

July 29, 2011

SALES (SECOND QUARTER 2011)

**STRONG SALES GROWTH IN THE SECOND QUARTER,
SUPPORTED BY THE LEAD BUSINESS SEGMENT**

- **Metals prices**

The average lead and zinc prices were as follows:

	1st half 2010	1st half 2011	Change
Lead (€ / tonne)	1,565	1,841	+18%
Zinc (€ / tonne)	1,619	1,660	+3%

- **Consolidated sales (excl. VAT) - unaudited**

Consolidated sales per business segment for the Recylex Group were as follows:

<i>in thousands of euros</i>	2011		
	1st quarter	2nd quarter	TOTAL end-June
Lead	89,136	93,029	182,165
Zinc	23,702	20,188	43,890
Special metals	7,184	8,457	15,641
Plastics	3,411	3,668	7,079
Total sales	123,433	125,342	248,775

<i>in thousands of euros</i>	2010		
	1st quarter	2nd quarter	TOTAL end-June
Lead	69,725	62,586	132,311
Zinc	20,860	22,783	43,643
Special metals	5,944	6,676	12,620
Plastics	2,093	2,934	5,027
Total sales	98,622	94,979	193,601

- *Lead*

The 49% increase in sales for the Lead business in the second quarter of 2011 relative to the second quarter of 2010 was partly attributable to a 16% rise in lead prices in euros, as well as growth in sales volumes, particularly of silver - a by-product from the Nordenham plant - coupled with the increase in silver prices over the same period.

- *Zinc*

The 11% fall in sales for the Zinc business during the second quarter of 2011 compared to the same period of the previous financial year was mainly as a result of a decline in Waelz oxide sales in Germany due to the planned maintenance of the Harz-Metall GmbH subsidiary in May 2011. In addition, zinc prices expressed in euros decreased by 1% over the period. Besides, Zinc oxide sales dropped by 8% during the second quarter of 2011 relative to the second quarter of 2010. The level of sales in the second half of 2011 nevertheless remained comparable to that of the second half of 2010.

- *Special metals*

The 27% increase in sales for the Special Metals business in the second quarter of 2011 relative to the second quarter of 2010 was partly due to the sharp rise in germanium prices, coupled with a slight increase in sales volumes of this product. In addition, sales of high purity arsenic rose sharply in the second quarter of 2011 compared to the same period of the previous financial year, on the back of greater demand from producers of integrated circuits. Lastly, sales of other metals - with the exception of cadmium telluride - increased by 26% over the same period.

- *Plastics*

The 25% increase in sales for the plastics business in the second quarter of 2011 compared to the same period of the previous financial year was mainly as a result of the rise in polypropylene prices, as well as continuing business recovery primarily in Germany.

- **Parent company sales (unaudited):**

The parent company generated total sales of €51.5 million in the first half of 2011. Of this, €50.9 million came from the lead business and €0.6 million from services provided to Group companies. During the first half of last year, the parent company's total sales came to € 43 million, of which €42.4 million came from the lead business and €0.6 million from services provided to Group companies.

- **Legal proceedings in progress concerning Metaleurop Nord SAS**

- *Former employees of Metaleurop Nord SAS*

- In connection with the appeal against the decisions made on June 27, 2008 by the Industry section of the Lens labour tribunal, on December 18, 2009 the Douai Appeal Court:
 - (i) rejected the claims of 22 protected former employees, who decided to appeal these decisions in the *Cour de Cassation*. The decision from the *Cour de Cassation* is expected on September 28, 2011;
 - (ii) granted to 460 non-managerial former employees damages totalling around €12.4 million, which was added to the liabilities payable under Recylex SA's continuation plan. On February 9, 2010, Recylex SA decided to appeal these decisions in the *Cour de Cassation*. The decision from the *Cour de Cassation* is expected on September 28, 2011;
 - (iii) adjourned 11 cases to a later hearing. On December 17, 2010, the Douai Appeal Court granted eight former non-managerial employees compensation of a total of €240,800, added to the liabilities payable under the continuation plan of Recylex SA, which decided to appeal these decisions. The cases of three former employees will be examined by the Douai Appeal Court on September 28, 2011.

- In connection with the claims filed by former managerial employees of Metaleurop Nord SAS, the Douai Appeal Court on December 17, 2010:
 - (i) rejected the claims of six protected former employees, who decided to appeal these decisions in the *Cour de Cassation*;
 - (ii) granted to 84 former managerial employees damages totalling around €3.6 million, which was added to the liabilities payable under the continuation plan of Recylex SA, which decided to appeal to the *Cour de Cassation*;
 - (iii) adjourned one case until a hearing on September 28, 2011.

- Concerning the additional claims for damages filed in December 2010 by 137 non-managerial and 55 managerial former employees of Metaleurop Nord SAS who were not party to the proceedings initiated in 2006, each former employee is claiming damages of between €30,000 and €50,000 plus €300 in costs, representing a total amount of around €9.96 million. The Company made a provision for the entirety of these claims in its financial statements at December 31, 2010 and intends to contest both the admissibility and grounds of the claims. The next hearings before the Industry and Management sections of the Lens labour tribunal are scheduled for September 20, 2011.
 - *Claim for the payment of liabilities brought by the liquidators of Metaleurop Nord SAS*

In connection with the action to secure payment of liabilities brought by the liquidators of Metaleurop Nord SAS that was dismissed at first instance, the Douai Appeal Court issued a stay of proceedings on November 18, 2008 and invited the parties to bring the matter before the *Conseil d'État* for a judgement on a point of law. In its decision of May 20, 2011, the *Conseil d'État* ruled that the exception of illegality raised by Recylex SA before the Douai Appeal Court was unfounded and consequently rejected its request for an assessment of legality of the said regulatory provision.

The case has been referred to a hearing before the Douai Appeal Court on September 23, 2011. At this date, Metaleurop Nord SAS's liquidators will be able to submit new briefs to which Recylex SA will be able to respond up to the closing date of the preliminary phase of the proceedings, which will be set at a later date by the Appeal Court.

- **Financial communication schedule**

- *2011 Interim Financial Report* *August, 31 2011 (before market opening)*

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