

BEFESA

BEFESA

FY 2014 Earnings Presentation

26th February 2015

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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.

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Rafael Pérez

Head of Strategy & Investor Relations

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Javier Molina

Chief Executive Officer

Annual revenues of €651 million, Up 4% compared to 2013. Higher volumes in steel and secondary aluminum

Strong Annual EBITDA of €140 million, up 16% YoY. Margins at 21,6% above 19,2% of 2013. Cost savings and new South Korea plant

Solid and stable financing position at 3 levels (Zinc, Non-Zinc, Corporate) with total leverage at x4,4

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

Cost savings plan delivering positive results in line with expectations

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Asier Zarraonandia

Managing Director of Zinc Business

Strong performance in crude steel in 2014 with growth in volumes. South Korean plant delivering at full capacity. Still weak stainless steel.

Operational Performance

▪ EAF Throughput

- 156.084 tons of crude steel dust treated in 4Q 2014 (+**1,9%** vs. 4Q 2013), and 605.564 tons treated in FY 2014 (+**10,5%** vs. 2013)

▪ WOX Sales

- 55.491 tons of WOX sold in 4Q 2014 (+**1,2%** vs. 4Q 2013), and 208.918 tons sold in FY 2014 (+**9,6%** vs. 2013)

▪ Stainless Steel Throughput:

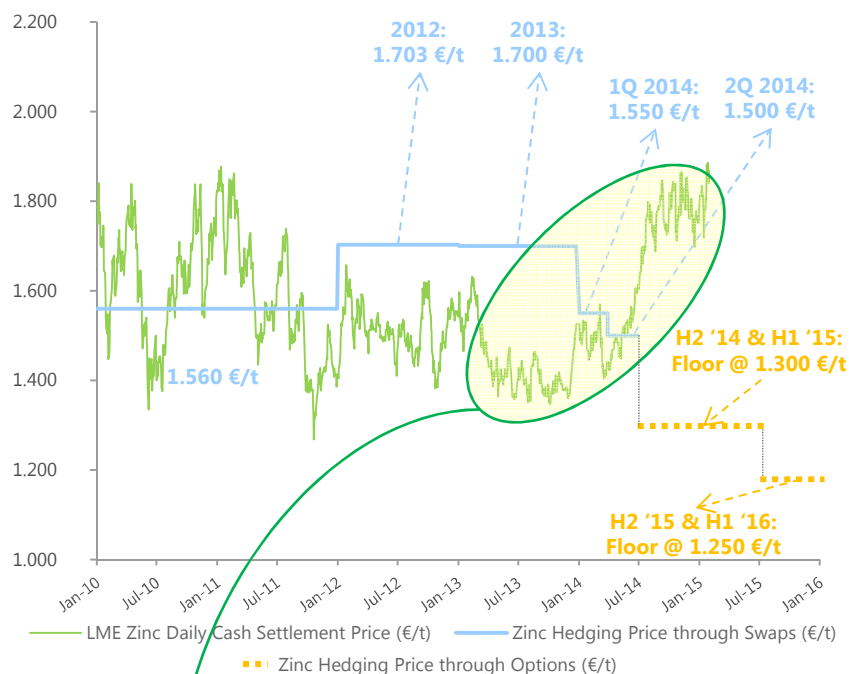
- 29.035 tons of stainless steel dust treated in 4Q 2014 (+**19,8%** vs. 4Q 2013); 89.268 tons treated in FY 2014 (-**15,7%** vs. 2013)

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 (included from 3Q 2013)
- Still **weak** volumes in **stainless steel**
- **No extraordinary stoppages** apart from annual standstills



Zinc prices during the 4Q 2014 maintained the upward trend seen during 2014 ending the quarter close to 1.800 €/t



Zinc Prices

- During the **4Q 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.

| | 4Q | | | Full Year | | |
|---------------------------------|-------|-------|--------|-----------|-------|--------|
| | 2013 | 2014 | % Var. | 2013 | 2014 | % Var. |
| Befesa Blended Zinc Price (€/t) | 1.575 | 1.789 | +14% | 1.603 | 1.644 | +3% |
| Avg. LME Zinc Price (€/t) | 1.402 | 1.789 | +28% | 1.438 | 1.632 | +13% |

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

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Javier Molina

Chief Executive Officer

Alu performance mainly driven by stronger secondary aluminum volumes while salt slag volumes remains in line with previous year

Operational Performance

▪ Salt Slag/SPLs Recycled

- 120.660 tons of salt slag/SPL recycled in 4Q 2014 (+**18%** vs. 4Q 2013); 432.174 tons in FY 2014 (-**1,1%** vs. 2013)

▪ Secondary Aluminum Alloys

- 30.482 tons of alloys produced in 4Q 2014 (+**2%** vs. 4Q 2013); 126.464 tons in FY 2014 (+**11%** vs. 2013)

Highlights

- **Strong secondary aluminum volumes over the 4Q** (thanks to **start of operations of Bernburg** in Dec '14) **and whole 2014** versus previous year
- **Good salt slag and SPLs volumes over the 4Q 2014** versus previous year **helping to achieve full year similar performance (-1,1% compared to 2013)**



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

Bernburg

- Construction of the **plant finalized** as planned, cold and hot **commissioning successfully carried out**
- **Operational production started 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**

Industry Environmental Solution (IES) Growth

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

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Wolf Lehmann

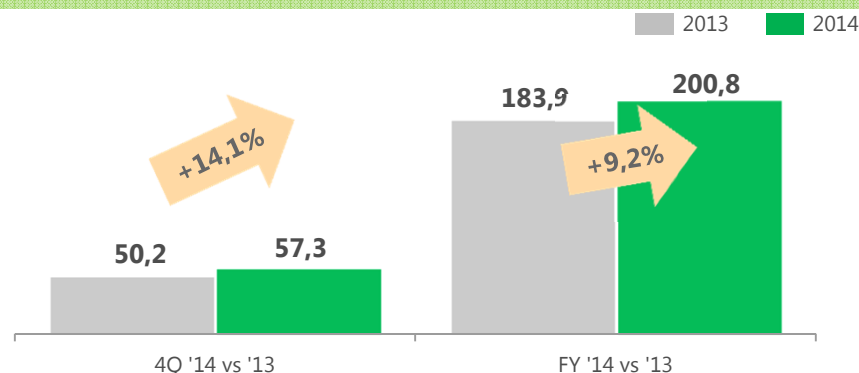
Chief Financial Officer

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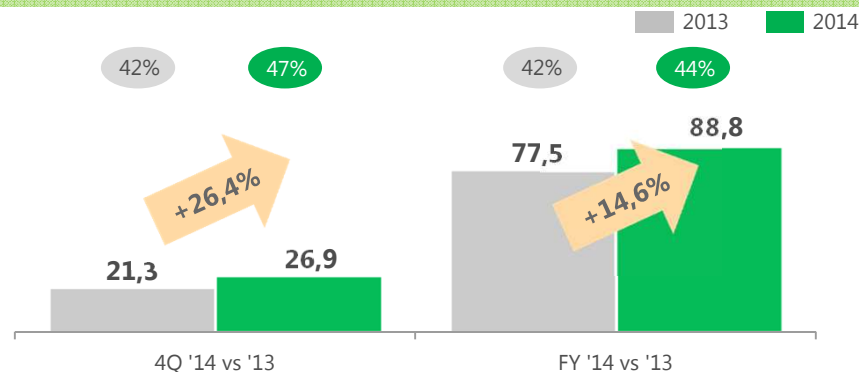
Zinc Financial Highlights

Strong crude steel segment 4Q 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

4Q Highlights Y-o-Y

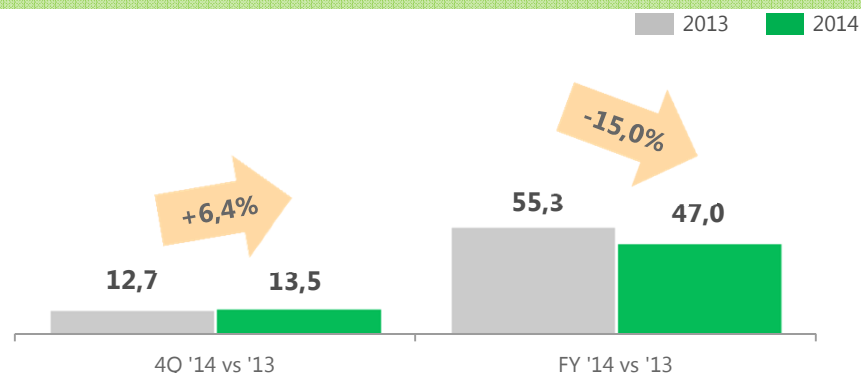
- Crude steel dust segment revenues increased by 14% and EBITDA by 26% in 4Q YoY. Main drivers were:
 - Zinc blended price increased by 14%**
 - 28% increase** in average LME zinc prices compared to 4Q 2013
 - No zinc price hedging for 2H 2014**, compared to 1.700 €/t closed for 2013
 - 1% increase** in tons of **WOX sold** compared to 4Q 2013
 - Cost saving contribution to higher EBITDA**

FY Highlights Y-o-Y

- On an annual basis, crude steel dust segment revenues and EBITDA increased year over year by 9% and 15% respectively. Main drivers were:
 - 9,6% increase** in tons of **WOX sold** compared to 2013 mainly driven by **Korean plant**
 - 3% increase** in **zinc blended price**
 - 13% increase in average LME zinc prices
 - Zinc price hedged @ 1.550 €/t for 1Q '14, @ 1.500 €/t for 2Q '14, and no hedging for 2H '14; compared to 1.700 €/t closed for the whole 2013
 - Cost saving contribution to higher EBITDA**

Positive stainless steel quarter mainly driven by higher volumes and cost saving measures despite stainless market still depressed

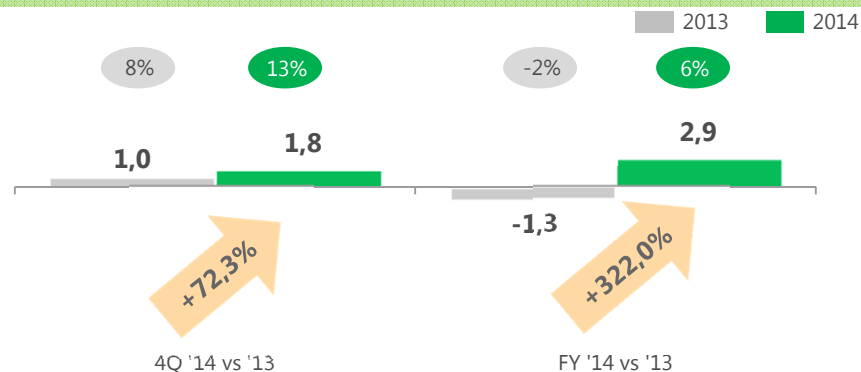
Stainless Revenues (€m)



Revenues Highlights

- During **4Q 2014** Stainless steel dust segment revenues increased by 6% compared to the same period of 2013 mainly due to **higher volumes of stainless steel dust (+20%)**
- In **2014** Stainless steel segment revenue decreased by 15% YoY driven by the **reduction of tons treated (-16%), alloys sold (-54%), offset by increase in average nickel prices (+12%)**

Stainless EBITDA (€m)



EBITDA Highlights

- The 4Q 2014 **EBITDA improved to positive** figure mainly driven by **cost management** compared to the same period of 2013
- Annual EBITDA improved to +€2,9M** compared to 2013 mainly driven by **cost management**

% 2013 EBITDA margin % 2014 EBITDA margin

Cash flow generation influenced by the results of the operations

- **Operating activities:** During 2014 the net cash flows generated by operating activities amounted to **€48,2 million** (a **€25,0 million increase** compared to 2013), mainly driven by higher volumes of WOX sold, better zinc prices and cost saving measures
- **Investing activities:** During 2014 the net cash flows used in investing activities were **€5,3 million** primarily for **maintenance needs** of our plants.
- **Financing activities:** During 2014 Befesa Zinc paid a **dividend to its shareholder** for **€10,3 million** and additionally we used **the € 12 million** of equity contribution we made in South Korea (as part of the 3rd phase of the South Korea plant acquisition) **to pay back part of the loan** from the Korea's minority shareholders that was still in our balance.
- **Liquidity:** As of December 31st 2014, our liquidity amounted to **€49,0 million** including cash on hand and short-term financial investments. Befesa Zinc is compliant with its debt covenants.

BEFESA ZINC

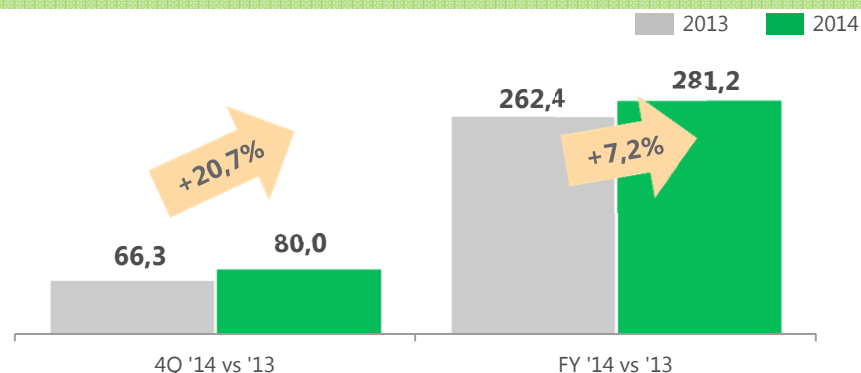
| <i>Cash Flow Statement ('000 euros)</i> | 4Q 2013 | 4Q 2014 | Change | FY 2013 | FY 2014 | Change |
|--|----------------|----------------|---------------|-----------------|-----------------|---------------|
| Cash generated from operations | 18.869 | 33.801 | 14.932 | 60.676 | 90.149 | 24.473 |
| Taxes paid | (2.596) | (1.740) | 856 | (9.526) | (9.416) | 110 |
| Interest paid | (13.962) | (15.693) | (1.731) | (30.662) | (32.872) | (2.210) |
| Interest received | 103 | 145 | 42 | 2.663 | 295 | (2.368) |
| Net cash flows from operating activities (I) | 2.414 | 16.513 | 14.099 | 23.151 | 48.156 | 25.005 |
| Net cash flows from investing activities (II) | (2.964) | (3.185) | (221) | (34.018) | (5.325) | 28.693 |
| Net cash flows from financing activities (III) | (1.710) | (1.608) | 102 | (25.388) | (25.996) | (608) |
| Effect in change of the perimeter (IV) | 0 | 0 | 0 | 0 | 25 | 25 |
| Net increase in cash and cash equivalents (I+II+III+IV) | (2.260) | 11.720 | 13.980 | (36.255) | 16.860 | 53.115 |
| Cash and cash equivalents BoP | 34.429 | 25.247 | | 68.424 | 32.169 | |
| Cash and cash equivalents EoP | 32.169 | 36.967 | | 32.169 | 49.029 | |

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Aluminum Financial Highlights

Strong 2014 EBITDA of €30m (11% margin) driven mainly by cost savings initiatives and Alu volumes and prices

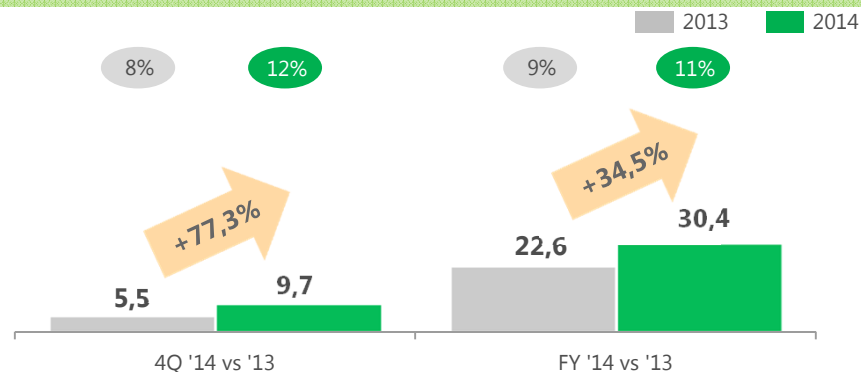
Aluminum Revenues (€m)



Revenues Highlights

- During **4Q 2014** revenues increased **21%** mainly driven by **higher aluminum prices (+24%)**, **stronger salt slag and SPLs volumes (+18%)** and **better secondary aluminum alloys production volumes (+2%)**
- On an **annual** basis, **revenues** of the business unit **increased by 7%** explained by **higher secondary aluminum alloys production volumes (+11%)** and **better aluminum prices (+8%)**, partially offset by slightly weaker salt slag and SPLs volumes (-1,1%)

Aluminum EBITDA (€m)



EBITDA Highlights

- EBITDA during 4Q 2014 improved by 77%** primarily driven by **cost management**
- Annual EBITDA increased by 34%** compared to the same period in the previous year mainly due to savings from cost measures in place

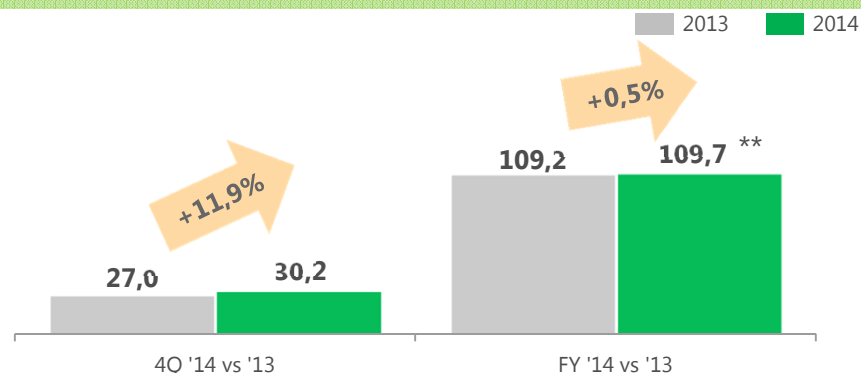
% 2013 EBITDA margin % 2014 EBITDA margin

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IES Financial Highlights

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

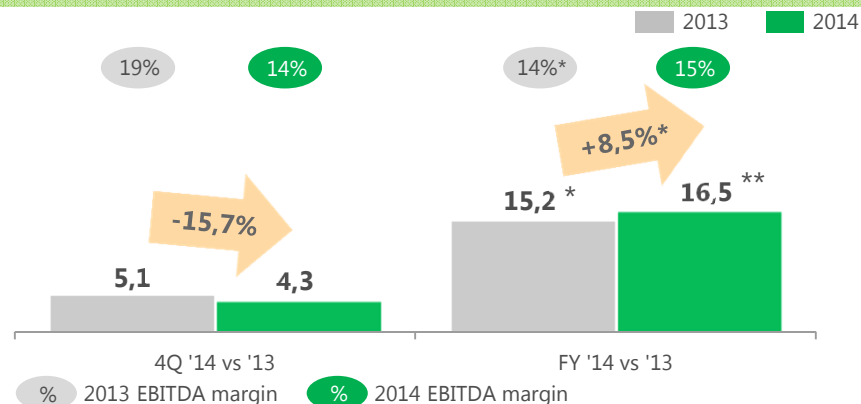
IES Revenues (€m)



Revenues Highlights

- **Lower** volumes in **residues treated** in **Spain and Latin America**. Slightly **higher volumes** in **Sulfur** segment
- **Good 4Q at revenue** level (+12% compared to the same period of 2013) finalizing 2014 with a **0,5% increase** in **annual** revenues **despite still slow Spanish and Latin American industrial environments**

IES EBITDA (€m)



EBITDA Highlights

- **Annual EBITDA increased by 8,5%*** or €1,3 million* primarily due to **savings from rigorous cost measures** across all the divisions
- Includes the **electric tariff full-year retroactive adjustment (-€0,5m)** in Sulfur on **3Q '14** Revenues and EBITDA

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

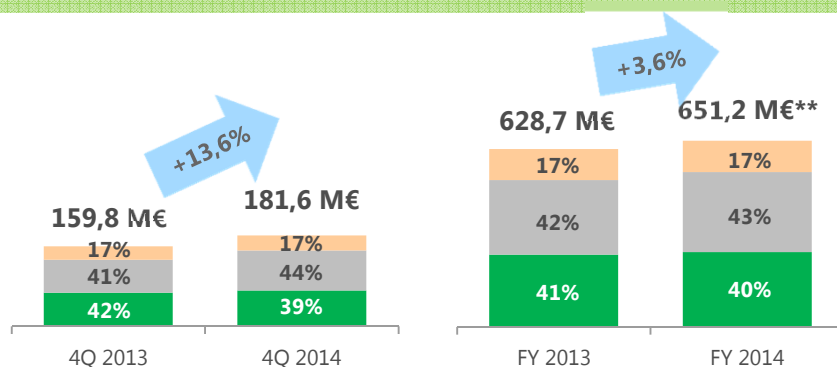
** Includes electric tariff full-year retroactive adjustment in Sulfur on 3Q 2014 of -€0,5 million.

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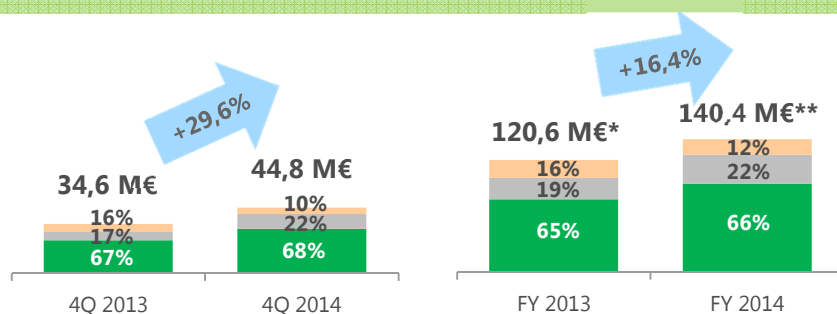
Consolidated Financial Highlights

Strong EBITDA growth and margin improvement in 4Q 2014 reflects the positive impact of cost management and higher Zinc / Alu prices

Revenues (€m)



EBITDA (€m)



EBITDA Margin (% Revenues)

| BEFESA | 21,6% | 24,7% |
|--------|-------|-------|
| Steel | 32,5% | 40,6% |
| Alum. | 8,2% | 12,1% |
| IES | 19,0% | 14,3% |

| | 19,2% | 21,6% |
|--|--------|-------|
| | 30,1% | 35,3% |
| | 8,6% | 10,8% |
| | 17,2%* | 15,1% |

Highlights

- 4Q 2014 **consolidated revenues** amounted to €182 million, **14% 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 ... **24,7% EBITDA as % of Sales** vs. 21,6% 4Q'13. Focused cost savings initiative.
- Positive price effect in Zinc and Aluminum in the 4Q 2014 compared to previous year**

* 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 14% in 2013.

** Includes electric tariff full-year retroactive adjustment in Sulfur on 3Q 2014 of -€0,5 million.

4Q 2014 EBITDA Up 30% or €10 million vs. 2013 ... Net Income Up 145% or €27 million

Consolidated P&L ('000 euros)

BEFESA

| Profit & Loss Statement ('000 euros) | 4Q 2013 | 4Q 2014 | Change | FY 2013 | FY 2014 | Change |
|--|-----------------|----------------|---------|------------------|----------------|---------|
| Revenue | 159.826 | 181.562 | 21.736 | 628.655 | 651.193 | 22.538 |
| EBITDA | 34.595 | 44.832 | 10.237 | * 120.640 | 140.405 | 19.765 |
| Depreciation, amortisation and impairment provisions | (51.062) | (11.705) | 39.357 | (75.247) | (46.283) | 28.964 |
| Financial result | (10.846) | (18.818) | (7.972) | (52.131) | (61.900) | (9.769) |
| Earnings Before Taxes | (27.265) | 14.432 | 41.697 | (6.542) | 32.520 | 39.062 |
| Net Income | (18.535) | 8.325 | 26.860 | (1.429) | 20.940 | 22.369 |

Highlights

- During **2014** the **revenue of the Group** amounted to **651 million** euros (**182 million in 4Q'14**) and the **EBITDA** amounted to **140 million** euros (**45 million in 4Q'14**). A **16,4% EBITDA YoY increase** and a **3,6% revenue YoY increase** driven by **cost and price improvements**.
- **Depreciation, amortization and impairment provisions** in **2014** decreased **38% YoY**, due to the extraordinary write-offs made in 2013 to the **goodwill of some subsidiaries** recorded in Befesa.
- **Financial result** in 2014 **decreased 19% YoY** driven principally by the **extraordinary financial income in 2013** due to the sale of some subsidiaries linked to the purchase process of Befesa by Triton.

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

- **Operating activities:** During 2014 the net cash flows generated by operating activities amounted to **€61,3 million** (a €147,3 million increase compared to 2013), mainly due to **better** performance of the **working capital**, the reduction in the **taxes paid** and the **strong results of the** 2014 year.
- **Investing activities:** During 2014 the net cash flows used in investing activities were **€39,9 million**, mainly driven by the **construction of the Bernburg plant** and the yearly **maintenance capex** invested.
- **Financing activities:** During 2014 the net cash flows used in financing activities were **€8,0 million** coming basically from by the repayment of **loans and leasings** partially offset with the **financing** of the Bernburg plant.
- **Liquidity:** As of December 31st 2014, our liquidity amounted to **€78,6 million** including only cash on hand. Befesa is **compliant with its debt covenants**

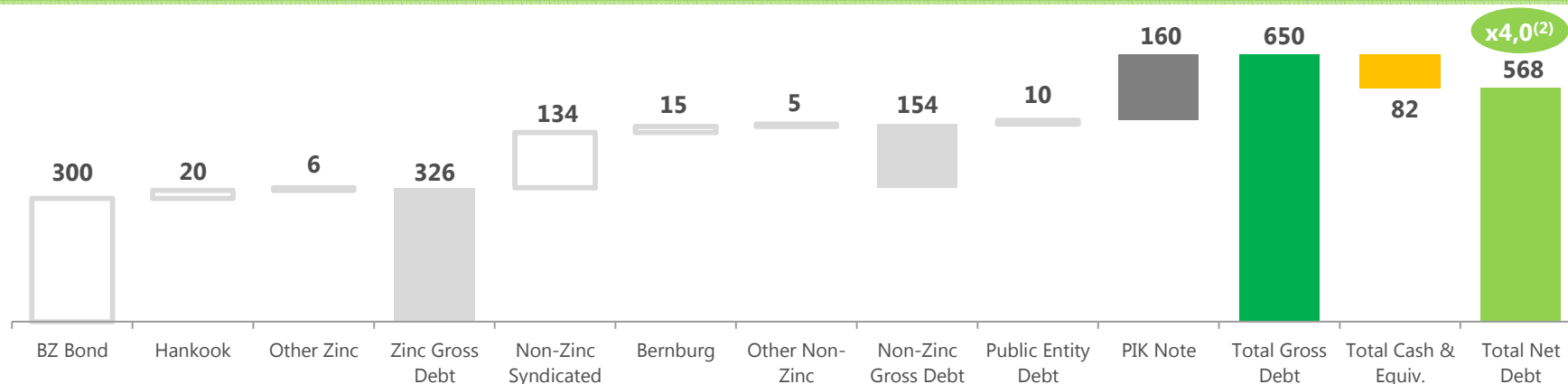
BEFESA

| Cash Flow Statement ('000 euros) | 4Q 2013 | 4Q 2014 | Change | 2013 | 2014 | Change |
|---|---------------|--------------|--------|---------------|---------------|--------|
| Cash flow from operations | 62,8 | 51,7 | (11,2) | (7,0) | 124,6 | 131,6 |
| Taxes paid | (10,6) | (4,6) | 6,0 | (23,7) | (13,7) | 9,9 |
| Interest paid | (24,1) | (13,7) | 10,4 | (55,3) | (49,5) | 5,8 |
| Net cash flows from operating activities (I) | 28,1 | 33,4 | 5,2 | (86,0) | 61,3 | 147,3 |
| Net cash flows from investing activities (II) | 3,1 | (6,9) | (10,0) | (6,6) | (39,9) | (33,4) |
| Net cash flows from financing activities (III) | (15,3) | (5,9) | 9,3 | 78,3 | (8,0) | (86,4) |
| Net increase in cash and cash equivalents (I+II+III) | 16,0 | 20,8 | 4,8 | (14,3) | 13,6 | 27,9 |
| Cash and cash equivalents BoP | 48,8 | 57,8 | 9,0 | 79,0 | 65,0 | (14,0) |
| Cash and cash equivalents EoP | 64,8 | 78,6 | 13,8 | 64,8 | 78,6 | 13,8 |

Solid and stable financing position at 3 levels (Zinc, Non-Zinc and Corporate) with total leverage at x4,4



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



(1) Excludes Factoring and Confirming of 57,4 M€

(2) Assuming December 31st 2014 Consolidated EBITDA of 140,4 M€

(3) Assuming December 31st 2014 Zinc EBITDA of 92,5 M€

(4) Assuming December 31st 2014 Non Zinc EBITDA of 47,8 M€

x#,# December YTD 2014 Net Debt / Dec. 31st 2014 Consolidated EBITDA

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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

- **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
- Maintain **operational excellence efforts** in order to **achieve additional cost savings** for 2015 in a sustainable manner
- **Increase our presence in Turkey in steel dust** as a key market for Befesa Zinc
- **Grow in new geographies in IES business**, specially in the **services business**

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Questions

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BEFESA

| Profit & Loss Statement ('000 euros) | 4Q 2013 | 4Q 2014 | Change | FY 2013 | FY 2014 | Change |
|---|-----------------|-----------------|----------|-----------------|-----------------|----------|
| From continuing operations: | | | | | | |
| Revenue | 159.826 | 181.562 | 21.736 | 628.655 | 651.193 | 22.538 |
| +/- Changes in inventories of finished goods and work in progress | (2.159) | (4.149) | (1.990) | 5.103 | (6.625) | (11.728) |
| Cost of sales | (68.870) | (83.151) | (14.281) | (298.961) | (295.446) | 3.515 |
| Other income | 2.778 | 11.845 | 9.067 | * 15.017 | 19.476 | 4.459 |
| Employee benefits expense | (23.872) | (24.968) | (1.096) | (90.941) | (92.060) | (1.119) |
| Other expenses | (33.108) | (36.307) | (3.199) | (138.233) | (136.133) | 2.100 |
| Depreciation, amortisation and impairment provisions | (51.062) | (11.705) | 39.357 | (75.247) | (46.283) | 28.964 |
| EBIT | (16.467) | 33.127 | 49.594 | 45.393 | 94.122 | 48.729 |
| Finance income | (1.376) | 1.877 | 3.253 | 17.201 | 3.970 | (13.231) |
| Finance costs | (9.301) | (20.554) | (11.253) | (68.961) | (66.795) | 2.166 |
| Exchange differences | (169) | (141) | 28 | (371) | 925 | 1.296 |
| Financial result | (10.846) | (18.818) | (7.972) | (52.131) | (61.900) | (9.769) |
| Share of profit of companies carried using the equity method | 48 | 123 | 75 | 196 | 298 | 102 |
| EBT | (27.265) | 14.432 | 41.697 | (6.542) | 32.520 | 39.062 |
| Income tax expense | 8.730 | (6.107) | (14.837) | 5.113 | (11.580) | (16.693) |
| Result from continuing operations | (18.535) | 8.325 | 26.860 | (1.429) | 20.940 | 22.369 |
| From discontinuing operations: | | | | | | |
| Profit for the year from discontinued operations | 0 | 0 | 0 | 0 | 0 | 0 |
| Net income | (18.535) | 8.325 | 26.860 | (1.429) | 20.940 | 22.369 |
| Attributable to: | | | | | | |
| Owners of the parent | (18.745) | 7.264 | 26.009 | (2.919) | 17.198 | 20.117 |
| Non-controlling interests | 210 | 1.061 | 851 | 1.490 | 3.742 | 2.252 |

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

BEFESA

Balance Sheet ('000 euros)

| Assets | 31.12.14 | 31.12.13 | Equity and liabilities | 31.12.14 | 31.12.13 |
|--|------------------|------------------|--|------------------|------------------|
| Non-current assets | | | Equity: | | |
| Intangible assets | | | Attributable to owners of the parent - | | |
| Goodwill | 373.860 | 373.860 | Share capital | 13 | 13 |
| Other intangible assets | 22.177 | 22.426 | Reserve for valuation adjustments deferred in equity | 9.355 | 9.632 |
| | 396.037 | 396.286 | Share premium | 400.495 | 400.495 |
| Property, plant and equipment - | | | Other reserves | (250.276) | (235.054) |
| Property, plant and equipment in use | 364.447 | 367.175 | Translation differences | (1.534) | (3.991) |
| Property, plant and equipment in progress | 47.184 | 17.699 | Net profit for the period | 17.198 | 6.771 |
| | 411.631 | 384.874 | | 175.251 | 177.866 |
| Investments carried under the equity method | 1.650 | 1.809 | Non-controlling interests | 35.581 | 36.392 |
| Non-current assets - | | | Total equity | 210.832 | 214.258 |
| Securities portfolio | 4.439 | 4.791 | | | |
| Other financial assets | 21.453 | 32.995 | Non-current liabilities: | | |
| | 25.892 | 37.786 | Provisions | 14.833 | 43.493 |
| Deferred income tax assets | 78.128 | 107.890 | Non-recourse borrowing | 475.306 | 464.833 |
| Total non-current assets | 913.338 | 928.645 | Recourse borrowings | 110.737 | 121.629 |
| | | | Finance lease payables | 1.859 | 2.248 |
| Current assets: | | | Deferred income tax liabilities | 41.652 | 42.471 |
| Inventories | 41.900 | 41.206 | Other non-current liabilities | 106.725 | 69.219 |
| Trade and other receivables | 77.432 | 66.769 | Total non-current liabilities | 751.112 | 743.893 |
| Trade receivables, related parties | 1.835 | 20.301 | | | |
| Tax receivables | 17.510 | 15.341 | Non-recourse borrowings | 7.965 | 10.165 |
| Other receivables | 4.490 | 8.447 | Recourse borrowings | 25.502 | 21.222 |
| Other current financial assets | 3.546 | 8.298 | Finance lease payables | 1.162 | 1.068 |
| Cash and cash equivalents | 78.615 | 65.012 | Trade payables, related parties | 1.935 | 4.320 |
| Total current assets | 225.328 | 225.374 | Trade and other accounts payable | 106.627 | 116.544 |
| | | | Provisions | 152 | 278 |
| Total Assets | 1.138.666 | 1.154.019 | Other payables - | | |
| | | | Taxes payable | 16.633 | 13.887 |
| | | | Other current liabilities | 16.746 | 28.384 |
| | | | | 33.379 | 42.271 |
| | | | Total current liabilities | 176.722 | 195.868 |
| | | | Total equity and liabilities | 1.138.666 | 1.154.019 |

BEFESA

| Cash Flow Statement ('000) | 4Q 2013 | 4Q 2014 | Change | 2013 | 2014 | Change |
|--|-----------------|----------------|-----------------|-----------------|-----------------|-----------------|
| Cash flows from operating activities: | | | | | | |
| Profit (loss) for the period before tax | (27.265) | 14.432 | 41.697 | (6.542) | 32.520 | 39.062 |
| Adjustments due to: | | | | | | |
| Depreciation and amortisation charge | 12.685 | 9.261 | (3.424) | 36.870 | 43.839 | 6.969 |
| Impairment losses on goodwill | 32.435 | - | (32.435) | 32.435 | - | (32.435) |
| Impairment losses on property, plant and equipment | 7.616 | 2.622 | (4.994) | 7.616 | 2.622 | (4.994) |
| Share of profit (loss) of associates | (48) | (123) | (75) | (196) | (298) | (102) |
| Changes in long-term provisions | 2.508 | 37 | (2.471) | 2.392 | (285) | (2.677) |
| Interest income | 1.375 | (1.736) | (3.111) | (17.201) | (4.895) | 12.306 |
| Finance costs | 9.470 | 20.554 | 11.084 | 69.332 | 66.795 | (2.537) |
| Other income/expenses | (4.951) | (801) | 4.150 | (5.500) | (1.503) | 3.997 |
| Changes in working capital: | | | | | | |
| Trade receivables and other current assets | 12.565 | 3.502 | (9.063) | (10.268) | (766) | 9.502 |
| Inventories | (4.348) | (9.754) | (5.406) | (12.166) | 2.751 | 14.917 |
| Trade payables | 22.116 | 14.124 | (7.992) | (96.591) | (13.043) | 83.548 |
| Other cash flows from operating activities: | | | | | | |
| Interest paid | (24.141) | (13.713) | 10.428 | (55.329) | (49.543) | 5.786 |
| Taxes paid | (10.572) | (4.608) | 5.964 | (23.663) | (13.733) | 9.930 |
| Provisions paid | (1.316) | (438) | 878 | (7.182) | (3.160) | 4.022 |
| Net cash flows from operating activities (I) | 28.129 | 33.359 | 5.230 | (85.993) | 61.301 | 147.294 |
| Cash flows from investing activities: | | | | | | |
| Investments in intangible assets | (1.952) | (3.167) | (1.215) | (4.251) | (5.216) | (965) |
| Investments in property, plant and equipment | (7.508) | (18.425) | (10.917) | (23.463) | (44.927) | (21.464) |
| Proceeds from disposal of assets | 1.361 | 1.324 | (37) | 4.623 | 1.324 | (3.299) |
| Proceeds from disposal of non-current financial assets | (3.610) | 28 | 3.638 | (243) | - | 243 |
| Investments in subsidiaries and other non-current financial assets | 686 | 3.969 | 3.283 | (18.058) | (1.270) | 16.788 |
| Disbursement due to other current financial assets | 12.279 | 7.153 | (5.126) | 32.975 | 7.576 | (25.399) |
| Interests collected | 1.832 | 1.721 | (111) | 1.832 | 2.117 | 285 |
| Dividends | - | 458 | 458 | - | 458 | 458 |
| Net cash flows from investing activities (II) | 3.088 | (6.939) | (10.027) | (6.585) | (39.938) | (33.353) |
| Cash flows from financing activities: | | | | | | |
| Net financial account with Group companies | 1 | (418) | (419) | 4.705 | 1.125 | (3.580) |
| Bank borrowings and other non-current borrowings | (9.419) | 15.842 | 25.261 | 148.692 | 20.345 | (128.347) |
| Repayment of bank borrowings and other long term debt | (5.833) | (21.065) | (15.232) | (75.079) | (29.235) | 45.844 |
| Dividends paid | - | (268) | (268) | - | (268) | (268) |
| Net cash flows from financing activities (III) | (15.251) | (5.909) | 9.342 | 78.318 | (8.033) | (86.351) |
| Effect of foreign exchange rate changes on cash and cash equivalents | - | 273 | 273 | - | 273 | 273 |
| Net increase in cash and cash equivalents (I+II+III+IV) | 15.966 | 20.784 | 4.818 | (14.260) | 13.603 | 27.863 |
| Cash and cash equivalents at beginning of year | 48.813 | 57.831 | 9.018 | 79.039 | 65.012 | (14.027) |
| Cash and cash equivalents at end of year | 64.779 | 78.615 | 13.836 | 64.779 | 78.615 | 13.836 |

BEFESA ZINC

Balance Sheet ('000 Euros)

| Assets | 31.12.2014 | 31.12.2013 | Equity and Liabilities | 31.12.2014 | 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 | 6.973 | 8.818 | Unrealized Asset and Liability Revaluation Reserve | 6.767 | 7.322 |
| | 293.260 | 295.105 | Other reserves | 68.911 | 82.093 |
| Property, plant and equipment: | | | Translation differences | 1.174 | (890) |
| Property, plant and equipment in use | 119.505 | 127.802 | Net profit for the year | 24.961 | 6.235 |
| Property, plant and equipment in the course of construction | 10.864 | 3.561 | | 126.823 | 119.770 |
| | 130.369 | 131.363 | Of Minority Interests | 17.488 | 19.191 |
| Investments accounted for using the equity method | | | Total Equity | 144.311 | 138.961 |
| Non-current financial assets: | | | Non-Current Liabilities: | | |
| Investments securities | 1.670 | 1.674 | Provisions for contingences and expenses | 15.896 | 15.455 |
| Other financial assets | 336 | 352 | Bank borrowings and finance leases | 1.012 | 2.174 |
| | 2.006 | 2.026 | Non Recourse Finance | 315.857 | 314.534 |
| Derivative financial instruments | 464 | 0 | Capital Grants | 2.144 | 2.717 |
| Deferred tax assets | 43.401 | 41.366 | Other non-current liabilities | 12.593 | 227 |
| Total Non-Current Assets | 469.500 | 469.860 | Derivative financial instruments | 958 | 0 |
| | | | Deferred tax liabilities | 21.586 | 22.349 |
| Current Assets: | | | Total Non-Current Liabilities | 370.046 | 357.456 |
| Inventories | 12.638 | 12.944 | Current Liabilities: | | |
| Trade and other receivables | 30.588 | 29.449 | Non Recourse Finance | 3.688 | 3.699 |
| Trade receivables, related companies | 413 | 11.007 | Bank borrowings and finance leases | 1.604 | 2.627 |
| Tax receivables | 5.240 | 3.846 | Trade payables, related companies | 1.874 | 3.272 |
| Other receivables | 1.289 | 3.503 | Trade and other payables | 28.542 | 28.345 |
| Derivative financial instruments | 139 | 236 | Derivative financial instruments | 2.434 | 0 |
| Other current financial assets | 28 | 0 | Other payables: | | |
| Cash and cash equivalents | 49.001 | 32.169 | Tax payables | 9.100 | 5.383 |
| | 99.336 | 93.154 | Other current liabilities | 7.237 | 23.271 |
| Total Current Assets | 99.336 | 93.154 | | 16.337 | 28.654 |
| | | | Total Current Liabilities | 54.479 | 66.597 |
| Total Assets | 568.836 | 563.014 | Total Equity and Liabilities | 568.836 | 563.014 |

BEFESA ZINC

| Profit & Loss Statement ('000 euros) | 4Q 2013 | 4Q 2014 | Change | FY 2013 | FY 2014 | Change |
|---|-----------------|----------------|---------------|-----------------|-----------------|---------------|
| Revenue | 67.080 | 74.971 | 7.891 | 253.181 | 262.156 | 8.975 |
| Cost of sales | (40.644) | (43.695) | (3.051) | (159.036) | (157.257) | 1.779 |
| Other operating income | 957 | 4.732 | 3.775 | 5.007 | 10.804 | 5.797 |
| Gross Profit | 27.393 | 36.008 | 8.615 | 99.152 | 115.703 | 16.551 |
| Depreciation and amortization charge | (4.408) | (4.096) | 312 | (15.697) | (16.888) | (1.191) |
| General and administrative expenses | (5.633) | (6.861) | (1.228) | (23.056) | (23.220) | (164) |
| Impairment losses | (20.388) | (2.665) | 17.723 | (20.388) | (2.665) | 17.723 |
| Income From Operations | (3.036) | 22.386 | 25.422 | 40.011 | 72.930 | 32.919 |
| Finance income | 103 | 145 | 42 | 2.663 | 295 | (2.368) |
| Finance costs | (8.528) | (9.685) | (1.157) | (32.247) | (34.866) | (2.619) |
| Exchange differences (gains and losses) | (306) | 184 | 490 | 256 | 776 | 520 |
| Financial Loss | (8.731) | (9.356) | (625) | (29.328) | (33.795) | (4.467) |
| Profit Before Tax | (11.767) | 13.030 | 24.797 | 10.683 | 39.135 | 28.452 |
| Income tax | 2.876 | (3.189) | (6.065) | (2.797) | (11.751) | (8.954) |
| Profit for the year from continuing operations | (8.891) | 9.841 | 18.732 | 7.886 | 27.384 | 19.498 |
| Profit for the year | (8.891) | 9.841 | 18.732 | 7.886 | 27.384 | 19.498 |
| Attributable to: | | | | | | |
| Shareholders of the parent | (9.050) | 9.252 | 18.302 | 6.235 | 24.961 | 18.726 |
| Minority interests | 159 | 589 | 430 | 1.651 | 2.423 | 772 |
| EBITDA | 21.760 | 29.147 | 7.387 | 76.096 | 92.483 | 16.387 |

BEFESA ZINC

Cash Flow Statement ('000 euros)

| | 4Q 2013 | 4Q 2014 | Change | FY 2013 | FY 2014 | Change |
|--|-----------------|----------------|----------|-----------------|-----------------|----------|
| Cash Flows From Operating Activities | | | | | | |
| Profit for the period before tax | (11.767) | 13.030 | 24.797 | 10.683 | 39.135 | 28.452 |
| Adjustments due to: | | | | | | |
| Amortization/ Depreciation | 4.408 | 4.096 | (312) | 15.697 | 16.888 | 1.191 |
| Impairment Test | 20.388 | 2.665 | (17.723) | 20.388 | 2.665 | (17.723) |
| Impairment Test | 0 | 0 | 0 | 0 | 0 | 0 |
| (Profit)/Loss on disposal of non-current assets | 173 | (13) | (186) | 212 | 32 | (180) |
| Change in provisions | 143 | (1) | (144) | (3.978) | 265 | 4.243 |
| Financial income | (103) | (145) | (42) | (2.663) | (295) | 2.368 |
| Financial expense | 8.528 | 9.685 | 1.157 | 32.247 | 34.866 | 2.619 |
| Income from government grants | (148) | (146) | 2 | (612) | (573) | 39 |
| Exchange differences | 306 | (184) | (490) | (256) | (776) | (520) |
| Change in working capital: | | | | | | |
| Change in trade receivables and other receivables | (1.174) | 3.450 | 4.624 | 2.117 | (1.148) | (3.265) |
| Change in inventories | 1.345 | 1.926 | 581 | 4.273 | 3.752 | (521) |
| Change other current assets | 215 | 1.271 | 1.056 | (1.521) | 1.894 | 3.415 |
| Change in other current liabilities | (3.445) | (1.833) | 1.612 | (15.911) | (6.556) | 9.355 |
| Cash generated from operations | 18.869 | 33.801 | 14.932 | 60.676 | 90.149 | 24.473 |
| Taxes paid | (2.596) | (1.740) | 856 | (9.526) | (9.416) | 110 |
| Interest paid | (13.962) | (15.693) | (1.731) | (30.662) | (32.872) | (2.210) |
| Interest received | 103 | 145 | 42 | 2.663 | 295 | (2.368) |
| Net Cash Flows From Operating Activities (I) | 2.414 | 16.513 | 14.099 | 23.151 | 48.156 | 25.005 |
| Cash Flows From Investing Activities | | | | | | |
| Purchase of intangible assets | (53) | (126) | (73) | (4.622) | (139) | 4.483 |
| Purchase of property, plant and equipment | (3.533) | (3.083) | 450 | (10.381) | (5.207) | 5.174 |
| Proceeds from disposal of assets | 268 | 0 | (268) | 251 | 2 | (249) |
| Acquisition/(disposal) of new subsidiaries | 366 | 0 | (366) | (19.212) | 0 | 19.212 |
| Other non-current financial assets | (12) | 24 | 36 | (54) | 19 | 73 |
| Capital grants received | 0 | 0 | 0 | 0 | 0 | 0 |
| Net Cash Flows From Investing Activities (II) | (2.964) | (3.185) | (221) | (34.018) | (5.325) | 28.693 |
| Cash flows from financing activities | | | | | | |
| Repayment of borrowings and other long-term debt | (666) | (538) | 128 | (787) | (14.746) | (13.959) |
| Long Term borrowings | (862) | (250) | 612 | 18.623 | 0 | (18.623) |
| Distribution of dividends/capital reduction | (182) | (820) | (638) | (43.224) | (11.250) | 31.974 |
| Net Cash Flows From Financing Activities (III) | (1.710) | (1.608) | 102 | (25.388) | (25.996) | (608) |
| 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) | (2.260) | 11.720 | 13.980 | (36.255) | 16.860 | 53.115 |
| Cash and cash equivalents at beginning of the period | 34.429 | 25.247 | (9.182) | 68.424 | 32.169 | (36.255) |
| Cash and cash equivalents at end of the period | 32.169 | 36.967 | 4.798 | 32.169 | 49.029 | 16.860 |