

AGREEMENT WITH THE EUROPEAN COMMISSION FINANCIAL INFORMATION AT DECEMBER 31, 2016 FINANCIAL INFORMATION AT MARCH 31, 2017

- Agreement on a payment plan of the European Commission's fine
- FY 2016 sales of €382 million, stable compared with FY 2015
- Q1 2017 sales of €123 million, a strong increase of +33%
- Trading in Recylex shares will resume on May 19, 2017 at market opening
- Publication of the FY 2016 results scheduled on May 24, 2017 after market close

Suresnes, May 18, 2017: Given the Group's specific situation, the European Commission agreed to the staggered instalment plan proposed by Recylex SA to pay the €26.7 million fine following its decision of February 8, 2017. The terms and conditions of this plan are confidential but are compatible with the cash flow forecast established by Recylex SA, enabling the Group to fulfill its currently identified and provisioned commitments in France and in Germany through to the end of the plan*. Under this agreement, the financing arrangements** for Recylex SA and the German subsidiaries remain in place. Furthermore, a provision of €26.7 million will be set aside in the Recylex SA's financial statements for the year ended December 31, 2016.

By securing this agreement, Recylex SA has been able to prepare its consolidated financial statements for 2016 on a going concern basis. They will be published on May 24, 2017 following a meeting of the Board of Directors called to approve them. A detailed update on the Group's cash and debt position will be provided at that time.

Recylex SA is also publishing today its sales figures at December 31, 2016 and at March 31, 2017.

Trading in Recylex shares (Euronext Paris: FR0000120388 - RX) will resume on May 19, 2017 at market opening.

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

"Recylex obtained an agreement from the European Commission and from its main lenders on a payment plan for the fine issued on February 8, 2017. This agreement allows Recylex and its teams to look to the future with confidence and to focus on the Group's return to profitability, especially in the Lead segment. Moreover, we are conducting an extensive training program to reinforce compliance practices. Group sales improved significantly between the first and second half of 2016 benefiting from the rise in lead and zinc prices which peaked at the end of the year. In the first quarter of 2017, sales increased for the same reasons although a correction is now underway. In the Lead segment, construction work on the new reduction furnace in Germany is progressing on schedule, with start-up still scheduled for the first half of 2018."

1. Payment plan for the European Commission's fine

On February 8, 2017, the European Commission fined several European companies active in the scrap lead car battery sector. That included a fine of €26.7 million for the Recylex Group (see the press release dated February 8, 2017). Recylex and its concerned subsidiaries have decided to appeal the European Commission's decision of February 8, 2017.

After discussions involving all the relevant parties, the European Commission agreed to the proposed payment plan for the fine, which notably includes the payment of the fine by Recylex SA (the Group's parent company) and the deferral, on a medium-long term basis, of the payment of a major part of the fine.

Under this agreement, the existing financing arrangements in France and Germany***, covering the working capital requirements and capital expenditures (including for construction of the new reduction furnace in Nordenham), will remain in place. Moreover, the repayment of the €16 million loan facility obtained by Recylex SA in 2014 (€8.5 million drawn down to date) has been deferred to 2024 and the repayment by Recylex SA of the €5.1 million in liabilities due (after elimination of its intragroup receivables) under its continuation plan, initially postponed until 2019, has been deferred to 2026.

2. Financial information at December 31, 2016

2.1 Metal prices (in euros) in the year to December 31, 2016

Average prices for metal prices in euros in the year to December 31 were as follows:

(€ per tonne)	FY 2016 average	FY 2015 average	Change (%)
Lead price	1,694	1,608	+5%
Zinc price	1,896	1,737	+9%

2.2 Breakdown of consolidated sales to December 31, 2016 relative to December 31, 2015

Sales recorded in the 2016 financial year came to €382.0 million, down just 1% on their 2015 level.

In the fourth quarter of 2016, sales totaled €117.0 million, up 28% on their level in the fourth quarter of 2015.

- *Lead: sales down -1%*

In the 2016 financial year, Lead sales accounted for 73% of consolidated sales.

They totaled €278.3 million in the year to December 31, 2016, down 1% compared with 2015. In spite of a favorable base of comparison owing to the maintenance shutdown in the first half of 2015 (no maintenance shutdowns took place in 2016), this very small decline was chiefly attributable to the slower pace of production in the first nine months of the year reflecting the adjustments made to the supply mix: in response to the reduced availability of materials for recycling, the Group processed more lead concentrates (less lead-rich than the secondary materials obtained from scrap batteries), while pursuing its selective scrap battery purchasing policy, in order to protect its margins and its working capital requirement. As a result, production at Weser-Metall GmbH's smelter reached 117,014 tonnes in 2016, down close to 7% from 125,506 tonnes in 2015.

In the fourth quarter of 2016, sales recorded a strong increase of 28% to €88.8 million, mainly thanks to the rise in lead prices (up 30% compared with the fourth quarter of 2015).

- *Zinc: sales up 11%*

Zinc sales accounted for 19% of the Group's consolidated total in the 2016 financial year.

They totaled €73.2 million in the year to December 31, 2016, up 11% on their 2015 level. Restated**** to include the Group's share of 50%-owned Recytech SA's sales, the segment's sales in the same period came to €92.1 million, up 13% compared with the year to December 31, 2015.

The 2016 sales generated by the electric arc furnace dust recycling business posted a strong increase on their 2015 level. The business benefited from volume growth owing to a favorable base of comparison (no maintenance shutdown at Harz-Metall GmbH in 2016, vs. one shutdown in 2015) and the increase in average zinc prices in 2016 compared with 2015. Waelz oxide production at the Harz-Metall GmbH subsidiary in Germany rose 28% to 28,310 tonnes in the year to December 31, 2016 from 22,182 tonnes in the same period of 2015.

The sales generated by zinc oxide production recorded a very small increase in 2016 compared with 2015. Together with the fourth-quarter 2016 improvement in production performance and in business conditions, the increase in zinc prices in 2016 helped to reverse the trend recorded over the first nine months of the year. Zinc oxide production at the Norzinco GmbH subsidiary in Germany rose 4% to 23,778 tonnes in the year to December 31, 2016 from 22,941 tonnes in the same period of 2015.

During the fourth quarter of 2016, sales totaled €20.9 million, up 57% on the fourth quarter of 2015 on the back of an identical rise in zinc prices.

- *Plastics: sales down -9%*

Plastics sales accounted for 4% of consolidated sales in the 2016 financial year.

They reached €15.5 million in 2016, down 9% compared to 2015.

Business trends were again held back by the reduced competitiveness of recycled materials compared with virgin polypropylene as a result of the low level of oil prices. With stable volumes and prices up slightly over the full year, C2P in France displayed encouraging resilience through its policy of pursuing business diversification and moving its products upscale. C2P GmbH in Germany recorded a decline in its sales volumes and selling prices as conditions remained persistently tough.

In the year to December 31, 2016, production of recycled polypropylene totaled 14,834 tonnes, compared with 16,533 tonnes in 2015, a decline of 10% on the same period of 2015.

Fourth-quarter 2016 business trends were stable, with sales totaling €4.0 million, the same level as in the fourth quarter of 2015.

- *Special Metals: sales down -27%*

Special Metals sales contributed 4% of the Group's consolidated total in the year to December 31, 2016.

They totaled €15.0 million, a fall of 27% in 2016 compared with 2015. This further decline was primarily attributable to a more selective commercial strategy in arsenic in a bid to maintain selling prices, as well as to a cyclical decline in germanium volumes and prices as the market lost momentum.

PPM Pure Metals GmbH produced 142 tonnes of special metals in 2016, compared with 155 tonnes in 2015.

In the fourth quarter of 2016, its sales totaled €3.3 million, down from €4.7 million in the fourth quarter of 2015, representing a contraction of 30% for the same reasons.

3. Financial information at March 31, 2017

3.1 Trend in metals prices to March 31, 2017 (in euros)

Lead prices moved close to 12% higher between January 2 and March 31, 2017. They rallied at the beginning of the year, before pulling back in mid-February 2017 and then stabilizing. Over the same period, zinc prices rose 6%. After peaking in mid-February 2017, they suffered a correction owing to the very high level they had reached.

Average lead prices during the first quarter of 2017 were 35% higher than in the first quarter of 2016, while average zinc prices were up 71% on the first quarter of 2016. This strong uptrend was driven by a turnaround in the trends of late 2015 and early 2016 when lead and zinc prices both sank to very deep lows. Average prices for the three-month period to end-March were as follows:

<i>(€ per tonne)</i>	At March 31, 2017	At March 31, 2016	Change (%)
Lead price	2,138	1,582	+35%
Zinc price	2,610	1,522	+71%

3.2 Breakdown of consolidated sales to March 31, 2017 relative to March 31, 2016

Consolidated sales in the first three months of 2017 came to €122.6 million, up 33% compared with the same period of 2016. Restated**** consolidated sales in the three months to March 31, 2017 came to €128.6 million, up 34% compared with the same period of 2016.

- *Lead: sales up 26%*

In the first three months of 2017, Lead sales accounted for 67% of consolidated sales.

During the first quarter of 2017, production at the Nordenham smelter totaled 31,711 tonnes, up over 9% from 28,965 tonnes in the first three months of 2016.

Performance in the first quarter of 2017 was boosted by the higher level of lead prices and a slight shift in the Nordenham smelter's purchasing mix towards more secondary materials. The Group continued to pursue its selective purchasing policy for scrap batteries. Materials for recycling were more widely available than in the first quarter of 2016, when tight supply conditions were caused by the very mild winter weather.

As a result, the segment's sales advanced 26% to €86.5 million in the first quarter of 2017.

On March 25, 2017, a major incident occurred at Weser-Metall GmbH's smelter in Nordenham (Germany), injuring two of the Group's employees and causing production to be halted immediately. The Group supports them fully during their period of recovery. A thorough and comprehensive analysis of the causes of the incident is underway, and all the requisite measures will be taken to ensure that it does not happen again. The safety of employees is a crucial factor underpinning Recylex's sustainable performance and an absolute priority for the corporate responsibility of all the Group's companies.

Given the repairs that were needed, Weser-Metall GmbH decided to bring forward the major maintenance shutdown for the smelter, which had originally been scheduled for the third quarter of 2017. Weser-Metall GmbH's lead production resumed in late April 2017.

In the first quarter of 2017, FMM SA in Belgium sold its site for €1.3 million following the shutdown of its scrap battery collection business on December 31, 2016. The proceeds of this sale helped to cover some of the costs incurred by FMM SA in relation to its site's closure. The Recylex Group maintains an active commercial presence in the Benelux countries, contributing to the responsible and effective circular economy of the recycling of scrap lead batteries.

- *Zinc: sales up 84%*

Zinc accounted for 27% of the Group's consolidated sales in the first three months of 2017.

In the first quarter of 2017, Zinc sales totaled €28.5 million, up a very substantial 84% compared with the same period of 2016.

Restated**** Zinc segment sales came to €34.5 million, compared with €19.3 million in the same period of 2016. This represented an increase of 79% mirroring the strong recovery in zinc prices.

Sales recorded by the electric arc furnace dust recycling business grew sharply in line with the rise in average zinc prices. Total Waelz oxide production by the Harz-Metall GmbH subsidiary and (50%-owned) Recytech SA decreased slightly, falling 6% to 17,666 tonnes in the first quarter of 2017 from 18,882 tonnes in the corresponding quarter of 2016.

Scrap zinc recycling sales increased on the back of the pick-up in zinc prices and the healthy trend in sales volumes thanks to firmer demand than in the first quarter of 2016. Norzinco GmbH's zinc oxide production grew 4% to 6,322 tonnes in the first quarter of 2017 from 6,060 tonnes in the first quarter of 2016.

- *Special Metals: sales down 3%*

Special Metals contributed 3% of the Group's consolidated sales in the first quarter of 2017.

PPM Pure Metals GmbH reported sales of €3.8 million, down 3% on the first quarter of 2016. The small increase in arsenic sales relative to the first quarter of 2016 failed to make up for lower germanium and gallium sales.

- *Plastics: sales down 10%*

Plastics sales accounted for 3% of consolidated sales in the first three months of 2017.

They totaled €3.8 million, down 10% compared with the first quarter of 2016. The reduced appeal of recycled materials by comparison with raw materials in a number of client markets and a steep slowdown in demand in the automotive sector have impacted this segment's performance.

During the period, the segment's total production of recycled polypropylene dropped 10% to 3,611 tonnes from 4,005 tonnes in the first quarter of 2016.

4. Ongoing legal proceedings concerning Recylex SA

Recylex SA has decided to lodge an appeal with the *Cour de Cassation* against the 187 rulings handed down on January 31, 2017 by the Douai Appeal Court (*see press release of February 1, 2017*).

Furthermore, on March 2, 2017, the Douai Administrative Court found in Recylex SA's favor, deciding to enjoin the French ministry of labor to cancel the order of November 5, 2013 placing the Metaleurop Nord facility in Noyelles-Godault on the list of asbestos manufacturing, flocking and insulating plants eligible for the early retirement allocation for asbestos workers ("ACAATA allocation").

The document summarizing developments in legal proceedings concerning Recylex SA, with the latest hearing dates updated on May 17, 2017, is available from the Recylex Group's website (www.recylex.fr - News - [Legal proceedings schedule](#)).

5. Projected 2017 financial agenda

Event	Date
FY 2016 financial results	Wednesday May 24, 2017 after the market close
Annual General Meeting of the shareholders	Tuesday July 11, 2017 at 10:00am
Financial information at June 30, 2017	Thursday July 27, 2017 after the market close
Interim 2017 financial results	Thursday, September 7, 2017 after the market close
Financial information at September 30, 2017	Thursday, November 9, 2017 after the market close

* Excluding amounts going beyond the risks identified and provided for in Section F of Note 1 to the consolidated financial statements at June 30, 2016.

** See the press release dated December 29, 2016

*** See the press release dated December 29, 2016 and Section E of the notes to the consolidated financial statements at June 30, 2016

**** When assessing the performance of the Zinc segment, the Group also presents restated sales figures which include the share of Recytech SA (Recytech SA is 50% owned) in proportional consolidation, although this method is not permitted under IFRS rules.

Regenerating the urban mines

With operations in France and Germany, 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 from zinc scrap) and the production of special metals. A key player in the circular economy with long-standing expertise in urban waste recovery, the Group has more than 660 employees in Europe and generated consolidated sales of €382 million in 2016.

For more information about Recylex Group: www.recylex.fr and on twitter: [@Recylex](#)

Press/Investor contact:

Gabriel ZEITLIN

+ 33 (0)1 58 47 29 89

gabriel.zeitlin@recylex.fr



Disclaimer: This press release contains regulated quarterly financial information for the Recylex Group concerning the fourth quarter of 2016 and first quarter of 2017, as defined in Article L. 451-1-2-IV of the French Monetary and Financial Code and Article 221-1 of the AMF General Regulation. This press release may contain forward-looking statements that do not constitute forecasts regarding results or any other performance indicator, but rather trends or targets. These statements are by their nature subject to risks and uncertainties as described in the Company's annual report available on its website (www.recylex.fr). Unless stated otherwise, the 2016 and 2017 figures presented in this press release have not been audited. Further information about Recylex is available on its website (www.recylex.fr).

APPENDIX 1: FINANCIAL INFORMATION AT DECEMBER 31, 2016

1. Quarterly trends in average prices in 2016

(€ per tonne)	First quarter 2016	Second quarter 2016	Third quarter 2016	Fourth quarter 2016	First quarter 2015	Second quarter 2015	Third quarter 2015	Fourth quarter 2015
Lead price	1,582	1,523	1,677	1,993	1,605	1,758	1,542	1,535
Zinc price	1,522	1,699	1,991	2,335	1,848	1,981	1,663	1,472

Source: London Metal Exchange 2016

2. FY 2016 consolidated sales by segment

(€ million)	Year to December 31, 2016	Year to December 31, 2015	Change (%)
Lead	278.3	281.8	-1%
Zinc	73.2	66.0	+11%
Plastics	15.5	17.1	-9%
Special Metals	15.0	20.5	-27%
Total	382.0	385.4	-1%

3. FY 2016 consolidated sales by quarter

(€ million)	First quarter 2016	Second quarter 2016	Third quarter 2016	Fourth quarter 2016	First quarter 2015	Second quarter 2015	Third quarter 2015	Fourth quarter 2015
Lead	68.9	50.2	70.4	88.8	75.9	64.4	72.2	69.3
Zinc	15.5	16.8	20.0	20.9	19.4	17.5	15.8	13.3
Plastics	4.2	4.2	3.1	4.0	4.8	4.7	3.6	4.0
Special Metals	3.9	4.1	3.7	3.3	6.4	4.9	4.5	4.7
Total	92.5	75.3	97.2	117.0	106.5	91.5	96.1	91.3

4. FY 2016 Recylex SA's sales

(€ million)	Year to December 31, 2016	Year to December 31, 2015	Change (%)
Lead segment	57.8	62.1	-7%
Services to Group companies	1.3	1.5	-13%
Total sales	59.1	63.6	-7%

APPENDIX 2: FINANCIAL INFORMATION AT MARCH 31, 2017

1. Consolidated sales by segment at March 31, 2017

<i>(€ million)</i>	Three months to March 31, 2017	Three months to March 31, 2016	Change (%)
Lead	86.5	68.9	+26%
Zinc	28.5	15.5	+84%
Special Metals	3.8	3.9	-3%
Plastics	3.8	4.2	-10%
Total	122.6	92.5	+33%

2. Recylex SA's sales at March 31, 2017

<i>(€ million)</i>	Three months to March 31, 2017	Three months to March 31, 2016	Change (%)
Lead segment	25.6	13.4	+91%
Services to Group companies	0.2	0.3	-33%
Total sales	25.8	13.7	+88%