

# BEFESA

---

# BEFESA

## Fiscal Year 2015 Earnings Presentation

25<sup>th</sup> February 2016

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**

2015 revenues of €744 million, up 14% YoY. Lower commodity prices, new Bernburg plant and Solarca acquisition.

Solid consolidated 2015 EBITDA of €144 million, up 3% YoY. Margin at 19%.

Solid and stable financing position. Continuing leverage improvement to current x3,8 down from x4,4 one year ago.

Turkey project on hold and Gulf growth project 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 slightly below to the previous year

#### Operational Performance

##### ▪ EAF Throughput

- 150.763 tons of crude steel dust treated in 4Q 2015 (-3,4% vs 4Q 2014); 580.253 tons treated in 2015 (-4,2% vs 2014)

##### ▪ WOX Sales

- 53.088 tons of WOX sold in 4Q 2015 (-4,3% vs 4Q 2014); 199.534 tons sold in 2015 (-4,5% vs 2014)

##### ▪ Stainless Steel Throughput:

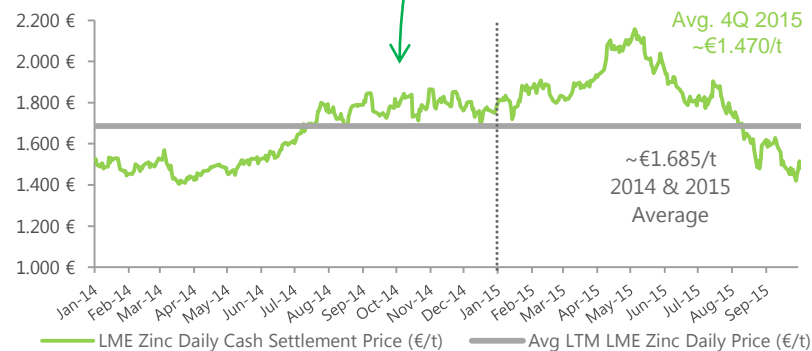
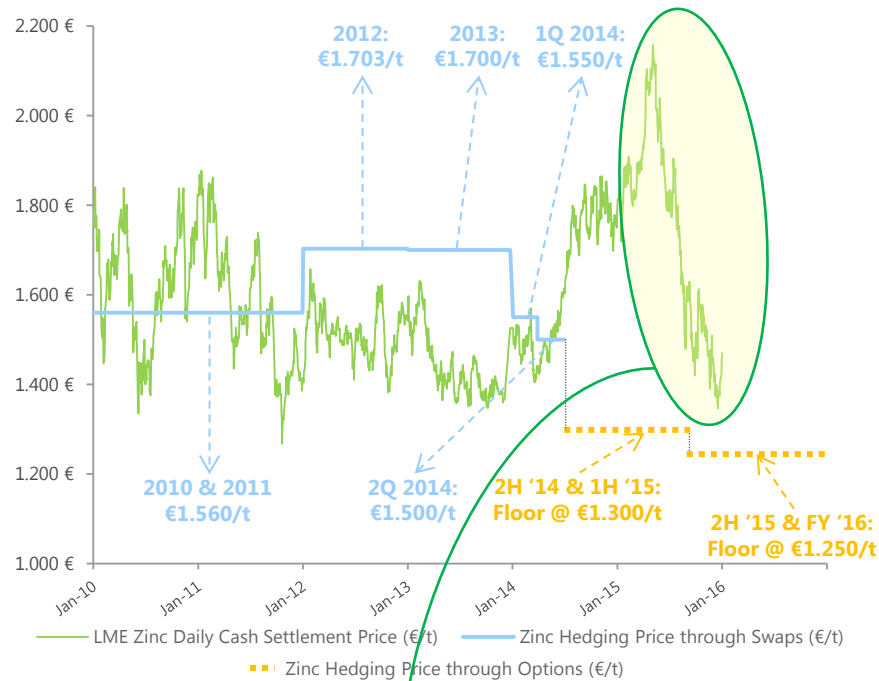
- 29.540 tons of stainless steel dust treated in 4Q 2015 (+1,7% vs 4Q 2014); 93.870 tons treated in 2015 (+5,2% vs 2014)

##### Highlights

- **Crude steel dust deliveries in line with expectations and slightly below last year**
- Good throughput levels mainly driven by **good performance of our Western European plants**
- **Good performance of stainless steel** with increase in throughput compared to 2014



After the upward trend seen during 1H 2015 Zinc prices strongly decreased during 2H ending the year around 1.400-1.450 €/t



### Zinc Prices

- During the 4Q 2015 zinc prices traded on average below 4Q 2014 (\$1.613/t vs \$2.235/t), and approx. \$234/t below 3Q 2015 average level.
- The €//\$ FX rate during 4Q 2015 remained at the same level of 1,10 as in 3Q 2015. During 2015, the €//\$ FX rate stayed on average at 1,11.

	4Q 2014	4Q 2015	% Var.	2014	2015	% Var.
Befesa Blended Zinc Price (€/t)	1.789	1.470	-18%	1.644	1.741	+6%
Avg. LME Zinc Price (€/t)	1.789	1.470	-18%	1.632	1.741	+7%

### 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 2016 and Jan '17** through floors @ €1.250/t.
- Currently negotiating hedging for 2017.



## 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

- 115.784 tons of salt slag/SPL recycled in 4Q 2015 (-4% vs 4Q 2014); 459.019 tons recycled in 2015 (+6% vs 2014)

#### ▪ Secondary Aluminum Alloys

- 44.268 tons of alloys produced in 4Q 2015 (+45% vs 4Q 2014); 169.836 tons produced in 2015 (+34% vs 2014)

#### Highlights

- **Strong secondary aluminum volumes** over the **4Q 2014** thanks to contribution from **new plant in Bernburg** (operations started in Dec '14)
- **Bernburg plant ramp-up completed**
- **Salt slag volumes slightly lower** compared to 4Q 2014 **but +6% compared to FY 2014**



**Bernburg ramp up completed. Acquisition and integration of Solarca into our IES segment completed. Gulf Project Progressing**

### Aluminum Growth

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

- Ramp up of the plant successfully **completed**

#### 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 full integration into our IES business.**



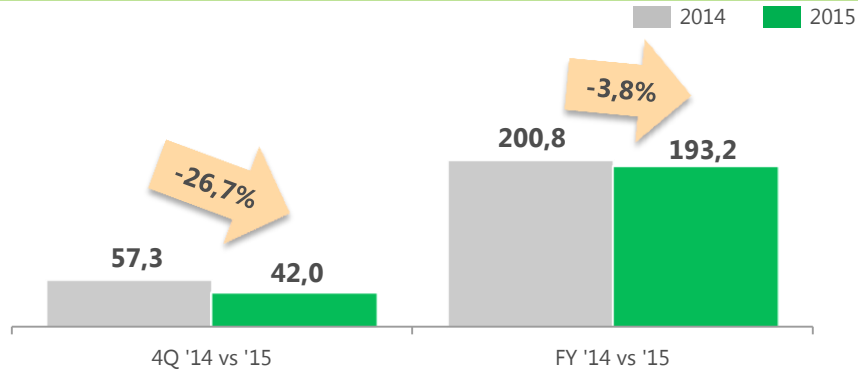
## Wolf Lehmann

Chief Financial Officer

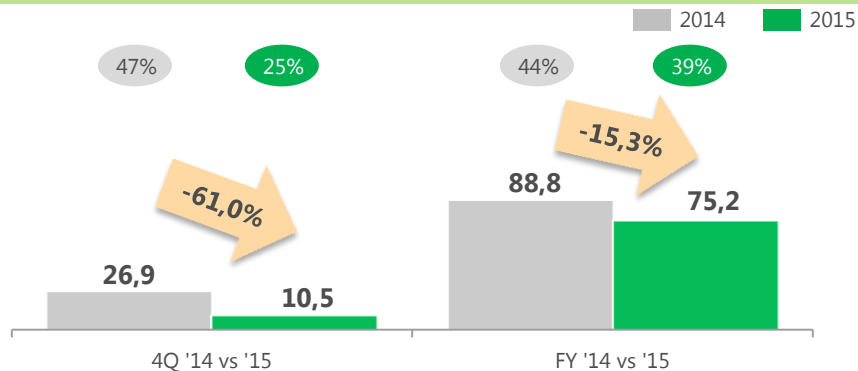
## Zinc Financial Highlights

### Crude steel segment EBITDA decreased YoY mainly due to lower WOX sales

#### Crude Steel Revenues (€m)



#### Crude Steel EBITDA (€m)



○ 2014 EBITDA margin    ● 2015 EBITDA margin

#### Revenues Highlights

- During 4Q the revenues dropped **by 15 million** due to **lower tons (-4%)** and specially for the lower zinc prices **(-18%)**
- On a full year basis, crude steel dust segment revenues **decreased by 4% y/y** mainly driven by:
  - the **decrease in tons of WOX sold (-4%)**
  - The unfavorable TCs in 2015 partially offset by the increase in zinc blended price by 6%**
    - LME zinc prices in EUR** increased on average by 7% compared to 2014. In USD the zinc prices were lower than 2014 ( \$2.162 versus \$1.933 or -10,6%)
    - No zinc price forward hedging for 2015** (options with floor @ €1.250/t). In 2014, 1H was hedged through swaps (€1.550/t and and €1.500/t in 1Q and 2Q) and 2H via options with floor @ €1.300/t

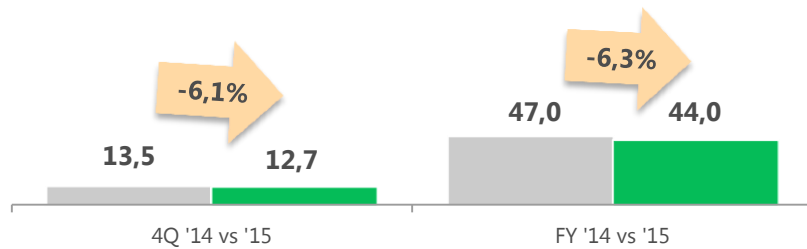
#### EBITDA Highlights

- The EBITDA reduction during both 4Q and FY15 is **mainly driven by the lower WOX sales.**

Good quarter for stainless steel mainly driven by recovered level of volumes partially offset by lower prices

### Stainless Revenues (€m)

■ 2014 ■ 2015

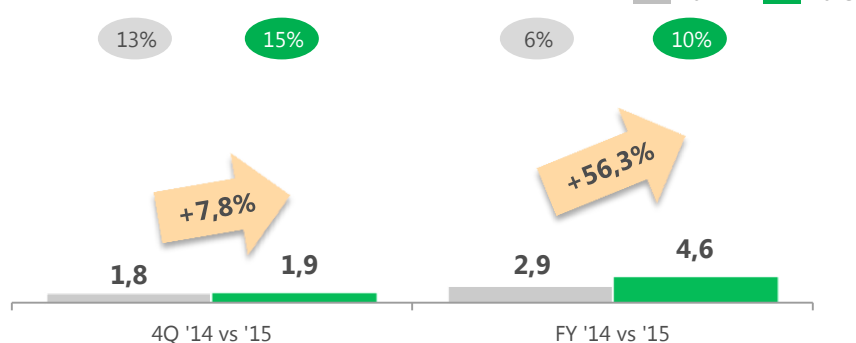


### Revenues Highlights

- Compared to 2014, Stainless steel segment revenues **worsened by 6%** specially driven by the **decrease in tons of alloys sold (-56%)** in addition reduced by the decrease in average nickel prices (-16%), partially offset by higher volumes of stainless steel dust treated (+5%)

### Stainless EBITDA (€m)

■ 2014 ■ 2015



### EBITDA Highlights

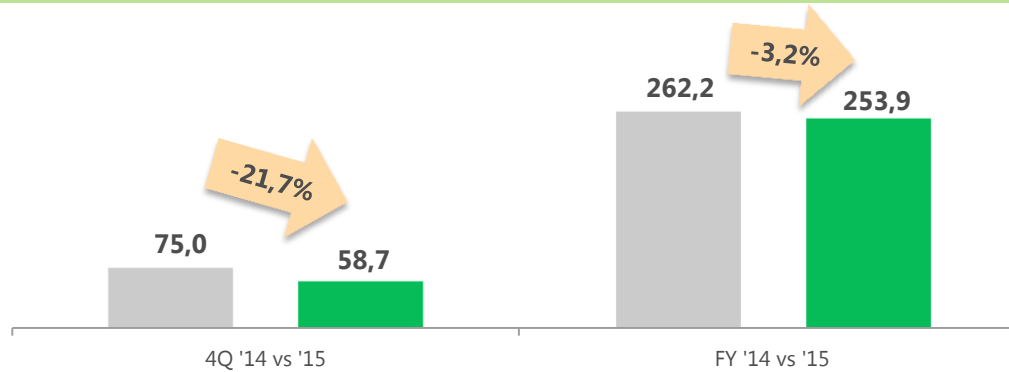
- EBITDA above 2014 by **+€1,7m** mainly driven by **cost management** compared to the previous year

○ 2014 EBITDA margin ○ 2015 EBITDA margin

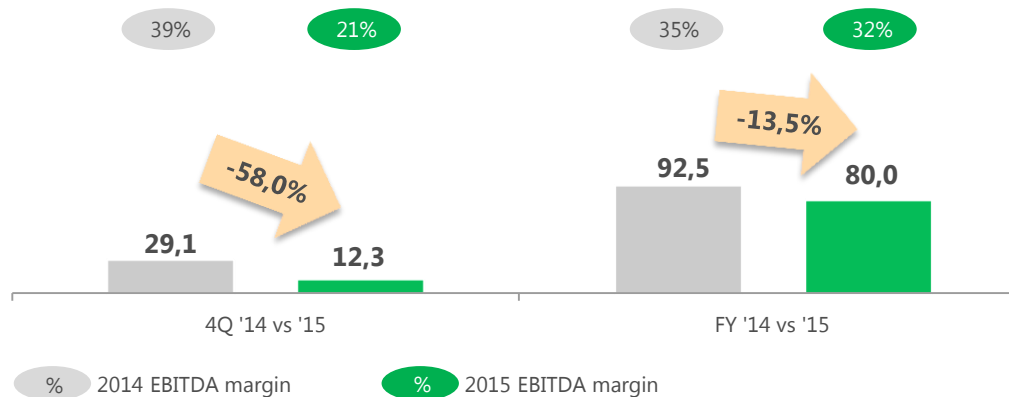
■ 2014 ■ 2015

### Decrease in revenues and EBITDA in the Zinc business unit driven by lower commodity prices

#### Zinc Revenues (€m)



#### Zinc EBITDA (€m)





### Good operating results drive cash flow generation

- **Operating activities:** During 2015 the net cash flows generated by operating activities amounted to **€35,0 million** (a €13m decrease vs 2014), **explained by the EBITDA decrease** during the year.
- **Investing activities:** During 2015 the net cash flows used in investing activities were **€23,3 million** primarily due to investments in the **second kiln in Korea**.
- **Financing activities:** During 2015 Befesa Zinc **repaid the Korea facility loan (€20 million)** and paid a approx. **€15m dividend to its Befesa parent**.
- **Liquidity:** As of December 31<sup>th</sup> 2015, our liquidity amounted to **€24,3 million** including cash on hand and short-term financial investments.

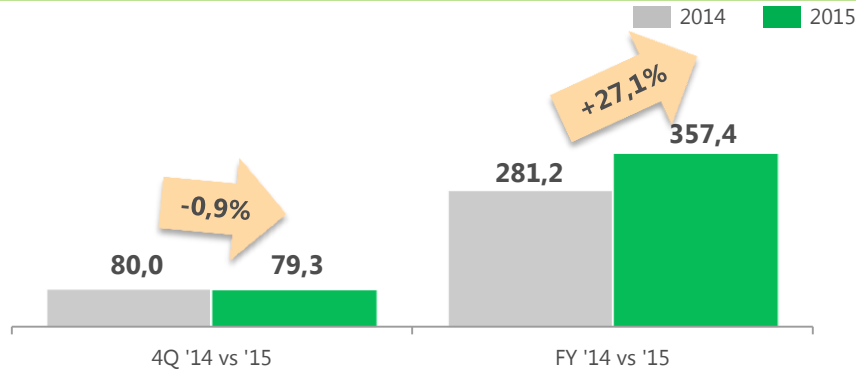
#### BEFESA ZINC

<i>Cash Flow Statement ('000 euros)</i>	4Q 2014	4Q 2015	Change	FY 2014	FY 2015	Change
Cash generated from operations	33.801	16.239	(17.562)	90.149	76.117	(14.032)
Taxes paid	(1.740)	(2.676)	(936)	(9.416)	(8.232)	1.184
Interest paid	(15.693)	(16.047)	(354)	(32.872)	(33.158)	(286)
Interest received	145	89	(56)	295	293	(2)
<b>Net cash flows from operating activities (I)</b>	<b>16.513</b>	<b>(2.395)</b>	(18.908)	<b>48.156</b>	<b>35.020</b>	(13.136)
<b>Net cash flows from investing activities (II)</b>	<b>(3.185)</b>	<b>(3.980)</b>	(795)	<b>(5.325)</b>	<b>(23.332)</b>	(18.007)
<b>Net cash flows from financing activities (III)</b>	<b>(1.608)</b>	<b>(8.498)</b>	(6.890)	<b>(25.996)</b>	<b>(36.341)</b>	(10.345)
<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>11.720</b>	<b>(14.873)</b>	(26.593)	<b>16.860</b>	<b>(24.653)</b>	(41.513)
<b>Cash and cash equivalents BoP</b>	<b>37.309</b>	<b>39.221</b>		<b>32.169</b>	<b>49.001</b>	
<b>Cash and cash equivalents EoP</b>	<b>49.029</b>	<b>24.348</b>		<b>49.029</b>	<b>24.348</b>	

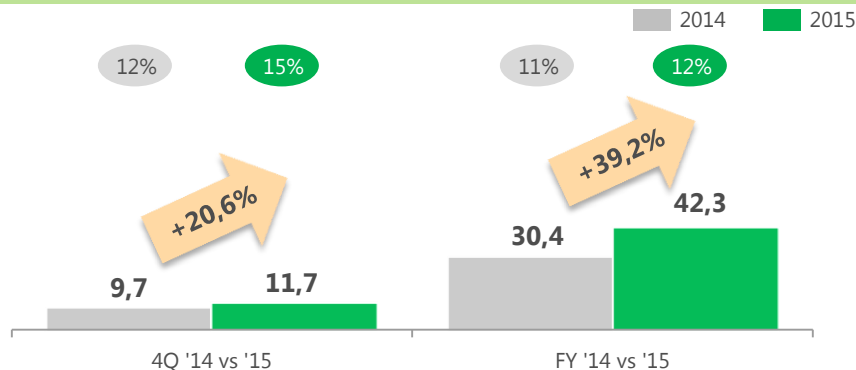
## Aluminum Financial Highlights

### Strong 4Q 2015 EBITDA of €12m (15% margin) driven mainly by Bernburg contribution

#### Aluminum Revenues (€m)



#### Aluminum EBITDA (€m)



○ 2014 EBITDA margin    ● 2015 EBITDA margin

#### Revenues Highlights

- During **4Q 2015 revenues stayed flat** (compared to same period of 2014) mainly driven by **better secondary aluminum alloys production volumes (+45%**, explained by **Bernburg contribution**), partially offset by **lower salt slag / SPLs volumes (-4%)** as well as by the **aluminum alloy LME prices which decreased by -9%**
- Compared to FY 2014**, revenues of the business unit **increased by 27%** explained by higher secondary **aluminum alloys production volumes (+34%**, mostly explained by **Bernburg contribution**), **higher salt slag / SPLs volumes (+6%)** and **aluminum alloy average LME prices (+6%)**

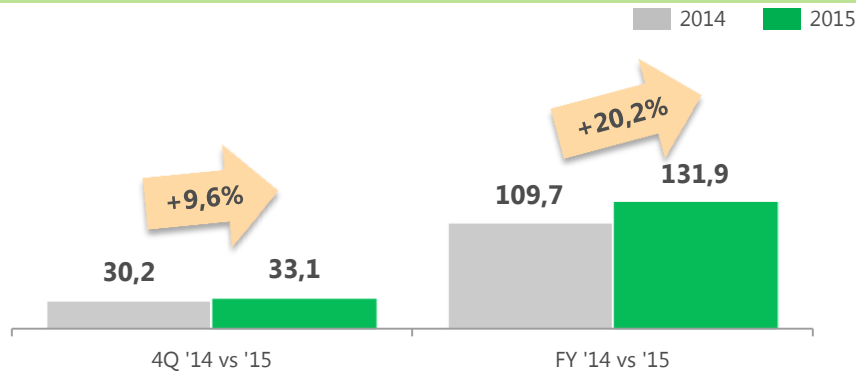
#### EBITDA Highlights

- EBITDA improved by 21%** (compared to 4Q 2014) and by **39%** (compared to FY 2014) primarily driven by **Bernburg contribution** (starting in December 2014) and **cost management**

## IES Financial Highlights

### Strong quarter driven by contribution from Solarca, successfully acquired in April and integrated during 2015

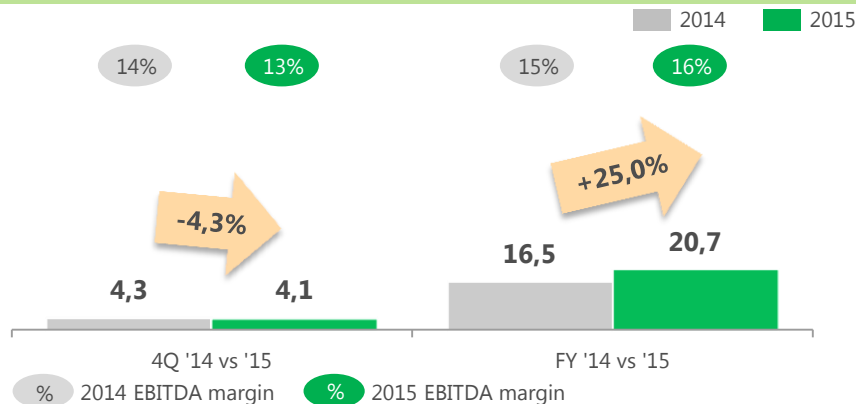
#### IES Revenues (€m)



#### Revenues Highlights

- During 4Q 2015 revenues increased by 10% (compared to 2014) and improved by 20% on full year basis vs 2014, mainly driven by the Solarca acquisition

#### IES EBITDA (€m)



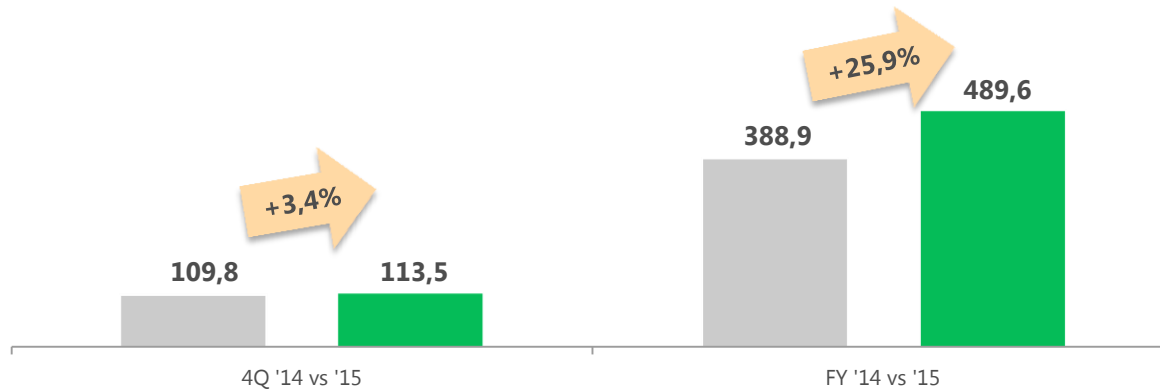
#### EBITDA Highlights

- 4Q 2015 EBITDA remained approx. flat compared to the same period of 2014, and improved by 25% on a full year basis vs 2014, primarily due to contribution from Solarca acquisition

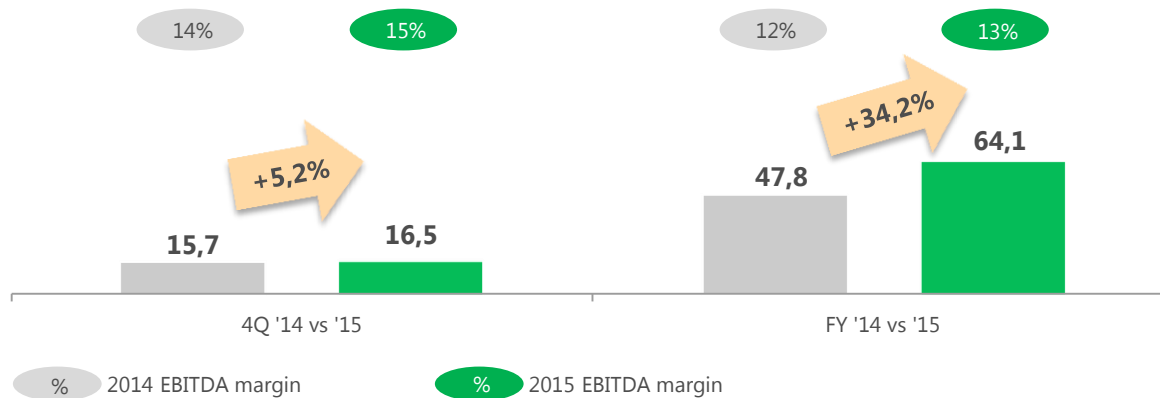
## Consolidated Non-Zinc Financial Highlights

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

#### Non-Zinc Revenues (€m)



#### Non-Zinc EBITDA (€m)

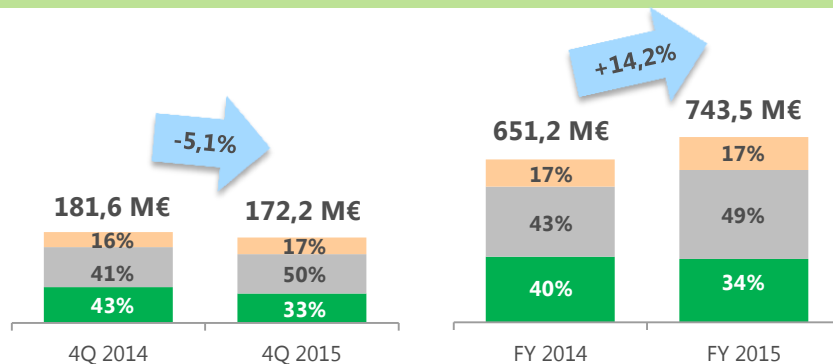


## Consolidated Financial Highlights

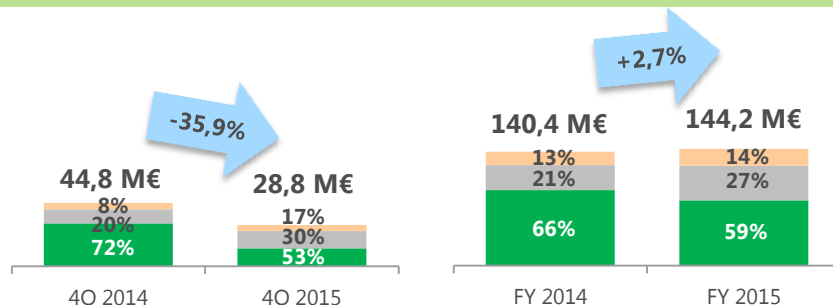


### 2015 revenues up 14% and EBITDA up 3% vs. 2014

#### Revenues (€m)



#### EBITDA (€m)



#### EBITDA Margin (% Revenues)

BEFESA	2014	2015
Steel	38,9%	20,9%
Alum.	12,1%	14,7%
IES	14,3%	12,5%

BEFESA	2014	2015
Steel	35,3%	31,5%
Alum.	10,8%	11,8%
IES	15,1%	15,7%

#### Highlights

- 2015 **consolidated revenues** amounted to €744 million, **+14% growth** compared to 2014, mainly driven by **Bernburg** (since Dec '14) and **Solarca** (since April '15)
- 2015 **consolidated EBITDA** amounted to €144 million, **+3% increase** vs 2014 ... over proportional Alu growth impact business unit mix
- 2015 EBITDA margin at solid 19%.**
- Ongoing implementation of **cost reduction** and **productivity improvement initiatives**

### 2015 EBITDA Up 3% or €4 million vs. 2014

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

##### BEFESA

Profit & Loss Statement ('000 euros)	4Q 2014	4Q 2015	Change	FY 2014	FY 2015	Change
Revenue	181.562	172.227	(9.335)	651.193	743.504	92.311
<b>EBITDA</b>	<b>44.832</b>	<b>28.753</b>	(16.079)	<b>140.405</b>	<b>144.183</b>	3.778
Depreciation, amortisation and impairment provisions	(11.705)	(67.362)	(55.657)	(46.283)	(101.678)	(55.395)
Financial result	(18.818)	(16.953)	1.865	(61.901)	(63.274)	(1.373)
Earnings before taxes	14.432	(55.647)	(70.079)	32.520	(20.594)	(53.114)
<b>Net income</b>	<b>8.325</b>	<b>(57.561)</b>	(65.886)	<b>20.940</b>	<b>(35.729)</b>	(56.669)

#### Highlights

- During **2015** the **revenue of the Group** amounted to **744 million** euros (**172 million in 4Q'14**) and the **EBITDA** amounted to **144 million** euros (**29 million in 4Q'14**). A **3% EBITDA YoY increase** and a **14% revenue YoY increase**.
- **Depreciation, amortization and impairment provisions** in **2015** increased **120% YoY**, mainly driven due to the **extraordinary write-down of book value** made in 2015 to the tangible assets of **Befesa Valorización de Azufre (BVA)**, sold at the end of December.
- **Financial result** in 2015 **decreased 2% YoY** and **Earning before taxes decreases** driven by the one time write-down previously commented.

- **Operating activities:** During 2015 the net cash flows generated by operating activities amounted to **€53,6 million** (a €7,7 million decrease compared to 2014), mainly due to the higher payment of the PIK Interest in 2015 (€14,7m vs €9,5m in 2014).
- **Investing activities:** During 2015 the net cash flows used in investing activities were **€22,2 million**, mainly driven by the **construction of the 2<sup>nd</sup> kiln in our current plant in South Korea**, the Bernburg plant, the yearly **maintenance capex** invested, partially offset by the cash received in the **sale of the Sulfur plant**.
- **Financing activities:** During 2015 the net cash flows used in financing activities were **€52 million** due basically to the repayment of **the Korea facility loan (€20 million)**, **partial repayment of the Non Zinc Loan of more than €30 million** (with the proceeds of the sale of BVA) and leasings.
- **Liquidity:** As of December 31st 2015, our liquidity amounted to **€57,3 million** including only cash on hand. Befesa is **compliant with its debt covenants**

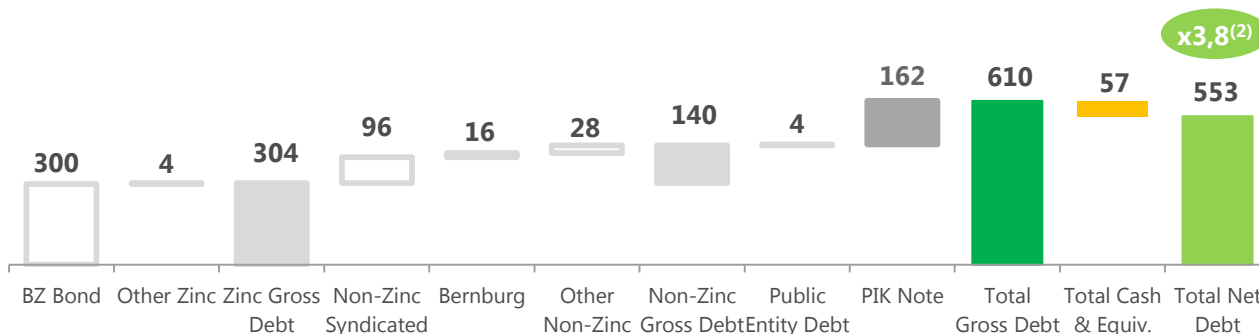
### BEFESA

Cash Flow Statement ('000)	4Q 2014	4Q 2015	Change	2014	2015	Change
Cash flows from operations	51.681	29.387	(22.294)	124.578	124.283	(295)
Taxes paid	(4.609)	(4.681)	(72)	(13.734)	(12.109)	1.625
Interest paid	(13.713)	(26.464)	(12.751)	(49.543)	(58.579)	(9.036)
<b>Net cash flows from operating activities (I)</b>	<b>33.359</b>	<b>(1.758)</b>	(35.117)	<b>61.301</b>	<b>53.595</b>	(7.706)
<b>Net cash flows from investing activities (II)</b>	<b>(6.939)</b>	<b>16.931</b>	23.870	<b>(39.938)</b>	<b>(22.237)</b>	17.701
<b>Net cash flows from financing activities (III)</b>	<b>(5.909)</b>	<b>(32.003)</b>	(26.094)	<b>(8.033)</b>	<b>(52.322)</b>	(44.289)
<b>Net increase in cash and cash equivalents (I+II+III+IV)</b>	<b>20.784</b>	<b>(17.229)</b>	(38.013)	<b>13.603</b>	<b>(21.362)</b>	(34.965)
<b>Cash and cash equivalents at beginning of year</b>	<b>57.831</b>	<b>74.482</b>	16.651	<b>65.012</b>	<b>78.615</b>	13.603
<b>Cash and cash equivalents at end of year</b>	<b>78.615</b>	<b>57.253</b>	(21.362)	<b>78.615</b>	<b>57.253</b>	(21.362)

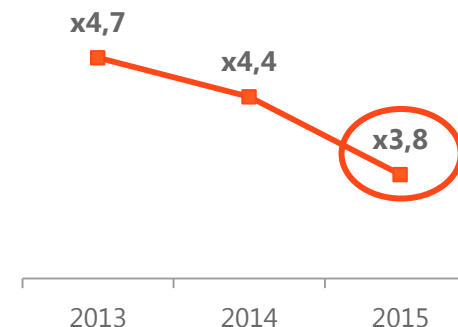
**Solid and stable financing position at 3 levels (Zinc, Non-Zinc and Corporate) with total leverage at x3,8**



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



**Leverage Evolution**



**Continue improvement of financial leverage ... from x4,7 (2013) and x4,4 (2014) to current x3,8 (2015)**

(1) Excludes Factoring and Confirming of 51,9 M€

(2) Consolidated EBITDA of 144,2 M€ as of December 31<sup>st</sup> 2015

(3) Zinc EBITDA of 80,1 M€ as of December 31<sup>st</sup> 2015

(4) Non Zinc EBITDA of 64,1 M€ as of December 31<sup>st</sup> 2015

## Javier Molina

**Chief Executive Officer**

### Main priorities for 2016 - focus on parallel path of profitable growth for the next years and operational excellence

#### Main priorities for 2016

- **Preserve the cash position** by managing properly the operating cash flows, working capital and capex
- Ensure we **maintain our leadership position in Steel dust and salt slag in Europe**
- Sustain **full capacity** in our new secondary aluminum plant **in Bernburg**
- **Increase and secure the volume** of our plant **in South Korea**, a key market for Befesa
- **Maintain the operational excellence culture**

## Questions

Introduction

Business  
Highlights

Zinc Business  
Performance

Non-Zinc Business  
Performance

Financials

Business  
Outlook

Q&A

Appendix



<b>BEFESA</b>						
<b>Profit &amp; Loss Statement ('000 euros)</b>	<b>4Q 2014</b>	<b>4Q 2015</b>	<b>Change</b>	<b>FY 2014</b>	<b>FY 2015</b>	<b>Change</b>
From continuing operations:						
Revenue	181.562	172.227	(9.335)	651.193	743.504	92.311
+/- Changes in inventories of finished goods and work in progress	(4.149)	4.202	8.351	(6.625)	2.591	9.216
Cost of sales	(83.151)	(88.447)	(5.296)	(295.446)	(365.380)	(69.934)
Other income	11.845	4.429	(7.416)	19.476	12.273	(7.203)
Employee benefits expense	(24.968)	(26.742)	(1.774)	(92.060)	(104.038)	(11.978)
Other expenses	(36.307)	(36.916)	(609)	(136.133)	(144.767)	(8.634)
Depreciation, amortisation and impairment provisions	(11.705)	(67.362)	(55.657)	(46.283)	(101.678)	(55.395)
<b>EBIT</b>	<b>33.127</b>	<b>(38.609)</b>	<b>-71.736</b>	<b>94.122</b>	<b>42.505</b>	<b>(51.617)</b>
Finance income	1.877	728	(1.149)	3.970	2.660	(1.310)
Finance costs	(20.554)	(19.189)	1.365	(66.796)	(65.371)	1.425
Exchange differences	(141)	1.508	1.649	925	(563)	(1.488)
<b>Financial result</b>	<b>(18.818)</b>	<b>(16.953)</b>	<b>1.865</b>	<b>(61.901)</b>	<b>(63.274)</b>	<b>(1.373)</b>
Share of profit of companies carried using the equity method	123	(85)	(208)	299	175	(124)
<b>EBT</b>	<b>14.432</b>	<b>(55.647)</b>	<b>(70.079)</b>	<b>32.520</b>	<b>(20.594)</b>	<b>(53.114)</b>
Income tax expense	(6.107)	(1.914)	4.193	(11.580)	(15.135)	(3.555)
<b>Result from continuing operations</b>	<b>8.325</b>	<b>(57.561)</b>	<b>(65.886)</b>	<b>20.940</b>	<b>(35.729)</b>	<b>(56.669)</b>
<b>From discontinuing operations:</b>						
Profit for the year from discontinued operations	-	-	-	-	-	-
<b>Net income</b>	<b>8.325</b>	<b>(57.561)</b>	<b>(65.886)</b>	<b>20.940</b>	<b>(35.729)</b>	<b>(56.669)</b>
Attributable to:						
Owners of the parent	<b>7.264</b>	<b>(53.189)</b>	<b>(60.453)</b>	<b>17.198</b>	<b>(33.303)</b>	<b>(50.501)</b>
Non-controlling interests	<b>1.061</b>	<b>(4.372)</b>	<b>(5.433)</b>	<b>3.742</b>	<b>(2.426)</b>	<b>(6.168)</b>

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

Assets	31.12.15	31.12.14	Equity and liabilities	31.12.15	31.12.14
<b>Non-current assets</b>			<b>Equity:</b>		
<b>Intangible assets</b>			<b>Attributable to owners of the parent -</b>		
Goodwill	379.990	373.860	Share capital	13	13
Other intangible assets	18.009	22.176	Reserve for valuation adjustments deferred in equity	9.261	9.355
	<b>397.999</b>	<b>396.036</b>	Share premium	400.495	400.495
<b>Property, plant and equipment -</b>			Other reserves	(180.191)	(250.276)
Property, plant and equipment in use	346.536	364.447	Translation differences	(2.857)	(1.534)
Property, plant and equipment in progress	16.188	47.185	Net profit for the period	(33.303)	17.198
	<b>362.724</b>	<b>411.632</b>		<b>193.418</b>	<b>175.251</b>
<b>Investments carried under the equity method</b>	<b>1.526</b>	<b>1.650</b>	<b>Non-controlling interests</b>	<b>32.762</b>	<b>35.581</b>
<b>Non-current assets -</b>			<b>Total equity</b>	<b>226.180</b>	<b>210.832</b>
Securities portfolio	2.702	4.439			
Other financial assets	24.346	21.453	<b>Non-current liabilities:</b>		
	<b>27.048</b>	<b>25.892</b>	<b>Provisions</b>	12.928	14.833
<b>Deferred income tax assets</b>	<b>81.400</b>	<b>78.128</b>	<b>Recourse borrowings</b>	523.185	585.751
<b>Total non-current assets</b>	<b>870.697</b>	<b>913.338</b>	<b>Finance lease payables</b>	7.535	2.151
			<b>Deferred income tax liabilities</b>	40.765	41.652
			<b>Other non-current liabilities</b>	33.034	106.725
			<b>Total non-current liabilities</b>	<b>617.447</b>	<b>751.112</b>
<b>Current assets:</b>					
<b>Inventories</b>	<b>48.488</b>	<b>41.900</b>	<b>Recourse borrowings</b>	<b>74.951</b>	<b>33.300</b>
<b>Trade and other receivables</b>	<b>87.046</b>	<b>77.432</b>	<b>Finance lease payables</b>	<b>2.621</b>	<b>1.329</b>
Trade receivables, related parties	2.856	1.835	<b>Trade payables, related parties</b>	<b>1.688</b>	<b>1.935</b>
Tax receivables	13.935	17.510	<b>Trade and other accounts payable</b>	<b>115.898</b>	<b>106.627</b>
Other receivables	8.538	4.490	Provisions	139	152
Other current financial assets	4.005	3.546	<b>Other payables -</b>		
Cash and cash equivalents	57.253	78.615	Taxes payable	19.441	16.633
<b>Total current assets</b>	<b>222.121</b>	<b>225.328</b>	Other current liabilities	34.453	16.746
				<b>53.894</b>	<b>33.379</b>
			<b>Total current liabilities</b>	<b>249.191</b>	<b>176.722</b>
<b>Total Assets</b>	<b>1.092.818</b>	<b>1.138.666</b>	<b>Total equity and liabilities</b>	<b>1.092.818</b>	<b>1.138.666</b>

<b>BEFESA</b>						
<b>Cash Flow Statement ('000)</b>	<b>4Q 2014</b>	<b>4Q 2015</b>	<b>Change</b>	<b>2014</b>	<b>2015</b>	<b>Change</b>
<b>Cash flows from operating activities:</b>						
<b>Profit (loss) for the period before tax</b>	<b>14.431</b>	<b>(55.647)</b>	<b>(70.078)</b>	<b>32.520</b>	<b>(20.594)</b>	<b>(53.114)</b>
<b>Adjustments due to:</b>						
Depreciation and amortisation charge	1.308	7.865	6.557	35.886	42.181	6.295
Impairment losses	7.953	59.497	51.544	7.953	59.497	51.544
(Profit)/loss from assets disposals	2.622	-	(2.622)	2.622	-	(2.622)
Share of profit (loss) of associates	(124)	85	209	(299)	(175)	124
Changes in long-term provisions	37	(264)	(301)	(285)	(187)	98
Interest income	(1.736)	(728)	1.008	(4.895)	(2.660)	2.235
Finance costs	20.555	17.681	(2.874)	66.796	65.934	(862)
Other income/expenses	(801)	(1.087)	(286)	(1.503)	(1.563)	(60)
<b>Changes in working capital:</b>						
Trade receivables and other current assets	3.503	12.087	8.584	(766)	(9.505)	(8.739)
Inventories	(9.753)	(581)	9.172	2.752	(6.967)	(9.719)
Trade payables	14.124	(9.521)	(23.645)	(13.043)	(1.262)	11.781
<b>Other cash flows from operating activities:</b>						
Interest paid	(13.713)	(26.464)	(12.751)	(49.543)	(58.579)	(9.036)
Taxes paid	(4.609)	(4.681)	(72)	(13.734)	(12.109)	1.625
Other payments	(438)	-	438	(3.160)	(416)	2.744
<b>Net cash flows from operating activities (I)</b>	<b>33.359</b>	<b>(1.758)</b>	<b>(35.117)</b>	<b>61.301</b>	<b>53.595</b>	<b>(7.706)</b>
<b>Cash flows from investing activities:</b>						
Investments in intangible assets	(3.167)	(2.288)	879	(5.216)	(2.754)	2.462
Investments in property, plant and equipment	(18.425)	(13.573)	4.852	(44.927)	(47.435)	(2.508)
Proceeds from disposal of assets	1.324	29.792	28.468	1.324	30.843	29.519
Proceeds from disposal of non-current financial assets	7.279	-	(7.279)	7.576	-	(7.576)
Investments in subsidiaries and other non-current financial assets	1.758	1.656	(102)	-	(3.444)	(3.444)
Investments in other current financial assets	2.211	791	(1.420)	(1.270)	-	1.270
Disbursement due to other current financial assets	(98)	-	98	-	-	-
Interests collected	1.721	293	(1.428)	2.117	293	(1.824)
Dividends	458	260	(198)	458	260	(198)
<b>Net cash flows from investing activities (II)</b>	<b>(6.939)</b>	<b>16.931</b>	<b>23.870</b>	<b>(39.938)</b>	<b>(22.237)</b>	<b>17.701</b>
<b>Cash flows from financing activities:</b>						
Net financial account with Group companies	(1.543)	-	1.543	-	-	-
Bank borrowings and other non-current borrowings	16.967	5.800	(11.167)	21.470	13.479	(7.991)
Repayment of bank borrowings and other long term debt	(21.333)	(37.803)	(16.470)	(29.503)	(65.801)	(36.298)
<b>Net cash flows from financing activities (III)</b>	<b>(5.909)</b>	<b>(32.003)</b>	<b>(26.094)</b>	<b>(8.033)</b>	<b>(52.322)</b>	<b>(44.289)</b>
Effect of foreign exchange rate changes on cash and cash	273	(398)	(671)	273	(398)	(671)
<b>Net increase in cash and cash equivalents (I+II+III+IV)</b>	<b>20.784</b>	<b>(17.229)</b>	<b>(38.013)</b>	<b>13.603</b>	<b>(21.362)</b>	<b>(34.965)</b>
Cash and cash equivalents at beginning of year	57.831	74.482	16.651	65.012	78.615	13.603
<b>Cash and cash equivalents at end of year</b>	<b>78.615</b>	<b>57.253</b>	<b>(21.362)</b>	<b>78.615</b>	<b>57.253</b>	<b>(21.362)</b>

### BEFESA ZINC

#### Balance Sheet ('000 Euros)

Assets	31.12.2015	31.12.2014	Equity and Liabilities	31.12.2015	31.12.2014
<b>Non-Current Assets:</b>			<b>Equity:</b>		
<b>Intangible assets:</b>			<b>Of the Parent:</b>		
Goodwill	278.357	286.287	Share capital	25.010	25.010
Other intangible assets	3.978	6.973	Unrealized Asset and Liability Revaluation Reserve	6.767	6.767
	<b>282.335</b>	<b>293.260</b>	Other reserves	78.621	68.911
<b>Property, plant and equipment:</b>			Translation differences	2.240	1.174
Property, plant and equipment in use	133.961	119.505	Net profit for the year	4.120	24.961
Property, plant and equipment in the course of construction	6.813	10.864		<b>116.758</b>	<b>126.823</b>
	<b>140.774</b>	<b>130.369</b>	<b>Of Minority Interests</b>	<b>15.662</b>	<b>17.488</b>
<b>Investments accounted for using the equity method</b>			<b>Total Equity</b>	<b>132.420</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	4.351	3.945
Other financial assets	667	336	Bank borrowings and finance leases	765	1.012
	<b>2.337</b>	<b>2.006</b>	Non Recourse Finance	297.704	315.857
<b>Derivative financial instruments</b>	<b>0</b>	<b>464</b>	Capital Grants	1.678	2.144
<b>Deferred tax assets</b>	<b>32.592</b>	<b>31.450</b>	Other non-current liabilities	152	12.593
<b>Total Non-Current Assets</b>	<b>458.038</b>	<b>457.549</b>	Derivative financial instruments	217	958
			Deferred tax liabilities	21.104	21.586
<b>Current Assets:</b>			<b>Total Non-Current Liabilities</b>	<b>325.971</b>	<b>358.095</b>
Inventories	13.881	12.638	<b>Current Liabilities:</b>		
Trade and other receivables	25.216	30.588	Non Recourse Finance	<b>3.328</b>	<b>3.688</b>
Trade receivables, related companies	2.970	413	Bank borrowings and finance leases	<b>263</b>	<b>1.604</b>
Tax receivables	3.447	5.240	Trade payables, related companies	<b>6.677</b>	<b>1.874</b>
Other receivables	2.622	1.289	Trade and other payables	<b>28.813</b>	<b>28.542</b>
Derivative financial instruments	423	139	Derivative financial instruments	<b>1.392</b>	<b>2.434</b>
Other current financial assets	6	28	Other payables:		
Cash and cash equivalents	24.348	49.001	Tax payables	8.006	9.100
	<b>72.913</b>	<b>99.336</b>	Other current liabilities	24.081	7.237
<b>Total Current Assets</b>	<b>72.913</b>	<b>99.336</b>		<b>32.087</b>	<b>16.337</b>
			<b>Total Current Liabilities</b>	<b>72.560</b>	<b>54.479</b>
<b>Total Assets</b>	<b>530.951</b>	<b>556.885</b>	<b>Total Equity and Liabilities</b>	<b>530.951</b>	<b>556.885</b>

### BEFESA ZINC

<b>Profit &amp; Loss Statement ('000 euros)</b>	<b>4Q 2014</b>	<b>4Q 2015</b>	<b>Change</b>	<b>FY 2014</b>	<b>FY 2015</b>	<b>Change</b>
Revenue	74.971	58.738	(16.233)	262.156	253.865	(8.291)
Cost of sales	(43.695)	(44.174)	(479)	(157.257)	(156.868)	389
Other operating income	4.732	1.616	(3.116)	10.804	5.534	(5.270)
<b>Gross Profit</b>	<b>36.008</b>	<b>16.180</b>	<b>(19.828)</b>	<b>115.703</b>	<b>102.531</b>	<b>(13.172)</b>
Depreciation and amortization charge	(4.096)	(5.707)	(1.611)	(16.888)	(18.733)	(1.845)
General and administrative expenses	(6.861)	(3.925)	2.936	(23.220)	(22.495)	725
Impairment losses	(2.665)	(9.496)	(6.831)	(2.665)	(9.496)	(6.831)
<b>Income From Operations</b>	<b>22.386</b>	<b>(2.948)</b>	<b>(25.334)</b>	<b>72.930</b>	<b>51.807</b>	<b>(21.123)</b>
Finance income	145	89	(56)	295	293	(2)
Finance costs	(9.685)	(11.312)	(1.627)	(34.866)	(35.031)	(165)
Exchange differences (gains and losses)	184	(530)	(714)	776	(960)	(1.736)
<b>Financial Loss</b>	<b>(9.356)</b>	<b>(11.753)</b>	<b>(2.397)</b>	<b>(33.795)</b>	<b>(35.698)</b>	<b>(1.903)</b>
<b>Profit Before Tax</b>	<b>13.030</b>	<b>(14.701)</b>	<b>(27.731)</b>	<b>39.135</b>	<b>16.109</b>	<b>(23.026)</b>
Income tax	(3.189)	(2.961)	228	(11.751)	(12.699)	(948)
<b>Profit for the year from continuing operations</b>	<b>9.841</b>	<b>(17.662)</b>	<b>(27.503)</b>	<b>27.384</b>	<b>3.410</b>	<b>(23.974)</b>
<b>Profit for the year</b>	<b>9.841</b>	<b>(17.662)</b>	<b>(27.503)</b>	<b>27.384</b>	<b>3.410</b>	<b>(23.974)</b>
<b>Attributable to:</b>						
Shareholders of the parent	9.252	(16.489)	(25.741)	24.961	4.120	(20.841)
Minority interests	589	(1.173)	(1.762)	2.423	(710)	(3.133)
<b>EBITDA</b>	<b>29.147</b>	<b>12.255</b>	<b>(16.892)</b>	<b>92.483</b>	<b>80.036</b>	<b>(12.447)</b>

### BEFESA ZINC

#### Cash Flow Statement ('000 euros)

	4Q 2014	4Q 2015	Change	FY 2014	FY 2015	Change
<b>Cash Flows From Operating Activities</b>						
<b>Profit for the period before tax</b>	<b>13.030</b>	<b>(14.701)</b>	(27.731)	<b>39.135</b>	<b>16.109</b>	(23.026)
<b>Adjustments due to:</b>						
Amortization/ Depreciation	4.096	5.707	1.611	16.888	18.733	1.845
Impairment test	2.665	9.496	6.831	2.665	9.496	6.831
(Profit)/Loss on disposal of non-current assets	(13)	(8)	5	32	6	(26)
Change in provisions	(1)	141	142	265	311	46
Financial income	(145)	(89)	56	(295)	(293)	2
Financial expense	9.685	11.312	1.627	34.866	35.031	165
Income from government grants	(146)	(85)	61	(573)	(466)	107
Exchange differences	(184)	530	714	(776)	960	1.736
<b>Change in working capital:</b>						
Change in trade receivables and other receivables	3.450	5.875	2.425	(1.148)	3.823	4.971
Change in inventories	1.926	1.008	(918)	3.752	(1.972)	(5.724)
Change other current assets	1.271	1.869	598	1.894	(4.730)	(6.624)
Change in other current liabilities	(1.833)	(4.816)	(2.983)	(6.556)	(891)	5.665
<b>Cash generated from operations</b>	<b>33.801</b>	<b>16.239</b>	(17.562)	<b>90.149</b>	<b>76.117</b>	(14.032)
Taxes paid	(1.740)	(2.676)	(936)	(9.416)	(8.232)	1.184
Interest paid	(15.693)	(16.047)	(354)	(32.872)	(33.158)	(286)
Interest received	145	89	(56)	295	293	(2)
<b>Net Cash Flows From Operating Activities (I)</b>	<b>16.513</b>	<b>(2.395)</b>	(18.908)	<b>48.156</b>	<b>35.020</b>	(13.136)
<b>Cash Flows From Investing Activities</b>						
Purchase of intangible assets	(126)	(37)	89	(139)	(113)	26
Purchase of property, plant and equipment	(3.083)	(3.951)	(868)	(5.207)	(23.947)	(18.740)
Proceeds from disposal of assets	0	8	8	2	1.059	1.057
Other non-current financial assets	24	0	(24)	19	(331)	(350)
Capital grants received	0	0	0	0	0	0
<b>Net Cash Flows From Investing Activities (II)</b>	<b>(3.185)</b>	<b>(3.980)</b>	(795)	<b>(5.325)</b>	<b>(23.332)</b>	(18.007)
<b>Cash flows from financing activities</b>						
Repayment of borrowings and other long-term debt	(538)	(63)	475	(14.746)	(21.668)	(6.922)
Long Term borrowings	(250)	0	250	0	0	0
Distribution of dividends/capital reduction	(820)	(8.435)	(7.615)	(11.250)	(14.673)	(3.423)
<b>Net Cash Flows From Financing Activities (III)</b>	<b>(1.608)</b>	<b>(8.498)</b>	(6.890)	<b>(25.996)</b>	<b>(36.341)</b>	(10.345)
<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>11.720</b>	<b>(14.873)</b>	(26.593)	<b>16.860</b>	<b>(24.653)</b>	(41.513)
Cash and cash equivalents at beginning of the period	37.309	39.221	1.912	32.169	49.001	16.832
<b>Cash and cash equivalents at end of the period</b>	<b>49.029</b>	<b>24.348</b>	(24.681)	<b>49.029</b>	<b>24.348</b>	(24.681)