

## FIRST-HALF 2014 SALES

### Sales growth despite the decline in lead prices

**Suresnes, July 24, 2014:** the Recylex Group (NYSE Euronext Paris: FR0000120388 - RX) has today reported its sales for the six months to June 30, 2014. They came to €220.5 million, up 9% compared with the first half of 2013.

The breakdown of consolidated sales by business line for the first half of 2014 was as follows:

#### Consolidated sales\* by business line (unaudited):

(€ million)	Six months to June 30, 2014	Six months to June 30, 2013	Change (%)
<b>Lead</b>	<b>167.0</b>	150.7	+11%
<b>Zinc**</b>	<b>33.7</b>	32.5	+4%
<b>Special Metals</b>	<b>10.7</b>	11.3	-5%
<b>Plastics</b>	<b>9.1</b>	8.3	+10%
<b>Total</b>	<b>220.5</b>	202.8	+9%

*\*In accordance with IFRS 10 and IFRS 11 applicable from January 1, 2014, companies previously accounted for using proportionate consolidation are now accounted for under the equity method. As a result, the consolidated sales presented above do not include those of 50%-owned Recytech SA in the Zinc segment.*

*\*\*2013 data restated for companies accounted for under the equity method in line with IFRS 10 and IFRS 11.*

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

*“The Recylex Group posted satisfactory sales figures in the first half of 2014, with lead sales leading the way, owing chiefly to a favorable base of comparison. In the Lead segment, the increase in sales volumes, achieved through productivity gains at the Nordenham smelter and the absence of any maintenance shutdowns during the period, more than made up for the fall in lead prices. With supply costs still at very high levels, the Group decided to be more selective in its purchases of materials for recycling. In addition, Recylex is negotiating the terms and working on the conditions attached to one of the financing offers it has received, with the aim of finalizing arrangements by the end of the third quarter of 2014.”*

## 1. Trend in metal prices in the six months to June 30, 2014

Between January 2 and June 30, 2014, lead prices declined by 4%, while zinc prices were up 6% over the same period last year.

In addition, the average lead price during the first half of 2014 dropped more than 7% below the level recorded in the first half of 2013, while the average zinc price increased by just under 2% than in the same period of 2013.

Average prices for the six-month period to end-June were as follows:

(€ per tonne)	At June 30, 2014	At June 30, 2013	Change (%)
Lead price	1,533	1,657	-7%
Zinc price	1,497	1,474	+2%

## 2. Breakdown of consolidated sales to June 30, 2014 relative to June 30, 2013

Consolidated sales in the first six months of 2014 came to €220.5 million, representing an increase of 9% on the same period of 2013.

- *Lead: sales up 11%*

During the first half of 2014, Lead sales accounted for 76% of consolidated sales. They rose by 11% to €167.0 million.

The growth in the segment's sales was driven by a steep increase in sales volumes owing to the favorable comparison base given the absence of maintenance shutdown at the Nordenham smelter in the first quarter of 2014 (compared with a 3-week maintenance shutdown in March 2013) and a strong increase in volumes produced through the productivity improvements at the Nordenham smelter.

However, sales were impacted by the fall in lead prices during the first half of 2014, the missing volumes compared with the first half of 2013 following the shutdown of the FMM smelter in late 2013 and weak demand for sulfuric acid in Europe (a by-product of the smelter).

On a comparable basis (i.e. adjusted for the maintenance shutdown at the Nordenham smelter and excluding the impact of the definitive closure of FMM's activities), the segment's sales rose by 5% in the first half of 2014 compared with the first six months of 2013.

Owing to the persistently tough market conditions currently prevailing in the Lead segment (the cost of purchasing scrap batteries remains very high), Recylex is also working on measures to reduce its working capital requirements and optimize operating costs.

- *Zinc: sales up 4%*

Zinc sales accounted for 15% of the Group's consolidated total during the first six months of 2014. They totaled €33.7 million, up 4% compared with the same period of 2013.

The segment's performance was to a large extent underpinned by the small increase in zinc prices over the period compared with the first half of 2013 and in particular a rebound in prices during the second quarter of 2014.

Against this backdrop, sales volumes were stable compared with the first half of the previous year.

- *Special Metals: sales down 5%*

Special Metals sales contributed 5% of the Group's consolidated total in the first six months of 2014.

They totaled €10.7 million, primarily owing to the fall in sales of high-purity arsenic and germanium.

- *Plastics: sales up 10%*

Plastics sales accounted for 4% of consolidated sales in the first six months of 2014. They posted strong growth of 10% over the period to total €9.1 million.

This performance was driven by further sales momentum, particularly in France. During the second quarter, C2P-France continued the ramping-up phase of its new extrusion line, which dragged down its financial performance.

### **3. Update on the search for external financing**

Recylex SA has received several conditional offers in connection with its search for €16 million in financing to cover the projected cash requirements to finalize its continuation plan (see press releases dated May 2, 2013, July 3, 2013, February 13, 2014 and March 27, 2014).

To date, the Company is negotiating the terms and working on the conditions of one of the offers received. Recylex SA aims to finalize this negotiation by the end of the third quarter of 2014.

To recap, this amount does not cover the projected cash requirements needed to finalize the rehabilitation work at the closed L'Estaque site by December 31, 2015, for which a dedicated search in financing is underway.

### **4. 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).

### **5. Financial agenda**

- First Half 2014 results: August 28, 2014
- Third-quarter 2014 sales: November 6, 2014

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## **Recycle, Transform, Enhance**

*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 scrap zinc) 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 650 employees in Europe and generated consolidated sales of €438 million in 2013.*

*For more information about the Recylex Group go to: [www.recylex.fr](http://www.recylex.fr)*

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## APPENDIX

### 1. Quarterly trend in metal prices

(€ per tonne)	First quarter 2014	Second quarter 2014	First quarter 2013	Second quarter 2013
<b>Lead price</b>	1,538	<b>1,528</b>	1,741	1,572
<b>Zinc price</b>	1,482	<b>1,512</b>	1,539	1,408

### 2. Consolidated sales\* by quarter

(€ million)	First quarter 2014	Second quarter 2014	First quarter 2013	Second quarter 2013
<b>Lead</b>	87.0	<b>80.0</b>	69.4	81.3
<b>Zinc**</b>	17.5	<b>16.2</b>	17.4	15.1
<b>Special Metals</b>	4.9	<b>5.8</b>	5.0	6.3
<b>Plastics</b>	4.5	<b>4.6</b>	4.0	4.3
<b>Total</b>	113.9	<b>106.6</b>	95.8	107,0

*\*In accordance with IFRS 10 and IFRS 11 applicable from January 1, 2014, companies previously accounted for using proportionate consolidation are now accounted for under the equity method. As a result, the consolidated sales presented above do not include those of 50%-owned Recytech SA in the Zinc segment.*

*\*\*2013 data restated for companies accounted for under the equity method in line with IFRS 10 and IFRS 11.*

### 3. Recylex SA's sales

(€ million)	Six months to June 30, 2014	Six months to June 30, 2013	Change (%)
Lead segment	<b>36.9</b>	42.5	-13%
Services to Group companies	<b>0.8</b>	0.7	+14%
<b>Total sales</b>	<b>37.7</b>	43.2	-13%