

BEFESA

BEFESA

3Q 2014 Earnings Presentation

20th November 2014

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

Third quarter revenues of €158 million, Up 5% compared to 3Q'13.
Higher volumes in steel and secondary aluminum

Strong 3Q EBITDA of €34 million, up 9% YoY. Margins at 21% vs. 20%
in 3Q 2013. Cost savings and new South Korea plant

Solid and stable financing position at 3 levels (Zinc, Non-Zinc,
Corporate) with total leverage at x4,9⁽¹⁾

Strategic growth projects moving forward according to plan in
Germany, Korea, Turkey and the Gulf

Cost savings plan delivering positive results in line with expectations

Asier Zarraonandia

Managing Director of Zinc Business

Strong performance in crude steel over the 3Q with growth in volumes. South Korea plant delivering at full capacity. Weak stainless steel.

Operational Performance

▪ EAF Throughput

- 156.033 tons of crude steel dust treated in 3Q 2014 (+**13%** vs 3Q 2013), and 449.480 tons treated in 9M 2014 (+**14%** vs 9M 2013)

▪ WOX Sales

- 51.512 tons of WOX sold in 3Q 2014 (+**1%** vs 3Q 2013), and 153.427 tons sold in 9M 2014 (+**13%** vs 9M 2013)

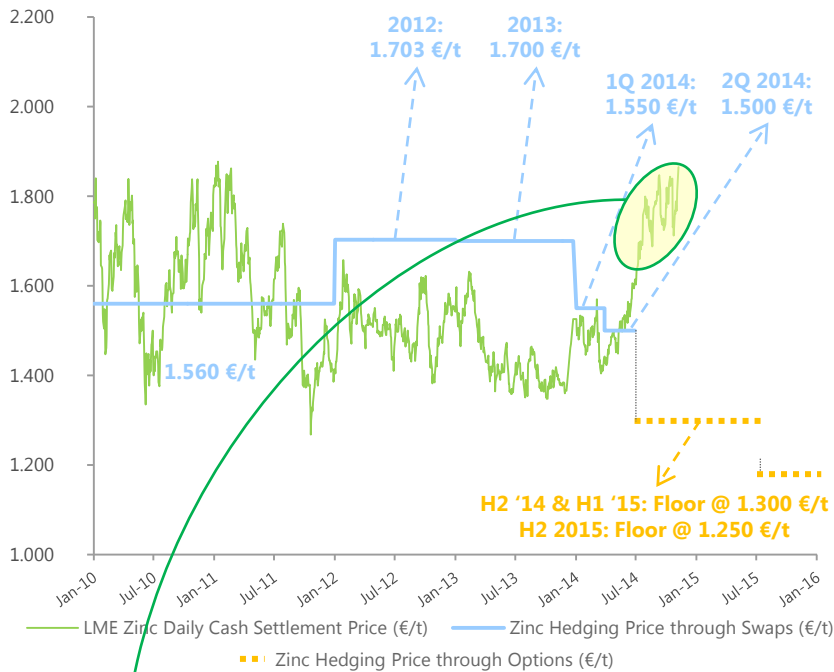
▪ **Stainless Steel Throughput:** 18.072 tons of stainless steel dust treated in 3Q '14 (-**36%** vs 3Q '13); 60.234 tons treated in 9M '14 (-**26%** vs. 9M '13)

Highlights

- **Crude steel dust deliveries in line with expectations**
- Good throughput levels mainly driven by **strong performance of our Western European plants.**
- Increase in crude steel throughput mainly explained by **Korea plant** operating at full speed (not included in 2Q 2013)
- Still **weak** volumes in **stainless steel**
- **No extraordinary stoppages** apart from annual standstills



Zinc prices during the 3Q 2014 maintained the upward trend of 1H ending the quarter close to 1.800 €/t



Zinc Prices

- During the **3Q 2014** zinc prices **traded above 2013 on average**
- Attractive zinc fundamentals** with world consumption of zinc, driven by China, outpacing world production resulting in a deficit in 1H'14.

	3Q			Sep YTD		
	2013	2014	% Var.	2013	2014	% Var.
Befesa Blended Zinc Price (€/t)	1.576	1.743	+11%	1.579	1.591	-1%
Avg. LME Zinc Price (€/t)	1.404	1.745	+24%	1.443	1.579	+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 2H 2014, full year 2015 and 1H 2016** through options with floor @ 1.300 €/t for 1H'15 and 1.250 for 2H'15 and 1H'16.
- Preparing 2H 2016 hedging.

Javier Molina

Chief Executive Officer

Aluminum performance mainly driven by stronger secondary aluminum volumes while salt slag volumes remains slightly weaker YoY

Operational Performance

▪ Salt Slag/SPLs Recycled

- 100.875 tons of salt slag/SPL recycled in 3Q '14 (-2,2% vs 3Q '13); 311.514 tons in 9M '14 (-7,0% vs 9M '13)

▪ Secondary Aluminum Alloys

- 29.213 tons of alloys produced in 3Q '14 (+14,6% vs 3Q '13); 95.982 tons in 9M '14 (+13,9% vs 9M '13)

Highlights

- **Strong secondary aluminum volumes over the 3Q and 9M 2014** versus previous year
- **Salt slag throughput weaker than 9M 2013** but slightly improving during 3Q 2014



Bernburg Plant to start operational production in early December. Persian Gulf Project Progressing ... Starting Detailed Engineering.

Bernburg

- Construction of the **plant finalized** as planned, cold commissioning successfully carried out and **hot trial currently in process**
- **Operational production starts in early December '14**
- **Total investment: €31 million**; Financing through €8m Subsidies, €15m Abengoa, €10m Triton as part of Initial Acquisition / SPA



Persian Gulf SPL

- **MoU signed** to create a **50/50 JV** to develop a new salt slag/SPL recycling plant
- **Start of engineering and project management** activities
- Negotiations of **supply contracts ongoing**
- **Financing** through **Local Bank Loans; DD / Bankability in process**
- **Land purchase conditions agreed**

IES Growth

- Focus on **business development activities to grow in** new areas and geographies **especially in the industrial cleaning activities.**

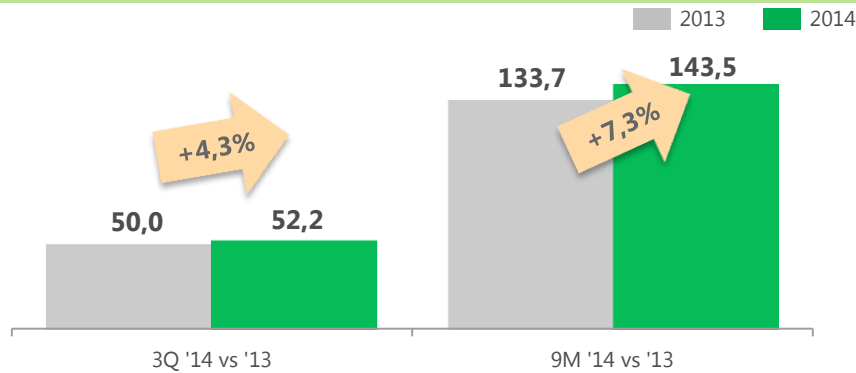
Wolf Lehmann

Chief Financial Officer

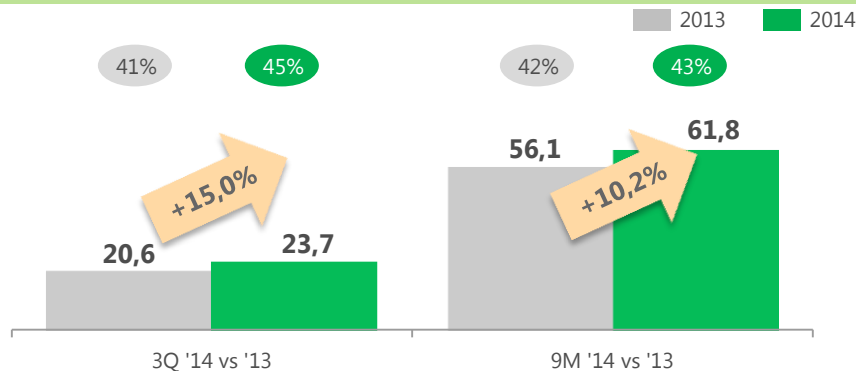
Zinc Financial Highlights

Strong crude steel segment 3Q EBITDA fueled by significant increase in zinc prices and operations in South Korea plant

Crude Steel Revenues (€m)



Crude Steel EBITDA (€m)



○ 2013 EBITDA margin ● 2014 EBITDA margin

■ 2013 ■ 2014

3Q Highlights Y-o-Y

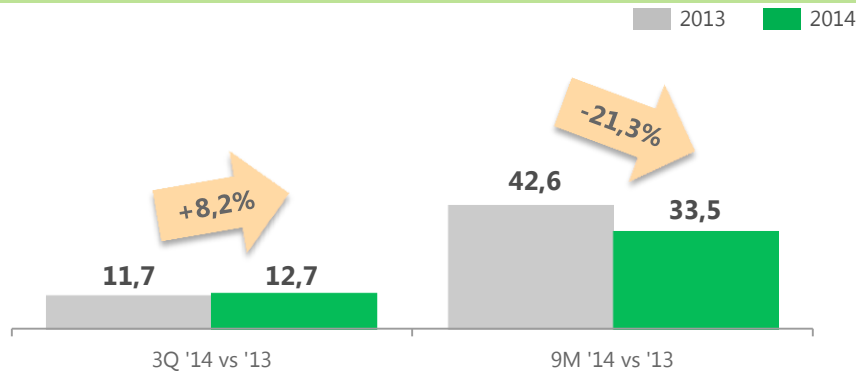
- Crude steel dust segment revenues increased by 4% and EBITDA by 15% in 3Q Year over Year. Main drivers are:
 - Zinc blended price increased by 11%**
 - 24% increase** in average LME zinc prices compared to 3Q 2013
 - No zinc price hedging for 2H 2014**, compared to 1.700 €/t closed for 2013
 - 1% increase** in tons of **WOX sold** compared to 3Q 2013 (mainly explained by **Korea plant** not included until Sep 2013)

9M Highlights Y-o-Y

- Crude steel dust segment revenues increased by 7% and EBITDA by 10% in 9M Year over Year. Main drivers are:
 - 13% increase** in tons of **WOX sold** compared to 9M '13 driven by the **Korea plant**
 - 1% decrease** in **zinc blended price**
 - 9% increase in average LME zinc prices
 - Zinc price hedged @ 1.550 €/t for 1Q '14, @ 1.500 €/t for 1Q '14, and no hedging for 2H '14; compared to 1.700 €/t closed for the whole 2013

Positive stainless steel quarter mainly driven by metal prices and cost saving measures despite stainless market still depressed

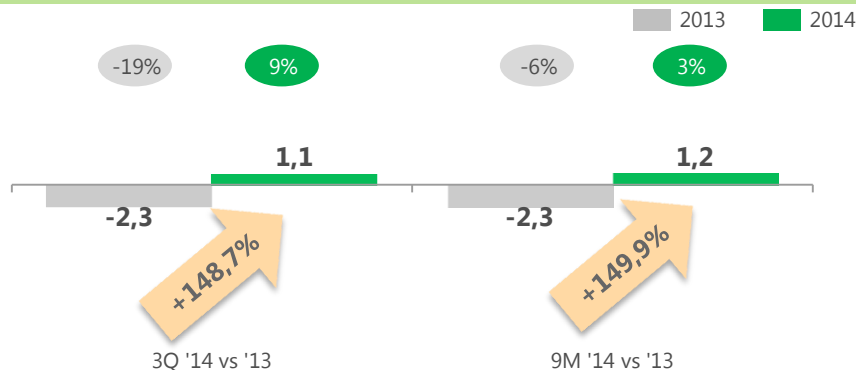
Stainless Revenues (€m)



3Q Highlights Y-o-Y

- Stainless steel dust segment revenues increased by 8% due to **average nickel prices increasing by 33%**
- The **EBITDA improved to positive** figure mainly driven by **cost management** compared to the same period of 2013

Stainless EBITDA (€m)



9M Highlights Y-o-Y

- Stainless steel segment revenue decreased by 21% driven by the **reduction of tons treated (-26%), alloys sold (-48%), offset by increase in average nickel prices (+9%)**
- EBITDA improved to +€1,2M** mainly driven by **cost management** compared to the same period of 2013

% 2013 EBITDA margin
 % 2014 EBITDA margin

Cash flow generation influenced by the results of the operations

- Operating activities:** During 9M '14 the net cash flows generated by operating activities amounted to **€19,6 million** (a €1,2 million decrease compared to the same period in 2013), mainly due to **extraordinary effect** of the **3rd phase** of the **South Korean plant acquisition** that we did **in July** for **€12 million** and is **reflected** in the cash flow **as a reduction of other current liabilities**, as we used the money from the capital increase in Korea to pay back part of the loan from the Korea's minority shareholders that is still in balance. **Eliminating this extraordinary effect**, our **cash flow from operations increased by €11 million** in line with the EBITDA increase.
- Investing activities:** During 9M '14 the net cash flows used in investing activities were **€2,1 million** primarily for **maintenance needs** of our plants.
- Financing activities:** During 9M '14 Befesa Zinc paid a **dividend to its shareholder** for **€9,5 million**.
- Liquidity:** As of September 30th 2014, our liquidity amounted to **€37,3 million** including cash on hand and short-term financial investments. Befesa Zinc is compliant with its debt covenants.

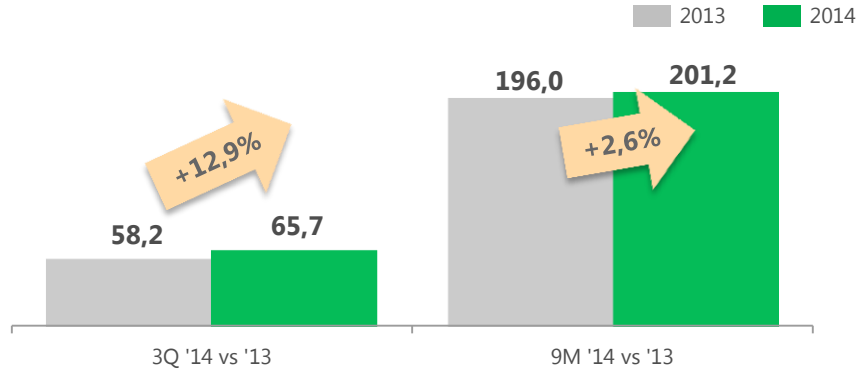
BEFESA ZINC

<i>Cash Flow Statement ('000 euros)</i>	3Q '13	3Q '14	Change	9M '13	9M '14	Change
Cash generated from operations	21.635	11.548	(10.087)	41.807	44.286	2.479
Taxes paid	(3.496)	(1.625)	1.871	(6.930)	(7.676)	(746)
Interest paid	(1.061)	(2.017)	(956)	(16.700)	(17.179)	(479)
Interest received	87	33	(54)	2.560	150	(2.410)
Net cash flows from operating activities (I)	17.165	7.939	(9.226)	20.737	19.581	(1.156)
Net cash flows from investing activities (II)	(21.862)	(392)	21.470	(31.054)	(2.140)	28.914
Net cash flows from financing activities (III)	(23.110)	(1.826)	21.284	(23.678)	(12.326)	11.352
Effect in change of the perimeter (IV)	0	0	0	0	25	25
Net increase in cash and cash equivalents (I+II+III+IV)	(27.807)	5.721	33.528	(33.995)	5.140	39.135
Cash and cash equivalents BoP	62.236	31.588		68.424	32.169	
Cash and cash equivalents EoP	34.429	37.309		34.429	37.309	

Aluminum Financial Highlights

Improved EBITDA 3Q 2014 driven mainly by cost savings initiatives and Alu prices despite weaker salt slag volumes

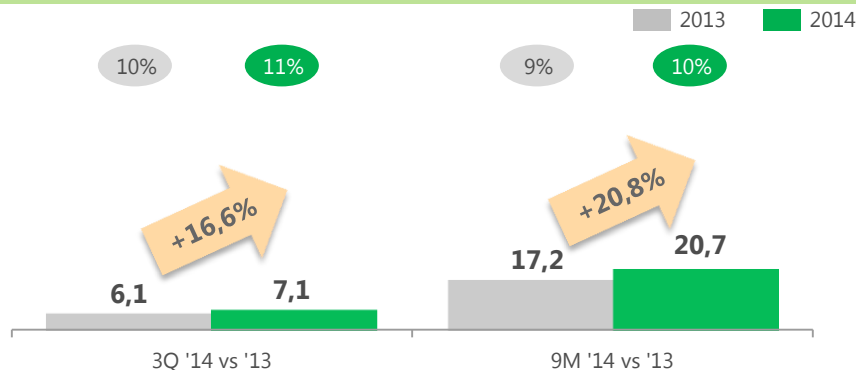
Aluminum Revenues (€m)



3Q Highlights Y-o-Y

- **Increase in revenues of 13%** mainly driven by **higher secondary aluminum alloys production volumes (+15%) and better aluminum prices (+14%) partially offset by lower salt slag volumes (-3%)** due to market conditions
- **EBITDA improved more than 17%** primarily driven by **cost management**

Aluminum EBITDA (€m)



9M Highlights Y-o-Y

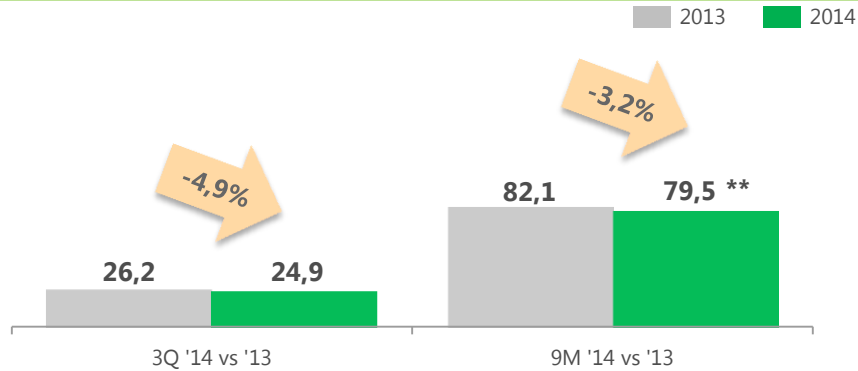
- **3% increase in revenues** of the business unit explained by **higher secondary aluminum alloys production volumes (+14%) and better aluminum prices (+3%), partially offset by weaker salt slag and SPLs volumes (-7%)**
- **EBITDA increased by 21%** compared to the same period in the previous year mainly due to savings from cost measures in place

○ 2013 EBITDA margin ● 2014 EBITDA margin

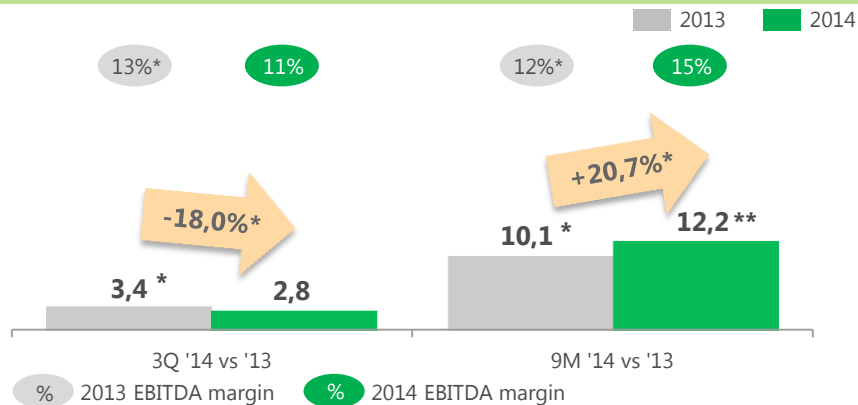
IES Financial Highlights

Despite still slow industrial environment, cost saving measures lead to higher EBITDA and Margin than previous year

IES Revenues (€m)



IES EBITDA (€m)



3Q Highlights Y-o-Y

- Lower volumes in **waste treated** in **Spain, Latin America** and in **Sulfur** segment
- Revenues and EBITDA negatively affected by 5% and 18%*, respectively, mainly driven by **lower demand** in a still slow Spanish and Latin American industrial environments
- Includes the **electric tariff full-year retroactive adjustment (-€0,5m)** in Sulfur on **3Q '14** Revenues and EBITDA

9M Highlights Y-o-Y

- Higher volumes in Sulfur segment and lower volumes in Spain and Latin America
- Revenue slightly decreased by 3%
- **EBITDA increased by 21%*** or €2,1 million* primarily due to **savings from rigorous cost measures** across all the divisions

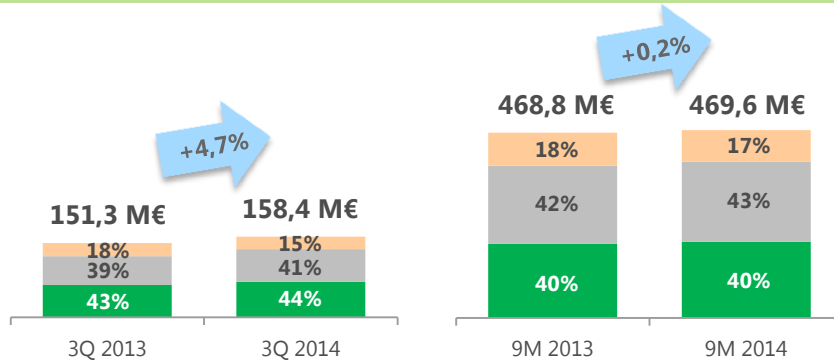
* Excludes extraordinary cash but non-operating one-off adjustment in Sulfur on 3Q 2013 of €3,6 million

** Includes electric tariff full-year retroactive adjustment in Sulfur on 3Q 2014 of -€0,5 million. Excluding this adjustment 3Q '14 EBITDA would have amounted to €0,6m with a 15% EBITDA margin

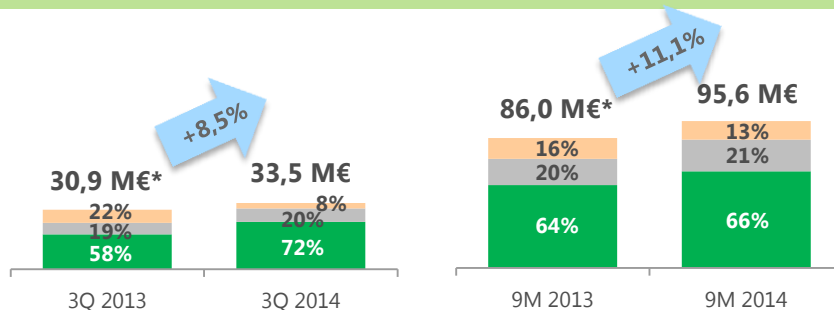
Consolidated Financial Highlights

Strong EBITDA growth and margin improvement in 3Q 2014 reflects the positive impact of cost management and higher Zinc / Alu prices

Revenues (€m)



EBITDA (€m)



EBITDA Margin (% Revenues)

BEFESA	20,4%	21,1%
Steel	28,4%	35,2%
Alum.	10,4%	10,8%
IES	26,6%*	11,1%

	18,4%	20,4%
	29,2%	33,3%
	8,8%	10,3%
	16,7%*	15,4%

Highlights

- 3Q 2014 **consolidated revenues** amounted to €158 million, **5% growth** compared to the same period of 2013
- Strong consolidated EBITDA and EBITDA margins** with Steel and Aluminum business units improving margins versus 3Q 2013 ... **21,1% EBITDA as % of Sales** vs. 20,4% 3Q'13. Focused cost savings initiative.
- Positive price effect in Zinc and Aluminum in the 3Q 2014 compared to previous year**
- 3Q financial result in IES** business unit decreased by €0.6 EBITDA on a normalized basis mainly driven by still low industrial environments in Spain and Latin America. Nevertheless 3Q YTD IES EBITDA is up €2.1.

* Includes extraordinary cash but non-operating one-off adjustment in Sulfur on 3Q 2013 of €3,6 million; Excluding this one-off adjustment IES EBITDA margin would have amounted to 13% and 12% in 3Q '13 and 9M '13, respectively

3Q 2014 EBITDA Up 9% or €2,6 million vs 2013... Net Income Up 194% or €7,3 million

Consolidated P&L ('000 euros)

BEFESA

Profit & Loss Statement ('000 euros)	3Q 2013	3Q 2014	Change	9M 2013	9M 2014	Change
Revenue	151.312	158.405	7.093	468.829	469.631	802
EBITDA	30.881*	33.509	2.628	86.045*	95.573	9.528
Depreciation, amortisation and impairment provisions	(8.345)	(16.689)	(8.344)	(24.185)	(34.578)	(10.393)
Financial result	(28.337)	(14.048)	14.289	(41.285)	(43.082)	(1.797)
Earnings Before Taxes	(5.791)	2.906	8.697	20.723	18.088	(2.635)
Net Income	(3.780)	3.549	7.329	17.106	12.615	(4.491)

Highlights

- During the **3Q 2014**, the **revenue of the Group** amounted to **158,4 million** euros (**469,6 in 9M'14**) and the **EBITDA** amounted to **33,5 million** euros (**95,6 in 9M'14**). A **9% EBITDA YoY increase** and a **5% revenue YoY increase** driven by **cost and price improvements**.
- **Financial result** in the 3Q 2014 **increased** YoY driven principally by the **extraordinary financial costs in 2013** (e.g. write off applied to some financial participations, commissions from the new financing and cancellations costs related to previous financing).

* Includes extraordinary cash but non-operating one-off adjustment in Sulfur on 3Q 2013 of €3,6 million

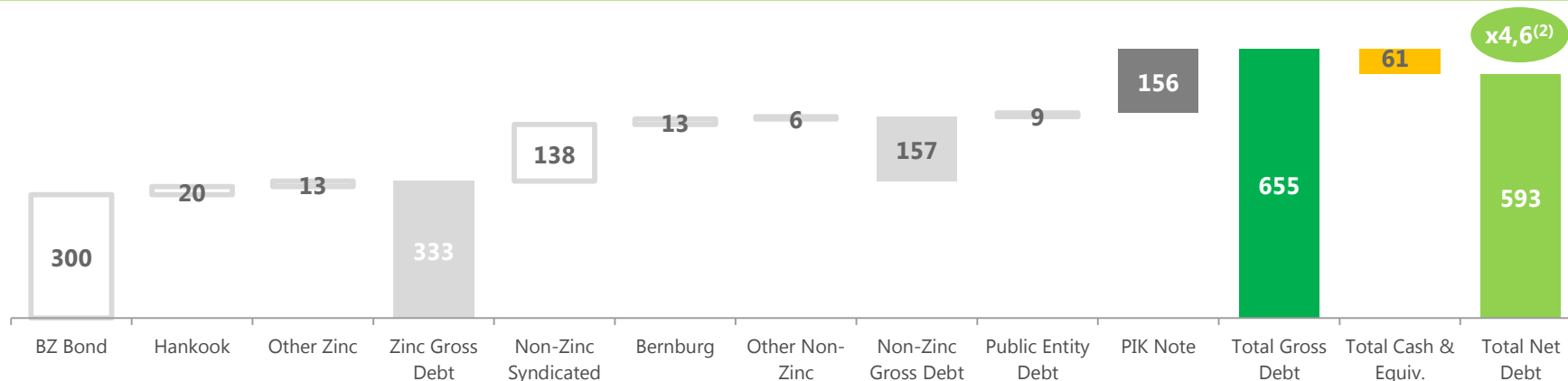
- **Operating activities:** During 9M'14 the net cash flows generated by operating activities amounted to **€28,3 million** (a €142,5 million increase compared to the same period in 2013), mainly due to **better** performance of the **working capital** and the **increased earnings**, partially offset by the increase of the interest paid (PIK Note interest)
- **Investing activities:** During 9M'14 the net cash flows used in investing activities were **€33,4 million**, mainly driven by the **construction of the Bernburg plant**
- **Financing activities:** During 9M'14 the net cash flows used in financing activities were **€2,1 million** coming basically from the **repayment of minor loans and leaseings** offset by the amounts of grants received
- **Liquidity:** As of September 30th 2014, our liquidity amounted to **€57,8 million** including cash on hand and short-term financial investments. Befesa is **compliant with its debt covenants**

BEFESA						
Cash Flow Statement (€ million)	3Q 2013	3Q 2014	Change	9M 2013	9M 2014	Change
Cash generated from operations	(56,7)	22,5	79,3	(69,8)	72,9	142,7
Taxes paid	(3,9)	(1,8)	2,2	(13,1)	(9,1)	4,0
Interest paid	(6,6)	(3,7)	2,8	(31,2)	(35,8)	(4,6)
Interest received	(1,3)	0,0	1,3	0,0	0,4	0,4
Net cash flows from operating activities (I)	(68,6)	17,0	85,6	(114,1)	28,3	142,5
Net cash flows from investing activities (II)	(14,2)	(15,5)	(1,3)	(9,7)	(33,4)	(23,7)
Net cash flows from financing activities (III)	96,6	5,1	(91,5)	93,6	(2,1)	(95,7)
Net increase in cash and cash equivalents (I+II+III)	13,8	6,6	(7,2)	(30,2)	(7,2)	23,0
Cash and cash equivalents BoP	35,0	51,3	16,3	79,0	65,0	(14,0)
Cash and cash equivalents EoP	48,8	57,8	9,0	48,8	57,8	9,0

Solid and stable financing position at 3 levels (Zinc, Non-Zinc and Corporate) with total leverage at x4,9



Total Net Debt Position (Excl. Vendor Note & Factoring/Confirming) : September YTD 2014 (€m)



(1) Excludes Factoring and Confirming

(2) Assuming LTM as of September 30th 2014 Consolidated EBITDA of 130,2 M€

(3) Assuming LTM as of September 30th 2014 Zinc EBITDA of 85,1 M€

(4) Assuming LTM as of September 30th 2014 Non Zinc EBITDA of 45,0 M€

Javier Molina

Chief Executive Officer

Main priorities for 2014 on track

- **Focus on operational excellence in order to achieve the cost savings target for 2014 in a sustainable manner**
- **Start operations in our new Bernburg plant**
- **Expand plant and maintain leadership position of Befesa Zinc in South Korea**
- **Grow in Turkey as a key market for Befesa Zinc**
- **Continue parallel path of operational excellence and profitable growth of Befesa for the next years**

Questions

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Business
Highlights

Zinc Business
Performance

Non-Zinc Business
Performance

Financials

Business
Outlook

Q&A

Appendix

BEFESA

Profit & Loss Statement ('000 euros)	3Q 2013	3Q 2014	Change	9M 2013	9M 2014	Change
From continuing operations:						
Revenue	151.312	158.405	7.093	468.829	469.631	802
+/- Changes in inventories of finished goods and work in progress	(1.016)	(1.928)	(912)	7.262	(2.476)	(9.738)
Cost of sales (Note 24)	(69.976)	(67.447)	2.529	(230.091)	(212.295)	17.796
Other income	5.690 *	588	(5.102)	12.239*	7.631	(4.608)
Employee benefits expense (Note 24)	(22.487)	(22.732)	(245)	(67.069)	(67.092)	(23)
Other expenses	(32.642)	(33.377)	(735)	(105.125)	(99.826)	5.299
Depreciation, amortisation and impairment provisions	(8.345)	(16.689)	(8.344)	(24.185)	(34.578)	(10.393)
EBIT	22.536	16.820	-5.716	61.860	60.995	(865)
Finance income	1.876	531	(1.345)	18.577	2.093	(16.484)
Finance costs	(30.168)	(15.417)	14.751	(59.660)	(46.241)	13.419
Exchange differences	(45)	838	883	(202)	1.066	1.268
Financial result	(28.337)	(14.048)	14.289	(41.285)	(43.082)	(1.797)
Share of profit of companies carried using the equity method (Note 11)	10	134	124	148	175	27
EBT	(5.791)	2.906	8.697	20.723	18.088	(2.635)
Income tax expense	2.011	643	-1.368	(3.617)	(5.473)	(1.856)
Result from continuing operations	(3.780)	3.549	7.329	17.106	12.615	(4.491)
From discontinuing operations:						
Profit for the year from discontinued operations	0	0	0	0	0	0
Net income	(3.780)	3.549	7.329	17.106	12.615	(4.491)
Attributable to:						
Owners of the parent	(4.407)	2.931	7.338	15.826	9.934	(5.892)
Non-controlling interests	627	618	(9)	1.280	2.681	1.401

* Includes extraordinary cash but non-operating one-off adjustment in Sulfur on 3Q 2013 of €3,6 million

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Balance Sheet ('000 euros)

Assets	30.09.14	31.12.13	Equity and liabilities	30.09.14	31.12.13
Non-current assets			Equity:		
Intangible assets			Attibutable to owners of the parent -		
Goodwill	373.860	373.860	Share capital	13	13
Other intangible assets	22.296	22.426	Reserve for valuation adjustments deferred in equity	8.450	9.632
	396.156	396.286	Share premium	400.495	400.495
Property, plant and equipment -			Other reserves	(230.788)	(235.054)
Property, plant and equipment in use	364.746	367.175	Translation differences	(2.286)	(3.991)
Property, plant and equipment in progress	37.376	17.699	Net profit for the period	9.934	6.771
	402.122	384.874		185.818	177.866
Investments carried under the equity method	1.984	1.809	Non-controlling interests	35.402	36.392
Non-current assets -			Total equity	221.220	214.258
Securities portfolio	4.439	4.791	Non-current liabilities:		
Other financial assets	21.231	32.995	Provisions	40.449	43.493
	25.670	37.786	Non-recourse borrowing	472.302	464.833
Deferred income tax assets	114.645	107.890	Recourse borrowings	116.780	121.629
Total non-current assets	940.577	928.645	Finance lease payables	2.105	2.248
			Deferred income tax liabilities	41.895	42.471
			Other non-current liabilities	85.759	69.219
			Total non-current liabilities	759.290	743.893
Current assets:			Non-recourse borrowings	13.823	10.165
Inventories	50.945	60.515	Recourse borrowings	23.927	21.222
Trade and other receivables	80.530	60.864	Finance lease payables	1.027	1.068
Trade receivables, related parties	2.893	20.301	Trade payables, related parties	1.543	4.320
Tax receivables	26.309	15.341	Trade and other accounts payable	105.665	129.948
Other receivables	7.927	8.447	Provisions	264	278
Other current financial assets	4.455	8.298	Other payables -		
Cash and cash equivalents	57.831	65.012	Taxes payable	23.469	13.887
Total current assets	230.890	238.778	Other current liabilities	21.239	28.384
				44.708	42.271
			Total current liabilities	190.957	209.272
Total Assets	1.171.467	1.167.423	Total equity and liabilities	1.171.467	1.167.423

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Cash Flow Statement ('000)	3Q 2013	3Q 2014	Change	9M 2013	9M 2014	Change
Cash flows from operating activities:						
Profit (loss) for the period before tax	(5.791)	2.906	8.697	20.723	18.088	(2.635)
Adjustments due to:						
Depreciation and amortisation charge	8.345	16.689	8.344	24.185	34.578	10.393
Share of profit (loss) of associates	(10)	(134)	(124)	(148)	(175)	(27)
Changes in long-term provisions	(116)	299	415	(116)	(322)	(206)
Transfer to result grants	(190)	(364)	(174)	(549)	(702)	(153)
Gains arising from business combinations	-	-	-	(15.368)	-	15.368
Interest income	(1.876)	(1.370)	506	(3.208)	(3.159)	49
Finance costs	30.371	15.418	(14.953)	59.862	46.241	(13.621)
Changes in working capital:						
Trade receivables and other current assets	4.153	13.794	9.641	(22.833)	(4.268)	18.565
Inventories	(4.408)	(297)	4.111	(7.818)	12.505	20.323
Trade payables	(87.888)	(24.402)	63.486	(118.707)	(27.167)	91.540
Other cash flows from operating activities:						
Interest paid	(6.567)	(3.736)	2.831	(31.188)	(35.830)	(4.642)
Interests collected	(1.333)	-	1.333	-	396	396
Taxes paid	(3.946)	(1.765)	2.181	(13.091)	(9.125)	3.966
Provisions paid	697	-	(697)	(5.866)	(2.722)	3.144
Net cash flows from operating activities (I)	(68.559)	17.038	85.597	(114.122)	28.338	142.460
Cash flows from investing activities:						
Investments in intangible assets	(495)	(437)	58	(2.299)	(2.049)	250
Investments in property, plant and equipment	(5.369)	(10.653)	(5.284)	(15.955)	(26.502)	(10.547)
Proceeds from disposal of assets	352	-	(352)	3.262	-	(3.262)
Proceeds from disposal of non-current financial assets	3.766	(187)	(3.953)	3.367	297	(3.070)
Investments in subsidiaries and other non-current financial	(13.898)	(1.136)	12.762	(18.171)	(1.758)	16.413
Investments in current financial assets	(19.282)	(3.045)	16.237	(573)	(3.481)	(2.908)
Disbursement due to other current financial assets	20.696	(67)	(20.763)	20.696	98	(20.598)
Net cash flows from investing activities (II)	(14.230)	(15.525)	(1.295)	(9.673)	(33.395)	(23.722)
Cash flows from financing activities:						
Net financial account with Group companies	53	1.543	1.490	4.704	1.543	(3.161)
Bank borrowings and other non-current borrowings	165.790	2.641	(163.149)	158.111	4.503	(153.608)
Repayment of bank borrowings	(68.810)	411	69.221	(68.810)	(8.071)	60.739
Grants and Other liabilities	(436)	466	902	(436)	(99)	337
Dividends paid	-	-	-	-	-	-
Net cash flows from financing activities (III)	96.597	5.061	(91.536)	93.569	(2.124)	(95.693)
Effect of foreign exchange rate changes on cash and cash	-	-	-	-	-	-
Net increase in cash and cash equivalents (I+II+III+IV)	13.808	6.574	(7.234)	(30.226)	(7.181)	23.045
Cash and cash equivalents at beginning of year	35.005	51.257	16.252	79.039	65.012	(14.027)
Cash and cash equivalents at end of year	48.813	57.831	9.018	48.813	57.831	9.018

BEFESA ZINC

Balance Sheet ('000 euros)

Assets	30.09.2014	31.12.2013	Equity and Liabilities	30.09.2014	31.12.2013
Non-current assets:			Equity:		
Intangible assets:			Of the Parent:		
Goodwill	286.287	286.287	Share capital	25.010	25.010
Other intangible assets	8.127	8.818	Unrealized Asset and Liability Revaluation Reserve	6.656	7.322
	294.414	295.105	Other reserves	80.108	82.093
Property, plant and equipment:			Translation differences	868	(890)
Property, plant & equipment in use	121.362	127.802	Net profit for the year	15.709	6.235
Property, plant & equipment in the course of construction	6.249	3.561		128.351	119.770
	127.611	131.363	Of minority interests	16.740	19.191
Investments accounted for using the equity method			Total Equity	145.091	138.961
Non-current financial assets:			Non-current liabilities:		
Investments securities	1.666	1.674	Provisions for contingences and expenses	15.743	15.455
Other financial assets	360	352	Bank borrowings and finance leases	1.212	2.174
	2.026	2.026	Non Recourse Finance	315.511	314.534
Derivative financial instruments	0	0	Capital Grants	2.290	2.717
Deferred tax assets	44.799	41.366	Other non-current liabilities	190	227
Total non-current assets	468.850	469.860	Derivative financial instruments	58	0
			Deferred tax liabilities	21.903	22.349
Current Assets:			Total non-current liabilities	356.907	357.456
Inventories	14.564	12.944	Current liabilities:		
Trade and other receivables	34.047	29.449	Non Recourse Finance	10.099	3.699
Trade receivables, related companies	3.347	11.007	Bank borrowings and finance leases	2.392	2.627
Tax receivables	3.777	3.846	Trade payables, related companies	1.338	3.272
Other receivables	1.511	3.503	Trade and other payables	24.711	28.345
Derivative financial instruments	0	236	Derivative financial instruments	1.280	0
Other current financial assets	0	0	Other payables:		
Cash and cash equivalents	37.309	32.169	Tax payables	6.506	5.383
	94.555	93.154	Other current liabilities	15.081	23.271
Total current assets				21.587	28.654
			Total current liabilities	61.407	66.597
Total Assets	563.405	563.014	Total Equity and Liabilities	563.405	563.014

BEFESA ZINC

<i>Profit & Loss Statement ('000 euros)</i>	3Q 2013	3Q 2014	Change	9M 2013	9M 2014	Change
Revenue	64.479	67.822	3.343	186.101	187.185	1.084
Cost of sales	(40.719)	(37.948)	2.771	(118.392)	(113.562)	4.830
Other operating income	802	579	(223)	4.050	6.072	2.022
Gross Profit	24.562	30.453	5.891	71.759	79.695	7.936
Depreciation and amortization charge	(3.912)	(4.624)	(712)	(11.289)	(12.792)	(1.503)
General and administrative expenses	(6.319)	(5.512)	807	(17.423)	(16.359)	1.064
Impairment losses	0	0	0	0	0	0
Income From Operations	14.331	20.317	5.986	43.047	50.544	7.497
Finance income	87	33	(54)	2.560	150	(2.410)
Finance costs	(7.510)	(8.220)	(710)	(23.719)	(25.181)	(1.462)
Exchange differences (gains and losses)	331	414	83	562	592	30
Financial Loss	(7.092)	(7.773)	(681)	(20.597)	(24.439)	(3.842)
Profit Before Tax	7.239	12.544	5.305	22.450	26.105	3.655
Income tax	(1.348)	(4.016)	(2.668)	(5.673)	(8.562)	(2.889)
Profit for the year from continuing operations	5.891	8.528	2.637	16.777	17.543	766
Profit for the year	5.891	8.528	2.637	16.777	17.543	766
Attributable to:						
Shareholders of the parent	5.167	8.149	2.982	15.285	15.709	424
Minority interests	724	379	(345)	1.492	1.834	342
EBITDA	18.243	24.941	6.698	54.336	63.336	9.000

BEFESA ZINC

Cash Flow Statement ('000 euros)	3Q 2013	3Q 2014	Change	9M 2013	9M 2014	Change
Cash Flows From Operating Activities						
Profit for the period before tax	7.239	12.544	5.305	22.450	26.105	3.655
Adjustments due to:						
Amortization/ Depreciation	3.912	4.624	712	11.289	12.792	1.503
Impairment Test	0	0	0	0	0	0
(Profit)/Loss on disposal of non-current assets	13	14	1	39	45	6
Change in provisions	49	161	112	(4.121)	266	4.387
Financial income	(87)	(33)	54	(2.560)	(150)	2.410
Financial expense	7.510	8.220	710	23.719	25.181	1.462
Income from government grants	(145)	(143)	2	(464)	(427)	37
Exchange differences	(331)	(414)	(83)	(562)	(592)	(30)
Change in working capital:						
Change in trade receivables and other receivables	1.355	(2.213)	(3.568)	3.291	(4.598)	(7.889)
Change in inventories	1.988	527	(1.461)	2.928	1.826	(1.102)
Change other current assets	(1.675)	(5)	1.670	(1.736)	623	2.359
Change in other current liabilities	1.807	(11.734)	(13.541)	(12.466)	(16.785)	(4.319)
Cash generated from operations	21.635	11.548	(10.087)	41.807	44.286	2.479
Taxes paid	(3.496)	(1.625)	1.871	(6.930)	(7.676)	(746)
Interest paid	(1.061)	(2.017)	(956)	(16.700)	(17.179)	(479)
Interest received	87	33	(54)	2.560	150	(2.410)
Net Cash Flows From Operating Activities (I)	17.165	7.939	(9.226)	20.737	19.581	(1.156)
Cash Flows From Investing Activities						
Purchase of intangible assets	0	0	0	(4.569)	(13)	4.556
Purchase of property, plant and equipment	(2.237)	(373)	1.864	(6.848)	(2.124)	4.724
Proceeds from disposal of assets	(7)	0	7	(17)	2	19
Acquisition/(disposal) of new subsidiaries	(19.578)	0	19.578	(19.578)	0	19.578
Other non-current financial assets	(40)	(19)	21	(42)	(5)	37
Capital grants received	0	0	0	0	0	0
Net Cash Flows From Investing Activities (II)	(21.862)	(392)	21.470	(31.054)	(2.140)	28.914
Cash flows from financing activities						
Repayment of borrowings and other long-term debt	(49)	(826)	(777)	(121)	(2.146)	(2.025)
Long Term borrowings	19.485	(1.000)	(20.485)	19.485	250	(19.235)
Distribution of dividends/capital reduction	(42.546)	0	42.546	(43.042)	(10.430)	32.612
Net Cash Flows From Financing Activities (III)	(23.110)	(1.826)	21.284	(23.678)	(12.326)	11.352
Effect of change in the perimeter on cash and cash equivalents (IV)	0	0	0	0	25	25
Net Increase In Cash and Cash Equivalents (I+II+III+IV)	(27.807)	5.721	33.528	(33.995)	5.140	39.135
Cash and cash equivalents at beginning of the period	62.236	31.588	(30.648)	68.424	32.169	(36.255)
Cash and cash equivalents at end of the period	34.429	37.309	2.880	34.429	37.309	2.880

		1Q	2Q	3Q	1Q	2Q	3Q	3Q '14 vs '13		9M '14 vs '13	
		2013	2013	2013	2014	2014	2014	Change		Change	
								(tons)	(%)	(tons)	(%)
Crude steel waste recycling											
Installed capacity ¹	tons	560.300	560.300	670.300	670.300	670.300	670.300	0	0,0%	0	0,0%
Crude steel waste processed	tons	127.423	129.796	137.709	157.574	135.873	156.033	18.325	13,3%	54.552	13,8%
Waelz oxide produced	tons	42.122	43.868	50.179	53.228	49.834	53.059	2.880	5,7%	19.952	14,7%
Waelz oxide sold	tons	41.230	43.487	51.019	51.421	50.494	51.512	493	1,0%	17.690	13,0%
Zinc content in sale	tons	27.332	29.087	34.278	34.428	33.872	34.204	(74)	-0,2%	11.808	13,0%
Annual average zinc LME price	EUR / ton	1.539	1.409	1.404	1.482	1.512	1.745	341	24,3%	129	8,9%
Utilization ²	%	92,2%	91,9%	81,5%	95,3%	80,4%	92,4%	n/a	n/a	n/a	n/a
Stainless steel waste recycling											
Installed capacity	tons	174.000	174.000	174.000	174.000	174.000	174.000	0	0,0%	0	0,0%
Stainless steel processed	tons	27.943	25.617	28.102	16.628	25.534	18.072	(10.030)	-35,7%	(21.428)	-26,2%
Sale of alloys	tons	4.598	3.036	3.137	1.718	560	3.321	184	5,9%	(5.173)	-48,0%
Annual average nickel LME price	EUR / ton	13.107	11.464	10.511	10.689	13.467	14.012	3.501	33,3%	1.029	8,8%
Utilization ²	%	65,1%	58,4%	64,1%	38,8%	58,2%	41,2%	n/a	n/a	n/a	n/a

1 The installed crude steel waste recycling capacity consolidates in 2013 100% of the total annual recycling capacity of BZ Korea (since 3Q 2014 our current stake owned in BZ Korea amounts to 80%).

2 Utilization represents crude steel or stainless steel waste, as applicable, processed against annual installed capacity. For the calculation of 2013 crude steel utilization rate only four months of new Korea plant operations have been considered.

		1Q 2013	2Q 2013	3Q 2013	1Q 2014	2Q 2014	3Q 2014	3Q '14 vs '13 Change		9M '14 vs '13 Change	
								(tons)	(%)	(tons)	(%)
Salt slags and SPLs recycling											
Installed capacity ⁶	tons	630.000	630.000	630.000	630.000	630.000	630.000	0	0,0%	0	0,0%
Salt slags recycled	tons	112.895	104.280	96.806	97.823	99.674	94.205	(2.601)	-2,7%	(22.279)	-7,1%
SPLs recycled	tons	6.003	8.470	6.331	5.845	7.297	6.670	339	5,4%	(992)	-4,8%
Aluminium concentrate produced	tons	8.952	8.463	7.630	7.961	8.103	7.654	24	0,3%	(1.327)	-5,3%
Aluminium salt produced	tons	47.429	45.238	46.114	39.457	39.772	37.802	(8.312)	-18,0%	(21.750)	-15,7%
Utilization ⁷	%	91,0%	85,3%	77,2%	79,3%	81,0%	75,5%	n/a	n/a	n/a	n/a
Secondary aluminium production											
Installed capacity ⁸	tons	120.000	120.000	120.000	120.000	120.000	120.000	0	0,0%	0	0,0%
Scrap aluminium recycled ⁹	tons	38.474	41.328	34.342	46.140	45.269	37.502	3.160	9,2%	14.767	12,9%
Secondary aluminium alloys produced ¹⁰	tons	28.475	30.328	25.485	33.915	32.854	29.213	3.728	14,6%	11.694	13,9%
Annual avg. aluminium alloy LME price	EUR / ton	1.402	1.369	1.342	1.321	1.406	1.535	193	14,4%	50	3,6%
Annual avg. high-grade aluminium LME price	EUR / ton	1.516	1.404	1.345	1.247	1.312	1.500	155	11,5%	(69)	-4,8%
Utilization ¹¹	%	96,2%	101,4%	84,3%	114,6%	109,8%	96,6%	n/a	n/a	n/a	n/a

6 Includes the 100.000 tons of recycling installed capacity at our Töging (Germany) plant, which is currently idle. German salt slag recycling plants, located in Hannover, Lünen and Töging, acquired in the middle of 2009 are 100% consolidated in this year

7 Utilization represents the volume of salt slag and SPLs received by our plants for recycling against annual installed capacity (not including the 100.000 tons of capacity at our Töging (Germany) plant, which is currently idle)

8 Annual installed production capacity for the 2012 and 2013 periods does not include the secondary aluminum production plant in Valladolid, which was closed in June 2012. Annual installed production capacity of the remaining secondary aluminum production plants in Erandio and Franqueses del Vallés was increased to 60.000 tons each

9 The amount of scrap aluminum recycled in 2012 and the twelve-month period ended June 30, 2013 includes the scrap aluminum recycled at a secondary aluminum production plant in Valladolid (Spain), which we closed in June 2012

10 The amount of secondary aluminum produced in the year ended December 31, 2012 and the six-month periods ended June 30, 2012 includes the secondary aluminum produced at a secondary aluminum production plant in Valladolid (Spain), which we closed in June 2012

11 Utilization represents secondary aluminum produced against annual installed capacity. Utilization of secondary aluminum production in the year ended December 31, 2012 and the six-month periods ended June 30, 2012, has been calculated including Valladolid plant

		1Q 2013	2Q 2013	3Q 2013	1Q 2014	2Q 2014	3Q 2014	3Q '14 vs '13 Change		9M '14 vs '13 Change	
								(tons)	(%)	(tons)	(%)
Industrial waste management (Spain)											
Industrial waste treated:	tons	170.961	175.886	150.723	133.503	132.319	123.354	(27.369)	-18,2%	(108.394)	-21,8%
Industrial waste management (Latin America)											
Industrial waste treated:	tons	23.690	42.184	32.183	27.855	16.682	19.034	(13.149)	-40,9%	(34.486)	-35,2%
<i>Pacheco and Campana, Argentina</i>		11.424	7.602	5.534	4.306	4.323	3.791	(1.743)	-31,5%	(12.140)	-49,4%
<i>Chilca, Peru</i>		7.371	29.158	22.334	19.259	8.150	7.280	(15.054)	-67,4%	(24.174)	-41,1%
<i>Antofagasta, Chile</i>		4.895	5.424	4.315	4.290	4.209	7.963	3.648	84,5%	1.828	12,5%
Agricultural plastics recycling											
Agricultural plastics recycled	tons	3.337	4.032	4.112	3.470	3.954	4.367	255	6,2%	310	2,7%
Sulphur valorisation											
Installed capacity	tons	343.100	343.100	343.100	343.100	343.100	343.100	0	0,0%	0	0,0%
Sulphur treated	tons	20.958	22.398	22.081	23.283	22.438	21.361	(720)	-3,3%	1.645	2,5%
Sulphuric acid produced	tons	63.914	68.305	67.338	71.006	76.044	59.248	(8.090)	-12,0%	6.742	3,4%
Utilization ¹²	%	75,5%	79,9%	77,9%	83,9%	88,9%	68,5%	n/a	n/a	n/a	n/a
Total industrial waste management											
Total industrial waste treated	tons	218.946	244.500	209.099	188.111	175.393	538.897	329.798	157,7%	229.856	34,2%