

## FIRST-HALF 2016 SALES

- **Decline in consolidated sales owing mainly to the drop in lead and zinc prices compared to the first half of 2015**

**Suresnes, August 4, 2016:** The Recylex Group (Euronext Paris: FR0000120388 - RX) has today reported its interim sales for the six months to June 30, 2016.

Consolidated sales for the six-month period to June 30, 2016 totaled €167.8 million, a decrease of 15% on the first six months of 2015, breaking down as follows:

### Consolidated sales by segment (unaudited IFRS figures):

(€ million)	Six months to June 30, 2016	Six months to June 30, 2015	Change (%)
<b>Lead</b>	119.1	140.4	-15%
<b>Zinc</b>	32.3	36.9	-12%
<b>Special Metals</b>	8.0	11.3	-29%
<b>Plastics</b>	8.4	9.5	-12%
<b>Total</b>	<b>167.8</b>	198.1	-15%

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

*"The Recylex Group's sales performance during the first half of 2016 mainly reflects a market effect, as metals prices fell below their level in the first half of 2015. They decreased significantly during the second half of 2015 and they have not yet recovered the substantial ground they lost. From an operational standpoint, the Lead segment was also impacted by the limited availability of materials for recycling owing to the mild winter in Europe. The Group continued to pursue its selective purchasing strategy to maintain cash position and margins. Despite a challenging pricing environment, the Zinc and Plastics segments held up well during the first half. Conversely, the Special Metals segment's sales decreased due to global economic conditions, especially in germanium. In addition, the Group's teams are still actively working to satisfy, by the fourth quarter of 2016, all the terms and conditions on the conditional loan offer made in July 2016 to the Group's German subsidiaries."*

## 1. Trend in metals prices in the six months to June 30, 2016 (€)

The average lead price in the first half of 2016 was 8% lower than in the first six months of 2015. In addition, the average zinc price over the same period was almost 16% lower than in the first half of 2015. Average prices for the six-month period to end-June were as follows:

(€ per tonne)	Six months to June 30, 2016	Six months to June 30, 2015	Change (%)
<b>Lead price</b>	<b>1,552</b>	1,680	-8%
<b>Zinc price</b>	<b>1,611</b>	1,913	-16%

While lead prices remained relatively stable between January 4 and June 30, 2016, zinc prices moved steadily higher over the same period.

## 2. Breakdown of consolidated sales to June 30, 2016 relative to June 30, 2015

Consolidated sales in the first six months of 2016 came to €167.8 million, down 15% compared with the same period of 2015.

- *Lead: sales down 15%*

During the first half of 2016, Lead sales accounted for 71% of consolidated sales.

They totaled €119.1 million, down 15% compared with the first half of 2015.

Despite a favorable base of comparison given the maintenance shutdown in the first six months of 2015, the segment was impacted by the fall in lead prices (-8%) and by lower production volumes (-7%) given the reduced availability of materials for recycling.

The Group made adjustments to its input mix, making up to some extent for the shortfall of scrap batteries for recycling (owing to the mild weather conditions over the winter) by using lead concentrates (with a lower lead content than the secondary materials in scrap batteries) as part of its tolling arrangements. During the first half of 2016, production at the Weser-Metall GmbH smelter totaled 52,011 tonnes, down 7% from 55,771 tonnes in the first half of 2015.

- *Zinc: sales down 12%*

Zinc sales accounted for 19% of the Group's consolidated total during the first six months of 2016.

In the first half of 2016, they totaled €32.3 million, a decrease of 12% compared with the same period of 2015. Restated to include the Group's share of 50%-owned Recytech SA's sales, the segment's sales came to €39.9 million, down an identical 13% compared with the same period of 2015.

This decline was chiefly attributable to the strong decline in zinc prices compared with the first half of 2015, partly offset by higher production.

Harz-Metall GmbH's electric arc furnace dust recycling business recorded an increase in its sales, despite the fall in zinc prices over the period, owing to a favorable base of comparison as a result of the maintenance shutdown in the first half of 2015. Therefore, total Waelz oxide production in the segment, which includes the Harz-Metall GmbH subsidiary and Recytech, rose 9% to 34,884 tonnes in the first half of 2016 from 32,132 tonnes in the first half of 2015.

The scrap zinc recycling business was held back by the fall in zinc prices over the period, which weighed on selling prices. Norzinco GmbH's zinc oxide production increased to 11,714 tonnes in the first half of 2016, from 11,417 tonnes in the same period of 2015 (+3%).

- *Special Metals: sales down 29%*

Special Metals contributed 5% of the Group's consolidated sales in the first half of 2016.

PPM Pure Metals GmbH reported sales of €8.0 million, down 29% on the first half of 2015.

In spite of a slight increase in high-purity arsenic sales, this strong decrease was chiefly attributable to lower germanium sales volumes, coupled with the ramp-up in tolling for this metal, the steep decline in indium prices and, to a lesser extent, lower gallium sales.

- *Plastics: sales down 12%*

Plastics sales accounted for 5% of consolidated sales in the first six months of 2016.

They totaled €8.4 million, down 12% compared with the first half of 2015.

During the first six months of 2016, the segment's total production of recycled polypropylene dropped 15% to 8,058 tonnes from 9,433 tonnes in the first half of 2015.

Due to persistently tough conditions caused by the low level of oil prices, C2P in France recorded a modest decline in its sales volumes. Even so, its selling prices held up well thanks to its strategy of diversifying its business portfolio and of moving its products upscale. Conversely, C2P in Germany posted a decline in its sales volumes owing to the reduced appeal of recycled materials compared with primary materials at the current level of prices.

### **3. Legal proceedings in progress concerning Recylex SA and Metaleurop Nord SAS**

Please refer to the document summarizing the development of legal proceedings concerning Recylex SA and Metaleurop Nord SAS on the Recylex Group website ([www.recylex.fr](http://www.recylex.fr) – News – [Legal proceedings schedule](#)).

On June 28, 2016, the Conseil d'État overturned the Douai Administrative Court's decision of July 21, 2015, pursuant to which Metaleurop Nord's Noyelles-Godault plant was included on the list of facilities eligible for the early retirement allocation for asbestos workers ("ACAATA") for the period from January 1, 1962 until December 31, 1989.

The case has been sent back to the Douai administrative court, with different judges to re-examine and rule on both the admissibility and merits of the request to include the site on the list.

### **4. Financial agenda**

- Annual General Meeting: 10.00am on Thursday September 15, 2016
- Interim 2016 results: Thursday, September 15, 2016 after the market close

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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 €385 million in 2015.*

*For more information about Recylex Group: [www.recylex.fr](http://www.recylex.fr) and on twitter: [@Recylex](https://twitter.com/Recylex)*

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## APPENDIX

### 1. Quarterly trend in metals prices

(€ per tonne)	First quarter 2016	Second quarter 2016	First quarter 2015	Second quarter 2015
<b>Lead price</b>	1,582	<b>1,522</b>	1,605	1,758
<b>Zinc price</b>	1,522	<b>1,699</b>	1,848	1,981

### 2. Consolidated sales by quarter

(€ million)	First quarter 2016	Second quarter 2016	First quarter 2015	Second quarter 2015
<b>Lead</b>	68.9	<b>50.2</b>	75.9	64.5
<b>Zinc</b>	15.5	<b>16.8</b>	19.4	17.5
<b>Special Metals</b>	3.9	<b>4.1</b>	6.4	4.9
<b>Plastics</b>	4.2	<b>4.2</b>	4.8	4.7
<b>Total</b>	92.5	<b>75.3</b>	106.5	91.6

### 3. Recylex SA's sales

(€ million)	Six months to June 30, 2016	Six months to June 30, 2015	Change (%)
Lead segment	<b>27.0</b>	33.4	-19%
Services to Group companies	<b>0.6</b>	0.8	-25%
<b>Total sales</b>	<b>27.6</b>	34.2	-19%