

March 22nd, 2011

2010 EARNINGS

Rising prices and mounting volumes, Positive current operating income in all businesses

All the Group's businesses reported positive current operating income thanks to rising commodities prices and larger recycling volumes:

- 2010 current operating income of €14.1million (€4.8 million in 2009)
- Increase in commodities prices: lead prices up 32% on average over the year, zinc prices up 38% on average over the year
- Battery prices sharply higher, battery treated volumes up from some 131,000 tonnes in 2009 to some 149,000 tonnes in 2010
- Production volumes stable for lead despite a second unforeseen 3-week shut-down in production at the Group's Nordenham site
- Sharp increases in Waelz oxide and zinc oxide production
- Significant increase in revenues in the special metals segment, mainly for high purity arsenic and germanium

Consolidated net income impacted by additions to risk provisions:

- The Group posted a consolidated net loss of €4.3 million after booking provisions for risks relating to new claims for damages filed by former employees of Metaleurop Nord SAS on the one hand and increasing expenses further to the enforcement of the decisions rendered by the Douai Appeal Court on the other hand

Lawsuits and continuation plan:

- New claims for damages laid by 192 former employees of Metaleurop Nord SAS, amounting to a total of around €9.96 million, which was booked as provisions for risks in the financial statements at 31 December 2010. Recylex intends to challenge both the admissibility and the merits of the demands.
- 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 French Supreme Court (*Cour de Cassation*).
- Total payments in 2010 under the continuation plan were €7.7 million**, of which more than half, i.e. €5.5 million in damages to former employees of Metaleurop Nord SAS, subject to pending Supreme Court decisions.
- The outstanding balance under the continuation plan stood at €25.7 million* at 31 December 2010.
- The appeal proceedings concerning the claim launched by the liquidators of Metaleurop Nord SAS, for payment of liabilities of Metaleurop Nord SAS up to €50 million, is still pending, the preliminary ruling from the *Conseil d'Etat* being awaited. The hearing before the *Conseil d'Etat* is scheduled for March 23, 2011 and the trading in Recylex shares shall be suspended on that date.

* before discounting and after elimination of intra-group debts

**after elimination of intra-group payments

Cash level, maintained in 2010, could be impacted by pending lawsuits:

- At 31 December 2010, the Group's cash position was bolstered by the operating performance of all business segments and by working capital optimization plans taken over the year.
- In the event that pending lawsuits should result in a final unfavorable outcome for Recylex SA, the payments due under the continuation plan would be considerably heavier, with accordingly adverse impact on the Group's cash position.

Recylex CEO Yves Roche made the following observations:

"Operating in a recovering industrial environment, Recylex continued to improve its current operating income over the 2010 financial year. The involvement of all Group employees made it possible to capitalize on increased recycling volumes. Nonetheless, against a backdrop of strong competition for scrap materials and the rise in prices paid for used batteries, the margins of the Group's business lines remain under pressure. Our priorities for 2011, as the Group is facing further legal proceedings at present, remain securing our cash position and pursuing the continuation plan, in full compliance with the commitments of Recylex SA."

1. Key figures for 2010

The Board of Directors of Recylex SA met on 21 March 2011 to approve the parent company and consolidated financial statements for the year ended 31 December 2010. Given the €10.6 million loss posted by Recylex SA and pending litigations, no dividend will be paid out for the 2010 financial year.

<i>(Millions of euros)</i>	FY 2009*	H1 2010	H2 2010	FY 2010
Consolidated sales	280.8	193.6	210	403.6
Consolidated current operating income (loss) (IFRS)	4.8	4.0	10.1	14.1
Other Group non recurrent income (expense)	13.8	2.1	(11.9)	(9.8)
Consolidated financial income (expense)	(3.9)	0	(4.6)	(4.6)
Income tax expense	(5.6)	(0.4)	(3.4)	(3.8)
Share in income from equity affiliates	-	(0.1)	(0.1)	(0.2)
Consolidated net income (loss)	9.1	5.6	(9.9)	(4.3)
Change in Group cash position	(23.9)	(12.7)	19.9	7.2
Consolidated current operating income (loss) (LIFO)**	(6.9)	7.9	2.2	10.1

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

** The valuation method for the "Lead" operating segment is based on LIFO (Last In First Out) for internal reporting (inadmissible under IFRS), 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.

<i>(Millions of euros)</i>	FY 2009	FY 2010
Financial debts	13.4	13.2
Provisions	37.3	43.4
Rescheduled liabilities under continuation plan*	29.7	25.7
Equity	103.2	99.5
Cash position**	53.5	60.7
Capital expenditure	7.8	9.2

* before discounting and after elimination of intra-group debts

** after deducting bank overdrafts

2. Results by business segment

- In the lead business**, increasing volumes of secondary materials for recycling, a trend observed in the first half of 2010, continued through the full year. At year end, total recycled volumes amounted to approximately 149,000 tonnes of used batteries compared to around 131,000 tonnes in 2009. Lead production came to approximately 122,000 tonnes for 2010 compared to around 120,000 tonnes in 2009.

However, operations at the Group's main smelter in Nordenham, Germany (Weser-Metall GmbH), was severely affected by a 3-week production shut-down in November and December 2010 due to a technical incident that damaged part of the furnace. The financial impact of that interruption on the consolidated operating income before non-recurring items for 2010 amounts to some €4.3 million.

In addition, the increase in recycling volumes went with a sharp rise in purchase prices for used batteries, which pushed margins downwards.

<i>(Millions of euros)</i>	2009	2010
Current operating income (Lead) (IFRS)	3.9	7.8
Current operating income (LIFO)*	2.2	3.8

* The valuation method for the "Lead" operating segment is based on LIFO (Last In First Out) for internal reporting (inadmissible under IFRS), 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.

- **In the zinc segment**, the combined external effects of a restart in zinc production and increased steelmaking output in 2010 allowed a significant boost for Waelz oxide production, from approximately 43,000 tonnes in 2009 to approximately 74,000 tonnes in 2010, but still without achieving pre-crisis production levels.

The business of zinc scrap recycling (Norzinco GmbH) also recorded better revenues in 2010, mainly due to solid orders from the chemicals industry. Zinc oxide production was approximately 26,000 tonnes in 2010 compared to approximately 22,000 tonnes in 2009.

<i>(Millions of euros)</i>	2009	2010
Current operating income (loss) (Zinc)	(1.7)	9.0

- **In the plastics segment**, subsidiaries C2P SAS and C2P GmbH focused their strategies on client diversification, controlling production costs and reducing working capital requirements. Revenues for 2010 were up 16% over 2009.

<i>(Millions of euros)</i>	2009	2010
Current operating income (loss) (Plastics)	(0.3)	0.5

- **Special metals** saw a significant increase in sales volumes in the three main segments of the business, namely: high purity arsenic, germanium and cadmium telluride. The high purity arsenic segment received a boost from higher demand among mobile phone manufacturers (Smart phones), the germanium segment benefited from the growth in the optic fibres industry, whilst cadmium telluride saw increasing demand from the photovoltaic industry.

<i>(Millions of euros)</i>	2009	2010
Current operating income (loss) (Special metals)	(2.0)	1.4

- Other unappropriated expenses (holding business and environmental expenses) were €4.6 million in 2010 compared to €5.1 million in 2009.

3. Outlook for 2011

High zinc and lead prices observed at end 2010 continue in early 2011, with prices in excess of USD2,300/t. However, any new increase in interest rates, particularly in China, could possibly dampen demand and consequently result in a reduction in metal prices.

With the severe winter in Europe, recycled battery volumes were higher than expected in the first few months of 2011. The beginning of the year 2011 was also good for volumes in the zinc and special metals segments.

Complete information on the Company's results for FY 2010 is available on the Company's web site (www.recylex.fr).

4. Financial reporting schedule*

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| ▪ Annual report made available | 22 March 2011 |
| ▪ Quarterly report (Q1 2011) | 3 May 2011 |
| ▪ Annual General Shareholders' Meeting 2011 | 6 May 2011 |

* Schedule subject to modifications.

Recycle, transform, enhance

Operating in France, Germany and Belgium, Recylex is a pan-European company specialising 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.

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