

2012 FINANCIAL RESULTS

Growth in sales and improved industrial performance
Positive EBIT and cash flow from operations before non-recurring items
Debt reduction
Net result impacted by non-recurring items

Suresnes, March 21, 2013: the Recylex Group (NYSE Euronext Paris: FR0000120388 - RX) today published its financial results for 2012.

Consolidated key figures:

<i>(in millions of euros)</i>	At December 31, 2012	At December 31, 2011 ⁴
Sales	471.1	457.6
EBITDA¹ (LIFO²)	19.6	19.2
EBITDA¹ (IFRS)	16.0	20.5
Operating income before non-recurring items (LIFO²)	9.7	8.4
Operating income before non-recurring items (IFRS)	7.9	7.6
Net income (IFRS)	(6.6)	0.1

<i>(in millions of euros)</i>	At December 31, 2012	At December 31, 2011 ⁴
Cash net of bank overdraft facilities	29.8	41.5
Cash-flow from operating activities before tax	19.9	7.3
Financial debts	1.9	7.4
Liabilities under the continuation plan³	17.4	22.0

¹Earnings before interest, taxes, depreciation and amortization.

² Notes 15 and 19 of the consolidated financial statements set out the effects of restating inventories under the "last in, first out" (or LIFO) method at the main smelter at Nordenham in Germany, in order to assess the performance of the Lead business segment.

³After elimination of intra-group debts.

⁴ Financial data restated to take account of the advanced adoption of IAS 19 as presented in Notes 2 and 15 of the consolidated financial statements.

Recylex Group CEO Yves Roche made the following observations:

"The Group's positive operating income reflects the significant improvement in our industrial performance in 2012. Despite the fall in metal prices and the continued high prices for materials to be recycled, which hit our margins, the investments in our industrial assets and the efforts of our staff paid off. All segments, apart from Special Metals, generated an operating profit before non-recurring items. The Group also reduced its financial debt. In 2013, Recylex will continue to focus on improving its industrial performance and profitability, as well as on its commercial development."

Recylex - 6, place de la Madeleine - F-75008 Paris

Siège administratif: 79, rue Jean-Jacques Rousseau - F-92158 Suresnes Cedex

P : +33 1 58 47 04 70 - Fax : +33 1 58 47 02 45 - www.recylex.fr

1. Metal prices in the year to December 31, 2012

Despite a rising trend in the fourth quarter, 2012 saw a fall in the prices of lead and zinc, from a high average market price value in 2011.

Average prices for the year were as follows:

<i>(in euros per tonne)</i>	At December 31, 2012	At December 31, 2011	Change (%)
Lead price	1,603	1,722	-7%
Zinc price	1,514	1,574	-4%

2. Consolidated financial statements at December 31, 2012

Consolidated sales were €471.1 million in 2012, a 3% increase on 2011, against a background of lower metal prices and a lack of industrial recovery in Europe. This solid improvement came primarily from:

- The strong increase in volumes in the Lead segment, and a favorable basis of comparison in the fourth quarter of 2012 compared to the fourth quarter of 2011 (no maintenance shut-down at Nordenham in 2012);
- Improved industrial performances in the Lead and Zinc segments;
- Higher sales in the Plastics segment.

Operating income before non-recurring items⁵ under IFRS rose by 3%, to reach €7.9 million, thanks in particular to a good second half of 2012 compared to the first half of the year. Operating income before non-recurring items on a LIFO basis (not recognised under IFRS) was €9.7 million in 2012, from €8.4 million⁴ in 2011, an increase of 16%.

This increase in operating profitability came mainly from:

- Improved performance and availability of the Nordenham's smelter in Germany, the strong increase in production and sales of the Lead segment;
- Improved zinc recovering from electric arc furnace dust processed by the Harz-Metall GmbH subsidiary in Germany and thus an improvement in commercial conditions;
- An increase in sales and improvement in commercial conditions in the Plastics segment.

Operating income before non-recurring items was negatively affected by the following factors:

- An increase in the price of scrap batteries over in 2012 compared to 2011;
- A fall in production and sales volumes for zinc oxides;
- A fall in sales in the Special Metals segment.

Apart from Special Metals, all segments of the Recylex Group generated an operating profit before non-recurring items.

⁵ Operating income before non-recurring items is the sum of operating income before non-recurring items in each segment less holding company costs of €4.0 million in 2012 (stable on 2011).

There was a net loss for the year 2012 of €6.6 million, compared to net income of €0.1 million⁴ in 2011. The reasons for this loss are: Other Operating Expense for €6.5 million, net financial expense of €5.4 million and a tax charge of €2.6 million.

These charges included several non-recurring items:

- Environmental provisions of €3.9 million, notably relating to additional obligations under the rehabilitation program for mining sites and adjustments to the program following the works ramp up at the l'Estaque site;
- Costs and additions to provisions of €1.3 million relating to the rehabilitation of brownfield industrial facilities belonging to Harz-Metall GmbH in Germany;
- A provision of €1.5 million against payments under the clawback clause of the continuation plan;
- A financial charge of €2.2 million relating to the discounting of liabilities under the continuation plan and provisions for risks.

The Group's net cash (net of bank overdrafts) stood at €29.8 million at December 31, 2012, compared to €26.5 million at June 30, 2012 and €41.5 million at December 31, 2011. This reduction was the result of the investments made during 2012, repayment of borrowings by German subsidiaries, planned expenditure on rehabilitation of mining sites and old industrial sites and the seventh payment under the continuation plan.

However, cash flow from operating activities before non-recurring items and tax rose strongly, reaching €19.9 million for the year to December 31, 2012, from €7.3 million in the year to December 31, 2011.

3. Results by business sector (excluding holding company) at December 31, 2012

- **Lead**

<i>(in millions of euros)</i>	At December 31, 2012	At December 31, 2011
Sales	353.5	332.3
Operating income before non-recurring items (LIFO)	5.2	1.7
Operating income before non-recurring items (IFRS)	3.3	0.9

In the Lead segment, the scrap battery processing plants saw a slight increase in the volume of batteries recycled, which rose 5% in 2012, to 156,000 tonnes, from around 149,000 tonnes in 2011. The Group was therefore able to continue its commercial development, but the prices paid for scrap batteries remained high due to strong demand from the recycling sector. This particularly strained supply situation continued to weigh on margins.

The Nordenham smelter, operated by Weser-Metall GmbH, reached record production levels (more than 142,000 tonnes) thanks to optimisation measures that have improved the yield of the smelter. The Group therefore produced more than 152,000 of refined lead in 2012, an increase of more than 20% on the 126,000 tonnes produced in 2011. There was no major maintenance shut-down during 2012, which created a favorable basis of comparison with 2011 (3-week shut-down in fourth quarter of 2011).

For these reasons, and despite a 7% fall in the lead price over 2011, sales in this business segment rose by 6%.

Operating income before non-recurring items for the segment was €3.3 million, from €0.9 million in 2011. Pressure on margins in scrap battery recycling and the fall in the lead price were more than offset by the improved industrial performance of the Nordenham smelter combined with the absence of maintenance shut-downs in 2012.

- **Zinc**

<i>(in millions of euros)</i>	At December 31, 2012	At December 31, 2011
Sales	81.5	83.8
Operating income before non-recurring items	8.5	7.0

Against the background of a lower price for zinc than in 2011 (4% lower), the performance in the Zinc segment varied from one business to the next:

- The scrap zinc recycling business (zinc oxide production at the Norzinco GmbH plant in Germany) saw weaker demand, particularly in the tires, automotive and chemicals industries. Sales were therefore down by 10% compared to 2011, and this segment recorded an operating loss.
- In Waelz oxides, the investment at the Harz-Metall GmbH plant in Germany, which allowed improved zinc recovering from the materials processed, and an improvement in commercial conditions, allowed an 8% increase in sales and very strong growth in operating income before non-recurring items.
The Recytech SA plant, which is 50%-owned by Recylex, had a six-week scheduled maintenance shut-down in the first half of 2012, to renew nearly one third of its furnace.

For these reasons, sales in the Zinc segment saw a limited decline of 3% compared to 2011, whilst operating income before non-recurring items rose strongly, by 21% to €8.5 million, in 2012 due to improved productivity and profitability in the Waelz oxides business.

- **Special Metals**

<i>(in millions of euros)</i>	At December 31, 2012	At December 31, 2011
Consolidated sales	23.1	29.2
Operating income before non-recurring items	(1.2)	2.7

Given destocking and lower demand for raw materials in the semiconductors sector as well as the significant difficulties faced by the photo-voltaic industry in Europe, sales at the Special Metals segment fell by 21% compared to 2011.

Under these circumstances, the Special Metals segment posted an operating loss before non-recurring items of €1.2 million in 2012.

- **Plastics**

<i>(in millions of euros)</i>	At December 31, 2012	At December 31, 2011
Consolidated sales	13.0	12.3
Operating income before non-recurring items	1.1	0.9

Against a background of difficult economic conditions, particularly in the automotive industry, sales in the Plastics segment rose by 6% in 2012.

This business segment saw a mixed pattern from one country to the next.

- C2P-France benefited from higher sales volumes thanks to the commercial measures taken since early 2012 (new clients in the automotive sector) and from improvements in the product offering (higher added value products), which allowed an increase in average sales prices.
- C2P GmbH saw a fall in business levels in 2012, with the improvement in commercial conditions not fully offsetting the drop in volumes sold.

Under these circumstances, the Plastics segment recorded a strong performance, with operating income before non-recurring items up 22% to €1.1 million.

4. Impact on the balance sheet and gearing of the early adoption of revisions to IAS 19

The amendments to IAS 19 “Employee Benefits” relating to defined contribution plans as adopted by the European Union in 2012 and applicable to financial years starting from January 1, 2013, were adopted in advance by the Group.

Amongst other things, these revisions brought to an end the recognition of actuarial gains and losses through the ‘corridor approach’ as used by the Group up to December 31, 2011.

The impact of this change on the Group’s consolidated balance sheet is an increase in provisions for post-employment benefits through a reduction in shareholders’ equity. The total negative impact on shareholders’ equity, net of tax, was €7.9 million.

This action automatically impacted the group’s net debt to equity ratio (gearing), but did not affect the sustainability of borrowings. At December 31, 2012, the Group’s gearing (including the continuation plan and provisions) was 89%, compared to 71% at December 31, 2011 on restated figures (and 60% on published figures).

5. Ongoing litigation relating to Metaleurop Nord SAS*

- ***Action for the repayment of liabilities***

On September 19, 2012, the Douai Appeal Court upheld the ruling of February 27, 2007 by the Bethune Regional Court which rejected the claim by the liquidators of Metaleurop Nord SAS for repayment of liabilities of up to €50 million, on the grounds that Recylex SA was not the de facto manager of Metaleurop Nord SAS. On November 22, 2012, the liquidators of Metaleurop Nord decided to appeal against this decision to the *Cour de Cassation*.

- ***Former employees of Metaleurop Nord SAS***

On September 12, 2012, the *Cour de Cassation* rejected the final appeals submitted by Recylex SA together with the appeals submitted by 6 protected former employees, against the rulings handed down by the Douai Appeal Court on December 17, 2010, thus making these rulings final.

As part of the claims lodged in 2010 by 192 former managerial and non-managerial employees of Metaleurop Nord SAS who were not part to the initial claims lodged in 2005, the Lens labor Court industry section referred the cases of 137 former non-managerial employees to a hearing on Tuesday April 2, 2013. Meanwhile, on January 15, 2013, the Management section of the Lens labor tribunal decided to include damages of €50,000 and costs of €400 for each of the 48 unprotected former managerial employees and €30,000 in damages and €400 in costs for one unprotected former managerial employee in the liabilities of Recylex SA. The Company

appealed against these decisions. However, the tribunal rejected claims from 6 protected former managerial employees.

It should be noted that the damages claimed, for a total of around €9.9 million, have been fully provisioned in the Company's accounts.

** A document summarising developments in legal proceedings against Recylex SA can be found on the Recylex Group website (www.recylex.fr- News - Legal proceedings schedule).*

6. Post-closure events

In February 2013, Recylex SA sold the Rieux site (Oise, France) for €850,000 net of taxes.

7. Outlook for 2013

• *Recent market trends*

At the beginning of 2013, metal prices have remained close to their levels at the end of 2012 but are still volatile.

• *Outlook for 2013 by business segment*

- Lead segment: to date, prices for scrap batteries have remained extremely high. Against this background, to date, the Group processes similar volumes to those in the same period in 2012. The scheduled 3-week maintenance shut-down of the Nordenham smelter will take place during the first quarter of 2013. The Group's objective is to continue to improve its industrial performance and to pursue commercial development in the supply of materials.
- Zinc segment: in the zinc oxides segment, the Group has not so far seen any recovery in the tires sector. Over the course of 2013 the Group will continue its commercial actions to develop sources of supply. The Waelz oxides business is seeing the same level of business at the beginning of 2013 as it did in 2012, and the Group's target for 2013 is to operate its facilities at full capacity. The Harz-Metall GmbH subsidiary in Germany will carry out its scheduled 4-week maintenance shut-down in the first half of 2013.
- Special Metals segment: trends in the Special Metals segment in 2013 will be determined by economic conditions in the semiconductor industry, notably in south-east Asia and Japan. PPM Pure Metals GmbH has continued to develop its gallium recycling business, in line with the strategy adopted in 2012.
- Plastics segment: volumes processed in the Plastics segment at the beginning of 2013 have been similar to those at the end of 2012. During 2013, this segment will focus on improving the performance of industrial facilities and continuing the diversification of the client portfolio.

8. Financial agenda

- Sales for the first quarter of 2013: Thursday May 2, 2013 (after market)

Recycle, Transform, Enhance

With operations in France, Germany and Belgium, Recylex is a European Group specialised in lead and plastic recycling (mainly from automotive and industrial batteries), in zinc recycling (from electric steel plants dust and zinc scrap) and in special metals production notably for the electronics industry.

The Recylex Group has close to 675 employees and generated consolidated sales of €471 million in 2012.

More information on the Recylex Group on: www.recylex.fr

Press / Investor contact:

Gabriel Zeitlin

+ 33 (0)1 58 47 29 89

gabriel.zeitlin@recylex.fr



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