



2008 HALF YEAR RESULTS

Yves ROCHE, Chief Executive Officer

Ingo SCHAEFER, Chief Financial Officer

- 1. | Recylex**
- 2. | Key highlights**
- 3. | Key figures**
- 4. | H1 2008 Consolidated statements as of June, 30th 2008**

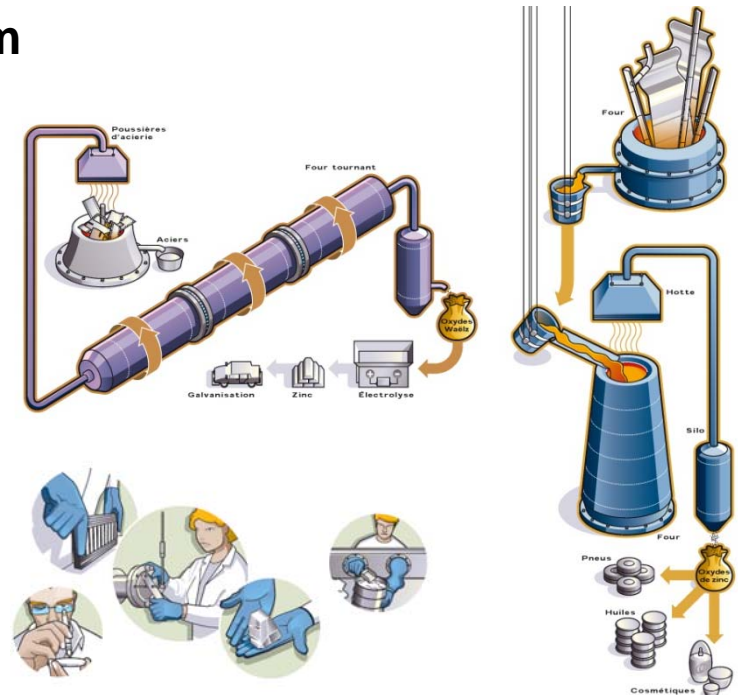
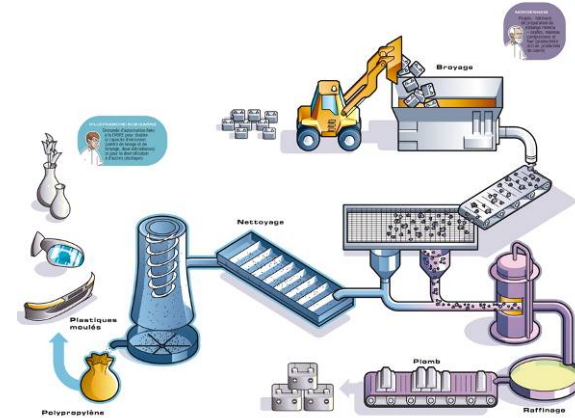
→ **A major market share in lead batteries recycling**

- 3rd European lead producer
- Major position on lead-acid batteries collection and breaking in France, Belgium and Germany

→ **A strong position in Europe on zinc dust (from electric steel plating particles) recycling and zinc scraps recycling into zinc oxides**

→ **Recylex is an European industrial-recycling specialist**

- Lead, zinc and plastic (polypropylene)
- A unique expertise



- **Over 600 employees** in Europe
 - 9 industrial sites in Germany, France and Belgium

- **€510 million** sales in 2007

- **3rd European*** lead producer
 - 130,000 tons in 2007
 - 10 million batteries recycled in 2007

- **190,000 tons** of zinc dust recycled in 2007

- **35,000 tons** of zinc scraps recycled in 2007

- **16,000 tons** of polypropylene recycled in 2007

* Recylex figures

Lead



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

Plastic



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

Waëlz oxides



- Zinc dust recycling (from electric steel plating particles) (business owned at 100% in Germany, at 50% in France)
- European market size : from 1 to 1.2 M tons
- Intermediate product sold to Zinc producers

Zinc oxides



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

Special metals



- A “niche” market, with very few competitors
- Answering to special and specific orders, for low volumes

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- **All activities (*Lead restated in LIFO*) achieved a positive operating result (ROC) despite a difficult economic environment, the maintenance stop of furnace in Nordenham and the temporary stop of the Belgian lead activity**
- **Plastics became profitable and Specials Metals shows excellent results thanks to the investment in arsenic tetrachloride (RMO)**
- **Net income is negative mainly due to the provision set aside for a labor dispute with former employees of Metaleurop Nord SAS**
- **Profitability of the Zinc activity suffered from the sharp drop of zinc prices**
- **In the Lead activity the decline of lead prices was not passed on immediately in the purchase price of secondary materials**
- **Despite declining results Recylex shows excellent Liquidity & Solvability ratios**

- In July 2008, Recylex SA announced that a used battery processing plant designed by its engineers was currently being built in Ain Ouassara, 200 kilometers south of Algiers in Algeria. The plant will have a capacity of 20,000 tons of batteries in a full year and will be operated by Eco-Recyclage, an Algerian company 33%-owned by Recylex SA. The plant is due to come on stream at the end of December 2008

**The investment will have a contribution to the result
in the financial year 2009**

- **On January 25, 2008, the lead smelting and refining business of subsidiary FMM (Belgium) was shut down by order of the Brussels Environmental Management Institute (IBGE) following the accidental pollution of raw materials with mercury. During the shut-down period, the battery collection continued. The plant resumed its smelting and refining business on June 3, 2008 after implementing tighter control over raw materials and smoke emissions in close collaboration with the IBGE**
- **In March 2008, as planned, Nordenham shut down for three weeks for its regular major maintenance operations, which had an impact on sales and maintenance costs**

→ Legal proceedings:

○ Labor arbitration:

- Industrial section: 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 totaled €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
- The Management Section of the Lens Labour Court, which involves 91 plaintiffs and a total claim of €2.8 million, is due to deliver its ruling on September 30, 2008

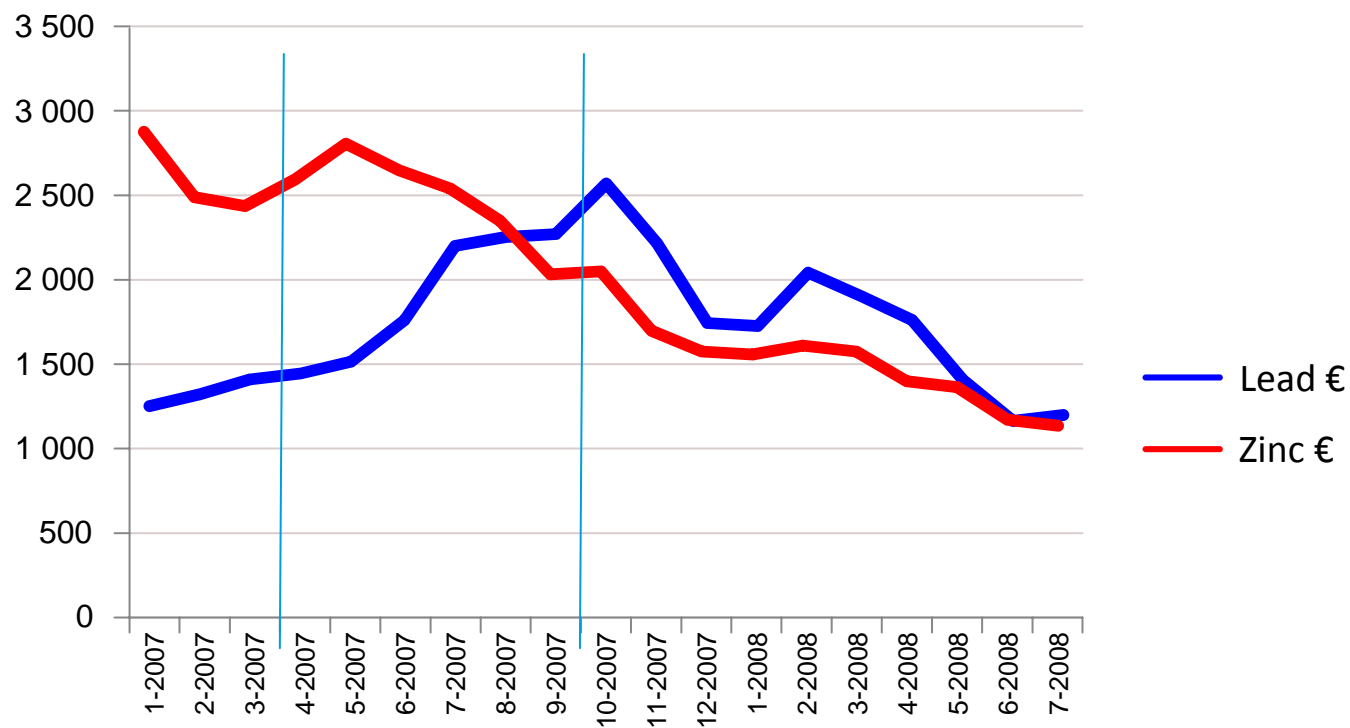
As at June 30, 2008 Recylex made a provision covering the global amount discounted to current value

→ Legal proceedings:

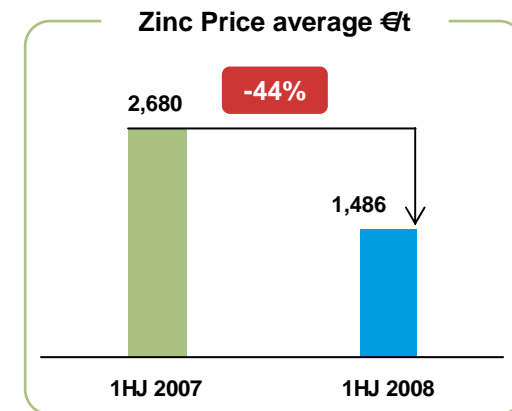
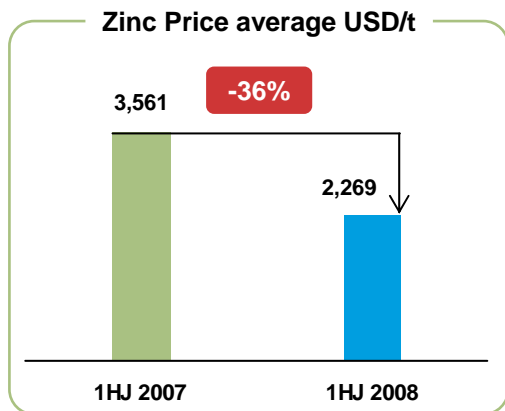
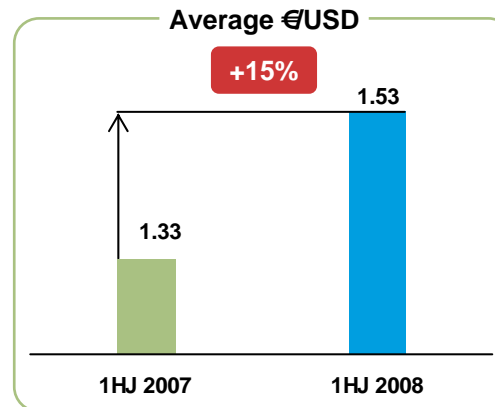
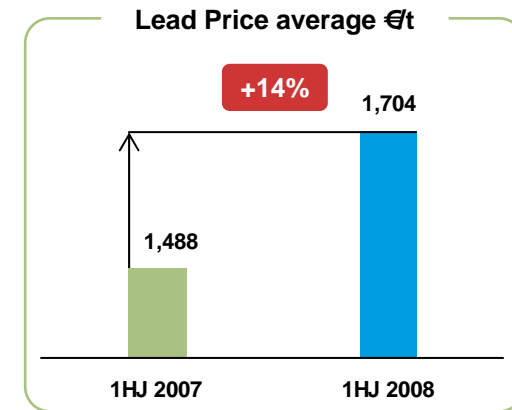
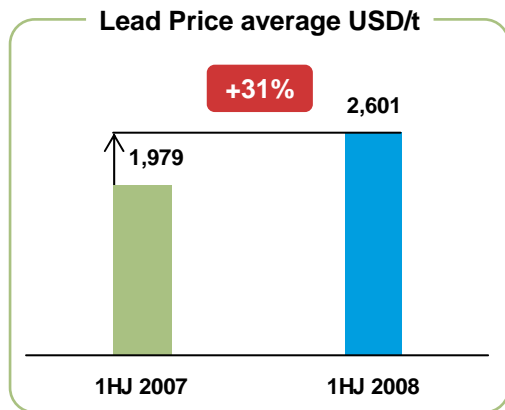
- The second lawsuit, brought by the liquidators of Metaleurop Nord SAS claiming the repayment by Recylex SA of €50 million of Metaleurop Nord SAS's liabilities, is pending before the commercial division of the Douai Appeal Court, following the liquidators' appeal against the decision delivered on February 27, 2007 by the Béthune Regional Court, which ruled that Recylex SA was not a de facto manager of Metaleurop Nord SAS. The appeal is due to be heard on October 21, 2008

Based on progress in this lawsuit at the preparation date of the financial statements, the company did not deem it necessary to set aside any provisions in the financial statements at June 30, 2008

Evolution of lead & zinc prices 2007-2008



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



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Group EBITDA and EBIT Margin evolution

(in €000)	1HJ 2008	1HJ 2007	VAR.
Revenues	204,023	225,564	(9.5)%
EBITDA (IFRS) EBITDA (LIFO)*	4,206 17,591	39,985 32,504	(89.5)% (45.9)%
EBITDA Margin (IFRS) EBITDA Margin (LIFO)*	2.1% 8.6%	17.7% 14.4%	(88.4)%
EBIT (IFRS) EBIT (LIFO)*	(5,415) 7,970	35,564 28,083	(115.2)% (71.6)%
EBIT Margin (IFRS) EBIT Margin (LIFO)*	(2.7)% 3.9%	15.8% 12.4%	(116.8)%
Net Income (IFRS) Net Income (LIFO)*	(19,554) (9,516)	29,375 23,764	(166.6)% (140.0)%



The condensed consolidated financial statements for the six months ended June 30, 2008 have been Prepared in accordance with the International Financial Reporting Standards (IFRSs) as endorsed by the European Union on their preparation date. The Recylex Group has opted to provide in this presentation additional Information on the impact of restating the lead inventories held by its main plant in Germany using the LIFO method, which is not permitted under IFRS, as it believes this provides more relevant information for assessing the actual performance of its lead business.

Additional information – lead inventories restated using the LIFO method*

*not permitted under IFRS

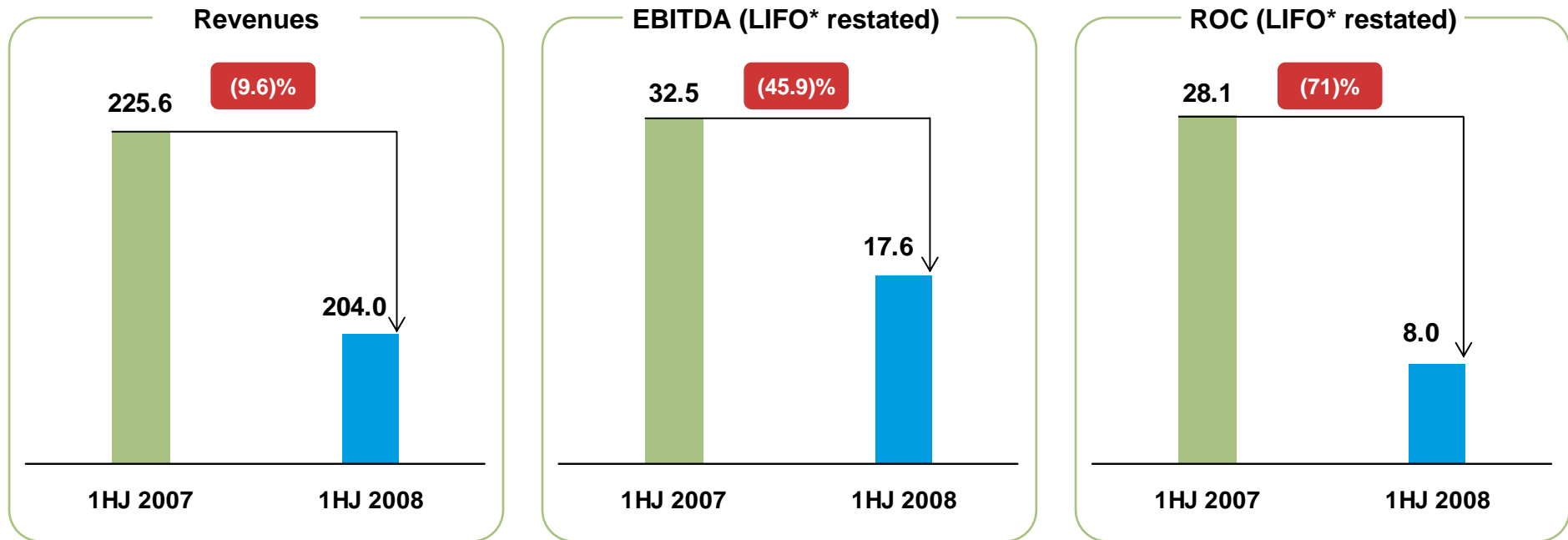
€000s	First-half 2008 IFRS	Restatement	First-half 2008 LIFO
Sales of goods and services	204,023		204,023
Operating income before non-recurring items (ROC)	(5,415)	13,385	7,970
Operating income	(22,817)	13,385	(9,432)
Net income	(19,554)	10,039	(9,516)

€000s	First-half 2008 LIFO	First-half 2007 LIFO	% change
Sales of goods and services	204,023	225,564	-10%
Operating income before non-recurring items	7,970	28,083	-72%
Operating income	(9,432)	28,202	-133%
Net income	(9,516)	23,764	-140%



Using the LIFO method (not permitted under IFRS) the performance of the Lead business is shown without the stock-valuation effect caused by volatile market prices; operating income before non-recurring items (ROC) increase by €13.4 million for the first HJ 2008 and decrease by €7.5 million for the first HJ 2007 in comparison to the IFRS weighted average method.

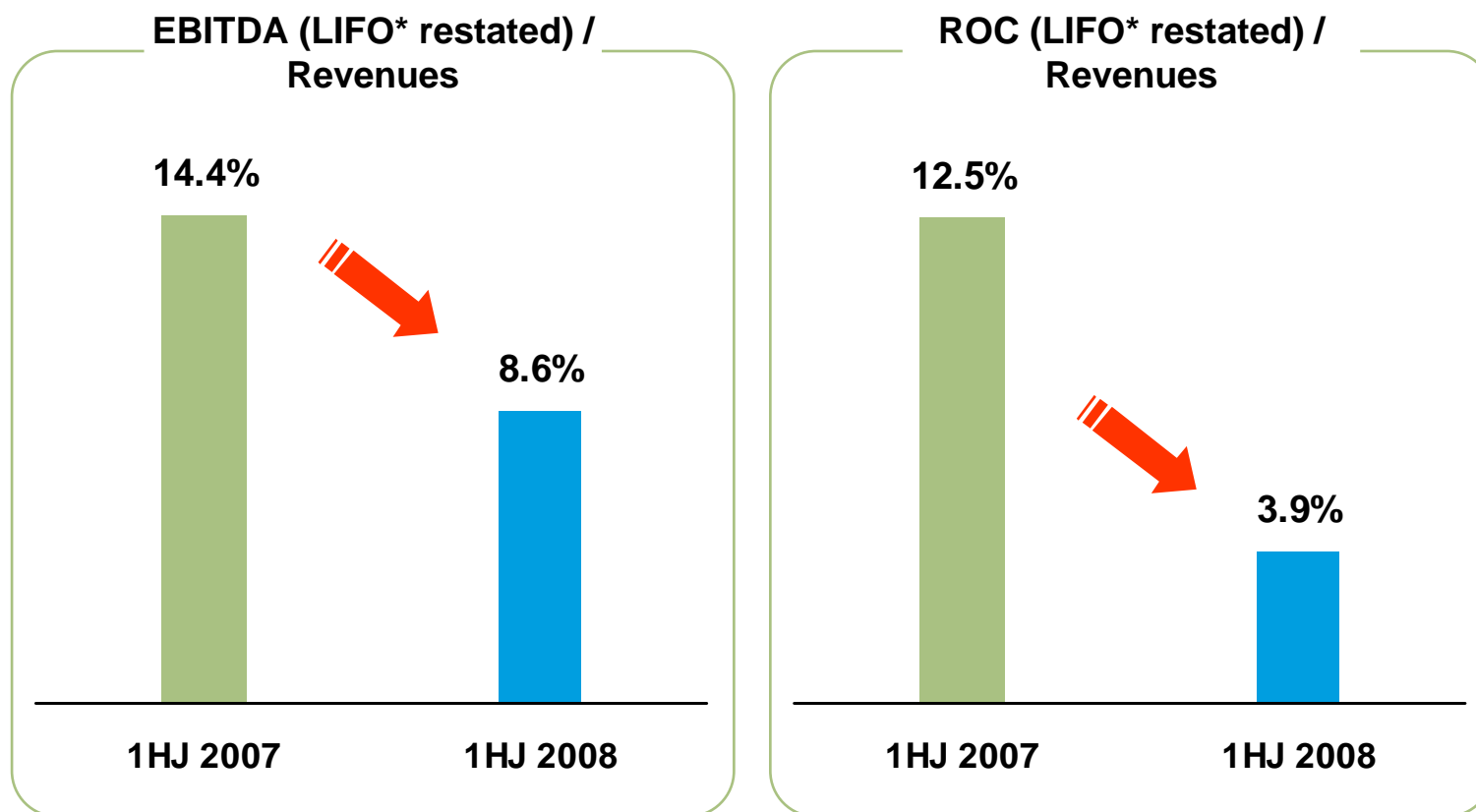
Operating income (ROC) evolution (in € million)



(1) ROC + Amortizations & Depreciations

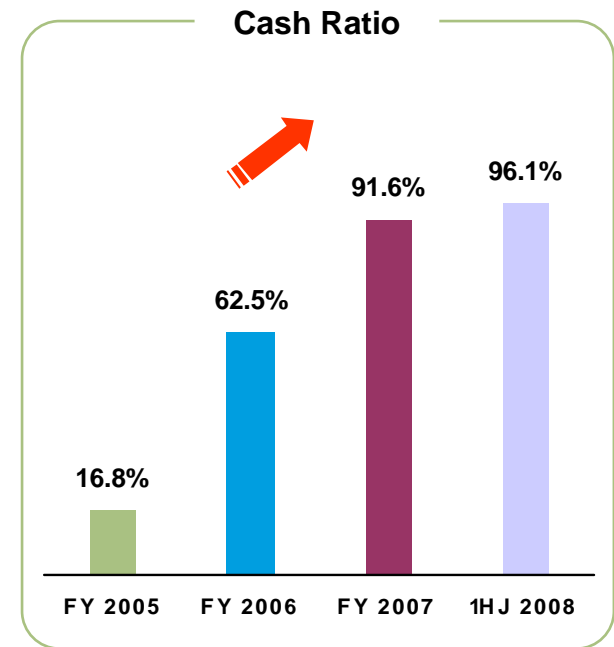
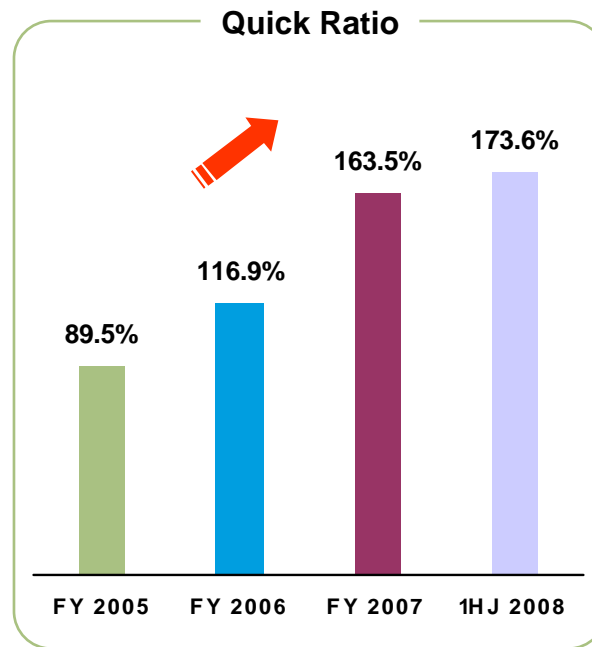
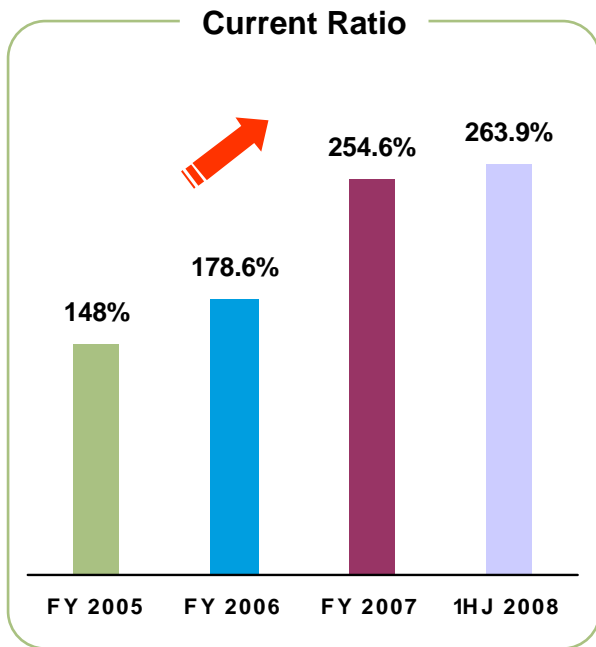
*not permitted under IFRS

Profitability suffering from sharp declining zinc prices and a drop of the margins in the lead activity (in €000)



*not permitted under IFRS

Solid Cash Ratios despite declining results



Current Ratio = Current Assets / Current liabilities

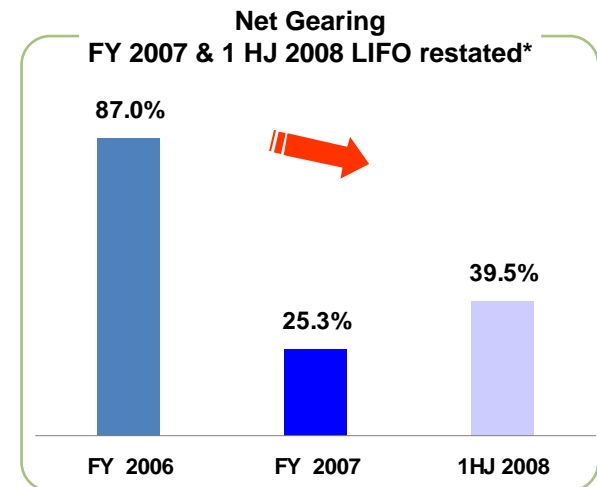
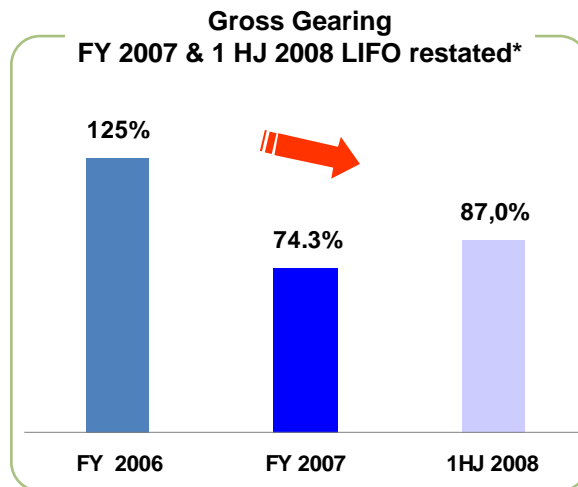
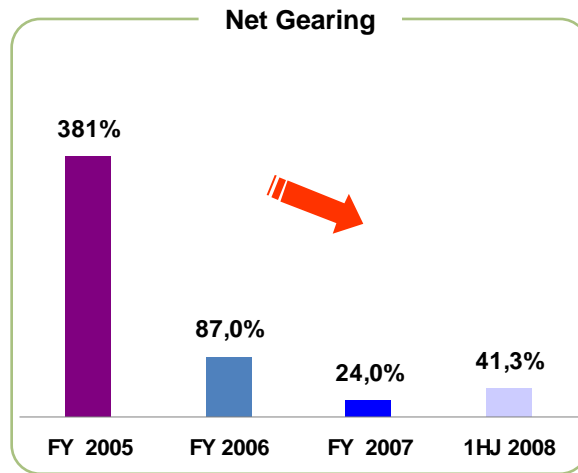
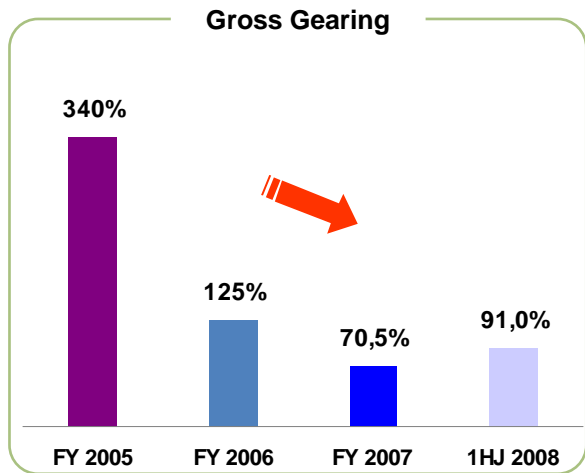
Quick Ratio = Current Assets w.o. inventories / Current liabilities

Cash Ratio = Cash & Cash equivalents / Current liabilities

Cash flow from operating activities

(€000)	First half 2008	First half 2007
Net income	(19,554)	29,375
Non cash items	17,042	8,163
Change in working capital	3,622	(21,565)
income tax expense & def tax	208	(9,285)
Cash from operating activities	1,318	6,688
Investing activities	(8,478)	(7,699)
Financing activities	(293)	4,141
<i>Increase in borrowings</i>	157	7,696
<i>Repayment of borrowings</i>	(1,074)	(4,228)
<i>Interest income and other movements in capital</i>	1,151	673
<i>Hedging position</i>	(527)	0
Change in Cash & Cash equivalent	(7,453)	3,130

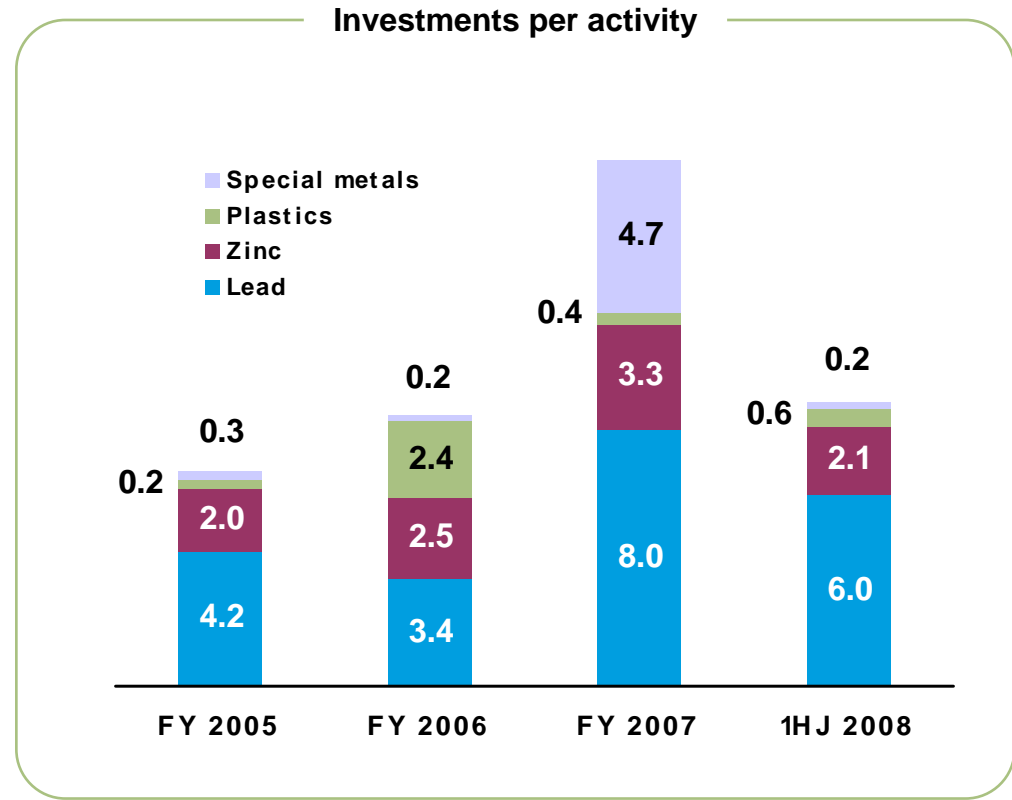
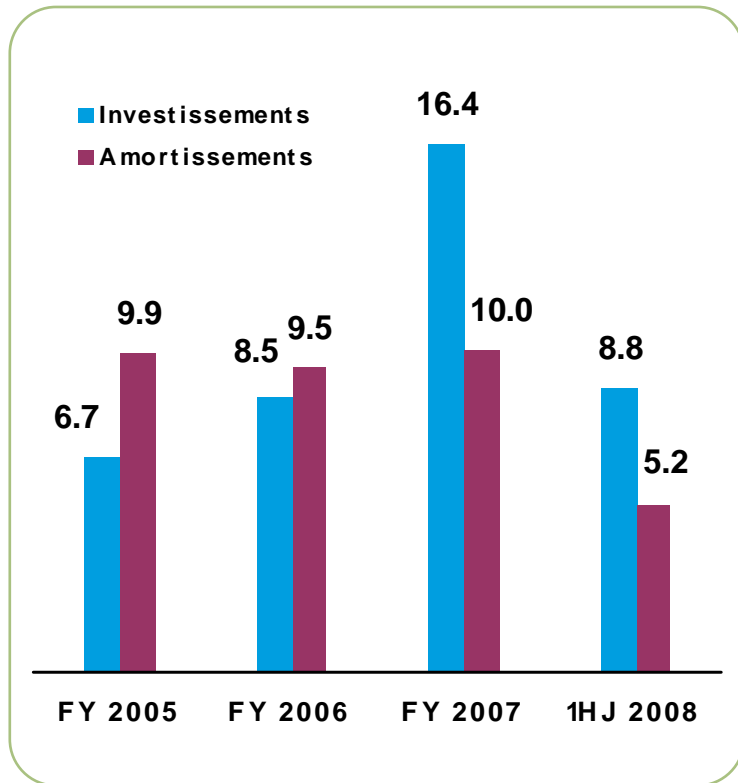
Gearing Ratios on a healthy level



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

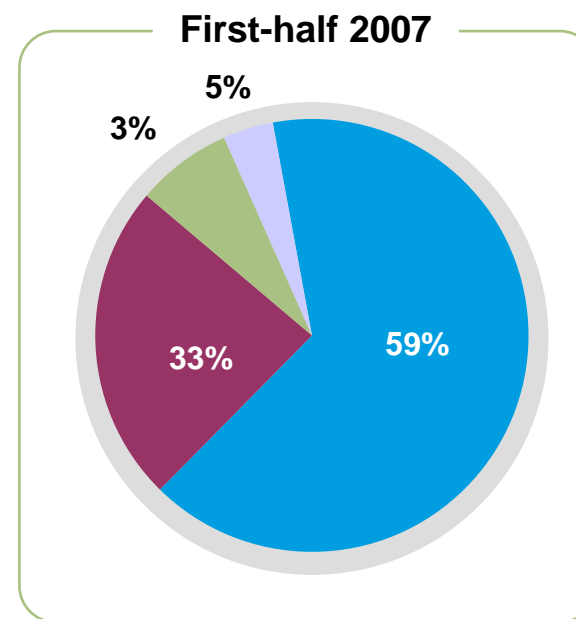
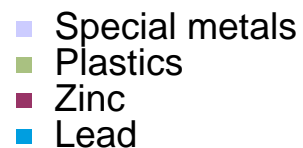
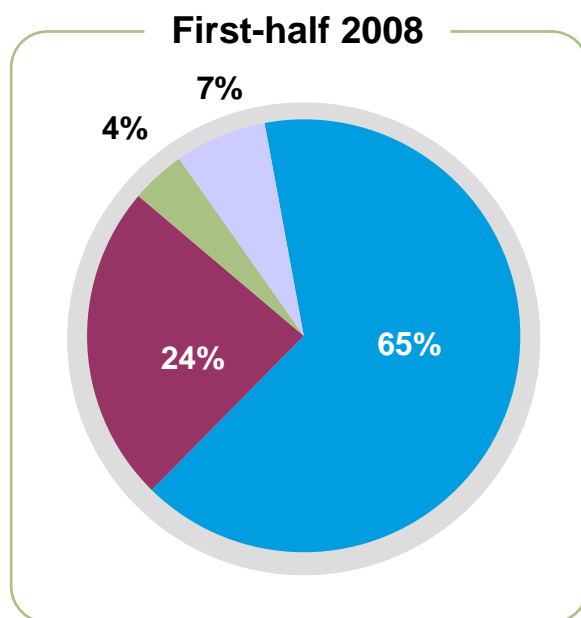
Net Gearing = ((Long term debt + other current liab. - NetCash) / Equity)

*not permitted under IFRS



Sales Revenues by segment

(in € million)	First-half 2008	First-half 2007	VAR.
LEAD	132.6	134.1	-1.1%
ZINC	48.8	74.0	-34.1%
PLASTICS	8.5	7.4	14.3%
SPECIAL METALS	14.2	10.1	41.0%
Total Sales	204.0	225.6	-9.6%

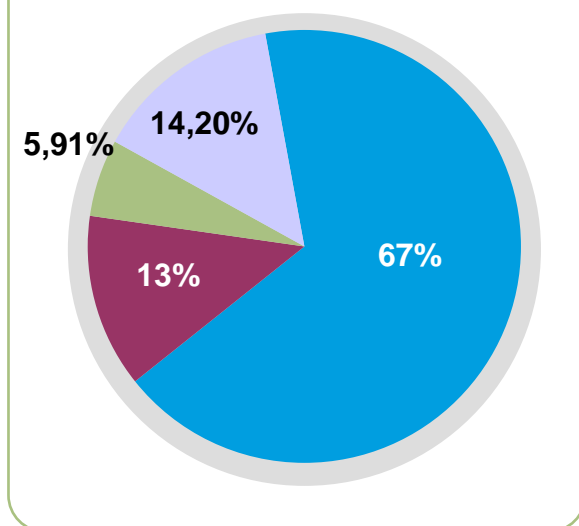


Results by segment (LEAD restated in LIFO*)

*not permitted under IFRS

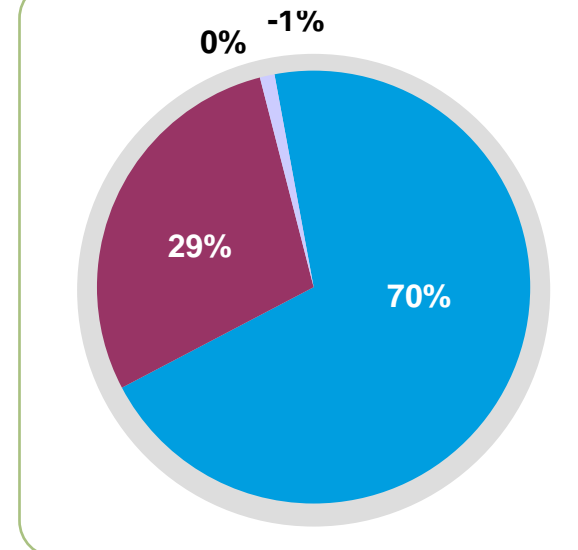
(in € million)	First-half 2008	First-half 2007	VAR.
LEAD <i>(restated in LIFO)</i>	7,986	21,710	-63.2%
ZINC	1,480	9,180	-83.9%
PLASTICS	700	(18)	
SPECIAL METALS	1,683	(229)	
Segment operating income	11,849	30,643	-61.3%
Non allocated costs	(3,879)	(2,560)	51.5%
Operating income before non-recurring items (ROC)	7,970	28,083	-71.6%

ROC First-half 2008



- Special metals
- Plastics
- Zinc
- Lead

ROC First-half 2007



Profitability by segment (LEAD restated in LIFO*)

*not permitted under IFRS

(in € million)

First-half 2008	Groupe	LEAD (LIFO restated)	ZINC	PLASTICS	SPECIAL METALS	Unallocated costs
Revenues	204.0	132.6	48.8	8.5	14.2	
EBITDA <i>in % of Revenues</i>	17.6 8.6%	15.2 11.5%	3.1 6.3%	1.1 13.0%	2.1 14.7%	(3.9)
ROC <i>in % of Revenues</i>	8.0 3.9%	8.0 6.0%	1.5 3.0%	0,7 8.3%	1.7 11.9%	(3.9)

First-half 2007	Groupe	LEAD (LIFO restated)	ZINC	PLASTICS	SPECIAL METALS	Unallocated costs
Revenues	225,6	134.1	74.0	7.4	10.1	
EBITDA <i>in % of Revenues</i>	32.5 14.4%	24.1 18.0%	10.4 14.0%	0.4 5.2%	0.2 1.7%	(2.6)
ROC <i>in % of Revenues</i>	28.1 12.5%	21.7 16.2%	9.2 12.4%	0 (0.2)%	(0.2) (2.3)%	(2.6)

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Profit & Loss Consolidated

(in €000)	First-half 2008	First-half 2007	Var.
Total Sales	204,023	225,564	-9,5%
Cost of Sales	155,671	144,252	7,9%
Gross Margin	48,352 23.7%	81,312 36.0%	-40,5%
Staff costs	(20,518)	(19,327)	6.2%
External costs	(22,386)	(20,667)	8.3%
Taxes other than on income	(1,470)	(1,320)	11.3%
Depreciation, amortization & write-offs	(9,621)	(4,421)	117.6%
Goodwill impairment losses	0	(117)	
Other operating income and expense	227	114	98.8%
Operating income before non-recurring items	(5,415)	35,564	-115.2%
Other non recurring operating income and expense	(17,402)	119	
Operating income	(22,817)	35,683	-163.9%
Financial Result	6	(578)	-101.0%
Income before taxes	(22,811)	35,105	
Income tax expense	3,257	(5,730)	
Net income	(19,554)	29,375	-166.6%

(in €000)	First-half 2008	First-half 2007	Var.
Depreciation tangible & intangible Assets	(5,249)	(4,759)	(489)
Depreciation current Assets	(4,562)	469	(5,031)
Increase Provisions	(187)	(229)	41
Release Provisions	377	98	278
Total	(9,621)	(4,421)	(5,200)

Other non-recurring income and expense

(in €000)	First-half 2008	First-half 2007
Impact of the continuation plan	-	242
Increase in provisions for environmental expenses at Estaque	(250)	
Not used Provisions	268	
Labor court procedure	(14,545)	
Impairment Norzinco SA	(3,000)	
Other	124	(123)
Total Other non-recurring income and expense	(17,402)	119

Income tax expense (in €000)	First-half 2008	First-half 2007
Taxe expense due	(1,865)	(4,652)
Deferrals related to timing differences or the reversal of timing differences	9,845	(1,721)
Deferrals on tax loss carry forwards	(4,723)	643
Deferred tax income / (expense)	5,122	(1,078)
Consolidated income tax expense	3,257	(5,730)

Income tax expense - First-half 2008 -	Groupe	France ⁽¹⁾	Germany	Belgium
Corp tax & Trade Tax payable	(1,865)	(567)	(1,295)	(3)
Deferred Corp tax & Trade Tax	5,122	1,508	3,605	9
Total	3,257	941	2,310	6

(1) incl 50% Recytech

(in €000)	June 30, 2008	Dec 31, 2007	Var.
Tangible & intangible fixed assets	79,700	79,342	358
Financial Assets	806	1,043	(237)
Other financial instruments	0	308	
Deferred tax assets & Other	18,006	16,878	1,128
Long-term assets	98,512	97,571	941
Inventories	67,350	78,677	(11,327)
Accounts receivables	44,566	53,961	(9,395)
Other Current Assets	13,241	8,126	5,115
Other financial instruments	7,565	5,120	2,445
Cash & Cash equivalents	71,709	79,162	(7,453)
Current assets	204,431	225,046	(20,615)
TOTAL ASSETS	302,943	322,617	(19,674)

(in €000)	June 30, 2008	Dec 31, 2007	Var.
Equity	128,774	147,458	(18,684)
Loans	18,552	21,837	(3,285)
Provisions	49,108	36,365	12,743
Pension liabilities	30,754	30,989	(235)
Accounts payables	19,814	24,200	(4,388)
Other Liabilities	40,503	42,311	(1,808)
Taxes payables & Deferred taxes	13,785	19,413	(5,627)
Other financial instruments	1,653	44	
Liabilities	174,169	175,159	(990)
TOTAL EQUITY & LIBALILITIES	302,943	322,617	(19,674)



Provisions

	Dec. 31, 2007 Balance	Increases during the period	Discount to actual value	Reclassified amounts	Reversals during the period		June 30, 2008 Balance
					utilized	Un- utilized	
Environmental provisions	31,785	250	9	(9)	(1,416)	(144)	30,475
Litigation	2,151	17,812	(3,181)		(280)	(329)	16,174
Restructuring	386	37			(61)		361
Other risks and expenses	2,043	63		9	(17)		2,098
Total provisions	36,365	18,162	(3,172)	0	(1,774)	(473)	49,108



RECYLEX