2009 INTERIM FINANCIAL REPORT

(Article L. 451-1-2 III of the French Monetary and Financial Code and

Articles 222-4 and seq. of the AMF (*Autorité des Marchés Financiers)* General Regulation)

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BUSINESS REVIEW FOR THE FIRST HALF OF 2009

- **2009 interim results (consolidated financial statements):**

At its meeting of August 26, 2009, the Board of Directors of Recylex SA reviewed the Recylex Group's condensed consolidated financial statements for the six months ended June 30, 2009.

Consolidated revenues for the first half of 2009 amounted to €103.5 million versus €204 million for the same period in 2008.

The Group incurred an operating loss before non-recurring items of €6.5 million in the first half of 2009 versus an operating loss before non-recurring items of €5.4 million in the first half of 2008.

During the second quarter of 2009, a settlement was reached between two of the Group's German subsidiaries - Harz Metall GmbH and PPM Pure Metals GmbH - and the TUI Group. This agreement concerns the rehabilitation of certain sites in Germany belonging to these subsidiaries. This had a positive impact on the Recylex Group's condensed consolidated financial statements at June 30, 2009 of €11 million.

Consolidated net income attributable to equity holders of the parent was €0.1 million in the first half of 2009 versus a net loss of €19.6 million in the first half of 2008.

The sharp fall in sales was partly due to the significant drop in metal prices expressed in euros - with lead down 42% and zinc down 33% - as well as a decline in volumes concerning zinc, special metals and plastics activities as a result of the economic crisis.

- **Key figures (IFRS)**

(in millions of euros)	**June 30, 2009** ***6 months***	**June 30, 2008** ***6 months***
Consolidated sales	103.5	204.0
Consolidated operating income (loss) before non-recurring items	(6.5)	(5.4)
Consolidated net income (loss) attributable to equity holders of the parent	0.1	(19.6)
Equity attributable to equity holders of the parent	95.1	128.8

- **Operations and significant events of the first half of 2009:**

  - Market conditions in the first half of 2009

Lead prices rose in the first half of 2009 from €682 per ton at December 31, 2008 to €1,224 per ton at June 30, 2009. Despite this increase, the average lead price in the first half of 2009 was €995 per ton, well below the average of €1,704 per ton in the first half of 2008. The average price for the full year 2008 was €1,404 per ton.

Meanwhile, the price of zinc rose from €805 per ton at December 31, 2008 to €1,100 per ton at June 30, 2009. The average zinc price in the first half of 2009 was €990 per ton, well below the average for the first half of 2008 of €1,486 per ton. The average zinc price for the full year 2008 was €1,260 per ton.

Average (euros per ton)	**First half 2009**	**2008**	**First half 2008**
Lead price	995	1,404	1,704
Zinc price	990	1,260	1,486

- Operations of Group companies in the first half of 2009

Lead accounted for 69% of total Group’s sales compared with 19% for zinc, 8% for special metals and 4% for plastics.

	June 30, 2009			
(in millions of euros)	**Sales**	**Adjusted Operating income before non-recurring items (LIFO)**[1]	**Difference relating to use of the average weighted cost (AWC) method compared with the LIFO method**	**Operating income before non-recurring items (IFRS)**
Lead	71.1	(5.2)	6.4	1.2
Zinc	20.1	(3.0)		(3.0)
Special metals	7.9	(1.7)		(1.7)
Plastics	4.4	(0.3)		(0.3)
Other		(2.7)		(2.7)
TOTAL	103.5	(12.9)		(6.5)

	June 30, 2008			
(in millions of euros)	**Sales**	**Adjusted Operating income before non-recurring items (LIFO)**[1]	**Difference relating to use of the average weighted cost (AWC) method compared with the LIFO method**	**Operating income before non-recurring items (IFRS)**
Lead	132.6	7.9	(13.3)	(5.4)
Zinc	48.8	1.5		1.5
Special metals	14.2	1.7		1.7
Plastics	8.4	0.7		0.7
Other		(3.9)		(3.9)
TOTAL	204.0	7.9		(5.4)

[1] The Recylex Group opted for early application of IFRS 8 "Operating segments" at December 31, 2008. Note 4 of the notes to the condensed consolidated financial statements at June 30, 2009, details the effects of the adjustment of lead inventories at the Group's main smelter in Germany using the LIFO (last in, first out) method (not admitted under IFRS).

- Lead

The economic crisis resulted in a significant reduction in volumes of secondary materials for processing (batteries) within the lead business. In addition, the lead business was also affected by a rise in the purchase cost of secondary materials due to insufficient market volumes. These factors had a significant negative impact on gross margin in the first half of 2009.

Because of difficulties relating to secondary materials supplies, the Nordenham plant in Germany brought forward its closure for scheduled maintenance by three weeks from June-July 2009 to April-May 2009.

- Zinc

Recycling of steel mill dust activities - Harz Metall GmbH (Zinc) and Recytech SA, of which the Group owns 50% - were directly affected by the crisis from the start of 2009. Consequently, closures for maintenance were brought forward and operations at these plants were suspended temporarily during the first half of 2009 in order to adapt production to demand. Operations resumed during the second quarter of 2009.

Norzinco SA definitively closed its zinc recycling business in Anzin (France) in the first half of 2009 due to its on-going loss situation, which led to the dismantling of its production facilities and cleaning up of the site in close collaboration with environmental and local authorities.

On the other hand, Norzinco GmbH was less affected by the crisis.

- Special metals

The special metals business sustained a fall in sales between the first half of 2008 and the first half of 2009 due to contraction in demand for high purity arsenic, used mainly in the mobile phone and LEDs (Light-Emitting Diode) industries, as well as for germanium, used in optical fibres.

The Reinstmetalle Osterwieck (RMO) GmbH plant suspended production temporarily during the first half of 2009 while waiting for an upturn in demand.

- Plastics

The automotive industry crisis had a direct impact on the Group's plastics business, which had to reduce its production significantly in the first half of 2009.

- On-going litigation

The legal claims lodged against Recylex SA in 2006 by former employees of Metaleurop Nord SAS on the one hand and by the liquidators of Metaleurop Nord SAS on the other hand are still on-going.

(i) Legal proceedings initiated by former employees of Metaleurop Nord SAS:

- The Industry section of the Lens labour tribunal reached its verdict on June 27, 2008, considering that Recylex was co-employer with Metaleurop Nord SAS of 493 former non-managerial staff and awarding each plaintiff damages of €30,000 plus €300 in costs. It also decided that these damages, amounting to a total of around €14.9 million, should be incorporated into the liabilities of Recylex SA's continuation plan, paid off in instalments. Recylex SA has appealed against these decisions, thereby suspending their application. On June 26, 2009, the Douai Appeal Court decided to defer the pleadings until October 30, 2009 following a request from the liquidators, against which the former employees of Metaleurop Nord SAS have made a subsidiary request for judgement for the first time.

- On September 30, 2008, the Management section of the Lens labour tribunal could not reach a decision on the claims from 91 former managerial staff of Metaleurop Nord SAS for damages of €30,000 plus €300 in costs, representing a total of €2.8 million. The cases were heard again on May 20, 2009 by the Management section of the Lens labour tribunal under the presidency of a judge from Lens District Court. Deliberation is scheduled for September 15, 2009.

Recylex SA has set aside a provision for the total amount claimed by the former employees of Metaleurop Nord SAS, representing approximately €16.1 million (after discounting to present value).

(ii) Proceedings for payment of liabilities initiated by the liquidators of Metaleurop Nord SAS:

The liquidators of Metaleurop Nord SAS brought proceedings against the Company for payment of the liabilities of Metaleurop Nord SAS up to €50 million. On February 27, 2007, the commercial division of Béthune Regional Court dismissed the claim, considering that Recylex SA was not the de facto manager of Metaleurop Nord SAS. The liquidators appealed the judgment. The Douai Appeal Court issued a stay of proceedings on November 18, 2008 and invited the parties to bring the matter before the Conseil d'État on the basis of a review of the legality of a regulatory provision.

Recylex SA had argued that the action was inadmissible on the grounds that the liquidators had failed to state their claim in accordance with the law in the context of the court-supervised procedure to rehabilitate the Company begun on November 13, 2003. The liquidators had asserted the existence of a regulatory provision dispensing them from doing so. Recylex SA applied to the Conseil d'État for a preliminary ruling on legality on February 12, 2009. The preliminary ruling from the Conseil d'État is awaited before the Douai Appeal Court can rule on either the admissibility or the merits of the case.

Recylex SA has not set aside any provisions in its parent-company or consolidated financial statements for the proceedings initiated by Metaleurop Nord SAS' liquidators, given the judgment in Recylex SA's favour by the Béthune Regional Court, deciding that Recylex SA was not the de facto manager of Metaleurop Nord SAS.

It should be noted that the sums claimed in all of these cases were not included in the continuation plan approved by the Paris Tribunal de Commerce (Paris Commercial Court) on November 24, 2005 and that if these claims result in an unfavourable outcome for Recylex SA, the implementation of the continuation plan could be jeopardised.

- **Description of the main risks and uncertainties for the second half of 2009**

The main risks likely to impact the Group's results in the second half of 2009 are, first, trends in lead and zinc prices relative to the purchase cost of secondary materials, and second, the outcome of the lawsuits described above.

- **Outlook – business trends**

Metal prices stabilised at the start of the second half of 2009 at the average levels for the first half of 2009. Despite the lack of visibility on when the crisis will end, the destocking period has ended and some production capacities have restarted at the worldwide level.

Nevertheless, the Group is continuing to focus on its cash position by carefully managing its capital expenditure, working capital and production costs.

The battery crushing plant in Algeria operated by Eco-Recyclage, an Algerian company in which Recylex holds a 33.33% stake, successfully carried out its initial battery crushing and separating trial during the first quarter of 2009.

- **Main related-party transactions**

Details of the main related-party transactions are provided in Note 9 of the condensed consolidated financial statements at June 30, 2009.

- **Statement of changes in equity**

The statement of changes in equity is provided in the condensed consolidated financial statements at June 30, 2009, attached to the present report.

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CONSOLIDATED BALANCE SHEET
at June 30, 2009
(in thousands of euros)

	Notes	June 30, 2009	December 31, 2008
		(in thousands of euros)	*(in thousands of euros)*
Assets			
Non-current assets			
Property, plant and equipment	6.1	73,532	75,401
Additions to intangible assets	6.1	2,000	2,118
Financial assets		839	799
Financial instruments	6.12	108	187
Other non-current financial assets	6.3	7,853	2,953
Deferred tax assets	5.6	13,374	16,665
		97,706	**98,122**
Current assets			
Inventories	6.4	50,350	44,207
Trade receivables	6.5	34,645	24,616
Tax receivables		1,475	3,057
Other current assets	6.6	5,621	8,655
Other financial instruments	6.12	625	2,158
Cash and cash equivalents	6.7	58,851	77,450
		151,567	**160,143**
TOTAL ASSETS		**249,273**	**258,266**
Equity and liabilities	6.8		
Issued capital		47,916	47,916
Share premiums		783	783
Reserves attributable to equity holders of the parent		44,437	94,033
Hedging reserves		385	1,624
Net income attributable to equity holders of the parent		109	(49,723)
Translation adjustments		1,452	1,452
Issued capital and reserves attributable to equity holders of the parent		**95,082**	**96,084**
Minority interests		-	-
Total equity		**95,082**	**96,084**
Non-current liabilities			
Interest-bearing borrowings	6.9	10,168	11,077
Provisions	6.10	40,748	39,270
Pension liabilities		27,664	28,353
Other non-current liabilities	6.11	14,872	14,252
Deferred tax liabilities	5.6	1,804	2,515
		95,256	**95,467**
Current liabilities			
Interest-bearing borrowings	6.9	8,673	4,477
Provisions	6.10	12,441	14,586
Pension liabilities		2,409	2,253
Trade payables		15,007	16,451
Income tax payable		3,920	7,964
Other financial instruments	6.12	287	-
Other current liabilities	6.11	16,198	20,983
		58,935	**66,715**
Total liabilities		**154,191**	**162,182**
TOTAL EQUITY AND LIABILITIES		**249,273**	**258,266**

INTERIM CONSOLIDATED INCOME STATEMENT
At June 30, 2009

(in thousands of euros)	Notes	June 30, 2009 *(in thousands of euros)*	June 30, 2008 *(in thousands of euros)*
Sales of goods and services		103,542	204,023
Total sales		**103,542**	**204,023**
Purchases used		(67,312)	(154,862)
Staff costs		(19,839)	(20,518)
External costs	5.1	(20,110)	(27,404)
Taxes other than on income		(753)	(1,470)
Depreciation, amortisation and impairment losses	5.2	3,307	(9,621)
Goodwill impairment losses		-	-
Changes in work-in-progress and finished goods		(5,931)	4,210
Other operating income and expenses		591	227
Operating income before non-recurring items		**(6,505)**	**(5,415)**
Other non-recurring operating income and expenses	5.3	11,920	(17,402)
Operating income		**5,415**	**(22,817)**
Interest income from cash and cash equivalents	5.4	540	1,059
Gross interest expense	5.4	(433)	(459)
Net interest expense	5.4	**107**	**600**
Other financial income (expense)	5.5	**(2,010)**	**(594)**
Income tax expense	5.6	(3,403)	3,257
Share in income from equity affiliates			-
Net income before minority interests		**109**	**(19,554)**
Minority interests			0
Net income attributable to equity holders of the parent		109	(19,554)
Earnings per share:		*In euros*	*In euros*
- basic	**5.7**	0.00	(0.82)
- diluted	**5.7**	0.00	(0.81)

STATEMENT OF COMPREHENSIVE INCOME
At June 30, 2009

(in thousands of euros)	June 30, 2009	June 30, 2008
Net income……………………………………………………………….	**109**	**(19,554)**
Translation adjustment………………………………………………….	-	
Cash flow hedges …………… …………………………....................	(1,748)	577
Deferred tax on cash flow hedges……………………..........................	509	(168)
Available-for-sale securities……………………………………………	-	-
Income and expenses recognised directly in equity…….......................	-	(4)
Total other comprehensive income (expense)………………………	**(1,239)**	**405**
Total comprehensive income (expense)………………………………	**(1,130)**	**(19,149)**
Of which:		
Attributable to equity holders of the parent…………………………….....	(1,130)	(19,149)
Minority interests……………………………………………………....	-	-

STATEMENT OF CHANGES IN EQUITY AT JUNE 30, 2009

(in thousands of euros, except per share data)	*Number of shares*	*Share capital*	*Share premiums*	*Hedging reserves*	*Consolidated reserves*	*Total equity, attributable to eq. holders of parent*	*Total equity*
Equity at January 1, 2008	**23,911,982**	**47,824**	**409**	**3,781**	**95,444**	**147,458**	**147,458**
Net income for the year					(19,554)	(19,554)	(19,554)
Other comprehensive income (expense)							
Change in hedging reserves net of tax (1)				409	(4)	405	405
Total other comprehensive income (expense)				*409*	*(4)*	*405*	*405*
Total comprehensive income (expense) for the period				**409**	**(19,558)**	**(19,149)**	**(19,149)**
Share-based payment				0			
Issue of shares/reduction in capital (2)	46,000	92	374			466	466
Equity at June 30, 2008	**23,957,982**	**47,916**	**783**	**4,190**	**75,886**	**128,774**	**128,774**
Equity at January 1, 2009	**23,957,982**	**47,916**	**783**	**1,624**	**45,762**	**96,084**	**96,084**
Net income for the year					109	109	109
Other comprehensive income (expense)							
Change in hedging reserves net of tax (1)				(1,239)		(1,239)	(1,239)
Total other comprehensive income (expense)				(1,239)		(1,239)	(1,239)
Total comprehensive income (expense) for the period				**(1,239)**	**109**	**(1,130)**	**(1,130)**
Share-based payment					127	127	127
Issue of shares/reduction in capital (2)							
Equity at June 30, 2009	**23,957,982**	**47,916**	**783**	**385**	**45,998**	**95,082**	**95,082**

(1) Other changes reflect hedging reserves (Note 6.12) net of deferred tax liabilities.

(2) Changes in share capital are detailed in Note 6.8.

CONSOLIDATED STATEMENT OF CASH FLOWS
At June 30, 2009

(In thousands of euros)	*June 30, 2009*	*June 30, 2008* (Adjusted)
	(in thousands of euros)	(in thousands of euros)
Net income of consolidated companies…………………………................................	109	(19,554)
Non-cash income and expenses……………………..	(6,223)	21,299
- Depreciation - property, plant and equipment………………………..……………....	*5,110*	*8,178*
- Amortisation - intangible assets………………………………………………….....	*137*	*107*
- Changes in provisions..………………………………………………………………….	*(9,599)*	*16,707*
- Elimination of stock option impacts……………………………………………...........	*127*	*-*
- Non-cash eliminations [2]……………………………………………..............................	*(5,324)*	*-*
- Gains and losses on disposals of non-current assets………...…………………….	*30*	*48*
- Elimination of interest expense……………………………..………………….........	*(107)*	*(484)*
- Income tax expense…………………………………………………….……………..	*3,403*	*(3,257)*
Cash flow before net interest and tax expense	**(6,115)**	**1,745**
Change in working capital requirement ….…………………....................................	(4,297)	2,349
- Inventories………………………………………………………………………………	*2,362*	*7,039*
- Trade receivables………………………………………………….............................	*(9,761)*	*7,050*
- Trade payables……………………………………………………..............................	*(1,442)*	*(4,386)*
- Other current assets and liabilities……………………...	*4,544*	*(7,355)*
Change in operating working capital requirement………………………………..........	(115)	1,611
Income tax expense………………………………………………………………………..	(2,776)	(4,914)
Cash flow from operating activities	**(13,302)**	**791**
Changes in the scope of consolidation…………………………………………………..	-	-
Purchases of property, plant and equipment, and intangible assets…………………..	(3,505)	(8,715)
Disposals of property, plant and equipment, and intangible assets…………………….	12	-
Changes in financial assets [3]…………..	(4,942)	435
Cash flow from investing activities	**(8,435)**	**(8 280)**
Increases in borrowings…………………………………………………………………….	-	157
Repayment of borrowings………………………………………………………………...	(944)	(1,074)
Interest income (expense) on financial assets…………………………………………...	128	487
Other movements in share capital……………………………………………………….	-	466
Other cash flow from financing activities…………………………………………...........	3,953	-
Cash flow from financing activities	**3,138**	**36**
Changes in cash and cash equivalents	**(18,599)**	**(7,453)**
Cash and cash equivalents at beginning of period……………………………………….	77,450	79,162
Cash and cash equivalents at close of period………………….......................................	58,851	71,709
Changes in cash and cash equivalents	**(18,599)**	**(7,453)**

[2] This concerns the elimination of income following the waiver of a debt in favour of the Group (see Note 5.3)

[3] This concerns the creation of a financial asset for the rehabilitation of certain sites in Germany (see Note 6.3)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
Six months ended June 30, 2009

NOTE 1: PRESENTATION OF THE BUSINESS AND SIGNIFICANT EVENTS IN THE FIRST HALF OF 2009

Details of the company

Recylex operates mainly in France, Germany and Belgium, and has some ten production facilities.

It specialises in recycling lead and plastic (from automobile and industrial batteries), recycling zinc from steel mill dust, and producing zinc oxides and special metals for the electronics industry.

Recylex SA is a *société anonyme* (joint-stock corporation) listed on NYSE Euronext Paris (compartment C) and registered in France.

On August 26, 2009, the Board of Directors approved and authorised publication of Recylex SA's interim condensed consolidated financial statements for the six months ended June 30, 2009.

Significant events in the first half of 2009

Lead prices rose in the first half of 2009 from €682 per ton at December 31, 2008 to €1,224 per ton at June 30, 2009. Despite this increase, the average lead price in the first half of 2009 was €995 per ton, well below the average of €1,704 per ton in the first half of 2008. The average price for 2008 was €1,404 per ton.

Meanwhile, the price of zinc rose from €805 per ton at December 31, 2008 to €1,100 per ton at June 30, 2009. The average zinc price in the first half of 2009 was €990 per ton, well below the average for the first half of 2008 of €1,486 per ton. The average price for 2008 was €1,260 per ton.

The economic crisis resulted in a significant reduction in volumes of secondary materials for processing (batteries) within the lead business and a sharp decline in sales volumes within the special metals and plastics businesses. In addition to a reduction in volumes to be processed, the lead business was also affected by a rise in the purchase cost of secondary materials due to insufficient market volumes. These factors had a significant negative impact on gross margin in the first half of 2009.

Following the severe contraction in demand for Waëlz oxides in the second half of 2008, Harz-Metall GmbH temporarily suspended production over the first four months of 2009. Harz-Metall GmbH resumed production of Waëlz oxides in May 2009.

Because of difficulties relating to secondary materials supplies, the Nordenham plant in Germany brought forward its closure for scheduled maintenance by three weeks from June-July 2009 to April-May 2009.

During the second quarter of 2009, a settlement concerning the rehabilitation of certain sites in Germany was reached between two of the Group's German subsidiaries owning the sites - Harz Metall GmbH and PPM Pure Metals GmbH - and the TUI Group. This had a positive impact on the Recylex Group's condensed consolidated financial statements at June 30, 2009 of €11 million recognised as “Other operating income and expenses” (see Note 5.3).

The battery crushing plant in Algeria operated by Eco-Recyclage, an Algerian company in which Recylex holds a 33.33% stake, successfully carried out its initial battery crushing and separating trial during the first quarter of 2009.

The legal claims lodged against Recylex SA in 2006 by former employees of Metaleurop Nord SAS on the one hand and by the liquidators of Metaleurop Nord SAS on the other hand are still on-going.

- Former employees of Metaleurop Nord SAS. :

(i) On June 27, 2008, the Industry section of the Lens labour tribunal considered that the Company was co-employer of 493 former non-managerial staff of Metaleurop Nord SAS and awarded each plaintiff damages of €30,000 plus €300 in costs. It also decided that these damages, amounting to a total of around €14.9 million, should be incorporated into the liabilities of the continuation plan approved by the Paris Tribunal de Commerce on November 24, 2005 and paid off in instalments. Recylex SA has appealed against these decisions, thereby suspending their application. On June 26, 2009, the Douai Appeal Court decided to defer the pleadings until October 30, 2009.

(ii) On September 30, 2008, the Management section of the Lens labour tribunal could not reach a decision on the claims from 91 former managerial staff of Metaleurop Nord SAS for damages of €30,000 plus €300 in costs, representing a total of €2.8 million. The cases were heard again on May 20, 2009 by the Management section of the Lens labour tribunal under the presidency of a judge from Lens District Court. Deliberation is scheduled for September 15, 2009.

Recylex SA has set aside a provision for the total amount claimed by the former employees of Metaleurop Nord SAS, representing approximately €16.1 million after discounting to current value (Note 6.10).

- Liquidators of Metaleurop Nord SAS:

The liquidators of Metaleurop Nord SAS brought proceedings against the Company for repayment of the liabilities of Metaleurop Nord SAS up to €50 million. On February 27, 2007, the commercial division of Béthune Regional Court dismissed the claim, considering that Recylex SA was not the de facto manager of Metaleurop Nord SAS. The liquidators have appealed the ruling. The Douai Appeal Court issued a stay of proceedings on November 18, 2008 and invited the parties to bring the matter before the Conseil d'État on the basis of a review of the legality of a regulatory provision.

Recylex SA had argued that the action for repayment of liabilities brought by the liquidators of Metaleurop Nord SAS was inadmissible on the grounds that the liquidators had failed to state their claim in accordance with the law in the context of the court-supervised procedure to rehabilitate the Company begun on November 13, 2003. The liquidators had asserted the existence of a regulatory provision dispensing them from doing so. Pursuant to the judgment of Douai Appeal Court, on February 12, 2009 the Company applied to the Conseil d'État for a preliminary ruling on legality. The preliminary ruling from the Conseil d'État is awaited before the Douai Appeal Court can rule on either the admissibility or the merits of the case.

Recylex SA has not set aside any provisions in its parent-company or consolidated financial statements for the proceedings initiated by Metaleurop Nord SAS' liquidators, given the judgment in Recylex SA's favour by the Béthune Regional Court, deciding in its commercial capacity, that Recylex SA was not the de facto manager of Metaleurop Nord SAS.

It should be noted that the sums claimed in all of these cases were not included in the continuation plan approved by the Paris Tribunal de Commerce on November 24, 2005 and that if these claims result in an unfavourable outcome for Recylex SA, the implementation of the continuation plan could be jeopardised.

NOTE 2: SIGNIFICANT ACCOUNTING METHODS

The consolidated financial statements have been prepared in euros, and all amounts have been rounded to the nearest thousand euros, unless stated otherwise.

Pursuant to EC regulation no. 1126/2008 adopted on November 3, 2008, the Recylex Group has prepared its consolidated financial statements in accordance with the International Financial Reporting Standards (IFRS) as adopted in the European Union at the preparation date of these financial statements.

The interim consolidated financial statements at June 30, 2009 have been prepared in accordance with IAS 34 – Interim Financial Reporting. They are presented in condensed format and do not therefore include all the information and notes contained in a complete set of annual financial statements. Consequently, they should be read in conjunction with the Recylex Group's consolidated financial statements for the year ended December 31, 2008.

As required by IAS 34, expenses incurred by the Group are not anticipated or deferred as of the interim reporting date if anticipation or deferral would not be appropriate at the end of the financial year. Accordingly, the level of costs and revenues reported during the period in which they arise may differ from one six-month period to the next. There is a seasonal effect, particularly during the summer months when plants are shut down for several weeks for maintenance purposes.

In the absence of any material change in post-employment benefit plans or the beneficiaries thereof, the Group's post-employment benefit obligation has not been recalculated as of the interim reporting date but accounted for on pro rata basis to the projections made at the beginning of the period.

With the exception of the points mentioned below, the accounting methods applied by the Group in the summary interim financial statements are the same as those used in the consolidated financial statements for the financial year ended December 31, 2008.

2.1. Change of accounting method: Presentation of Financial Statements

The Group applies IAS 1 (revised 2007) - Presentation of Financial Statements, which came into effect on January 1, 2009. This standard was adopted by the European Union on December 17, 2008. Consequently, the Group presents all owner changes in equity only in the statement of changes equity, while changes in equity not concerning owners are presented in the statement of comprehensive income. This presentation has been used for the summary interim financial statements for the period from January 1 to June 30, 2009. Comparative information has been adjusted in order to comply with the revised standard. This change of accounting method affects only the presentation and has no impact on the financial statements.

2.2. New standards

The following standards are applicable as of January 1, 2009 but do not have any material impact on the financial statements:

- Amendments to IFRS 2, Vesting Conditions and Cancellations, applicable to annual periods beginning on or after January 1, 2009. This standard was adopted by the European Union on December 16, 2008.

- Amendments to IAS 32 – Puttable Financial Instruments, applicable to annual periods beginning on or after January 1, 2009. This standard was adopted by the European Union on January 21, 2009.

- IAS 23 R, Borrowing Costs, applicable to annual periods beginning on or after January 1, 2009. This standard was adopted by the European Union on December 10, 2008.

- IFRIC 13, Customer Loyalty Programmes, applicable to annual periods beginning on or after July 1, 2008. This standard was adopted by the European Union on December 16, 2008.

- IFRIC 15*, Agreements for the Construction of Real Estate, applicable to annual periods starting on or after January 1, 2009.

- IFRIC 16, Hedges of a Net Investment in a Foreign Operation, applicable to annual periods starting on or after October 1, 2008. This standard was adopted by the European Union on June 4, 2009.

The following new standards, amendments to existing standards and interpretations had been published but were not applicable at June 30, 2009, and have not been adopted early by the Group:

- IFRS 3 R and IAS 27* (revised), Business Combinations, applicable to annual periods starting on or after July 1, 2009. This standard was adopted by the European Union on June 3, 2009.

- IFRIC 17*, Distributions of Non-cash Assets to Owners, applicable to annual periods starting on or after July 1, 2009.

- IFRIC 18*, Transfers of Assets from Customers, published on January 29, 2009, applicable to annual periods starting on or after July 1, 2009.

* Standards not yet endorsed by the European Union

2.3. Estimates

In order to prepare the condensed interim consolidated financial statements, management is required to use its judgement and to make estimates and assumptions that impact the application of accounting methods and amounts of assets and liabilities, income and expenses. Actual values may differ from estimated values.

As part of the preparation of the condensed interim consolidated financial statements, apart from the points mentioned below, the significant judgements made by management to apply the Group's accounting methods and the main sources of uncertainty relating to estimates are the same as those that affected the consolidated financial statements for the year ended December 31, 2008. These estimates were made against the backdrop of highly volatile market conditions and the economic and financial crisis, characterised by difficulty in assessing the future outlook that prevailed at the close of the financial year ended December 31, 2008, as described in Note 1.

Over the six-month period to June 30, 2009, management reviewed its estimates concerning:

- Deferred tax assets relating to unused tax-loss carryforwards (see Note 5.6);
- The recoverable amount of certain property, plant and equipment (see Note 6.2);
- Provisions (see Note 6.10)

NOTE 3: SCOPE OF CONSOLIDATION

There was no change in the scope of consolidation in the first half of 2009 compared with December 31, 2008.

NOTE 4: OPERATING SEGMENTS

The Group has opted for early application of IFRS 8 (Operating Segments) as of December 31, 2008, as published by the IASB and adopted by the European Union on November 22, 2007.

The information presented is based on internal reporting used by management to assess the performance of the various segments. Reported segment income consists of operating income before non-recurring items.

Information relating to the first half of 2008 has therefore been adjusted. The Group has five main segments:

- The **Lead** segment
- The **Zinc** segment
- The **Special metals** segment
- The **Plastics** segment
- The **Other businesses** segment

To assess the performance of its Lead operating segment, in its internal reporting the Group uses the LIFO (last in-first out) method to measure lead inventories for its main smelter in Germany (Nordenham), and reconciles these data with accounts prepared in accordance with IFRS, in which the average weighted cost (AWC) method is used.

Operating segments

The tables below set out, for each operating segment, revenue, IFRS-compliant operating income before non-recurring items (for the lead segment, operating income before non-recurring items using the LIFO method), net financial items, tax expenses and net income for the periods ended June 30, 2009 and 2008.

Each column of the table below contains figures specific to each segment, which is analysed as an independent entity. The "Eliminations" column shows eliminations of intra-group transactions, allowing reconciliation of segment data with the Group’s financial statements.

All inter-segment commercial relationships are conducted on a market basis, on identical terms and conditions to those prevailing for the provision of goods and services to external customers.

Period ended June 30, 2009:

(in thousands of euros)	*Lead*	*Zinc*	*Special metals*	*Plastics*	*Other business-es*	*Elimin-ations*	*Total*
Sales to external customers………….	71,135	20,098	7,909	4,400	-	-	103,542
Inter-segment sales………………..….	1,550	3	25	906	-	(2,484)	-
Total sales……	**72,685**	**20,101**	**7,934**	**5,306**	**-**	**(2,484)**	**103,542**
Operating income before non-recurring items (LIFO)[4]	**(5,183)**	**(2,987)**	**(1,666)**	**(331)**	**(2,685)**	**-**	**(12,852)**
LIFO > AWC adjustment……………..	6,347	**-**	**-**	**-**	**-**	**-**	**6,347**
Reported operating income before non-recurring items (IFRS)	**1,164**	**(2,987)**	**(1,666)**	**(331)**	**(2,685)**	**-**	**(6,505)**
Other non-recurring operating income/(expense)	-	41	-	-	11,879	-	**11,920**
Net financial items………………………..	(1,888)	121	(101)	(71)	36	-	**(1,903)**
Income tax benefit/(expense)……………………..	(1,276)	(131)	(288)	(31)	(1,677)	-	**(3,403)**
Reported net income (IFRS)	**(2,000)**	**(2,955)**	**(2,055)**	**(433)**	**7,553**	**-**	**109**

(in thousands of euros)	**Lead**	**Zinc**	**Special metals**	**Plastics & Other**	**Elimin-ations**	**Total**
Intangible assets....................................	313	666	997	24	-	2,000
Property, plant and equipment	49,543	11,247	7,782	4,960	-	73,532
Inventories[5]	30,937	6,629	11,180	1,604	-	50,350
Trade receivables	24,347	6,999	1,873	1,426	-	34,645
Total segment assets	**105,140**	**25,541**	**21,832**	**8,013**	**-**	**160,527**
Provisions and pension liabilities	25,006	9,669	2,368	46,220	-	83,263
Trade payables	9,484	3,251	83	2,189	-	15,007
Other current liabilities	36,526	(7,471)	952	(13,808)	-	16,198
Segment liabilities	**71,016**	**5,449**	**3,403**	**34,601**	-	**114,469**
Property, plant and equipment	1,890	1,206	176	33	-	3,305
Intangible assets....................................	14	4	-	-	-	18
Investments	**1,904**	**1,210**	**176**	**33**	**-**	**3,323**
Additions to property, plant and equipment…………….	(2,945)	(1,374)	(358)	(433)	-	(5 110)
Additions to intangible assets………….	(81)	(36)	(22)	1	-	(138)
Other non-cash income and expenses[6]…………….	6,673	1,136	(99)	203	-	7,913
Depreciation, amortisation and additions to provisions	**3,647**	**(274)**	**(479)**	**(229)**	**-**	**2,665**

[4] Operating income before non-recurring items (LIFO) in the Lead segment includes €7.2 million of write-backs of inventory impairment losses as a result of the increase in lead prices in the first half of 2009

[5] Inventories in the Lead segment, measured using the LIFO method, totalled €23,728 thousand at June 30, 2009

[6] Excluding write-backs of provisions utilised

Period ended June 30, 2008:

(in thousands of euros)	***Lead***	***Zinc***	***Special metals***	***Plastics***	***Other businesses***	***Eliminations***	***Total***
Sales to external customers…………	132,612	48,764	14,185	8,462			204,023
Inter-segment sales…………………..…	2,608		1	848		(3,457)	-
Total sales……	**135,220**	**48,764**	**14,186**	**9,310**		**(3,457)**	**204,023**
Operating income before non-recurring items (LIFO)[7]	**7,985**	**1,480**	**1,683**	**702**	**(3,882)**	**-**	**7,968**
LIFO > AWC adjustment……………..	(13,383)						**(13,383)**
Reported operating income before non-recurring items (IFRS)	**(5,398)**	**1,480**	**1,683**	**702**	**(3,882)**	**-**	**(5,415)**
Other non-recurring operating income/(expense)	0	(2,874)	0	0	(14,527)	-	**(17,402)**
Net financial items………………………..	29	(170)	(108)	(115)	371	-	**6**
Income tax benefit/(expense)………………………	2,729	164	(230)	(225)	820	-	**3,257**
Reported net income (IFRS)	**(2,640)**	**(1,401)**	**1,344**	**361**	**(17,218)**	**-**	**(19,554)**

(in thousands of euros)	***Lead***	***Zinc***	***Special metals***	***Plastics & Other***	***Eliminations***	***Total***
Intangible assets....................................	250	732	1,041	24		2,048
Property, plant and equipment	48,329	16,109	7,495	5,719		77,652
Inventories[8]..	44,652	9,658	10,709	2,331		67,350
Trade receivables	24,809	13,343	3,804	2,610		44,566
Total segment assets	**118,041**	**39,842**	**23,049**	**10,684**		**191,616**
Provisions and pension liabilities	24,619	8,635	2,162	44,446		79,862
Trade payables	10,039	6,445	854	2,474		19,812
Other current liabilities	33,480	(10,332)	7,663	(5,163)		25,648
Segment liabilities	**68,138**	**4,748**	**10,679**	**41,757**		**125,322**
Property, plant and equipment	5,846	2,087	150	553		8,636
Intangible assets....................................	191	6	-	-		197
Investments	**6,037**	**2,093**	**150**	**553**		**8,833**
Property, plant and equipment	(2,787)	(1,593)	(353)	(408)		(5,142)
Intangible assets	(47)	(38)	(22)	0		(107)
Other non-cash expenses	(4,210)	(2,980)	12	(14,754)		(21,932)
Depreciation, amortisation and additions to provisions	**(7,044)**	**(4,605)**	**(363)**	**(15,162)**		**(27,181)**

Geographical zones

[7] Operating income before non-recurring items (LIFO) in the Lead segment includes €4.4 million of inventory impairment losses caused by lower lead prices in the first half of 2008

[8] Inventories in the Lead segment, measured using the LIFO method, totalled €36,767 thousand at June 30, 2008.

The items below are broken down as follows: sales are broken down by customer marketing area, while investments and assets are broken down according to the countries in which consolidated companies are based.

In accordance with IFRS 8, non-current assets broken down by geographical zone are non-current assets other than financial instruments, deferred tax assets and pension plan assets.

Period ended June 30, 2009

(in thousands of euros)	***Western Europe***	***Other Europe***	***Americas***	***Rest of the world***	***Total***
Total sales …….	86,790	13,055	2,260	1,437	103,542

(in thousands of euros)	***France***	***Germany***	***Belgium***	***Total***
Investment (property, plant and equipment and intangible assets)..	820	2,287	216	3,323
Non-current assets excluding tax and financial assets	15,832	58,134	1,565	75,532

Period ended June 30, 2008

(in thousands of euros)	***Western Europe***	***Other Europe***	***Americas***	***Rest of the world***	***Total***
Total sales …….	191,464	5,961	2,159	4,439	204,023

(in thousands of euros)	***France***	***Germany***	***Belgium***	***Total***
Investment (property, plant and equipment and intangible assets)..	2,387	6,294	152	8,833
Non-current assets excluding tax and financial assets	16,266	62,048	1,386	79,700

Structure of sales

Sales in the Lead segment come from a limited number of customers. In 2009, 83% of the Group's consolidated sales came from 10 customers. (In the first half of 2008, 77% of the Group's consolidated sales came from 10 customers). None of these customers accounted for more than 10% of the Group's total sales at June 30, 2009 or June 30, 2008.

Sales in the other operating segments, particularly Zinc, where the customer base is highly fragmented, come from a large number of customers.

NOTE 5: NOTES TO THE INCOME STATEMENT

Note 5.1. External costs

External costs break down as follows:

(in thousands of euros)	*June 30, 2009*	*June 30, 2008*
General sub-contracting	(5,699)	(7,566)
Maintenance and repairs	(4,037)	(7,714)
Insurance premiums	(953)	(1,189)
Goods and public transportation	(5,618)	(5,018)
Leasing, rent and service charges	(1,081)	(1,216)
Fees and external labour costs	(1,467)	(2,586)
Travel and entertainment expenses	(325)	(399)
Other external expenses	(930)	(1,716)
Total external costs	**(20,110)**	**(27,404)**

The significant reduction in external costs relates primarily to the cost-reduction program implemented at the end of 2008 and cutbacks in activity during the first half of 2009, including the temporary suspension of Waëlz oxide production at Harz-Metall GmbH and Recytech SA plants.

NOTE 5.2. Depreciation, amortisation and impairment losses

Depreciation, amortisation and impairment losses recognised during the periods ended June 30, 2009 and 2008 break down as follows:

(in thousands of euros)	*June 30, 2009*	*June 30, 2008*
Depreciation of property, plant and equipment	(5,110)	(5,142)
Amortisation of intangible assets	(137)	(107)
Additions to provisions and impairment losses	8,554	(4,372)
Total depreciation, amortisation and impairment losses	**3,307**	**(9,621)**

The significant reduction in provisions and impairment losses is mainly due to the reversal of write-downs of inventories at the Nordenham plant following the rise in lead prices since December 31, 2008.

Note 5.3. Other operating income and expenses

This item comprises income and expenses that are unusual in frequency, nature or amount.

(in thousands of euros)	*June 30, 2009*	*June 30, 2008*
Income following debt waiver (3)	5,988	-
Funds received dedicated to the remediation of old sites (3)	5,000	-
Other income and expenses	55	181
Provisions related to labour court litigation (1)	-	(14,545)
Settlement of litigation	877	-
Impairment losses on Norzinco SA assets (2)	-	(3,038)
Total other non-recurring operating income and expense	**11,920**	**(17,402)**

(1) The €14.6 million provision for labour court litigation relates to the lawsuit initiated by former employees of Metaleurop Nord SAS (Note 1 and Note 6.10). In accordance with IAS 37, the provision has been discounted (Note 6.10).

(2) An impairment loss was recognised on the property, plant and equipment of Norzinco SA following the impairment test carried out on June 30, 2008 in accordance with IFRS 36 (Note 6.2).

(3) During the second quarter of 2009, two of the Recylex Group's German subsidiaries, Harz-Metall GmbH and PPM Pure Metals GmbH, signed a settlement agreement with TUI. This agreement concerns the rehabilitation of certain sites in Germany belonging to these subsidiaries.

This agreement has the following impact on the Group's financial statements:
- Recognition of a gain of €5.9 million following the waiver of a debt in favour of the Group (see Note 6.11).
- Recognition of a gain of €5.0 million following the creation of a fund dedicated to rehabilitation (see Note 6.3).

Note 5.4. Net interest expense

Interest expense on net debt breaks down as follows:

(in thousands of euros)	*June 30, 2009*	*June 30, 2008*
Interest income from cash and cash equivalents ………...................................	540	1,059
Interest expense on bank and non-bank borrowings and bank overdrafts…….	(433)	(459)
Net interest expense..	**107**	**600**

The reduction in interest income from cash and cash equivalents is due to the reduction in cash and lower interest rates on the money market.

Note 5.5. Other financial income and expense

(in thousands of euros)	*June 30, 2009*	*June 30, 2008*
Net foreign exchange gains and losses	(75)	(170)
Impact of discounting provisions and liabilities	(1,673)	(108)
Factoring costs...	(132)	(475)
Other financial income and expense	(130)	159
Other financial income and expense	**(2,010)**	**(594)**

The increase in financial expenses relating to the impact of discounting of provisions and liabilities is mainly due to the reconciliation of maturities over time and the lower discount rate compared with December 31, 2008.

Note 5.6. Income tax expense

Income tax expense for the periods ended June 30, 2009 and June 30, 2008 principally comprises the following items:

(in thousands of euros)	*June 30, 2009*	*June 30, 2008*
Current income tax	(345)	(1,865)
Current income tax benefit/(expense)	**(345)**	**(1,865)**
Arising from the creation and reversal of temporary differences....................	(1,098)	9,845
Related to tax loss carryforwards	(1,960)	(4,723)
Deferred income tax benefit/(expense)..	**(3,058)**	**5,122**
Consolidated income tax benefit/(expense)..	**(3,403)**	**3,257**

The €3.4 million consolidated income tax charge for the first half of 2009 is mainly due to changes in temporary differences, in particular:

The difference in measurement of the Nordenham plant inventory (LIFO under German GAAP and the average weighted cost method under IFRS) gives net income of over €6.4 million for Weser Metall GmbH under IFRS, giving rise to a deferred tax expense of €1.8 million.

The €1.9 million income tax expense related to tax loss carryforwards is due to lower than anticipated use of tax loss carryforwards in the first half of 2009 and to a decrease in the amount of deferred tax assets recognised in respect of tax losses.

Reconciliation between actual income tax expense and the amount theoretically payable

(in thousands of euros)	***June 30, 2009***	***June 30, 2008***
Net income before tax	3,511	(22,811)
Group tax rate	33.33%	33.33%
Theoretical income tax expense	**(1,170)**	**7603**
Increase or decrease in income tax expense resulting from:		
- Use and decapitalisation of previous tax loss carryforwards	(2,724)	(3,001)
- Taxes at reduced rates	391	(687)
- Other permanent differences	100	(658)
Actual tax expense	**(3,403)**	**3,257**

Deferred tax assets and liabilities

(in thousands of euros)	***June 30, 2009***	***Dec 31, 2008***
Deferred tax assets		
Provisions added back for tax purposes	15,228	15,390
Additional provision for employee benefits	1,684	1,783
Additional provision for impairment of non-current assets	1,458	1,458
Change in inventory valuation method at German units	-	7
Other temporary differences	519	418
Tax loss carryforwards	3,029	4,989
Offset of deferred tax assets and liabilities at the same taxable entity	(8,543)	(7,380)
Total	**13,374**	**16,665**
Deferred tax liabilities		
Restatement of expected useful life of non-current assets	(6,274)	(6,587)
Change in inventory valuation method at German units	(2,194)	(317)
Discounting of provisions and liabilities	(1,635)	(2,211)
Deferred tax on hedge accounting	(81)	(668)
Other temporary differences	(164)	(112)
Offset of deferred tax assets and liabilities at the same taxable entity	8,543	7,380
Total	**(1,804)**	**(2,515)**
Net deferred taxes	**11,570**	**14,150**

For the period ended June 30, 2009, the Group opted to limit the amount of deferred tax assets recognised in respect of tax losses to the forecast tax calculated for the following three years. The deferred tax assets arising on tax loss carryforwards recognised by the Group amounted to €3 million at June 30, 2009.

The Group holds tax losses that may be carried forward indefinitely against the future taxable income of companies that generated these losses.

These tax losses were estimated at €161 million at June 30, 2009, i.e.:

- €111 million at French units;
- €50 million at German units.

Note 5.7. Earnings per share

The following table shows details about the earnings and numbers of shares used to calculate basic and diluted earnings per share for all operations.

Earnings per share for all operations

(in thousands of euros)	*June 30, 2009*	*June 30, 2008*
Net income attributable to equity holders of the parent..................................	109	(19,554)
Weighted average number of ordinary shares used to calculate basic earnings per share	23,884,043	23,930,319
Earnings per share (in euros)	**0.00**	**(0.82)**

(in thousands of euros)	*June 30, 2009*	*June 30, 2008*
Net income attributable to equity holders of the parent..................................	109	(19,554)
Weighted average number of ordinary shares used to calculate basic earnings per share	23,884,043	23,930,319
Impact of dilution:		
Stock options (with dilutive impact)	798,764	301,247
Weighted average number of ordinary shares adjusted for diluted earnings per share	24,682,807	24,231,567
Diluted earnings per share (in euros)..	**0.00**	**(0.81)**

NOTE 6: NOTES TO THE BALANCE SHEET

Note 6.1. Intangible assets, property, plant & equipment and goodwill

a) Intangible assets, property, plant & equipment and goodwill at June 30, 2009 and December 31, 2008

(in thousands of euros)	*Gross*	*Deprec-iation and amortis-ation*	*Impairment losses*	*Net June 30, 2009*	*Net Dec 31, 2008*
Intangible assets					
Goodwill...	792		(792)	-	-
Concessions, patents, licences, etc.	8,995	(6,995)	-	2,000	2,118
Other intangible assets…….	-	-	-	-	
Total intangible assets….	**9,787**	**(6,995)**	**(792)**	**2,000**	**2,118**
Property, plant and equipment					
Land	5,409	(467)	-	4,942	4,943
Buildings..	110,825	(83,788)	-	27,037	28,115
Plant, equipment and tools.........................	207,279	(172,552)	(5,193)	29,534	32,219
Property, plant and equipment in progress	6,732	-	-	6,732	4,702
Other…………………………………….....	20,845	(15,558)	-	5,287	5,422
Total property, plant and equipment……..	**351,090**	**(272,365)**	**(5,193)**	**73,532**	**75,401**
Total intangible assets and property, plant and equipment………………………………	**360,877**	**(279,360)**	**(5,985)**	**75,532**	**77,519**

b) Change in intangible assets, property, plant & equipment and goodwill between January 1, 2009 and June 30, 2009

(in thousands of euros)	***Net***
Net carrying amount after depreciation and impairment losses at December 31, 2008	**77,519**
Additions	3,323
Depreciation expense for the period	(5,248)
Impairment losses for the period	-
Disposals	(42)
Reversals of depreciation during the period	
Other	(20)
Net carrying amount after depreciation and impairment losses at June 30, 2009	**75,532**

Note 6.2. Impairment testing

At June 30, 2009, the Group observed evidence of impairment at the following cash-generating units (CGUs):

- Recylex SA (Lead)
- Harz-Metall GmbH (Lead)
- Weser-Metall GmbH (Lead)
- C2P SAS (Plastics)
- Reinstmetalle Osterwieck GmbH (Special metals)
- PPM Pure Metals GmbH (Special metals)

The Group performed an impairment test on these CGUs.

In the Zinc business, no additional evidence of impairment was observed relative to December 31, 2008.

As part of this test, the Group compared the carrying amount of each CGU with its recoverable amount, which is defined as the higher of its value in use and fair value less costs to sell.

The estimated value in use was based on estimated future cash flows that may be generated by the CGU (at the date the test was performed) and the use of a discount rate after tax of 10.17%, calculated using the weighted average cost of capital method. As value in use was lower than fair value less costs to sell, the latter was used as the reference value (recoverable amount).

The results of these tests revealed that the Group did not need to write down the value the property, plant and equipment of these CGUs.

Provisions for impairment losses relating to the Group's production assets amounted to €5.2 million at June 30, 2009. This concerns the C2P Germany CGU (€2.6 million) and the Harz-Metall GmbH CGU (Zinc) (€2.6 million). The assets of the Norzinco SA CGU were dismantled and excluded from the balance sheet in the first half of 2009.

The net carrying amount at June 30, 2009 and December 31, 2008, after impairment losses, of the relevant production assets breaks down as follows:

June 30, 2009 *(in millions of euros)*	***C2P Germany CGU***	***Harz Metall GmbH Zinc CGU***	***RMO CGU***
Gross value of production assets	5.7	38.3	3.4
Accumulated depreciation	(3.0)	(31.4)	(0.4)
Impairment losses	(2.6)	(2.6)	0
Net value of production assets	**0.1**	**4.3**	**3.0**
Activity	**Plastics**	**Zinc**	**Special metals**

Dec 31, 2008 (in millions of euros)	C2P Germany CGU	Norzinco France CGU	Harz Metall GmbH Zinc CGU	RMO CGU
Gross value of production assets	5.7	5.3	37.6	3.4
Accumulated depreciation	(2.8)	(2.2)	(30.9)	(0.4)
Impairment losses	(2.6)	(3.1)	(2.6)	0
Net value of production assets	**0.3**	**0**	**4.1**	**3.0**
Activity	**Plastics**	**Zinc**	**Zinc**	**Special metals**

Note 6.3. Other non-current financial assets

Other non-current financial assets of €7,853 thousand mainly correspond to:

- The surrender value of reinsurance policies for pension liabilities taken out by the Group's six German subsidiaries in the amount of €3 million;
- Funds received by Harz-Metall GmbH in the amount of €5 million following the settlement reached with TUI AG. These funds are dedicated to the future rehabilitation of certain sites in Germany (see Note 1 and 5.3), the cost of which is subject to a provision for charges.

Note 6.4. Inventories

Inventories held by the Group break down as follows:

(in thousands of euros)	*June 30, 2009*	*Dec 31, 2008*
Raw materials	22,680	19,111
Work in progress	16,793	21,318
Finished and semi-finished goods	13,003	14,409
Sub-total	52,476	54,838
Less: Impairment losses	(2,126)	(10,631)
Net value of inventories and work in progress	**50,350**	**44,207**

The increase in the net value of inventories and work in progress relates mainly to the reversal of write-downs of inventories, particularly at the Nordenham smelter due to the higher price of lead at June 30, 2009 (€1,224 per ton) compared with December 31, 2008 (€682 per ton).

Note 6.5. Trade receivables

Trade receivables break down as follows:

(in thousands of euros)	*June 30, 2009*	*Dec 31, 2008*
Trade receivables (1)	39,439	29,380
Less: Impairment losses	(4,794)	(4,764)
Net value of trade receivables	**34,645**	**24,616**

Trade receivables do not bear interest and are generally payable in zero to sixty days.

The Group believes that the value of trade receivables represents a reasonable estimate of their fair value.

(1) An amount of €1,988 thousand factored but not due receivables at the balance sheet date was reclassified under trade receivables in accordance with IAS 39 at June 30, 2009. At December 31, 2008, discounted receivables not yet due amounted to €1,690 thousand.

The increase in the net value of trade receivables relates mainly to the increase in the average price in the second quarter of 2009 compared with the fourth quarter of 2008. The Group had not identified any significant risks of bad debt with clients at June 30, 2009.

Note 6.6. Other current assets

Other current assets break down as follows:

(in thousands of euros)	*June 30, 2009*	*Dec 31, 2008*
Advances and downpayments on orders in progress....................................	631	1,633
Social security receivables	834	389
Tax receivables	2,882	3,806
Other receivables	822	2,525
Prepaid expenses..	452	302
Total other current assets...	**5,621**	**8,655**

The reduction in tax receivables relates to deductible VAT for German subsidiaries.

Note 6.7. Cash and cash equivalents

The Group's cash and cash equivalents include:

(in thousands of euros)	*June 30, 2009*	*Dec 31, 2008*
Cash at bank and in hand..	54,859	71,078
Other short-term investments	3,992	6,371
Total cash and cash equivalents..	**58,851**	**77,450**

Other short-term investments comprise shares in money-market mutual funds.

At December 31, 2008, the Group had €6,896 thousand of available undrawn credit facilities for which drawdown conditions were satisfied. At June 30, 2009, the Group had €3,550 thousand of available undrawn credit facilities for which drawdown conditions were satisfied.

Note 6.8. Equity

Share capital and share premiums

The share capital comprised 23,957,982 fully paid-up shares with par value of €2.0 each at June 30, 2009.

At June 30, 2009, the Company owned 73,939 treasury shares, unchanged relative to December 31, 2008. Their average purchase price was €6.81. Treasury shares are deducted from equity.

Ordinary shares in issue and fully paid-up	***Number of shares***	***Share capital (in thousands of euros)***	***Share premiums (in thousands of euros)***
At January 1, 2009	23,957,982	2.00	47,916
Issuance of shares following exercise of stock options in the first half of 2009	-	-	-
At June 30, 2009	**23,957,982**	**2.00**	**47,916**

Stock options and free shares allocations

At the Annual General Meetings of June 26, 1995 and March 30, 2000, shareholders authorised the introduction of stock option plans. Between 1998 and 2002, the Management Board granted stock options under these authorisations.

On September 26, 2008, Recylex SA's Board of Directors granted stock options and free shares. The Board of Directors had been authorised to make these grants of free shares by the General Meetings of July 16, 2007 and May 6, 2008, and grants of stock options by the General Meeting of July 28, 2006.

The stock options granted may be settled in shares (settlement in equity instruments within the meaning of IFRS 2).

Stock options

The main characteristics of stock option plans in force in the first half of 2009 are as follows:

Date of grant	***09/06/99***	***05/03/00***	***09/20/02***	***09/26/08***
Number of options granted .	37,000	253,900	273,650	540,000
Subscription price	€5.3	€7.5	€2.21	€5.70
Vesting period....................	5 years	4 years	4 years	4-5 years(1)
Life of options	10 years	10 years	10 years	10 years

1) 50% of options vest after a period lasting for four years from the date of the relevant Board meeting, and the other 50% after a period lasting for five years from the Board meeting.

The vesting of options depends on the beneficiary still being employed at a Group company (i.e. at Recylex SA or a company in which it owns at least 50% of the voting rights or capital) on the vesting date, unless otherwise provided for by the plan.

Changes in the number of options outstanding up to June 30, 2009 break down as follows:

Date of grant	**Number of options outstanding at Dec 31, 2008**	**Number of options granted during the period**	**Number of options exercised during the period**	**Number of options lapsed during the period**	**Number of options outstanding at June 30, 2009**	**Strike price (in euros)**	**Plan expiry**
04/26/99	119,000	-	-	(119,000)	0	5.3	04/25/2009
05/03/00	64,900	-	-	-	64,900	7.5	05/02/2010
09/20/02	67,900	-	-	-	67,900	2.2	09/19/2012
09/26/08	540,000	-	-	-	540,000(1)	5.7	09/25/2018
Total	**791,800**	**-**	**-**	**(119,000)**	**672,800**	**5.5**	

1) 50% of options will not vest and cannot be exercised until September 26, 2012 and 50% until September 26, 2013.

Free share allocations

The General Meetings of July 16, 2007 and May 6, 2008 authorised the Board of Directors to allocate, in one or more sections, existing treasury shares held by the Company up to a total not exceeding 73,939 shares, to the benefit of all or some of the employees and/or company officers of the Company and/or related companies as defined in Article L. 225-197-2 of the French Commercial Code.

On September 26, 2008, Recylex SA's Board of Directors introduced a plan to allot 50,000 free shares to the Group's employees and corporate officers. These shares will vest after two years (on September 26, 2010) for beneficiaries residing in France and after four years (on September 26, 2012) for beneficiaries residing in Germany, subject to their being employed by a Group company on the vesting date, unless otherwise provided for by the plan. Shares vested in beneficiaries residing in France must be held for a minimum period of two years after vesting (to September 26, 2012).

Number of instruments in circulation

Transactions in the first half of 2009 involving share-based payment instruments can be summarised as follows:

	Stock options		Free shares		
	Number of options	Contractual residual life	Number of shares	Contractual residual life	
		Total		France	Germany
Balance at Dec 31, 2008	**791,800**	7.12	50,000	1.75	3.79
- allotted	-	-	-	-	-
-cancelled/obsolete	119,000	-	-	-	-
- exercised	-	-	-	-	-
Balance at June 30, 2009	**672,800**	**7.82**	**50,000**	**1.25**	**3.29**

Accounting impact of instruments allotted in 2008

In accordance with IFRS 2, share-based payment instruments are recognised as staff costs to the extent of the fair value of instruments allotted, measured at the allotment date. This expense is spread over the vesting period.

The accounting charge for the first half of 2009 was €93 thousand for stock options and €44 thousand for free shares.

Note 6.9. Interest-bearing borrowings

Analysis of borrowings

Current portion of borrowings and debt	***June 30, 2009 (in thousands of euros)***	***Dec 31, 2008 (in thousands of euros)***
Portion due in less than one year	6,685	2,787
Discounted receivables	1,988	1,690
Total	**8,673**	**4,477**

Non-current borrowings and debt	***June 30, 2009 (in thousands of euros)***	***Dec 31, 2008 (in thousands of euros)***
Portion due in more than one year	10,168	11,077
Total	**10,168**	**11,077**

The increase in borrowings due in less than one year corresponds to a bank overdraft of €4.0 million taken out by Recylex GmbH, full repayment of which is scheduled for July and August 2009.

Repayment schedule of non-current borrowings

	June 30, 2009				***Dec 31, 2008***
(in thousands of euros)	***Less than 1 year***	***From 1 to 5 years***	***More than 5 years***	***Total***	
Bank borrowings		9,875	293	10,168	11,077
Interest-bearing borrowings		**9,875**	**293**	**10,168**	**11,077**

Note 6.10. Provisions

Current and non-current provisions can be analysed as follows:

(in thousands of euros)	***Environmental provisions***	***Litigation***	***Restructuring***	***Other***	***Total***
Balance at Dec 31, 2008	**33,126**	**16,804**	**275**	**3,651**	**53,856**
Additions for the period………………… ...			37	125	162
Discounting..	445	572			1,017
Reversals – used…..............................	(1,534)		(4)		(1,538)
Reversals – not used….........................		4		(311)	(307)
Reclassifications………………………..					
Balance at June 30, 2009……………	**32,036**	**17,380**	**309**	**3,465**	**53,189**
Of which current……………………..	10,362	1,494		585	12,441
Of which non-current………………	21,674	15,885	309	2,880	40,748

In accordance with IAS 37, these provisions have been discounted.

The discounting impact of €445 thousand concerning environmental provisions relates to the lower discount rate and the impact of discounting taking account of the shortening of maturities.

The discounting impact of €572 thousand concerns the lawsuits against Recylex SA initiated by former employees of Metaleurop Nord SAS. The maturity schedule used is that of the liabilities of the continuation plan.

Other risks and charges include in particular €1.9 million for tax risks (Germany).

Note 6.11. Other current and non-current liabilities

Other current liabilities

(in thousands of euros)	***June 30, 2009***	***Dec 31, 2008***
Liabilities rescheduled under the continuation plan..	1,747	1,713
Tax and social security liabilities	10,552	10,389
Liabilities related to non-current assets..	66	249
Other liabilities..	3,011	8,570
Prepaid income	672	8
Fair value of underlying hedged risk...	150	54
Total	**16,198**	**20,983**

The reduction in other liabilities is due to the signature of a settlement agreement between subsidiaries PPM Pure Metals GmbH, Harz-Metall GmbH and TUI AG (see Note 1 and 5.3).

Following Metaleurop SA's (now Recylex SA) filing for insolvency on October 21, 2003 and the commencement of administration proceedings on November 13, 2003, the Company's outstanding liabilities were frozen at that date. In 2005, following the continuation plan approved by the Paris Tribunal de Commerce, these liabilities were reclassified under current and non-current liabilities according to their due date.

Liabilities rescheduled under the continuation plan:

Nature of current rescheduled liabilities (in thousands of euros)	*June 30, 2009*	*Dec 31, 2008*
Bank borrowings	12	12
Misc. financial liabilities (including accrued interest)	1,103	1,103
Trade payables	92	92
Tax and social security liabilities	77	77
Misc. liabilities	483	483
Current rescheduled liabilities under the continuation plan prior to discounting	1,767	1,767
Impact of discounting cash flows	(20)	(54)
Current rescheduled liabilities under the continuation plan after discounting	**1,747**	**1,713**

Other non-current liabilities

Other non-current liabilities comprise mainly liabilities rescheduled under the continuation plan:

Nature of non-current rescheduled liabilities (in thousands of euros)	*June 30, 2009*	*Dec 31, 2008*
Subsidised loans	-	-
Bank borrowings	117	117
Misc. financial liabilities (including accrued interest)	10,478	10,478
Trade payables	824	824
Misc. financial liabilities	735	735
Misc. liabilities	4,586	4,586
Non-current rescheduled liabilities under the continuation plan prior to discounting	16,740	16,741
Impact of discounting cash flows	(1,889)	(2,489)
Non-current rescheduled liabilities under the continuation plan after discounting	**14,851**	**14,252**

Note 6.12. Other financial instruments

The Group is exposed to fluctuations in metals prices, particularly lead and zinc (structural risk). This exposure derives from sales of metals for which production is based on reused materials (used batteries), the price of which is not directly linked to market prices, and on surplus metals recovered from the materials to be processed. The Group disposes of derivatives traded on the London Metal Exchange to reduce its exposure to these risks. These derivatives are deemed to be cash flow hedges.

The Group is also exposed to two main trading risks relating to metals prices:

1) Risk of fluctuations in metal prices relative to its firm commitments arising from sale contracts which are not recognised on the balance sheet.

2) Risk of fluctuations in prices of metals contained in commercial inventories[9]:

Most transactions relating to metals use London Metal Exchange (LME) prices. If metal prices were constant, the price paid by the Group for these raw materials would be passed on to the client making up part of the price of the product. However, during the transformation of the raw materials into the product, fluctuations in metal prices result in differences between the price paid for the metal contained in the raw materials and the price received for the metal contained in the products sold to the client. A trading risk therefore exists concerning changes in metal prices between when the price of the raw material purchased is determined and when the selling price of the finished products is determined.

The Group's policy is to hedge the trading risk as much as possible using mainly futures. Where documentation on hedge accounting exists, these derivatives are deemed to be fair value hedges.

Where there is no documentation concerning hedge accounting as defined by IAS 39, the derivatives used to hedge trading risks relating to metals are recognised at fair value through profit or loss.

Fair value	***June 30, 2009***			***Dec 31, 2008***
(in thousands of euros)	*Current*	*Non-current*	*Total*	*Total*
Assets				
Derivatives (cash flow hedges)	454	89	543	2291
Derivatives (fair value hedges)..............................	150	19	169	54
Derivatives (other)	22		22	-
Liabilities				
Fair value of underlying hedged risk………	150	19	169	54
Derivatives (other)	287		287	-

Depending on the type of risk hedged, the Group treats commodity derivatives either as cash flow hedges or fair value hedges.

"Other" derivatives recognised as assets correspond to hedging transactions against trading risk for which there is no documentation under IAS 39 (€22 thousand), while those recognised as liabilities correspond to held-for-trading financial instruments (sale of options) (€287 thousand).

[9] Lead inventories at the Group's main smelter are divided into: a) Permanent inventories; b) Commercial inventories. The Group is exposed to risks relating to the prices of metals in its inventories. This risk relates to the market value of the metal, which could fall below the carrying value of inventories. The Group's policy is not to hedge the risk relating to permanent inventories and to hedge the risk relating to commercial inventories.

Fair value hedges

At June 30, 2009, the fair value of derivatives deemed to be fair value hedges was €169 thousand, offset symmetrically in the income statement by the fair value of the hedged risk (firm commitments arising from sale contracts) in the amount of €169 thousand.

Derivatives used to hedge a recognised asset or liability or a firm commitment are documented as fair value hedges The effective portion of the change in the fair value of these derivatives is recognised in the income statement and offset symmetrically by the change in fair value of the hedged risk.

The maturity of metal derivatives used for fair value hedging purposes is as follows:

(in thousands of euros)	**Market value of derivatives by maturity date**	**Nominal value**
2009	150	540
2010	19	41
Total	**169**	**581**

Cash flow hedges

The maturity of metal derivatives used for cash flow hedging purposes is as follows:

(in thousands of euros)	**Market value of derivatives by maturity date**	**Nominal value**
2009	454	1,958
2010	89	392
Total	**543**	**2,350**

The hedged cash flows arise during the same periods as those affected by the hedging instruments.

Under IAS 39, the portion of the change in value on the effective portion of derivatives is recognised directly in equity, while the ineffective portion of the change in fair value is recognised in income for the period. Cumulative gains and losses in equity are recycled in income during the same periods that the hedged item affects income.

At June 30, 2009, the amount of unrealised gains and losses recognised in equity over the period amounted to €543 thousand (€2,291 thousand at December 31, 2008).

Changes in hedging reserves are shown in the following table:

(in thousands of euros)	**June 30, 2009**	**Dec 31, 2008**	**Dec 31, 2007**
Amount at January 1……………………………………...................	2,291	5,334	-
Amount recycled from equity to income….....................................	(1,154)	(5,334)	-
Amount recognised directly in equity…………………....................	(594)	2,291	5,334
Amount before deferred taxes…………………………………….	**543**	**2,291**	**5,334**
Deferred taxes………………………………………………..	(158)	(667)	(1,553)
Amount net of taxes at the period end………………	**385**	**1,624**	**3,781**

Derivative financial instruments measured at fair value through profit or loss

a) Hedging of trading risks

The Group uses derivatives to hedge against trading risks concerning fluctuations in metal prices between when the price of the raw material purchased is determined and when the selling price of the finished products is determined. The Group has decided not to prepare any documentation concerning hedge accounting as defined by IAS 39. These instruments have been classified as "Held-for-trading financial instruments".

b) Held-for-trading financial instruments

The Group has also taken out financial instruments (options) with no hedging relationship with the aim of optimising the cost of hedging transactions. These derivatives are deemed to be held-for-trading financial instruments.

The maturity of these derivatives measured at fair value through profit or loss is as follows:

(in thousands of euros)	**Market value of derivatives by maturity date**	**Nominal value**
2009 (hedging of trading risks)	22	14,325
2009 (held for trading)	(287)	2,547
2010	-	-
Total	**(265)**	**16,872**

NOTE 7: CONTRACTUAL OBLIGATIONS AND OFF-BALANCE SHEET COMMITMENTS

	June 30, 2009 *(in thousands of euros)*	*Less than 1 year* *(in thousands of euros)*	*1 to 5 years* *(in thousands of euros)*	*More than 5 years* *(in thousands of euros)*
Certain future payments				
On-balance sheet commitments:				
Payments under finance leases……	1,259	565	683	11
Total on-balance sheet commitments……………………	**1,259**	**565**	**683**	**11**
Off-balance sheet commitments :				
Payments under operating leases…………….	1,860	754	1,106	
Investment commitments………………………………….				
Commitments arising from the purchase and sale of currency futures...	-	-	-	-
Other commitments (1)……………………………………..	11,619	2,487	9,132	-
Total off-balance sheet commitments……………………	**13,479**	**3,241**	**10,238**	**-**

(1) Other commitments given:

- The pledge of Recylex GmbH shares to the banks was transferred to Glencore following Glencore's purchase of the bank debt on August 4, 2005.
- A piece of land owned by Harz-Metall GmbH was pledged as collateral for a loan arranged by C2P GmbH in a maximum amount of €0.7 million, €0.7 million of which is still outstanding.
- Belgian subsidiary FMM SA granted a mortgage security on buildings in an amount of €0.8 million and issued a pledge on its business as collateral in an amount of €0.3 million.
- Land and assets belonging to Reinstmetalle Osterwieck GmbH was pledged as collateral for a loan in the amount of €4.0 million.
- Weser Metall GmbH and RMO GmbH granted a mortgage security on its land and pledged its trade receivables as collateral for a loan, €3.7million of which is currently outstanding.
- Recylex SA granted a mortgage security interest to the French water agency amounting to €2.2 million concerning the L'Estaque site.

Debt waivers:

- The debts waived for Recylex SA under the continuation plan of November 24, 2005, which amounted to €19.2 million, are subject to a clawback provision.

NOTE 8: LITIGATION AND CONTINGENT LIABILITIES

No material changes have occurred since the end of 2008.

NOTE 9: RELATED PARTY TRANSACTIONS

(in thousands of euros)	*First-half purchases from*		*First-half sales to*		*Receivables*		*Liabilities*	
	2009	*2008*	*2009*	*2008*	*June 30, 2009*	*Dec 31, 2008*	*June 30, 2009*	*Dec 31, 2008*
Glencore..............................	4,100	11,814	7,692	2,295	4,638	822	10,069	10,374
Recytech	7	20	1					8
Maturity								
Less than 1 year....................	-	-	-	-	4,638	822	1,347	1,659
From 1 to 5 years	-	-	-	-	-	-	5,050	5,050
More than 5 years..................	-	-	-	-	-	-	3,672	3,673

NOTE 10: SUBSEQUENT EVENTS

There were no material events subsequent to the balance sheet date.

STATUTORY AUDITORS' REVIEW REPORT ON THE HALF-YEARLY CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2009

This is a free translation into English of the statutory auditors' review report issued in the French language and is provided solely for the convenience of English speaking readers.

This report should be read in conjunction with, and is construed in accordance with, French Law and professional auditing standards applicable in France.

To the Shareholders,

In compliance with the assignment entrusted to us by the shareholders' meeting and in accordance with the requirements of article L.451-1-2 III of the French Monetary and Financial Law ("Code monétaire et financier"), we hereby report to you on:

- the review of the accompanying condensed half-year consolidated financial statements of Recylex S.A. for the six-month period ended June 30, 2009,
- the verification of the information contained in the half-year management report.

These condensed half-year consolidated financial statements are the responsibility of the Board of Directors in a context described in notes 1 and 2.3 to the condensed half-year consolidated financial statements of very high volatility of the markets, economic and financial crisis characterized by difficulties to apprehend future perspectives that already prevailed for December 31, 2008 year-end closing. Our role is to express a conclusion on these financial statements based on our review.

I. Conclusion on the financial statements

We conducted our review in accordance with professional standards applicable in France. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with professional standards applicable in France and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed half-yearly consolidated financial statements are not prepared in all material respects in accordance with IAS 34 - the standard of the IFRS as adopted by the European Union applicable to interim financial statements.

Without qualifying the conclusion expressed above, we draw attention to the following matters:

- The change in accounting policies occurred on January 1st, 2009 detailed in note 2 to the condensed half-year consolidated financial statements regarding the first application of revised IAS 1, "Presentation of Financial Statements".
- The uncertainties set out in note 1 to the condensed half-year consolidated financial statements relating to the two lawsuits initiated in 2006 against the company and still in progress at this date :
    - In the lawsuit brought by the former employees of Metaleurop Nord SAS, the Industrial Section of the Lens Labour Court handed down its ruling on June 27, 2008 and awarded €30,000 in compensation plus €300 in expenses to each of the 493 plaintiffs in particular on the grounds that Recylex SA was the co-employer of the former employees of Metaleurop Nord SAS. However the court ruled that the compensation, which totalled €14.9 million, should be included as a liability in Recylex SA's continuation plan. Recylex SA has appealed against these rulings and their execution has therefore been suspended. On June 26, 2009, the Douai Appeal Court decided to report the pleading to October 30, 2009.

      On September 30, 2008, the Management section of the Lens labour Court was unable to reach a decision on the claims from 91 former managerial staff of Metaleurop Nord SAS representing a total of €2.8 million. The cases were heard again on May 20, 2009 by the Management section of the Lens labour Court under the presidency of a judge from Lens District Court. The deliberate is due to take place on September 15, 2009.

The provision booked as at December 31, 2008 was kept at June 30, 2009 and covers the full amount, discounted to current value, of all the damages granted by the Industrial Section of the Lens Labour Court and the claims lodged before the Management Section of the same Labour Court.

- The second lawsuit, brought by the liquidators of Metaleurop Nord SAS claiming the repayment by Recylex SA of €50 million of Metaleurop Nord SAS' 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. The Douai Appeal Court issued a stay of proceedings on November 18, 2008 and invited the parties to bring the matter before the “Conseil d'Etat”. Pursuant to the judgment of Douai Appeal Court, on February 12, 2009 Recylex S.A. 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 on either the admissibility or the merits of the case.

  Based on the status of this lawsuit at the preparation date of the condensed half-year consolidated financial statements, the company did not deem it necessary to set aside any provisions in the condensed half-year consolidated financial statements as at June 30, 2009.

  Should the outcome of both lawsuits be unfavourable to Recylex, execution of the continuation plan could be called into question.

II. Specific verification

We have also verified information given in the half-yearly management report on the condensed half-yearly consolidated financial statements subject to our review. We have no matters to report as to its fair presentation and consistency with the condensed half-yearly consolidated financial statements.

Paris La Défense and Neuilly-sur-Seine, August 26, 2009

KPMG Audit
Department of KPMG S.A.

Catherine Porta
Partner

Deloitte & Associés

Frédéric Neige
Partner

STATEMENT BY THE PERSON RESPONSIBLE FOR THE INTERIM FINANCIAL REPORT

I hereby declare that, having taken all reasonable care to ensure that such is the case, the condensed financial statements for the first half of the year have been prepared in accordance with the applicable accounting standards and present fairly in all material respects the assets and liabilities, financial position and results of the company and the group of consolidated companies, and that the half-yearly business review gives a true and fair view of the significant events that occurred in the first six months of the year and their impact on the financial statements, the main transactions between related parties and the main risks and uncertainties for the remaining six months of the year.

Yves Roche

Chairman and Chief Executive Officer