

2012 INTERIM RESULTS

Improvement in industrial performance Results affected by a difficult environment

Suresnes, August 31, 2012: The Recylex group (NYSE Euronext Paris: FR0000120388 - RX) publishes today its 2012 interim financial results.

Key figures of consolidated profit and loss account:

<i>(in millions of euros)</i>	Six months to June 30, 2012	Six months to June 30, 2011
Consolidated sales	232.4	248.8
EBITDA¹ (IFRS)	4.7	18.7
EBITDA¹ (LIFO²)	7.1	10.5
Operating income before non-recurring items (IFRS)	(0.4)	12.7
Operating income before non-recurring items (LIFO²)	1.7	5.3
Consolidated net income (IFRS)	(1.6)	6.3

<i>(in millions of euros)</i>	At June 30, 2012	At December 31, 2011
Net cash and cash equivalents³	26.5	41.5

¹ Operating income before non-recurring items, depreciation, amortization, provisions and impairment losses.

² To assess the performance of its Lead operating segment, in its internal reporting the Group uses the LIFO (last in first out) method, which is not permitted under IFRS, to measure inventories for its main smelter in Germany (Nordenham). The effects of adjusting these inventories using the LIFO method are shown in Note 4 to the condensed consolidated interim financial statements.

³ Cash net of bank overdrafts

Yves Roche, Chairman and Chief Executive Officer of the Recylex group, commented:

"The Group's results reflect contrasting trends in our four business segments during the first half of 2012. Metal prices fell during the period and the market for recycling materials was highly competitive. Scrap battery prices therefore remained high and failed to fall as quickly as lead prices. Against this backdrop, the Group's industrial performance and sales remained robust. The ongoing improvements made to our industrial facilities helped to partly offset these unfavorable conditions, which have put strong pressure on margins. Recylex also finalized its strategic review of the Special Metals business. Given market conditions and the new strategy determined internally, the Group has decided to develop this business segment towards recycling. In the second half of 2012, Recylex will continue to focus on improving its industrial performance."

1. Market conditions in the first half of 2012

Lead and zinc prices fluctuated sharply during the first half, with a downward trend across the period.

Average lead and zinc prices over the first half were as follows:

Average (in euros per tonne)	1 st half 2012	1 st half 2011	Change (%)	2011
Lead price	1,568	1,841	-15%	1,722
Zinc price	1,524	1,660	-8%	1,574

Lead prices fell very sharply in June 2012 and averaged €1,479 a tonne for the month.

2. Results by segment (excluding holding companies and environmental services) at June 30, 2012

Consolidated sales for the first half of 2012 amounted to €232.4 million versus €248.8 in the year-earlier period.

The Lead business benefited from improved efficiency and productivity at the main Nordenham smelter in Germany. This only partly offset the sharp deterioration in margins caused by high scrap battery prices, which failed to fall as quickly as lead prices.

The Zinc business delivered improved profitability despite a sharp fall in zinc prices during the period.

The Special Metals business broke even at operating level in a climate of weakening demand. The Plastics business delivered a positive performance at operating level, stable compared with the previous year despite the market slowdown.

Against this backdrop, the Group reported an Operating Loss Before Non-recurring Items¹ (IFRS) of €0.4 million compared with a profit of €12.7 million for the same period of 2011. On a LIFO basis, the Group's Operating Income Before Non-recurring Items came to €1.7 million compared with €5.3 million in first-half 2011.

The consolidated net loss amounted to €1.6 million versus a net profit of €6.3 million in first-half 2011.

Net cash and cash equivalents fell to €26.5 million in the six months from December 31, 2011 to June 30, 2012 due to loan repayments of about €5 million in Germany and a sharp increase in the working capital requirement relating mainly to increased activity at the main smelter in Germany during the period.

Nevertheless, Group cash flow before net interest and tax expense remained positive at €2.8 million during the first-half 2012.

¹ The Group's Operating Income/Loss Before Non-recurring Items is the aggregate of each segment's operating income/loss before non-recurring items, adjusted for intragroup eliminations and holding group costs (€2.2 million in first-half 2012, unchanged from the year-earlier period).

▪ **Lead**

<i>(in millions of euros)</i>	Six months to June 30, 2012	Six months to June 30, 2011
Consolidated sales	174.8	182.2
Operating income before non-recurring items (IFRS)	(2.0)	9.9
Operating income before non-recurring items (LIFO)	0.1	2.5

In the Lead business, the Group's plants processed about the same volume of used batteries in the first half of 2012 as in the year-earlier period (76,275 tonnes in the first-half of 2012 vs. 77,411 tonnes).

Due to strong competition between recycling companies, scrap battery prices remained high and failed to fall as quickly as lead prices during the period. This very tight supply situation put pressure on margins in this segment.

The Nordenham smelter (operated by Weser-Metall GmbH) increased its production to a record level in first-half 2012 compared to the first-half 2011 thanks to improved efficiency and productivity gains made during the period. It produced 71,743 tonnes of lead versus 63,796 in first-half 2011.

No major maintenance shutdown is planned for the Nordenham smelter in 2012.

The decline in sales was therefore contained to 4% despite the 15% fall of the average of the lead prices in first-half 2012 compared with first-half 2011.

The good industrial performance at the Nordenham smelter only partly offset the decline in margins on used battery processing and the fall in lead prices. Operating income before non-recurring items of this segment at June 30, 2012 was down sharply compared with first-half 2011.

▪ **Zinc**

<i>(in millions of euros)</i>	Six months to June 30, 2012	Six months to June 30, 2011
Consolidated sales	40.4	43.9
Operating income before non-recurring items (IFRS)	3.2	2.9

Zinc prices fell sharply by 8% during the first half 2012. In this climate, there were contrasting trends in the Zinc business depending on the segment:

- The zinc scrap recycling business (zinc oxides production - Norzinco GmbH) suffered a slowdown in demand, especially in the automobile and chemicals sectors. Sales therefore dropped by 18% compared with first-half 2011.
- In the Waelz oxides business, sales rose by 11% thanks to improvements enabling the production facilities of Harz-Metall GmbH in Germany to obtain more zinc from the materials processed, coupled with better commercial terms. Recytech SA, which is 50%-owned by Recylex, carried out its scheduled six-week shutdown in May and June 2012 with a major refurbishment of its kiln.

Consequently, sales in the Zinc business fell by 8% compared with first-half 2011, although operating income before non-recurring items of this segment improved during the first-half 2012 compared to first-half 2011 due to productivity gains and increased profitability in the Waelz oxides segment.

▪ **Special Metals**

<i>(in millions of euros)</i>	Six months to June 30, 2012	Six months to June 30, 2011
Consolidated sales	10.5	15.6
Operating income before non-recurring items (IFRS)	0	1.4

Sales in the Special Metals segment fell by a sharp 33% in first-half 2012 from a high baseline in the year-earlier period. The decrease was driven by a sharp decline in demand in the high-purity arsenic and germanium markets.

Against this backdrop, profitability also decreased in first-half 2012 compared with first-half 2011 although this business broke even in terms of operating income before non-recurring items.

Following the strategic review of the Special Metals segment, the Recylex Group has decided to focus this segment on recycling in the current market conditions and will seek new operating and commercial synergies with the other segments of the Group.

▪ **Plastics**

<i>(in millions of euros)</i>	Six months to June 30, 2012	Six months to June 30, 2011
Consolidated sales	6.7	7.1
Operating income before non-recurring items (IFRS)	0.6	0.7

Sales in the Plastics segment fell by 6% in first-half 2012 compared with first-half 2011, driven by falling polypropylene prices, which are indexed to decreasing oil prices. In terms of volumes, activity remained stable in France in a declining market, thanks to the loyalty of C2P customers and success in winning new customers. In Germany, the Group suffered a fall in volumes.

In this difficult environment, the Plastics business delivered a good performance, with operating income before non-recurring items in first-half 2012 similar to the first half of 2011.

3. Ongoing litigation involving Metaleurop Nord SAS*

As regards the new claims for damages made in 2010 by 192 former managerial and non-managerial employees of Metaleurop Nord SAS, the Lens labor tribunal is due to deliberate on October 16, 2012. The total amount of these claims – approximately €9.9 million – has been provided for in full in the Company's financial statements.

As regards Recylex's appeals against the rulings delivered by the Douai Appeal Court on December 17, 2010 regarding 84 former managerial employees and 8 non-managerial employees of Metaleurop Nord, the *Cour de Cassation* is due to deliberate on September 12, 2012.

The Douai Appeal Court has adjourned its deliberation on the liquidators' €50 million claim for the repayment of Metaleurop Nord SAS liabilities, which was rejected by the lower court, until Wednesday, September 19, 2012.

This claim has not been included in the continuation plan and has not been provided for in the Company's financial statements given the favorable ruling delivered in the first instance by the Béthune Regional Court. Should the final outcome of these proceedings go against Recylex SA, execution of the continuation plan could be jeopardized.

* A summary of developments in the legal proceedings against Recylex SA can be found on the Recylex Group's website (www.recylex.fr – News – Legal Proceedings Schedule).

