

## **Befesa Zinc enters the South Korean steel dust recycling market**

Seville, September 18, 2012.- Befesa Zinc, the company that develops innovative technology solutions for sustainable development in the recycling of steel dust sector, has reached an agreement to acquire 55% of the South Korean company Hankook R&M..The firm that has been valued at 60 million Euros is presently constructing a steel dust recycling plant in the city of Gyeongju, in the south eastern part of the country, which is expected to come into operation in the first quarter of 2013. The plant has been designed using the same technology that Befesa Zinc employs in all its European plants. Upon satisfactory completion and hot commissioning of the plant, Befesa Zinc will be responsible for operating the plant.

Befesa Zinc will initially acquire 25% of the company upon signing the agreement and will reach a 55 % stake once the plant is in operation. Also, it has the option to purchase an additional 25 % during the first year and the remaining 20 % between the second and the fifth anniversary of the signature of the agreement.

The investment will be fully financed with the cash available on balance sheet under the bond perimeter and the company will be designated a restricted subsidiary and therefore it will be part of the bond perimeter.

The new plant, which will serve the principal steelmakers in the region, will be capable of recycling 110,000 tons per year of steel dust, which will bring Befesa Zinc's total crude steel dust capacity to 750,000 tons per year by 2013. The plant will use a technology developed and patented by Befesa Zinc, which is the safest and most sustainable technology for recycling steel dust. The technology achieves higher levels of zinc recovery and is more energy efficient, minimizing waste and improving the recycling process among South Korea's steel manufacturers. The plant would be operated according to Befesa Zinc standards and best practices.

This investment represents a strategic step forward in Befesa Zinc's international expansion, which aims at consolidating its position as a leader in the sector in new markets. The company recently began to develop two new steel dust recycling projects in Turkey, where it will have three plants operating by 2014, in addition to those that are already operational in Germany, France, Sweden and Spain.

The South Korean market represents an excellent business opportunity for the Befesa Zinc, as the world's fourth largest producer of steel dust using Electric Arc Furnace technology with an estimated volume of 500,000 tons per year.

Furthermore, Befesa Zinc's arrival in South Korea will bring numerous environmental benefits for the country, servicing its powerful steel manufacturing industry and efficiently recycling this type of hazardous waste, as well as reducing imports of Waelz Oxide.

### **About Befesa / Befesa Zinc**

Befesa Zinc is a company that develops innovative technology solutions for sustainable development in the industrial waste recycling sector. Befesa Zinc is the European leader in the recycling of steel and stainless steel dust. ([www.befesa.com](http://www.befesa.com)).

### **About Hankook R&M**

Hankook R&M Co., Ltd.(HRM) was founded in 2006 dedicated to develop steel dust recycling technology and acquired technical patents related in Waelz process as well as Calcining process to complete one-stop based ideal steel dust recycling plant in Korea.

Hankook group, major shareholder of HRM, consists of Hankook Steel & Mill Co., Ltd. (HKSM), Hankook Steel Co., Ltd.(HKS), and HNK fine machine & tools Co., Ltd. (HNK). Devoting themselves for more than 20 years in the steel industry, HKSM and HKS, as one of the major steel producers in Korea, have been concerned on how to treat industrial waste from steel plants eco-friendly and invested on steel dust recycling business through its subsidiary, HRM. HNK is also renowned as a big size machine tools manufacturer in the world.

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