FULL-YEAR 2014 RESULTS

- **Net loss reduced by 40% (€23.9 million) from 2013, including impairment losses of €10.5 million in the Lead and Special Metals segments recognized in 2014**

- **Group operating loss before non-recurring items of €13.3 million, reduced by €21 million from 2013**

- **Further improvement in the Lead segment's operating performance in the second half of 2014**

- **Sharp increase in the Zinc segment's operating income before non-recurring items due to the rise in zinc prices**

- **Cash flow from operating activities before taxes back in positive territory at €3.8 million**

- **Loan facility arranged by Recylex SA primarily to complete its continuation plan, payment of plan's penultimate installment made successfully**

- **Priorities for 2015: continue the search for additional financing of the working capital requirement to address the Group's current cash constraints and continue further industrial efforts to restore the Lead segment's profitability**

Suresnes, March 26, 2015: the Recylex Group (Euronext Paris: FR0000120388 - RX) today published its financial results for 2014, as approved by the Board of Directors on March 26, 2015.

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

"In 2014, the Group's industrial performance improved substantially, notably with increasing productivity at the lead smelter. The Zinc segment benefited from the strong increase in zinc prices. The Plastics segment maintained its sales growth, while the Special Metals segment's losses narrowed significantly. Although the Lead segment failed to break even despite a recovery in its margins, teams' efforts continue and we are still working on the feasibility study of our industrial plan aiming at improving the profitability of the Nordenham smelter. In addition, having secured financing to complete our continuation plan, we are resolutely focused on the search for financing to cover the working capital requirement for the German business. Against this backdrop and given the decrease in commodity prices in recent months, the Group plans to reduce its ongoing investments to the minimum."

1. Consolidated key figures (audited figures)

(€ million)	Year to December 31, 2014	Year to December 31, 2013[4]	Change
Sales	**421.5**	**424.8**	**-3.3**
EBITDA[1] (IFRS)	**(5.6)**	**(23.5)**	**+17.9**
EBITDA[1] restated[2]	**8.2**	**(13.6)**	**+21,8**
Operating income before non-recurring items (IFRS)	**(13.3)**	**(34.4)**	**+21.1**
Restated operating income before non-recurring items[2]	**(1.7)**	**(24.5)**	**+22.8**
Net income (IFRS)	**(23.9)**	**(39.6)**	**+15.7**

(€ million)	At December 31, 2014	At December 31, 2013[4]	Change
Net cash[3]	**(3.7)**	**5.3**	-9.0
Net debt[5]	**29.6**	**23.0**	+6.6
***o/w* Rescheduled liabilities[6]**	**9.4**	**13.6**	-4.2

[1] Operating income before non-recurring items and before additions to and reversals from amortization, depreciation, provisions and impairment losses (non-IFRS indicator)

[2] Indicators tracked internally including the accounting of Lead segment inventories using the LIFO method and accounting for Recytech SA (a 50%-owned subsidiary) using proportional consolidation in the Zinc segment / These methods are not permitted under IFRS, see Note 19 to the consolidated financial statements

[3] Net of bank overdraft facilities

[4] 2013 IFRS data restated for companies using the proportionate consolidation method in line with IFRS 10 and IFRS 11

[5] Non current current + current financial debt + leasing debt + rescheduled liabilities - Cash

[6] Recylex SA's financial liabilities (excluding intra-group debts) under the continuation plan and liabilities deferred until 2019

2. Consolidated income statement for the year ended December 31, 2014

Consolidated sales during the 2014 financial year came to €421.5 million, largely in line with 2013 (down 1%).

Under IFRS, the Group posted a 2014 operating loss before non-recurring items of €13.3 million in 2014, compared with a loss of €34.4 million in 2013. The key contributory factors were the operating loss recorded by the Lead segment, offset to some extent by the Zinc segment's improved operating performance.
The restated operating income before non-recurring items[2], an indicator tracked by the Group in its internal reporting, showed a loss of €1.7 million, an improvement of €22.8 million on the 2013 loss of €24.5 million.

The net loss for 2014 came to €23.9 million, an improvement on the 2013 loss of €39.6 million, primarily reflecting the following items:

- A 2014 operating loss before non-recurring items of €13.3 million,
- Net other operating expense of €13.6 million, primarily consisting of €10.5 million in asset impairment losses (€8.8 million in the Lead segment and €1.7 million in the Special Metals segment),
- A share in income from equity affiliates of €3.7 million,
- Net financial expense of €1.6 million, mainly reflecting the interest expense and factoring costs arising from the Group's German businesses,
- An income tax credit of €0.8 million.

3. Trends in the Group’s financial position and statement of financial position at December 31, 2014

In 2014, Recylex generated positive cash flow from operating activities before non-recurring items and tax of €3.8 million, a significant improvement compared to the negative cash flow of €7.2 million recorded in 2013.
In addition, the Group’s working capital requirement decreased notably as a consequence of the tolling agreement covering the processing of lead concentrates which was put in place in 2014 by Weser-Metall GmbH. Volumes processed under this agreement are no longer included in the Lead segment’s purchases used or in its sales.

The Group’s net cash position was negative €3.7 million at December 31, 2014, compared with negative €5.5 million at June 30, 2014.
Starting with a net cash position of €5.3 million on December 31, 2013, the Group used €9.0 million predominantly for non-operating purposes, such as €5.1 million in environmental rehabilitation expenses and €4.0 million in repayments of borrowings (including financial charges). Even so, €5.9 million in net investments were financed by the Group’s operating activities, chiefly the positive €3.8 million in cash generated by operating activities before non-recurring items and tax.

Shareholders’ equity totaled €18.0 million at December 31, 2014, compared with €46.4 million at December 31, 2013, representing a decline of €28.4 million. This decline was attributable to the loss for the year and the recognition in equity of €4.7 million in actuarial gains and losses on pension liabilities.

The Group’s net debt rose by €6.6 million to €29.6 million at December 31, 2014, mainly due to the increase in its consumption of cash during 2014, which was offset only partially by debt repayments.
Following payment in November 2014 of the ninth and penultimate installment due under the continuation plan and the 2013 agreement to defer repayment of the outstanding amount of certain debts until 2019, that is after the scheduled end of the continuation plan in 2015, Recylex SA’s (the Group’s parent company) rescheduled liabilities totaled €9.4 million at December 31, 2014 (excluding intra-group debts and before discounting), consisting of:

- €4.3 million repayable in November 2015 under Recylex SA’s continuation plan,
- €5.1 million (excluding intra-group debts) in rescheduled liabilities now repayable in 2019.

4. Results by segment (for the year to December 31, 2014 (excluding holding company)

- ***Lead segment (74% of 2014 sales)***

(€ million)	**Year to December 31, 2014**	**Year to December 31, 2013**	**Change**
Sales	**311.8**	**325.3**	-13.5
Operating income before non-recurring items	**(11.6)**	**(29.2)**	+17.6
Restated operating income before non-recurring items[2]	**(5.8)**	**(23.4)**	+17.6

The Group's battery processing plants treated 136,500 tonnes of batteries in 2014, down on the 2013 volume of 148,200 tonnes essentially due to a more selective procurement policy.
Thanks to a favorable base of comparison for 2014 compared to 2013, given that no major maintenance shutdowns occurred in 2014 (as opposed to one in 2013), the Nordenham smelter in Germany produced 139,300 tonnes of lead in 2014, i.e. 5,500 tonnes more than its 2013 output of 133,800 tonnes (increase of 4%).

Given the ramp-up phase of the tolling agreement during the second half of 2014 and the 2% decline in lead prices in 2014, the segment's sales totaled €311.8 million, down 4% compared with 2013.

Although margins in the segment improved tangibly in 2014, they still fell short of the Group's targets:

- The restated operating loss before non-recurring items[2] came to €5.8 million in 2014, up from a loss of €23.4 million in 2013.
- The IFRS operating loss before non-recurring items stood at €11.6 million in 2014, up from a loss of €29.2 million in 2013.

This €17.6 million strong improvement in the Lead segment's operating performance between 2013 and 2014 was chiefly driven by:

- €6.7 million in expenses arising from the maintenance shutdown at the Nordenham smelter in 2013 and the volume shortfall created by the shutdown, which did not occur in 2014,
- A €4.5 million difference between the valuation of lead sales and the amount at which they were recognized in the consumption costs,
- €3.5 million in cost reductions mainly at the Nordenham smelter,
- Improved margins in 2014 compared to 2013, leading to a positive effect of €2.4 million in 2014.

Despite this clear improvement in its business performance, the Group recognized an €8.8 million impairment loss on the segment's assets as a result of the recurring profitability issues it faces in its current industrial configuration.

- ***Zinc segment (16% of 2014 sales)***

(€ million)	**Year to December 31, 2014**	**Year to December 31, 2013**	**Change**
Sales	**68.1**	**64.2**	+3.9
Restated sales[2]	**83.3**	**77.6**	+5,7
Operating income before non-recurring items	**3.3**	**1.0**	+2.3
Restated operating income before non-recurring items[2]	**9.2**	**5.2**	+4.0

The Group's Waelz oxide production facilities (Harz-Metall GmbH in Germany and 50%-owned Recytech SA in France) processed 170,000 tonnes of electric arc furnace dust, generating 70,650 tonnes of Waelz oxides in 2014, a stable level compared with 2013 (168,500 tonnes processed and 69,800 tonnes of Waelz oxides produced).
The zinc-bearing waste recycling business at Norzinco GmbH's facility in Germany recorded a slight decrease of 2% in zinc oxide production to 24,800 tonnes in 2014, down from 25,200 tonnes in 2013.

Given the favorable backdrop of higher zinc prices in 2014 (up 14%) and a favorable base of comparison (the Harz-Metall GmbH plant underwent one maintenance shutdown in 2013 versus none in 2014), the Zinc segment recorded:

- Restated sales (including a share of 50%-owned Recytech SA's sales) of €83.3 million in 2014, up 7% on the €77.6 million posted in 2013,
- IFRS sales of €68.1 million, up 6% on the €64.2 million recorded in 2013.

For the abovementioned reasons, the segment's restated operating income before non-recurring items[2] came to €9.2 million in 2014, up from €5.2 million in 2013.
IFRS operating income before non-recurring items stood at €3.3 million in 2014, up from €1.0 million in 2013.

- ***Special Metals segment (6% of 2014 sales)***

(€ million)	**Year to December 31, 2014**	**Year to December 31, 2013**	**Change**
Consolidated sales	**23.6**	**19.9**	+3.7
Operating income before non-recurring items	**(1.1)**	**(2.5)**	+1.4

The Special Metals segment's sales rose by 19% in 2014 compared with 2013 to reach €23.6 million, chiefly as a result of higher arsenic and germanium sales in the second half of 2014.

It posted an operating loss before non-recurring items of €1.1 million in 2014, versus a loss of €2.5 million in 2013.

Despite this operating improvement, the profitability was still at unsatisfactory levels. Accordingly, the Group recognized a €1.7 million impairment loss on the segment's assets.

- ***Plastics segment (4% of 2014 sales)***

(€ million)	**Year to December 31, 2014**	**Year to December 31, 2013**	**Change**
Consolidated sales	**18.0**	**15.4**	+2.6
Operating income before non-recurring items	**0.5**	**0.9**	-0.4

The Group's subsidiaries –C2P SAS in France and C2P GmbH in Germany– produced 16,600 tonnes of polypropylene, up nearly 20% on the previous year (13,900 tonnes). This increase in volume reflects the benefit of the investments made to renew an extrusion line in France at the end of 2013.
The segment's sales came to €18.0 million, an increase of 17% on 2013.

The segment's operating income before non-recurring items totaled €0.5 million in 2014 down from €0.9 million in 2013. Despite strong sales growth, the progressive ramp-up in the new extrusion line at C2P France and the additional start-up costs this entailed accounted for the decline.

5. Ongoing legal proceedings concerning Metaleurop Nord SAS and Recylex SA

A document summarizing developments in legal proceedings concerning Recylex SA and Metaleurop Nord SAS can be found on the Recylex Group website : *www.recylex.fr* - *News - Legal proceedings schedule* (*see Note 1 to the consolidated financial statements for 2014*).

The key developments in 2014 were as follows:

- In July and September 2014, the Company received 16 new claims for damages from former protected employees for prejudice arising from cancellation of dismissal authorization and dismissal without fair cause. 12 of them are also claiming damages for prejudice of anxiety and/or disruption to their living conditions. The total amount claimed stands at around €2.4 million (amount not accrued in the accounts).
  The Company intends to vigorously defend its interests against these latest claims.
- On October 17, 2014, the liquidators of Metaleurop Nord SAS summoned Recylex to appear before the Arras Commercial Court with a view to its being ordered to pay a principal amount of around €22 million, plus interest, corresponding to the statutory indemnities paid to the former Metaleurop Nord employees by the AGS salary guarantee fund regime.
  Recylex SA intends to defend itself vigorously against this claim and to protect its interests in these proceedings.

6. Cash position and search for financing

In the fourth quarter of 2014, Recylex SA entered into a loan agreement with Glencore International AG for up to €16 million, intended mainly to cover the final two repayments due under its continuation plan (*see Notes 13 and 32 to the consolidated financial statements for 2014*).

Given the cash used in 2013 and 2014, the Group's cash situation remains very difficult. The Group has therefore continued its financing search in 2014 and is currently in discussion with banks in order to obtain additional credit lines aiming at covering all the working capital requirements of the Group's German subsidiaries (*see Notes 1 and 32 to the consolidated financial statements for the year ended December 31, 2014 stating on the liquidity risks which could call into question the going concern of Recylex SA and its subsidiaries*).

7. Environmental rehabilitations

By December 31, 2014, Recylex had released 18 mining concessions since 2005 out of its original portfolio of 28 mines. At present, another 7 former mines are pending release with the relevant authorities now that the rehabilitation works have been completed. Works have to be finalized at 3 mines.

In addition, rehabilitation work at the L'Estaque old industrial site in Marseille continued in 2014 with the construction and partial filling of the second landfill. The 2014 works amounted at €3.6 million. Recylex SA continues its search for dedicated financing to finalize this rehabilitation work. A request to defer the completion date for the rehabilitation work at this site, currently set at December 31, 2015, will be filed in the first half of 2015 with the relevant authorities.

8. Outlook for 2015

- ***Metal prices and €/$ exchange rate***

Early 2015 brought a strong decline in the price of commodities, such as oil and metals, with lead prices (quoted in US dollars) suffering a substantial fall.
Even so, the strong appreciation in the US dollar against the euro largely helped to offset the impact of this correction. As a result, lead prices stated in euro are standing more or less at their average level for 2014. Zinc prices stated in Euros are currently above their 2014 average.

- ***Lead segment***

According to the International Lead and Zinc Study Group, lead consumption in 2014 slightly exceeded production, turning the global market into deficit. The main industry forecasts project an identical trend in 2015. This is likely to drive up premiums slightly on sales of lead ingots during the year.
Even so, the mild winter that again prevailed in Western Europe has raised the prospect of a short-lived decline in volumes of batteries for recycling, which would maintain strong demand for these materials.
Given the unsatisfactory level of margins in the Lead segment, the Group decided to adopt in 2014 and pursue in 2015 a more selective procurement policy, and to step up its efforts to improve profitability. To enable the segment create value again, the Group is working on the feasibility study of a plan to set up an additional industrial installation at its Nordenham smelter.
The next major maintenance shutdown of the Nordenham smelter is scheduled for the first half of 2015.

- ***Zinc segment***

According to the International Lead and Zinc Study Group, the global zinc market was in moderate deficit in 2013 and 2014 after several years of surplus. This trend is expected to continue for the next two years at least. The leading analysts anticipate an increase in zinc prices in the short to medium term.
Over the course of 2015, the Group will continue its initiatives in zinc oxide production to develop its procurement sources. In Waelz oxide production, the Group will continue to target efficiency improvements.
The next major maintenance shutdown of the Harz-Metall GmbH plant is scheduled for the first half of 2015.

- ***Special Metals segment***

Trends in the Special Metals segment during 2015 will be contingent on the performance of the semiconductors sector, especially in south-east Asia and in Japan, and on the direction of the euro/yen exchange rate.

- ***Plastics segment***

Volumes processed in the Plastics segment at the beginning of 2015 have been similar to those at the end of 2014.
During 2015, this segment will focus on improving the performance of industrial facilities and continuing the diversification of the client portfolio.
Given the steep decline in oil prices (to which polypropylene prices are indexed) early in 2015, the segment's performance in 2015 will depend on its ability to pass on this decrease, primarily by paying lower input costs, so that it can keep its margins at the same level.

9. Financial agenda

- First-quarter 2015 sales: Wednesday, April 29, 2015 (after market closing)
- Shareholders' Meeting: Friday, May 22, 2015 (at 10.00 am)

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Regenerating the urban mine

With operations in France, Germany and Belgium, Recylex is a European group specialized in lead and plastics recycling (mainly from automotive and industrial batteries), zinc recycling (from electric arc furnace dust and zinc scrap) and the production of special metals, primarily for the electronics industry.

A key player in the circular economy with long-standing expertise in urban waste recovery, the Group has close to 680 employees in Europe and generated consolidated sales of €422 million in 2014.

For more information about Recylex Group: www.recylex.fr and on twitter: @Recylex

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