

## FINANCIAL INFORMATION FOR THE NINE MONTHS TO SEPTEMBER 30, 2016

- Decline in consolidated sales for the nine months to September 30, 2016 owing mainly to lower lead production
- Small growth in consolidated sales in the third quarter of 2016 with the pick-up in metals prices

**Suresnes, November 10, 2016:** The Recylex Group (Euronext Paris: FR0000120388 - RX) has today reported its sales for the nine-month period to September 30, 2016 and for the third quarter of 2016.

Sales in the nine-month period to September 30, 2016 totaled €265.0 million, a decrease of 10% on the first nine months of 2015. In the third quarter, sales totaled €97.2 million, a small increase of around 1% on the same period in 2015.

The breakdown in consolidated sales in the nine months to September 30, 2016 by business segment was as follows:

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

(€ million)	Nine months to September 30, 2016	Nine months to September 30, 2015	Change (%)
<b>Lead</b>	<b>189.5</b>	212.5	-11%
<b>Zinc</b>	<b>52.3</b>	52.7	-1%
<b>Special Metals</b>	<b>11.7</b>	15.8	-26%
<b>Plastics</b>	<b>11.5</b>	13.1	-12%
<b>Total</b>	<b>265.0</b>	294.1	-10%

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

*“Despite the limited availability of materials for recycling, our production performance over the first nine months of 2016 was again solid thanks to the constant involvement of our teams in France and Germany. In this context, we maintained our selective purchasing policy in the Lead segment. Group sales therefore declined over the period, primarily owing to lower lead production and the impact of the evolution of average metals prices, which are still struggling to regain the levels they were at in the first half of 2015. In parallel, Recylex continues the process of satisfying the conditions precedent for the Group’s German perimeter financing project. The target is to complete this by the end of 2016.”*

## **1. Trend in metals prices in the nine months to September 30, 2016 (in euros)**

Average lead prices in the first nine months of 2016 recorded a decline of 2% compared with the same period of 2015. After an overall decline in the highly volatile first half of 2016, lead prices increased significantly in the third quarter of 2016.

In addition, the average zinc price over the same period was 4% lower than in the first nine months of 2015. The steady increase between January 4, 2016 and September 30, 2016 failed to offset the full impact of the abrupt decline in the second half of 2015.

Average prices in the nine months to 30 September were as follows:

(€ per tonne)	Nine months to September 30, 2016	Nine months to September 30, 2015	Change (%)
Lead price	1,595	1,633	-2%
Zinc price	1,751	1,827	-4%

The average €/€ exchange rate was stable, moving up 0.1% from 1.1147 in the first nine months of 2015 to 1.1160 in the same period of 2016.

## **2. Breakdown of consolidated nine-month sales to September 30, 2016 relative to September 30, 2015**

Consolidated sales in the first nine months of 2016 came to €265.0 million, down 10% compared with the same period of 2015.

In the third quarter of 2016, consolidated sales were up 1% to €97.2 million from €96.1 million in the third quarter of 2015.

- *Lead: sales down 11%*

In the first nine months of 2016, Lead sales accounted for 72% of consolidated sales.

Sales in the nine months to September 30, 2016 totaled €189.5 million, a decrease of 11% on the first nine months of 2015.

Despite a favorable base of comparison given the maintenance shutdown in the first six months of 2015, the contraction in sales was chiefly attributable to the slowdown in production as a result of changes in the purchasing mix. To make up for the reduced availability of materials for recycling, the Group processed more lead concentrates (with a lower lead content than the secondary materials in scrap batteries) as part of its tolling agreements.

As a result, lead production at the Weser-Metall GmbH smelter totaled 83,684 tonnes in the first nine months of 2016, down 10% from 92,596 tonnes in the first nine months of 2015.

Over the same period, the treatment plants operated by Recylex SA in France and Harz-Metall GmbH in Germany recycled 80,586 tonnes of scrap batteries compared with 94,304 tonnes in the same period of 2015. This 14% reduction was caused by a shortage of scrap batteries for recycling (following the mild conditions of last winter) and the continued pursuit of the selective purchasing policy.

In the third quarter of 2016, sales came to €70.4 million, representing a decrease of 2% on the third quarter of 2015. The rise in lead prices over the period partially offset the impact of the decrease in production caused largely by the decline in volumes of materials for recycling.

- *Zinc: sales down 1%*

Zinc sales accounted for 20% of the Group's consolidated total during the first nine months of 2016.

Consolidated sales in the first nine months of 2016 came to €52.3 million, representing a small decrease of 1% on the same period of 2015. Restated sales (adjusted to include the share generated by 50%-owned Recytech SA) in the first nine months of 2016 came to €64.9 million, the same level as in the same period of 2015.

Sales generated by electric arc furnace dust recycling increased in the first nine months of 2016 compared with the same period of 2015. They were boosted by an improvement in volumes processed owing to a favorable base of comparison (since Harz-Metall GmbH did not shut down for maintenance in 2016, as opposed to one shutdown in 2015). Total Waelz oxide production (including 100% of Recytech SA's production) came to 53,555 tonnes in the first nine months of 2016, up from 49,963 tonnes in the same period of 2015.

Nine-month 2016 sales generated by the scrap zinc recycling business contracted compared with the same period of 2015. They were impacted by a deterioration in commercial conditions owing to the fall in zinc prices compared with the first nine months of 2015. Zinc oxide production by German subsidiary Norzinco GmbH rose 6% to 17,889 tonnes in the first nine months of 2016, up from 16,914 tonnes in the same period of 2015.

In the third quarter of 2016, sales came to €20.0 million. This strong increase of 26% on the third quarter of 2015 was driven mainly by the rise in zinc prices during the third quarter of 2016. In the same period, restated sales moved up 32% to €25.0 million.

- *Special Metals: sales down 26%*

Special Metals sales contributed 4% of the Group's consolidated total in the first nine months of 2016.

In the first nine months of 2016, PPM Pure Metals GmbH recorded sales of €11.7 million, down 26% on the same period of 2015.

This decline was chiefly attributable to the volume contraction and price falls in germanium due to weak global demand, plus the fall in gallium sales, with the collapse in prices making recycling less competitive than virgin materials.

In the third quarter of 2016, sales came to €3.7 million, representing a decrease of 18% on the third quarter of 2015 for the same reasons.

- *Plastics: sales down 12%*

Plastics sales accounted for 4% of consolidated sales in the first nine months of 2016.

In the first nine months of 2016, they totaled €11.5 million, a decrease of 12% on their level in the same period of 2015.

With the reduced competitiveness of recycled materials by comparison with virgin polypropylene owing to the low level of oil prices, C2P in France maintained its policy of diversifying its business portfolio and moving its products upscale. This helped it to limit the downturn in volumes sold, while its selling prices showed firm resilience. Conversely, C2P in Germany recorded a decline in its volumes and selling prices due to less dynamic market conditions.

Polypropylene production in the nine months to September 30, 2016 totaled 10,880 tonnes, a drop of 13% on the first nine months of 2015.

In the third quarter of 2016, sales came to €3.1 million, representing a decrease of 14% on the third quarter of 2015 chiefly for the same reasons.

### 3. Legal proceedings

- *Legal proceedings concerning Metaleurop Nord SAS*

The document summarizing developments in proceedings concerning Recylex SA and Metaleurop Nord SAS is available from the Recylex Group's website ([www.recylex.fr](http://www.recylex.fr) - News - [Legal proceedings schedule](#)) - See also the press releases dated November 17, 2016 and November 18, 2016.

- *European Commission inquiry into the lead recycling sector*

In the third quarter of 2016, the Company and its subsidiaries involved in this procedure received requests for additional information from the European Commission, to which it responded by the allotted deadlines.

### 4. Financial agenda

- 2016 sales: Wednesday, February 22, 2017 (after market close)

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#### ***Regenerating the urban mines***

***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](#)***

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## APPENDIX

### 1. Quarterly average metals prices

(€ per tonne)	First quarter 2016	Second quarter 2016	Third quarter 2016	First quarter 2015	Second quarter 2015	Third quarter 2015
Lead price	1,582	1,522	1,677	1,605	1,758	1,542
Zinc price	1,522	1,699	2,019	1,848	1,981	1,663

### 2. Consolidated sales by quarter (IFRS)

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

### 3. Recylex SA's sales

(€ million)	Nine months to September 30, 2016	Nine months to September 30, 2015	Change (%)
Lead segment	38.7	47.6	-19%
Services to Group companies	0.9	1.2	-25%
Total sales	39.6	48.8	-19%