

2015 INTERIM RESULTS

- Third consecutive improvement in half-year EBIT despite scheduled maintenance shutdowns
- Measures pursued in the Lead segment aiming at restoring profitability and optimizing the working capital requirements
- Net income impacted by non-recurring items

Suresnes, August 31, 2015: Recylex SA's Board of Directors (Euronext Paris: FR0000120388 - RX) today approved the consolidated interim financial statements at June 30, 2015.

Consolidated key figures (figures reviewed by the auditors):

(€ million)	Six months to June 30, 2015	Six months to June 30, 2014	Change (in € million)
Sales	198.1	220.5	-22.4
EBITDA ¹ (IFRS)	(2.8)	(5.2)	+2.4
Restated ² EBITDA ¹	4.5	2.5	+2.0
Operating income before non-recurring items (IFRS)	(7.4)	(8.3)	+0.9
Restated ² operating income before non-recurring items	(0.7)	(2.2)	+1.5
Net income (IFRS)	(8.8)	(8.0)	-0.8

(€ million)	At June 30, 2015	At December 31, 2014	Change (in € million)
Cash and cash equivalents	8.3	5.4	+2.9
Net cash ³	(0.1)	(3.7)	+3.6
Total equity	10.2	17.9	-7.7

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

² When assessing the performance of the Lead segment, the Group uses the LIFO ("Last in first out") method in its internal reporting to measure inventories for its main lead smelter in Nordenham, which is not permitted under IFRS. When assessing the performance of the Zinc segment, the Group continues to consolidate its investment in Recytech SA proportionally, which is not permitted under IFRS. See Notes 3 and 5 to the consolidated financial statements at June 30, 2015.

³ Cash net of bank overdraft facilities.

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

"For the third six-month period in a row, the Group's operating performance improved, notably in the Lead segment as a result of the measures taken since last year and in the Zinc segment, which benefited from the strong rise in zinc prices during the first half of 2015. Furthermore, Recylex successfully completed two major maintenance shutdowns at key plants in the Lead and Zinc segments. In the second half of 2015, given the current strong decline in commodity prices, the Group will be focused on its cash, its searches for financing and the project of a new production facility in the Lead segment which aims at enabling the segment's sustainable profitability."

1. Trend in metal prices in the six months to June 30, 2015 (in € per tonne)

Between January 2 and June 30, 2015, lead prices rose by 2.5%, but trends were highly volatile. Zinc prices fell 1.5% over the same period.

In addition, the average lead price during the first half of 2015 was 10% higher than in the first half of 2014. The average zinc price was 28% above its level in the same period of 2014.

Average prices during the first half were as follows:

<i>(€ per tonne)</i>	First-half 2015	First-half 2014	Change (%)
Lead price	1,680	1,533	+10%
Zinc price	1,913	1,497	+28%

2. Consolidated results and key figures at June 30, 2015

Consolidated sales in the first six months of 2015 came to €198.1 million, down 10% compared with the same period of 2014.

In the first half of 2015, consolidated EBITDA under IFRS showed a loss of €2.8 million, a significant improvement on the first-half 2014 loss of €5.2 million.

Over the same period, consolidated restated EBITDA came to €4.5 million in positive territory, compared with €2.5 million in the first half of 2014.

Despite an unfavourable base of comparison owing to the scheduled maintenance shutdowns in the first half of 2015 at the Weser-Metall GmbH's lead smelter and at the Harz-Metall GmbH's Electric Arc Furnace dust recycling kiln in the Zinc segment, the Group's operating performance improved. Recylex primarily benefited from the strong growth in zinc prices over the period and from the initiatives taken in the Lead segment's which generated a further reduction of the segment's operating loss.

The Group recorded an operating loss before non-recurring items under IFRS of €7.4 million in the first half of 2015, an improvement compared with an operating loss before non-recurring items of €8.3 million in the first half of 2014.

The restated operating loss before non-recurring items (not permitted under IFRS) came to €0.7 million in the first half of 2015, compared with a loss of €2.2 million in the same period of 2014.

The strong performance posted by the Zinc segment did not fully offset the operating loss recorded by the Lead segment and other activities (holding company). However, the Lead segment's performance improved significantly despite an unfavourable base of comparison due to the three-week maintenance shutdown of the Weser-Metall GmbH smelter in the second quarter of 2015 (no maintenance shutdown took place in the first half of 2014).

In addition, Recylex SA set aside a provision for contingencies of €3.5 million in the financial statements at June 30, 2015 (see section 4 below entitled "*Latest developments in litigation relating to Recylex SA*").

Accordingly, Recylex recorded a consolidated net loss attributable to equity holders of the parent of €8.8 million in the first half of 2015 compared with a first-half 2014 loss of €8.0 million.

The Group's net cash position (after deduction of bank overdraft facilities) was negative at -€0.1 million at June 30, 2015, compared with -€3.7 million at December 31, 2014, representing an improvement of €3.6 million over the first half of 2015. The main factors contributing to this improvement in the cash position were the €7.1 million in positive cash flows generated by operating activities that covered capital expenditures and interest expense in the first half of 2015.

The Group's credit lines totalled €13.5 million at June 30, 2015, €8.4 million of which was drawn down at the same date. The Group's credit lines totalled €11.3 million at December 31, 2014, €9.1 million of which was drawn down at the same date.

3. Consolidated first-half 2015 results by segment (excluding holding companies and environment)

- *Lead segment (71% of consolidated sales)*

(€ million)	First-half 2015	First-half 2014
Sales	140.4	167.0
Operating income before non-recurring items (IFRS)	(6.1)	(7.4)
Operating income before non-recurring items (LIFO)	(3.8)	(3.4)

The Lead segment's first-half 2015 sales totalled €140.4 million, down 16% compared with the first half of 2014. The increase in lead prices did not fully make up for the fall in volumes produced and sold owing primarily to the impact of the scheduled three-week maintenance shutdown of the smelter.

The Group's first-half 2015 output totalled 55,771 tonnes of lead compared with 71,001 tonnes in the first half of 2014, representing a decrease of 21%. Compared with the first six months of 2014, the smelter's maintenance shutdown gave rise to a volume shortfall of around 11,000 tonnes and the shift in the purchasing mix to less lead-rich materials resulted in a shortfall of some 4,000 tonnes.

The treatment plants in France and Germany recycled a total of 65,500 tonnes of scrap batteries, down 9% on the 71,700 tonnes recycled in the first six months of 2014. Contributing to this decline was the ongoing policy of selective purchases of materials for recycling aiming at restoring the segment's margins given the still too high levels of scrap battery prices.

The segment's IFRS operating loss before non-recurring items for the first half of 2015 came to €6.1 million, compared with a loss of €7.4 million in the same period of 2014. The main factors driving this improvement were the more selective purchasing policy and the rise in lead prices over the period. The restated² operating loss before non-recurring items for the same period came to €3.8 million, compared with an operating loss of €3.4 million in the same period of 2014. The slight fall of €0.4 million on the first six months of 2014 was chiefly attributable to the smelter's maintenance shutdown in the second quarter of 2015. On a like-for-like basis

(excluding maintenance costs and adding back volumes lost during the shutdown), the Lead segment's performance in the first half of 2015 was an estimated €5.0 million higher.

- *Zinc segment (19% of consolidated sales)*

(€ million)	First-half 2015	First-half 2014
Sales	36.9	33.7
Operating income before non-recurring items (IFRS)	1.5	1.4

Against the backdrop of a strong rise in zinc prices, the Zinc segment's first-half 2015 sales came to €36.9 million, representing a rise of 9% on the €33.7 million recorded in the first half of 2014.

Restated² first-half 2015 sales rose to €45.9 million, up 13% compared with the first six months of 2014.

Zinc scrap recycling sales grew 12% on the back of the strong rise in zinc prices. With the procurement of materials for recycling being persistently difficult, Norzinco GmbH processed 10,940 tonnes of zinc-rich materials, down 13% from 12,520 tonnes in the first half of 2014.

The electric arc furnace dust recycling plants owned by Recytech SA in France and Harz-Metall GmbH in Germany processed 73,900 tonnes of dust, representing a fall of 7% compared with the first half of 2014. This fall is mainly due to the German subsidiary's shutdown for maintenance in the second quarter of 2015 (no shutdown took place in 2014).

The Zinc segment recorded operating income before non-recurring items of €1.5 million in the first half of 2015, compared with €1.4 million in the equivalent period of 2014.

Restated operating income before non-recurring items came to €5.9 million, up from €3.5 million in the first six months of 2014.

The Zinc segment's operating performance thus improved in the first half of 2015 despite an unfavourable base of comparison following the maintenance shutdown at Harz-Metall GmbH. The increase in zinc prices stated in euros per tonne compared with the first half of 2014 helped to make up for the volume contraction caused by the scheduled maintenance shutdown of Harz-Metall GmbH and less supportive commercial conditions for Norzinco GmbH (as the rise in selling prices did not fully keep pace with the increase in zinc prices).

- *Special Metals segment (5% of consolidated sales)*

(€ million)	First-half 2015	First-half 2014
Sales	11.3	10.7
Operating income before non-recurring items (IFRS)	(0.8)	(0.3)

The Special Metals segment recorded a 6% increase in its first-half 2015 sales to €11.3 million.

This increase was chiefly driven by the increase in germanium selling prices compared with the first half of the previous year.

Due to persistently tough market conditions, volumes sold remained at relatively low levels. As a result, despite the growth in sales, the segment's operating income before non-recurring items

fell short of breakeven point, recording a small loss of €0.8 million in the first half of 2015, compared with a loss of €0.3 million in the first six months of 2014.

- *Plastics segment (5% of consolidated sales)*

(€ million)	First-half 2015	First-half 2014
Sales	9.5	9.1
Operating income before non-recurring items (IFRS)	0.1	0.2

The Plastics segment's first-half 2015 sales totalled €9.5 million, an increase of 4% on the level posted in the first half of 2014.

Volume growth in Germany and stable sales in France made up for the impact of lower selling prices during the period.

Owing to the time lag between trends in purchasing price indices and those in selling price indices, the Plastics segment recorded first-half 2015 operating income before non-recurring items of €0.1 million, compared with €0.2 million in the first half of 2014.

4. Latest developments in litigation relating to Recylex SA

- *Legal proceedings concerning Metaleurop Nord SAS*

The document summarizing developments in litigation concerning Recylex SA and Metaleurop Nord SAS is available from the Recylex Group's website (www.recylex.fr - News - [Legal proceedings schedule](#)).

On July 21, 2015, the Douai Administrative Appeal Court confirmed the registration of Metaleurop Nord SAS' site in Noyelles-Godault on the list of those eligible for the ("ACAATA") early retirement allocation for asbestos workers. However, it shortened the eligibility period from January 1, 1962 until December 31, 1989, rather than until December 31, 1996, as was previously the case. Recylex is considering an appeal before the Conseil d'Etat.

Following this administrative decision, a provision for contingencies of €3.5 million was set aside in the financial statements at June 30, 2015 in view of the claims for damages for the prejudice of anxiety and disruption to their livelihood lodged by 455 former Metaleurop Nord SAS employees. Recylex SA intends to challenge both the admissibility and merits of these claims.

- *European Commission inquiry into the lead recycling sector*

On June 24, 2015, the Directorate General for Competition of the European Commission sent a statement of objections to Recylex SA and its subsidiaries purchasing scrap lead batteries. A statement of objections is a preliminary stage in official inquiries by the Directorate General for Competition of the European Commission, which informs the relevant parties in writing of the complaints made against them. The fact that a statement of objections has been sent does not prejudice the final outcome of the procedure, as the decision is made after a review of the responses made by the parties to which it is sent. The Group will issue a response to the European Commission within the allotted period, i.e., during the second half of 2015 (see Notes 1 and 8 to the Condensed consolidated financial statements at June 30, 2015).

5. Search for financing

Since 2014, the Group has successfully taken measures to reduce the Lead segment's working capital requirement. Accordingly, a portion of the volumes upon the resumption of activity at Weser-Metall GmbH's lead smelter following its maintenance shutdown was handled under the tolling agreement set up in the second half of 2014. Other measures, including cost savings, are still being considered.

Talks are ongoing in order to secure additional credit lines to cover the Group's German subsidiaries' full working capital requirements and to finance the project to build a new production tool in the Lead segment. Given the current decline in commodity prices and its potential knock-on effects on cash flow from operating activities, the Group needs to complete its search for additional credit lines during the second half of 2015 (*see section F of Note 1 to the condensed consolidated financial statements at 30 June 2015*).

Recylex SA continues its search for dedicated financing to complete the rehabilitation work at the L'Estaque site in Marseille. With this in mind, following measures to secure the site and the temporary halt of the work, a request to extend the deadline for the rehabilitation works, currently set at December 31, 2015, was sent to the relevant authorities during the third quarter of 2015.

6. Outlook for the second half of 2015

Given the recent figures from China, especially concerning consumption slowing down, commodity prices — metals prices notably — continued to decline at the beginning of the second half of 2015. At August 30, 2015, lead and zinc prices stated in US dollars were below their average level in the first half of 2015. This pressure on metal prices should continue during the next few months.

- *Lead segment*

This segment's financial performance will depend on the evolution of the lead price during the second half of 2015.

The Group will continue to be more selective in its purchases of materials for recycling in order to support its margins in this segment.

Furthermore, the Group is actively pursuing its plan to set up an additional production facility to process internally the lead-rich by-products from Weser-Metall GmbH's smelter. This plan, which was approved by Recylex SA's Board of Directors in accordance with the Group's internal procedures, aims to deliver a sustained turnaround in the Lead segment's profitability.

- *Zinc segment*

In both activities, financial performance will depend on the zinc price evolution during the second half of 2015.

After rising to \$2,400 per tonne at the beginning of May 2015, zinc prices remained highly volatile throughout August 2015 and dropped back to \$1,700 per tonne by end of August 2015.

Harz-Metall GmbH's second-half 2015 industrial performance in Waelz oxide production is expected to show an improvement on the first half of 2015 when production was reduced by the furnace's maintenance shutdown, provided that the availability of materials for recycling remains comparable to the situation in the first six months of 2015.

Norzinco GmbH's zinc oxide production business should again benefit from the current strength of the chemicals industry, particularly in Germany, albeit in a more challenging pricing environment in the tire industry.

- *Special Metals segment*

Whether the Special Metals segment recovers will be determined by trends in semiconductor industry demand and to a lesser extent by trends in the euro/yen exchange rate, which favoured PPM Pure Metals GmbH's rivals outside the euro zone in the first half of 2015.

- *Plastics segment*

Based on the order backlog at June 30, 2015, this segment is expected to maintain its current sales momentum.

As every year, the annual 3-week maintenance shutdown took place at the Group's two plants in July and August 2015.

7. Financial agenda

- Thursday, November 5, 2015 (after market): Sales for the nine months to September 30, 2015

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](https://twitter.com/Recylex)

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