

Suresnes, March 21, 2008

2007 RESULTS – 2008 OUTLOOK

- **2007 results (consolidated financial statements):**

At its meeting of March 18, 2008, the Board of Directors of Recylex SA approved the parent company's and consolidated financial statements for the financial year ended December 31, 2007.

- Key figures for 2007

Supported by a strong rise in lead prices, the Group's revenues increased by 47% in 2007 as compared to 2006. Operating income from ordinary activities also rose significantly during the year.

<i>In millions of euros</i>	<i>December 31, 2007</i>	<i>December 31, 2006</i>	<i>December 31, 2005</i>
Consolidated sales revenues	509.6	347.6	230.0
Consolidated operating income from ordinary activities	85.3	51.0	13.1
Consolidated net income	67.7	44.2	53.8**
Consolidated shareholders' equity	147.5	74.9	29.1

Financial statements prepared in accordance with IFRS

***This net income figure of €53.8 million includes (1) non-recurring income of €20.6 million from the waiver of receivables under the continuation plan, and (2) a €12.6 million provision reversal on the Group's receivables from its former Spanish subsidiary.*

- 2007 market environment

The two major events of 2007 were the spectacular rise and volatility in metal prices and the Recylex Group's name change.

- Metal prices

Average annual lead prices expressed in U.S. dollars doubled last year, rising from 1,287 USD/ton in 2006 to 2,595 USD/ton in 2007. After hitting a low of 1,575 USD/ton on January 17, 2007, they rose to a high of 3,980 USD/ton on October 15.

During this period however, this sharp increase in prices was partially offset by the euro's appreciation against the U.S. dollar. Expressed in euros, lead prices rose by 83% from 1,024 EUR/ton in 2006 to 1,882 EUR/ton last year.

Zinc prices peaked at more than 4,000 USD/ton in May 2007 before plummeting in the second half of the year 2007, with the average annual price in 2007 falling below that of 2006.

Average annual lead and zinc prices in euros per ton:

	2002	2003	2004	2005	2006	2007
Lead	479	456	714	786	1,024	1,882
Zinc	823	732	842	1,115	2,593	2,385

- Name change

On July 16, 2007, the Shareholders' General Meeting approved the change in the company's name proposed by the Board of Directors. As of that date, Metaleurop became Recylex. This new name reflects the decision by the Company and Group, supported by the know-how of its staff, to refocus on the recycling business, in particular with respect to batteries and secondary zinc materials. The Group thereby demonstrates its capacity to develop a clear and targeted industrial strategy and position itself as a leading European recycling specialist, with an environmentally sustainable and socially responsible approach.

In that respect, the receipts of ISO 14001 environmental certification by the Villefranche sur Saône plant and that of the Belgian subsidiary FMM SA were noteworthy.

▪ **Activities of Recylex Group companies in 2007:**

The Group continues to implement its industrial strategy refocused on recycling, demonstrating its capacity to ensure the long-term prospects of its industrial activity and economic turnaround, consistent with the terms of the continuation plan.

The Lead business accounted for 66% of the Group's total sales, the Zinc business 27%, the Special Metals business 4% and the Plastics business 3%.

- Lead business

In 2007, the battery breaking plants processed approximately 140,000 tons of batteries, or 10,000 more tons than in 2006. The volume of processed batteries at the Villefranche sur Saône and Escaudoeuvres sites increased by 6,500 tons last year, bringing the total for these two sites to more than 94,000 tons on the year. This increase was due to the Group's continued efforts to gain market share.

The Nordenham lead plant in Germany and FMM plant in Belgium also took advantage of the sharp spike in lead prices in 2007.

Overall, the lead business generated € 75.3 million in operating income in 2007, a 152% increase relative to 2006.

- Zinc business

The Zinc business generated €19.7 million in operating income, down 27.7% from the previous year. This decrease was primarily due to falling zinc prices in the second half of 2007 and the maintenance-related work stoppage on the rotary furnace in Germany during the first half of 2007.

The steel dust recycling business nevertheless generated substantially positive operating income, with €5.6 million at Harz Metall GmbH and €9.2 million at Recytech SA (the Recylex Group's portion of this 50%-owned subsidiary).

In addition, the Recylex Group became the sole shareholder in the Norzinco Group after Recylex SA's subsidiary Delot Métal SA paid €3.4 million to acquire the 45% minority interest in Norzinco SA on March 8, 2007. This acquisition allowed the Group to consolidate its supply chain for zinc oxide, which is produced using recycled zinc products.

- Special Metals business

Operating income was a disappointing €0.6 million in 2007, down from €1.5 million in 2006. The decrease was largely due to reduced sales volume in the cadmium telluride segment and lower profit margins for germanium and arsenic compared with 2006. The decrease in the germanium profit margins, despite higher sales volumes, was due in part to the increase in metal supply costs.

In March 2007, the Group strengthened its position in the arsenic tetrachloride segment, when Reinstmetalle Osterwieck GmbH (RMO), a subsidiary of PPM Pure Metals GmbH (PPM), acquired the assets of Astron. RMO has been consolidated by the Recylex Group since January 1, 2007.

- **Plastics business**

The Recylex Group recycles plastics (mainly battery casings) through two subsidiaries, C2P SAS located in Villefranche sur Saône, in France, and C2P GmbH located in Oker, Germany. The polypropylene produced is sold mainly to automotive suppliers.

During the first half of 2007, the Villefranche sur Saône plant experienced technical difficulties, which were corrected in the second half of the year 2007. The setback nevertheless weighed slightly on operating income, which remained essentially unchanged from the previous year at approximately €0.4 million.

Since the German business is still slightly below breakeven, the overall Plastics business generated operating income of near €0.2 million, similar to the 2006 result.

- **Recylex's environmental commitments:**

The Recylex SA continuation plan includes a number of environmental commitments:

- **Rehabilitation of old mining concessions in France:**

Recylex SA is continuing its long-term rehabilitation of various decommissioned mines inherited from its extensive former industrial activities. The Company is working with the Regional Authorities for Industry, Research and Environment (DRIRE) and relevant government ministries. Its goal is to transfer to the French State all mining concessions between the years 2008 to 2010. In 2007, four of the 29 concessions originally held by Recylex SA as of end 2004 were transferred to the French State following their rehabilitation. In the past three years, the Company had transferred eight other concessions.

Provisions to cover the costs for securing and refurbishing the 17 mining concessions currently being rehabilitated until they are no longer subject to the mining law were revalued upward from €4.7 million as of December 31, 2006 to €5.7 million as of December 31, 2007.

- **Rehabilitation of the former l'Estaque industrial site operated by the Company until 2001:**

The clean-up program is continuing apace for the l'Estaque site near Marseille. This program involves the excavation, sifting and storage of all contaminated materials in storage cells built on site. A new site rehabilitation schedule was established and presented to the authorities in March 2006. It calls for all

site work to be completed by December 31, 2010. The neighboring company at l'Estaque having contracted to build Recylex storage cells now disputes this contract, which could result in delays. In August 2006, a complementary prefectural decree stipulated that Recylex SA must complete an initial work phase by the first quarter of 2008. As of December 31, 2007, the provision for the cost of the rehabilitation work at the l'Estaque site totaled €17.2 million.

In addition, an audit of the environmental risks at all industrial sites of the group has been scheduled for 2008, in order to strengthen the Group's environmental management tools.

- **Recent trends and outlook:**

- Post closing events

The market correction for lead that began in late 2007 carried over to the beginning of 2008, as lead prices fell below 2,500 USD/ton.

Since February 2008, however, raw materials prices surged once again, notably metal prices, and lead prices climbed back up to more than 3,000 USD/ton.

At the end of January 2008, the Brussels Institute for Environmental Management (IBGE) recorded a high mercury content in the emissions from the FMM SA (Belgium) smokestack, which was probably due to accidental pollution of this subsidiary's raw materials, since its activities are limited to the processing of materials that do not contain mercury. Since January 25, 2008, FMM's lead smelting and refining activity was suspended by decision of IBGE, even as the battery receiving and sales activity continued. FMM lodged an appeal against the decision of IBGE and quickly took measures to limit the impact of this event on its activities through collaboration with other Group subsidiaries. On March 4, 2008, the Environmental Authority (*Collège d'Environnement*) annulled the IBGE decision. Nonetheless, concerned about preventing any risk of future accidental pollution, FMM will restart its activities only when its plan to control raw materials and treat air emissions, which was developed in collaboration with the IBGE, is in place (first quarter of 2008). We regret this incident, which should nevertheless not have a material impact on the Group.

- Pending litigation

The two legal actions filed against Recylex SA in 2006 by former employees and the liquidation trustees of Metaleurop Nord SAS still weigh upon the Group's stability:

1. The first dispute is pending with the Labor court (*Prud'hommes*) of Lens; at the hearing before the industrial section on October 19, 2007, the case was remanded to arbitration ("*départage*") and the pleadings were held on December 5, 2007 before a professional judge. The decision is expected on

June 27, 2008. The hearing before the management section took place on January 29, 2008, and a decision will be handed down on September 30, 2008. Each petitioner, a former Metaleurop Nord SAS employee, is seeking to recover an indemnity of €30,000 plus €300 in expenses. The total number of petitioners for all sections is 585, as one petition was struck off the rolls in early 2008;

2. The liquidators of Metaleurop Nord have filed a claim against the Company for repayment of liabilities of Metaleurop Nord SAS up to €50 million. On February 27, 2007, the Regional Court (*Tribunal de Grande Instance*) of Béthune, acting in accordance with Commercial Court procedure, rejected this claim. It thereby determined that the Company was not the de facto manager of Metaleurop Nord SAS. The petitioners appealed this ruling. To date, the proceedings schedule of the Douai Court of Appeal has not been determined yet.

It should be noted that no provisions have been established in the financial statements or consolidated financial statements of Recylex SA concerning these cases, given the state of advancement of the labor court proceedings and the favorable ruling handed down by the Regional Court of Béthune, holding that, from a commercial law perspective, Recylex SA was not the de facto manager of Metaleurop Nord SAS. In addition, the damage claims in these cases are not taken into account in the continuation plan, and should Recylex SA be held liable in these two cases, the execution of the continuation plan could be jeopardized.

The Group's priority remains satisfying the commitments undertaken by Recylex SA under the continuation plan, whose objectives include, in no particular order of importance, the continuation of the Group's activities and maintenance of the Group's 646 jobs, the assumption of the Group's environmental responsibility and the repayment of €26 million in debt over a 8-year period. In that respect, the Group made the plan's second scheduled installment payment of approximately €11 million in November 2007. The third installment, the payment of which is scheduled for November 2008, is amounting to €1.8 million.

▪ **Indicative schedule regarding the Financial Information and the Annual Shareholders' Meeting of Recylex SA:**

The French version of the 2007 Annual Financial Report should be distributed, filed with the French Financial Markets Authority (AMF) and archived on the Recylex web site during the week of April 7, 2008, the French version of the 2007 corporate and consolidated financial statements being published in the French Bulletin of Mandatory Legal Notices (BALO) during the same week.

The Shareholders' Meeting called to approve the 2007 financial statements should be held on May 6, 2008 at 10 a.m. at the Hotel Clarion Saint James & Albany, 202, rue de Rivoli - 75001 Paris.

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Recylex: Recycle, transform, add value

Based in France, Germany and Belgium, Recylex specializes in lead and plastics recycling (from automotive and industrial batteries), the recycling of zinc from electric arc furnace dust, the production of zinc oxides and special metals for the electronics industry.
