

February 13, 2012

DECLINE IN SALES IN THE FOURTH QUARTER OF 2011 DUE TO METALS PRICES DECREASE

- **Metals prices**

Lead and zinc prices fell substantially in the fourth quarter of 2011, and were much lower than in the year-earlier period.

Although the average lead price in 2011 was higher than the 2010 figure, the average zinc price was lower than in 2010. Metals prices were also highly volatile in 2011, and lead prices in particular.

Average (€ / tonne)	2011				
	1st quarter	2nd quarter	3rd quarter	4th quarter	Full-year
Lead price	1,905	1,779	1,742	1,472	1,722
Zinc price	1,750	1,568	1,575	1,408	1,574

Average (€ / tonne)	2010				
	1st quarter	2nd quarter	3rd quarter	4th quarter	Full-year
Lead price	1,604	1,528	1,573	1,759	1,615
Zinc price	1,653	1,587	1,556	1,702	1,624

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

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

In millions of euros	Total sales over a 12-month period		
	at end-December 2011	at end-December 2010	Variation
Lead	332.3	282.0	+18%
Zinc	83.8	86.1	-3%
Special Metals	29.2	26.0	+12%
Plastics	12.3	9.5	+30%
Total sales	457.6	403.6	+13%

In millions of euros	Total sales 4th Quarter		
	2011	2010	Variation
Lead	59.0	80.2	-26%
Zinc	17.8	21.7	-18%
Special Metals	6.5	7.4	-12%
Plastics	2.6	2.2	+17%
Total sales	85.9	111.5	-23%

- *Lead*

The Lead segment's 26% year-on-year fall in sales in the fourth quarter resulted from a 16% decline in the lead price in euro terms, together with a 19% drop in lead sales volumes.

The fall in volumes was due in particular to the scheduled maintenance shutdown of Recylex's main smelter in Germany in the fourth quarter of 2011, which was longer than the shutdown of the same smelter as a result of the incident in the fourth quarter of 2010.

In full-year 2011, however, sales in the Lead segment were 18% higher than in 2010. This was partly due to substantially higher sales volumes of silver - a by-product made by Weser-Metall GmbH's plant in Nordenham - along with an increase in silver prices during the period. Growth was also supported by a 7% increase in lead prices in euro terms in full-year 2011.

However, used battery prices continued to rise in 2011 as a result of very strong demand from the recycling sector. These higher input prices put substantial downward pressure on lead margins.

- *Zinc*

The Zinc segment's 18% year-on-year fall in sales in the fourth quarter resulted mainly from a 17% decline in the zinc price in euro terms over the same period.

In the Waelz oxides business, sales volumes rose by 5% year-on-year in the fourth quarter of 2011. Zinc oxide sales (Norzinco GmbH) fell by 17% in the same period due to a downturn in demand, mainly in the tyre industry.

Full-year 2011 sales of Waelz oxides were 3% higher than in 2010. However, sales of zinc oxides were down 6% over the full year.

The Zinc segment's total sales fell by 3% in 2011. The average zinc price was also down 3% during the year.

- *Special Metals*

Sales in the Special Metals segment fell by 12% year-on-year in the fourth quarter of 2011, mainly because of lower sales volumes of high-purity arsenic. The sharp rise in germanium prices in the fourth quarter offset a substantial decline in germanium sales volumes.

In 2011 as a whole, the Special Metals segment posted sales growth of 12% relative to 2010, driven by higher germanium selling prices and higher arsenic sales volumes resulting from growth in client industries like mobile telephony and opto-electronic components (LEDs).

- *Plastics*

Sales in the Plastics segment rose by 17% year-on-year in the fourth quarter of 2011, mainly because of higher polypropylene prices, along with the ongoing upturn in business levels in Germany.

In 2011 as a whole, the segment achieved sales growth of 30%, driven by higher sales volumes in Germany and a broader client portfolio in France.

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

Parent-company sales totalled €89.2 million in full-year 2011, including €87.9 million in respect of the Lead segment and €1.3 million in respect of services to group companies. In 2010, parent-company sales amounted to €74.3 million, including €73.1 million in respect of the Lead segment and €1.2 million in respect of services to group companies.

- **Legal proceedings in progress**

As regards the claim by the liquidators of Metaleurop Nord SAS for the repayment of liabilities, which was rejected at first instance and for which an appeal is pending, the Douai Appeal Court ended the case preparation phase on 25 January 2012 and set a hearing (oral pleadings) for 12 April 2012.

- **Financial communication schedule**

- 2011 Earnings March 22, 2012
2011 Annual Financial Report

Press/Investor relations contacts:

Euro RSCG C&O

Marie Frocrain: +33 (0)1 58 47 86 64

Aurélie Jolion: +33 (0)1 58 47 92 42

