

# BEFESA

---

# BEFESA

## Third Quarter 2015 Earnings Presentation

25<sup>th</sup> November 2015

This presentation contains forward-looking statements and information relating to Befesa and its affiliates that are based on the beliefs of its management as well as assumptions made and information currently available to Befesa and its affiliates.

Such statements reflect the current views of Befesa and its affiliates with respect to future events and are subject to risks, uncertainties and assumptions.

Many factors could cause the actual results, performance or achievements of Befesa and its affiliates to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements, including, among others: changes in general economic, political, governmental and business conditions globally and in the countries in which Befesa and its affiliates does business; changes in interest rates; changes in inflation rates; changes in prices; decreases in government expenditure budgets and reductions in government subsidies; changes to national and international laws and policies that support renewable energy sources; inability to improve competitiveness of our renewable energy services and products; decline in public acceptance of renewable energy sources; legal challenges to regulations, subsidies and incentives that support renewable energy sources and industrial waste recycling; extensive governmental regulation in a number of different jurisdictions, including stringent environmental regulation; our substantial capital expenditure and research and development requirements; management of exposure to credit, interest rate, exchange rate and commodity price risks; the termination or revocation of our operations conducted pursuant to concessions; reliance on third-party contractors and suppliers; acquisitions or investments in joint ventures with third parties; unexpected adjustments and cancellations of our backlog of unfilled orders; inability to obtain new sites and expand existing ones; failure to maintain safe work environments; effects of catastrophes, natural disasters, adverse weather conditions, unexpected geological or other physical conditions, or criminal or terrorist acts at one or more of our plants; insufficient insurance coverage and increases in insurance cost; loss of senior management and key personnel; unauthorized use of our intellectual property and claims of infringement by us of others intellectual property; our substantial indebtedness; our ability to generate cash to service our indebtedness changes in business strategy and various other factors.

Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those described herein as anticipated, believed, estimated, expected or targeted.

Befesa and its affiliates does not intend, and does not assume any obligations, to update these forward-looking statements.

## Rafael Pérez

Head of Strategy & Investor Relations

## Javier Molina

**Chief Executive Officer**

Continued solid growth in all three units. 3Q revenues of €173m, up 9% YoY. Lower commodity prices, new Bernburg plant and Solarca acquisition.

Strong consolidated 3Q EBITDA of €35 million, up 4% YoY. Margins at 20%. 9M 2015 EBITDA up 21% YoY.

Solid and stable financing position. Continuing leverage improvement to current x3,6<sup>(1)</sup> down from x4,6 one year ago.

Strategic growth project in Korea moving forward according to plan. Turkey and the Gulf growth initiatives progressing.

Ongoing implementation of cost reduction and productivity improvement on plan.

## Asier Zarraonandia

Managing Director of Zinc Business

### Volume in crude steel in line with the expectations similar to the previous year

#### Operational Performance

##### ▪ EAF Throughput

- 151.038 tons of crude steel dust treated in 3Q 2015 (-**3,2%** vs 3Q 2014); 429.490 tons treated in 9M 2015 (-4,4% vs 9M 2014)

##### ▪ WOX Sales

- 51.367 tons of WOX sold in 3Q 2015 (-**0,3%** vs 3Q 2014); 146.446 tons sold in 9M 2015 (-4,5% vs 9M 2014)

##### ▪ Stainless Steel Throughput:

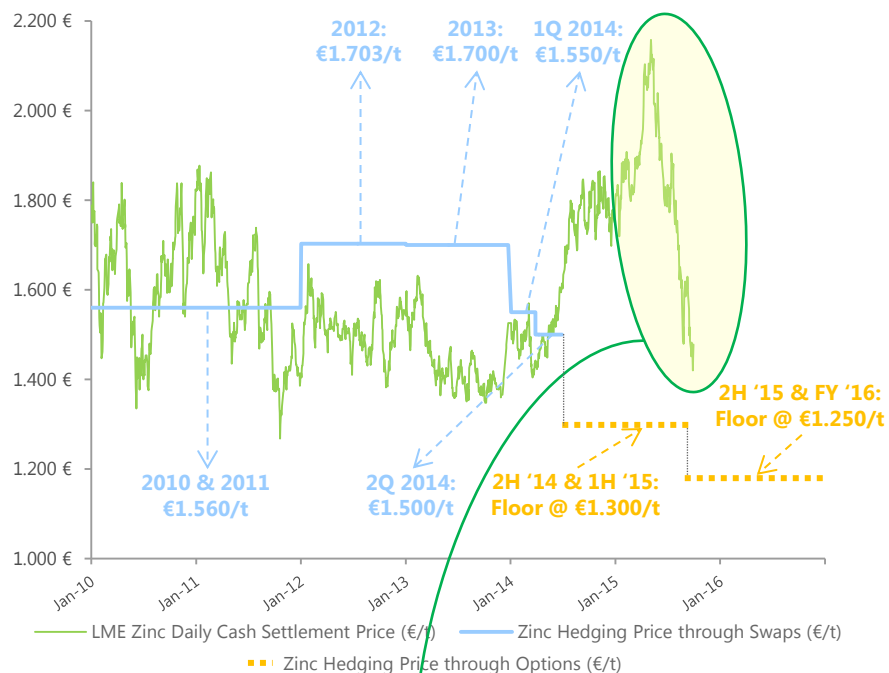
- 16.526 tons of stainless steel dust treated in 3Q 2015 (-**8,6%** vs 3Q 2014); 64.331 tons treated in 9M 2015 (+6,8% vs 9M 2014)

##### Highlights

- **Crude steel dust deliveries in line with expectations**
- Good throughput levels mainly driven by **good performance of our Western European plants**
- **Decrease in stainless steel** throughput in the quarter due to a **planned temporary shutdown** of the plants. **Good performance in a YTD basis**



After the upward trend seen during 1H 2015 Zinc prices decreased during 3Q ending the quarter around 1.500 €/t



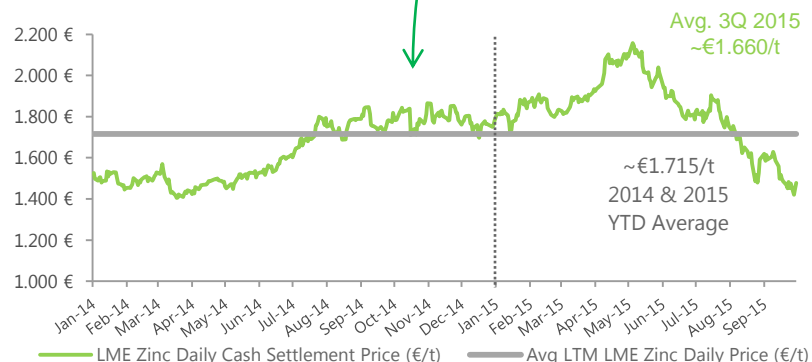
### Zinc Prices

- During the 3Q 2015 zinc prices traded on average below 3Q 2014 (\$1.913/t vs \$2.311/t), and approx. \$277/t below 2Q 2015 average level.
- The €/ \$ FX rate during 3Q 2015 remained at the same level of 1,11 as in 2Q 2015.

	3Q 2014	3Q 2015	% Var.	9M 2014	9M 2015	% Var.
Befesa Blended Zinc Price (€/t)	1.745	1.659	-4,9%	1.591	1.831	+15,1%
Avg. LME Zinc Price (€/t)	1.745	1.659	-4,9%	1.579	1.831	+15,9%

### Hedging Strategy

- Hedging strategy focused on ensuring min. business earnings to meet our financial obligations and benefit from recovering zinc prices.
- Hedging **closed for full year 2015 and 2016** through options with floor @ €1.250/t for 2H 2015 and full year of 2016.





## Javier Molina

Chief Executive Officer

**Good performance mainly driven by stronger secondary alu volumes as well as salt slag volumes mainly driven by new plant in Germany**

### Operational Performance

#### ▪ Salt Slag/SPLs Recycled

- 102.372 tons of salt slag/SPL recycled in 3Q 2015 (+1,5% vs 3Q 2014); 343.235 tons recycled in 9M 2015 (+10% vs 9M 2014)

#### ▪ Secondary Aluminum Alloys

- 38.609 tons of alloys produced in 3Q 2015 (+32% vs 3Q 2014); 129.725 tons produced in 9M 2015 (+35% vs 9M 2014)

#### Highlights

- **Strong secondary aluminum volumes** over the **3Q 2014** thanks to contribution from **new plant in Bernburg** (operations started in Dec '14)
- **Bernburg plant ramp-up on track**
- **Good salt slag volumes over the 3Q 2015** versus same period of 2014



### Bernburg ramp up on track. Successful acquisition and integration of Solarca into our IES segment. Gulf Project Progressing

#### Aluminum Growth

##### New Secondary Aluminum Plant in Bernburg (Germany)

- **Ramp up** of the plant **on track** (75% capacity loaded in 2015)

##### SPL in the Persian Gulf

- Continue **progressing on the JV project** to develop a **new salt slag/SPL recycling plant**
- Negotiations of **supply contracts ongoing**.



#### Industry Environmental Solutions (IES) Growth

- **Acquisition of Solarca**, a global leader in the chemical cleaning and air and steam blowing industrial services. **Successful acquisition and fully integration into our IES business.**



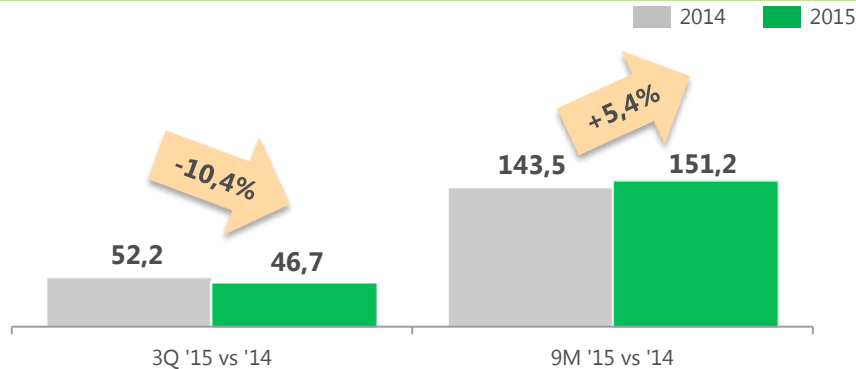
## Wolf Lehmann

Chief Financial Officer

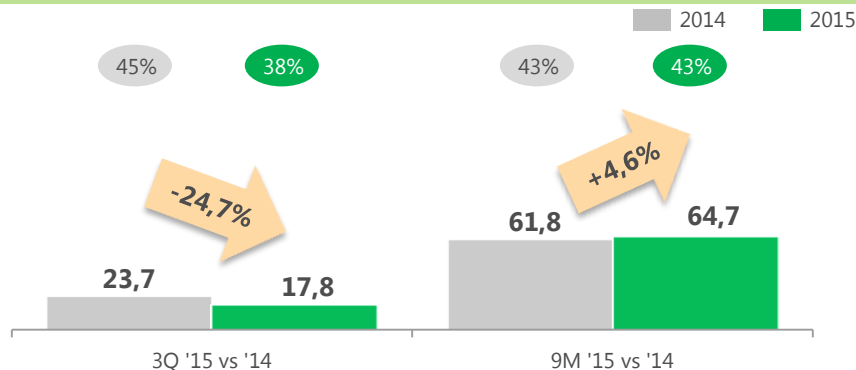
## Zinc Financial Highlights

### Crude steel segment EBITDA decreased YoY mainly due to lower zinc prices during 3Q

#### Crude Steel Revenues (€m)



#### Crude Steel EBITDA (€m)



○ 2014 EBITDA margin    ● 2015 EBITDA margin

#### Revenues Highlights

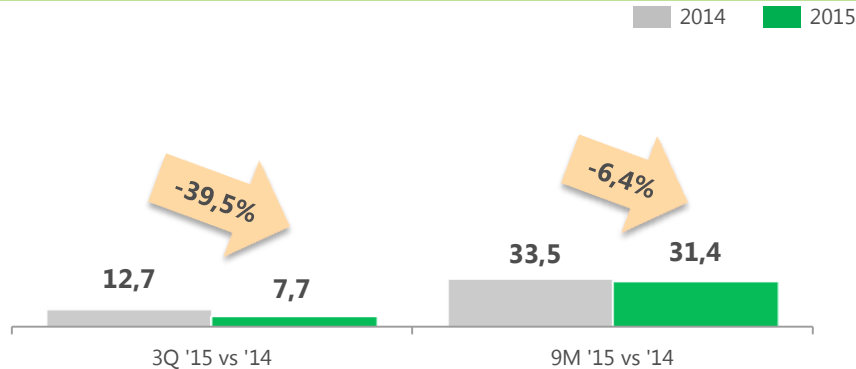
- Crude steel dust segment 3Q revenues **decreased by 10% y/y** mainly driven by:
  - Zinc blended price decreased by 5%**
    - 5% decrease in average LME zinc prices compared to 3Q '14
    - No zinc price forward hedging neither for 3Q '15 or 3Q '14 (options with floor @ €1.250/t and €1.300/t, respectively)
  - WOX sales remained at 3Q '14 level
- Compared to 9M '14, revenues **increased by 5%** mainly due to a 15% **increase in zinc blended price as well as cost saving contribution to higher EBITDA**, partly offset by 4,5% decrease in tons of WOX sold

#### EBITDA Highlights

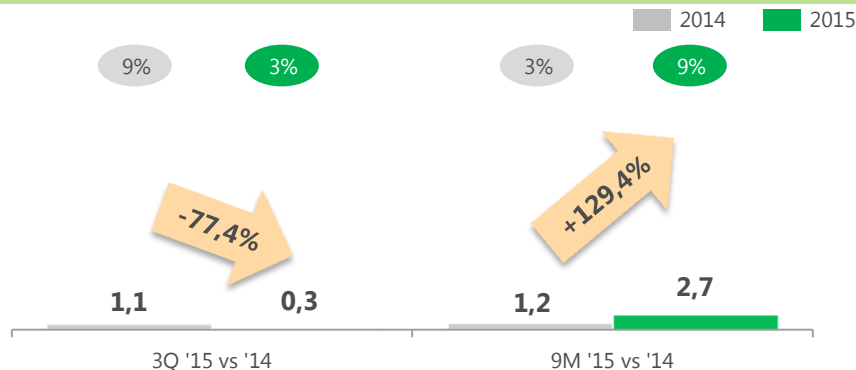
- The **€5,5m revenue decrease** during 3Q 2015 vs 3Q 2014 **drove the EBITDA decrease** during the period (**-€5,9m**)

### Weaker quarter for stainless steel mainly driven by lower volumes

#### Stainless Revenues (€m)



#### Stainless EBITDA (€m)



○ 2014 EBITDA margin    ● 2015 EBITDA margin

#### Revenues Highlights

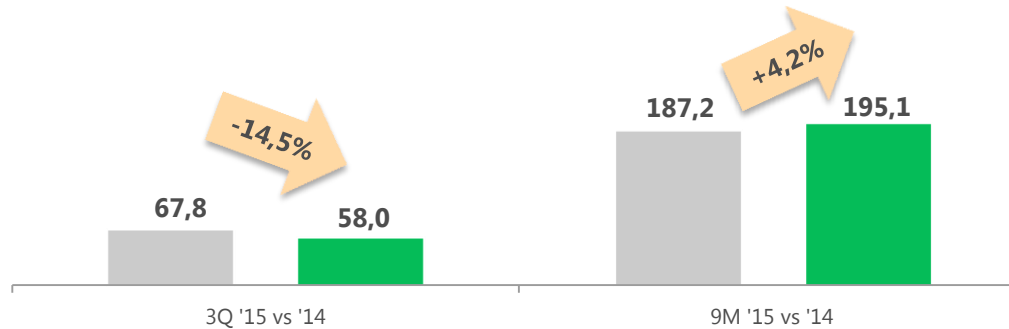
- During **3Q 2015** Stainless steel dust segment revenues decreased by 40% compared to the same period of 2014 mainly coming from **lower volumes of stainless steel dust treated (-9%)** as well as volumes of **alloys sold (-77%)** and **lower Nickel prices (-32%)**
- **Compared to 9M 2014**, Stainless steel segment revenues **worsened by 6%** specially driven by the **decrease in average nickel prices (-11%)**, as well as by a **reduction in tons of alloys sold (-52%)**

#### EBITDA Highlights

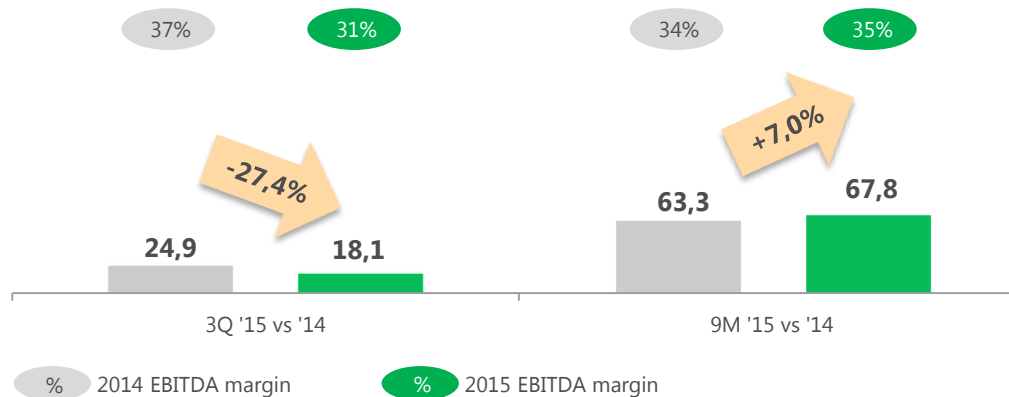
- **9M EBITDA still above 2014 by +€1,5m** mainly driven by **cost management** compared to the same period of 2014

### Strong growth in revenues and EBITDA in the Zinc business unit

#### Zinc Revenues (€m)



#### Zinc EBITDA (€m)





### Good operating results drive cash flow generation

- **Operating activities:** During 9M 2015 the net cash flows generated by operating activities amounted to **€37,4 million** (a €6m increase vs 9M 2014), **driving the EBITDA increase** in the three quarters, and **lower taxes** paid.
- **Investing activities:** During 9M 2015 the net cash flows used in investing activities were **€19,4 million** primarily due to investments in the **second kiln in Korea**.
- **Financing activities:** During 9M 2015 Befesa Zinc **repaid the Korea facility loan (€20 million)** and paid a **€6,2m dividend to its Befesa parent**.
- **Liquidity:** As of September 30<sup>th</sup> 2015, our liquidity amounted to **€39,2 million** including cash on hand and short-term financial investments.

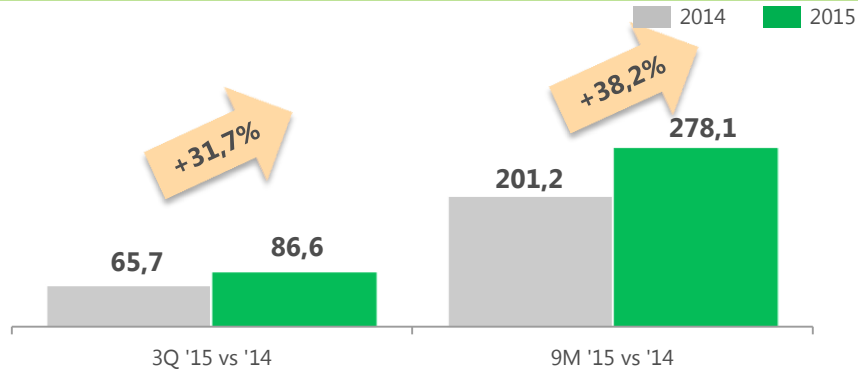
#### BEFESA ZINC

<i>Cash Flow Statement ('000 euros)</i>	3Q 2014	3Q 2015	Change	9M 2014	9M 2015	Change
Cash generated from operations	23.610	15.148	(8.462)	56.348	59.878	3.530
Taxes paid	(1.625)	(1.575)	50	(7.676)	(5.556)	2.120
Interest paid	(2.017)	(917)	1.100	(17.179)	(17.111)	68
Interest received	33	85	52	150	204	54
<b>Net cash flows from operating activities (I)</b>	<b>20.001</b>	<b>12.741</b>	(7.260)	<b>31.643</b>	<b>37.415</b>	5.772
<b>Net cash flows from investing activities (II)</b>	<b>(392)</b>	<b>(5.980)</b>	(5.588)	<b>(2.140)</b>	<b>(19.352)</b>	(17.212)
<b>Net cash flows from financing activities (III)</b>	<b>(13.888)</b>	<b>(39)</b>	13.849	<b>(24.388)</b>	<b>(27.843)</b>	(3.455)
<b>Effect in change of the perimeter (IV)</b>	<b>0</b>	<b>0</b>	0	<b>25</b>	<b>0</b>	(25)
<b>Net increase in cash and cash equivalents (I+II+III+IV)</b>	<b>5.721</b>	<b>6.722</b>	(1.001)	<b>5.140</b>	<b>(9.780)</b>	(14.920)
<b>Cash and cash equivalents BoP</b>	<b>31.588</b>	<b>32.499</b>		<b>32.169</b>	<b>49.001</b>	
<b>Cash and cash equivalents EoP</b>	<b>37.309</b>	<b>39.221</b>		<b>37.309</b>	<b>39.221</b>	

## Aluminum Financial Highlights

### Strong 3Q 2015 EBITDA of €10m (12% margin) driven mainly by Bernburg contribution and higher Alu prices

#### Aluminum Revenues (€m)

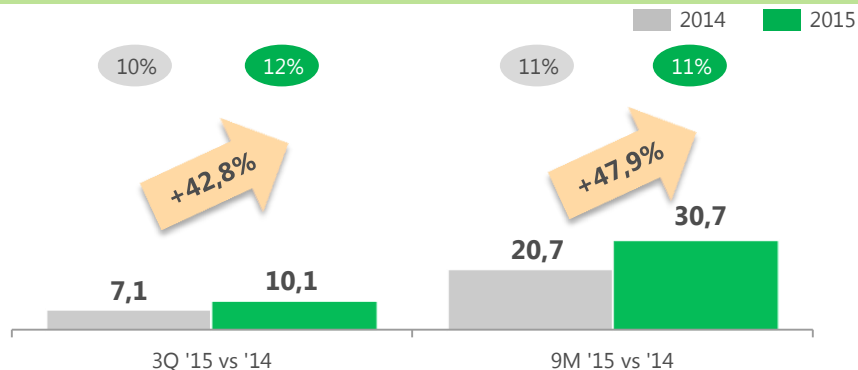


#### Revenues Highlights

- During **3Q 2015 revenues increased 32%** (compared to 3Q 2014) mainly driven by **better secondary aluminum alloys production volumes (+32%)** explained by **Bernburg contribution, stronger salt slag / SPLs volumes (+1,5%)**. Aluminum alloy average LME prices remained at similar levels as in the same period of 2014 (~€1.530/t)

- Compared to 9M 2014, **revenues of the business unit increased by 38%** explained by **higher secondary aluminum alloys production volumes (+35%, mostly explained by Bernburg contribution), higher salt slag / SPLs volumes (+10%) and aluminum alloy average LME prices (+11%)**

#### Aluminum EBITDA (€m)



#### EBITDA Highlights

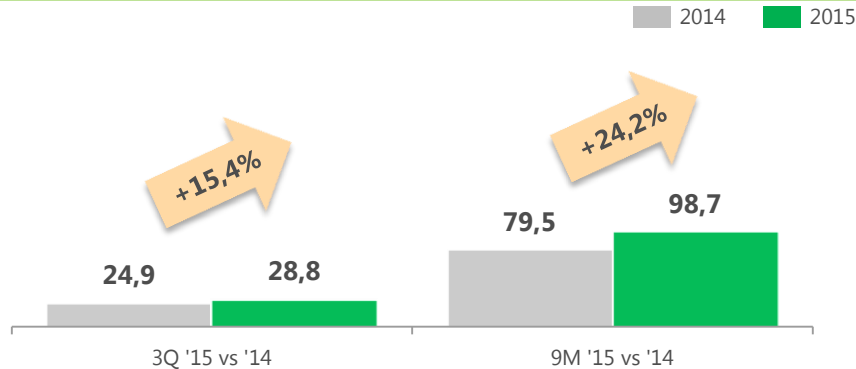
- EBITDA improved by 43%** (compared to 3Q 2014) **and by 48%** (compared to 9M 2014) primarily driven by **Bernburg contribution** (starting in December 2014) and **cost management**

% 2014 EBITDA margin    % 2015 EBITDA margin

## IES Financial Highlights

### Strong quarter driven by contribution from Solarca –successfully acquired and integrated– and higher volumes in Sulfur

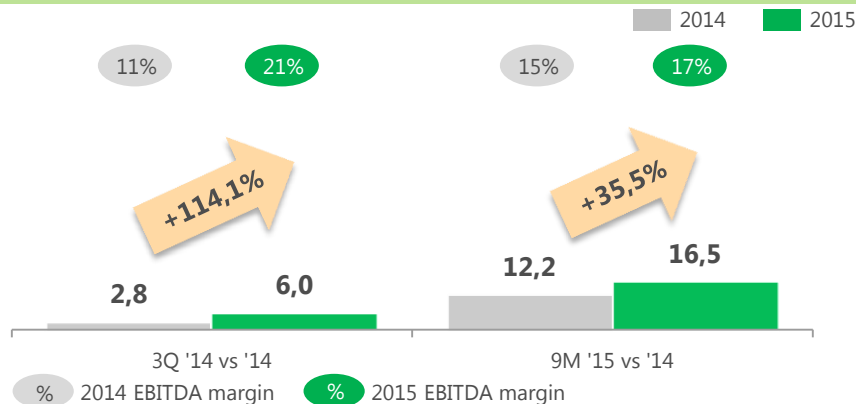
#### IES Revenues (€m)



#### Revenues Highlights

- During 3Q 2015 revenues increased 15% (compared to 3Q 2014) mainly driven by the Solarca acquisition and higher volumes of residues treated in our Sulfur plant
- Compared to 9m 2014, revenues of the business unit improved by 24% explained by contribution from Solarca acquisition and higher volumes in Sulfur segment

#### IES EBITDA (€m)



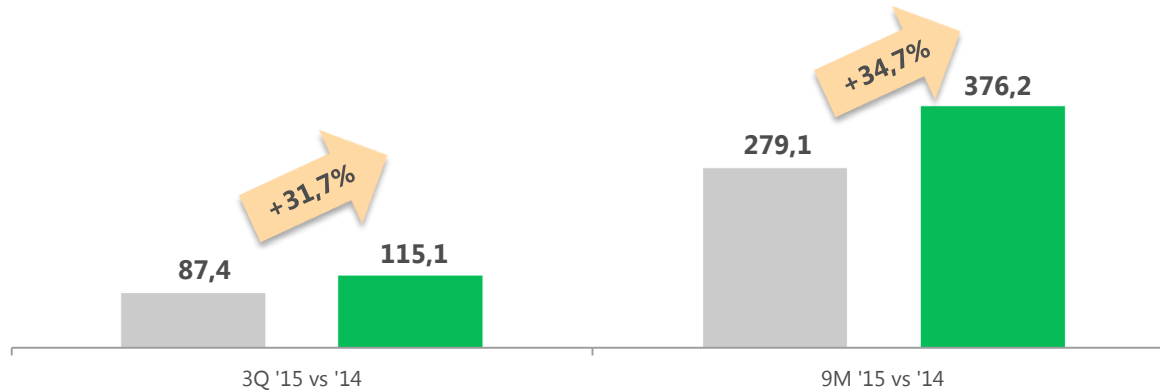
#### EBITDA Highlights

- 3Q 2015 EBITDA increased by 114% or €3,2 million compared to same period of 2014 primarily due to contribution from Solarca acquisition
- EBITDA improved by 36% vs previous 9M 2014 mainly due to contribution from Solarca acquisition

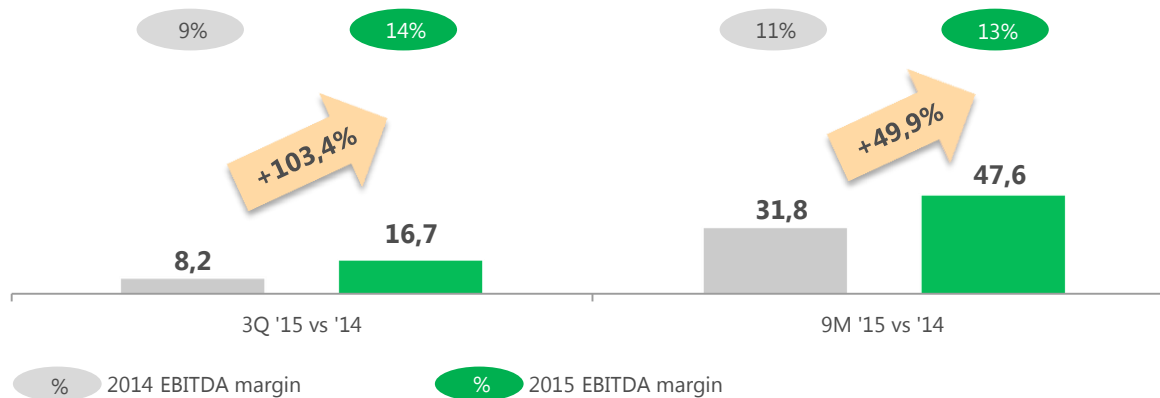
## Consolidated Non-Zinc Financial Highlights

### Strong growth in revenues and EBITDA in the non-Zinc business

#### Non-Zinc Revenues (€m)



#### Non-Zinc EBITDA (€m)



% 2014 EBITDA margin

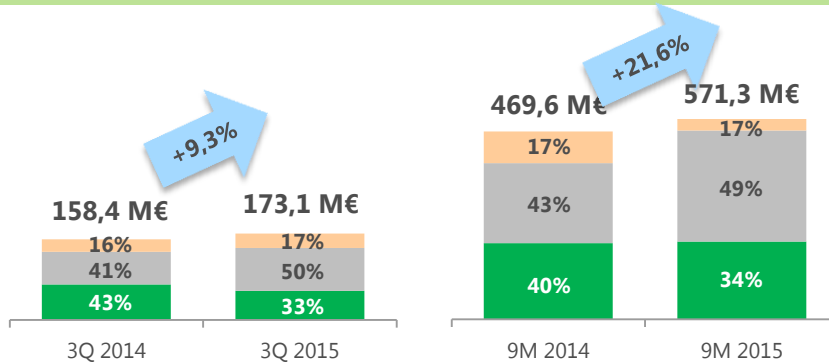
% 2015 EBITDA margin

## Consolidated Financial Highlights

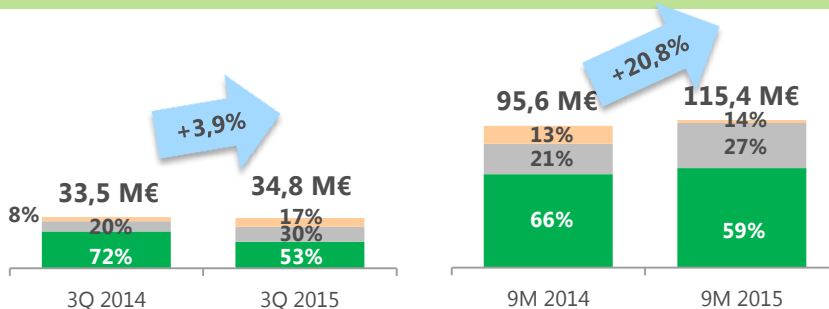


### 9M '15 revenues up 22% and EBITDA up 21% vs. 9M '14

#### Revenues (€m)



#### EBITDA (€m)



#### EBITDA Margin (% Revenues)

BEFESA	21,2%	20,1%
Steel	36,8%	31,2%
Alum.	10,8%	11,7%
IES	11,1%	20,7%

BEFESA	20,4%	20,2%
Steel	33,9%	34,8%
Alum.	10,3%	11,0%
IES	15,4%	16,7%

#### Highlights

- 3Q 2015 **consolidated revenues** amounted to €173 million, **+9% growth** compared to the same period of 2014, mainly driven by **Bernburg** (since Dec '14) and **Solarca** (since April '15), **partially offset by a 5% decrease in zinc LME average prices**
- 3Q 2015 **consolidated EBITDA** amounted to €35 million, **+4% increase** vs 3Q 2014 ... over proportional Alu growth impact business unit mix
- Ongoing implementation of **cost reduction** and **productivity improvement initiatives**
- 3Q and 9M 2015 above 20% EBITDA margin**

### 3Q 2015 EBITDA Up 4% or €1,3 million vs. 9M 2014

#### Consolidated P&L ('000 euros)

##### BEFESA

Profit & Loss Statement ('000 euros)	3Q 2014	3Q 2015	Change	9M 2014	9M 2015	Change
Revenue	158.405	173.128	14.723	469.631	571.277	101.646
<b>EBITDA</b>	<b>33.509</b>	<b>34.824</b>	1.315	<b>95.573</b>	<b>115.430</b>	19.857
Depreciation, amortisation and impairment provisions	(16.689)	(14.158)	2.531	(34.578)	(34.316)	262
Financial result	(14.048)	(15.879)	(1.831)	(43.082)	(46.321)	(3.239)
Earnings before taxes	2.906	4.880	1.974	18.088	35.053	16.965
<b>Net Income</b>	<b>3.549</b>	<b>1.968</b>	(1.581)	<b>12.615</b>	<b>21.832</b>	9.217

#### Highlights

- During **3Q 2015** the **revenue of the Group** amounted to **173 million** euros (**158 million in 3Q '14**) and the **EBITDA** amounted to **35 million** euros (**33 million in 3Q '14**). A **3,9% EBITDA YoY increase** and a **9,3% revenue YoY increase**.
- **Earning before taxes increases** driven by the operational result improvement.

- **Operating activities:** During 9M 2015 the net cash flows generated by operating activities amounted to **€55,4 million** (a €27,4 million increase compared to 9M 2014), mainly due to the better performance of all the business units in 2015 and an unusual impact in 2014 due to the discontinuation of certain financing programs.
- **Investing activities:** During 9M 2015 the net cash flows used in investing activities were **€39,2 million**, mainly driven by the **second kiln in our current plant in South Korea, the acquisition of Solarca** and the **maintenance capex** invested.
- **Financing activities:** During 9M 2015 the net cash flows used in financing activities were **€20,3 million** coming basically from the **total repayment of the Korea facility loan (€20 million)**.
- **Liquidity:** As of September 30th 2015, our liquidity amounted to **€74,5 million** including only cash on hand. Befesa is **compliant with its debt covenants**.

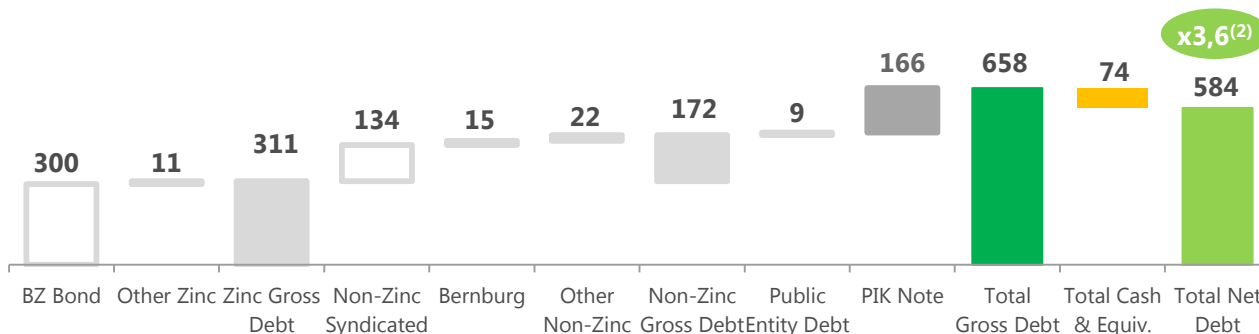
### BEFESA

Cash Flow Statement ('000 euros)	3Q 2014	3Q 2015	Change	9M 2014	9M 2015	Change
Cash flows from operations	29.199	15.657	(13.542)	72.897	94.896	21.999
Taxes paid	(1.765)	(2.434)	(669)	(9.125)	(7.428)	1.697
Interest paid	(3.736)	(1.822)	1.914	(35.830)	(32.115)	3.715
<b>Net cash flows from operating activities (I)</b>	<b>23.698</b>	<b>11.401</b>	(12.297)	<b>27.942</b>	<b>55.353</b>	27.411
<b>Net cash flows from investing activities (II)</b>	<b>(15.525)</b>	<b>(11.427)</b>	4.098	<b>(32.999)</b>	<b>(39.168)</b>	(6.169)
<b>Net cash flows from financing activities (III)</b>	<b>(1.701)</b>	<b>7.975</b>	9.676	<b>(2.124)</b>	<b>(20.319)</b>	(18.195)
<b>Net increase in cash and cash equivalents (I+II+III)</b>	<b>6.472</b>	<b>7.950</b>	1.478	<b>(7.181)</b>	<b>(4.133)</b>	3.048
<b>Cash and cash equivalents at beginning of year</b>	<b>51.359</b>	<b>66.532</b>	15.173	<b>65.012</b>	<b>78.615</b>	13.603
<b>Cash and cash equivalents at end of year</b>	<b>57.831</b>	<b>74.482</b>	16.651	<b>57.831</b>	<b>74.482</b>	16.651

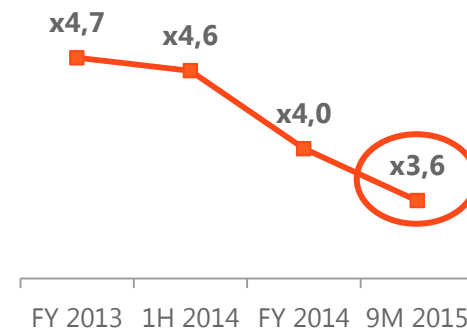
**Solid and stable financing position at 3 levels (Zinc, Non-Zinc and Corporate) with total leverage at x3,6**



**Total Net Debt (Excl. Fact/Conf <sup>(1)</sup>): September YTD 2015 (€m)**



**Leverage Evolution**



**Continue improvement of financial leverage ... from x4,7 (2013) and x4,0 (2014) to current x3,6 (9M 2015)**

(1) Excludes Factoring and Confirming of 63,7 M€

(2) Assuming LTM as of September 30<sup>th</sup> 2015 Consolidated EBITDA of 160,3 M€

(3) Assuming LTM as of September 30<sup>th</sup> 2015 Zinc EBITDA of 97,1 M€

(4) Assuming LTM as of September 30<sup>th</sup> 2015 Non Zinc EBITDA of 63,1 M€

## Javier Molina

Chief Executive Officer

**Main priorities for 2015 focused on parallel path of operational excellence and profitable growth for the next years**

### **Main priorities for 2015 on track**

- **Expand plant and maintain leadership** position of Befesa Zinc in **South Korea**, a key market for Befesa
- Deliver our new secondary aluminum plant in **Bernburg to reach full capacity**, as planned
- **Organic and inorganic growth in new geographies in the IES business**, specially in the **services business**
- **Increase our presence in Turkey in steel dust** as a key market for Befesa Zinc
- Maintain **operational excellence efforts** in order to **achieve additional cost savings** for 2015 in a sustainable manner

## Questions

Introduction

Business  
Highlights

Zinc Business  
Performance

Non-Zinc Business  
Performance

Financials

Business  
Outlook

Q&A

Appendix



### BEFESA

#### Profit & Loss Statement ('000 euros)

	3Q 2014	3Q 2015	Change	9M 2014	9M 2015	Change
<b>From continuing operations:</b>						
Revenue	158.405	173.128	14.723	469.631	571.277	101.646
+/- Changes in inventories of finished goods and work in progress	(1.928)	(1.053)	875	(2.476)	(1.611)	865
Cost of sales (Note 24)	(67.447)	(82.621)	(15.174)	(212.295)	(276.933)	(64.638)
Other income	588	4.461	3.873	7.631	7.844	213
Employee benefits expense (Note 24)	(22.732)	(23.117)	(385)	(67.092)	(77.296)	(10.204)
Other expenses	(33.377)	(35.974)	(2.597)	(99.826)	(107.851)	(8.025)
Depreciation, amortisation and impairment provisions	(16.689)	(14.158)	2.531	(34.578)	(34.316)	262
<b>EBIT</b>	<b>16.820</b>	<b>20.666</b>	3.846	<b>60.995</b>	<b>81.114</b>	20.119
Finance income	531	808	277	2.093	1.932	(161)
Finance costs	(15.417)	(14.813)	604	(46.241)	(46.182)	59
Exchange differences	838	(1.874)	(2.712)	1.066	(2.071)	(3.137)
<b>Financial result</b>	<b>(14.048)</b>	<b>(15.879)</b>	(1.831)	<b>(43.082)</b>	<b>(46.321)</b>	(3.239)
Share of profit of companies carried using the equity method (Note 11)	134	93	(41)	175	260	85
<b>EBT</b>	<b>2.906</b>	<b>4.880</b>	1.974	<b>18.088</b>	<b>35.053</b>	16.965
Income tax expense	643	(2.912)	(3.555)	(5.473)	(13.221)	(7.748)
<b>Result from continuing operations</b>	<b>3.549</b>	<b>1.968</b>	(1.581)	<b>12.615</b>	<b>21.832</b>	9.217
<b>From discontinuing operations:</b>						
Profit for the year from discontinued operations	-	-	-	-	-	-
<b>Net income</b>	<b>3.549</b>	<b>1.968</b>	(1.581)	<b>12.615</b>	<b>21.832</b>	9.217
Attributable to:						
Owners of the parent	<b>2.931</b>	<b>1.429</b>	(1.502)	<b>9.934</b>	<b>19.886</b>	9.952
Non-controlling interests	<b>618</b>	<b>539</b>	(79)	<b>2.681</b>	<b>1.946</b>	(735)

**BEFESA**  
Balance Sheet ('000 euros)

Assets	30.09.15	31.12.14	Equity and liabilities	30.09.15	31.12.14
<b>Non-current assets</b>			<b>Equity:</b>		
<b>Intangible assets</b>			<b>Attributable to owners of the parent -</b>		
Goodwill	379.559	373.860	Share capital	13	13
Other intangible assets	20.404	22.176	Reserve for valuation adjustments deferred in equity	9.030	9.355
	<b>399.963</b>	<b>396.036</b>	Share premium	400.495	400.495
<b>Property, plant and equipment -</b>			Other reserves	(180.114)	(250.276)
Property, plant and equipment in use	394.114	364.447	Translation differences	(1.193)	(1.534)
Property, plant and equipment in progress	34.640	47.185	Net profit for the period	19.886	17.198
	<b>428.754</b>	<b>411.632</b>		<b>248.117</b>	<b>175.251</b>
<b>Investments carried under the equity method</b>	<b>1.873</b>	<b>1.650</b>	<b>Non-controlling interests</b>	<b>36.392</b>	<b>35.581</b>
<b>Non-current assets -</b>			<b>Total equity</b>	<b>284.509</b>	<b>210.832</b>
Securities portfolio	2.823	4.439	<b>Non-current liabilities:</b>		
Other financial assets	23.743	21.453	<b>Provisions</b>	13.890	14.833
	<b>26.566</b>	<b>25.892</b>	<b>Non-recourse borrowing</b>	459.028	475.306
<b>Deferred income tax assets</b>	<b>78.899</b>	<b>78.128</b>	<b>Recourse borrowings</b>	109.896	110.737
<b>Total non-current assets</b>	<b>936.055</b>	<b>913.338</b>	<b>Finance lease payables</b>	6.745	1.859
			<b>Deferred income tax liabilities</b>	40.932	41.652
<b>Current assets:</b>			<b>Other non-current liabilities</b>	31.716	106.725
<b>Inventories</b>	<b>48.286</b>	<b>41.900</b>	<b>Total non-current liabilities</b>	<b>662.207</b>	<b>751.112</b>
<b>Trade and other receivables</b>	<b>94.673</b>	<b>77.432</b>	<b>Non-recourse borrowings</b>	<b>17.985</b>	<b>7.965</b>
<b>Trade receivables, related parties</b>	<b>3.501</b>	<b>1.835</b>	<b>Recourse borrowings</b>	<b>52.307</b>	<b>25.502</b>
<b>Tax receivables</b>	<b>22.653</b>	<b>17.510</b>	<b>Finance lease payables</b>	<b>2.198</b>	<b>1.162</b>
<b>Other receivables</b>	<b>7.640</b>	<b>4.490</b>	<b>Trade payables, related parties</b>	<b>1.948</b>	<b>1.935</b>
<b>Other current financial assets</b>	<b>5.060</b>	<b>3.546</b>	<b>Trade and other accounts payable</b>	<b>115.957</b>	<b>106.627</b>
<b>Cash and cash equivalents</b>	<b>74.482</b>	<b>78.615</b>	Provisions	31	152
<b>Total current assets</b>	<b>256.295</b>	<b>225.328</b>	<b>Other payables -</b>		
			Taxes payable	27.305	16.633
			Other current liabilities	27.903	16.746
				<b>55.208</b>	<b>33.379</b>
			<b>Total current liabilities</b>	<b>245.634</b>	<b>176.722</b>
<b>Total Assets</b>	<b>1.192.350</b>	<b>1.138.666</b>	<b>Total equity and liabilities</b>	<b>1.192.350</b>	<b>1.138.666</b>

<b>BEFESA</b>						
<b>Cash Flow Statement ('000)</b>	<b>3Q 2014</b>	<b>3Q 2015</b>	<b>Change</b>	<b>9M 2014</b>	<b>9M 2015</b>	<b>Change</b>
<b>Cash flows from operating activities:</b>						
<b>Profit (loss) for the period before tax</b>	<b>2.906</b>	<b>4.880</b>	<b>1.974</b>	<b>18.088</b>	<b>35.053</b>	<b>16.965</b>
<b>Adjustments due to:</b>						
Depreciation and amortisation charge	16.689	14.158	(2.531)	34.578	34.316	(262)
Share of profit (loss) of associates	(134)	(93)	41	(175)	(260)	(85)
Changes in long-term provisions	299	(55)	(354)	(322)	77	399
Interest income	(1.369)	(808)	561	(3.159)	(1.932)	1.227
Finance costs	15.417	16.687	1.270	46.241	48.253	2.012
Other income/expenses	(364)	(148)	216	(702)	(476)	226
<b>Changes in working capital:</b>						
Trade receivables and other current assets	2.409	(3.101)	(5.510)	(4.268)	(21.592)	(17.324)
Inventories	(297)	(2.406)	(2.109)	12.505	(6.386)	(18.891)
Trade payables	(6.357)	(13.457)	(7.100)	(27.167)	7.843	35.010
<b>Other cash flows from operating activities:</b>						
Interest paid	(3.736)	(1.822)	1.914	(35.830)	(32.115)	3.715
Taxes paid	(1.765)	(2.434)	(669)	(9.125)	(7.428)	1.697
Provisions paid	-	-	-	(2.722)	-	2.722
<b>Net cash flows from operating activities (I)</b>	<b>23.698</b>	<b>11.401</b>	<b>(12.297)</b>	<b>27.942</b>	<b>55.353</b>	<b>27.411</b>
<b>Cash flows from investing activities:</b>						
Investments in intangible assets	(437)	(466)	(29)	(2.049)	(466)	1.583
Investments in property, plant and equipment	(10.653)	(11.912)	(1.259)	(26.502)	(33.862)	(7.360)
Proceeds from disposal of assets	-	1.051	1.051	-	1.051	1.051
Proceeds from disposal of non-current financial assets	(187)	-	187	297	-	(297)
Investments in subsidiaries and other non-current financial assets	(1.136)	(100)	1.036	(1.758)	(5.100)	(3.342)
Investments in other current financial assets	(3.045)	-	3.045	(3.481)	(791)	2.690
Disbursement due to other current financial assets	(67)	-	67	98	-	(98)
Interests collected	-	-	-	396	-	(396)
<b>Net cash flows from investing activities (II)</b>	<b>(15.525)</b>	<b>(11.427)</b>	<b>4.098</b>	<b>(32.999)</b>	<b>(39.168)</b>	<b>(6.169)</b>
<b>Cash flows from financing activities:</b>						
Net financial account with Group companies	1.543	-	(1.543)	1.543	-	(1.543)
Bank borrowings and other non-current borrowings	(3.556)	6.570	10.126	4.503	7.679	3.176
Repayment of bank borrowings and other long term debt	312	1.405	1.093	(8.170)	(27.998)	(19.828)
<b>Net cash flows from financing activities (III)</b>	<b>(1.701)</b>	<b>7.975</b>	<b>9.676</b>	<b>(2.124)</b>	<b>(20.319)</b>	<b>(18.195)</b>
Effect of foreign exchange rate changes on cash and cash equivalents	-	-	-	-	-	-
<b>Net increase in cash and cash equivalents (I+II+III+IV)</b>	<b>6.472</b>	<b>7.950</b>	<b>1.478</b>	<b>(7.181)</b>	<b>(4.133)</b>	<b>3.048</b>
Cash and cash equivalents at beginning of year	51.359	66.532	15.173	65.012	78.615	13.603
<b>Cash and cash equivalents at end of year</b>	<b>57.831</b>	<b>74.482</b>	<b>16.651</b>	<b>57.831</b>	<b>74.482</b>	<b>16.651</b>

### BEFESA ZINC

#### Balance Sheet ('000 Euros)

Assets	30.09.2015	31.12.2014	Equity and Liabilities	30.09.2015	31.12.2014
<b>Non-Current Assets:</b>			<b>Equity:</b>		
<b>Intangible assets:</b>			<b>Of the Parent:</b>		
Goodwill	286.287	286.287	Share capital	25.010	25.010
Other intangible assets	6.352	6.973	Unrealized Asset and Liability Revaluation Reserve	6.767	6.767
	<b>292.639</b>	<b>293.260</b>	Other reserves	87.094	68.911
<b>Property, plant and equipment:</b>			Translation differences	237	1.174
Property, plant and equipment in use	109.099	119.505	Net profit for the year	20.608	24.961
Property, plant and equipment in the course of construction	26.967	10.864		<b>139.716</b>	<b>126.823</b>
	<b>136.066</b>	<b>130.369</b>	<b>Of Minority Interests</b>	<b>16.191</b>	<b>17.488</b>
<b>Investments accounted for using the equity method</b>			<b>Total Equity</b>	<b>155.907</b>	<b>144.311</b>
<b>Non-current financial assets:</b>			<b>Non-Current Liabilities:</b>		
Investments securities	1.670	1.670	Provisions for contingences and expenses	4.071	3.945
Other financial assets	667	336	Bank borrowings and finance leases	900	1.012
	<b>2.337</b>	<b>2.006</b>	Non Recourse Finance	297.462	315.857
<b>Derivative financial instruments</b>	<b>252</b>	<b>464</b>	Capital Grants	1.763	2.144
<b>Deferred tax assets</b>	<b>32.968</b>	<b>31.450</b>	Other non-current liabilities	152	12.593
<b>Total Non-Current Assets</b>	<b>464.262</b>	<b>457.549</b>	Derivative financial instruments	433	958
			Deferred tax liabilities	21.158	21.586
<b>Current Assets:</b>			<b>Total Non-Current Liabilities</b>	<b>325.939</b>	<b>358.095</b>
Inventories	14.430	12.638	<b>Current Liabilities:</b>		
Trade and other receivables	32.640	30.588	Non Recourse Finance	<b>9.984</b>	<b>3.688</b>
Trade receivables, related companies	486	413	Bank borrowings and finance leases	<b>178</b>	<b>1.604</b>
Tax receivables	3.478	5.240	Trade payables, related companies	<b>3.445</b>	<b>1.874</b>
Other receivables	3.447	1.289	Trade and other payables	<b>27.899</b>	<b>28.542</b>
Derivative financial instruments	323	139	Derivative financial instruments	<b>1.649</b>	<b>2.434</b>
Other current financial assets	5	28	Other payables:		
Cash and cash equivalents	39.221	49.001	Tax payables	11.420	9.100
	<b>94.030</b>	<b>99.336</b>	Other current liabilities	21.871	7.237
<b>Total Current Assets</b>	<b>94.030</b>	<b>99.336</b>		<b>33.291</b>	<b>16.337</b>
			<b>Total Current Liabilities</b>	<b>76.446</b>	<b>54.479</b>
<b>Total Assets</b>	<b>558.292</b>	<b>556.885</b>	<b>Total Equity and Liabilities</b>	<b>558.292</b>	<b>556.885</b>

### BEFESA ZINC

<i>Profit &amp; Loss Statement ('000 euros)</i>	<b>3Q 2014</b>	<b>3Q 2015</b>	<b>Change</b>	<b>9M 2014</b>	<b>9M 2015</b>	<b>Change</b>
Revenue	67.822	58.021	(9.801)	187.185	195.127	7.942
Cost of sales	(37.948)	(35.706)	2.242	(113.562)	(112.694)	868
Other operating income	579	2.703	2.124	6.072	3.918	(2.154)
<b>Gross Profit</b>	<b>30.453</b>	<b>25.018</b>	<b>(5.435)</b>	<b>79.695</b>	<b>86.351</b>	<b>6.656</b>
Depreciation and amortization charge	(4.624)	(4.580)	44	(12.792)	(13.026)	(234)
General and administrative expenses	(5.512)	(6.918)	(1.406)	(16.359)	(18.570)	(2.211)
Impairment losses	0	0	0	0	0	0
<b>Income From Operations</b>	<b>20.317</b>	<b>13.520</b>	<b>(6.797)</b>	<b>50.544</b>	<b>54.755</b>	<b>4.211</b>
Finance income	33	85	52	150	204	54
Finance costs	(8.220)	(7.300)	920	(25.181)	(23.719)	1.462
Exchange differences (gains and losses)	414	(74)	(488)	592	(430)	(1.022)
<b>Financial Loss</b>	<b>(7.773)</b>	<b>(7.289)</b>	<b>484</b>	<b>(24.439)</b>	<b>(23.945)</b>	<b>494</b>
<b>Profit Before Tax</b>	<b>12.544</b>	<b>6.231</b>	<b>(6.313)</b>	<b>26.105</b>	<b>30.810</b>	<b>4.705</b>
Income tax	(4.016)	(2.067)	1.949	(8.562)	(9.738)	(1.176)
<b>Profit for the year from continuing operations</b>	<b>8.528</b>	<b>4.164</b>	<b>(4.364)</b>	<b>17.543</b>	<b>21.072</b>	<b>3.529</b>
<b>Profit for the year</b>	<b>8.528</b>	<b>4.164</b>	<b>(4.364)</b>	<b>17.543</b>	<b>21.072</b>	<b>3.529</b>
<b>Attributable to:</b>						
Shareholders of the parent	8.149	3.742	(4.407)	15.709	20.609	4.900
Minority interests	379	422	43	1.834	463	(1.371)
<b>EBITDA</b>	<b>24.941</b>	<b>18.100</b>	<b>(6.841)</b>	<b>63.336</b>	<b>67.781</b>	<b>4.445</b>

### BEFESA ZINC

<b>Cash Flow Statement ('000 euros)</b>	<b>3Q 2014</b>	<b>3Q 2015</b>	<b>Change</b>	<b>9M 2014</b>	<b>9M 2015</b>	<b>Change</b>
<b>Cash Flows From Operating Activities</b>						
<b>Profit for the period before tax</b>	<b>12.544</b>	<b>6.231</b>	(6.313)	<b>26.105</b>	<b>30.810</b>	4.705
<b>Adjustments due to:</b>						
Amortization/ Depreciation	4.624	4.580	(44)	12.792	13.026	234
(Profit)/Loss on disposal of non-current assets	14	1	(13)	45	14	(31)
Change in provisions	161	27	(134)	266	170	(96)
Financial income	(33)	(85)	(52)	(150)	(204)	(54)
Financial expense	8.220	7.300	(920)	25.181	23.719	(1.462)
Income from government grants	(143)	(106)	37	(427)	(381)	46
Exchange differences	(414)	74	488	(592)	430	1.022
<b>Change in working capital:</b>						
Change in trade receivables and other receivables	(2.213)	490	2.703	(4.598)	(2.052)	2.546
Change in inventories	527	(702)	(1.229)	1.826	(2.980)	(4.806)
Change other current assets	(5)	(4.542)	(4.537)	623	(6.599)	(7.222)
Change in other current liabilities	328	1.880	1.552	(4.723)	3.925	8.648
<b>Cash generated from operations</b>	<b>23.610</b>	<b>15.148</b>	(8.462)	<b>56.348</b>	<b>59.878</b>	3.530
Taxes paid	(1.625)	(1.575)	50	(7.676)	(5.556)	2.120
Interest paid	(2.017)	(917)	1.100	(17.179)	(17.111)	68
Interest received	33	85	52	150	204	54
<b>Net Cash Flows From Operating Activities (I)</b>	<b>20.001</b>	<b>12.741</b>	(7.260)	<b>31.643</b>	<b>37.415</b>	5.772
<b>Cash Flows From Investing Activities</b>						
Purchase of intangible assets	0	(41)	(41)	(13)	(76)	(63)
Purchase of property, plant and equipment	(373)	(5.873)	(5.500)	(2.124)	(19.996)	(17.872)
Proceeds from disposal of assets	0	(35)	(35)	2	1.051	1.049
Other non-current financial assets	(19)	(31)	(12)	(5)	(331)	(326)
Capital grants received	0	0	0	0	0	0
<b>Net Cash Flows From Investing Activities (II)</b>	<b>(392)</b>	<b>(5.980)</b>	(5.588)	<b>(2.140)</b>	<b>(19.352)</b>	(17.212)
<b>Cash flows from financing activities</b>						
Repayment of borrowings and other long-term debt	(12.888)	(39)	12.849	(14.208)	(21.605)	(7.397)
Long Term borrowings	(1.000)	0	1.000	250	0	(250)
Distribution of dividends/capital reduction	0	0	0	(10.430)	(6.238)	4.192
<b>Net Cash Flows From Financing Activities (III)</b>	<b>(13.888)</b>	<b>(39)</b>	13.849	<b>(24.388)</b>	<b>(27.843)</b>	(3.455)
<b>Effect of change in the perimeter on cash and cash equivalents (IV)</b>	<b>0</b>	<b>0</b>	0	<b>25</b>	<b>0</b>	(25)
<b>Net Increase In Cash and Cash Equivalents (I+II+III+IV)</b>	<b>5.721</b>	<b>6.722</b>	1.001	<b>5.140</b>	<b>(9.780)</b>	(14.920)
Cash and cash equivalents at beginning of the period	31.588	32.499	911	32.169	49.001	16.832
<b>Cash and cash equivalents at end of the period</b>	<b>37.309</b>	<b>39.221</b>	1.912	<b>37.309</b>	<b>39.221</b>	1.912