



2010 Annual Results

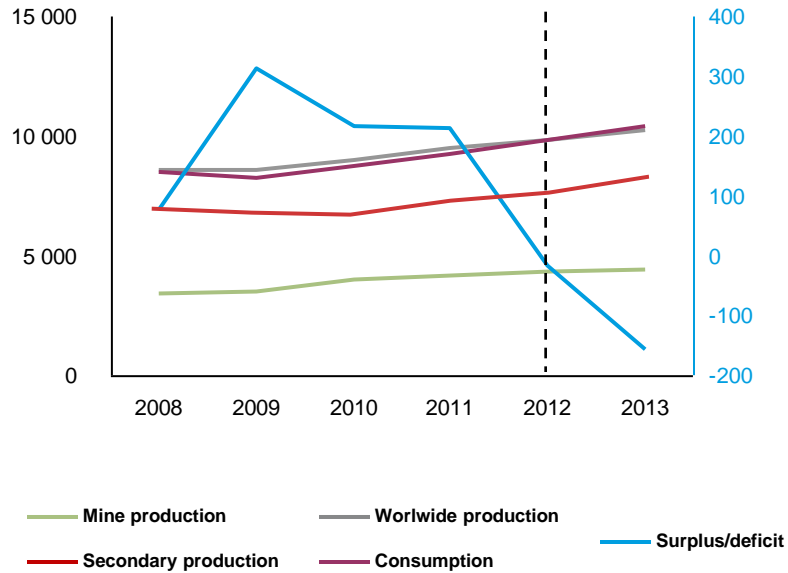
Yves ROCHE, Chief Executive Officer

Ingo SCHAEFER, Chief Financial Officer

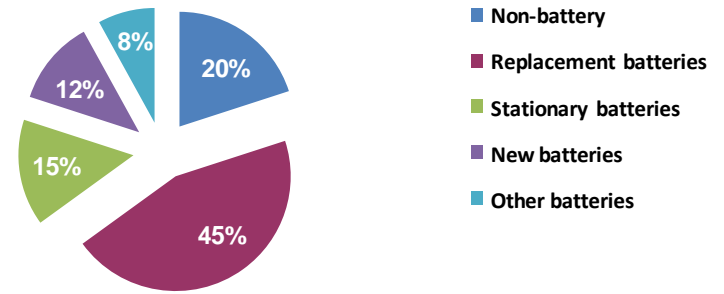
- 1. Market data and key figures by sector**
- 2. 2010 consolidated financial statements**
- 3. Cash flows and evolution factors**
- 4. Conclusion and outlook for the Group**
- 5. Q&A**

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Worldwide production (thousands of tons)

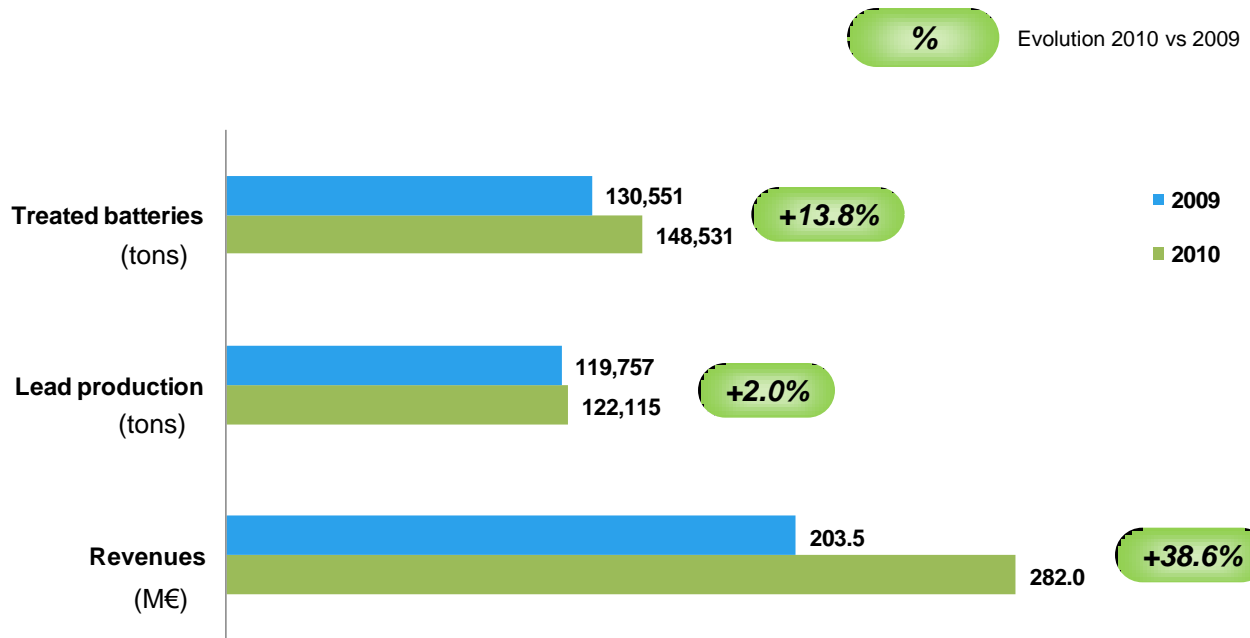


Mains uses



A market driven by the demand for batteries, in particular the demand for replacement batteries

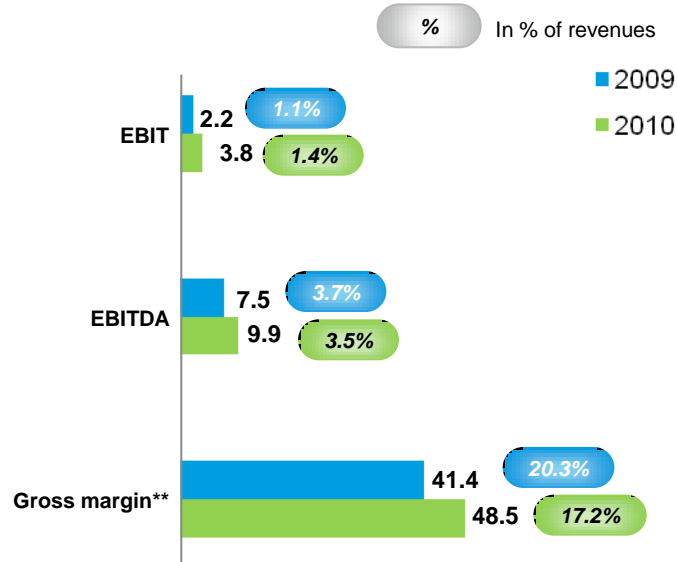
Industrial performance



Financial performance after revaluation of stocks in LIFO*

(in M€)

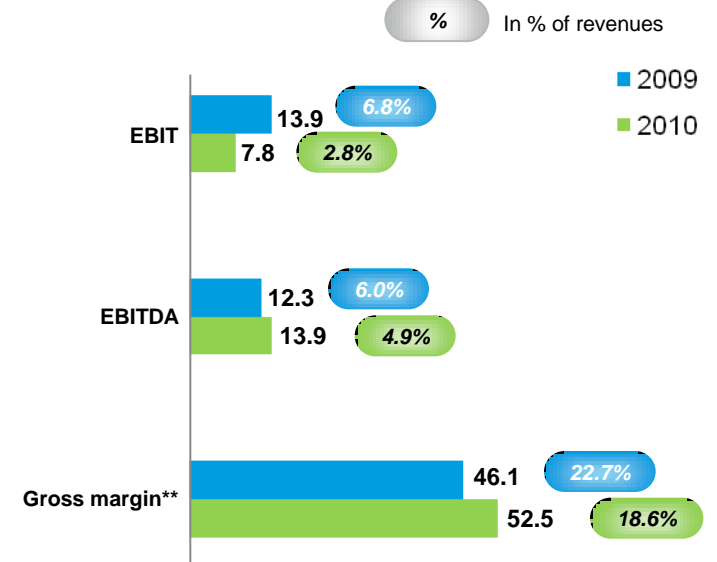
Nordenham incident impact: around M€ 4.3



** Gross Margin = Total Sales - Purchases used +/- Changes in work in progress and finished goods - Goods transportation (included in external costs)

Financial performance IFRS

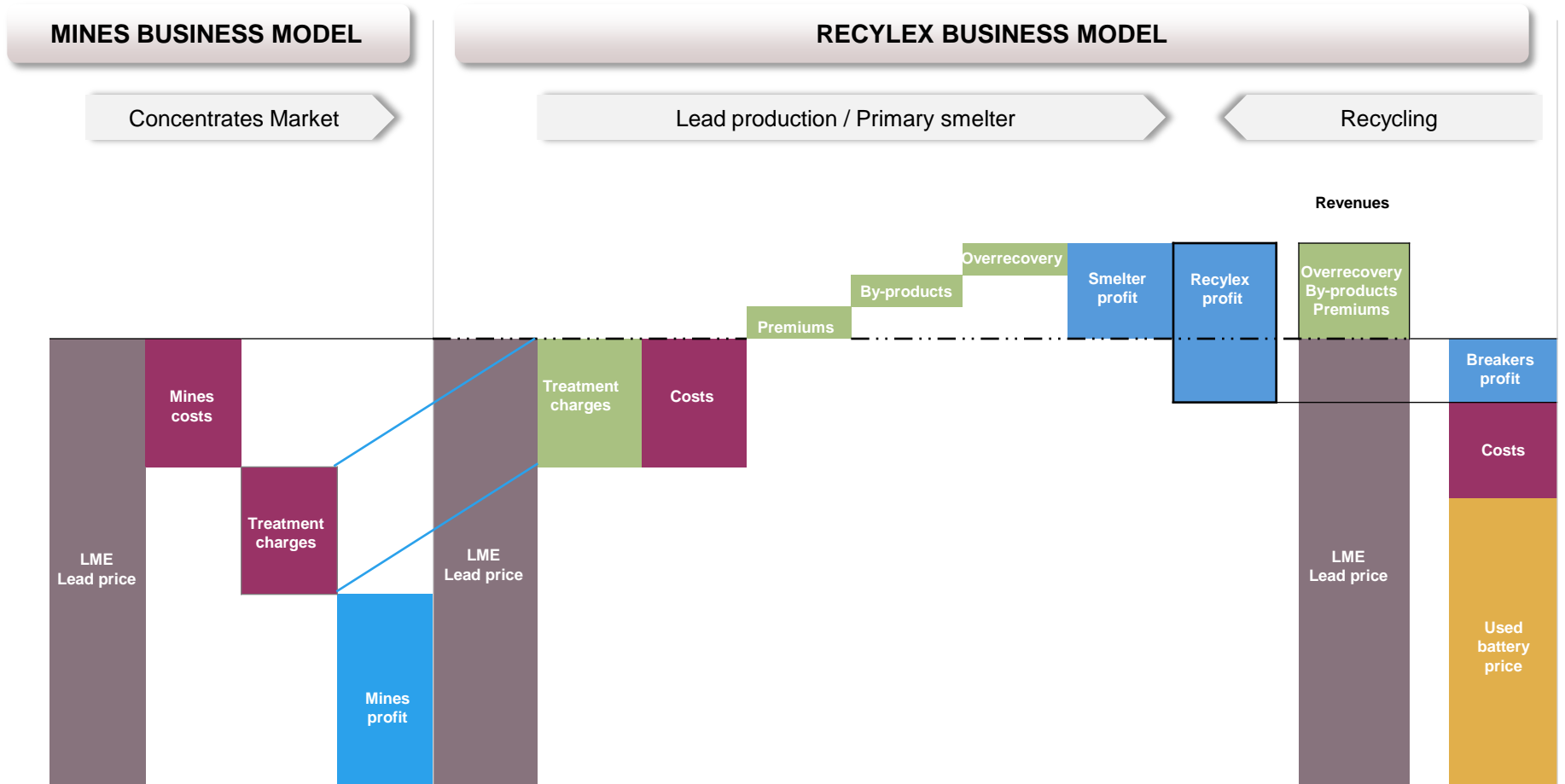
(in M€)



** Gross Margin = Total Sales - Purchases used +/- Changes in work in progress and finished goods - Goods transportation (included in external costs)

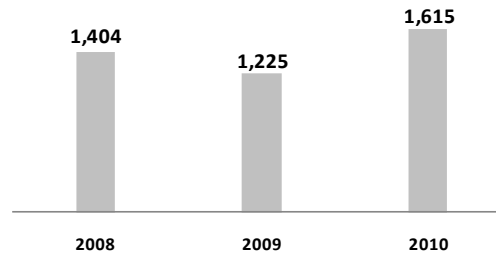
* Valuation method not admitted under IFRS. The valuation method for the « Lead » operating segment is based on LIFO (Last In First Out) for internal reporting in valuing inventory for the Group's main smelter in Germany (Nordenham). For the effects of restating inventories under the LIFO method at the main German smelter, see note 19 in Notes to the Consolidated Financial Statements.

Lead: business model key parameters



Lead: business model key parameters main evolutions in 2010

Lead price average (in €/t)



32% increase compared to 2009

LME
Lead price

Treatment
charges

Under pressure but benefits from the lead price evolution

Premiums

In decrease due to an offer of refined lead higher than demand
Positive signs of growth in 2011

By-products

Increasing demand for sulphuric acid

Overrecovery

No significant change

Used battery
price

Very volatile parameter
Increase linked to lead price evolution and the booming supply (over-capacity production in Europe)

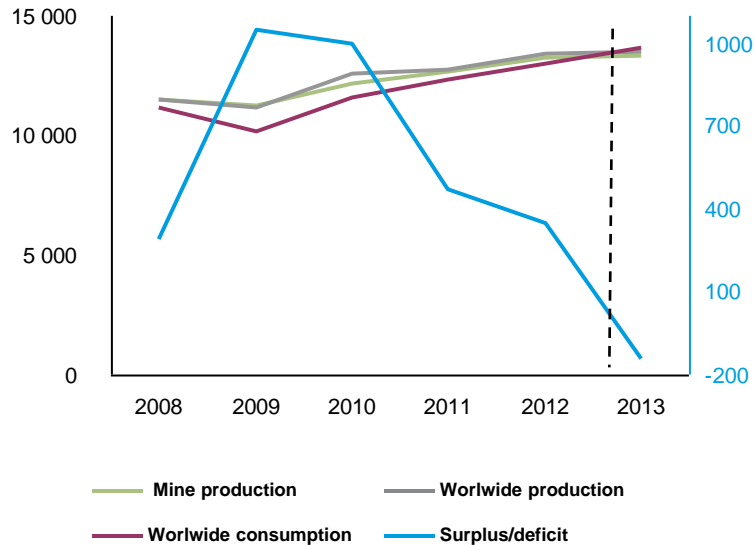
→ 2010 highlights:

- Increase in battery processing volumes by 14%
- Lead production rise by almost 2% in spite of the second unforeseen 3-week shut-down of the main smelter in Nordenham

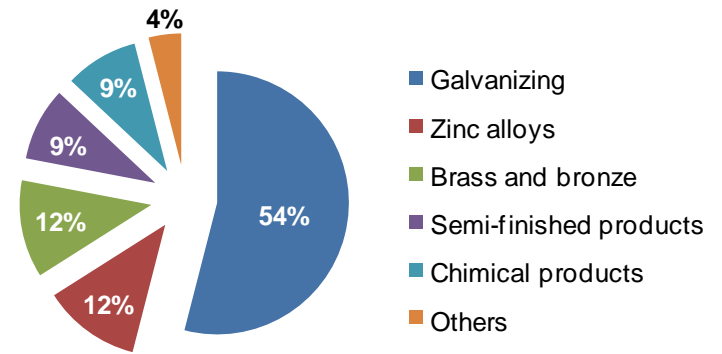
→ Outlook:

- Transportation costs and inter-company logistics flows optimization
- Increase in battery processing volumes thanks to the geographical diversification of the supply coming from countries where processing capacity is low

Worldwide production (thousands of tons)

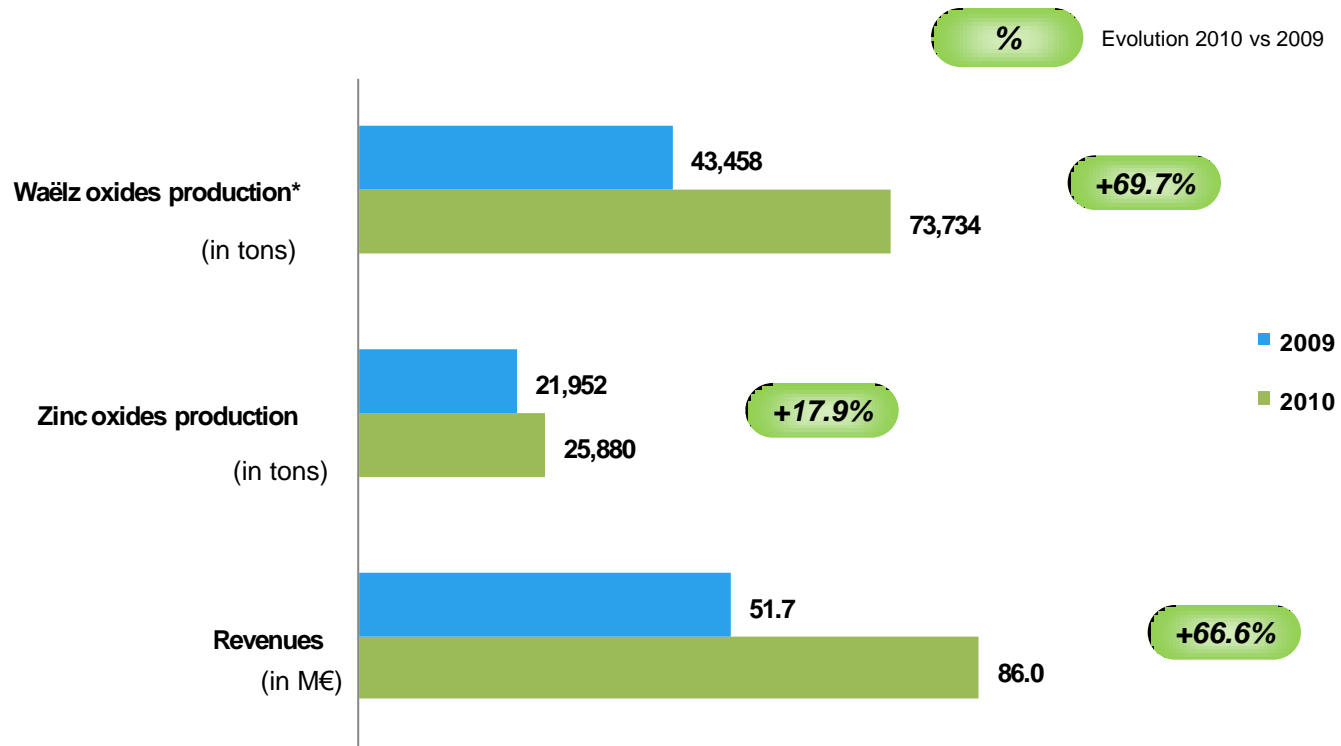


Mains uses



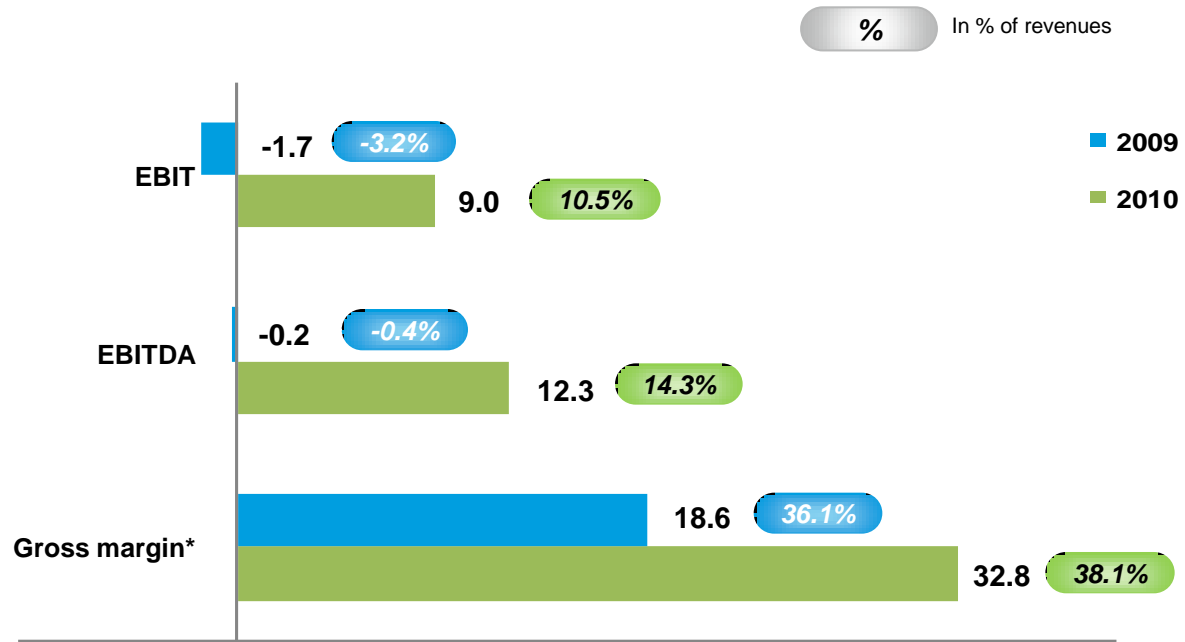
A market still driven by the galvanizing

Industrial performance



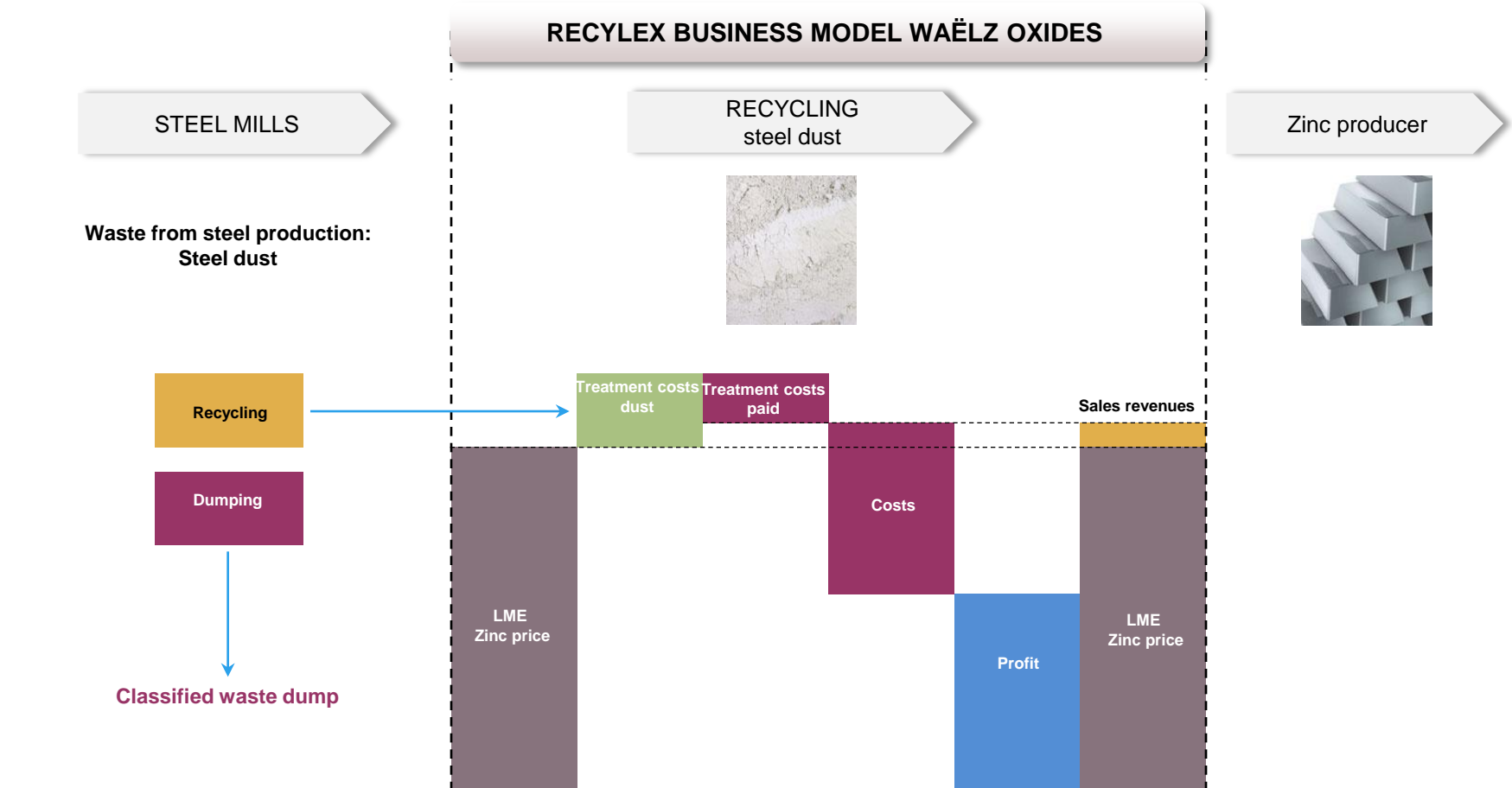
* including 100% Recytech SA

Financial performance (IFRS) (in millions of euros)



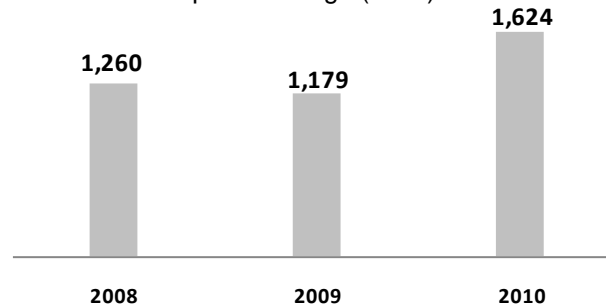
* Gross Margin = Total Sales - Purchases used +/- Changes in work in progress and finished goods - Goods transportation (included in external costs)

Waelz oxides: business model key parameters



Zinc: business model key parameters main evolutions in 2010

Zinc price average (in €/t)



LME
Zinc price

38% increase compared to 2009

Treatment costs
dust

Uptrend due to the steel mills activity recovery and the dumping costs increase

Treatment costs
paid

Downtrend still ongoing in 2011 with a demand for concentrates higher than the offer

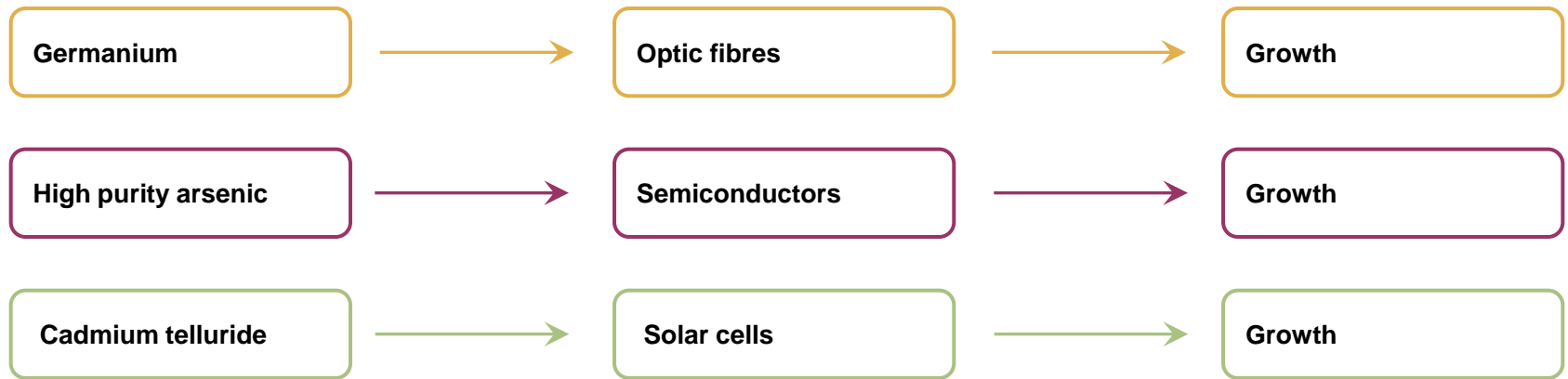
→ 2010 highlights:

- Waelz oxides production increase by around 70%
- Zinc oxides production rise by 18%

→ Outlook:

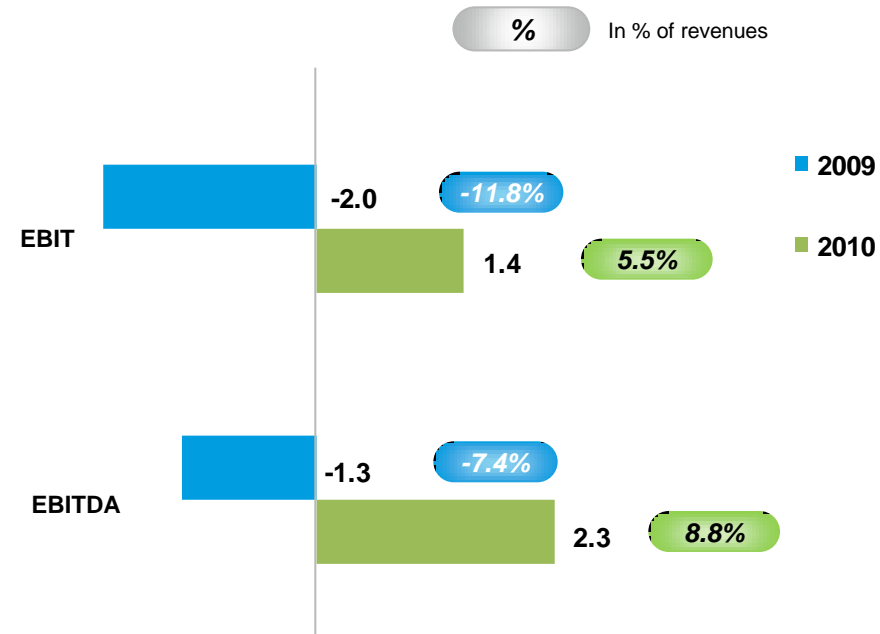
- Production plant optimization in steel dust recycling (Waelz oxides)

→ Special metals main uses and demand evolution



Special metals sector benefited from a significant increase in demand for the main products, especially germanium and high purity arsenic

Financial performance (IFRS) (in M€)



→ 2010 highlights:

- Production recovery speed-up for germanium and high purity arsenic
- Increase of the turnover by 40% for germanium and by 92% for high purity arsenic

→ Outlook:

- Growth consolidation for germanium and high purity arsenic
- Intensification of commercial actions in order to diversify the client portfolio
- Full capacity production for cadmium telluride and high purity arsenic

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<i>(in tsd. €)</i>	FY 2010	FY 2009 restated*	VAR.
Revenues	403,612	280,804	122,808
EBITDA	24,250	5,888	18,362
EBIT (ROC)	14,108	4,829	9,279
Non recurrent result	(9,838)	13,789	(23,627)
Net income	(4,250)	9,065	(13,315)
Operating cash flow	19,409	(10,140)	29,549

* Restated for new provisions for rehabilitation of former mining sites (see Notes 19, 23 and 25 to the Consolidated Financial Statements)

Key figures (IFRS, after revaluation of stocks in LIFO*)

<i>(in tsd. €)</i>	FY 2010	FY 2009**	VAR.
EBITDA in LIFO terms	20,250	1,123	19,127
EBIT (ROC) in LIFO terms	10,108	(6,864)	16,972
Net income	(7,085)	778	(7,863)
Operating cash flow	19,409	(10,140)	29,549

* Valuation method non admitted under IFRS

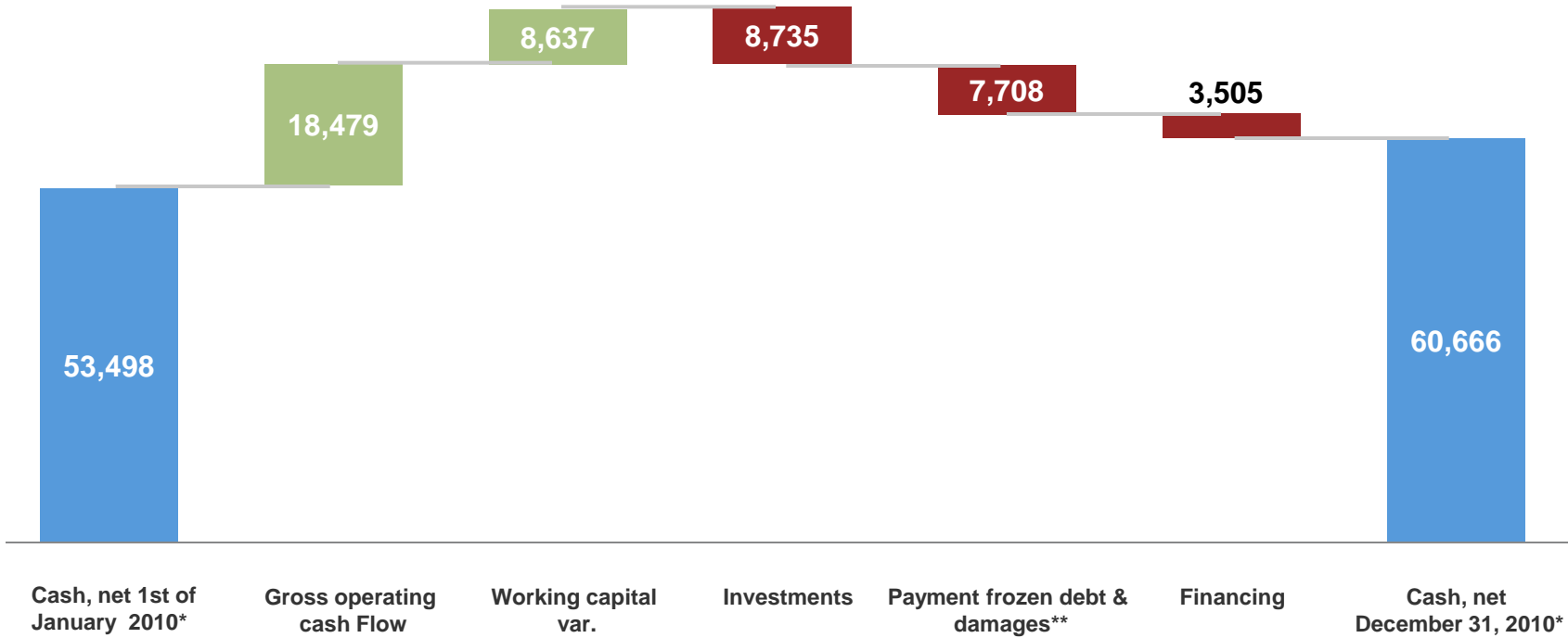
** Restated for new provisions for rehabilitation of former mining sites (see Notes 19, 23 and 25 to the Consolidated Financial Statements)

<i>(in tsd. €)</i>	December 31, 2010	December 31, 2009	VAR.
Financial Debt (w/o factoring)	13,211	12,996	215
Continuation plan (before discounting)	25,606	29,729	(4,123)
Provisions	43,419	37,257	6,162
Investments	9,257	7,847	1,410
Working capital	63,412	72,043	(8,630)
Cash net*	60,666	53,498	7,168
Equity	99,496	103,195	(3,699)
Gearing (net)	49%	54%	

* After deducting bank overdrafts

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Cash Flow Group FY 2010
(in tsd. €)



* After deducting bank overdrafts

** 2010 total amount of payments under the continuation plan

→ Claims from former employees of Metaleurop Nord SAS

- On 17 December 2010, the Douai Appeal Court awarded 92 former employees of Metaleurop Nord SAS damages and costs amounting to some €3.8 million, included in liabilities under the continuation plan of Recylex SA which are payable in instalments. Recylex decided to appeal the rulings before the *Cour de Cassation*.
- New claims for damages filed by 192 former employees of Metaleurop Nord SAS, amounting to a total of some €9.96 million, caused the Group to book provisions at 31 December 2010. Recylex intends to challenge both the admissibility and the merits of the claims. Next hearing scheduled for September 20, 2011

→ Claim from liquidators of Metaleurop Nord SAS

- The appeal proceedings concerning the claim for payment of liabilities of Metaleurop Nord SAS up to €50 million is still pending
- Preliminary ruling on legality from the *Conseil d'Etat* is awaited before the Douai Appeal Court can rule on either the admissibility or the merits of the claim – Hearing before the *Conseil d'Etat* is scheduled for March 23, 2011 and the trading in Recylex shares shall be suspended on that date

- Total payments in 2010 under the continuation plan were €7.7 million (after elimination of intra-group payments), of which €5.5 million was in damages to former employees of Metaleurop Nord SAS, subject to pending Supreme Court (*Cour de Cassation*) decisions
- At December 31, 2010, the outstanding balance under the continuation plan stood at €25.7 million (before discounting and after elimination of intra-group debts)

	<i>(in tsd. €)</i>
Debts as at 31/12/2009*	29,143
Payment initial plan 2005	-2,168
Payment of damages to former non-MM employees of Metaleurop Nord	-4,305
Payment of damages to former MM employees of MN	-1,211
Total payments	-7,684
Damages to non-MM employees (2010 Douai Appeal Court decisions)	3,562
Damages to MM employees (2010 Douai Appeal Court decisions)	241
Total integrations	3,803
Corrections	-241
Debts as at 31/12/2010*	25,021

*before discounting and after elimination of intra-group debts

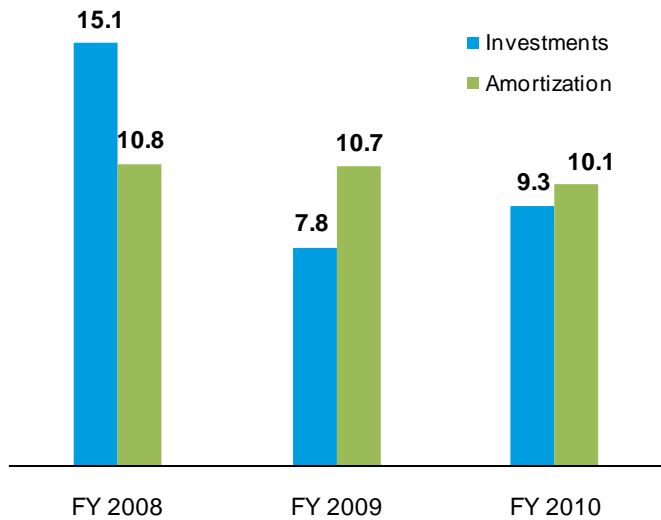
Maturity – Cash Flows

<i>(in tsd. €)</i>	2011	2012	2013	2014	2015	TOTAL
Frozen debt before discounting	3,790	4,548	4,548	6,065	6,069	25,021
Loans including interests w/o factoring	6,349	5,538	635	610	-	13,132
Total	10,139	10,086	5,183	6,675	6,069	38,153

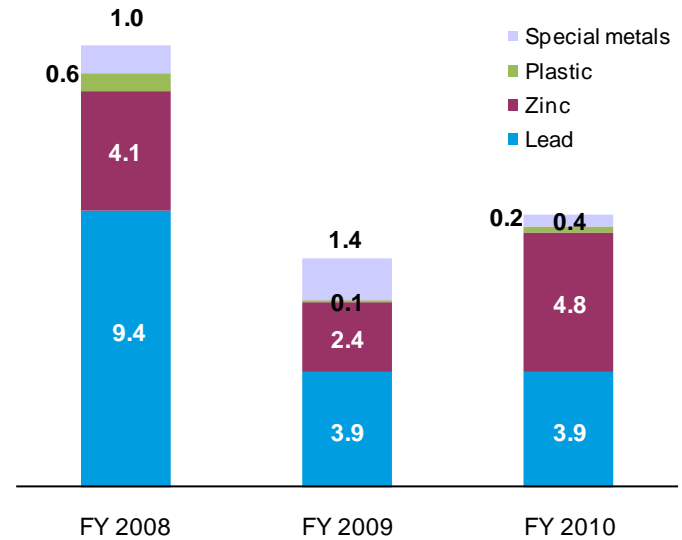
Provisions evolution in 2010

(in tsd. €)	December 31, 2009 Balance	Increase during the period	Discount to actual value	Reclassified amounts	Release during the period		December 31, 2010 Balance
					Used	Not used	
Environmental provisions	31,084	1,819	455	928	(1,890)	(170)	32,226
Litigation	3,876	10,312	(312)	0	(3,338)	0	10,537
Restructuring	312	32	0	0	(36)	0	308
Other risks and charges	1,985	61	0	(257)	(403)	(1,038)	348
Total provisions	37,257	12,224	143	671	(5,667)	(1,208)	43,419

Investments (in M€)



Investments by sector (in M€)

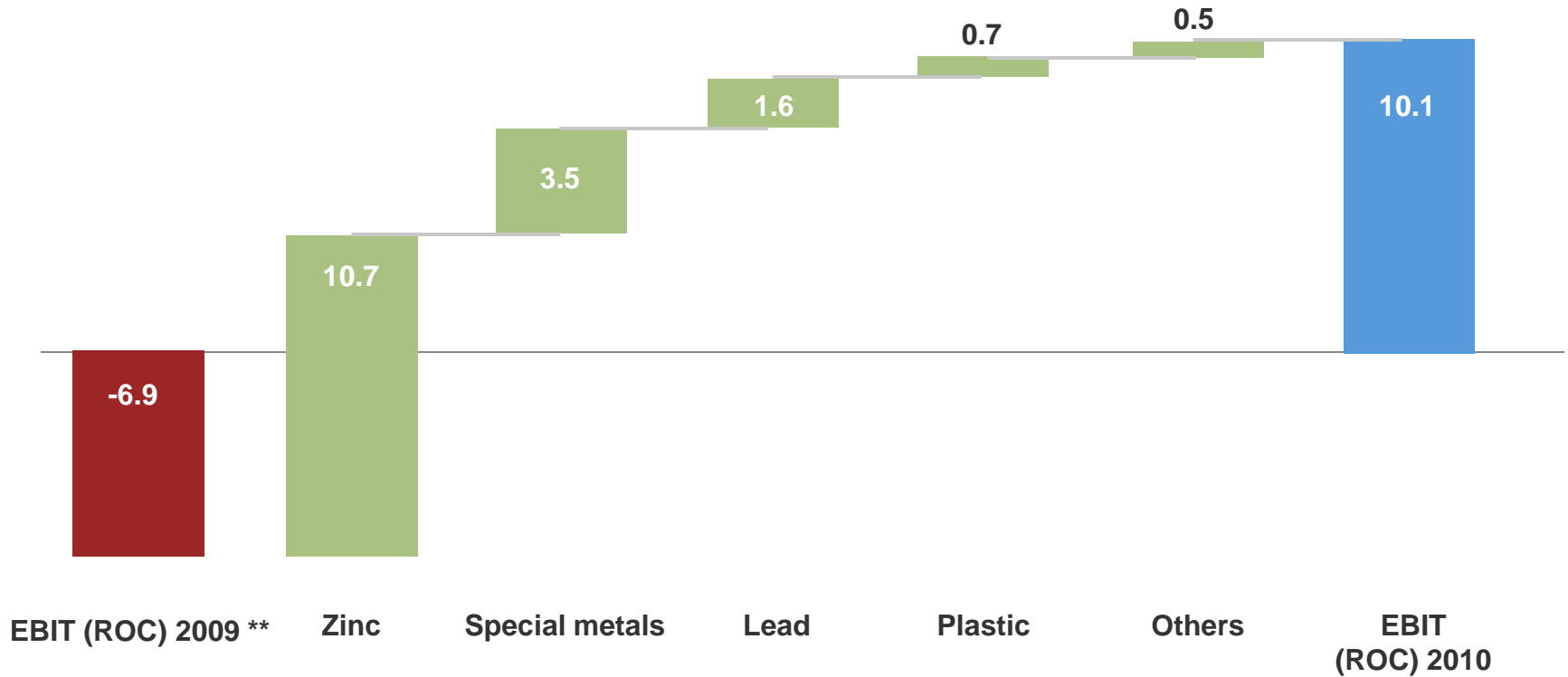


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- Continuation of the trend seen in the first half of 2010: increase in raw material prices and in processing volumes against the backdrop of pressure on margins
- Production volumes stable for lead despite a second unforeseen 3-week shut-down in production at the Group's Nordenham site
- Net loss of €4.3 million after booking provisions for risks related to new claims for damages filed by former employees of Metaleurop Nord and increasing expenses further to the enforcement of the decisions rendered by the Douai Appeal Court
- Positive EBIT in every Group sector

EBIT (ROC) evolution in 2010

EBIT (ROC) evolution in 2010 (LIFO*)
(in million €)



* Valuation method not admitted under IFRS

** Restated for new provisions for rehabilitation of former mining sites (see Notes 19, 23 and 25 to the Consolidated Financial Statements)

- Production plant optimization in order to increase the productivity

- Mines and old sites: pursuit of the rehabilitation program
 - At end of 2010, Recylex SA still holds 15 mines waiting for final release after releasing 14 mines since 2004
 - A new prefectoral order is currently being prepared in order to revise the timetable for the rehabilitation work of l'Estaque site

- Securing the cash position and pursuing the continuation plan, taking into account the still pending legal proceedings

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