



H1 2010 Financial Results

Yves ROCHE, Chief Executive Officer

Ingo SCHAEFER, Chief Financial Officer

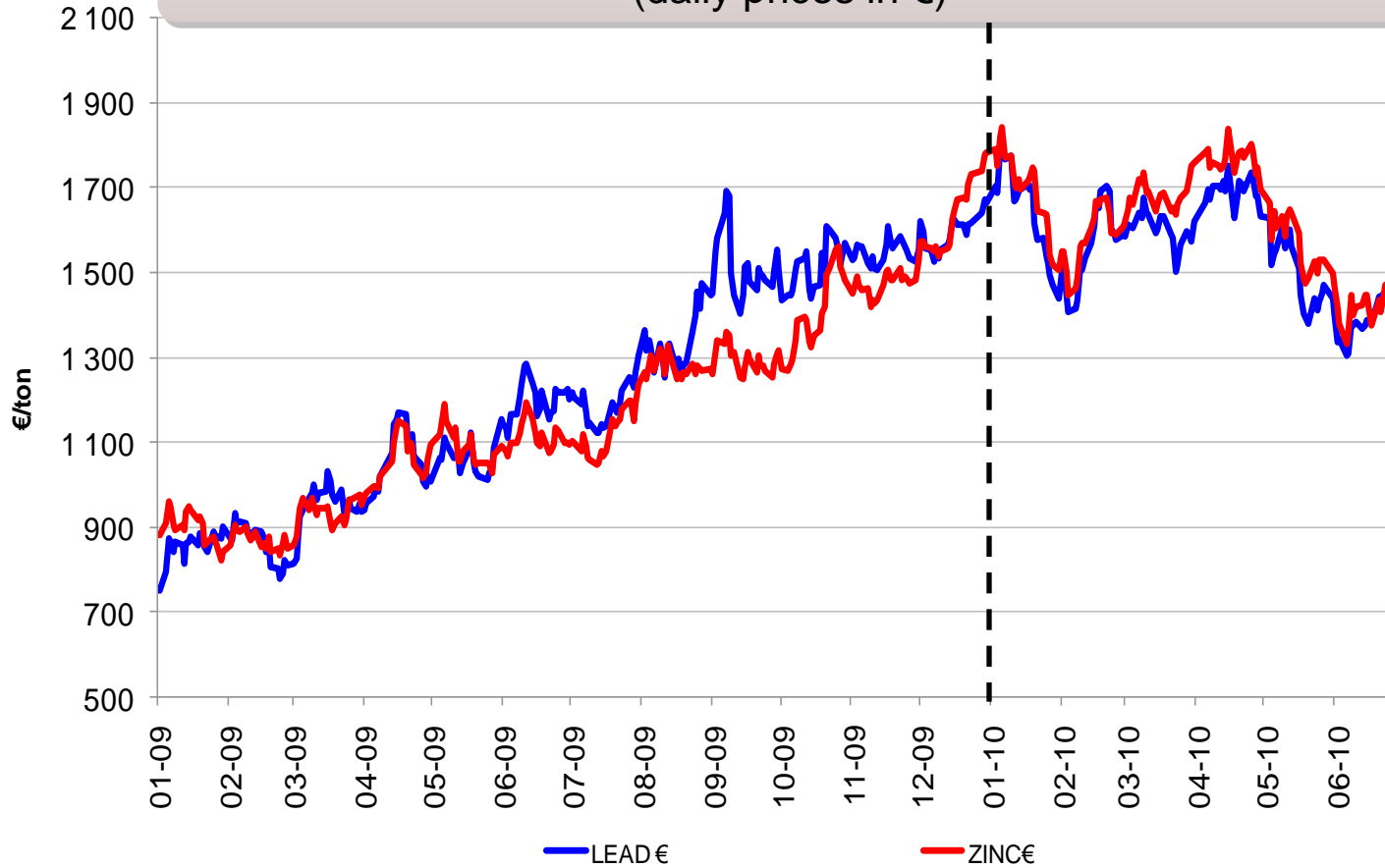
1. | H1 2010 Key highlights

2. | H1 2010 Key figures

3. | Consolidated statements as of June, 30th 2010

4. | Conclusion

Lead and Zinc prices evolution in 2009 and H1 2010
(daily prices in €)

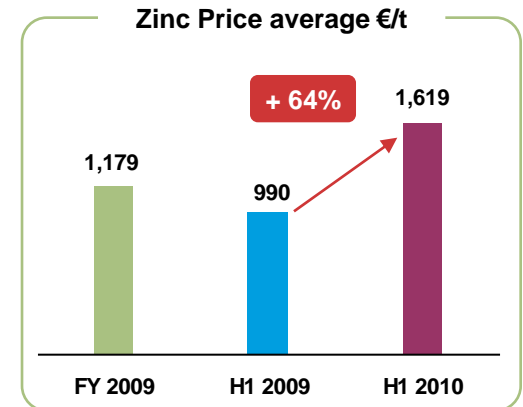
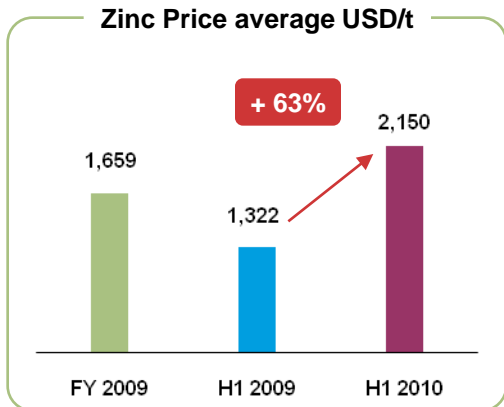
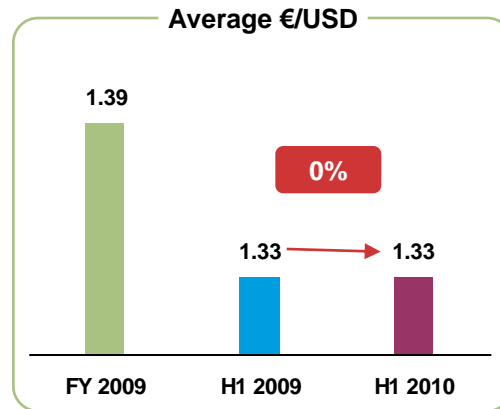
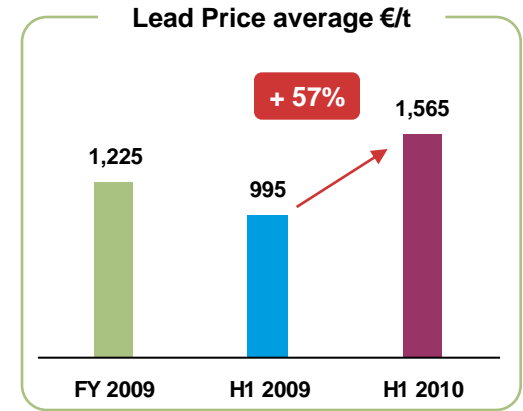
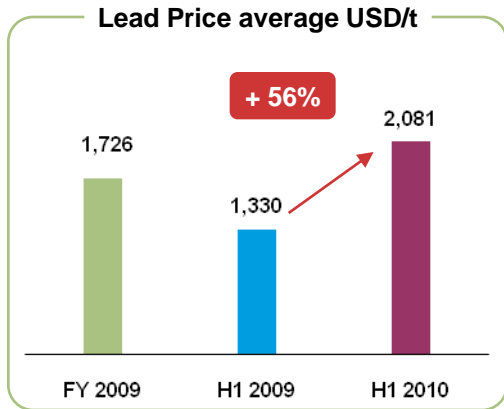


2009 Lead annual average: € / ton 1,225
2009 Zinc annual average: € / ton 1,179

H1 2010 Lead average: € / ton 1,565
H1 2010 Zinc average: € / ton 1,619

Source LME

Evolution average Lead/Zinc Prices € / US\$ (average exchange rate)



- **Continuation of the trend seen in the second half of 2009: increase raw materials prices and processing volumes against the backdrop of pressure on margins**
- **Positive operating profit before non-recurring items for all business lines**
- **Consolidated net income: €5.6 million**
- **Cash position impacted by a high working capital increase due to raw materials inventories increase**

→ Lead

- Average lead price rose from € 995 per tonne in the first half of 2009 to €1,565 per tonne in the first half of 2010
- Increase in battery processing volumes
- Purchasing prices for batteries remained high → pressure on margins
- Business conditions (premiums on sales) remained not very satisfactory
- The Nordenham plant closed for planned maintenance works for four weeks between April and May 2010

→ Zinc

- Average zinc price rose from € 990 per tonne in the first half of 2009 to €1,619 per tonne in the first half of 2010
- Steel dust treated volumes (Waëlz oxides) resumed during the first half of 2010
- The Recytech SA* plant (Waëlz oxides) closed for planned maintenance works
- The zinc recycling business (Zinc oxides) enjoyed a satisfactory first half of 2010

* : joint-venture, 50 % participation

→ Plastic

- Slight sales growth increase; recovery is yet to be seen in this sector

→ Special Metals

- Encouraging signs of recovery in the high purity arsenic and cadmium telluride sectors

→ Former employees of Metaleurop Nord SAS

- Non-managerial employees: the Company decided to lodge an appeal against the rulings, which does not suspend their application
 - December 18, 2009: the Douai Court of Appeal partially upheld the decisions handed down by the Lens labour tribunal on June 27, 2008 by granting damages to 460 unprotected former employees for a total amount of €12.4 million, these sums being incorporated in the liabilities of Recylex SA's Continuation Plan.
 - February 9, 2010: Recylex SA decided to appeal before the *Cour de Cassation* against the decisions granting damages to 460 former employees, but this does not suspend their enforcement.
 - February 18, 2010: Recylex SA paid 24% of the damages granted to 460 former employees, representing the first four instalments under its Continuation Plan (i.e. approximately € 3 million). The balance will be paid in instalments in accordance with the Continuation Plan until 2015.
 - June 30, 2010: The Douai Court of Appeal decided to adjourn the cases concerning 11 unprotected former employees at its hearing scheduled for October 27, 2010.

- Managers and supervisory staff: hearing postponement to 27 October, 2010
 - September 15 and 30, 2009 and February 26, 2010: The Management Section of the Lens Labour Court (Conseil de Prud'hommes) considered that Recylex SA was the co-employer of 91 former executive employees of Metaleurop Nord SAS and awarded to each of them €30,000 as damages and €300 as costs, by ordering the inclusion of these sums (totalling approximately €2.7 million) in the liabilities of Recylex SA's Continuation Plan.
 - Recylex SA has appealed against these judgments, thereby suspending their enforcement.
 - June 30, 2010 and July 20, 2010: The Douai Court of Appeal decided to adjourn the cases concerning 91 former employees at its hearing scheduled for October 27, 2010.

→ **Claim for payment of liabilities from the liquidators of Metaleurop Nord SAS**

○ Preliminary ruling on legality before the Conseil d'Etat: still pending

- February 27, 2007: At first instance, the Béthune Regional Court dismissed the claim brought by the liquidators for payment of €50 million of Metaleurop Nord SAS's liabilities, holding that Recylex SA was not the de facto manager of Metaleurop Nord SAS.
- November 18, 2008: The Douai Court of Appeal issued a stay of proceedings and invited the parties to refer the case to the Conseil d'Etat to examine the legality of a regulatory provision.
- February 12, 2009: Recylex SA applied to the Conseil d'Etat for a preliminary ruling on legality. The preliminary ruling from the Conseil d'Etat is awaited before the Douai Appeal Court can rule.

→ **Civil liability claim against the creditors' representative**

○ Memorandum of understanding (€1.5 million)

- January 20, 2010: The Paris Regional Court ordered the creditors' representative to pay Recylex SA the sum of €3 million in damages and interest for having erroneously included amongst uncontested debts a debt which was subject to an on-going case before the Paris Commercial Court.
- February 22, 2010: The decision was appealed by the creditors' representative.
- June 15, 2010: Recylex SA signed a memorandum of understanding with the creditors' representative providing for the latter's withdrawal from the appeal procedure and the payment to Recylex SA of the amount of €1.5 million by way of settlement.

1. | H1 2010 Key highlights

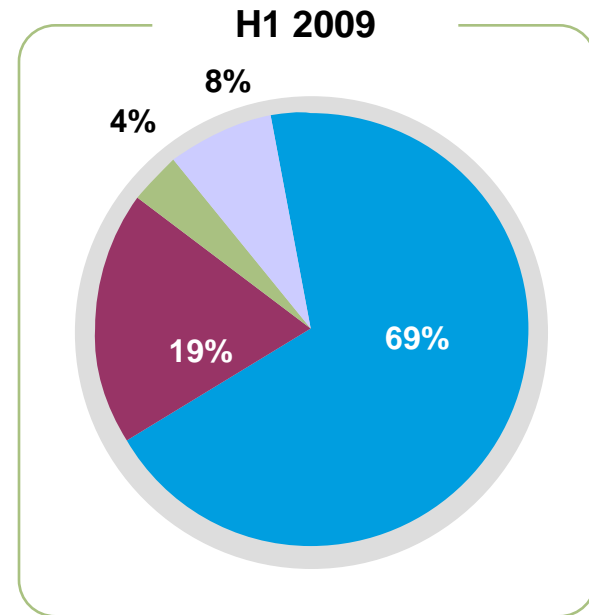
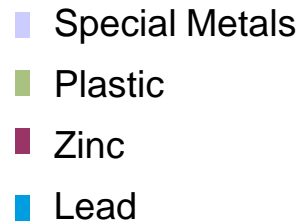
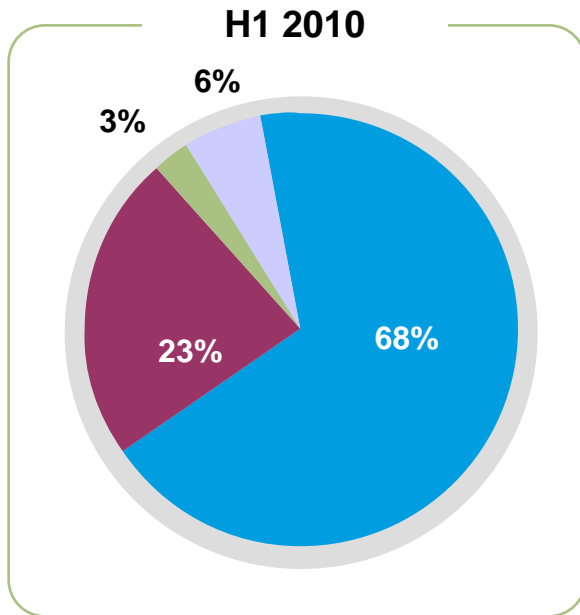
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3. | Consolidated statements as of June, 30th 2010

4. | Conclusion

Turnover by sector

In K€	H1 2010	H1 2009	Var.
Lead	132,311	71,135	86.0%
Zinc	43,643	20,098	117.1%
Plastic	5,027	4,400	14.3%
Special Metals	12,620	7,909	59.6%
Recylex Group	193,601	103,542	87.0%



Output in ton	H1 2010	H1 2009	Var.
Lead	61,270	51,265	10,005
Zinc oxides	14,335	10,779	3,556
Wäelz oxides*	36,140	12,059	24,081
Polypropylene	6,027	5,247	780

Input (recycling) in ton	H1 2010	H1 2009	Var.
Batteries treated	78,823	61,711	17,112
Steel dust treated*	86,230	41,737	44,493

* incl. 100% Recytech

In K€	H1 2010	H1 2009	Var.
Revenues	193,601	103,542	90,059
EBITDA	11,638	(9,813)	21,451
EBIT	4,032	(6,505)	10,537
Non recurrent result	2,124	11,920	(9,796)
Financial result	23	(1,903)	1,926
Net income	5,579	109	5,470
Operating Cash flow	(6,703)	(13,302)	6,599

In K€	30.06.2010	31.12.2009	Var.
Financial Debt (w/o factoring)	14,209	12,996	1,213
Continuation plan (before discounting)	26,156	29,143	(2,987)
Provisions	35,500	37,257	(1,757)
Investments	4,185	7,847	(3,662)
Working Capital	82,951	72,043	10,909
Cash	43,796	53,498	(9,702)
Equity	110,042	103,195	6,847
Net Gearing (incl. Provisions, pensions & other liabilities)*	55%	54%	

*Net Gearing = (Long term debt incl. provisions + other current liab. incl. provisions - Net Cash) / Equity

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

In K€	H1 2010	H1 2009	Var.
EBIT	7,900	(12,852)	20,752
EBITDA	13,107	(9,232)**	22,339
Net income	8,320	(4,390)	12,710
Operating cash flow	(6,703)	(13,302)	6,599

In K€	30.06.2010	31.12.2009	Var.
Working capital	74,264	59,488	14,776
Equity	103,885	94,297	9,588

* not permitted under IFRS

** restated figures

Profitability by segment (Lead restated in LIFO*)

(in € million)

H1 2010	GROUP	LEAD (LIFO restated)	ZINC	PLASTIC	SPECIAL METALS	OTHER
Revenues	193.6	132.3	43.6	5.0	12.6	-
EBITDA (LIFO) <i>in % of Revenues</i>	13.1 6.8%	8.2 6.2%	5.2 12.0%	0.5 10.2%	1.2 9.9%	(2.1)
EBIT (LIFO) <i>in % of Revenues</i>	7.9 4.1%	4.4 3.3%	4.1 9.4%	0.5 10.8%	0.9 7.5%	(2.1)

H1 2009	GROUP	LEAD (LIFO restated)	ZINC	PLASTIC	SPECIAL METALS	OTHER
Revenues	103.5	71.1	20.1	4.4	7.9	-
EBITDA (LIFO) <i>in % of Revenues</i>	(9.2)** (8.9)%**	(2.6)** (3.6)%**	(2.3) (11.6%)	(0.1) (2.4)%	(1.2) (15.6)%	(3.0)
EBIT (LIFO) <i>in % of Revenues</i>	(12.9) (12.4)%	(5.2) (7.3)%	(3.0) (14.9)%	(0.3) (7.5)%	(1.7) (21.1)%	(2.7)

* not permitted under IFRS

** restated figures

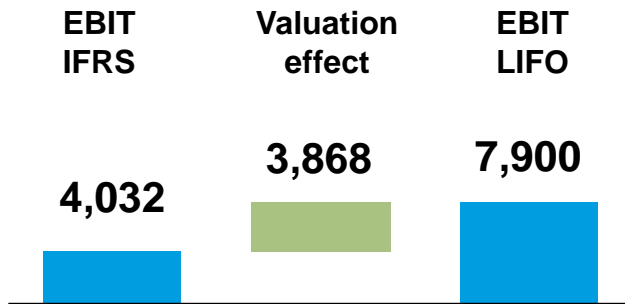
Group EBITDA and EBIT Margin evolution (IFRS / LIFO*)

(in k€)	H1 2010	H1 2009	Var.
Revenues	193,601	103,542	90,059
EBITDA (IFRS)	11,638	(9,813)	21,451
EBITDA (LIFO)*	13,107	(9,232)**	22,339
EBITDA Margin (IFRS)	6.0%	(9.5)%	
EBITDA Margin (LIFO)*	6.8%	(8.9)**%	
EBIT (IFRS)	4,032	(6,505)	10,537
EBIT (LIFO)*	7,900	(12,852)	20,752
EBIT Margin (IFRS)	2.1%	(6.3)%	
EBIT Margin (LIFO)*	4.1%	(12.4)%	
Net Income (IFRS)	5,579	109	5,470
Net Income (LIFO)*	8,320	(4,390)	12,710

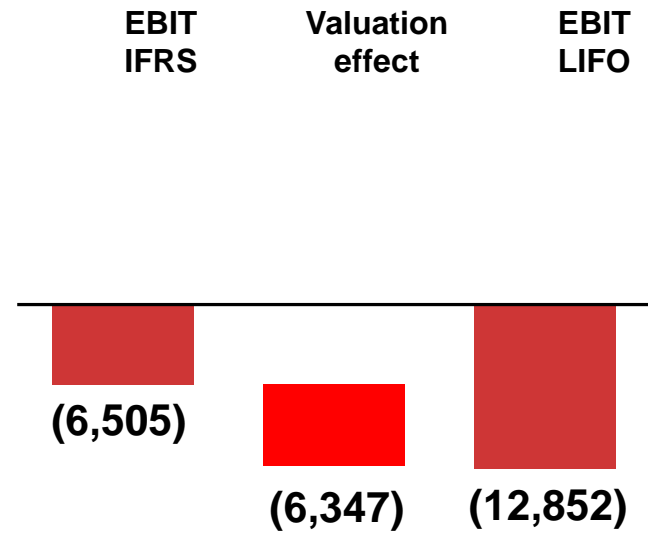
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** restated figures

Stock valuation effect at group level

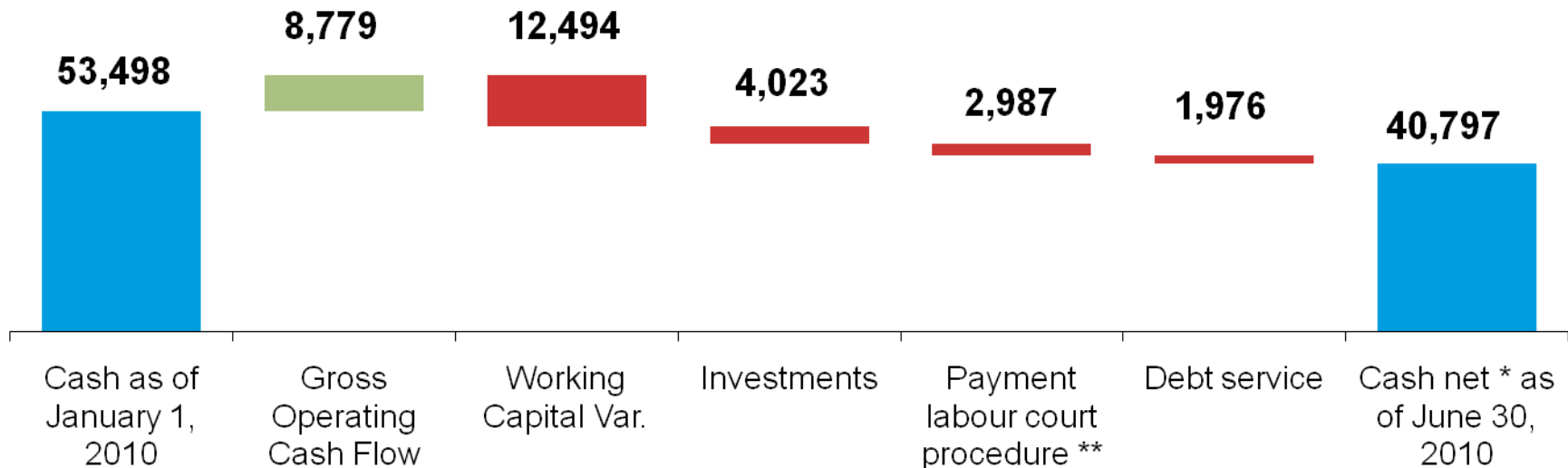


H1 2010



H1 2009

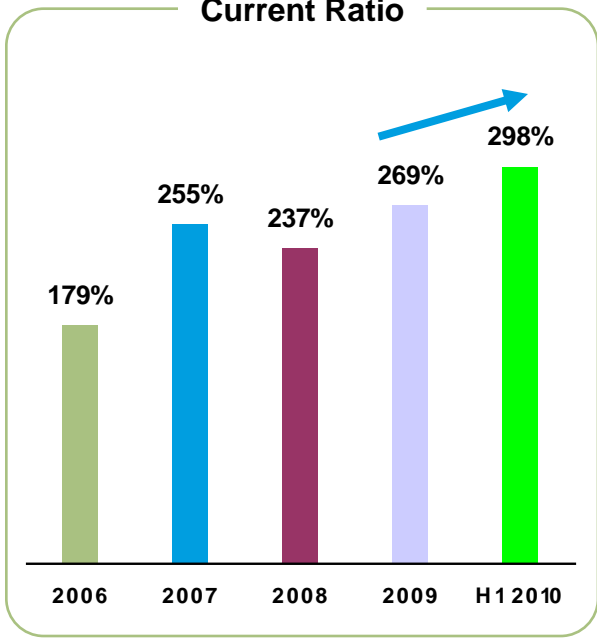
In K€



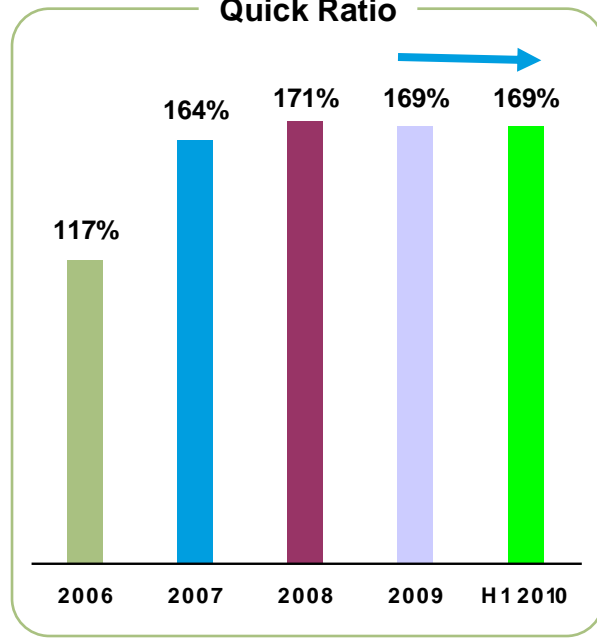
* Cash net of short term borrowings (€3 million as of June 30, 2010)

** According to the terms of Recylex SA Continuation Plan, payment of 24% of damages granted to 460 former Metaleurop Nord SAS employees by the Douai Court of Appeal on December 18, 2009

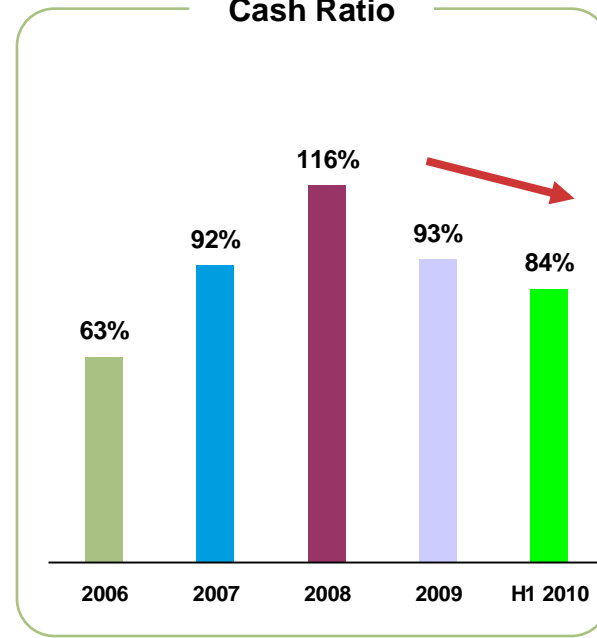
Current Ratio



Quick Ratio



Cash Ratio

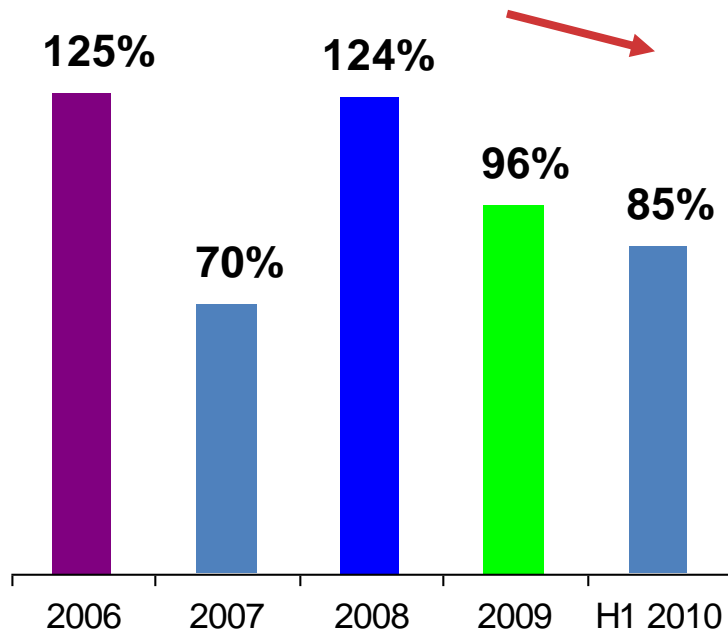


Current Ratio = Current Assets / Current liabilities

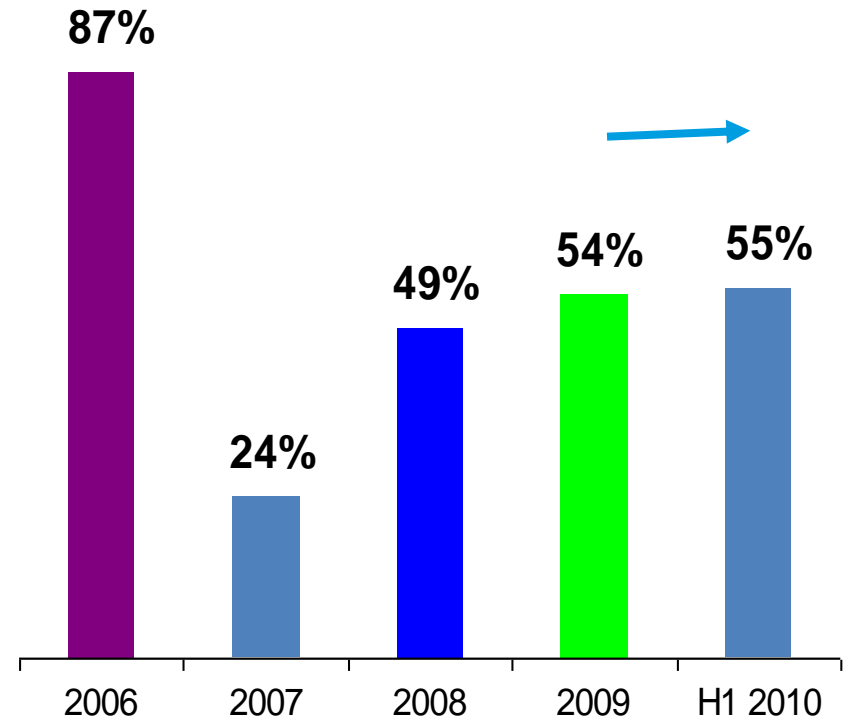
Quick Ratio = Current Assets w.o. inventories / Current liabilities

Cash Ratio = Cash & Cash equivalents / Current liabilities

Gross Gearing*



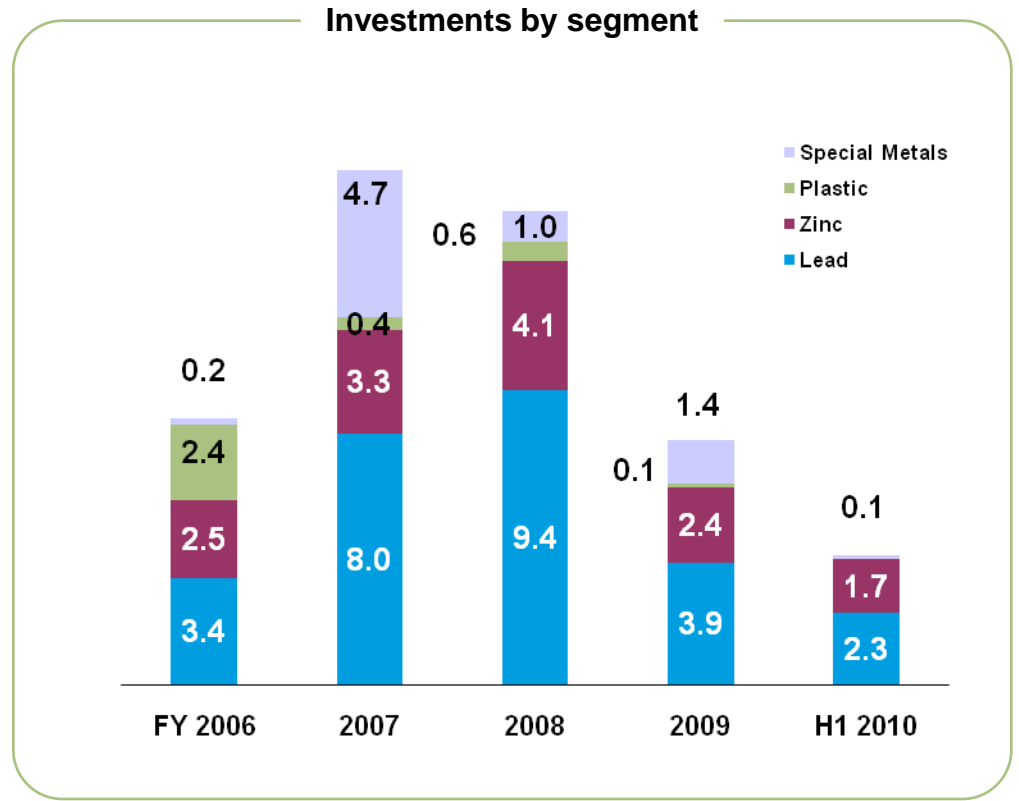
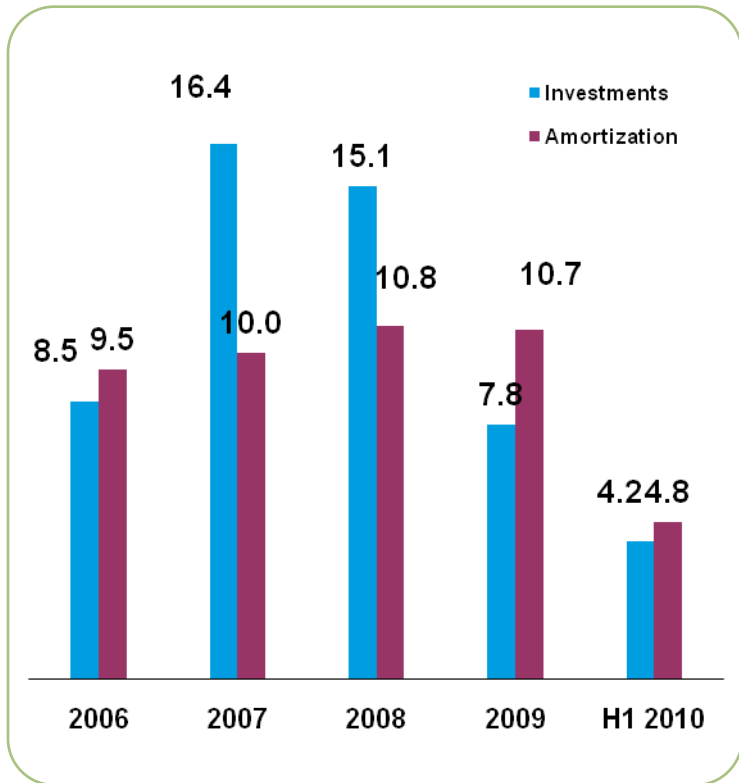
Net Gearing**



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

** Net Gearing = (Long term debt incl. provisions + other current liab. incl. provisions - Net Cash) / Equity

in €M



1. | H1 2010 Key highlights

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3. | **Consolidated statements as of June, 30th 2010**

4. | Conclusion

(in k€)	H1 2010	H1 2009
Revenues	193,601	103,542
Gross Margin	50,434	24,681
Salary & personnel expense	(21,190)	(19,839)
External services & other costs ¹	(16,728)	(14,492)
Taxes & similar charges	(1,067)	(753)
Depreciation, amortization & write-offs	(7,606)	3,307
Other operating income and expense from ongoing activities	189	591
Operating income before non-recurring items	4,032	(6,505)
Other non-recurring operating income and expense	2,124	11,920
Operating income	6,156	5,415
Financial Result	23	(1,903)
Income before taxes	6,179	3,512
Income tax expense	(471)	(3,403)
Equity consolidated Results	(129)	
Net income	5,579	109

¹ without transport costs

Consolidated Balance Sheet – Assets

(in k€)	June 30 th , 2010	Dec, 31 st 2009
Tangible & intangible fixed assets	74,037	74,722
Financial Assets	570	847
Other long term financial assets	5,482	5,303
Deferred tax assets & Other	7,062	8,506
Long-term assets	87,150	89,378
Inventories	67,162	57,850
Accounts receivables	37,884	33,655
Other Current Assets	6,733	9,742
Other financial assets	944	122
Cash & Cash equivalents	43,796	53,498
Current assets	156,519	154,867
TOTAL ASSETS	243,669	244,245

Consolidated Balance Sheet – Liabilities

(in k€)	June 30 th , 2010	Dec, 31 st 2009
Equity	110,042	103,195
Loans	7,875	9,455
Provisions	27,254	26,144
Pension liabilities	24,747	24,955
Other Liabilities	20,986	20,617
Taxes payables & Deferred taxes	473	2,424
Long term liabilities	81,336	83,595
Accounts payables	15,737	19,709
Loans	6,964	3,932
Pension liabilities	2,141	2,214
Provisions	8,246	11,113
Taxes payables & Deferred taxes	2,815	2,291
Derivative financial instruments	258	2,072
Other current liabilities	16,131	16,123
Current liabilities	52,291	57,455
TOTAL EQUITY & LIABILITIES	243,669	244,245

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4. | **Conclusion**

→ **Lead and zinc prices stabilized since the beginning of the second half of 2010**

→ **Lead**

- Battery purchasing prices began to fall (linked to lead prices decrease)
- Processing volumes might decrease
- The Group's three battery processing plants are due to close for annual maintenance works at the start of the second half of 2010

→ **Zinc**

- Recovery seen in the first half of the year should be confirmed
- Market demand should allow for the Group to use 90% of its capacity over the full year in 2010

→ **Special Metals**

- Arsenic and cadmium telluride: recovery to be confirmed

- **Maintain volumes in a very volatile market environment**
- **Pursuit of strategic investments**
- **Payment of the Continuation Plan fifth instalment expected in November 2010**
- **Pursuit of the development of our Quality, Health, Safety and Environment policy within the Group**