



2008 ANNUAL RESULTS

Yves ROCHE, Chief Executive Officer

Ingo SCHAEFER, Chief Financial Officer

- 1. Introduction**
- 2. Key highlights**
- 3. Key figures**
- 4. 2008 consolidated accounts**
- 5. Q&A**

Lead



- A mature activity with stable market shares
- Main European trend: concentration of competitors

Plastic



- Benefits from cross fertilization within the integrated battery recycling process
- On going diversification of supplies procurement
- A real development potential: battery breaking and treatment capacities, profitability

Waelz oxides



- Zinc recycling (from electric arc furnace dust) (business owned 100% in Germany, 50% in France)
- European market size: from 1 to 1.2 M tons
- Intermediate product sold to Zinc refineries

Zinc oxides

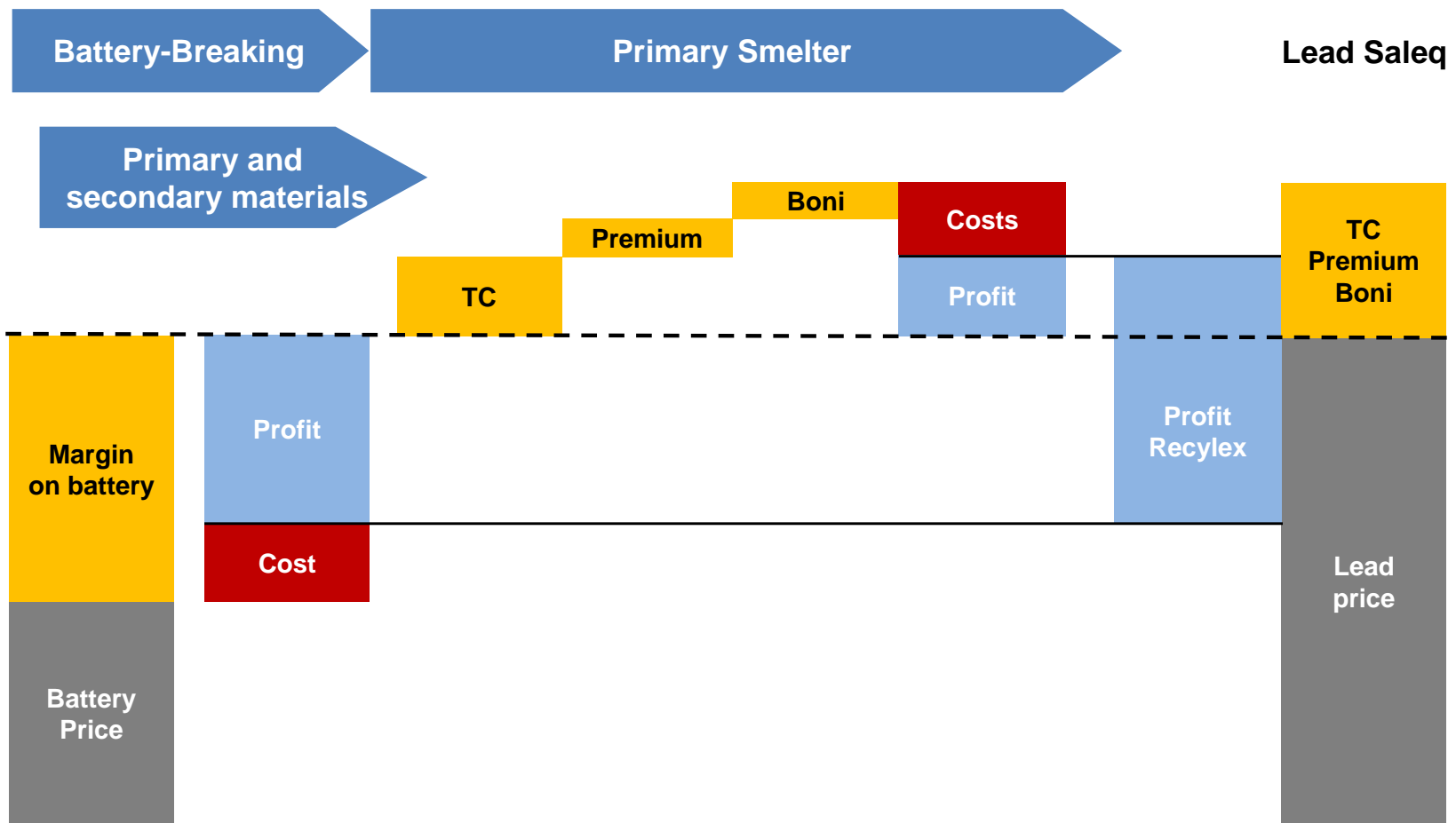


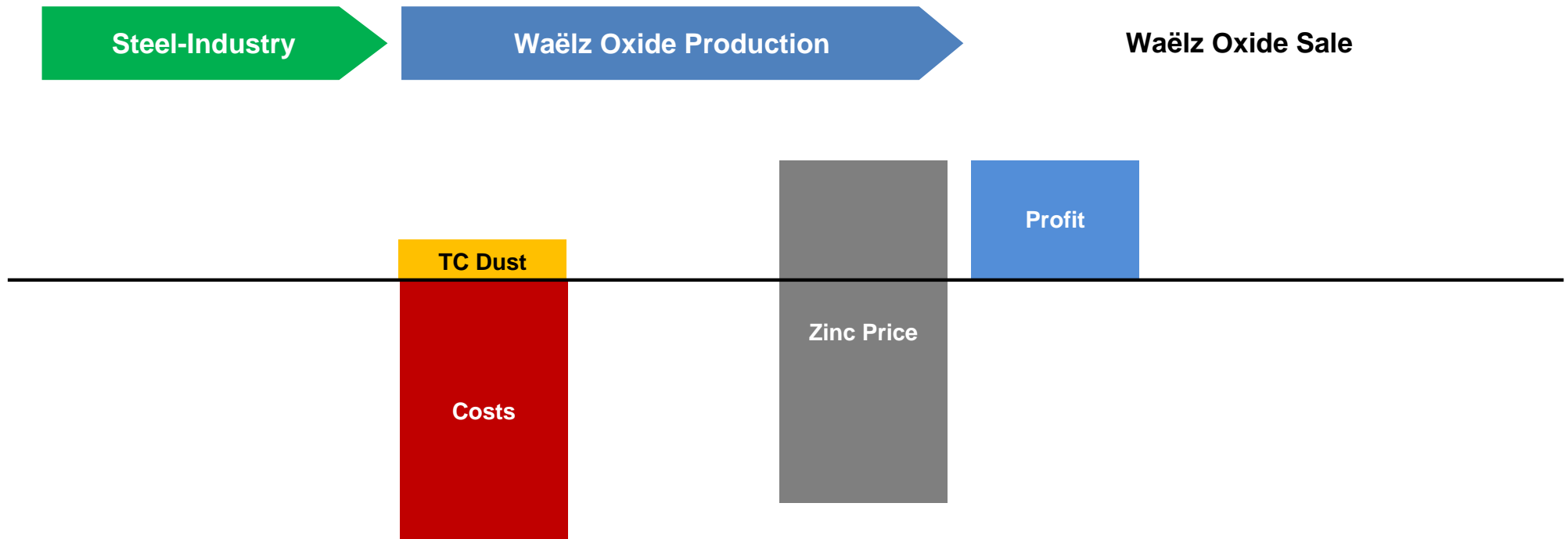
- Zinc scrap recycling (roofing, guttering...) into zinc oxides for the pneumatic, cosmetic, chemical and pharmaceuticals industries

Special metals



- "Niche" markets, with very few competitors
- Answering to special and specific orders for low volumes high purity metals



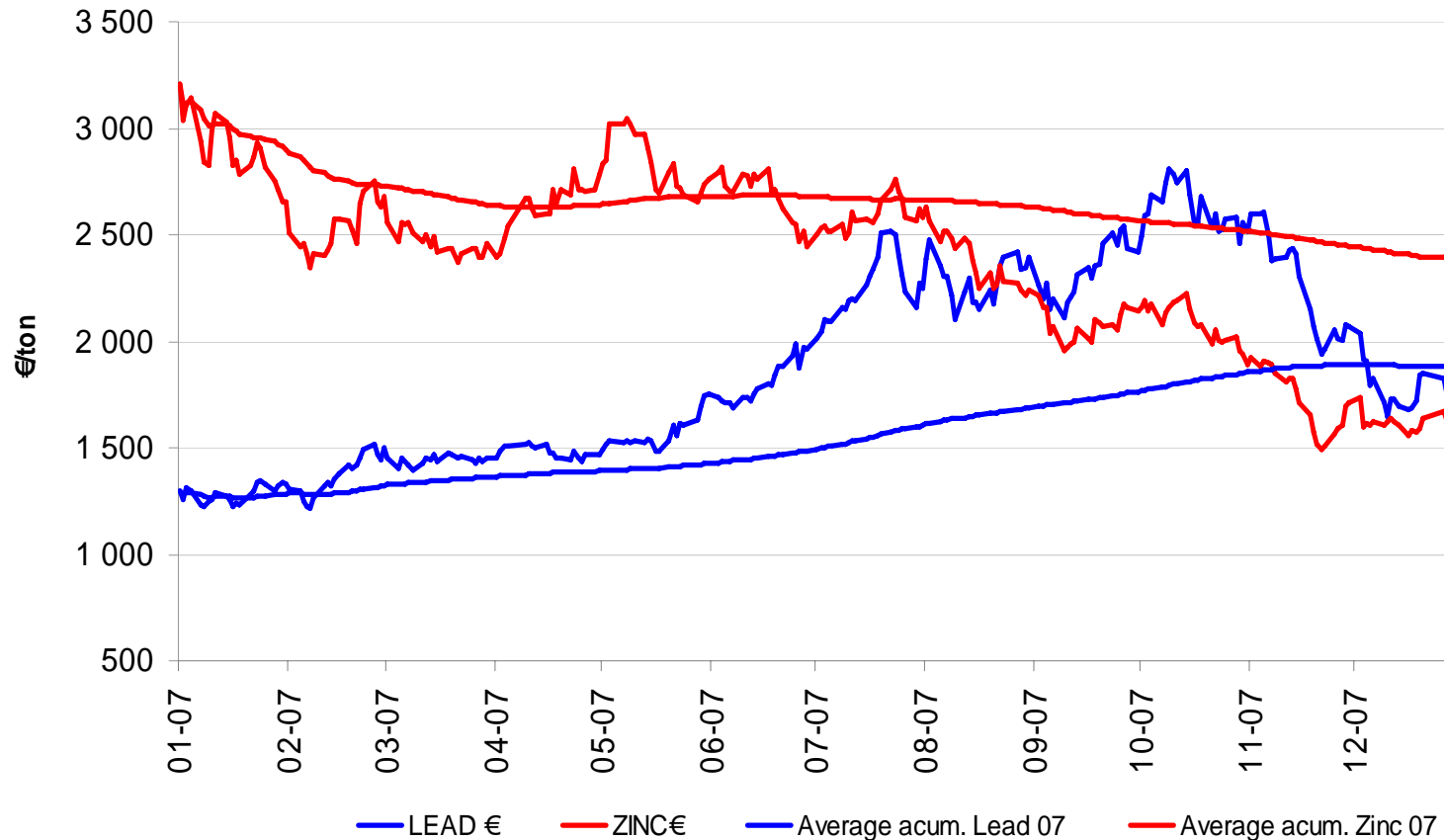


2. Key highlights

Evolution of lead & zinc prices in 2007: daily and average of YTD accumulated prices

Lead 2007 average: € 1,882 / ton

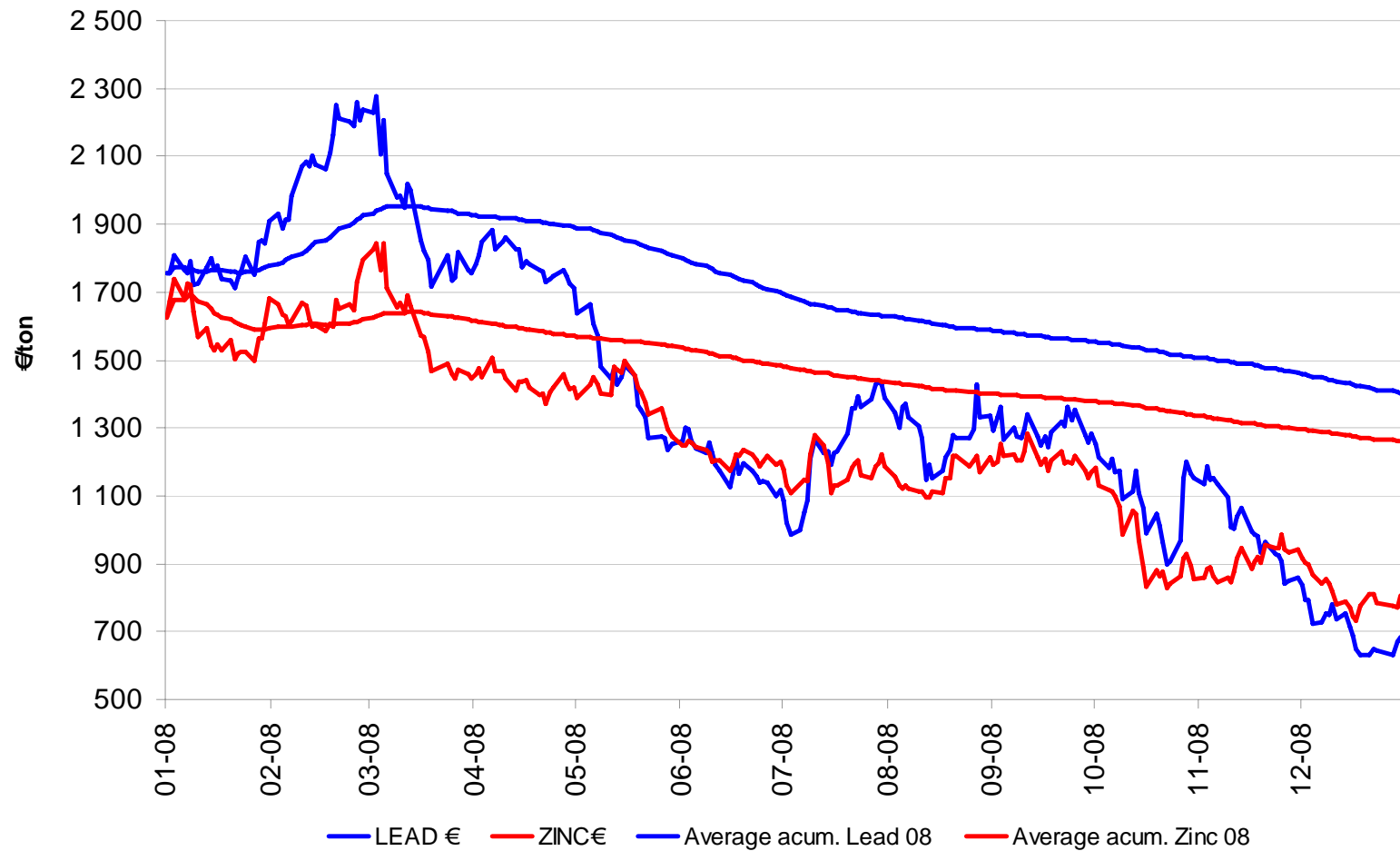
Zinc 2007 average: € 2,385 / ton



Evolution of lead & zinc prices in 2008: daily and average of YTD accumulated prices

Lead 2008 average: € 1,404 / ton

Zinc 2008 average: € 1,260 / ton



→ October 2008: Norzinco S.A., subsidiary of the RECYLEX group, initiated the process to stop its plant in Anzin (France)

- Loss making for several years, except in 2006
- In a declining European zinc oxide market
- A strong commitment for Norzinco S.A and Recylex
 - To support at best each of the 34 employees of the company in his retraining
 - To deal with any possible environmental effects caused by its activity

**A justified decision, taken in time,
with a strong social and environmental commitment**

→ Temporary shutdown of Waelz oxide production at Harz-Metall GmbH's Goslar plant in Germany

- Measure taken as a result of general market trends, with a decrease in steel plant production and partial or full shutdowns by major clients
- Maintenance shutdown has been advanced to December 2008, from later in 2009

**This decision forms part of a forward-looking,
sound economic and industrial approach**

- **The first international development for Recylex, outside France, Germany or Belgium)**
 - Tests are scheduled in March 2009
- **A first new plant for future development**

To deliver revenues in 2009

→ Legal proceeding / Former employees of Metaleurop Nord SAS

● Non-managerial staff:

- 27th June 2008: The Industry section of the Labour Court of Lens (“Conseil de Prud’hommes”) determined in particular that Recylex (formerly known as Metaleurop SA) was the co-employer of 493 non-managerial former employees of Metaleurop Nord SAS and granted € 30,000 in damages and € 300 in expenses to each claimant
 - The Labour Court the Lens has decided that these amounts, representing €14,9 million in total, shall be included in the liabilities of Recylex continuation plan, paid off in installments
 - Recylex appealed these decisions, which suspended their execution
- 26th June 2009: pleading session at the Appeal Court of Douai

● Managerial staff:

- 30th September 2008: the Management section of the Labour Court of Lens has decided to postpone the 91 cases to a hearing aiming at deciding between the labour judges (“départage”)
 - Each of the 91 former managerial employees is claiming payment of 30 000 euros as damages and 300 euros as expenses
 - Recylex is challenging both the admissibility and the legal grounds of these actions, in particular its quality of co-employer
- 20th May 2009: pleading session at the Management section of the Labour Court of Lens, under the chairmanship of a delegated judge of the District Court of Lens

As at December 31, 2008 Recylex made a provision covering the global amount discounted to current value (€M 15,5)

→ Legal proceeding / action by the liquidators of Metaleurop Nord SAS for repayment of its liabilities

- The proceeding brought by the liquidators of Metaleurop Nord SAS claiming the repayment by Recylex SA of €50 million of Metaleurop Nord SAS's liabilities, is pending before the commercial division of the Douai Appeal Court
 - Following the liquidators' appeal against the decision delivered on February 27, 2007 by the Béthune Regional Court, which ruled that Recylex SA was not a de facto manager of Metaleurop Nord SAS
- 18th November 2008: The Douai Court of Appeal has adjourned its decision and invited the parties to refer the matter to the Council of State
 - Recylex SA had raised a procedural defense that the action brought by the liquidators of Metaleurop Nord SAS was inadmissible on the grounds that they had failed to declare their receivable in the Recylex SA recovery proceedings which commenced on November 13, 2003, in accordance with the legal provisions
 - The liquidators relied on the existence of a regulatory provision that exempted them from doing so
 - Since this was a matter involving examination of the compatibility between a legislative provision and a regulatory provision containing an exception to it, the Court of Appeal considered that it was for the Council of State to decide the point before the Court could make a decision both on admissibility and on the merits of the claim

**Based on the favorable decision of the Bethune Regional Court,
the company did not make any provision in the financial statements at Dec 31st, 2008**

→ Health, Security and Environment (HSE) performance audit:

- A full HSE audit has been performed by specialized auditors on Recylex sites in order to reach best-in-class standards in the future
 - with immediate effect:
 - A better structured QHSE reporting from plants to HQ
 - A targeted investment program with established priorities
 - A strong commitment to HSE with a 2 year HSE training program for all operational employees
 - Most investment already forecasted and in 2009 budgets

→ Mines: pursuit of the mines rehabilitation program

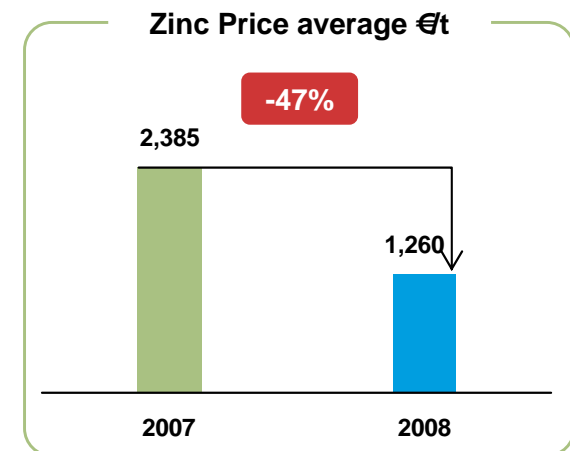
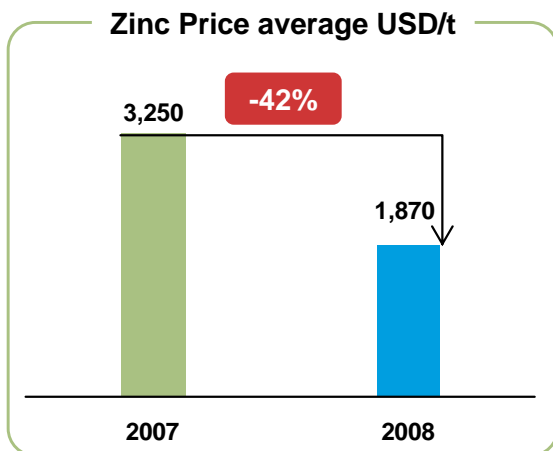
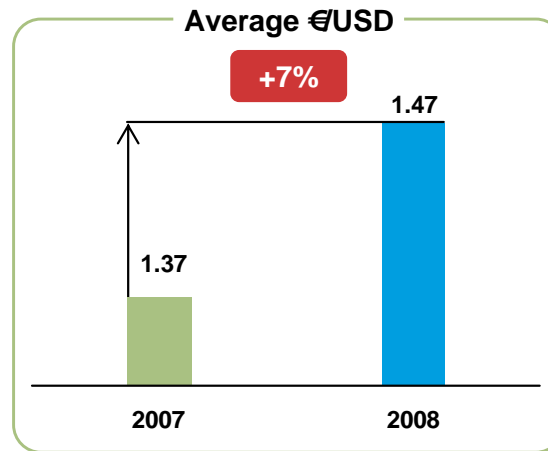
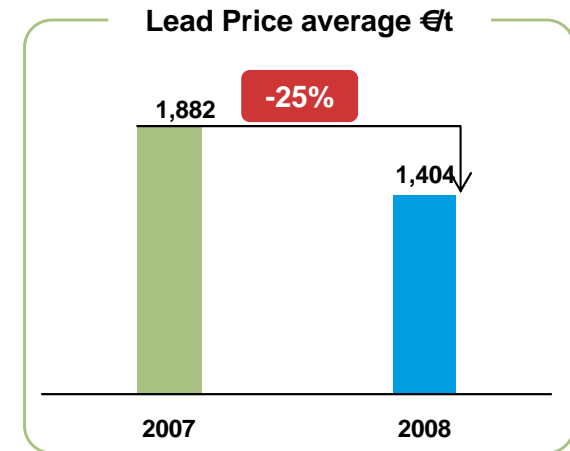
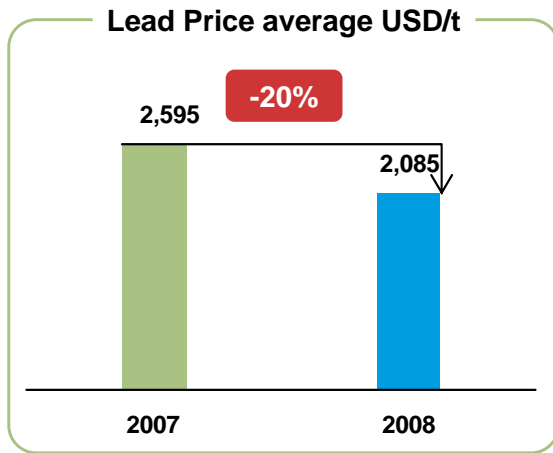
- Due to French administrative reorganization, 3 mines are waiting for final release

→ L'Estaque: looking for a final optimal solution with all stakeholders

HSE policy as a strategic priority in 2009

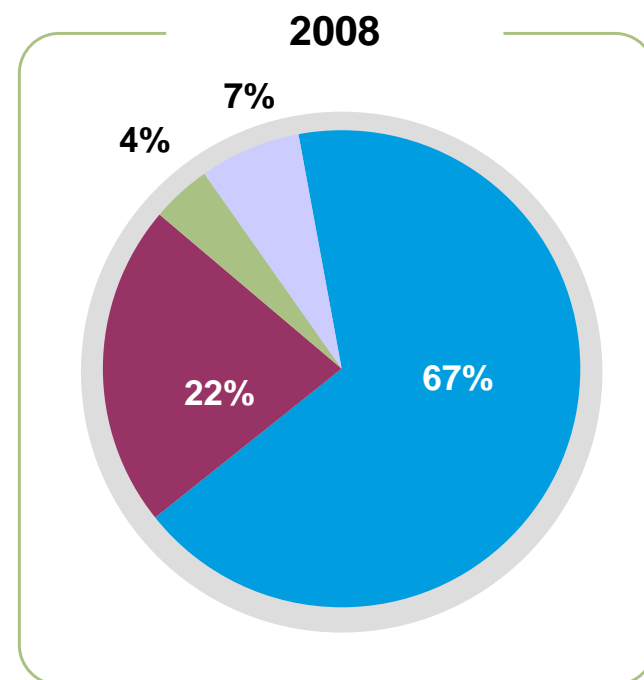
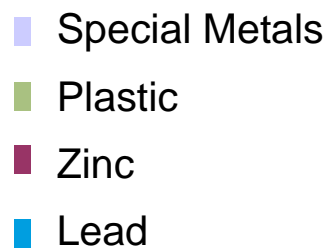
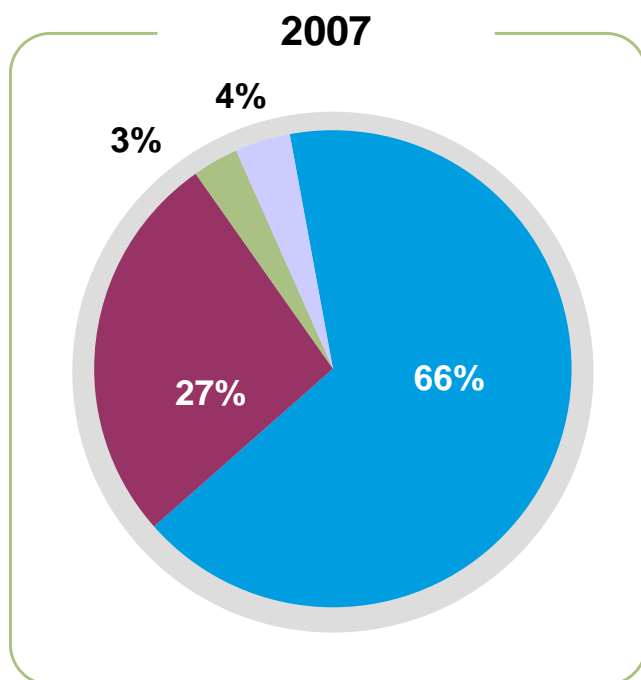
3. Key figures

Evolution average Lead/Zinc Prices €/ USD - average exchange rate-



Sales Revenues by segment

In M€	2007	2008	VAR.
Lead	335.4	245.6	-26.8%
Zinc	137.8	81.9	-40.5%
Plastic	14.5	14.2	-2.2%
Special Metals	21.8	25.3	+15.9%
Total	509.6	367.1	-28.0%



Output in ton	2007	2008	VAR.
Lead	135,136	135,732	+596
Zinc oxides	35,199	31,591	-3,608
Waelz oxides *	64,739	73,741	+9,002
Polypropylene	14,577	14,495	-82

Input (recycling) in ton	2007	2008	VAR.
Batteries treated	139,882	121,719	-18,163
Steel dust treated *	172,008	195,178	23,170
Zinc scrap	37,777	32,154	- 5,623

* incl. 100% Recytech

Key figures (IFRS before evaluation of inventories with LIFO method*)

In K€	2007	2008	VAR.
Revenues	509,582	367,058	(142,524)
EBIT	85,332	(27,868)	(113,200)
EBITDA	105,005	(14,348)	(119,353)
Net income	67,719	(49,723)	(117,442)
Operating Cash flow	42,191	13,926	(28,265)
Cash	79,162	77,450	(1,712)
Financial Debt (wo factoring)	15,981	13,864	(2,117)
Continuation plan ((before discounting)	20,369	18,508	(1,861)
Provisions	36,365	53,856	17,491
Investments	16,407	15,081	(1,326)
Working Capital	88,297	45,722	(42,575)
Equity	147,458	96,084	(51,374)
Gearing net (incl. Provisions, pensions & other liabilities)	24%	49%	-

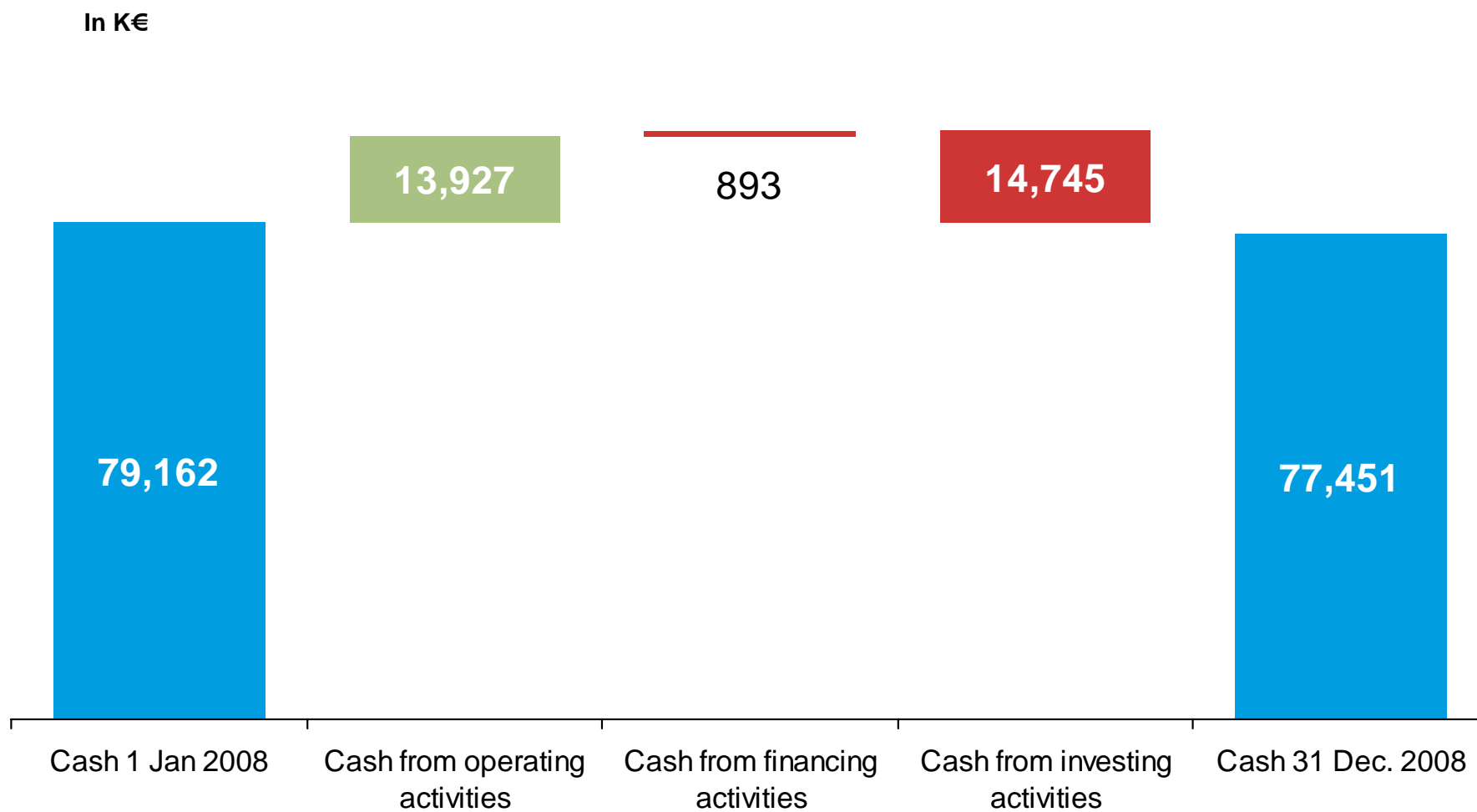
*: Method not authorized in IFRS

Key figures (IFRS after revaluation of inventories with LIFO method*)

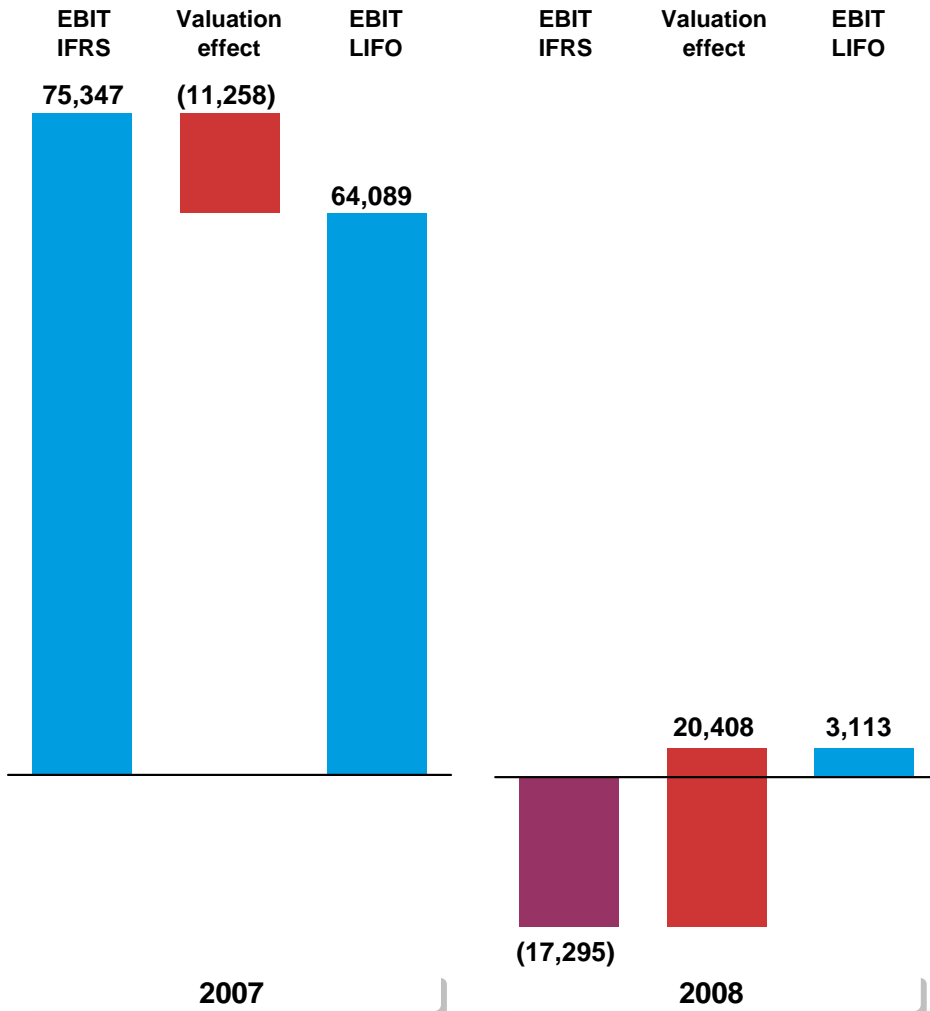
In K€	2007	2008	VAR.
EBIT	74,075	(7,460)	(81,534)
EBITDA (LIFO terms)	93,747	6,060	(87,686)
Net income	59,740	(35,259)	(94,999)
Working Capital	67,027	44,860	(22,167)
Operating cash flow	42,191	13,926	(28,265)
Equity	132,383	95,473	(36,910)

*: Method not authorized in IFRS

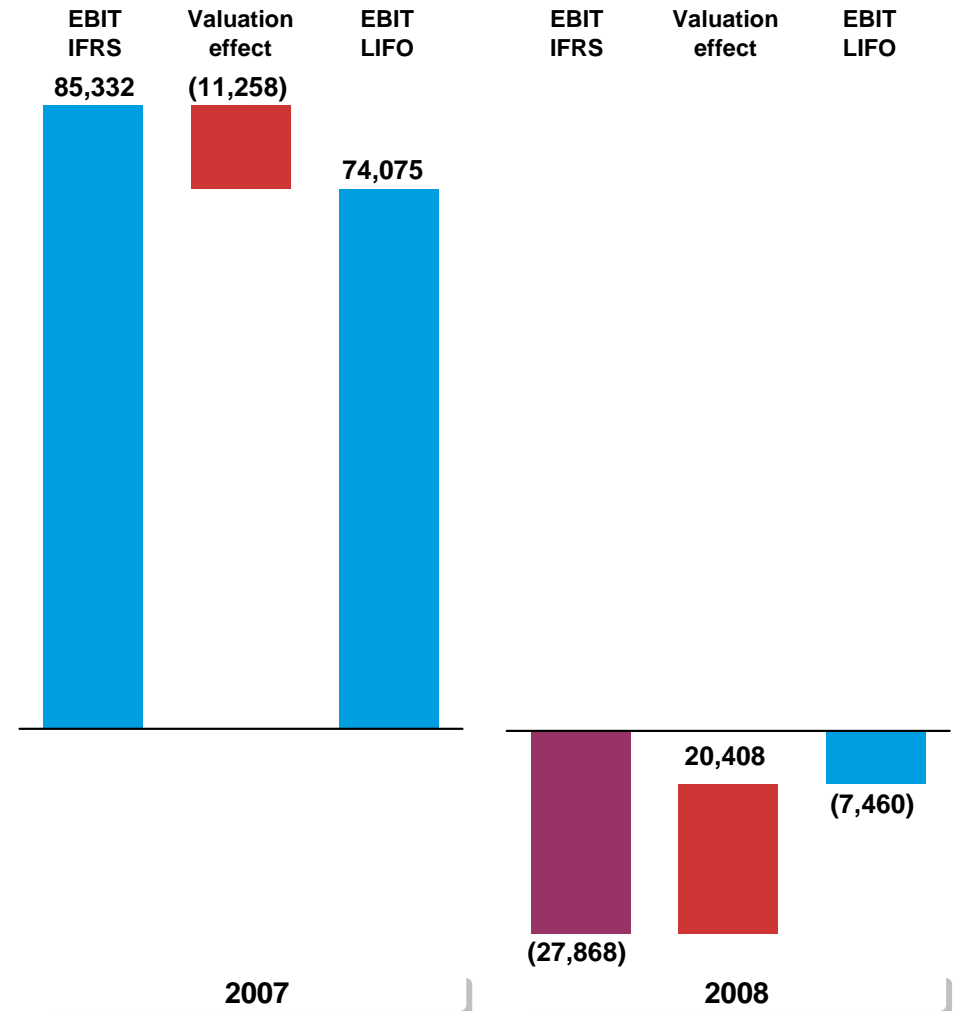
Cash Flow Recylex Group FY 2008 (in €K)



Stock valuation effect on operational sector level: Lead business



Stock valuation effect on group level



Profitability by segment (LIFO restated*)

in €M

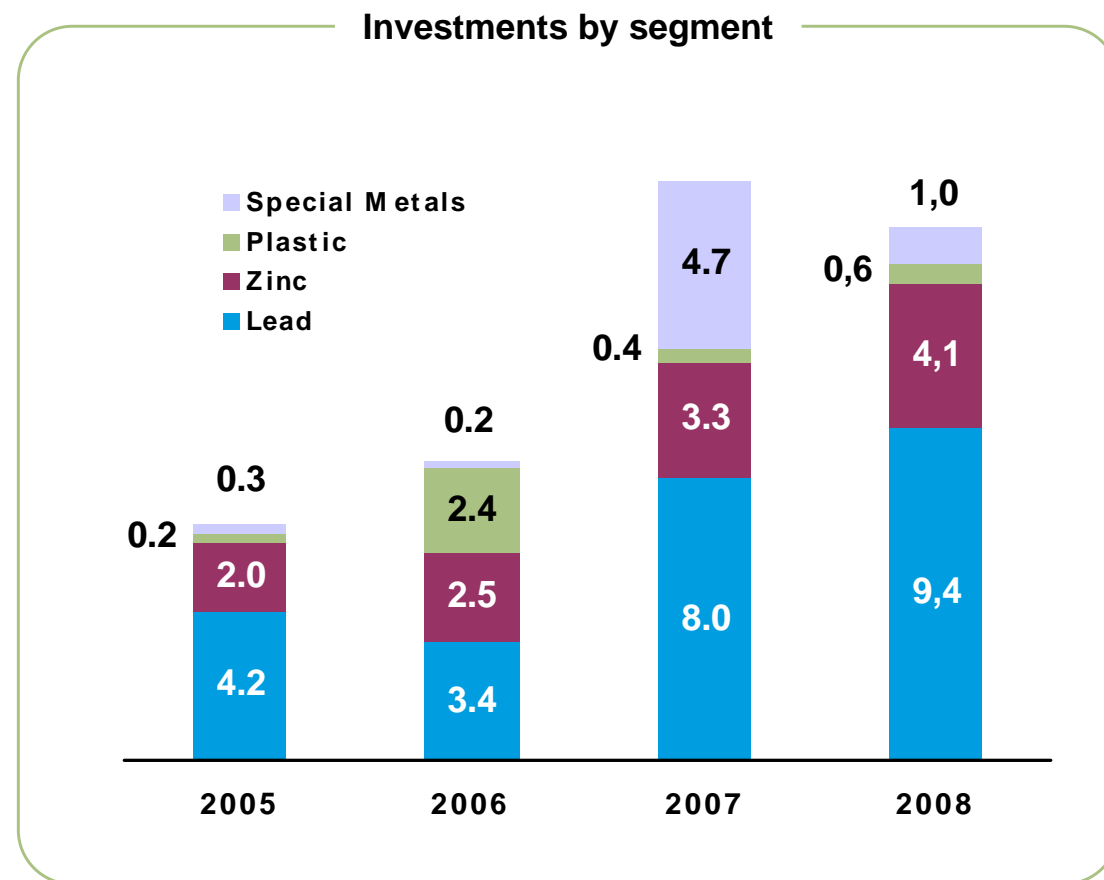
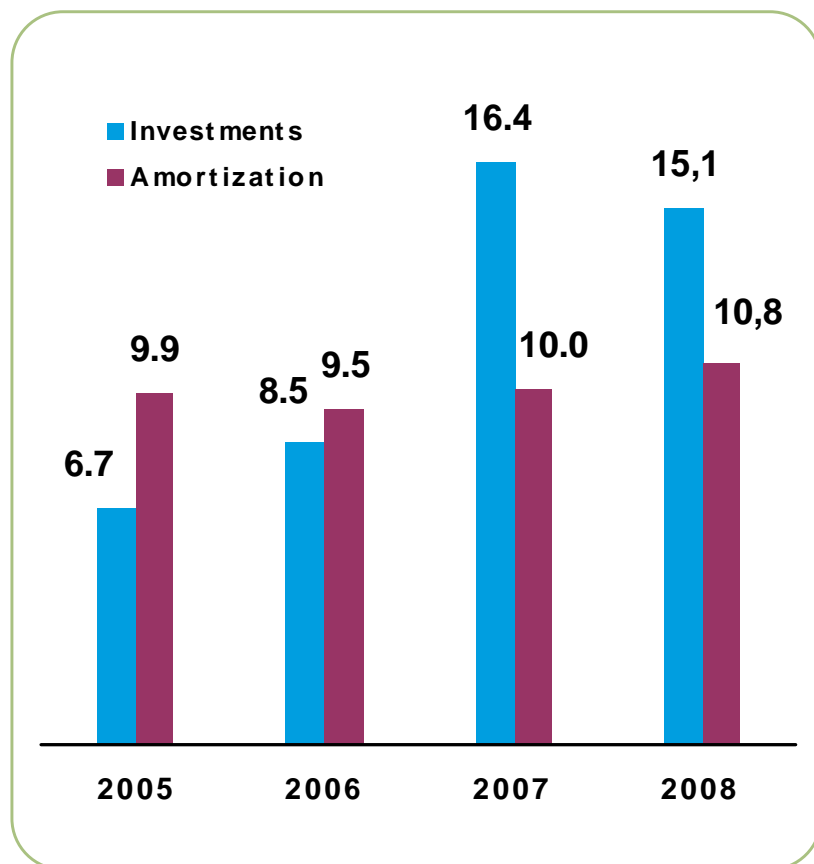
2008	Group	Lead (LIFO)	Zinc	Plastic	Special Metals	Unallocated costs
Revenues	367.1	245.6	81.9	14.2	25.3	
EBITDA <i>as revenues %</i>	6.1 1.6%	10.0 4.1%	1.6 2.0%	0.9 6.0%	2.8 11.0%	(9.2)
EBIT <i>as revenues %</i>	(7.5) (2.0)%	3.1 1.3%	(3.5) (4.3)%	0 0%	2.0 7.9%	(9.1)

2007	Group	Lead (LIFO)	Zinc	Plastic	Special Metals	Unallocated costs
Revenues	509.6	335.4	137.8	14.5	21.8	
EBITDA <i>as revenues %</i>	93.7 20.6%	79.1 27.0%	23.0 16.7%	1.1 7.4%	0.6 2.3%	(10.2)
EBIT <i>as revenues %</i>	74.0 16.7%	64.0 22.5%	19.7 14.3%	0.2 1.6%	0.1 0.5%	(10.0)

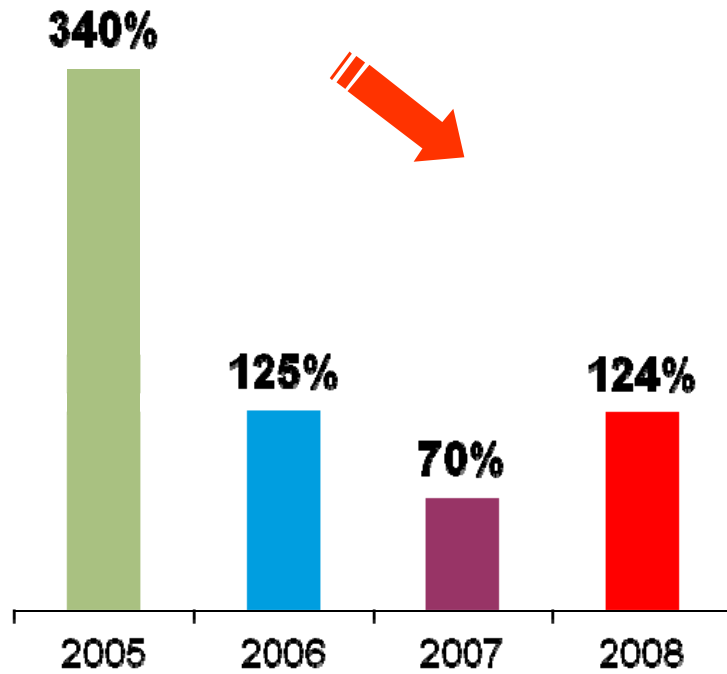
*: Method not authorized in IFRS

The pursuit of an investment policy in order to boost productivity, profitability, safety and environmental performance

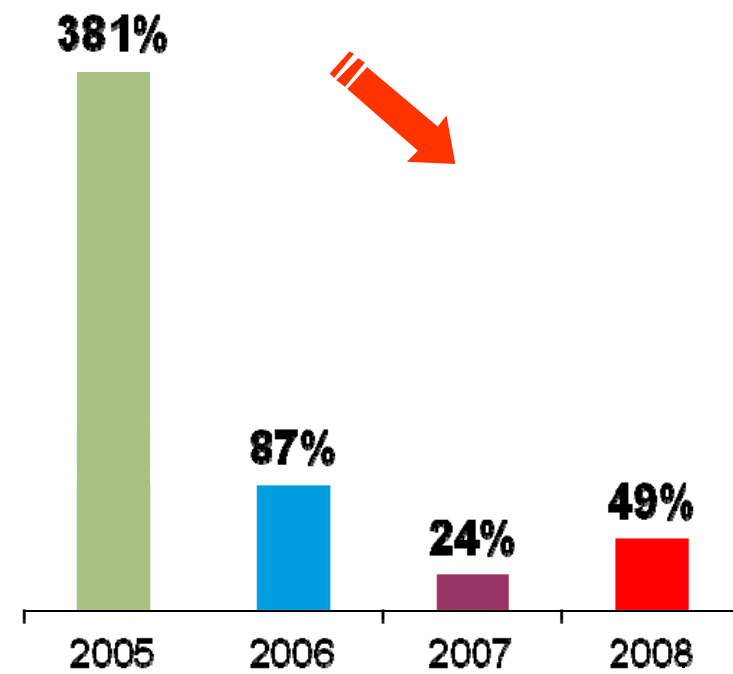
en M€



Gross Gearing*



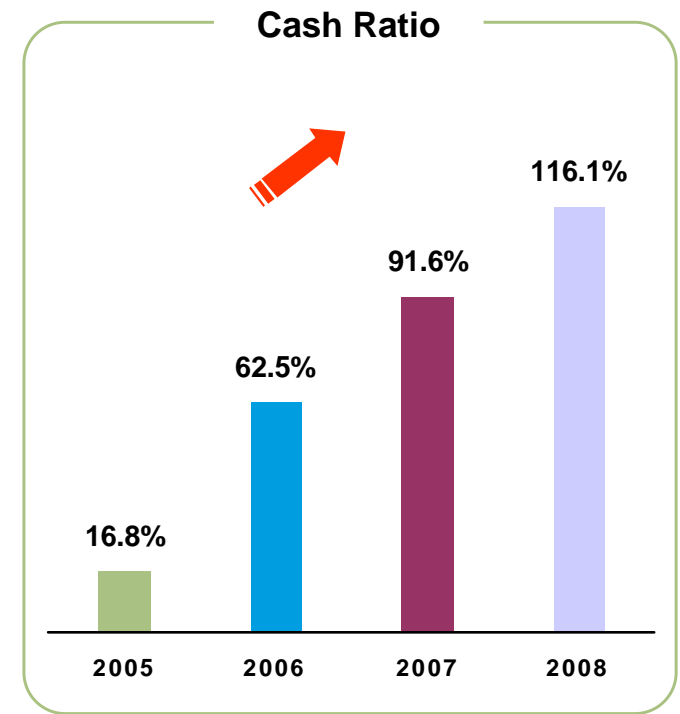
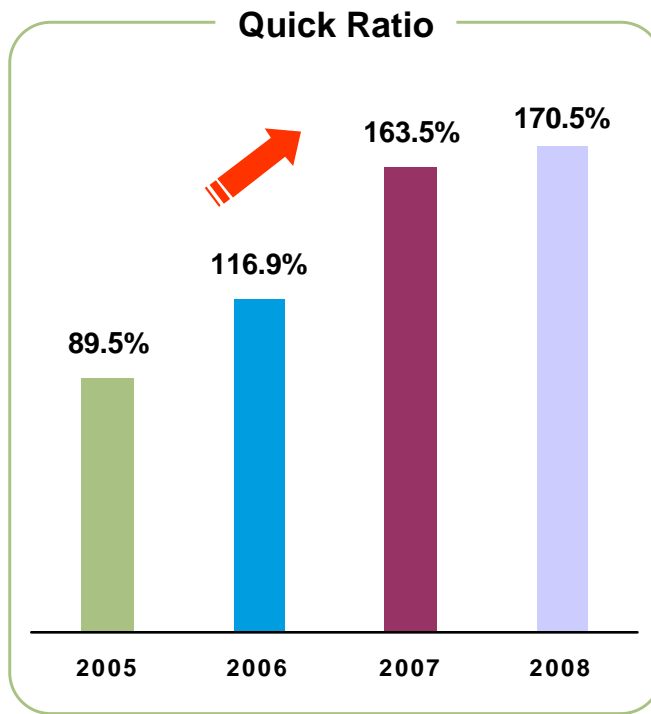
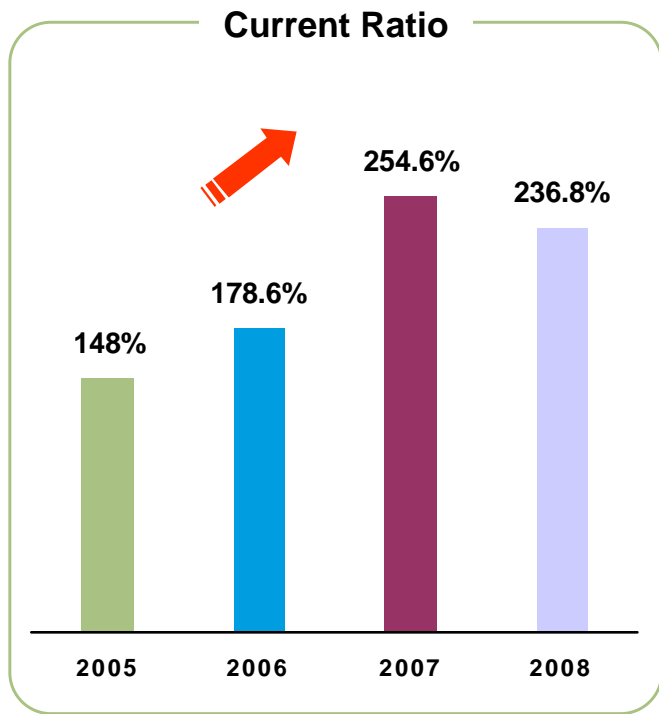
Net Gearing**



Gross Gearing = (Long term debt + other current liab. / Equity)

Net Gearing = ((Long term debt + other current liab. - NetCash)/Equity)

Preserved Cash Ratios in 2008



Current Ratio = Current Assets / Current liabilities

Quick Ratio = Current Assets w.o. inventories / Current liabilities

Cash Ratio = Cash & Cash equivalents / Current liabilities

4. 2008 consolidated accounts

in €K	2007	2008
Revenues	509,582	367,058
Cost of sales	(320,109)	(294,580)
Gross margin	189,473	72,479
Salary & personnel expense	(41,569)	(42,629)
External services and other costs <i>(wo transport costs)</i>	(41,704)	(43,141)
Taxes & similar charges & Other	(2,691)	(2,773)
Depreciation, amortization & write-downs	(19,556)	(13,520)
Goodwill	(117)	0
Other expense/income	1,496	1,716
Operating income from continuing operations	85,332	(27,868)
Other expense/income from operations	(955)	(22,594)
Operating income	84,377	(50,462)
Financial result	(2,331)	(2,360)
Income before taxes	82,046	(52,822)
Tax expense	(14,328)	3,099
Consolidated net income	67,719	(49,723)

in €K	2007	2008	Var.
Depreciation tangible & intangible Assets	10,037	10,804	767
Depreciation current Assets	7,033	328	(6,705)
Increase in Provisions	4,484	2,550	(1,934)
Release of Provisions	(1,999)	(162)	1,836
Total	19,556	13,520	(6,036)

Other non-recurring operating income and expense

in €K	2007	2008
Impact of the continuation plan	198	220
Additions to environmental Provisions & expenses	(1,383)	(527)
Additions to Provision for labor court procedure		(15,539)
Additions to Provision for Norzinco SA Site Closure		(1,893)
Impairment losses on Norzinco SA and HMG GmbH assets		(5,426)
Other	230	571
Total	(955)	(22,594)

in €K	2007	2008
Revenues Cash & Cash equivalent	1,732	2,637
Total financial revenues	1,732	2,637
Total foreign exchange Losses	(1,237)	(428)
Factoring Costs	(1,461)	(730)
Interest Cost on Loans	(776)	(934)
Total Financing Costs	(2,237)	(1,664)
Effects of loans and provisions discounting	(553)	(2,494)
Other financial costs	(35)	(412)
Total other financial costs	(588)	(2,907)
Financial Result	(2,231)	(2,360)

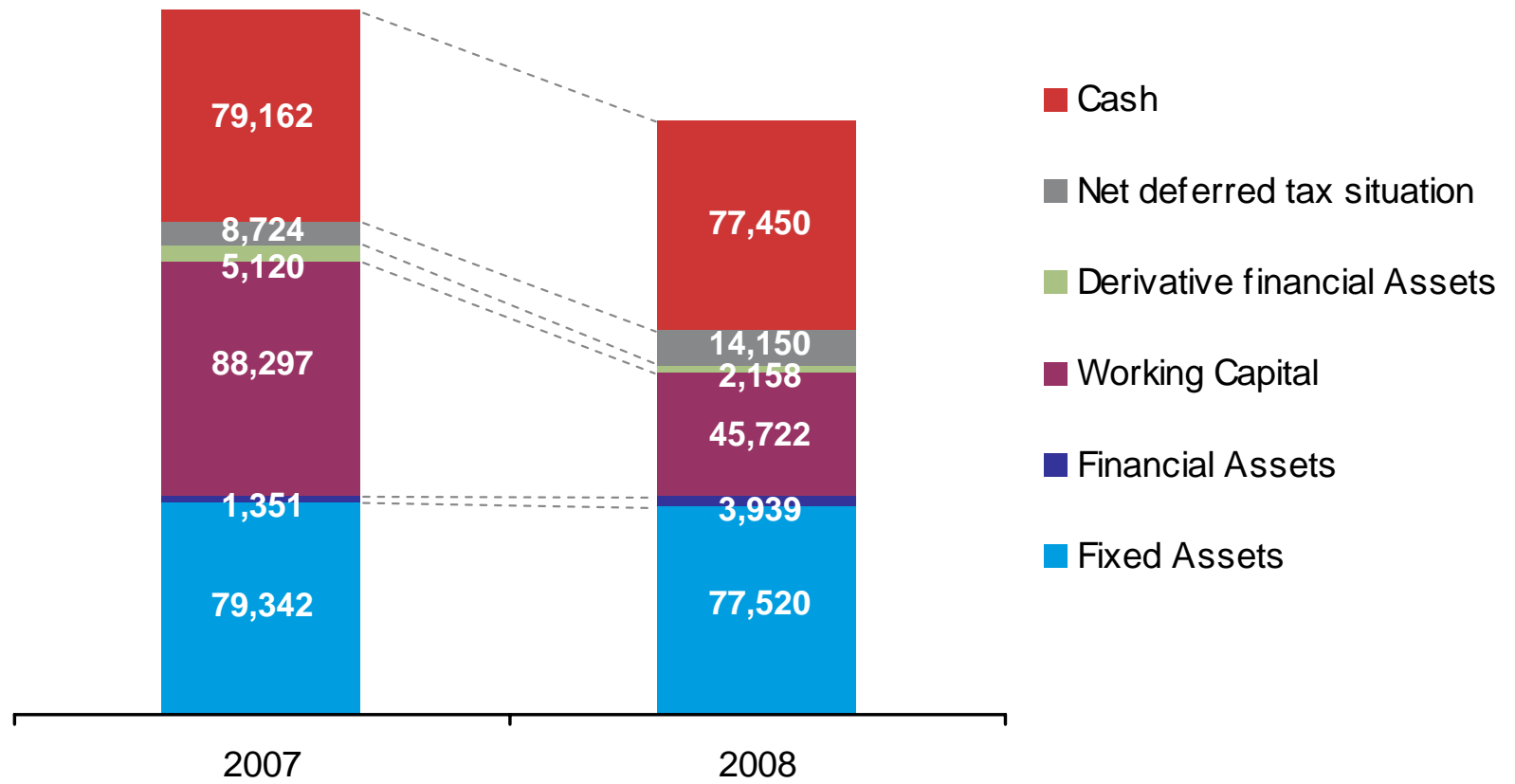
Income tax expense in €K	2007	2008
Tax expense due	(14,244)	(1,440)
Deferrals related to timing differences or the reversal of timing differences	51	13,286
Deferrals on tax loss carry forward	(135)	(8,747)
Deferred tax income / (expense)	(84)	4,539
Consolidated income tax expense	(14,328)	3,099

Income tax expense – 2008 -	Group	France ⁽¹⁾	Germany	Belgium
Corporate Tax payable	(1,440)	(402)	(1,050)	11
Deferred Corporate Tax	4,539	(1,763)	6,289	13
Total	3,099	(2,164)	5,240	24

(1) incl 50% Recytech

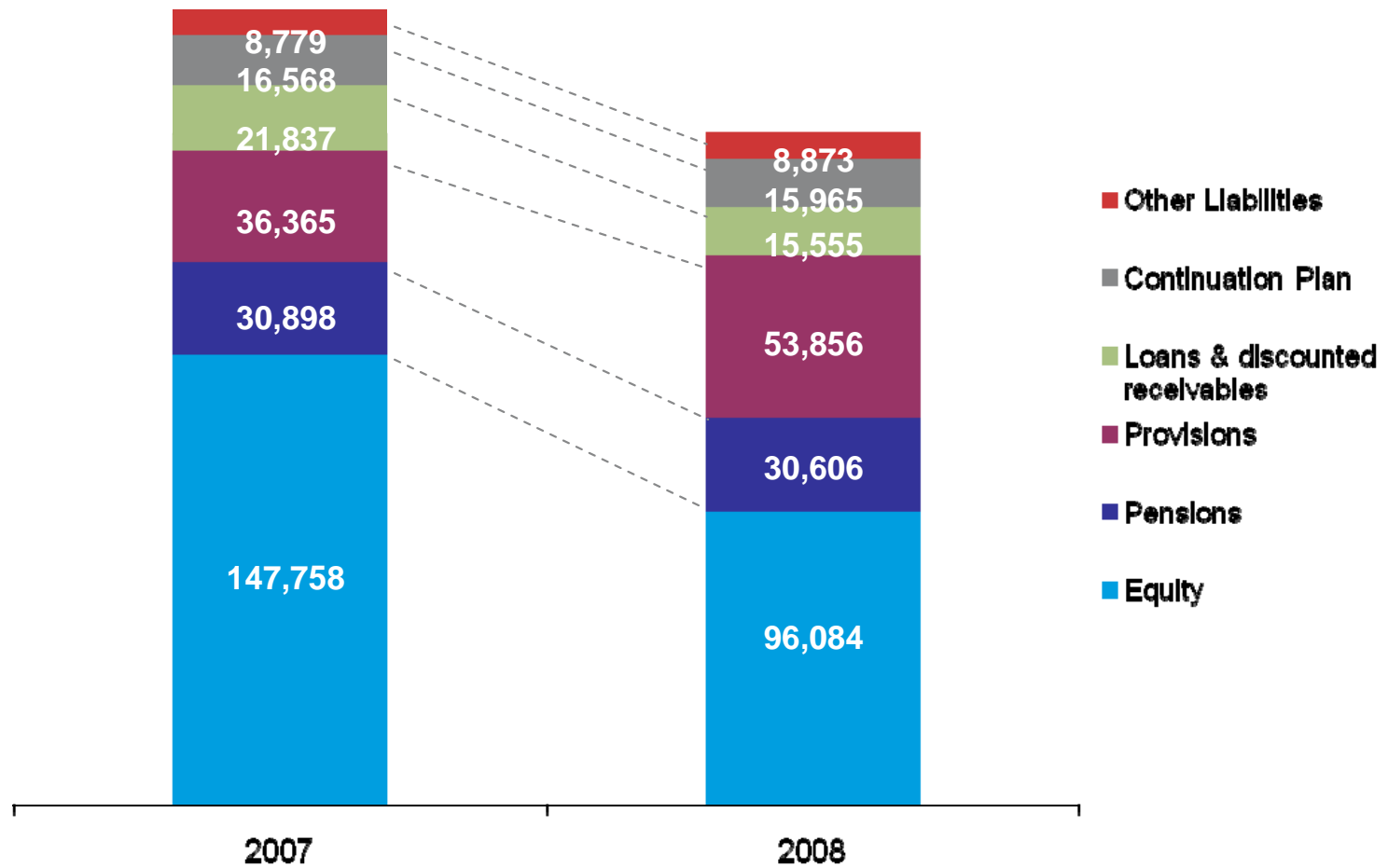
In K€

Assets



In K€

Liabilities

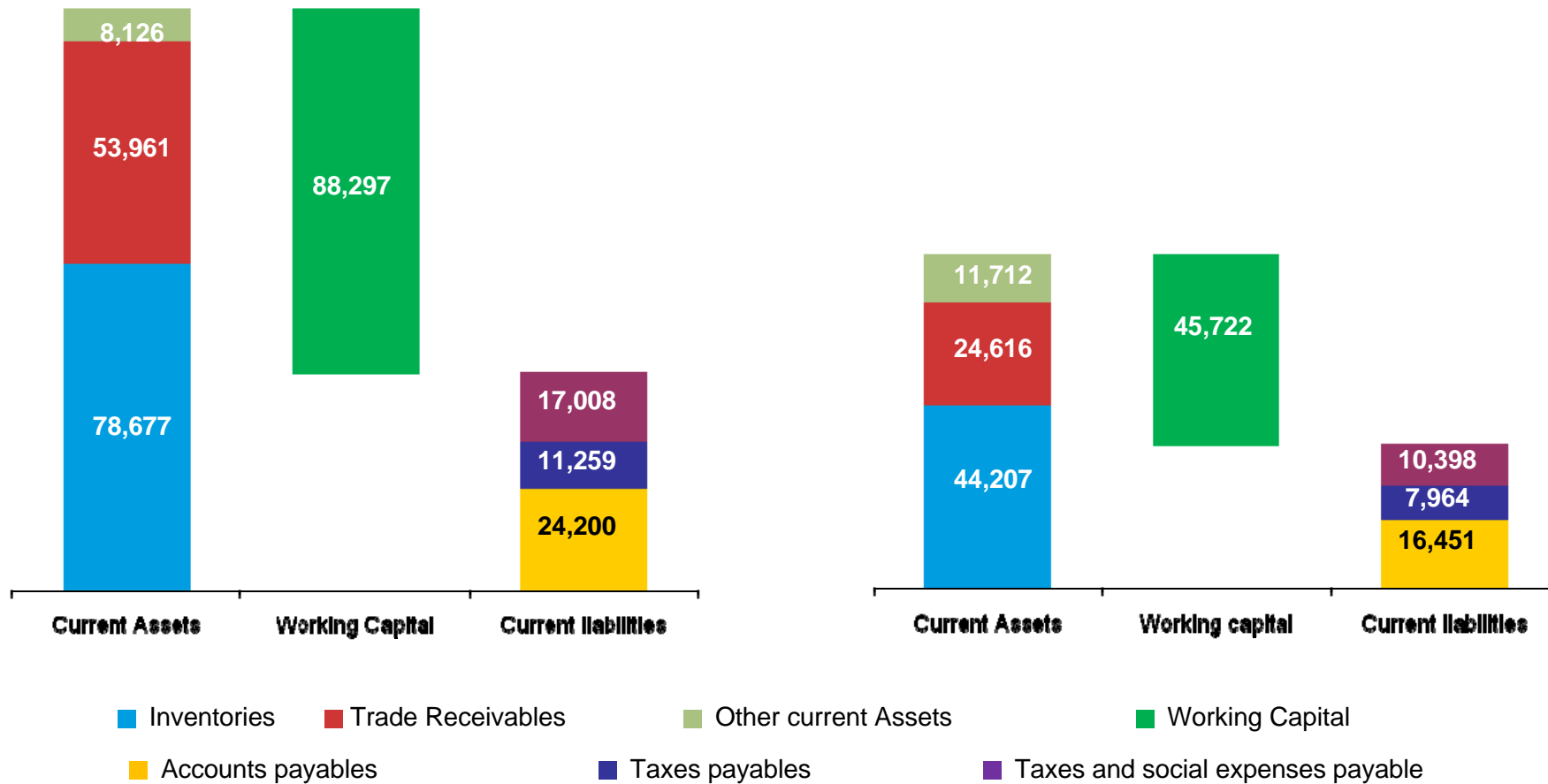


Change in Working Capital

In K€

2007

2008



In K€

	2009	2010	2011	2012	2013	2014	2015	Total
Frozen debt	1,767	2,203	2,203	2,643	2,643	3,525	3,525	18,509
Loans including interest & leasing debt	4,209	2,911	2,546	5,371	634	606	-	16,277
Financial Debts	5,976	5,114	4,749	8,014	3,277	4,131	3,525	34,786

in €K	Dec. 31, 2007 Balance	Additions during the period	Discounting	Reclassifica tion	Releases during the period		Dec. 31, 2007 Balance
					Provisions used	Provisions not used	
Environmental provisions	31 785	3 160	1 078	(9)	(2 729)	(159)	33 126
Litigation	2 152	17 826	(2 173)	0	(359)	(643)	16 803
Restructuring	385	37	0	0	(63)	(84)	275
Other risks and expenses	2 043	1 617	0	9	(9)	(8)	3 652
Total provisions	36 365	22 640	(1 095)	0	(3 159)	(895)	53 856

CONCLUSION

- **A cash flow generating business model in 2008, in a difficult market environment and with metal price decreases**
- **A first international development**
- **A strengthened HSE policy**
- **Strategic decisions made early in H2 2008 in order to secure the group's future**
- **Group's fundamentals solid in 2008**

→ **Weak visibility for 2009, on lead and zinc prices evolution and on market upturn**

- The recycling industry is suffering on both client and supplier sides
- Difficult but healthy decisions have been made in H2 2008

→ **2009 strategic priorities:**

- Confirmed trust on our long term business model
- A strengthened cost reduction policy at group level (energy, maintenance)
- Strategic investments have been confirmed, and nonessential investments have been delayed

**Group's 2009 priorities: Cash management,
by limiting non-essential investments,
by reducing production costs and working capital**

5. Q & A