

Constellium N.V.

We have audited the accompanying consolidated statements of financial position of Constellium N.V. and its subsidiaries (the "Group") as of December 31, 2013 and 2012, and the related consolidated statements of income, comprehensive income (loss), changes in equity and cash flows for each of the three years in the period ended December 31, 2013. These financial statements are the responsibility of the Group's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The Group is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audit included consideration of internal control over financial reporting as a basis of designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control over financial reporting. Accordingly we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Constellium N.V. and its subsidiaries as of December 31, 2013 and 2012, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2013 in conformity with International Financial Reporting Standards as issued by the International Accounting Standards Board and in conformity with International Financial Reporting Standards as adopted by the European Union.

Neuilly-sur-Seine, April 4, 2014
PricewaterhouseCoopers Audit
Olivier Lotz
Partner

PricewaterhouseCoopers Audit, SA, 63, rue de Villiers, 92208 Neuilly-sur-Seine Cedex
Téléphone: +33 (0)1 56 57 58 59, Fax: +33 (0)1 56 57 58 60, www.pwc.fr

CONSOLIDATED INCOME STATEMENT

	Notes	Year ended December 31, 2013	Year ended December 31, 2012 Restated*	Year ended December 31, 2011 Restated*
		(in millions of Euros)		
Revenue	4,5	3,495	3,610	3,556
Cost of sales	6	(3,024)	(3,136)	(3,239)
Gross profit		**471**	**474**	**317**
Selling and administrative expenses	6	(210)	(212)	(216)
Research and development expenses	6	(36)	(36)	(33)
Restructuring costs	22	(8)	(25)	(20)
Other (losses) / gains—net	8	(8)	62	(111)
Income / (Loss) from operations		**209**	**263**	**(63)**
Other expenses	1,3	(27)	(3)	(102)
Finance income		17	4	2
Finance costs		(67)	(64)	(41)
Finance costs–net	10	**(50)**	**(60)**	**(39)**
Share of profit / (loss) of joint-ventures	31	3	(5)	—
Income / (Loss) before income tax		**135**	**195**	**(204)**
Income tax (expense) / benefit	11	(39)	(46)	34
Net Income / (Loss) from continuing operations		**96**	**149**	**(170)**
Discontinued operations				
Net Income / (Loss) from discontinued operations	31	4	(8)	(8)
Net Income / (Loss)		**100**	**141**	**(178)**
Net Income / (Loss) attributable to:				
Owners of the Company		98	139	(179)
Non-controlling interests		2	2	1
Net Income / (Loss)		**100**	**141**	**(178)**

Earnings per share attributable to the equity holders of the Company

	Notes	Year ended December 31, 2013	Year ended December 31, 2012 Restated*	Year ended December 31, 2011 Restated*
		(in Euros per share)		
From continuing and discontinued operations				
Basic	12	1.00	1.55	(2.00)
Diluted	12	0.99	1.55	(2.00)
From continuing operations				
Basic	12	0.96	1.64	(1.91)
Diluted	12	0.95	1.64	(1.91)
From discontinued operations				
Basic	12	0.04	(0.09)	(0.09)
Diluted	12	0.04	(0.09)	(0.09)

* Comparative financial statements have been restated following the application of IAS 19 revised. The impacts of the restatements are disclosed in NOTE 32—Implementation of IAS 19 Revised.

The accompanying notes are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME/ (LOSS)

	Notes	At December 31, 2013	At December 31, 2012 Restated*	At December 31, 2011 Restated*
		(in millions of Euros)		
Net Income / (Loss)		**100**	**141**	**(178)**
Other Comprehensive Income / (Loss)				
Items that will not be reclassified subsequently to Profit or Loss				
Remeasurement on post-employment benefit obligations	21	72	(80)	(23)
Deferred tax on remeasurement on post-employment benefit obligations		(9)	16	1
Items that may be reclassified subsequently to Profit or Loss				
Currency translation differences		—	—	(14)
Other Comprehensive Income / (Loss)		**63**	**(64)**	**(36)**
Total Comprehensive Income / (Loss)		**163**	**77**	**(214)**
Attributable to:				
Owners of the Company		161	75	(215)
Non-controlling interests		2	2	1
Total Comprehensive Income / (Loss)		**163**	**77**	**(214)**

* Comparative financial statements have been restated following the application of IAS 19 revised. The impacts of the restatements are disclosed in NOTE 32—Implementation of IAS 19 Revised.

The accompanying notes are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	At December 31, 2013	At December 31, 2012 Restated*
		(in millions of Euros)	
Assets			
Non-current assets			
Intangible assets (including goodwill)	13	21	11
Property, plant and equipment	14	408	302
Investments in joint ventures		1	2
Deferred income tax assets	25	177	205
Trade receivables and other	16	60	64
Other financial assets	24	7	10
		674	**594**
Current assets			
Inventories	15	328	385
Trade receivables and other	16	483	476
Other financial assets	24	25	34
Cash and cash equivalents	17	233	142
		1,069	**1,037**
Assets of disposal group classified as held for sale	31	21	—
Total Assets		**1,764**	**1,631**
Equity			
Share capital	18	2	—
Share premium account	18	162	98
Retained deficit and other reserves		(132)	(139)
Equity attributable to owners of the Company		**32**	**(41)**
Non-controlling interests		4	4
		36	**(37)**
Liabilities			
Non-current liabilities			
Borrowings	19	326	140
Trade payables and other	20	35	26
Deferred income tax liabilities	25	1	11
Pension and other post-employment benefit obligations	21	507	611
Other financial liabilities	24	36	46
Provisions	22	65	89
		970	**923**
Current liabilities			
Borrowings	19	22	18
Trade payables and other	20	646	656
Income taxes payable		19	14
Other financial liabilities	24	24	24
Provisions	22	38	33
		749	**745**
Liabilities of disposal group classified as held for sale	31	9	—
Total liabilities		**1,728**	**1,668**
Total equity and liabilities		**1,764**	**1,631**

* Comparative financial statements have been restated following the application of IAS 19 revised. The impacts of the restatements are disclosed in NOTE 32—Implementation of IAS 19 Revised.

The accompanying notes are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share capital	Share premium	Remeasure-ment	Foreign currency translation reserve	Other reserves	Retained losses	Total Group share	Non-controlling interests	Total equity
	(in millions of Euros)								
As at January 1, 2011	—	—	—	—	—	—	—	—	—
Net loss	—	—	—	—	—	(179)	(179)	1	(178)
Other comprehensive loss	—	—	(22)	(14)	—	—	(36)	—	(36)
Total Comprehensive Loss	**—**	**—**	**(22)**	**(14)**	**—**	**(179)**	**(215)**	**1**	**(214)**
Transactions with the owners									
Issuance (amendment) of share capital	—	98	—	—	—	—	98	—	98
Other	—	—	—	—	2	—	2	—	2
Transactions with non-controlling interests									
Non-controlling interest assumed in acquisition	—	—	—	—	—	—	—	1	1
As at December 31, 2011 Restated*	**—**	**98**	**(22)**	**(14)**	**2**	**(179)**	**(115)**	**2**	**(113)**
As at January 1, 2012 Restated*	**—**	**98**	**(22)**	**(14)**	**2**	**(179)**	**(115)**	**2**	**(113)**
Net income	—	—	—	—	—	139	139	2	141
Other comprehensive loss	—	—	(64)	—	—	—	(64)	—	(64)
Total Comprehensive Income	**—**	**—**	**(64)**	**—**	**—**	**139**	**75**	**2**	**77**
Transactions with the owners									
Share equity plan	—	—	—	—	1	—	1	—	1
Other	—	—	—	—	(2)	—	(2)	—	(2)
As at December 31, 2012 Restated*	**—**	**98**	**(86)**	**(14)**	**1**	**(40)**	**(41)**	**4**	**(37)**
As at January 1, 2013 Restated*	**—**	**98**	**(86)**	**(14)**	**1**	**(40)**	**(41)**	**4**	**(37)**
Net income	—	—	—	—	—	98	98	2	100
Other comprehensive income	—	—	63	—	—	—	63	—	63
Total Comprehensive Income	**—**	**—**	**63**	**—**	**—**	**98**	**161**	**2**	**163**
Transactions with the owners									
Share premium distribution	—	(98)	—	—	—	(5)	(103)	—	(103)
MEP shares changes	—	—	—	—	(1)	—	(1)	—	(1)
Share equity plan	—	—	—	—	1	—	1	—	1
Prorata share issuance	2	—	—	—	—	(2)	—	—	—
Interim dividend distribution	—	—	—	—	—	(147)	(147)	—	(147)
IPO Primary offering	—	154	—	—	—	—	154	—	154
IPO Over-allotment	—	25	—	—	—	—	25	—	25
IPO Fees	—	(17)	—	—	—	—	(17)	—	(17)
Transactions with non-controlling interests	—	—	—	—	—	—	—	(2)	(2)
As at December 31, 2013	**2**	**162**	**(23)**	**(14)**	**1**	**(96)**	**32**	**4**	**36**

* Comparative financial statements have been restated following the application of IAS 19 revised. The impacts of the restatements are disclosed in NOTE 31—Implementation of IAS 19 Revised.

The accompanying notes are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

	Notes	Year ended December 31, 2013	Year ended December 31, 2012 Restated*	Year ended December 31, 2011 Restated*
		(in millions of Euros)		
Cash flows (used in) / from operating activities				
Net income / (loss)		100	141	(178)
Less: Net income / (loss) from discontinued operations		(4)	8	8
Less: Net income attributable to non-controlling interests		(2)	(2)	(1)
Net income / (loss) from continuing operations before non-controlling interests		**94**	**147**	**(171)**
Adjustments:				
Income tax expense	11	39	46	(34)
Finance costs—net	10	50	60	39
Depreciation and impairment		32	14	2
Restructuring costs and other provisions		(8)	16	14
Defined benefit pension costs	21	29	(2)	42
Unrealized (gains) / losses on derivatives—net and from remeasurement of monetary assets and liabilities—net	8	(14)	(60)	140
Loss on disposal	8	6	—	—
Share of profit / (loss) of joint-ventures	31	(3)	5	—
Other		2	2	—
Changes in working capital:				
Inventories		41	35	23
Trade receivables and other		34	93	(31)
Trade payables and other		(29)	(11)	40
Changes in other operating assets and liabilities:				
Provisions	22	(17)	(31)	(14)
Income tax paid		(29)	(28)	(38)
Pension liabilities and other post-employment benefit obligations		(43)	(40)	(41)
Net cash flows from / (used in) operating activities		**184**	**246**	**(29)**
Cash flows (used in) / from investing activities				
Purchase of net assets on acquisition—net of cash and cash equivalents acquired		—	—	13
Purchases of property, plant and equipment		(144)	(126)	(97)
Proceeds from disposal		3	—	9
Proceeds from disposal of joint-ventures	31	4	—	—
Proceeds from finance lease		6	8	7
Other investing activities		(1)	(13)	(1)
Net cash flows used in investing activities		**(132)**	**(131)**	**(69)**
Cash flows from / (used in) financing activities				
Net proceeds received from issuance of shares	18	162	—	98
Interim dividend paid	18	(147)	—	—
Withholding tax paid		(20)	—	—
Distribution of share premium to owners of the Company	18	(103)	—	—
Interests paid		(36)	(28)	(31)
Net cash flows (used in) / from factoring	16	—	(49)	56
Proceeds received from Term Loan	19	351	154	137
Repayment of Term Loan	19	(156)	(148)	—
Proceeds / Repayment of other loans	19	2	6	(20)
Payment of deferred financing costs and debt fees	19	(8)	(14)	(23)
Transactions with non-controlling interests		(2)	—	—
Other financing activities		—	(7)	(16)
Net cash flows from / (used in) financing activities		**43**	**(86)**	**201**
Net increase in cash and cash equivalents		**95**	**29**	**103**
Cash and cash equivalents—beginning of period	17	142	113	—
Effect of exchange rate changes on cash and cash equivalents		(1)	—	10
Cash and cash equivalents—end of period		**236**	**142**	**113**
Less: Cash and cash equivalents classified as held for sale	31	**(3)**	**—**	**—**
Cash and cash equivalents as reported in the Statement of Financial Position	17	**233**	**142**	**113**

* Comparative financial statements have been restated following the application of IAS 19 revised. The impacts of the restatements are disclosed in NOTE 32—Implementation of IAS 19 Revised.

The accompanying notes are an integral part of these consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1—GENERAL INFORMATION

Constellium is a global leader in the design and manufacture of a broad range of innovative specialty rolled and extruded aluminum products, serving primarily the aerospace, packaging and automotive end-markets. The Group has a strategic footprint of manufacturing facilities located in the United States, Europe and China, operates 23 production facilities, 10 administrative and commercial sites and one R&D center and has approximately 8,600 employees.

In connection with the initial public offering explained hereafter, the Company was converted from a private company with limited liability (Constellium Holdco B.V.) into a public company with limited liability (Constellium N.V.). On May 16, 2013, the Group increased its shares nominal value from €0.01 to €0.02 per share.

The business address (head office) of Constellium N.V. is Tupolevlaan 41-61, 1119 NW Schiphol-Rijk, the Netherlands.

Unless the context indicates otherwise, when we refer to “we,” “our, “us,” “Constellium,” the “Group” and the “Company” in this document, we are referring to Constellium N.V. and its subsidiaries.

Initial public offering

On May 22, 2013, Constellium completed an initial public offering (the “IPO”) of Class A ordinary shares; the shares began trading on the New York Stock Exchange on May 23, 2013, and on the professional segment of Euronext Paris on May 27, 2013.

Constellium offered a total of 13,333,333 of its Class A ordinary shares, nominal value €0.02 per share and the selling shareholders offered 8,888,889 of Class A ordinary shares, nominal value €0.02 per share. The underwriters exercised their over-allotment option to purchase an additional 2,251,306 Class A ordinary shares at a public offering price of $15.00 per share. The exercise of the IPO over-allotment option brought the total number of Class A ordinary shares sold in the initial public offering to 24,473,528.

The total proceeds received by the Company from the IPO were €179 million. Fees related to the IPO amounted to €44 million, of which €17 million were accounted for as a deduction to share premium and €27 million expensed of which €24 million were recognized in Other expenses.

Secondary public offerings

On November 11, 2013, Constellium completed a public offering of Class A ordinary shares. The selling shareholders offered a total of 17,500,000 Class A ordinary shares at a price of $17.00 per share. Of the Class A ordinary shares 16,691,355 were sold by an affiliate of Rio Tinto Plc. and 808,645 by Omega management GmbH & co. KG. The underwriters have exercised their option to purchase an additional 2,625,000 Class A ordinary shares from an affiliate of Rio Tinto Plc. bringing the total number of Class A ordinary shares sold in this offering to 20,125,000.

On December 12, 2013, Constellium completed a public offering of Class A ordinary shares by an affiliate of Rio Tinto Plc. Constellium offered 8,345,713 Class A ordinary shares at a price of $19.80 per share. The underwriters have exercised their option to purchase an additional 1,251,847 Class A ordinary shares. The exercise of the option brought the total number of Class A ordinary shares sold in this offering to 9,597,560.

The Company did not receive any of the proceeds from these offerings of ordinary shares (including any ordinary shares sold pursuant to the underwriters’s option to purchase additional ordinary shares). The total number of outstanding ordinary shares did not change as a result of the offering. Fees related to these offerings amounted to €3 million and recognized in Other expenses.

NOTE 2—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1. Statement of compliance

The consolidated financial statements of Constellium N.V. and its subsidiaries have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and as endorsed by the European Union (EU). The Group’s application of IFRS results in no difference between IFRS as issued by the IASB and IFRS as endorsed by the EU.
(http://ec.europa.eu/internal_market/accounting/ias/index_en.htm)

The consolidated financial statements have been authorized for issue by the Board of Directors at its meeting held on March 19, 2014.

2.2. Application of new and revised International Financial Reporting Standards (IFRS)

Standards and interpretations with an application date for the Group as of January 1, 2013:

In addition to the application of the amendments to IAS 1 “Presentation of Items of Other Comprehensive Income,, the following were applied as of January 1, 2013:

IAS 19 Revised changes the accounting for defined benefit plans and termination benefits. The most significant change relates to the accounting for changes in defined benefit obligations and plan assets. The amendments require the recognition of changes in defined benefit obligations and in fair value of plan assets when they occur, and hence eliminate the “corridor approach” permitted under the previous version of IAS 19 and immediately recognize all past service costs. The amendments require all actuarial gains and losses to be recognized immediately through other comprehensive income in order for the net pension asset or liability recognized in the consolidated statement of financial position to reflect the full value of the plan deficit or surplus. Furthermore, the interest cost and expected return on plan assets used in the previous version of IAS 19 are replaced by a “net interest” amount, which is calculated by applying the discount rate to the net defined benefit liability or asset. The impacts of the application of IAS 19 Revised are disclosed in NOTE 32—Implementation of IAS 19 Revised.

IFRS 10 “Consolidated financial statements” supersedes SIC-12 and IAS 27. This standard deals with the consolidation of subsidiaries and structured entities, and redefines control in the basis of consolidation. The application of this standard has no effect on the Group’s financial statements as of January 1, 2013.

IFRS 11 “Joint Arrangements” supersedes IAS 31 and SIC-13. This standard deals with the accounting for joint arrangements. The definition of joint control is based on the existence of an arrangement and the unanimous consent of the parties which share the control. There are two types of joint arrangements:

- joint-ventures: the joint venture has rights to the net assets of the entity to be accounted for using the equity method, and
- joint operations: the parties to joint operations have direct rights to the assets and direct obligations for the liabilities of the entities which should be accounted for as arising from the arrangement.

The application of this standard has no effect on the Group’s financial statements as of January 1, 2013.

IFRS 12 “Disclosure of Interest in Other Entities” supersedes disclosures requirements previously included in IAS 27, IAS 28 and IAS 31. This standard includes all the disclosures related to subsidiaries, joint ventures, associates, consolidated and unconsolidated structured entities.

IFRS 13 “Fair Value Measurement” applies to IFRS that require or permit fair value measurements or disclosures about fair value measurement. It:

- defines fair value;
- sets out a framework for measuring fair value; and
- requires disclosures about fair value measurements, including the fair value hierarchy for all assets and liabilities presented at fair value in the balance sheet already set out in IFRS 7.

The Group periodically estimates the impact of credit risk on its derivative instruments aggregated by counterparties. When the aggregate derivative position is a liability, the credit risk is covered by margin calls and is therefore deemed insignificant. When the aggregate derivative position is an asset, the Group calculates the credit impact based on available external data.

A number of amendments to standards are effective for period beginning after January 1, 2013 but have not effect on the Group’s financial statements as of January 1, 2013.

2.3. New standards and interpretations not yet mandatorily applicable

The Group has not applied the following new, revised and amended standards and interpretations that have been issued but are not yet effective and which could affect the Group’s future consolidated financial statements:

IFRS 9 “Financial Instruments” is a three-part project that will supersede IAS 39 “Financial Instruments: Recognition and Measurement.” The first part which deals with the classification and the measurement of financial instruments has been issued by the IASB. The second and third parts which deal respectively with impairment methodology and hedge accounting have not been finalized yet. Recent amendments to IFRS 9 have removed the previous mandatory effective date of January 1, 2015. The Group currently elects not to apply IFRS 9 until the IASB completes the three parts of the project.

IFRIC 21 “Levies” is effective for annual periods beginning on or after January 1, 2014. This interpretation sets out the accounting for an obligation to pay a levy that is not income tax. The interpretation addresses what is the obligating event that gives rise to pay a levy and when should a liability be recognised. While some impacts on the timing of certain levies liabilities are expected on the Group’s 2014 consolidated financial statements, the related impact is not anticipated to be material.

2.4. Presentation of the operating performance of each operating segment and of the Group

In accordance with IFRS 8 “Operating Segments,” operating segments are based upon product lines, markets and industries served, and are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker (“CODM”). The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Chief Executive Officer.

The profitability and financial performance of the operating segments is measured based on Management adjusted EBITDA, as it illustrates the underlying performance of continuing operations by excluding non-recurring and non-operating items.

Management adjusted EBITDA is defined in NOTE 4—Operating Segment Information.

2.5. Principles governing the preparation of the consolidated financial statements

Acquisitions

The Group applies the acquisition method to account for business combinations.

The consideration transferred for the acquisition of a subsidiary is the fair value of the assets transferred, the liabilities assumed and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The amount of non-controlling interest is determined for each business combination and is either the fair value (full goodwill method) or the present ownership instruments’ proportionate share in the recognized amounts of the acquiree’s identifiable net assets, resulting in recognition of only the share of goodwill attributable to equity holders of the parent (partial goodwill method).

Goodwill is initially measured as the excess of the aggregate of the consideration transferred and the amount of non-controlling interest over the net identifiable assets acquired and liabilities assumed. If this consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognized as a gain in Other gains / (losses)—net in the Consolidated Income Statement.

On acquisition, the Group recognizes the identifiable acquired assets, liabilities and contingent liabilities (identifiable net assets) of the subsidiaries on the basis of fair value at the acquisition date. Recognized assets and liabilities may be adjusted during a maximum of 12 months from the acquisition date, depending on new information obtained about the facts and circumstances existing at the acquisition date.

Significant assumptions used in determining allocation of fair value include the following valuation approaches: the cost approach, the income approach and the market approach which are determined based on cash flow projections and related discount rates, industry indices, market prices regarding replacement cost and comparable market transactions.

Cash-generating units

The reporting units (which generally correspond to an industrial site), the lowest level of the Group’s internal reporting, have been identified as its cash-generating units.

Goodwill

Goodwill arising on a business combination is carried at cost as established at the date of the business combination less accumulated impairment losses, if any.

Goodwill is allocated and monitored at the operating segments level which are the groups of cash-generating units that are expected to benefit from the synergies of the combination. The operating segments represent the lowest level within the Group at which the goodwill is monitored for internal management purposes.

On disposal of the relevant cash-generating units, the attributable amount of goodwill is included in the determination of the gain in disposal.

Impairment of goodwill

A cash-generating unit or a group of cash-generating units to which goodwill is allocated is tested for impairment annually, or more frequently when there is an indication that the unit (or group of units) may be impaired.

The net carrying value of the cash-generating unit (or the group of cash-generating units) is compared to its recoverable amount, which is the higher of the value in use and the fair value less cost to sell.

Value in use calculations use cash flow projections based on financial budgets approved by management and covering usually a 5 year period. Cash flows beyond this period are estimated using a perpetual long-term growth rate for the subsequent years.

The value in use is the sum of discounted cash flows and the terminal residual value. Discount rates are determined using the weighted-average cost of capital of each operating segment.

Any impairment loss of goodwill is recognized for the amount by which the cash-generating unit’s (or group of units) carrying amount exceeds its recoverable amount.

The impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit (or group of cash-generating units) and then, to the other assets of the unit (or group of units) pro rata on the basis of the carrying amount of each asset in the unit (or group of units).

Any impairment loss is recognized directly in the line Other gains / (losses) – net in the Consolidated Income Statement. An impairment loss recognized for goodwill cannot be reversed in subsequent periods.

Non-current assets (and disposal groups) classified as held for sale & Discontinued operations

IFRS 5 “Non-current Assets Held For Sale and Discontinued Operations” defines a discontinued operation as a component of an entity that (i) generates cash flows that are largely independent from cash flows generated by other components, (ii) is held for sale or has been sold, and (iii) represents a separate major line of business or geographic areas of operations.

Assets and liabilities are classified as held for sale when their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the non-current asset (or disposal group) is available for immediate sale in its present condition.

Assets and liabilities are stated at the lower of carrying amount and fair value less costs to sell if their carrying amount is to be recovered principally through a sale transaction rather than through continuing use.

Assets and liabilities held for sale are reflected in separate line items in the Consolidated Statement of Financial Position of the period during which the decision to sell is made.

The results of discontinued operations are shown separately in the Consolidated Income Statement.

Basis of consolidation

These consolidated financial statements include all the assets, liabilities, equity, revenues, expenses and cash flows of the entities and businesses of Constellium.

Subsidiaries are entities over which the Group has the control. The Group controls an entity when the Group has power over the investee, is exposed to, or has rights to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

Investments in joint arrangements are classified as either joint ventures or joint operations depending on the contractual rights and obligations of each investor. The Group recognizes its investments in joint ventures under the equity method.

Foreign currency transactions and remeasurement

Transactions denominated in currencies other than the functional currency are converted to the functional currency at the exchange rate in effect at the date of the transaction.

Functional currency

Items included in the consolidated financial statements of each of the entities and businesses of Constellium are measured using the currency of the primary economic environment in which each of them operates (their functional currency).

Presentation currency and foreign currency translation

In the preparation of the consolidated financial statements, the year-end balances of assets, liabilities and components of equity of Constellium's entities and businesses are translated from their functional currencies into Euros, the presentation currency of the Group, at the respective year-end exchange rates; and the revenues, expenses and cash flows of Constellium's entities and businesses are translated from their functional currencies into Euros using average exchange rates for the period.

The net differences arising from exchange rate translation are recognized in the Other Comprehensive Income.

The following table summarizes the main exchange rates used for the preparation of the consolidated financial statements of the Group:

Foreign exchange rate for 1 Euro		Year ended December 31, 2013		Year ended December 31, 2012		Year ended December 31, 2011	
		Closing rate	Average rate	Closing rate	Average rate	Closing rate	Average rate
US Dollars	USD	1.379	1.327	1.322	1.284	1.297	1.390
Swiss Francs	CHF	1.227	1.230	1.207	1.205	1.217	1.230
Czech Koruna	CZK	27.427	25.947	25.125	25.125	25.536	24.576

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable.

Revenue from product sales, net of trade discounts, allowances and volume-based incentives, is recognized once delivery has occurred provided that persuasive evidence exists that all of the following criteria are met:

- The significant risks and rewards of ownership of the product have been transferred to the buyer;
- Neither continuing managerial involvement to the degree usually associated with ownership, nor effective control over the goods sold, has been retained by Constellium;
- The amount of revenue can be measured reliably;
- It is probable that the economic benefits associated with the sale will flow to Constellium; and
- The costs incurred or to be incurred in respect of the sale can be measured reliably.

The Group also enters into tolling agreements whereby the clients loan the metal which the Group will then manufacture for them. In these circumstances, revenue is recognized when services are provided as of the date of redelivery of the manufactured metal.

Amounts billed to customers in respect of shipping and handling are classified as revenue where the Group is responsible for carriage, insurance and freight. All shipping and handling costs incurred by the Group are recognized in cost of sales.

Deferred tooling revenue and related costs

Certain automotive long term contracts include the design and manufacture of customized parts. To manufacture such parts, certain specialized or customized tooling is required. The Group accounts for the tooling costs provided by third party manufacturers in accordance with the provisions of IAS 11 "Construction Contracts."

Research and development costs

Research expenditures are recognized as expenses in the Consolidated Income Statement as incurred. Costs incurred on development projects are recognized as intangible assets when the following criteria are met:

- It is technically feasible to complete the intangible asset so that it will be available for use;
- Management intends to complete and use the intangible asset;
- There is an ability to use the intangible asset;
- It can be demonstrated how the intangible asset will generate probable future economic benefits;
- Adequate technical, financial and other resources to complete the development and use or sell the intangible asset are available; and
- The expenditure attributable to the intangible asset during its development can be reliably measured.

Where development expenditures do not meet these criteria, they are recognized as expenses in the Consolidated Income Statement when incurred. Development costs previously recognized as expenses are not recognized as an asset in a subsequent period.

Other gains / (losses)—net

Other gains / (losses)—net include realized gains and losses on derivatives, unrealized gains and losses on derivatives at fair value through profit and loss and unrealized exchange gains and losses from the remeasurement of monetary assets and liabilities.

Other gains / (losses)—net separately identifies other unusual, infrequent or non-recurring items. Such items are those that in management's judgment need to be disclosed by virtue of their size, nature or incidence. In determining whether an event or transaction is specific, management considers quantitative as well as qualitative factors such as the frequency or predictability of occurrence. This is consistent with the way that financial performance is measured by management and reported to the Board and Executive Committee and assists in providing a meaningful analysis of the trading results of the Group. The directors believe that this presentation aids the readers understanding of the financial performance.

Interest income and expense

Interest income is recorded using the effective interest rate method on loans receivable and on the interest bearing components of cash and cash equivalents.

Interest expense on short and long-term financing is recorded at the relevant rates on the various borrowing agreements.

Borrowing costs (including interest) incurred for the construction of any qualifying asset are capitalized during the period of time that is required to complete and prepare the asset for its intended use.

Share-based payment arrangements

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting year, the Group revises its estimate of the number of equity instruments expected to vest.

Property, plant and equipment

Recognition and measurement

Property, plant and equipment acquired by the Company are recorded at cost, which comprises the purchase price, any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management and the estimated close down and restoration costs associated with the asset. Subsequent to the initial recognition, property, plant and equipment is measured at cost less accumulated depreciation. Costs are capitalized into construction work in progress until such projects are completed and the assets are available for use.

Subsequent costs

Improvements and replacements are capitalized as additions to property, plant and equipment only when it is probable that future economic benefits associated with them will flow to the Company and the cost of the item can be measured with reliability. Ongoing regular maintenance costs related to property, plant and equipment are expensed as incurred.

Depreciation

Land is not depreciated. Property, plant and equipment are depreciated over the estimated useful lives of the related assets using the straight-line method as follows:

- Buildings 10—50 years;
- Machinery and equipment 3—40 years; and
- Vehicles 5—8 years.

Impairment tests for property, plant and equipment and intangible assets

Property, plant and equipment and intangible assets are reviewed for impairment if there is any indication that the carrying amount of the asset (or group of assets to which it belongs) may not be recoverable. The recoverable amount is based on the higher of fair value less costs to sell (market value) and value in use (determined using estimates of discounted future net cash flows of the asset or group of assets to which it belongs).

Financial instruments

(i) Financial assets

Financial assets are classified as follows: (a) at fair value through profit or loss, and (b) loans and receivables. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of Constellium's financial assets at initial recognition.

(a) At fair value through profit or loss: These are financial assets held for trading. A financial asset is classified in this category if it is acquired principally for the purpose of selling in the short term. Derivatives are also categorized as held for trading. Assets in this category are classified as current assets if expected to be settled within 12 months; otherwise, they are classified as non-current. Financial assets carried at fair value through profit or loss, are initially recognized at fair value and transaction costs are expensed in the Consolidated Income Statement.

(b) Loans and receivables: These are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are classified as current or non-current assets based on their maturity date. Loans and receivables are comprised of Trade receivables and other and non-current and current loans receivable in the Consolidated Statement of Financial Position. Loans and receivables are carried at amortized cost using the effective interest method, less any impairment.

(ii) Financial liabilities

Borrowings and other financial liabilities (excluding derivative liabilities) are recognized initially at fair value, net of transaction costs incurred and directly attributable to the issuance of the liability. These financial liabilities are subsequently measured at amortized cost using the effective interest rate method. Any difference between the amounts originally received (net of transaction costs) and the redemption value is recognized in the Consolidated Income Statement using the effective interest method.

(iii) Derivative financial instruments

All derivatives are classified as held for trading and initially recognized at their fair value on the date at which the derivative contract is entered into and are subsequently remeasured to their fair value at the date of each Consolidated Statement of Financial Position, with the changes in fair value included in Other gains / (losses)—net (see NOTE 8—Other gains / (losses)—net). The Group has no derivatives designated for hedge accounting treatment.

(iv) Fair value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Where available, relevant market prices are used to determine fair values. The Group periodically estimates the impact of credit risk on its derivatives instruments aggregated by counterparties.

Credit Value Adjustments are calculated for asset derivatives at fair value. Debit Value Adjustments are calculated for credit derivatives at fair value.

The fair value method used is based on historical probability of default, provided by leading rating agencies.

(v) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the Consolidated Statement of Financial Position when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously.

Leases

Constellium as the lessee

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Various buildings, machinery and equipment from third parties are leased under operating lease agreements. Under such operating lease agreements, the total lease payments are recognized as rent expense on a straight-line basis over the term of the lease agreement, and are included in Cost of sales or Selling and administrative expenses, depending on the nature of the leased assets.

Leases of property, plant and equipment where the Group has substantially all the risks and rewards of ownership are classified as finance leases. Various equipment from third parties are leased under finance lease agreements. Under such finance leases, the asset financed is recognized in Property, Plant and Equipment and the financing is recognized as a financial liability.

Constellium as the lessor

Certain land, buildings, machinery and equipment are leased to third parties under finance lease agreements. During the period of lease inception, the net book value of the related assets is removed from property, plant and equipment and a Finance lease receivable is recorded at the lower of the fair value and the aggregate future cash payments to be received from the lessee less unearned finance income computed at an interest rate implicit in the lease. As the Finance lease receivable from the lessee is collected, unearned finance income is also reduced, resulting in interest income.

Inventories

Inventories are valued at the lower of cost and net realizable value, primarily on a weighted-average cost basis.

Weighted-average costs for raw materials, stores, work in progress and finished goods are calculated using the costs experienced in the current period based on normal operating capacity (and include the purchase price of materials, freight, duties and customs, the costs of production, which includes labor costs, materials and other expenses which are directly attributable to the production process and production overheads).

Trade accounts receivable

Recognition and measurement

Trade accounts receivable are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method, less provision for impairment.

Impairment

An impairment allowance of trade receivables is established when there is objective evidence that the Group will not be able to collect all amounts due. Indicators of impairment would include financial difficulties of the debtor, likelihood of the debtor's insolvency, late payments, default or a significant deterioration in creditworthiness. The amount of the provision is the difference between the assets' carrying value and the present value of the estimated future cash flows, discounted at the original effective interest rate. The expense (income) related to the increase (decrease) of the impairment allowance is recognized in the Consolidated Income Statement. When a trade receivable is deemed uncollectible, it is written off against the impairment allowance account. Subsequent recoveries of amounts previously written off are credited in the Consolidated Income Statement.

Factoring arrangements

In a non-recourse factoring arrangement, where the Group has transferred substantially all the risks and rewards of ownership of the receivables, the receivables are de-recognized from the statement of financial position. Where trade accounts receivable are sold with limited recourse, and substantially all the risks and rewards associated with these receivables are retained, receivables continue to be included in the Consolidated Statement of Financial Position. Inflows and outflows from factoring agreements in which the Group does not derecognize receivables are presented on a net basis as cash flows from financing activities. Arrangements in which the Group derecognizes receivables result in changes in trade receivables which are reflected as cash flows from operating activities.

Cash and cash equivalents

Cash and cash equivalents are comprised of cash in bank accounts and on hand, short-term deposits held on call with banks and other short-term highly liquid investments with original maturities of three months or less that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value, less bank overdrafts that are repayable on demand, provided there is a right of offset.

Share capital

Class A ordinary shares and Class B ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Trade payables

Trade payables are initially recorded at fair value and classified as current liabilities if payment is due in one year or less.

Provisions

Provisions are recorded for the best estimate of expenditures required to settle liabilities of uncertain timing or amount when management determines that a legal or constructive obligation exists as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and such amounts can be reasonably estimated. Provisions are measured at the present value of the expenditures expected to be required to settle the obligation.

The ultimate cost to settle such liabilities is uncertain, and cost estimates can vary in response to many factors. The settlement of these liabilities could materially differ from recorded amounts. In addition, the expected timing of expenditure can also change. As a result, there could be significant adjustments to provisions, which could result in additional charges or recoveries affecting future financial results.

Types of liabilities for which the Group establishes provisions include:

Close down and restoration costs

Estimated close down and restoration costs are provided for in the accounting year when the legal or constructive obligation arising from the related disturbance occurs and it is probable that an outflow of resources will be required to settle the obligation. These costs are based on the net present value of estimated future costs. Provisions for close down and restoration costs do not include any additional obligations which are expected to arise from future disturbance. The costs are estimated on the basis of a closure plan including feasibility and engineering studies, are updated annually during the life of the operation to reflect known developments (e.g. revisions to cost estimates and to the estimated lives of operations) and are subject to formal review at regular intervals each year.

The initial closure provision together with subsequent movements in the provisions for close down and restoration costs, including those resulting from new disturbance, updated cost estimates, changes to the estimated lives of operations and revisions to discount rates are capitalized within Property, plant and equipment. These costs are then depreciated over the remaining useful lives of the related assets. The amortization or “unwinding” of the discount applied in establishing the net present value of the provisions is charged to the Consolidated Income Statement as a financing cost in each accounting year.

Environmental remediation costs

Environmental remediation costs are provided for based on the estimated present value of the costs of the Group’s environmental clean-up obligations. Movements in the environmental clean-up provisions are presented as an operating cost within Cost of sales. Remediation procedures may commence soon after the time at which the disturbance, remediation process and estimated remediation costs become known, and can continue for many years depending on the nature of the disturbance and the technical remediation.

Restructuring costs

Provisions for restructuring are recorded when Constellium’s management is demonstrably committed to the restructuring plan and where such liabilities can be reasonably estimated. The Group recognizes liabilities that primarily include one-time termination benefits, or severance, and contract termination costs, primarily related to equipment and facility lease obligations. These amounts are based on the remaining amounts due under various contractual agreements, and are periodically adjusted for any anticipated or unanticipated events or changes in circumstances that would reduce or increase these obligations. These costs are charged to restructuring costs in the Consolidated Income Statement.

Legal, tax and other potential claims

Provisions for legal claims are made when it is probable that liabilities will be incurred and when such liabilities can be reasonably estimated. Depending on their nature, these costs may be charged to Cost of sales or Other gains / (losses) – net in the Consolidated Income Statement. Included in other potential claims are provisions for product warranties and guarantees to settle the net present value portion of any settlement costs for potential future legal actions, claims and other assertions that may be brought by Constellium's customers or the end-users of products. Provisions for product warranty and guarantees are charged to Cost of sales in the Consolidated Income Statement. In the accounting year when any legal action, claim or assertion related to product warranty or guarantee is settled, the net settlement amount incurred is charged against the provision established in the Consolidated Statement of Financial Position. The outstanding provision is reviewed periodically for adequacy and reasonableness by Constellium management.

Management establishes tax reserves and accrues interest thereon, if deemed appropriate; in expectation that certain tax return positions may be challenged and that the Group might not succeed in defending such positions, despite management's belief that the positions taken were fully supportable.

Pension, other post-employment healthcare plans and other long term employee benefits

Payments to defined contribution retirement benefit plans are recognized as an expense when employees have rendered service entitling them to the contributions. Constellium's contributions to defined contribution pension plans are charged to the Consolidated Income Statement in the year to which the contributions relate. This expense is included in Cost of sales, Selling and administrative expenses or Research and development costs, depending on its nature.

For defined benefit plans, the retirement benefit obligation recognized in the Consolidated Statement of Financial Position represents the present value of the defined benefit as reduced by the fair value of plan assets. The effects of changes in actuarial assumptions and experience adjustments are charged or credited to Other comprehensive income / (loss).

The amount charged to the Consolidated Income Statement in respect of these plans (including the service costs and the effect of any curtailment or settlement, net interest costs) is included within the income / (loss) from operations.

The defined benefit obligations are assessed in accordance with the advice of qualified actuaries. The most significant assumption used in accounting for pension plans is the discount rate.

Post-employment benefit plans relate to health and life insurance benefits to retired employees and in some cases to their beneficiaries and covered dependants. Eligibility for coverage is dependent upon certain age and service criteria. These benefit plans are unfunded and are accounted for as defined benefit obligations, as described above.

Other long term employee benefits include jubilees and other long-term disability benefits. For these plans, actuarial gains and losses arising in the year are recognized immediately in the Consolidated Income Statement.

Taxation

The current income tax expense is calculated on the basis of the tax laws enacted or substantively enacted at the Consolidated Statement of Financial Position date in the countries where the Company and its subsidiaries operate and generate taxable income.

The Group is subject to income taxes in the Netherlands, France, and numerous other jurisdictions. Certain of Constellium's businesses may be included in consolidated tax returns within the Company. In certain circumstances, these businesses may be jointly and severally liable with the entity filing the consolidated return, for additional taxes that may be assessed.

Deferred income tax assets and liabilities are recognized for the estimated future tax consequences attributable to temporary differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. This approach also requires the recognition of deferred income tax assets for operating loss carryforwards and tax credit carryforwards.

The effect on deferred tax assets and liabilities of a change in tax rates and laws is recognized as tax income in the year when the rate change is substantively enacted. Deferred income tax assets and liabilities are measured using tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on the tax rates and laws that have been enacted or substantively enacted at the date of the Consolidated Statement of Financial Position. Deferred income tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized.

Presentation of financial statements

The consolidated financial statements are presented in millions of Euros. Certain reclassifications may have been made to prior year amounts to conform to current year presentation.

2.6. Judgments in applying accounting policies and key sources of estimation uncertainty

Many of the amounts included in the consolidated financial statements involve the use of judgment and/or estimation. These judgments and estimates are based on management's best knowledge of the relevant facts and circumstances, giving consideration to previous experience. However, actual results may differ from the amounts included in the consolidated financial statements. Key sources of estimation uncertainty that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year include the items presented below.

Pension, other post-employment benefits and other long-term employee benefits

The present value of the defined benefit obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the defined benefit obligations and net pension costs include the discount rate and the rate of future compensation increases. In making these estimates and assumptions, management considers advice provided by external advisers, such as actuaries.

Any material changes in these assumptions could result in a significant change in employee benefit expense recognized in the Consolidated Income Statement, actuarial gains and losses recognized in equity and prepaid and accrued benefits. Details of the key assumptions applied are set out in NOTE 21—Pension liabilities and Other Post-employment Benefit Obligations.

Taxes

Significant judgment is sometimes required in determining the accrual for income taxes as there are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognizes liabilities based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were recorded, such differences will impact the current and deferred income tax provisions, results of operations and possibly cash flows in the year in which such determination is made.

Management judgment is required to determine the extent to which deferred tax assets can be recognized. Constellium recognizes deferred tax assets when it is probable that taxable profits will be available against which the deductible temporary differences can be utilized. This assessment is conducted through a detailed review of deferred tax assets by jurisdiction and takes into account past, current and expected future performance deriving from the budget and the business plan.

Assumptions about the generation of future taxable profits depend on management's estimates of future cash flows. These depend notably on estimates of future production and sales volumes, commodity prices, operating costs and capital expenditure. Judgments are also required about the application of income tax legislation. These judgments and assumptions are subject to risk and uncertainty, and therefore there is a possibility that changes in circumstances will alter expectations, which may impact the amount of deferred tax assets recognized on the Consolidated Statement of Financial Position and the amount of other tax losses and temporary differences not yet recognized. In such circumstances, some or all of the carrying amount of recognized deferred tax assets may require adjustments, resulting in a corresponding charge to the Consolidated Income Statement. Further quantitative information is provided in NOTE 25—Deferred Income taxes.

Provisions

Provisions have been recorded for: (a) close-down and restoration costs; (b) environmental remediation and monitoring costs; (c) restructuring programs; (d) legal and other potential claims including provisions for product income tax risks, warranty and guarantees, at amounts which represent management's best estimates of the expenditure required to settle the obligation at the date of the Consolidated Statement of Financial Position. Expectations will be revised each year until the actual liability is settled, with any difference accounted for in the year in which the revision is made. Main assumptions used are described in NOTE 22—Provisions.

Purchase Accounting

Business combinations are recorded in accordance with IFRS 3 using the acquisition method. Under this method, upon the initial consolidation of an entity over which the Group has acquired exclusive control, the identifiable assets acquired and the liabilities assumed are recognized at their fair value on the acquisition date.

Therefore, through a number of different approaches and with the assistance of external independent valuation experts, the Group identified what it believes is the fair value of the assets and liabilities at the acquisition date. These valuations include a number of assumptions, estimations and judgments. Quantitative and qualitative information is further disclosed in NOTE 3—Acquisition of Rio Tinto Engineered Aluminium Product Entities.

Significant assumptions which were used in determining allocation of fair value included the following valuation approaches: the cost approach, the income approach and the market approach which were determined based on cash flow projections and related discount rates, industry indices, market prices regarding replacement cost and comparable market transactions. While the Company believes that the estimates and assumptions underlying the valuation methodologies were reasonable, different assumptions could have resulted in different fair values.

NOTE 3—ACQUISITION OF RIO TINTO ENGINEERED ALUMINIUM PRODUCT ENTITIES

On January 4, 2011 (the "Acquisition Date"), Constellium acquired substantially all of the entities and businesses of Rio Tinto Engineered Aluminum Products from Rio Tinto for a total consideration of \$17 million (€12 million).

On October 10, 2011, the adjusted purchase price was agreed between Rio Tinto and Constellium. Rio Tinto reimbursed the amount paid by Constellium and paid an additional premium which amounted to \$6 million (€4 million).

The Company recognized the assets acquired and the liabilities assumed at fair value at the Acquisition Date.

For the year ended December 31, 2011, the net cash flows used in operating activities include cash outflows of €102 million of expenses directly related to the Acquisition and subsequent separation from Rio Tinto.

The fair values of the assets acquired, the liabilities assumed and the total consideration for the acquisition are shown in the following table:

	Fair value at January 4, 2011
	(in millions of Euros)
Property, plant and equipment	91
Investments in joint-ventures	1
Deferred income tax assets	188
Trade receivables and other	564
Other financial assets	103
Inventories	442
Cash and cash equivalents	9
Total assets acquired—continuing operations	**1,398**
Discontinued operations	103
Total assets acquired	**1,501**
Borrowings—related parties	(21)
Trade payables and other	(613)
Pension liabilities	(282)
Other post-employment benefit obligations	(262)
Other financial liabilities	(39)
Deferred tax liabilities	(80)
Provisions	(124)
Non-controlling interests	(1)
Total liabilities assumed—continuing operations	**(1,422)**

	Fair value at January 4, 2011
	(in millions of Euros)
Discontinued operations	(94)
Total liabilities assumed	**(1,516)**
Net assets acquired at fair value	**(15)**
Goodwill	11
Total consideration for the acquisition (negative consideration)	**(4)**

In accordance with IFRS 3, the valuation of assets acquired and liabilities assumed at their fair value has resulted in the remeasurement of property, plant and equipment, trade receivables and other, inventories and liabilities.

Property, plant and equipment and inventories were valued with the support of an independent expert. The fair values were determined based upon assumptions related to future cash flows, discount rates and asset lives. The main fair value adjustments relate to the fair value adjustment of Property, plant and equipment and inventories and the recognition of deferred tax assets relating to these fair value adjustments.

In respect of discount rates, the discounted cash flow model used for business segments valuation reflects discount rates of 17 through 18.5% as of the date of acquisition. After taking into account independent studies published by a reputable investment research firm to determine the applicable size premium, a premium of 10.06% was used to arrive at these discount rates, and the Company believes that this represented an appropriate company premium.

The fair value of net liabilities assumed over the aggregate consideration received for the acquisition amounted to €11 million. It was recognized as goodwill in the balance sheet.

In connection with the Acquisition and subsequent separation of the business from Rio Tinto, the Group incurred expenses from both related and third parties (all of which are recorded in Other expenses). They comprised the following:

	Year ended December 31, 2012			Year ended December 31, 2011		
	Third party	Related party	Total	Third party	Related party	Total
			(in millions of Euros)			
Transaction costs and equity fees directly related to acquisition	—	—	—	—	44	44
Other costs related to acquisition and separation	3	—	3	50	8	58
Total Expenses related to acquisition and separation	**3**	**—**	**3**	**50**	**52**	**102**

NOTE 4—OPERATING SEGMENT INFORMATION

Management has defined Constellium's operating segments based upon product lines, markets and industries it serves, and prepares and reports operating segment information to the Constellium chief operating decision maker (CODM) (see NOTE 2 – Summary of Significant Accounting Policies) on that basis. The Group's operating segments are described below.

Aerospace and Transportation (A&T)

A&T produces and supplies high value-added plate, sheet, extruded and precision cast products to customers in the aerospace, marine, automotive, and mass-transportation markets and engineering industries. It offers a comprehensive range of products and services including technical assistance, design and delivery of cast, rolled, extruded, rolled pre-cut or shaped parts, and the recycling of customers' machining scrap metal. A&T is also a key supplier of new alloy solutions, such as Aluminium Lithium. A&T operates eight facilities in three countries.

Packaging and Automotive Rolled Products (P&ARP)

This segment produces and provides coils and sheet to customers in the beverage and closures, automotive, customized industrial sheet solutions and high-quality bright surface product markets. It includes world-class rolling and recycling operations, as well as dedicated research and development capabilities. P&ARP operates two facilities in two countries.

Automotive Structures and Industry (AS&I)

AS&I focuses on specialty products and supplies a variety of hard and soft alloy extrusions, including technically advanced products, to the automotive, industrial, energy, electrical and building industries, and to manufacturers of mass transport vehicles and shipbuilders. AS&I serves major automotive and transportation manufacturers with innovative and cost-effective aluminum solutions using advanced technology. It develops and manufactures aluminum crash management systems, front-end components, cockpit carriers and Auto Body Sheet structural components. AS&I operates 15 facilities in 7 countries.

Holdings & Corporate

Holdings & Corporate include the net cost of Constellium's head office in Amsterdam, and the corporate support services functions in Paris and in Zurich.

Intersegment elimination

Intersegment trading is conducted on an arm's length basis and reflects market prices.

Constellium's CODM measures the profitability and financial performance of its operating segments based on Management Adjusted EBITDA (Management Adjusted EBITDA is defined as gross profit for the period less selling and administrative expenses and Research and development expenses excluding amortization, depreciation and impairment less realized gains or losses on derivatives).

The accounting principles used to prepare the Company's operating segment information are the same as those used to prepare the Group's consolidated financial statements.

Segment Revenue

	Year ended December 31, 2013			Year ended December 31, 2012			Year ended December 31, 2011		
	Segment revenue	**Inter segment elimination**	**Revenue Third and related parties**	**Segment revenue**	**Inter segment elimination**	**Revenue Third and related parties**	**Segment revenue**	**Inter segment elimination**	**Revenue Third and related parties**
					(in millions of Euros)				
A&T	1,204	(7)	1,197	1,188	(6)	1,182	1,024	(8)	1,016
P&ARP	1,480	(8)	1,472	1,561	(7)	1,554	1,633	(8)	1,625
AS&I	859	(54)	805	910	(49)	861	960	(50)	910
Holdings & Corporate(A)	21	—	21	13	—	13	5	—	5
Total	**3,564**	**(69)**	**3,495**	**3,672**	**(62)**	**3,610**	**3,622**	**(66)**	**3,556**

(A) Revenue from metal supply to plants in Ham and Saint Florentin, considered as third party since their disposal in the second quarter of 2013.

Reconciliation of Management adjusted EBITDA to Net Income / (Loss)

	Year ended December 31, 2013	Year ended December 31, 2012 Restated	Year ended December 31, 2011 Restated
		(in millions of Euros)	
A&T	103	89	23
P&ARP	75	80	63
AS&I	46	39	19
Holdings & Corporate	5	(9)	(6)
Management adjusted EBITDA	**229**	**199**	**99**
Ravenswood OPEB plan amendment	11	58	—
Ravenswood CBA renegotiation	—	(7)	—
Swiss pension plan settlement	—	(8)	—
Restructuring costs	(8)	(25)	(20)
Losses on disposal	(5)	—	—
Unrealized gains / (losses) on derivatives	12	61	(144)

	Year ended December 31, 2013	Year ended December 31, 2012 Restated	Year ended December 31, 2011 Restated
	(in millions of Euros)		
Unrealized exchange gains / (loss) from the remeasurement of monetary assets and liabilities—net	2	(1)	4
Depreciation and impairment	(32)	(14)	(2)
Income / (Loss) from operations	**209**	**263**	**(63)**
Other expenses	(27)	(3)	(102)
Finance costs—net	(50)	(60)	(39)
Share of profit / (loss) of joint-ventures	3	(5)	—
Income / (loss) before income tax	**135**	**195**	**(204)**
Income tax	(39)	(46)	34
Net Income from continuing operations	**96**	**149**	**(170)**
Net Income / (Loss) from discontinued operations	4	(8)	(8)
Net Income / (Loss)	**100**	**141**	**(178)**

Segment capital expenditure

	At December 31, 2013	At December 31, 2012
	(in millions of Euros)	
A&T	(53)	(42)
P&ARP	(37)	(39)
AS&I	(49)	(40)
Holdings & Corporate	(5)	(5)
Capital expenditure	**(144)**	**(126)**

Segment assets

Segment assets are comprised of total assets of Constellium by segment, less investments in joint-ventures, deferred tax assets, other financial assets (including cash and cash equivalents) and assets of the disposal group classified as held for sale.

	At December 31, 2013	At December 31, 2012 Restated
	(in millions of Euros)	
A&T	551	506
P&ARP	373	403
AS&I	267	238
Holdings & Corporate	109	91
Segment Assets	**1,300**	**1,238**
Unallocated:		
Adjustments for investments in joint-ventures	1	2
Deferred income tax assets	177	205
Other financial assets (including cash and cash equivalents)	265	186
Assets of disposal group classified as held for sale	21	—
Total Assets	**1,764**	**1,631**

Information about major customers

Included in revenue arising from the P&ARP segment for the year ended December 31, 2013, is revenue of approximately €378 million (year ended December 31, 2012: €441 million; year ended December 31, 2011: €503 million) which arose from sales to the Group's largest customer. No other single customers contributed 10% or more to the Group's revenue for 2013, 2012 and 2011.

NOTE 5—INFORMATION BY GEOGRAPHIC AREA

The Group reports information by geographic area as follows: revenues from third and related parties are based on destination of shipments and property, plant and equipment are based on the physical location of the assets.

	Year ended December 31, 2013	Year ended December 31, 2012	Year ended December 31, 2011
		(in millions of Euros)	
Revenue—third and related parties			
France	535	596	590
Germany	961	1,073	1,089
United Kingdom	346	275	297
Switzerland	88	98	111
Other Europe	742	723	778
United States	448	471	379
Canada	53	56	46
Asia and Other Pacific	142	136	171
All Other	180	182	95
Total	**3,495**	**3,610**	**3,556**

	At December 31, 2013	At December 31, 2012 Restated
	(in millions of Euros)	
Property, plant and equipment		
France	180	134
Germany	87	58
Switzerland	23	15
Czech Republic	18	14
Other Europe	2	1
United States	96	77
All Other	2	3
Total	**408**	**302**

NOTE 6—EXPENSES BY NATURE

	Notes	Year ended December 31, 2013	Year ended December 31, 2012 Restated	Year ended December 31, 2011 Restated
		(in millions of Euros)		
Raw materials and consumables used(A)		(1,860)	(1,987)	(2,161)
Employee benefit expenses	7	(670)	(701)	(654)
Energy costs		(150)	(140)	(139)
Repairs and maintenance expenses		(80)	(91)	(98)
Sub-contractors		(80)	(66)	(69)
Freight out costs		(75)	(66)	(64)
Consulting and audit fees		(50)	(43)	(54)
Operating supplies (non capitalized purchases of manufacturing consumables)		(63)	(58)	(52)
Operating lease expenses		(16)	(16)	(14)
Depreciation and impairment	14	(32)	(14)	(2)
Other expenses		(194)	(202)	(181)
Total Cost of sales, Selling and administrative expenses and Research and development expenses		**(3,270)**	**(3,384)**	**(3,488)**

(A) The Company manages fluctuations in raw materials prices in order to protect manufacturing margins through the purchase of derivative instruments (see NOTE 23 – Financial Risk Management and NOTE 24 – Financial Instruments).

These expenses are split as follows:

	Year ended December 31, 2013	Year ended December 31, 2012 Restated	Year ended December 31, 2011 Restated
		(in millions of Euros)	
Cost of sales	(3,024)	(3,136)	(3,239)
Selling and administrative expenses	(210)	(212)	(216)
Research and development expenses	(36)	(36)	(33)
Total Cost of sales, Selling and administrative expenses and Research and development expenses	**(3,270)**	**(3,384)**	**(3,488)**

NOTE 7—EMPLOYEE BENEFIT EXPENSES

	Notes	Year ended December 31, 2013	Year ended December 31, 2012 Restated	Year ended December 31, 2011 Restated
		(in millions of Euros)		
Wages and salaries(A)		(628)	(653)	(611)
Pension costs—defined benefit plans	21	(28)	(29)	(28)
Other post-employment benefits	21	(12)	(18)	(15)
Share equity plan expenses	30	(2)	(1)	—
Total Employee benefit expenses		**(670)**	**(701)**	**(654)**

(A) Wages and salaries exclude restructuring costs and include social security contributions.

NOTE 8—OTHER GAINS / (LOSSES)—NET

	Notes	Year ended December 31, 2013	Year ended December 31, 2012 Restated	Year ended December 31, 2011
		(in millions of Euros)		
Realized (losses) / gains on derivatives(A)		(31)	(45)	31
Unrealized gains / (losses) on derivatives at fair value through Profit and Loss—net(A)		12	61	(144)
Unrealized exchange gains / (losses) from the remeasurement of monetary assets and liabilities—net		2	(1)	4
Swiss pension plan settlement	21	—	(8)	—
Ravenswood OPEB pension plan amendment	21	11	58	—
Ravenswood CBA renegotiation(B)		—	(7)	—
Losses on disposal(C)		(5)	—	—
Other—net		3	4	(2)
Total Other (losses) / gains—net		**(8)**	**62**	**(111)**

(A) From 2012, there is no transaction with related parties relative to derivatives. During the year ended December 31, 2011, Rio Tinto was counterparty to our derivatives and realized gains with Rio Tinto amounted to €37 million. The gains/losses are made up of unrealized losses or gains on derivatives entered into with the purpose of mitigating exposure to volatility in foreign currency and LME prices (refer to NOTE 23—Financial Risk Management for a description of the Group's risk management).

(B) In 2012, Constellium Ravenswood Rolled Products entered into a period of renegotiation of the Collective bargaining agreement ("CBA"). The negotiation and the settlement of the new CBA involved additional costs which would not be incurred in the ordinary course of business.

(C) The sale of the Group's plants in Ham and Saint Florentin, France was completed on May 31, 2013. These two plants, which specialize in the production of soft alloys extrusions mainly for the building and construction market in France, are part of the Automotive Structures and Industry segment and together generated revenues of €95 million and a non-significant contribution to the profit of the Group for year 2012.

NOTE 9—CURRENCY GAINS / (LOSSES)

The currency gains and losses are included in the consolidated financial statements as follows:

Consolidated income statement

	Notes	Year ended December 31, 2013	Year ended December 31, 2012	Year ended December 31, 2011
		(in millions of Euros)		
Included in Cost of sales		(2)	1	3
Included in Other gains / (losses)—net		23	19	(59)
Included in Finance costs	10	2	(21)	(6)
Total		**23**	**(1)**	**(62)**
Realized exchange losses on foreign currency derivatives—net		—	(18)	(4)
Unrealized exchange gains / (losses) on foreign currency derivatives—net		13	20	(59)
Exchange gains / (losses) from the remeasurement of monetary assets and liabilities—net		10	(3)	1
Total		**23**	**(1)**	**(62)**

	Notes	Year ended December 31, 2013	Year ended December 31, 2012	Year ended December 31, 2011
		(in millions of Euros)		

Foreign currency translation reserve

	Year ended December 31, 2013	Year ended December 31, 2012 Restated
	(in millions of Euros)	
Foreign currency translation reserve—January 1	**(14)**	**(14)**
Effect of exchange rate changes—net	—	—
Foreign currency translation reserve—December 31	**(14)**	**(14)**

See NOTE 23—Financial Risk Management and NOTE 24—Financial Instruments for further information regarding the Company's foreign currency derivatives and hedging activities.

NOTE 10—FINANCE COSTS—NET

Finance costs—net are comprised of the following items:

	Notes	Year ended December 31, 2013	Year ended December 31, 2012 Restated	Year ended December 31, 2011 Restated
		(in millions of Euros)		
Finance income:				
Realized and unrealized gains on debt derivatives at fair value[(D)]	9	4	—	—
Realized and unrealized exchange gains on financing activities—net	9	11	—	—
Other finance income		2	4	2
Total Finance income		**17**	**4**	**2**
Finance costs:				
Interest expense on borrowings and factoring arrangements[(A)(B)(C)]	16,19	(53)	(39)	(31)
Realized and unrealized losses on debt derivatives at fair value[(D)]	9,19	(13)	(18)	—
Realized and unrealized exchange losses on financing activities—net	9	—	(3)	(6)
Miscellaneous other interest expense		(1)	(4)	(4)
Total Finance costs		**(67)**	**(64)**	**(41)**
Finance costs—net		**(50)**	**(60)**	**(39)**

(A) Includes: (i) interest related to the term loan and the U.S. Revolving Credit Facility (see NOTE 19 – Borrowings); and (ii) interest and amortization of deferred financing costs related to the trade accounts receivable factoring programs (see NOTE 16—Trade Receivables and Other).

(B) During the first quarter of 2013, Constellium entered into a new term loan facility and repaid the 2012 term loan. Exit fees relating to the termination of the 2012 term loan amount to €8 million and €13 million of arrangement fees were not amortized and are fully recognized as financial expenses (see NOTE 19 – Borrowings).
During the second quarter of 2012, Constellium entered into a new term loan facility and a new U.S. Revolving Credit Facility. These loans were used to repay the 2011 variable term loan facility and U.S. Revolving Credit Facility. Arrangement fees of 2011 term loan which were not amortized under the effective rate method were fully recognized as financial expenses during this period. This amounted to €7 million (€5 million related to the term loan and €2 million related to the U.S. Revolving Credit Facility (see NOTE 19—Borrowings).

(C) For the year ended 2012 and 2011, interest on borrowings includes interest payable to related parties which amounted to €7 million and €16 million respectively.

(D) Realized and unrealized gains (losses) reflect the positive and negative changes in the fair value of the cross currency interest rate swaps.

NOTE 11—INCOME TAX

The current and deferred components of income tax are as follows:

	Year ended December 31, 2013	Year ended December 31, 2012 Restated	Year ended December 31, 2011 Restated
		(in millions of Euros)	
Current tax expense	(29)	(30)	(31)
Deferred tax (expense) / benefit	(10)	(16)	65
Total income tax (expense) / benefit	**(39)**	**(46)**	**34**

Using a composite statutory income tax rate applicable by tax jurisdiction, the income tax can be reconciled as follows:

	Year ended December 31, 2013	Year ended December 31, 2012 Restated	Year ended December 31, 2011 Restated
		(in millions of Euros)	
Profit / (loss) before income tax	**135**	**195**	**(204)**
Composite statutory income tax rate applicable by tax jurisdiction	36.0%	38.6%	33.3%
Income tax (expense) / benefit calculated at composite statutory tax rate applicable by tax jurisdiction	**(48)**	**(75)**	**67**
Tax effect of:			
Changes in recognized and unrecognized deferred tax assets	1	28	(24)
Other(A)	8	1	(9)
Income tax (expense) / benefit	**(39)**	**(46)**	**34**
Effective income tax rate	**29%**	**24%**	**17%**

(A) Including tax credits and non-recurring items (acquisition costs considered as non-deductible in certain jurisdictions and certain contractual reimbursements).

NOTE 12—EARNINGS PER SHARE

Earnings

	Year ended December 31, 2013	Year ended December 31, 2012 Restated	Year ended December 31, 2011 Restated
		(in millions of Euros)	
Earnings used to calculate basic and diluted earnings per share from continuing operations	94	147	(171)
Earnings used to calculate basic and diluted earnings per share from discontinued operations	4	(8)	(8)
Earnings attributable to equity holders of the parent used to calculate basic and diluted earnings per share	**98**	**139**	**(179)**

Number of shares—see NOTE 18 – Share Capital

On May 16, 2013, the Company's Board of Directors declared an issuance of an additional 22.8 shares for each outstanding share. The earnings per share numbers have been retroactively adjusted to reflect this pro rata issuance of shares.

	Year ended December 31, 2013	Year ended December 31, 2012	Year ended December 31, 2011
Weighted average number of ordinary shares used to calculate basic earnings per share(A)	98,219,458	89,442,416	89,338,433
Effect of other dilutive potential ordinary shares(B)	671,487	—	—
Weighted average number of ordinary shares used to	**98,890,945**	**89,442,416**	**89,338,433**

	Year ended December 31, 2013	Year ended December 31, 2012	Year ended December 31, 2011
calculate diluted earnings per share			

(A) Based on the total number of all classes of shares (former "A," "B1" and "B2") until the IPO on May 22, 2013, and on the total number of ordinary A shares from the IPO (See NOTE 18—Share Capital). Ordinary B shares are granted to the MEP participants. Since the IPO, at the request of the MEP participants in certain circumstances, Constellium N.V. is committed to repurchase these shares before the end of their vesting period. Accordingly, ordinary B shares are excluded from the calculation of the weighted average number of ordinary shares used to calculate the basic earnings per share.

(B) Includes B shares as they give rights to profit allocation and dividends and potential new ordinary shares to be issued as part of the Free Share and Shareholding Retention Program. (See NOTE 30—Share Equity Plan)

Earnings per share attributable to the equity holders of the company

	Year ended December 31, 2013	Year ended December 31, 2012 Restated	Year ended December 31, 2011 Restated
		(in Euros per share)	
From continuing and discontinued operations			
Basic	1.00	1.55	(2.00)
Diluted	0.99	1.55	(2.00)
From continuing operations			
Basic	0.96	1.64	(1.91)
Diluted	0.95	1.64	(1.91)
From discontinued operations			
Basic	0.04	(0.09)	(0.09)
Diluted	0.04	(0.09)	(0.09)

NOTE 13—INTANGIBLE ASSETS (including GOODWILL)

Goodwill in the amount of €11 million (relating solely to the acquisition of the entities and business of Rio Tinto Engineered Aluminium Products on January 4, 2011) has been allocated to the Group’s operating segment Aerospace and Transportation (“A&T”) €5 million, Packaging and Automotive Rolled Products (“P&ARP”) €4 million and Automotive Structures and Industry (“AS&I”) €2 million.

During the years ended December 31, 2013 and 2012, no other material movements occurred in intangible assets, including goodwill.

Impairment tests for goodwill

As of December 31, 2013 and 2012, the recoverable amount of the operating segments has been determined based on value-in-use calculations and significantly exceeded their carrying value.

NOTE 14 PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment balances and movements are comprised as follows:

	Land and Property Rights	Buildings	Machinery and Equipment	Construction Work in Progress	Other	Total
			(in millions of Euros)			
Net balance at January 1, 2013		**20**	**154**	**115**	**13**	**302**
Additions		1	40	115		156
Disposals			(3)	(1)	1	(3)
Depreciation expense		(3)	(24)		(4)	(31)
Impairment losses						
Transfer during the year	1	11	89	(108)	(2)	(9)
Reclassified as Assets held for sale		(1)				(1)
Exchange rate movements			(4)	(2)		(6)
Net balance at December 31, 2013	**1**	**28**	**252**	**119**	**8**	**408**
At December 31, 2013						
Cost	1	32	287	119	14	453
Less accumulated depreciation and impairment		(4)	(35)		(6)	(45)
Net balance at December 31, 2013	**1**	**28**	**252**	**119**	**8**	**408**
Net balance at January 1, 2012		**10**	**46**	**130**	**12**	**198**
Additions		3	23	94	2	122
Disposals			(2)			(2)
Depreciation expense		(1)	(7)		(3)	(11)
Impairment losses			(3)			(3)
Transfer during the year		8	99	(109)	2	
Reclassified as Assets held for sale						
Exchange rate movements			(2)			(2)
Net balance at December 31, 2012		**20**	**154**	**115**	**13**	**302**
At December 31, 2012						
Cost		21	165	115	16	317
Less accumulated depreciation and impairment		(1)	(11)		(3)	(15)
Net balance at December 31, 2012		**20**	**154**	**115**	**13**	**302**

Depreciation expense and impairment losses

Total depreciation expense and impairment losses relating to property, plant and equipment are included in the Consolidated Income Statement as follows:

	Year ended December 31, 2013	Year ended December 31, 2012	Year ended December 31, 2011
		(in millions of Euros)	
Cost of sales	(28)	(8)	(1)
Selling and administrative expenses	(3)	(6)	
Total	**(31)**	**(14)**	**(1)**

The amount of contractual commitments for the acquisition of property, plant and equipment is disclosed in NOTE 26Commitments.

NOTE 15 INVENTORIES

Inventories are comprised of the following:

	At December 31, 2013	At December 31, 2012
	(in millions of Euros)	
Finished goods	84	113
Work in progress	136	148
Raw materials	91	114
Stores and supplies	23	20
Net Realizable Value adjustment	(6)	(10)
Total inventories	**328**	**385**

Constellium records inventories at the lower of cost and net realizable value (NRV). Increases / (decreases) in the NRV adjustments on inventories are included in Cost of sales in the Consolidated Income Statement.

NOTE 16 TRADE RECEIVABLES AND OTHER

Trade receivables and other are comprised of the following:

	At December 31, 2013		At December 31, 2012	
	Non-current	Current	Non-current	Current
	(in millions of Euros)			
Trade receivables third parties gross		365		388
Impairment allowance		(3)		(3)
Trade receivables third partiesnet		**362**		**385**
Trade receivablesrelated parties		1		1
Total Trade receivables net		**363**		**386**
Finance lease receivables	26	5	36	6
Deferred financing costs net of amounts amortized	3	3	7	3
Deferred tooling related costs	3	12	3	11
Other[(A)]	28	100	18	70
Total Other receivables	**60**	**120**	**64**	**90**
Total Trade receivables and Other	**60**	**483**	**64**	**476**

(A) Includes at December 31, 2013 (i) €0.3 million (€5 million at December 31, 2012) cash pledged to financial counterparties for the issuance of guarantees (cash will remain restricted for as long as the guarantees remain issued by the financial counterparties) and (ii) €9 million (€8 million at December 31, 2012) relating to a pledge given to the State of West Virginia as a guarantee for certain workers' compensation obligations for which the company is self-insured.

Aging

The aging of total trade receivables—net is as follows:

	At December 31, 2013	At December 31, 2012
	(in millions of Euros)	
Current	345	371
1 30 days past due	15	11
31 60 days past due	2	2
61 90 days past due		
Greater than 91 days past due	1	2
Total Trade receivables net	**363**	**386**

Impairment allowance

The Group periodically reviews its customers’ account aging, credit worthiness, payment histories and balance trends in order to evaluate trade accounts receivable for impairment. Management also considers whether changes in general economic conditions and in the industries in which the Group operates in particular, are likely to impact the ability of the Group’s customers to remain within agreed payment terms or to pay their account balances in full.

Revisions to the impairment allowance arising from changes in estimates are included as either additional allowance or recoveries, with the offsetting expense or income included in Selling and administrative expenses. An impairment allowance amounting to €0.1 million was recognized during the year ended December 31, 2013 (€2 million during the year ended December 31, 2012).

None of the other amounts included in Other receivables was deemed to be impaired.

The maximum exposure to credit risk at the reporting date is the carrying value of each class of receivable shown above. The Group does not hold any collateral from its customers or debtors as security.

Currency concentration

The composition of the carrying amounts of total Trade receivables net by currency is shown in Euro equivalents as follows:

	At December 31, 2013	At December 31, 2012
	(in millions of Euros)	
Euro	188	213
U.S. Dollar	155	153
Swiss Franc	10	7
Other currencies	10	13
Total Trade receivables net	**363**	**386**

Factoring arrangements

On January 4, 2011, the Group entered into five-year factoring arrangements with third parties for the sale of certain of the Group’s accounts receivable in Germany, Switzerland and France. These factoring agreements were amended on November 8, 2013. The purpose of this amendment comprising of increasing the maximum financing amount from €300 million to €350 million and extending the commitment period from 60 to 77 months (end will be June 4, 2017).

Under these programs, Constellium agrees to sell to the factor eligible accounts receivable, for working capital purposes, up to a maximum financing amount of €350 million, allocated as follows:

- €115 million collectively available to Germany and Switzerland; and
- €235 million available to France.

Under these arrangements, most of accounts receivable are sold with recourse. Sales of most of these receivables do not qualify for derecognition under IAS 39 “Financial Instruments: Recognition and Measurement,” as the Group retains substantially all of the associated risks and rewards.

The Group entered into specific arrangements with certain of its customers in connection with its factoring agreements, whereby the Group sales certain receivables on a non-recourse basis. Under these agreements the Group has transferred substantially all the risks and rewards of these receivables; these receivables are derecognized from the statement of financial position.

The total carrying amount of the original assets factored as of December 31, 2013, is €259 million (December 31, 2012: €337 million), of which €207 million (December 31, 2012: €286 million) is recognized on the Consolidated Statement of Financial Position. As at December 31, 2013 and December 31, 2012, there was no amount due to the factor relating to trade account receivables sold.

Interest costs and other fees

Under both the Germany/Switzerland and France factoring agreements, interest is charged at the three-month EURIBOR (Euro Interbank Offered Rate) or LIBOR (London Interbank Offered Rate) rate plus 1.95% from November 8, 2013, (previously 2.25%) and is payable monthly. Other fees include an unused facility fee of 1% per annum (calculated based on the unused amount of the net position, as defined in the agreements). Additional factoring commissions and administration fees (based on the volume of sold receivables) are also assessed and payable monthly.

During the year ended December 31, 2013, Constellium incurred €9 million in interest and other fees (€8 million during the year ended December 31, 2012) from these arrangements that are included as finance costs (see NOTE 10—Finance Costs–Net).

Additionally, under each of the factoring agreements, the Group paid a one-time, up-front arrangement fee of 2.25% of the initial aggregate maximum financing amount of €300 million (for both agreements), which totaled €7 million. These arrangement fees plus an additional €7 million in legal and other fees related to the factoring agreements are being amortized as finance costs over a period of five years (see NOTE 10—Finance Costs–Net). During the year ended December 31, 2013, €3 million of such costs was amortized as finance costs (€3 million during the years ended December 31, 2012, and December 31, 2011). At December 31, 2013, the Group had €5 million (€8 million as at December 31, 2012, and €11 million as at December 31, 2011) in unamortized up-front and legal fees related to the factoring arrangements (included in deferred financing costs).

Covenants

The factoring arrangements contain certain affirmative and negative covenants, including relating to the administration and collection of the assigned receivables, the terms of the invoices and the exchange of information, but do not contain restrictive financial covenants other than a Group level minimum liquidity covenant that is tested quarterly. The Group was in compliance with all applicable covenants as of and for the years ended December 31, 2013 and 2012.

Intercreditor agreement

On January 4, 2011, the Group entered into an Intercreditor Agreement between the French, German and Swiss sellers of the Group's receivables under the various accounts receivable factoring programs described above and the purchasers of those receivables.

In accordance with the requirements of the Intercreditor Agreement, the parent company of the sellers has guaranteed amounts sold under the factoring program to the purchasers of such accounts receivable. The Intercreditor Agreement also places limitations on prepayments of the Term Loan facility and requires, in certain circumstances, certain capital contributions to Constellium Rolled Products Ravenswood, LLC (see NOTE 19 Borrowings).

The Intercreditor Agreement remains in effect for any seller of receivables until all of the factoring agreements for such seller are terminated.

Deferred financing costs

The Group incurs certain financing costs with third parties associated with its factoring arrangements and U.S. Revolving Credit facility. Amortization of these deferred finance costs is included in Finance costs net in the Consolidated Income Statement.

Costs incurred and amortization recognized throughout the periods presented are shown in the table below.

	Year ended December 31, 2013			Year ended December 31, 2012			Year ended December 31, 2011		
	Factoring Arrange-ments	U.S. Revolving Credit Facility	Total	Factoring Arrange-ments	U.S. Revolving Credit facility	Total	Factoring Arrange-ments	U.S. Revolving Credit facility	Total
				(in millions of Euros)					
Financing costs incurred and deferred									
Up-front facility arrangement fees	7	3	**10**	7	3	**10**	7	2	**9**
Other direct expenses	7	2	**9**	7	2	**9**	7	1	**8**
Total incurred and deferred	**14**	**5**	**19**	**14**	**5**	**19**	**14**	**3**	**17**
Less: amounts amortized during the year									
2013	(3)	(1)	**(4)**						
2012	(3)	(2)	**(5)**	(3)	(2)	**(5)**			
2011	(3)	(1)	**(4)**	(3)	(1)	**(4)**	(3)	(1)	**(4)**
Deferred financing costs at December 31	**5**	**1**	**6**	**8**	**2**	**10**	**11**	**2**	**13**

	Year ended December 31, 2013			Year ended December 31, 2012			Year ended December 31, 2011		
	Factoring Arrange-ments	U.S. Revolving Credit Facility	Total	Factoring Arrange-ments	U.S. Revolving Credit facility	Total	Factoring Arrange-ments	U.S. Revolving Credit facility	Total
					(in millions of Euros)				

Finance lease receivables

The Company is the lessor on certain finance leases with third parties for certain of its property, plant and equipment located in Sierre, Switzerland and up to June 2013 in Teningen, Germany. The following table shows the reconciliation of the Group's gross investments in the leases to the net investment in the leases as at December 31, 2011, 2012 and 2013.

	Year ended December 31, 2013			Year ended December 31, 2012			Year ended December 31, 2011		
	Gross investment in the lease	Unearned interest income	Net investment in the lease	Gross investment in the lease	Unearned interest income	Net investment in the lease	Gross investment in the lease	Unearned interest income	Net investment in the lease
					(in millions of Euros)				
Within 1 year	6	(1)	**5**	8	(2)	**6**	8	(2)	**6**
Between 1 and 5 years	22	(2)	**20**	28	(3)	**25**	29	(4)	**25**
Later than 5 years	6		**6**	11		**11**	17		**17**
Total Finance lease receivables	**34**	**(3)**	**31**	**47**	**(5)**	**42**	**54**	**(6)**	**48**

Interest received in the year ended December 31, 2013, totaled €1 million (€2 million for the year ended December 31, 2012, and €2 million for the year ended December 31, 2011).

NOTE 17—CASH AND CASH EQUIVALENTS

	At December 31, 2013	At December 31, 2012
	(in millions of Euros)	
Cash in bank and on hand	232	140
Deposits	1	2
Total Cash and cash equivalents	**233**	**142**

As at December 31, 2013, cash in bank and on hand includes a total of €6 million held by subsidiaries that operate in countries where capital control restrictions prevent the balances from being available for general use by the Group (€5 million as at December 31, 2012).

NOTE 18—SHARE CAPITAL

As at December 31, 2013, authorized share capital consists of 398,500,000 Class A ordinary shares, 1,500,000 Class B ordinary shares and 5 preference shares.

	Number of shares						
	"A" Shares	"B1" Shares	"B2" Shares	"B" Shares	Preference Shares	Share capital	Share premium
						In millions of Euros	
As of January 1, 2011	**1,800,000**						
Redeemed at par on January 4, 2011	(1,800,000)						
Issued on January 4, 2011	3,529,500						93
Issued for MEP[4] on April 12, 2011	148,998		82,032				4
Issued for MEP on July 19, 2011	18,699		9,652				1
As of December 31, 2011	**3,697,197**		**91,684**				**98**
Shares converted during the year ended December 31, 2012		13,666	(13,666)				
As of December 31, 2012	**3,697,197**	**13,666**	**78,018**				**98**
Shares converted during the six months ended June 30, 2013		24,526	(24,526)				

	Number of shares						
	"A" Shares	**"B1" Shares**	**"B2" Shares**	**"B" Shares**	**Preference Shares**	**Share capital**	**Share premium**
						In millions of Euros	
Share premium distribution (March 28, 2013)(A)							(98)
Preference shares issuance(B)					5		
MEP shares cancellation	(15,938)	(2,441)	(12,986)				
Pro rata share issuance(C)	83,945,965	815,252	923,683			2	
Shares conversions(D)	851,003	(851,003)	(964,189)	964,189			
IPO primary offering(E)	13,333,333						154
IPO over-allotment (E)	2,251,306						25
IPO fees(E)							(17)
Shares converted during the three months ended September 30, 2013	8,949			(8,949)			
Shares converted during the three months ended December 31, 2013	4,903			(4,903)			
As of December 31, 2013	**104,076,718**			**950,337**	**5**	**2**	**162**
As of December 31, 2011 after pro rata share issuance(C)	**87,627,224**	**815,252**	**1,002,381**				
As of December 31, 2012 after pro rata share issuance(C)	**87,627,224**	**851,003**	**964,189**				

(A) On March 13, 2013, the Board of directors approved a distribution to the Company's shareholders. On March 28, 2013 a distribution was made of €103 million. On May 21, 2013 an interim dividend was paid for €147 million on preference shares.
(B) On May 16, 2013, the Group issued preference shares to its existing shareholders and repurchased them for no consideration after the dividend payment.
(C) On May 16, 2013, the Group effected a pro rata share issuance of ordinary shares to the existing shareholders which was implemented through the issuance of 22.8 new ordinary shares to each outstanding ordinary shares. This pro rata share issuance has been retroactively effected in the earnings per share calculation as described in NOTE 12 — Earnings per share.
(D) On May 21, 2013, each share A and B1 was converted into one Class A ordinary share and each share B2 was converted into one Class B ordinary share (the "Share Conversions").
(E) The Group completed an initial public offering (the "IPO"). For further information on this operation, please refer to NOTE 1 General Information.

According to Dutch law and the articles of association of Constellium N.V., the following characterizations, rights and obligations are attached to the shares:

- Constellium N.V. shares are divided in two classes: A shares and B shares;

[4] MEP: Management equity plan.

- Class A ordinary shares can be held by anyone approved by the general meeting of shareholders; and
- Class B ordinary shares can only be held by (i) German limited partnerships which have entered into an agreement pursuant to a management equity plan, or (ii) the Company itself.

All of the Company's shares have a stated nominal value of €0.02 per share. All shares attract one vote and none are subject to any vesting restrictions.

The Class A ordinary shares and Class B ordinary shares are entitled to an equal profit allocation.

If the unvested MEP interests are no longer capable of vesting (the vesting conditions being summarized in NOTE 30 Share Equity Plan) and thus the related B shares are not converted into A shares, these B shares will be bought by Constellium N.V. and cancelled.

At December 31, 2013	Class "A" and "B" Shares	%
Free Float	50,526,761	48.11%
Apollo Funds	37,561,475	35.76%
Bpifrance	12,846,969	12.23%
Other[(A)]	4,091,850	3.90%
Total	**105,027,055**	**100.00%**

At December 31, 2012 and December 31, 2011	Class "A" Shares After pro rata share issuance	%	Class "A" Shares prior to pro rata share issuance	Subscription Amount (in millions of U.S. dollars)	Subscription Amount (in millions of Euros)
Apollo Funds	42,847,555	48.90%	1,800,045	64	48
Rio Tinto	32,765,777	37.39%	1,376,505	49	36
Bpifrance	8,401,481	9.59%	352,950	12	9
Other	3,612,411	4.12%	167,697	7	5
Total	**87,627,224**	**100%**	**3,697,197**	**132**	**98**

(A) Of which 10 shares held by an affiliate of Rio Tinto Plc.

NOTE 19 BORROWINGS

	At December 31, 2013			At December 31, 2012		
	Effective interest rate	Non-current	Current	Effective interest rate	Non-current	Current
			(in millions of Euros)			
New floating rate term loan facility (due March 2020)[(A)]						
In U.S. Dollar	6,48%	250	2			
In Euro	7,33%	72				
Constellium N.V. and Constellium France SAS						
Previous floating rate term loan facility[(B)]						
Constellium N.V.				11.8%	136	2
U.S. Revolving Credit Facility						
Constellium Rolled Products Ravenswood, LLC	3,03%		18	3.21%		16
Others						
Other miscellaneous		4	2		4	
Total Borrowings		**326**	**22**		**140**	**18**

(A) Represents amounts drawn under the new term loan facility totaling €324 million net of financing costs related to the issuance of the debt totaling to €9 million at December 31, 2013.

(B) Represents amounts drawn under the previous term loan facility totaling €138 million net of financing costs related to the issuance of the debt totaling €13 million at December 31, 2012. This facility was repaid on March 25, 2013.

New Floating rate term loan facility

On March 25, 2013, Constellium N.V. entered into a $210 million (equivalent to €152 million at the year-end exchange rate) and €45 million seven-year floating rate term loan facility maturing in March 2020. The proceeds were primarily used to repay the previous variable rate term loan facility entered into on May 25, 2012, which was therefore terminated.

At the same date, Constellium France entered into a $150 million (equivalent to €109 million at the year-end exchange rate) and €30 million seven-year floating rate term loan facility maturing in March 2020.

The term loan is guaranteed by certain of the Group subsidiaries. The term loan facility includes negative, affirmative and financial covenants.

Interest

The interest rate under both U.S. Dollar term loan facilities is the applicable US Dollar interest rate (U.S. Dollar Libor) for the interest period subject to a floor of 1.25% per annum, plus a margin of 4.75% per annum. The interest rate under both Euro term loan facilities is the applicable Euro interest rate (Euribor) for the interest period subject to a floor of 1.25% per annum, plus a margin of 5.25% per annum.

Foreign exchange Exposure

It is the policy of Constellium to hedge all non-functional currency loans and deposits. In line with this policy, the U.S. Dollar loans were hedged through cross-currency interest rate swaps and rolling foreign exchange forwards. The notional of the cross-currency interest rate swaps amounts to $308 million on December 31, 2013. The cross-currency swaps have a negative fair value of €26 million at December 31, 2013 (€15 million at December 31, 2012). Changes in the fair value of hedges related to this translation exposure are recognized within financial costs in the consolidated income statement.

Financing cost

A $2 million (equivalent to €1 million at the issue date of the Term Loan) and €1 million original issue discount (OID) were deducted from the term loan. Constellium N.V. received a net amount of $209 million (€162 million at the issue date of the Term Loan) and €45 million. Constellium France received a net amount of $149 million (€115 million at the issue date of the term loan) and €30 million. In addition, the Group incurred debt fees of €8 million. Debt fees and OID are integrated into the effective interest rate of the term loan. Interest expenses are included in finance costs.

Covenants

The term loan contained customary terms and conditions, including amongst other things, negative covenants limiting the Group’s ability to incur debt, grant liens, enter into sale and lease-back transactions, make investments, loans and advances, make acquisitions, sell assets, pay dividends and other restricted payments, prepay certain debt, merge, consolidate or amalgamate and engage in affiliate transactions.

In addition, the term loan required the Group to maintain a ratio of consolidated secured net debt to EBITDA (as defined in the Term Loan agreement). The Group was in compliance with all applicable covenants as of and for the year ended December 31, 2013.

Previous Floating rate term loan facility

On May 25, 2012, Constellium entered into a $200 million (equivalent to €151 million at the 2012 year end exchange rate) six-year floating rate term loan facility maturing in May 2018. The proceeds were primarily used to repay the Variable rate term loan facility provided by Apollo Omega and Bpifrance on January 4, 2011, which was therefore terminated.

The term loan was guaranteed by certain of the Group subsidiaries. The term loan facility includes negative, affirmative and financial covenants.

Interest

The interest rate under the term loan facility is the applicable U.S. Dollar interest rate (U.S. Dollar LIBOR) for the interest period subject to a floor of 1.25% per annum, plus a margin of 8% per annum.

Cross-currency interest rate swap

Constellium entered into a cross-currency interest rate swap to hedge the term loan which converted a $200 million notional and floating USD interest (being the aggregate of the greater of 3-month USD-LIBOR and a floor of 1.25% plus a spread of 8%) into a €162 million notional with floating EUR-interest (being the aggregate of the greater of a 3-month Euribor and a floor of 1.25% plus a spread of 8.64%).

On December 31, 2012, the notional of this cross-currency interest rate swap decreased to an amount of $149 million. The remaining balance of the term loan was hedged by simple rolling foreign exchange forwards.

Financing cost

A $6 million (equivalent to €5 million at the issue date of the term loan) original issue discount (OID) was deducted from the term loan. Constellium N.V. received a net amount of $194 million (€154 million at the issue date of the term loan). In addition, the Group incurred debt fees of €10 million. Debt fees and OID were integrated in the effective interest rate of the term loan. Interest expenses were included in finance costs.

Covenants

The term loan contains customary terms and conditions, including amongst other things, negative covenants limiting the Group’s ability to incur debt, grant liens, enter into sale and lease-back transactions, make investments, loans and advances, make acquisitions, sell assets, pay dividends and other restricted payments, prepay certain debt, merge, consolidate or amalgamate and engage in affiliate transactions.

In addition, the term loan requires the Group to maintain a ratio of consolidated secured net debt to EBITDA (as defined in the Term Loan agreement). The Group was in compliance with all applicable covenants as of and for the year ended December 31, 2012.

This term loan was repaid in full on March 25, 2013. All unamortized exit fees and arrangement fees relating to this term loan were recognized as financial expenses for €8 million and €13 million respectively during the year ended December 31, 2013.

U.S. Revolving Credit Facility

On May 25, 2012, Constellium Holdco II B.V., Constellium Holdings I, LLC and Constellium Rolled Products Ravenswood, LLC subsidiaries of Constellium N.V. entered into a $100 million (equivalent to €76 million at the period closing end rate), five-year secured asset-based variable rate revolving credit facility and letter of credit facility (“the ABL facility”). The proceeds from this ABL facility were used to repay amounts owed under the previous ABL facility entered into by Constellium Rolled Product Ravenswood, LLC on January 4, 2011.

Certain assets of the Borrower have been pledged as collateral for the ABL Facility.

At December 31, 2013, the Group has utilized the letter of credit for about $1 million (nothing at the year ended December 31, 2012; at the year ended December 31, 2011: $12 million, equivalent to €9 million at the 2011 year-end exchange rate). A fronting fee of 0.125% per annum of the face amount of each letter of credit is expensed as incurred and payable in arrears on the last day of each calendar quarter after the letter of credit issuance.

At December 31, 2013, the Group had $40 million (equivalent to €29 million at the year closing end rate) of unused borrowing availability under the U.S. Revolving Credit Facility (at December 31, 2012: $66 million, equivalent to €50 million at the year closing end rate).

Interest

Under the ABL Facility, interest charged is dependent upon the type of loan as follows:

(a) Base Rate Loans will bear interest at an annual rate equal to the sum of an applicable margin comprised between 0.5% and 1.0% of the base rate, which is the greater of: (i) the prime rate in effect on any given day; (ii) the federal funds rate in effect on any given day plus 0.5% and (iii) the British Banker Association LIBOR Rate (U.S. Dollar LIBOR);

(b) Eurodollar Rate Loans will bear interest at an annual rate equal to the sum of the Eurodollar Rate (essentially U.S. Dollar LIBOR) plus the applicable margin comprised between 1.5% and 2.0%;

Financing costs

- Former ABL Facility

During the year ended December 31, 2011, the Group incurred non-refundable, up-front fees of €2 million and other ABL facility related expenses of €1 million (totaling €3 million). At December 31, 2011, these fees were included in Deferred financing costs—non-current (included in Trade receivables and other). They were fully amortized as interest expense in 2012, included in Finance costs–net.

- New ABL Facility

During the year ended December 31, 2012, the Group incurred ABL facility related expenses of €3 million, included in Deferred financing costs—non-current (included in Trade receivables and other) in the Consolidated Statement of Financial Position at December 31, 2012. Such fees are being amortized as interest expense included in Finance costsnet.

Covenants and restrictions

- Former ABL Facility

The former ABL Facility included customary affirmative and negative covenants including covenants with respect to the Group’s financial statements, litigation and other reporting requirements, insurance, payments of taxes, and employee benefits.

Additionally, the former ABL Facility included customary negative covenants including limitations on the ability of the ABL Borrower and its immediate parent to make certain restricted payments, incur additional indebtedness, sell certain assets, enter into sale and leaseback transactions, make investments, pay dividends and distributions, engage in mergers, amalgamations or consolidations, engage in certain transactions with affiliates, or prepay certain indebtedness.

Under the former ABL Facility, Constellium Rolled Products Ravenswood, LLC was required to restrict its cumulative cash outflows (defined as EBITDA plus or minus certain cash adjustments). For the period from January 1, 2011, through December 31, 2011, Constellium Rolled Products Ravenswood, LLC was not in compliance with this covenant.

In February 2012, Constellium Rolled Products Ravenswood, LLC and the lenders agreed a waiver in respect of the specific default.

- New ABL facility

This facility contains a minimum availability covenant that requires Constellium Rolled Products Ravenswood, LLC to maintain excess availability of at least the greater of (a) $10 million and (b) 10% of the aggregate revolving loan commitments. It also contains customary events of default.

Constellium Rolled Products Ravenswood, LLC was in compliance with all applicable covenants as of December 31, 2013.

Currency concentration

The composition of the carrying amounts of total non-current and current borrowings due to third and related parties (net of unamortized debt financing costs) in Euro equivalents is denominated in the currencies shown below:

	At December 31, 2013	At December 31, 2012
	(in millions of Euros)	
U.S. Dollar	270	153
Euro	78	5
Total borrowings net of unamortized debt financing costs	**348**	**158**

NOTE 2 TRADE PAYABLES AND OTHER

Trade payables and other are comprised of the following:

	At December 31, 2013		At December 31, 2012	
	Non-current	Current	Non-current	Current
	(in millions of Euros)			
Trade payables				
Third parties		411		397
Related parties		58		85
Total Trade payables		**469**		**482**
Other payables	1	32	1	18
Employees’entitlements	16	119	5	144
Deferred revenue	18	13	20	10
Taxes payable other than income tax		13		2
Total Other	**35**	**177**	**26**	**174**
Total Trade payables and Other	**35**	**646**	**26**	**656**

NOTE 21 PENSION AND OTHER POST-EMPLOYMENT BENEFIT OBLIGATIONS

For the years ended December 31, 2013 and 2012, actuarial valuation were performed with the support of an independent expert and are reflected in the consolidation financial statements as described in Note 2.5 Principles governing the preparation of the consolidated financial statement.

Implementation of IAS 19 Revised

See NOTE 2.2 Application of new and revised International Financial Reporting Standards (IFRS) and NOTE 32 Implementation of IAS 19 Revised.

Description of the plans

The Group operates a number of pensions, other post-employment benefits and other long-term employee benefit plans. Some of these plans are defined contribution plans and some are defined benefit plans, with assets held in separate trustee-administered funds. Benefits paid through pension trusts are sufficiently funded to ensure the payment of benefits to retirees when they become due.

Pension plans

Constellium’’s pension obligations are in the U.S., Switzerland, Germany, and France. Pension benefits are generally based on the employee’’s service and highest average eligible compensation before retirement and are periodically adjusted for cost of living increases, either by company practice, collective agreement or statutory requirement.

Other post-employment benefits (OPEB)

The Group provides health care and life insurance benefits to retired employees and in some cases to their beneficiaries and covered dependents, mainly in the U.S. Eligibility for coverage is dependent upon certain age and service criteria. These benefit plans are unfunded.

Other long-term employee benefits

Other long term employee benefits include jubilees in France and Switzerland, other long-term disability benefits in the U.S. and medical care in France.

Description of risks

Our pension plan assets consist primarily of funds invested in listed stocks and bonds. Our estimates of liabilities and expenses for pensions and other post-employment benefits incorporate a number of assumptions, including discount rate, longevity estimate and inflation rate.

The defined benefit plans expose the Group to actuarial risks such as: investment risk, interest rate risk, longevity risk and change in law governing the employee benefit obligations.

Investment risk

The present value of funded defined benefit obligations is calculating using a discount rate determined by reference to high quality corporate bond yields. If the return on plan asset is below this rate, it will increase the plan deficit.

Interest risk

A decrease in the discount rate will increase the defined benefit obligation. As at December 31, 2013, impacts of the change on the defined benefit obligation of a 0.50% increase / decrease in the discount rates are calculated by using a proxy based on the duration of each scheme, as follows:

	0.5% increase in discount rates	0.5% decrease in discount rates
	(in millions of Euros)	
France	(6)	7
Germany	(8)	8
Switzerland	(9)	10
United States	(18)	19
Total sensitivity on Defined benefit obligations	**(41)**	**44**

Longevity risk

The present value of the defined-benefit obligation is calculated by reference to the best estimate of the mortality of plan participants. An increase in the life expectancy of the plan participants will increase the plan’s liability.

Main events of the year (related impact being recorded in Other gains/(losses) net, see NOTE 8)

- In 2012 and 2013 the Group implemented certain plan amendments that had the effect of reducing benefits for the participants in the Constellium Rolled Products Ravenswood Retiree Medical and Life Insurance Plan. These amendments resulted in the immediate recognition of negative past service cost of €11 million in 2013 and of €58 million in 2012 (See NOTE 32—Implementation of IAS 19 Revised);
- Swiss pension plan settlement: during the first quarter of 2012, the Group withdrew from the foundation which administered its employee benefit plans in Switzerland and joined a commercial multi-employer foundation. This change led to a partial liquidation which triggered a settlement. Consequently, related assets and liabilities were transferred to the new foundation and employees’ benefits were also adjusted. The settlement resulted in an €8 million loss.

Actuarial assumptions:

	Year ended December 31, 2013				Year ended December 31, 2012			
	Rate of increase in salaries	Rate of increase in pensions	Discount rate	Inflation	Rate of increase in salaries	Rate of increase in pensions	Discount rate	Inflation
Switzerland	1.75%		2.35%	1.25%	2.00%		1.95%	1.25%
U.S.	3.80%				3.80%			
Hourly pension			4.95%			1.10%	4.15%	
Salaried pension			5.15%				4.35%	
OPEB(A)			4.85%				4.05%	
France	2.00%	2.00%	3.50%	2.00%	2.50%	2.00%	3.20%	2.00%
Germany	2.75%	2.10%	3.50%	2.10%	2.75%	2.10%	3.20%	2.10%

	Year ended December 31, 2011			
	Rate of increase in salaries	Rate of increase in pensions	Discount rate	Inflation
Switzerland	2.00%		2.35%	
U.S.	3.80%			
Hourly pension		2.30%	4.95%	
Salaried pension			5.05%	
OPEB(A)			4.95%	
France	2.00%	2.10%	4.50%	2.00%
Germany	2.75%	2.10%	4.50%	2.00%

(A) Other main financial assumptions used for the OPEB (healthcare plans, which are predominantly in the U.S.), were:

- medical trend rate: pre 65: 7.50% starting in 2014 reducing to 5.00% by the year 2022 and post 65: 6.50% starting in 2014 grading down to 5.00% by 2022, and
- claims costs based on individual company experience.

For both pension and healthcare plans, the post-employment mortality assumptions allow for future improvements in life expectancy.

Amounts recognized in the Consolidated Statement of Financial Position

	At December 31, 2013			At December 31, 2012 Restated		
	Pension benefits	Other benefits	Total	Pension benefits	Other benefits	Total
	(in millions of Euros)					
Present value of funded obligation	(485)		(485)	(533)		(533)
Fair value of plan assets	277		277	267		267
Deficit of funded plans	(208)		(208)	(266)		(266)
Present value of unfunded obligation	(104)	(195)	(299)	(111)	(234)	(345)
Net liability arising from defined benefit obligations	**(312)**	**(195)**	**(507)**	**(377)**	**(234)**	**(611)**

Movements in the present value of the Defined Benefit Obligations

	Year ended December 31, 2013	Year ended December 31, 2012 Restated
	(in millions of Euros)	
Defined Benefit Obligations at beginning of year	**(878)**	**(865)**
Net decrease in liabilities from disposals	4	
Current service cost	(20)	(20)
Interest cost	(28)	(35)
Actual plan participants’ contributions	(5)	(5)
Past service cost	11	56
Settlements		20
Immediate recognition of gains/(losses) arising over the year	1	
Actual benefits paid out	46	46
Remeasurement due to changes in demographic assumptions	(2)	(10)
Remeasurement due to changes in financial assumption	61	(74)
Experience gains	4	3
Exchange rate gain / (loss)	19	6
Classified as held for sale	3	
Defined Benefit Obligations at end of year	**(784)**	**(878)**
Of which:		
Funded	(485)	(533)
Unfunded	(299)	(345)

Movements in the fair value of plan assets

	Year ended December 31, 2013	Year ended December 31, 2012 Restated
	(in millions of Euros)	
Plan assets at beginning of year	**267**	**287**
Remeasurement return on plan assets	9	
Interests income	8	9
Actual employer contributions	43	40
Actual plan participants’ contributions	5	5
Actual benefits paid out	(46)	(46)
Actual administrative expenses paid	(1)	
Settlements		(28)
Exchange rate (loss) / gain	(8)	
Fair value of plan assets at end of year	**277**	**267**

Variation of the net pension liabilities

	At December 31, 2013			At December 31, 2012 Restated		
	Pension benefits	Other benefits	Total	Pension benefits	Other benefits	Total
	(in millions of Euros)					
Net (liability) recognized at beginning of year	**(377)**	**(234)**	**(611)**	**(307)**	**(271)**	**(578)**
Total amounts recognized in the Consolidated Income Statement	(28)	(1)	(29)	(36)	38	2
Total amounts recognized in the SoCI	56	16	72	(61)	(19)	(80)
Actual employer contributions	27	16	43	26	14	40
Exchange rate gains / (loss)	3	8	11	1	4	5
Net decrease from disposals	4		4			
Classified as held for sale	3		3			

	At December 31, 2013			At December 31, 2012 Restated		
	Pension benefits	Other benefits	Total	Pension benefits	Other benefits	Total
	(in millions of Euros)					
Net (liability) recognized at end of year	**(312)**	**(195)**	**(507)**	**(377)**	**(234)**	**(611)**

Amounts recognized in the Consolidated Income Statement

	Year ended December 31, 2013			Year ended December 31, 2012 Restated			Year ended December 31, 2011 Restated		
	Pension benefits	Other benefits	Total	Pension benefits	Other benefits	Total	Pension benefits	Other benefits	Total
	(in millions of Euros)								
Service cost									
Current service cost	(15)	(5)	(20)	(15)	(5)	(20)	(17)	(4)	(21)
Past service cost		11	11	20	55	75			
(Losses) arising from plan settlements				(28)		(28)			
Net interests	(12)	(8)	(20)	(13)	(13)	(26)	(13)	(12)	(25)
Immediate recognition of gains arising over the period		1	1		1	1		1	1
Administrative expense	(1)		(1)				2		2
Total (costs) / income recognized in the Consolidated Income Statement	**(28)**	**(1)**	**(29)**	**(36)**	**38**	**2**	**(28)**	**(15)**	**(43)**

The expenses shown in this table are included as employee costs in the Consolidated Income Statement within employee benefit expense and in Other gains/(losses) net (See NOTE 7Employee Benefit Expenses and NOTE 8 Other Gains / (Losses) Net).

Analysis of amounts recognized in the Consolidated Statement of Comprehensive Income (SoCI)

	At December 31, 2013			At December 31, 2012 Restated		
	Pension benefits	Other benefits	Total	Pension benefits	Other benefits	Total
	(in millions of Euros)					
Cumulative amount of losses recognized in the SoCI at beginning of year	**83**	**20**	**103**	**22**	**1**	**23**
Liability losses due to changes in assumptions	1	1	**2**	60	24	**84**
Liability (gains) due to changes in financial assumptions	(44)	(16)	**(60)**			
Liability experience (gains) / losses arising during the year	(4)		**(4)**	2	(5)	**(3)**
Asset (gains) arising during the year	(9)		**(9)**			
Exchange rate (gains)		(1)	**(1)**	(1)		**(1)**
Total (gains) / losses recognized in SoCI	**(56)**	**(16)**	**(72)**	**61**	**19**	**80**
Cumulative amount of losses recognized in the SoCI at end of year	**27**	**4**	**31**	**83**	**20**	**103**

Defined benefit obligations by countries

	At December 31, 2013	At December 31, 2012 Restated
	(in millions of Euros)	
France	(111)	(119)
Germany	(127)	(136)
Switzerland	(185)	(205)
U.S.	(361)	(418)
Defined Benefit Obligations	**(784)**	**(878)**

Value of plan assets at year end by major classes of assets

The following table shows the fair value of plans’ assets classified under the appropriate level of the fair value hierarchy:

	At December 31, 2013			At December 31, 2012 Restated		
	U.S.	Switzerland	Total	U.S.	Switzerland	Total
	(in millions of Euros)					
Equities	65	34	**99**	62	32	**94**
Bonds	60	65	**125**	57	62	**119**
Property	4	15	**19**	4	16	**20**
Other	1	33	**34**	3	31	**34**
Total fair value of plan assets	**130**	**147**	**277**	**126**	**141**	**267**

The actual return on plan assets was €17 million in 2013 (€9 million in 2012).

	At December 31, 2013				At December 31, 2012 Restated			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
	(in millions of Euros)							
Cash and cash equivalents								
Equity	69	30		**99**	66	28		**94**
Bonds								
Government bonds		4		**4**				
Corporate bonds	68	53		**121**	70	50		**120**
Other investments								
Real estate	19			**19**	20			**20**
Hedge fund	12			**12**	12			**12**
Insurance contracts		1		**1**		1		**1**
Other		2	19	**21**		1	19	**20**
Total	**168**	**90**	**19**	**277**	**168**	**80**	**19**	**267**

Cash Flows

Contributions to plans

Contributions to pension plans totaled €27 million for the year ended December 31, 2013 (€26 million for the year ended December 31, 2012).

Contributions to other benefits totaled €16 million for the year ended December 31, 2013 (€14 million for the year ended December 31, 2012).

Expected contributions to pension for the year ending December 31, 2014 is €33 million and other post-employment benefits (healthcare obligations) is €14 million.

Benefit payments

Benefit payments expected to be paid to pension, other post-employment benefit plans' participants and other benefits, are as follows:

	Estimated benefits payments
	(in millions of Euros)
Year ended December 31,	
2014	42
2015	44
2016	44
2017	45
2018 to 2023	301
Total	**476**

OPEB amendments

During the third quarter of 2012, the Group implemented certain plan amendments that had the effect of reducing benefits of the participants in the Constellium Rolled Products Ravenswood Retiree Medical and Life Insurance Plan. In February 2013, five Constellium retirees and the United Steelworkers union filed a class action lawsuit against Constellium Rolled Products Ravenswood, LLC in a federal district court in West Virginia, alleging that Constellium Rolled Products Ravenswood, LLC improperly modified retiree health benefits. The Group believes that these claims are unfounded, and that Constellium Rolled Products Ravenswood, LLC had a legal and contractual right to make the applicable modification.

NOTE 22 PROVISIONS

	Close down, environmental and restoration costs	Restructuring costs	Legal claims, tax and other costs	Total
		(in millions of Euros)		
At January 1, 2013	**56**	**19**	**47**	**122**
Additional provisions	1	3	13	**17**
Amounts used	(1)	(10)	(9)	**(20)**
Unused amounts reversed	(6)	(2)	(6)	**(14)**
Others	(1)			**(1)**
Unwinding of discounts	(1)			**(1)**
At December 31, 2013	**48**	**10**	**45**	**103**
Current	3	5	30	**38**
Non-current	45	5	15	**65**
Total Provisions	**48**	**10**	**45**	**103**
At January 1, 2012	**55**	**25**	**48**	**128**
Additional provisions	1	20	16	**37**
Amounts used	(2)	(26)	(3)	**(31)**
Unused amounts reversed	(1)	(2)	(14)	**(17)**
Others		2		**2**
Unwinding of discounts	3			**3**
At December 31, 2012	**56**	**19**	**47**	**122**
Current	3	14	16	**33**
Non-current	53	5	31	**89**
Total Provisions	**56**	**19**	**47**	**122**

Close down, environmental and restoration costs

The Group records provisions for the estimated present value of the costs of its environmental clean-up obligations and close down and restoration efforts based on the net present value of estimated future costs of the dismantling and demolition of infrastructure and the removal of residual material of disturbed areas, using an average discount rate of 2.3%. A change in the discount rate of 0.50% would impact the provision by €1.8 million.

It is expected that these provisions will be settled over the next 40 years depending on the nature of the disturbance and the technical remediation plans.

Restructuring costs

The Group records provisions for restructuring costs when management has a detailed formal plan, is demonstrably committed to its execution and can reasonably estimate the associated liabilities. The related expenses are included in Restructuring costs in the Consolidated Income Statement.

The net increase in restructuring provisions amounted to €1 million in 2013. In 2012 this net increase amounted to €18 million and mainly related to operations in France for €9 million, €8 million in Switzerland and €1 million in Germany. The Group expensed €8 million related to restructuring operations during the year ended December 31, 2013 (2012: €25 million).

Legal claims and other costs

	At December 31, 2013	At December 31, 2012
	(in millions of Euros)	
Maintenance and customers related provisions(A)	18	21
Litigation(B)	17	9
Disease claims(C)	6	7
Other	4	10
Total Provisions for legal claims and other costs	**45**	**47**

(A) These provisions include €7 million (€13 million in 2012 and €15 million in 2011) related to general equipment maintenance, mainly linked to the Group’s leases. These provisions also include €3 million (€3 million in 2012 and €8 million in 2011) related to product warranties and guarantees and €6 million (€5 million in 2012 and €4 million in 2011) related to late delivery penalties. These provisions are expected to be utilized in the next five years.

(B) The Group is involved in litigation and other proceedings, such as civil, commercial and tax proceedings, incidental to normal operations. It is not anticipated that the resolution of such litigation and proceedings will have a material effect on the future results, financial position, or cash flows of the Group.

(C) Since the early 1990s, certain activities of the Group’s businesses have been subject to claims and lawsuits in France relating to occupational diseases, such as mesothelioma and asbestosis. It is not uncommon for the investigation and resolution of such claims to go on over many years as the latency period for acquiring such diseases is typically between 25 and 40 years. For any such claim, it is up to the social security authorities in each jurisdiction to determine if a claim qualifies as an occupational illness claim. If so determined, the Group must settle the case or defend its position in court. The number of claims filed for asbestos exposure for the period from 1998 to 2010 is 163, 10 in 2011, 1 in 2012 and 8 in 2013. As at December 31, 2013, 10 cases in which gross negligence is alleged (“*faute inexcusable*”) remain outstanding, the average amount per claim being €0.3 million. The average settlement amount per claim in 2013 and 2012 was below €0.1 million. It is not anticipated that the resolution of such litigation and proceedings will have a material effect on the future results from continuing operations of the Group.

NOTE 23 FINANCIAL RISK MANAGEMENT

The Group’s financial risk management strategy focuses on minimizing the cost and cash flow impacts of volatility in foreign currency exchange rates, metal prices and interest rates, while maintaining the financial flexibility the Group requires in order to successfully execute the Group’s business strategies.

Due to Constellium’s capital structure and the nature of its operations, the Group is exposed to the following financial risks: (1) market risk (including foreign exchange risk, commodity price risk and interest rate risk); (2) credit risk and (3) liquidity and capital management risk.

23.1. Market risk

(i) Foreign exchange risk

Net assets, earnings and cash flows are influenced by multiple currencies due to the geographic diversity of sales and the countries in which the Group operates. The Euro and the U.S. dollar are the currencies in which the majority of sales are denominated. Operating costs are influenced by the currencies of those countries where Constellium’s operating plants are located and also by those currencies in which the costs of imported equipment and services are determined. The Euro and U.S. dollar are the most important currencies influencing operating costs.

The policy of the Group is to hedge committed and highly probable forecasted foreign currency operational transactions. The Group uses both forwards and combinations of zero cost collars.

In June 2011, the Group entered into a multiple-year frame agreement with a major customer for the sale of fabricated metal products in U.S. Dollars. In line with its hedging policy, the Group entered into significant foreign exchange derivative transactions to forward sell U.S. dollars versus the euro following the signing of the multiple-year frame agreement to match these future sales.

As at December 31, 2013, our largest derivative transactions related to this contract.

The notional principal amounts of the outstanding foreign exchange contracts at December 31, 2013 with maturities ranging between 2014 and 2018 were as follows:

Currency	Forward Exchange contracts in currency millions	Foreign Exchange Swap contracts in currency millions
CHF	27	(45)
CZK	671	339
EUR	453	91
GBP	(7)	
JPY	(1,166)	(471)
SGD		7
USD	(662)	(93)

Hedge accounting is not applied and therefore the mark-to-market impact is recorded in Other gains/(losses) net.

In the year ended December 31, 2012, the impact of the Group’s hedging strategy in relation to foreign currency led to unrealized gains on derivatives of €35 million which related primarily to the exposure on the multiple year sale agreement for fabricated products in U.S. dollars by a euro functional subsidiary of the group. In the year ended December 31, 2013, the impact of these derivatives was an unrealized gain of €21 million as the U.S. dollar weakened against the euro in the second half of 2013. The offsetting loss related to the forecasted sales are not visible due to the sales not yet being recorded in the books of the Group.

As the U.S. dollar appreciates against the euro, the derivative contracts entered into with financial institutions have a negative mark-to-market. Our financial derivative counterparties require margin should our mark-to-market exceed a pre-agreed contractual limit. In order to protect from the potential margin calls for significant market movements, the Group holds a significant liquidity buffer in cash or in availability under its various borrowing facilities, enters into derivatives with a large number of financial counterparties and monitors margin requirements on a daily basis for adverse movements in the U.S. dollar versus the euro.

At year-end 2013, the margin requirement related to foreign exchange hedges amounted to €11 million, comprising of €11 million of fixed margin and €0 million of variable margin (as of December 31, 2012, the total posted was €15 million).

The largest margin posted in 2013 related to foreign exchange derivatives was €20 million on January 3, 2013.

During 2012, the Group has decided to limit the liquidity risk arising from potential margin calls on operational hedges by entering into a portfolio of foreign exchange zero cost collars (combinations of bought calls and sold puts). As of December 31, 2013, the Group still had $398 million of these collars (as of December 31, 2012: $647 million), with maturities ranging between 2014 and 2017.

Borrowings are principally in U.S. dollars and euros (see Note 19Borrowings). It is the policy of the Group to hedge all foreign currency debt and cash. The Group entered into cross currency interest rate swaps to hedge the foreign exchange and interest rate risk inherent in our financing. As of December 31, 2013, the notional outstanding on the cross currency basis swaps was $308 million (€243 million). The unrealized loss related to the economic hedges of the USD loans amounted to €11 million during the year ended December 31, 2013.

Foreign exchange sensitivity: Risks associated with exposure to financial instruments

A 10% weakening in the December 31, 2013, closing Euro exchange rate on the value of financial instruments held by the Group at December 31, 2013, would have decreased earnings (before tax effect) as shown in the table below:

At December 31, 2013	Sensitivity impact (in millions of Euros)
Cash and cash equivalents and restricted cash	3
Trade receivables	18
Trade payables	(12)
Borrowings	(31)
Metal derivatives (net)	(1)
Foreign exchange derivatives (net)	(52)
Cross currency swaps	28

At December 31, 2013	Sensitivity impact
	(in millions of Euros)
Total	**(47)**

The amounts shown in the table above may not be indicative of future results since the balances of financial assets and liabilities may change.

A 10% change in the closing Euro exchange rate against currencies other than U.S. dollar does not have a material impact on earnings.

(ii) Commodity price risk

The Group is subject to the effects of market fluctuations in the price of aluminum, which is the Group's primary metal input and a significant component of its output. The Group is also exposed to silver, copper and natural gas in a less significant way. The Group has entered into derivatives contracts to manage these risks and carries those instruments at their fair values on the Consolidated Statement of Financial Position.

As of December 31, 2013, the notional principle amount of aluminum derivatives outstanding was 129,350 tons (approximately $247 million) 113,000 tons at December 31, 2012, (approximately $230 million) with maturities ranging from 2014 to 2016, copper derivatives outstanding was 4,200 tons (approximately $33 million) 700 tons at December 31, 2012 (approximately $6 million) with maturities ranging from 2014 to 2016, silver derivatives 261,785 ounces (approximately $6 million) 260,000 ounces at December 31, 2012 (approximately $7 million) with maturities ranging from 2014 to 2015, and 900,000 MMBtu of natural gas futures (approximately $3 million) 1,650,000 MMBtu at December 31, 2012 (approximately $5 million) with maturities in 2014.

The value of the contracts will fluctuate due to changes in market prices but is intended to help protect the Group's margin on future conversion and fabrication activities. At December 31, 2013, these contracts are directly with external counterparties.

When the Group is unable to align the price and quantity of physical aluminum purchases with that of physical aluminum sales, it enters into derivative financial instruments to pass through the exposure to metal price fluctuations to financial institutions at the time the price is set. Therefore, the Group has purchased fixed price aluminum forwards to offset the exposure of LME volatility on its fixed price sales agreements for the supply of metal. The Group does not apply hedge accounting and therefore any mark-to-market movements are recognized in Other gains/(losses) net.

In the year ended December 31, 2012, €25 million of unrealized gains were recorded in relation to LME futures due to a rise in the LME price of aluminum. In the year ended December 31, 2013, €7 million of unrealized losses were recorded in relation to LME futures due to a decline in the LME price of aluminum, with the revaluation of the underlying transaction continuing to be off balance sheet as the sales had not yet been invoiced and recognized as revenue.

As the LME price for aluminum falls, the derivative contracts entered into with financial institution counterparties have a negative mark-to-market. The Group's financial institution counterparties may require margin calls should the negative mark-to-market exceed a pre-agreed contractual limit. In order to protect from the potential margin calls for significant market movements, the Group enters into derivatives with a large number of financial counterparties and monitors margin requirements on a daily basis for adverse movements in aluminum prices.

As of December 31, 2013, the margin requirement related to aluminum hedges was zero (as of December 31, 2012, margin posted on aluminum hedges was also zero).

Throughout the year 2013, there were no margins posted related to aluminum hedges.

Commodity price sensitivity: risks associated with derivatives

Since none of the Group's derivatives are designated for hedge accounting treatment, the net impact on earnings and equity of a 10% increase or decrease in the market price of aluminum, based on the aluminum derivatives held by the Group at December 31, 2013 (before tax effect), with all other variables held constant was estimated to €17 million gains or losses (€19 million at December 31, 2012). The balances of such financial instruments may change in future periods however, and therefore the amounts shown may not be indicative of future results.

(iii) Interest rate risk

Interest rate risk refers to the risk that the value of financial instruments held by the Group and that are subject to variable rates will fluctuate, or the cash flows associated with such instruments will be impacted due to changes in market interest rates. The Group's interest rate risk arises principally from borrowings. Borrowings issued at variable rates expose the Group to cash flow interest rate risk which is partially offset by cash and cash equivalents deposits (including short-term investments) earning interest at variable interest rates. Borrowings issued at fixed rates expose the Group to fair value interest rate risk. Management believe that floating interest rates are advantageous as a significant portion of Constellium’s funding requirements is working-capital related and all excess cash is invested in very short term deposits. As of the end of December 2013, substantially all of the Group’s gross debt balance was subject to floating interest rates.

Interest rate sensitivity: risks associated with variable-rate financial instruments

The impact (before tax effect) on profit (loss) for the period of a 50 basis point increase or decrease in the LIBOR or EURIBOR interest rates, based on the variable rate financial instruments held by the Group at December 31, 2013, with all other variables held constant, was estimated to be less than €1 million for the periods ended December 31, 2013 and December 31, 2012. The balances of such financial instruments may not remain constant in future periods however, and therefore the amounts shown may not be indicative of future results.

23.2. <u>Credit risk</u>

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk with financial institutions and other parties as a result of cash-in-bank, cash deposits and the mark-to-market on derivative transactions and from customer trade receivables arising from Constellium’s operating activities. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial asset as described in NOTE 24Financial Instruments. The Group does not generally hold any collateral as security.

Credit risk related to deposits with financial institutions

Credit risk with financial institutions is managed by the Group’s Treasury department in accordance with a Board approved policy. Constellium management is not aware of any significant risks associated with financial institutions as a result of cash and cash equivalents deposits (including short-term investments) and financial derivative transactions.

The number of financial counterparties is tabulated below showing our exposure to the counterparty by rating type (ratings from Moody’s Investor Services).

	At December 31, 2013		At December 31, 2012	
	Number of financial counterparties(A)	**Exposure (in millions of Euros)**	**Number of financial counterparties(A)**	**Exposure (in millions of Euros)**
		(in millions of Euros)		
Rated Aa or better	2	16	4	11
Rated A	7	222	11	145
Rated Baa	1	1	1	—
Total	**10**	**239**	**16**	**156**

(A) Financial Counterparties for which the Group’s exposure is below €250k have been excluded from the analysis.

Credit risks related to customer trade receivables

The Group has a diverse customer base geographically and by industry. The responsibility for customer credit risk management rests with Constellium management. Payment terms vary and are set in accordance with practices in the different geographies and end-markets served. Credit limits are typically established based on internal or external rating criteria, which take into account such factors as the financial condition of the customers, their credit history and the risk associated with their industry segment. Trade accounts receivable are actively monitored and managed, at the business unit or site level. Business units report credit exposure information to Constellium management on a regular basis. Over 80% of the Group’s trade account receivables are insured by insurance companies rated A3[5] or better. In situations where collection risk is considered to be above acceptable levels, risk is mitigated through the use of advance payments, bank guarantees or letters of credit. Historically we have a very low level of customer default as a result of long history of dealing with our customer base and an active credit monitoring function.

See NOTE 16Trade Receivables and Other for the aging of trade receivables.

5 Rating from Moody’s Investor Services.

23.3. <u>Liquidity and capital risk management</u>

The Group's capital structure includes shareholder's equity, borrowings from related parties and various third-party financing arrangements. Constellium's total capital is defined as total equity plus net debt. Net debt includes borrowings due to third parties less cash and cash equivalents.

Constellium's overriding objectives when managing capital are to safeguard the business as a going concern, to maximize returns for its owners and to maintain an optimal capital structure in order to minimize the weighted cost of capital.

All activities around cash funding, borrowings and financial instruments are centralized within Constellium's Treasury department. Direct external funding or transactions with banks at the operating plant entity level are generally not permitted, and exceptions must be approved by Constellium's Treasury department.

The liquidity requirements of the overall Company are funded by drawing on available credit facilities, while the internal management of liquidity is optimized by means of cash pooling agreements and/or intercompany loans and deposits between the Company's operating entities and central Treasury.

The contractual agreements that the Group has with derivative financial counterparties required the posting of collateral once a certain threshold has been reached. In order to protect the Group from the potential margin calls for significant market movements, the Group holds a significant liquidity buffer in cash or availability under its various borrowing facilities, enters into derivatives with a large number of financial counterparties, entered into a series of zero cost collars (see section 23.1 (i)) and monitors margin requirements on a daily basis for adverse movements in the U.S. dollar versus the euro and in aluminum prices.

The table below shows undiscounted contractual values by relevant maturity groupings based on the remaining period from December 31, 2013, and December 31, 2012, to the contractual maturity date.

	At December 31, 2013			At December 31, 2012		
	Less than 1 year	Between 1 and 5 years	Over 5 years	Less than 1 year	Between 1 and 5 years	Over 5 years
	(in millions of Euros)					
Financial liabilities:						
Borrowings(A)	41	94	341	32	61	149
Cross currency interest rate swaps	6	21		1	12	
Net cash flows from derivatives liabilities related to currencies and metal(B)	18	9		23	17	
Trade payables and other (excludes deferred revenue)	633	17		645	7	
	698	**141**	**341**	**701**	**97**	**149**

(A) Borrowings include the U.S. Revolving Credit Facility which is considered short-term in nature and is included in the category "Less than 1 year" and undiscounted forecasted interests on the Term Loan.
(B) Foreign exchange options have not been included as they are not in the money.

Derivative financial instruments

The Group enters into derivative contracts to manage operating exposure to fluctuations in foreign currency, aluminum, copper, silver and natural gas prices. The tables below show the undiscounted contractual values and terms of derivative instruments.

	At December 31, 2013			At December 31, 2012		
	Less than 1 year	Between 1 and 5 years	Total	Less than 1 year	Between 1 and 5 years	Total
	(in millions of Euros)					
<u>Assets Derivative Contracts</u>						
Aluminum future contracts	1		**1**	6		**6**
Silver future contracts				1		**1**
Currency derivative contracts	12	7	**19**	13	5	**18**
Total	**13**	**7**	**20**	**20**	**5**	**25**

	At December 31, 2013			At December 31, 2012		
	Less than 1 year	Between 1 and 5 years	Total	Less than 1 year	Between 1 and 5 years	Total
			(in millions of Euros)			
Liabilities Derivative Contracts[(A)]						
Aluminum future contracts	8	2	**10**	7	1	**8**
Copper future contracts		2	**2**			
Silver and natural gas future contracts						
Currency derivative contracts	10	5	**15**	16	16	**32**
Cross currency interest rate swaps	6	21	**27**	1	12	**13**
Total	**24**	**30**	**54**	**24**	**29**	**53**

(A) Foreign exchange options have not been included as they are not in the money.

NOTE 24 FINANCIAL INSTRUMENTS

The tables below show the classification of financial assets and liabilities, which includes all third and related party amounts.

Financial assets and liabilities by categories

		At December 31, 2013			At December 31, 2012		
	Notes	Loans and receivables	At Fair Value through Profit and loss	Total	Loans and receivables	At Fair Value through Profit and loss	Total
				(in millions of Euros)			
Cash and cash equivalents	17	233		**233**	142		**142**
Trade receivables and Finance Lease receivables	16	394		**394**	428		**428**
Other financial assets(A)		11	21	**32**	15	29	**44**
Total financial assets		**638**	**21**	**659**	**585**	**29**	**614**
Trade payables	20	469		**469**	482		**482**
Borrowings	19	348		**348**	158		**158**
Other financial liabilities(A)			60	**60**		70	**70**
Total financial liabilities		**817**	**60**	**877**	**640**	**70**	**710**

(A) Other financial assets and Other financial liabilities are comprised of derivatives not designated as hedges and also as margin calls:

	At December 31, 2013			At December 31, 2012		
	Non-current	Current	Total	Non-current	Current	Total
			(in millions of Euros)			
Derivatives (third parties)	7	14	**21**	10	19	**29**
Margin calls		11	**11**		15	**15**
Other financial assets	**7**	**25**	**32**	**10**	**34**	**44**
Derivatives (third parties)	36	24	**60**	46	24	**70**
Other financial liabilities	**36**	**24**	**60**	**46**	**24**	**70**

Fair values

All the derivatives are presented at fair value in the balance sheet.

The carrying value of the Group’’s borrowings approximates their fair value.

The fair values of other financial assets and liabilities approximate their carrying values, as a result of their liquidity or short maturity.

Margin calls

Constellium Finance SAS and Constellium Switzerland AG entered into agreements with some financial institutions in order to define applicable rules with regards to the setting-up of derivative trading accounts. On a daily or weekly basis (depending on the arrangement with each financial institution) all open currency or metal derivative contracts are revalued to the current market price. When the change in fair value reaches a certain threshold (positive or negative), a margin call occurs resulting in the Group making or receiving back a cash payment to/from the financial institution.

At December 31, 2013, the Group made cash deposits related to margin calls for a total amount of €11 million (€15 million at December 31, 2012).

Valuation hierarchy

The following table provides an analysis of financial instruments measured at fair value, grouped into levels based on the degree to which the fair value is observable:

- Level 1 valuation is based on quoted prices (unadjusted) in active markets for identical financial instruments, it includes aluminum futures that are trade on the LME;
- Level 2 valuation is based on inputs other than quoted prices included within Level 1 that are observable for the assets or liabilities, either directly (i.e. prices) or indirectly (i.e. derived from prices), it includes foreign exchange derivatives. The method used to calculate the fair value mainly consists on discounted cash flow; and
- Level 3 valuation is based on inputs for the asset or liability that are not based on observable market data (unobservable inputs).

At December 31, 2013	Level 1	Level 2	Level 3	Total
		(in millions of Euros)		
Other financial assets	1	20		**21**
Other financial liabilities	12	48		**60**

At December 31, 2012	Level 1	Level 2	Level 3	Total
		(in millions of Euros)		
Other financial assets	6	23		**29**
Other financial liabilities	8	62		**70**

NOTE 25 DEFERRED INCOME TAXES

	At December 31, 2013	At December 31, 2012 Restated
	(in millions of Euros)	
Shown in the Consolidated Statement of Financial Position:		
Deferred income tax assets	177	205
Deferred income tax liabilities	(1)	(11)
Net deferred income tax assets	**176**	**194**

The following table shows the changes in net deferred income tax assets (liabilities) for the years ended December 31, 2013 and 2012.

	Year ended December 31, 2013	Year ended December 31, 2012
	(in millions of Euros)	
Balance at beginning of year	194	176
Net deferred income tax assets acquired		
Deferred income taxes recognized in the Consolidated Income Statement	(10)	(16)
Effects of changes in foreign currency exchange rates	(1)	
Deferred income taxes recognized directly in other comprehensive income	(9)	16
Other	2	18
Balance at end of year	**176**	**194**

Year ended December 31, 2013	Opening Balance	Acquisitions/ Disposals	Recognized in Profit or loss	Recognized in OCI	Recognized in FX	Recognized in Other	Closing balance
			(in millions of Euros)				
Deferred tax (liabilities) / assets in relation to:							
Long-term assets	**75**		(9)			(38)	**28**
Inventories	**16**					(5)	**11**
Pensions	**62**		22	(9)	(1)		**74**
Derivative valuation	**9**		(6)				**3**
Tax losses Carried forward	**6**		5			(3)	**8**
Other[A]	**26**		(22)			48	**52**
Total	**194**		**(10)**	**(9)**	**(1)**	**2**	**176**

(A) Mainly non deductible provisions.

Year ended December 31, 2012	Opening Balance	Acquisitions/ Disposals	Recognized in Profit or loss	Recognized in OCI	Recognized in FX	Recognized in Other	Closing balance
			(in millions of Euros)				
Deferred tax (liabilities) / assets in relation to:							
Long-term assets	**121**		(47)		1		**75**
Inventories	**(14)**		31		(1)		**16**
Pensions	**45**		1	16			**62**
Derivative valuation	**30**		(21)				**9**
Tax losses Carried forward			6				**6**
Other	**(6)**		14			18	**26**
Total	**176**		**(16)**	**16**		**18**	**194**

Year ended December 31, 2011	Opening Balance	Acquisitions/ Disposals	Recognized in Profit or loss	Recognized in OCI	Recognized in FX	Recognized in Other	Closing balance
			(in millions of Euros)				
Deferred tax (liabilities) / assets in relation to:							
Long-term assets		139	(18)				**121**
Inventories		(29)	14		1		**(14)**
Pensions		42	1	1		1	**45**
Derivative valuation		(16)	45		1		**30**
Tax losses Carried forward							
Other		(28)	23			(1)	**(6)**
Total		**108**	**65**	**1**	**2**		**176**

Based on the expected taxable income of the entities, the Group believes that it is more likely than not that a total of €516 million (€497 million at December 31, 2012; €651 million at December 31, 2011) of deductible temporary differences, unused tax losses and unused tax credits will not be used. Consequently, no deferred tax assets have been recognized. The related tax impact of €153 million (€175 million at December 31, 2012; €188 million at December 31, 2011) is attributable to the following:

	At December 31, 2013	At December 31, 2012
	(in millions of Euros)	
Tax losses	**(62)**	**(40)**
In 2013	—	(2)
In 2014	(2)	(2)
In 2015		
In 2016		
In 2017	(2)	(2)
In 2018 and after (limited)	(40)	(15)

	At December 31, 2013	At December 31, 2012
	(in millions of Euros)	
Unlimited	(18)	(19)
Unused tax credits		
Deductible temporary differences	**(91)**	**(135)**
Depreciation and Amortization	(9)	(14)
Pensions	(77)	(116)
Other	(5)	(5)
Balance at December 31	**(153)**	**(175)**

NOTE 26 COMMITMENTS

Non-cancellable operating leases commitments

The Group leases various buildings, machinery, and equipment under operating lease agreements. Total rent expense was €9 million for the year ended December 31, 2013 (€16 million for the year ended December 31, 2012).

The future aggregate minimum lease payments under non-cancellable operating leases are as follows:

	At December 31, 2013	At December 31, 2012
	(in millions of Euros)	
Less than 1 year	9	16
1 to 5 years	26	39
More than 5 years	3	3
Total non-cancellable operating leases minimum payments	**38**	**58**

Capital expenditure commitments

	At December 31, 2013	At December 31, 2012
	(in millions of Euros)	
Property, Plant and equipment	46	49
Total capital expenditure commitments	**46**	**49**

NOTE 27 RELATED PARTY TRANSACTIONS

The following table describes the nature and amounts of related party transactions included in the Consolidated Income Statement.

	Notes	Year ended December 31, 2013	Year ended December 31, 2012	Year ended December 31, 2011
		(in millions of Euros)		
Revenue(A)		**2**	**6**	**8**
Metal supply(B)		**(473)**	**(583)**	**(536)**
Exit fees			(2)	
Interest expense(C)	10, 19		(6)	(16)
Realized exchange loss on other financial items			(7)	
Unrealized exchange (loss) on financing activities				(5)
Finance costs net			**(15)**	**(21)**
Realized gains on derivatives	8			37
Other Gains net				**37**
Direct expenses related to acquisition, separation and IPO(D)		**(15)**		**(52)**

(A) The Group sells products to certain subsidiaries and affiliates of Rio Tinto.
(B) Purchases of metal from certain subsidiaries and affiliates of Rio Tinto, net of changes in inventory levels, are included in Cost of sales in the Consolidated Income Statement.
(C) Until May 2012, the Group incurred interest expense on borrowings due to Apollo Omega and Bpifrance.
(D) Representing transaction costs, equity fees and other termination fees of the management agreement paid to the Owners.

The following table describes the nature and year-end related party balances of amounts included in the Consolidated Statement of Financial Position, none of which is secured by pledged assets or collateral.

	Notes	At December 31, 2013	At December 31, 2012
		(in millions of Euros)	
Trade receivables	16	1	2
Trade payables(A)	20	58	85

(A) Trade payables to related parties arise from purchases of metal and from various miscellaneous services that are provided to the Group by certain subsidiaries and affiliates of the Owners.

The Company has a service agreement with Apollo for the provision of management and support services. The annual fee is equal to the greater of $2 million per annum and 1% of the Company's Adjusted EBITDA before such fees. Fees and expenses of $3 million equivalent to €2 million are included in the Consolidated Income Statement for the year ended December 31, 2013 ($2 million equivalent to €1.5 million for the years ended December 31, 2012 and 2011).

Transactions with Rio Tinto are unrelated since December 12, 2013 (see NOTE 1General information).

NOTE 28 KEY MANAGEMENT REMUNERATION

Aggregate compensation for the Group''s key management is comprised of the following:

	Year ended December 31, 2013	Year ended December, 31, 2012	Year ended December, 31, 2011
		(in millions of Euros)	
Short-term employee benefits	9	9	9
Share base payment	2		
Post-employment benefits	1		
Termination benefits	1	2	5
Total	**13**	**11**	**14**

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly. They are the members of the Executive Management Committee including Vice-Presidents of key activities of the Group.

NOTE 29 SUBSIDIARIES AND OPERATING SEGMENTS

The following is a list of the Group's principal subsidiaries. They are wholly-owned subsidiaries of Constellium and are legal entities for which all or a substantial portion of the operations, assets, liabilities, and cash flows are included in the continuing operations of the consolidated reporting Group as of December 31, 2013.

Entity	Country	Ownership
Cross Operating Segment		
Constellium France S.A.S. (A&T, P&ARP and Holdings and Corporate)	France	100%
Constellium Singen GmbH (AS&I, P&ARP and Holdings and Corporate)	Germany	100%
Constellium Valais S.A. (A&T and AS&I)	Switzerland	100%
AS&I		
Constellium Extrusions Decin S.r.o.	Czech Republic	100%
Constellium Extrusions France S.A.S.	France	100%
Constellium Extrusions Deutschland GmbH	Germany	100%
Constellium Extrusions Levice S.r.o.	Slovak Republic	100%
Constellium Automotive USA, LLC	U.S.	100%
Constellium Engley (Changchun) Automotive Structures Co Ltd.	China	54%
A&T		
Constellium Aerospace S.A.S.	France	100%
Constellium Italy S.p.A	Italy	100%
Constellium Aviatube	France	100%
Constellium Sabart S.A.S.	France	100%
Constellium Ussel S.A.S.	France	100%
Constellium Rolled Products Ravenswood, LLC	U.S.	100%
Constellium Property and Equipment Company, LLC	U.S.	100%
Constellium South East Asia	Singapore	100%
Constellium China	China	100%
Constellium Japan KK	Japan	100%
Holdings & Corporate		
Constellium Holdco II B.V.	Netherlands	100%

Entity	Country	Ownership
Constellium Centre de Recherches de Voreppe S.A.S. (Research and Development Facility)	France	100%
Constellium Finance S.A.S	France	100%
Engineered Products International S.A.S	France	100%
Constellium France Holdco SAS	France	100%
Constellium Germany Holdco GmbH & Co. KG	Germany	100%
Constellium U.S. Holdings I, LLC	U.S.	100%
Constellium U.S. Holdings II, LLC	U.S.	100%
Constellium Germany Holdco Verwaltungs GmbH	Germany	100%
Constellium Deutschland GmbH	Germany	100%
Constellium Switzerland AG	Switzerland	100%
Constellium UK Limited	United Kingdom	100%

Refer to NOTE 4Operating Segment Information for definition and description of operating segments.

In addition, the Group holds a 49.85% interest in Rhenaroll S.A. which specializes in the chrome-plating, grinding and repairing of rolling mill’s rolls and rollers. This investment is accounted for using the equity accounting method.

NOTE 30 SHARE EQUITY PLAN

Management equity plan (“MEP”)

The Company implemented a share equity plan for Constellium management in order to align the interests of management with the interests of shareholders and to enable Company management to participate in the long-term growth of Constellium. The share equity plan was implemented at the beginning of 2011, with an effective date of 4 February 2011, through the establishment of a management investment company, Omega Management GmbH & Co. KG (“Management KG”). Certain individual managers were invited to invest as limited partners in Management KG in order to have the opportunity to hold interests in the Company’s shares indirectly through this limited partnership.

MEP interests held by share equity plan participants in respect of ordinary “B” shares are granted in service- and performance-vesting tranches. The service-vesting tranche vests in 20% increments on the 1st, 2nd, 3rd, 4th and 5th anniversary of a share equity plan participant’s effective investment date if the share equity plan participant continues employment with Constellium through the applicable vesting date. The performance-vesting tranches generally vest in respect of the financial year that includes the share equity plan participant’s effective investment date and each of the following four financial years only if the share equity plan participant continues employment with Constellium through the end of the applicable year and Constellium attains certain Management Adjusted EBITDA targets in respect of that financial year. As a result, the service period of the MEP interest attributable to an ordinary “B” share is considered the vesting period pursuant to IFRS 2 “Share-based Payments.”

In accordance with IFRS 2 “Share based payments,” the difference between the fair value at the grant date and the acquisition amount of the Class B ordinary shares is accounted for, over the vesting period of the related MEP interests, in the consolidated income statement, with a corresponding increase in equity.

As of December 31, 2013, Management KG held 3.9 % of the overall share capital of Constellium, consisting of 3,141,503 Class A ordinary shares and 950,337 Class B ordinary shares.

Free share program

A free share program was granted to all employees in the U.S., France, Germany, Switzerland and the Czech Republic. Under this program, each eligible employee was granted, in June 2013, an award of 25 restricted stock units under the Constellium 2013 Equity Plan that will vest and be settled in Class A ordinary shares on the second anniversary of our initial public offering, subject to the applicable employee remaining employed by the Company or its subsidiaries through that date.

In accordance with IFRS 2, an expense is recognized over the vesting period. The estimate of this expense is based upon the fair value of a Class A ordinary share. This fair value was the quoted market price at the grant date.

Shareholding Retention Program

In October 2013, a shareholding retention program was implemented in order to encourage critical members of our senior management team to maintain a significant portion of their current investment under the Company’s MEP.

Beneficiaries of the MEP were awarded a one-time retention award under the Constellium 2013 Equity plan consisting of a grant of restricted stock units with a grant date value equal to a specified percentage of the recipient's annual base salary. The restricted stock units will vest and be settled for our Class A ordinary shares on the second anniversary of the date of grant, subject to the recipient remaining continuously employed with the Group through that date and for participants who retain at least 75% of its interest in Class A ordinary shares under the MEP.

In accordance with IFRS 2, an expense is recognized over the vesting period. The estimate of this expense is based upon the fair value of a Class A ordinary share. This fair value was the quoted market price at the grant date.

Equity Awards Plan

Two non-employee directors were granted an award of 8.816 restricted stock units with an aggregate grant date value of €100,000. The service vesting tranche vests 50% on each anniversary date of the equity award grant date (May 29, 2013).

Expense recognized during the year

The expense recognized for the year ended December 31, 2013 and 2012, from these share based payments transactions amounted €2 million and €1 million respectively.

NOTE 31—DISPOSALS, DISPOSALS GROUP CLASSIFIED AS HELD FOR SALE AND DISCONTINUED OPERATIONS

- In the second quarter of 2013, the sale of the Group's plants in Ham and Saint Florentin, France was completed generating a loss recorded in Other Gain / (Losses). (See NOTE 8 Other Gains / (Losses) Net)
- In the third quarter of 2013, the investment in Alcan Strojmetal Aluminium Forging s.r.o. previously equity accounted for, was sold, generating a €3 million disposal gain of joint-venture.
- In September 2013, the Group has received an offer and considers that it is committed to a plan to sell two companies from the Aerospace and Transportation operating segment; and therefore reclassified the related assets and liabilities as held for sale. As at December 31, 2013, the committed disposal plan is confirmed and in progress.

	At December 31, 2013
	(in millions of Euros)
Assets of disposal group classified as held for sale	
Inventories	6
Trade receivable and other	8
Cash and Cash equivalents	3
Other	4
	21
Liabilities of disposal group classified as held for sale	
Provisions	
Pensions and other post-employment benefit obligations	3
Trade payable and other	6
Other	
	9

- In 2011, Constellium did not intend to retain the AIN Business and therefore a sale process commenced as of the Acquisition date. On October 25, 2011, Constellium received a binding offer from CellMark for the purchase of 13 entities which was effective as of December 30, 2011. Final agreement with the acquirer was reached in the third quarter of 2013 and related gain of €4 million recorded in "Discontinued operations" in the Consolidated Income Statement.

The loss from discontinued operations for the year ended December 31, 2012, amounted to €8 million (€8 million for the year ended December 31, 2011), mostly relating to abandonment costs of remaining AIN entities in 2012 and restructuring, separation and completion costs in 2011.

NOTE 32 IMPLEMENTATION OF IAS 19 REVISED

Restatement of consolidated financial statements published in 2012

Following the change in accounting principle and presentation in the income statement of pension and other long-term benefit obligations applied retroactively as of January 1, 2012, the consolidated financial statements and notes have been restated in accordance with IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors."

Restatement of the consolidated statement of comprehensive Income / (Loss)

For the twelve months ended December 31, 2012, the application of IAS 19 Revised had a positive impact of €10 million on the Total Comprehensive Income. The net profit increased by €7 million (€4 million expenses in Cost of sales, €1 million in income tax benefits and €10 million gains on Other gains linked to the unrecognized negative pas service costs on OPEB amendment) and the other comprehensive loss decreased by €4 million (impact on remeasurement on post-employment benefit obligations).

For the twelve months ended December 31, 2011, the application of IAS 19 Revised had a negative impact in the net profit amounted to €4 million (in Cost of sales) and a decrease in the other comprehensive loss by €4 million.

Restatement of the consolidated statement of financial position

	At December 31, 2012 Reported	Change in accounting principle for pension and other long-term benefit obligations	At December 31, 2012 Restated
		(in millions of Euros)	
Total Assets	**1,631**		**1,631**
Equity	**(47)**	**10**	**(37)**
Of which			
Retained deficit and other reserves	*(149)*	*10*	*(139)*
Total Liabilities	**1,678**	**(10)**	**1,668**
Of which			
Pension and other post-employment benefit obligations	*621*	*(10)*	*611*
Total equity and liabilities	**1,631**		**1,631**

As of December 31, 2012, the €10 million equity impact reflects the immediate recognition of unvested past service costs.

	At December 31, 2011 Reported	Change in accounting principle for pension and other long-term benefit obligations	At December 31, 2011 Restated
		(in millions of Euros)	
Total Assets	**1,612**		**1,612**
Equity	**(113)**		**(113)**
Of which			
Retained deficit and other reserves	*(213)*		*(213)*
Total Liabilities	**1,725**		**1,725**
Of which			
Pension and other post-employment benefit obligations	*578*		*578*
Total equity and liabilities	**1,612**		**1,612**

Restatement of the Consolidated Statement of Changes in Equity

	Share premium	Remeasure-ment	Foreign currency translation reserve	Other reserves	Retained losses	Total Group share	Non-controlling interests	Total equity
				(in millions of Euros)				
As at December 31, 2011 Reported	**98**	**(26)**	**(14)**	**2**	**(175)**	**(115)**	**2**	**(113)**
Change in accounting principle pension and other long-term benefit obligations		4			(4)			
As at December 31, 2011 Restated	**98**	**(22)**	**(14)**	**2**	**(179)**	**(115)**	**2**	**(113)**
As at December 31, 2012 Reported	**98**	**(94)**	**(13)**	**1**	**(43)**	**(51)**	**4**	**(47)**
Change in accounting principle pension and other long-term benefit obligations		8	(1)		3	10		10
As at December 31, 2012 Restated	**98**	**(86)**	**(14)**	**1**	**(40)**	**(41)**	**4**	**(37)**

NOTE 33 SUBSEQUENT EVENTS

On February 5, 2014, and on March 5, 2014, Constellium N.V. announced that an affiliate of Apollo Global Management, LLC has agreed to sell respectively 25,000,000 and 12,561,475 Class A ordinary shares of the Company in an underwritten offering. The Company will not sell any share in the offering and will not receive any proceeds from the offering.

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The information in this offering memorandum is current only as of the date on its cover page, and may change after that date. For any time after the cover date of this offering memorandum, we do not represent that our affairs are the same as described or that the information in this offering memorandum is correct nor do we imply those things by delivering this offering memorandum or selling Notes to you.

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Constellium N.V.

OFFERING MEMORANDUM

$400,000,000
5.750% Senior Notes due 2024

€300,000,000
4.625% Senior Notes due 2021

Joint Bookrunners

Deutsche Bank Securities

BNP PARIBAS

Goldman, Sachs & Co.

HSBC

Morgan Stanley

NATIXIS

SOCIETE GENERALE

July 8, 2014