Statement for the

Third Quarter 2017

BEFESA

KEY FIGURES

BEFESA Third Quarter 2017

Key Figures (€ million, unless specified otherwise)

	Three-month period ended Sep. 30, (*)			Nine-month period ended Sep. 30, (*)		
	2017	2016	Change in %	2017	2016	Change in %
Revenue (1)	173.5	149.6	16.0%	547.9	450.4	21.7%
EBITDA (2)	41.3	35.4	16.8%	112.1	88.1	27.2%
Adjusted EBITDA (3)	43.1	35.8	20.5%	126.2	89.7	40.8%
Adjusted EBITDA margin (%) (3)	24.8%	23.9%	0.9 p.p.	23.0%	19.9%	3.1 p.p.
EBIT (4)	34.6	27.0	28.4%	90.2	63.1	43.0%
Adjusted EBIT (5)	36.9	28.2	30.9%	106.0	67.4	57.4%
Adjusted EBIT margin (%) (5)	21.3%	18.9%	2.4 p.p.	19.4%	15.0%	4.4 p.p.
Financial result	(12.5)	(13.8)	-9.3%	(35.7)	(33.3)	7.4%
Income before taxes and minority interests	22.1	13.1	68.1%	54.5	29.9	82.6%
Net income (real, non-adjusted)	6.6	3.7	77.4%	41.7	12.5	233.5%
Total assets (as of September 30 for 2017; as of December 31 for 2016)	1,019.0	1,028.8	-0.9%	1,019.0	1,028.8	-0.9%
Capital expenditures (6)	6.3	3.8	66.7%	17.5	14.0	25.6%
Cash flow from operating activities	21.5	27.0	-20.4%	53.9	36.5	47.7%
Cash and cash equivalents at the end of the period	87.9	61.2	43.6%	87.9	61.2	43.6%
Net debt (as of September 30 for 2017; as of December 31 for 2016)	450.7	470.6	-4.2%	450.7	470.6	-4.2%
Leverage (7)	2.7 x	3.5 x		2.7 x	3.5 x	
Number of employees (as of September 30)	1,130	1,141	-1.0%	1,130	1,141	-1.0%

Notes on Non-IFRS Measures (Alternative Performance Measures):

This report includes Alternative Performance Measures (APMs), including EBITDA, Adjusted EBITDA, Adjusted EBITDA margin, EBIT, Adjusted EBIT, Adjusted EBIT margin, net debt and capital expenditures which are not measures of liquidity or financial performance under International Financial Reporting Standards (IFRS). These non-IFRS measures should not be considered in isolation or as an alternative to results from operating activities, cash flow from operating, investing or financing activities, or other financial measures of our results of operations or liquidity derived in accordance with IFRS. We include APMs in this report because we believe that they are useful measures of our performance and liquidity. Other companies, including those in our industry, may calculate similarly titled financial measures differently than we do. Because all companies do not calculate these financial measures in the same manner, our presentation of such financial measures may not be comparable to other similarly titled measures of other companies. These APMs are not audited. A reconciliation of EBITDA, Adjusted EBITDA, and Adjusted EBIT to our IFRS operating result (EBIT) is presented on page 5 of this report.

(1) Revenue figures are compiled from our accounting records and are unaudited figures.

(2) EBITDA has been calculated based on operating result, adding back charges taken for amortization/depreciation, impairments and provisions.

(3) Adjusted EBITDA is calculated by adjusting EBITDA to account for the impact of one time effects (including holding and restructuring effects).
Adjusted EBITDA margin is calculated as the ratio of Adjusted EBITDA to Revenue.

(4) EBIT is equal to operating result as shown in the consolidated income statement (page 11) for the respective period.
Our operating result is the closest reconcilable line item presented in the financial statements to EBITDA, Adjusted EBITDA and Adjusted EBIT.

(5) Adjusted EBIT has been calculated based on the reported operating result adjusted for holding, restructuring and other one-time effects.
Adjusted EBIT margin is calculated as the ratio of Adjusted EBIT to Revenue.

(6) Capital expenditure includes maintenance capital expenditures, growth capital expenditures, and expenditures for IT, productivity, compliance and other.
Figures are based on our accounting records and may deviate from cash expenses actually incurred.

(7) Leverage calculated as Net Debt / Adjusted EBITDA. Leverage in 2017 is calculated using Adjusted EBITDA of the Last Twelve Months (LTM) as of September 30, 2017

(*) Except for Total assets and Net debt figures, which are as of September 30th, 2017 compared to as of December 31, 2016.

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BUSINESS OVERVIEW

KEY HIGHLIGHTS

Initial Public Offering on Nov 3, 2017

On November 3, 2017, Befesa S.A. (Befesa) became a listed company on the regulated market (Prime Standard) of the Frankfurt Stock Exchange. Befesa is trading under the ticker symbol BFSA and the International Securities Identification Number (ISIN) LU1704650164. The final offer price was €28.00 per share.

The successful Initial Public Offering provides Befesa with better access to the capital markets, allowing for increased flexibility to continue along its growth path going forward.

Extended Hedges until mid-2020

Under the prior zinc hedging program, for 2017 and 2018, Befesa fixed the price per ton of zinc in euro for more than half of the expected volume of zinc contained in the Waelz oxide by entering into financial swap agreements with several financial institutions. Befesa has further strengthened its hedging strategy and extended the hedging both in terms of volume percentage as well as period covered. During the month of October, Befesa has extended its zinc hedges covering a period until mid-2020, consistently hedging over 70% of the expected volume of zinc contained in Waelz oxide for the respective years. The extended hedging program improves earnings and cash flow visibility.

Refinancing and New Facility

On October 19, 2017, Befesa, S.A. as parent company and certain of its subsidiaries entered into a €636.0 million facilities agreement. The facilities agreement was priced and syndicated following the successful completion of the IPO.

The New Senior Facilities Agreement is comprised of a term loan facility (“TLB Facility”) in the amount of €526 million at an interest rate of Euribor 3M +275 basis points and no floor, a revolving credit facility (“RCF”) of €75 million, and a guarantee facility of €35 million. This new capital structure will be effective as of December 7, 2017 and will allow Befesa to significantly lower its interest costs and debt service. The current more expensive capital structure contains, among other instruments, a High Yield Bond (HYB) of approximately €300 million at a 8.875% interest rate and a Pay In Kind (PIK) Toggle Note of approximately €150 million at an interest rate of approximately 11%. The debt refinancing is expected to be completed in the week of December 4, 2017. The proceeds from any borrowings under the TLB Facility will be used to repay the PIK, HYB and additional bank loans as well as any related fees and expenses.

This new facility has been fully syndicated among debt investors and will improve the net debt and cash position of the Group.

Moody’s and S&P’s Credit Ratings

On November 7, 2017, Moody's Investors Service (“Moody’s”) assigned a Ba3 (outlook positive) corporate family rating (CFR) to Befesa S.A. This rating reflects Moody’s preliminary credit opinion prior to the final syndication of securities. “Upon a conclusive review of the final documentation, as well as the final terms of the transaction, Moody's will endeavor to assign definitive ratings to the new contemplated notes.”

On November 7, 2017, Standard and Poors Global Rating (“S&P”) issued a research update and assigned Befesa S.A. a preliminary BB- long-term corporate credit rating (outlook stable). S&P’s “final ratings will depend on receipt and satisfactory review of all final transaction documentation.”

Befesa S.A. was rated for the first time, and both Moody’s and S&P consider improving the ratings for outstanding debt once the refinancing is complete.

RESULTS OF OPERATIONS, NOTES ON ADJUSTED EBIT, FINANCIAL POSITION AND LIQUIDITY OF THE GROUP

Revenue

Consolidated revenue from continuing operations was €547.9 million for the nine-month period ended September 30, 2017, compared to €450.4 million during the same period in 2016, representing an increase of 21.7% (or €97.5 million) year on year. The increase was primarily due to increased revenues from Waelz oxide sales and stronger revenues from aluminium production due to increased volume as well as higher prices for both zinc and aluminium alloys, respectively.

Notes on Adjusted EBIT

In order to better assess the operational business performance at Group level and for the individual segments, Befesa additionally calculates the adjusted EBIT, which is not defined by International Financial Reporting Standards (IFRS). This indicator is viewed as supplementary to the data prepared according to IFRS and it is not a substitute.

Adjusted EBIT is EBIT before one-off items. These are effects which, because of their nature or scope, may have a particular impact on earnings but which it would seem inappropriate to include in the assessment of business performance over several reporting periods. One-off items may include items such as write-downs, reversal of impairment charges, consultancy and restructuring expenses and income from the reversal of provisions established in this connection, or certain IT expenses, among others.

The **adjusted EBIT margin** is calculated as the ratio of adjusted EBIT to revenue and serves as an indicator of relative earning power at Group level and for the individual segments.

Adjusted EBIT

Consolidated **adjusted EBIT** was €106.0 million for the nine months ended September 30, 2017 compared with €67.4 million for the comparable period ended September 30, 2016, representing an increase of 57.4% (or €38.7 million). Consolidated adjusted EBIT margin (adjusted EBIT divided by revenue) in the first nine months of 2017 was 19.4% compared with 15.0% in the first nine months of 2016.

The significant increase in the Group's earnings year-on-year is mainly due to benefits from higher volumes in the two core businesses Steel Dust Recycling and Aluminium Salt Slags Recycling Services, increasing zinc and aluminium alloy market prices, as well as from the continued implementation of operational excellence initiatives across the entire organization.

During the first nine months of 2017, earnings have been negatively impacted by the effect of hedging zinc prices by approximately €35.7 million due to the difference between the average hedged zinc price (approximately €1,875 per ton for approximately 59% of the zinc payable output) and the average market (LME) zinc price during the period (approximately €2,500 per ton on average during the first nine months of 2017).

A reconciliation of EBITDA, adjusted EBITDA, and adjusted EBIT to our IFRS operating result (EBIT) is presented in the tables below:

Reconciliation to Adjusted EBIT(DA) (€ million)

	Three-month period ended Sep.	
	2017	2016
EBIT (Operating profit/(loss))	**34.6**	**27.0**
- Depreciation, amortization, impairment and provisions	6.7	8.4
EBITDA	**41.3**	**35.4**
- Total Adjustments to EBITDA	1.8	0.4
Adjusted EBITDA	**43.1**	**35.8**
- Depreciation, amortization, impairment and provisions	(6.7)	(8.4)
- Other EBIT one-off adjustments	0.6	0.9
Adjusted EBIT	**36.9**	**28.2**

Reconciliation to Adjusted EBIT(DA) (€ million)

	Nine-month period ended Sep. 30,	
	2017	2016
EBIT (Operating profit/(loss))	**90.2**	**63.1**
- Depreciation, amortization, impairment and provisions	21.8	25.0
EBITDA	**112.1**	**88.1**
- Total Adjustments to EBITDA	14.2	1.6
Adjusted EBITDA	**126.2**	**89.7**
- Depreciation, amortization, impairment and provisions	(21.8)	(25.0)
- Other EBIT one-off adjustments	1.7	2.7
Adjusted EBIT	**106.0**	**67.4**

In the first nine months of 2017, main one-time adjustments included legal and other costs to successfully divest the Industrial Environmental Solutions (IES) business unit pre-IPO; strategy, legal and other consulting costs pre-IPO as well as one-time costs related to the temporary shutdown of the stainless steel plant in Sweden (expected to be recovered through the insurance coverage in place). Additionally, at EBIT level, a one-time adjustment was made related to ERP system amortization.

Financial Result and Net Income

The consolidated **financial result** was €(35.7) million for the nine months ended September 30, 2017 compared with €(33.3) million for the comparable period ended September 30, 2016, representing an increase of 7.4% (or €2.5 million). The €2.3 million decrease in financial expenses during the first nine months of 2017 compared to the same period of 2016, was offset by a €3.5 million reduction in financial income (interest income from the Central Treasury) due to the divestiture of entities of the Industrial Environmental Solutions (IES), and a €1.3 million decrease in net exchange differences during the first nine months of 2017 compared to the same period of 2016.

The financial result during this period is reflective of the current capital structure. The new financing facility described earlier will allow Befesa to considerably reduce its financial expenses by approximately 60%.

Consolidated **net income** was €41.7 million for the nine months ended September 30, 2017 compared with €12.5 million for the comparable period ended September 30, 2016, representing an increase of €29.2 million.

Financial Position and Liquidity

Total Equity increased from €158.2 million as of December 31, 2016 to €199.0 million as of September 30, 2017, primarily due to net profit in the first nine months of the year.

Financial indebtedness increased by €8.9 million compared to December 31, 2016, to €538.6 million. **Net debt** declined by €19.9 million versus December 31, 2016, to €450.7 million. Non-current financial indebtedness of €500.0 million as of December 31, 2016 has been reduced by approximately €55 million due to net proceeds from the one-time divestiture of the IES business. During 2017, the approximately €300 million High Yield Bond (HYB) –due May 2018– was reclassified from non-current to current financial indebtedness.

Net Debt (€ million)

	Sep. 30, 2017	Dec. 31, 2016
Non-current financial indebtedness	213.7	500.0
+ Current financial indebtedness	324.9	29.7
Financial indebtedness	**538.6**	**529.7**
- Cash and cash equivalents	(87.9)	(59.0)
Net debt	**450.7**	**470.6**

Net cash flows from operating activities were €53.9 million for the nine-month period ended September 30, 2017, as compared to €36.5 million for the nine-month period ended September 30, 2016, representing a 47.7% increase (or €17.4 million). This change was primarily due to higher operational earnings, as well as a decrease in interest payments.

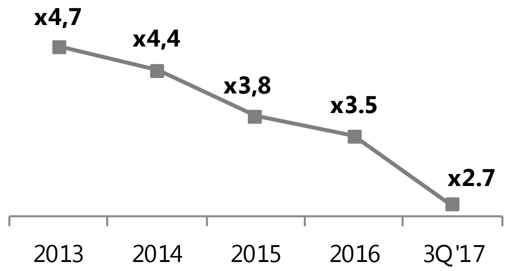
Net cash flows from investing activities were €32.8 million for the nine-month period ended September 30, 2017, compared to outflows of €(25.2) million for the nine-month period ended September 30, 2016, representing an increase of €57.9 million. The increase was mainly attributable to an approximately €52 million net cash payment received for the one-time disposal of the IES business in March 2017.

Net cash outflows from financing activities were €(59.3) million for the nine-month period ended September 30, 2017, compared to €(7.1) million for the nine-month period ended September 30, 2016, representing a decrease of €(52.3) million. Outflows in the first nine months of 2017 mainly reflect loan repayments to reduce leverage (with proceeds received for the disposal of parts of the IES Business in March 2017). In the nine-month period ended September 30, 2016, repayments of debt were also partially offset by cash inflows from bank loans, which was not the case in the comparable period in 2017.

During the first nine months of 2017, the Group has delivered **solid cash flow performance**. After paying €17.3 million in taxes, €24.9 million in interest, and €17.1 million in funding maintenance and productivity capex, Befesa still increased its cash by €25.9 million year-on-year. With this, the Group ended September 30, 2017 with €87.9 million in cash.

During the third quarter of 2017, Befesa continued to **further improve its leverage**, showing strong earnings to cash conversion. Over the last four years, the leverage was reduced from more than 5x in the second half of 2013, down to the current leverage of **2.7x Adjusted EBITDA** of the Last Twelve Months (LTM) as of September 30, 2017. Befesa expects to further reduce its leverage, driven by earnings growth and cash flow. Befesa continues to be **compliant with all debt covenants**.

Leverage evolution (Net debt / Adj. EBITDA)



As a result, the preliminary **credit ratings assigned to Befesa are improving**. Please refer to Key Highlights section (page 3) for detailed information.

SEGMENT INFORMATION

Steel Dust Recycling Services

Crude steel dust volumes processed during the first nine months of 2017 amounted to 488,284 tons, representing a new record throughput and an increase of 13.6% or more than 58,000 tons compared to the same period of 2016. With these volumes, crude steel dust recycling plants have been running, on average, at a load factor of approximately 83.7% compared to approximately 73.4% during the first nine months of 2016. As a result of the crude steel dust recycling operations, the volume of Waelz oxide sold has increased from 148,278 tons in the first nine months of 2016 to 164,680 tons sold during the same period of 2017, representing an increase of 11.1% (a new record level of Waelz oxide volumes).

Revenue from Steel Dust Recycling Services was €243.5 million for the nine-month period ended September 30, 2017, as compared to €199.8 million for the nine-month period ended September 30, 2016, representing an increase of 21.9% (or €43.7 million) in 2017 compared to 2016.

The increase was primarily due to the 11.1% increase year-on-year in volumes of Waelz oxide sold and higher average effective zinc prices (blended rate between hedged volume and non-hedged volume) of €2,132/ton in the first nine months of 2017 versus €1,745/ton in the same period in 2016. The increase was partially offset by an impact from lower fees due to strong emerging markets growth and lower volumes of stainless steel dust treated.

Adjusted EBIT was €85.4 million for the nine months ended September 30, 2017 compared with €53.6 million for the comparable period ended September 30, 2016, representing an increase of 59.6% (or €31.9 million). **Adjusted EBIT margins** (adjusted EBIT divided by revenue) improved from 26.8% to 35.1% due to the positive volume leverage and higher zinc prices including lower treatment charges.

Aluminium Salt Slags Recycling Services

Salt Slags Sub-Segment

Salt slags and SPL recycled volumes during the first nine months of 2017 amounted to 379,507 tons, representing an increase of 4.7% or more than 17,000 tons year-on-year. Similar to Steel Dust Recycling Services, growth initiatives are delivering and, as a result, this volume performance is also at a record level. With these volumes, salt slags recycling plants have been running nearly at full capacity on average. Befesa increased its installed capacity from 609,000 to 630,000 tons to meet increased customer demand. Even though installed capacity increased, the capacity utilization rates also improved, moving from approximately 95% of 609,000 tons of capacity during the same period of 2016 to approximately 96% of 630,000 tons of capacity during the first nine months of 2017.

Revenue from Salt Slags Sub-Segment was €62.1 million for the nine-month period ended September 30, 2017, as compared to €58.2 million for the nine-month period ended September 30, 2016, representing an increase of 6.6% (or €3.9 million) in 2017 as compared to the same period in 2016.

The increase was primarily supported by the aforementioned 4.7% volume increase in the first nine months of 2017 compared to the same period of 2016.

Adjusted EBIT of the Salt Slags Sub-Segment was €14.5 million for the nine months ended September 30, 2017 compared with €12.9 million for the comparable period ended September 30, 2016, representing an increase of 13.1% (or €1.7 million). **Adjusted EBIT margins** (adjusted EBIT divided by revenue) improved from 22.1% to 23.4% mainly driven by volume leverage, the efficiency improvements obtained from debottlenecking and cost saving programs in some of the plants.

Secondary Aluminium Sub-Segment

Aluminim alloy production volumes during the first nine months of 2017 amounted to 138,350 tons, representing an increase of 0.9% year-on-year. With these volumes, secondary aluminium production plants have been running at a load factor of approximately 90% on average compared to approximately 89% during the first nine months of 2016. The ramp up of the new, state-of-the-art secondary aluminium production plant located in Bernburg - in the East region of Germany - has been completed.

Revenue from Secondary Aluminium Sub-Segment was €274.3 million for the nine-month period ended September 30, 2017, as compared to €216.1 million for the nine-month period ended September 30, 2016, representing an increase of 26.9% (or €58.2 million) in 2017 as compared to the same period in 2016.

The increase was primarily due to higher average market prices for aluminium alloy (aluminium alloy free market Metal Bulletin average prices were €1.770 per ton in the first nine months of 2017 compared with €1.628 per ton in the same period during 2016), as well as the increased volumes of aluminium alloys produced (138,350 tons in the first nine months of 2017 compared with 137,171 tons in the same period during 2016).

Adjusted EBIT of the Secondary Aluminium Sub-Segment was €2.8 million for the nine months ended September 30, 2017 compared with €(0.3) million for the comparable period ended September 30, 2016, representing an increase of €3.1 million. **Adjusted EBIT margins** (adjusted EBIT divided by revenue) improved from (0.1)% to 1.0% due to increased utilization levels, volume leverage and efficiencies.

STRATEGY

Our strategic objective is to maintain and further improve Befesa's leadership position in the steel dust and salt slag recycling services in its key markets, securing the volumes in its plants; maintain the resilient and high margin levels; focus on the strong cash flow generation by managing capex, working capital and operating earnings with the same rigor shown until now, to allow us to pay an attractive dividend to Befesa's shareholders. We will also continue to focus on the Environmental, Health & Safety performance across Befesa's global operations as well as continue to strengthen our culture of operational excellence.

Organic Growth Projects

Befesa continues to focus on growing in its core environmental service activities benefitting from the positive underlying macro trends.

In its Aluminium Salt Slags Recycling Services business, Befesa is funding two operational excellence projects. Both are applying the best furnace technology proven at Befesa's Bernburg plant to its other secondary aluminium production plants in Spain (Bilbao and Barcelona). These projects will result in efficiencies and free up capacity to meet additional demand for external salt slags services. Both projects have started and will be completed during 2018 and 2019, respectively.

Befesa continues to execute its organic growth project pipeline.

Hedging Strategy

Befesa pursues a prudent hedging strategy to manage the zinc price variability.

During the month of October 2017, Befesa successfully extended its zinc hedges for the years 2018, 2019 and first half of 2020, at a volume of approximately 92,400 tons per year or approximately 7,700 tons per month at the following weighted average forward prices for each of the periods:

Full year 2018	€ 2,050 /ton
Full year 2019	€ 2,306 /ton
First half 2020	€ 2,235 /ton

The current hedging in place provides Befesa with improved pricing visibility through mid-2020. The Company entered these hedges to maintain mid-term visibility on its output prices expanding on its proven hedging strategy.

While Befesa will continue with its prudent hedging policy, targeting stability even if foregoing short term upside from higher zinc prices, options will be constantly monitored and re-evaluated when renewing existing hedges in light of the current zinc market environment. Befesa is committed to hedge about 60-75% of the expected volume of zinc to be extracted from the Waelz oxide for a period of 2-4 years going forward.

OUTLOOK

Business and Market Overview

In the **Steel Dust Recycling Services business**, there has been strong momentum in the first nine months of 2017, with a volume of around 488,300 tons of crude steel dust recycled (compared to around 429,800 tons in the same period of 2016). This was driven both by an increase in volumes of steel dust recycled in the plants in Turkey and South Korea – the latter included a successful expansion of the steel dust collection services to neighboring countries such as Thailand and Taiwan – and favorable volume growth in Europe. For the remainder of 2017, similar volumes are expected across the segment, with volumes thereafter developing in line with expected growth rates for EAF steel production in Befesa's three core markets of Western Europe, Turkey and South Korea.

Earnings in the Steel Dust Recycling Services segment are expected to increase gradually in the medium-term, driven by higher volumes and utilization rates. The earnings predictability has improved due to the expanded hedging program which has been put in place.

Regarding the **Aluminium Salt Slags Services business**, moderate growth rates are expected in the recycled volumes of residues, on the back of a continued need for light weight solutions in the transportation industry and due to the solid state of the European economy.

Similar to the Steel Dust Recycling Services business, earnings in the Aluminium Salt Slags Services business are also expected to benefit from higher volumes and utilization rates, with corresponding improved margins.

SELECTED FINANCIAL DATA

as of September 30, 2017

BALANCE SHEET

BEFESA

Assets (€ million)

	Sep. 30, 2017	Dec. 31, 2016	% Change
Intangible Assets (1)	426.9	430.2	-0.8%
Property, plant and equipment, net (2)	244.0	250.3	-2.5%
Other non-current assets (3)	22.5	21.8	2.9%
Deferred tax assets	91.1	93.6	-2.7%
Assets classified as held for sale		57.6	-100.0%
Inventories	33.3	30.4	9.4%
Trade receivables and other current financial assets (4)	113.4	85.7	32.3%
Cash and cash equivalents	87.9	59.1	48.8%
Total Assets	**1,019.0**	**1,028.8**	**-0.9%**

(1) Includes Goodwill and Other intangible assets, net.

(2) Includes Property, plant and equipment in use and Property, plant and equipment under construction.

(3) Includes investments carried under the equity method, Investments in subsidiaries and associates and Other non-current financial assets.

(4) Includes Trade and other receivables, Trade receivables from related companies, Accounts receivables from public authorities, Other receivables and Other current financial assets.

Equity and liabilities (€ million)

	Sep. 30, 2017	Dec. 31, 2016	% Change
Non-controlling interests	9.7	8.9	8.8%
Total Equity	**199.0**	**158.2**	**25.8%**
Liabilities related to assets held for sale		7.2	-100.0%
Provisions (5)	5.2	8.2	-37.1%
Borrowings (6)	536.8	581.9	-7.8%
Trade and other accounts payable (7)	136.1	114.4	19.0%
Deferred tax liabilities	55.9	59.2	-5.5%
Other liabilities (8)	86.1	99.7	-13.6%
Total Liabilities	**820.0**	**870.6**	**-5.8%**
Total Equity and Liabilities	**1,019.0**	**1,028.8**	**-0.9%**

(5) Includes Long-term provisions and Short-term provisions.

(6) Includes Long-term finance debt/borrowings, Short-term finance debt/borrowings, Accounts payable for long-term finance leases and Accounts payable for short-term finance leases.

(7) Includes Trade payables to related companies, Trade and other payables, and Accounts payable to public administrations.

(8) Includes other non-current liabilities and Other current liabilities.

INCOME STATEMENT

BEFESA

Income Statement (€ million)

	Three-month period ended Sep. 30,			Nine-month period ended Sep. 30,		
	2017	2016	Change in %	2017	2016	Change in %
Continuing operations:						
Revenue	173.5	149.6	16.0%	547.9	450.4	21.7%
Changes in stocks of finished products and work in progress	1.6	0.7	134.5%	2.3	(2.3)	-200.8%
Cost of sales	(89.6)	(70.1)	27.8%	(293.2)	(222.5)	31.8%
Other operating income	1.7	1.2	46.4%	7.5	4.8	57.5%
Staff costs	(15.8)	(17.2)	-7.8%	(54.1)	(54.7)	-1.1%
Other operating expenses	(30.2)	(28.8)	4.6%	(98.5)	(87.6)	12.4%
Amortization/depreciation, impairment and provisions	(6.7)	(8.4)	-20.2%	(21.8)	(25.0)	-12.5%
Operating profit (EBIT)	**34.6**	**27.0**	**28.4%**	**90.2**	**63.1**	**43.0%**
Financial income	0.6	2.1	-71.9%	2.3	5.8	-60.3%
Financial expenses	(12.9)	(16.2)	-20.9%	(37.5)	(39.9)	-5.9%
Net exchange differences	(0.3)	0.3	-184.8%	(0.5)	0.8	-164.9%
Finance income/(loss)	**(12.5)**	**(13.8)**	**-9.3%**	**(35.7)**	**(33.3)**	**7.4%**
Profit/(loss) before tax	**22.1**	**13.1**	**68.1%**	**54.5**	**29.9**	**82.6%**
Corporate income tax	(5.7)	(4.4)	31.9%	(15.8)	(10.4)	51.3%
Profit/(loss) for the period from continuing operations	**16.3**	**8.8**	**86.0%**	**38.7**	**19.4**	**99.5%**
Discontinued operations:						
Profit/(loss) for the period from discontinued operations	(9.8)	(5.1)	92.3%	3.0	(6.9)	-143.4%
Profit/(loss) for the period	**6.6**	**3.7**	**77.4%**	**41.7**	**12.5**	**233.5%**
Attributable to:						
Parent company owners	4.8	3.1	53.5%	37.7	12.2	209.6%
Non-controlling interests	1.7	0.6	211.5%	4.1	0.3	1074.2%
Earnings/(losses) per share from continuing and discontinued operations attributable to owners of the parent (expressed in € per share)						
Basic earnings/(losses) per share						
From continuing operations	(0.01)	(0.01)	2.5%	(0.01)	(0.01)	2.5%
From discontinued operations	0.00	(0.00)	-140.2%	0.00	(0.00)	-140.2%
	(0.01)	(0.01)		(0.01)	(0.01)	
Diluted earnings per share						
From continuing operations	(0.01)	(0.01)	14.5%	(0.01)	(0.01)	14.5%
From discontinued operations	0.00	(0.00)	-144.9%	0.00	(0.00)	-144.9%

STATEMENT OF COMPREHENSIVE INCOME

BEFESA

Statement of Comprehensive Income (€ million)

	Nine-month period ended Sep. 30,	
	2017	2016
Consolidated profit/(loss) for the period	**41.7**	**12.5**
Other comprehensive income from continuing operations:		
Items that may subsequently be reclassified to income statement:		
Income and expense recognised directly in equity	**(26.4)**	**(21.3)**
- Cash-flow hedges	(30.7)	(28.9)
- Translation differences	(4.9)	(1.0)
- Tax effect	9.2	8.7
Transfers to the income statement	**25.0**	**1.0**
- Cash-flow hedges	35.7	1.4
- Translation differences	(10.7)	(0.4)
Other comprehensive income/(loss) for the period, net of tax from continuing operations	**(1.4)**	**(20.3)**
Other comprehensive income/(loss) from discontinued operations:		
Items that may subsequently be reclassified to results:		
Income and expense taken directly to equity		**0.1**
- Translation differences		0.1
Transfers to the income statement	**3.9**	
- Translation differences	3.9	
Other comprehensive income/(loss) for the period, net of tax from discontinued operations	**3.9**	**0.1**
Other comprehensive income/(loss) for the period, net of tax	**2.5**	**(20.2)**
Total comprehensive income/(loss) for the period	**44.3**	**(7.7)**
Attributable to:		
- Parent company owners	40.7	(7.7)
- Non-controlling interests	3.6	0.0
Total comprehensive income attributable to the parent company's owners resulting from:		
- Continuing operations	33.8	(0.8)
- Discontinued operations	6.9	(6.9)

STATEMENT OF CHANGES IN EQUITY

BEFESA

Statement of Changes in Equity (€ million)

	Attributable to owners of the Parent								
	Share capital	**Share premium**	**Hedging and revaluation reserves**	**Other shareholder contributions**	**Consolidation reserves and other reserves**	**Translation differences**	**Net profit (loss) for the period**	**Non-controlling interests**	**Total equity**
Balance at December 31, 2016	**64.1**	**233.1**	**(47.2)**	**0.2**	**(45.6)**	**(2.4)**	**(52.9)**	**8.9**	**158.2**
Net profit / (loss) for the nine month period ended 30 September 2017							37.7		37.7
Profit for the period attributable to non-controlling interests								4.1	4.1
Transfer of hedges to profit or loss			25.0						25.0
Changes in valuation of hedges			(21.5)						(21.5)
Translation differences						(0.5)		(0.5)	(1.0)
Total comprehensive income / (loss) for the nine month period ended 30 September 2017	0.0	0.0	3.5	0.0	0.0	(0.5)	37.7	3.6	44.3
Distribution profit / (loss) of 2016					(52.9)		52.9		0.0
Dividends									0.0
Other changes					(0.7)			(2.4)	(3.1)
Changes in the scope of consolidation								(0.4)	(0.4)
Balance at September 30, 2017	**64.1**	**233.1**	**(43.6)**	**0.2**	**(99.2)**	**(2.9)**	**37.7**	**9.7**	**199.0**

Balance at December 31, 2015	**55.1**	**222.1**	**(0.5)**	**9.0**	**(7.1)**	**(0.8)**	**(35.4)**	**16.9**	**259.3**
Net profit / (loss) for the nine month period ended 30 September 2016							12.2		12.2
Profit for the period attributable to non-controlling interests								0.3	0.3
Transfer of hedges to profit or loss			1.0						1.0
Changes in valuation of hedges			(20.3)						(20.3)
Translation differences						(0.6)		(0.3)	(0.9)
Total comprehensive income / (loss) for the nine month period ended 30 September 2016	0.0	0.0	(19.3)	0.0	0.0	(0.6)	12.2	0.0	(7.7)
Distribution profit / (loss) of 2015					(35.4)		35.4		0.0
Capital increase	9.0	11.0		(9.0)	(11.0)				0.0
Other operations with shareholder				0.2					0.2
Other changes					(3.5)				(3.5)
Changes in the scope of consolidation					7.3			(8.3)	(1.0)
Balance at September 30, 2016	**64.1**	**233.1**	**(19.8)**	**0.2**	**(49.7)**	**(1.4)**	**12.2**	**8.6**	**247.3**

STATEMENT OF CASH FLOWS

BEFESA

Statement of Cash Flows (€ million)

	Three-month period ended Sep. 30,		Nine-month period ended Sep. 30,	
	2017	2016	2017	2016
Profit (loss) for the period before tax	**12.5**	**8.2**	**57.2**	**23.6**
From continuing operations	22.1	13.1	54.5	29.9
From discontinuing operations	(9.6)	(4.9)	2.7	(6.2)
Adjustments due to:				
Amortization and depreciation	6.7	12.4	21.8	33.3
Share of profit (loss) of associates	0.0	0.0	0.0	(0.1)
Changes in long-term provisions	0.1	(0.0)	0.1	0.0
Profit from disposals	10.3	0.0	(2.7)	0.0
Interest income	(0.6)	(1.2)	(2.3)	(2.8)
Finance costs	12.9	17.4	38.0	42.5
Other income/expenses	(0.3)	(0.3)	(0.9)	(1.4)
Change in working capital	**(13.4)**	**(1.4)**	**(12.2)**	**(12.2)**
Other cash flows from operating activities:				
Interest paid	(0.2)	(2.7)	(24.9)	(31.4)
Taxes paid	(5.5)	(5.2)	(17.3)	(15.0)
Other payments	(1.0)	0.0	(2.9)	0.0
Net cash flows from operating activities (I)	**21.5**	**27.0**	**53.9**	**36.5**
Investments in intangible assets	(0.0)	(0.2)	(0.0)	(0.7)
Investments in property, plant and equipment	(8.1)	(6.0)	(17.1)	(22.5)
Proceeds from disposal of assets	(0.3)	0.0	52.2	0.0
Investments in subsidiaries and other non-current financial assets	0.0	0.0	(1.9)	(3.0)
Investments in other current financial assets	0.1	0.0	(0.4)	0.0
Disbursement due to other current financial assets	0.0	0.0	0.0	0.7
Dividends collected	0.0	0.0	0.0	0.2
Net cash flows from investing activities (II)	**(8.4)**	**(6.2)**	**32.8**	**(25.2)**
Bank borrowings and other non-current borrowings	0.0	(0.6)	0.0	14.4
Repayment of bank borrowings and other long term debt	(9.2)	(2.9)	(56.9)	(21.5)
Dividends paid	0.0	0.0	(2.4)	0.0
Net cash flows from financing activities (III)	**(9.2)**	**(3.5)**	**(59.3)**	**(7.1)**
Effect of foreign exchange rate changes on cash and cash equivalents (IV)	**(0.7)**	**(0.3)**	**(1.5)**	**(0.6)**
Net increase in cash and cash equivalents (I+II+III+IV)	**3.2**	**17.0**	**25.9**	**3.7**
Cash and cash equivalents at the beginning of the period	84.6	44.2	62.0	57.4
Cash and cash equivalents at the end of the period	**87.9**	**61.2**	**87.9**	**61.2**

SEGMENTATION OVERVIEW – KEY METRICS

STEEL DUST RECYCLING SERVICES	Three-month period ended Sep. 30,			Nine-month period ended Sep. 30,		
	2017	2016	Change in %	2017	2016	Change in %
Key Operational Data (tons, unless specified otherwise)						
Steel dust throughput (1)	172,735	153,516	12.5%	488,284	429,803	13.6%
Waelz oxide sold	56,910	52,075	9.3%	164,680	148,278	11.1%
Blended zinc price (€ / ton)	2,187	2,017	8.4%	2,132	1,745	22.2%
Total installed capacity (2)	780,300	780,300	0.0%	780,300	780,300	0.0%
Utilization (%) (3)	87.8%	78.1%	9.8 p.p.	83.7%	73.4%	10.3 p.p.
Key Financial Data (€ million, unless specified otherwise)						
Revenue	86.5	73.6	17.5%	243.5	199.8	21.9%
EBITDA	35.5	30.0	18.4%	90.0	67.3	33.7%
Adjusted EBITDA	35.8	29.3	22.5%	97.1	66.6	45.8%
Adjusted EBITDA margin %	41.4%	39.7%	1.7 p.p.	39.9%	33.3%	6.6 p.p.
EBIT	31.8	25.4	25.1%	78.3	54.0	45.1%
Adjusted EBIT	32.1	24.8	29.6%	85.4	53.6	59.6%
Adjusted EBIT margin %	37.1%	33.6%	3.5 p.p.	35.1%	26.8%	8.3 p.p.

ALUMINIUM SALT SLAGS RECYCLING SERVICES *Salt Slags Sub-Segment*	Three-month period ended Sep. 30,			Nine-month period ended Sep. 30,		
	2017	2016	Change in %	2017	2016	Change in %
Key Operational Data (tons, unless specified otherwise)						
Salt slags and SPL recycled	114,285	110,547	3.4%	379,507	362,468	4.7%
Total installed capacity	630,000	609,000	3.4%	630,000	609,000	3.4%
Utilization (%) (4)	85.5%	86.2%	-0.6 p.p.	95.7%	94.9%	0.9 p.p.
Key Financial Data (€ million, unless specified otherwise)						
Revenue	18.9	17.5	8.1%	62.1	58.2	6.6%
EBITDA	5.7	4.8	18.2%	19.4	17.5	10.6%
Adjusted EBITDA	5.9	4.9	19.4%	19.7	17.8	11.1%
Adjusted EBITDA margin %	31.0%	28.1%	2.9 p.p.	31.8%	30.5%	1.3 p.p.
EBIT	4.2	3.4	23.5%	14.2	12.6	12.5%
Adjusted EBIT	4.3	3.4	25.1%	14.5	12.9	13.1%
Adjusted EBIT margin %	22.7%	19.6%	3.1 p.p.	23.4%	22.1%	1.3 p.p.

Secondary Aluminium Sub-Segment	Three-month period ended Sep. 30,			Nine-month period ended Sep. 30,		
	2017	2016	Change in %	2017	2016	Change in %
Key Operational Data (tons, unless specified otherwise)						
Secondary aluminium alloys produced	39,515	39,608	-0.2%	138,350	137,171	0.9%
Aluminium alloy average market price (€ / ton) (5)	1,761	1,628	8.2%	1,770	1,628	8.8%
Total installed capacity	205,000	205,000	0.0%	205,000	205,000	0.0%
Utilization (%) (6)	76.5%	76.7%	-0.2 p.p.	90.2%	89.1%	1.1 p.p.
Key Financial Data (€ million, unless specified otherwise)						
Revenue	82.6	66.7	23.9%	274.3	216.1	26.9%
EBITDA	1.3	1.3	2.7%	6.8	3.2	113.0%
Adjusted EBITDA	1.3	1.6	-17.1%	6.8	4.2	60.1%
Adjusted EBITDA margin %	1.6%	2.4%	-0.8 p.p.	2.5%	2.0%	0.5 p.p.
EBIT	0.2	(0.5)	*Favorable*	2.8	(1.6)	*Favorable*
Adjusted EBIT	0.2	(0.1)	*Favorable*	2.8	(0.3)	*Favorable*
Adjusted EBIT margin %	0.2%	-0.2%	0.5 p.p.	1.0%	-0.1%	1.2 p.p.

Note: Segment splits and revenue and earnings contributions not taking into account corporate and inter-segment eliminations.

(1) Steel dust throughput does not include Stainless steel dust volumes.

(2) Total installed capacity in Steel does not include 174,000 tons per year of Stainless steel dust recycling capacity.

(3) Utilization represents crude steel dust processed against annual installed capacity.

(4) Utilization represents the volume of salt slag and SPLs recycled by our plants against annual installed capacity (not including the 100,000 tons of capacity at Töging (Germany) plant, currently idle).

(5) Aluminium Scrap and Foundry Ingots Aluminium pressure diecasting ingot DIN226/A380 European Metal Bulletin Free Market Duty paid delivered works.

(6) Utilization represents the volume of secondary aluminium produced against annual installed capacity.

FINANCIAL CALENDAR

Tuesday, November 28, 2017	Publication of Statement for the Q3 2017 & Analyst Call
Week of February 20, 2018	Preliminary Year-End Results of 2017
Thursday, March 22, 2018	Publication of Report for the Full Year 2017 & Analyst Call
Thursday, April 26, 2018	Annual General Meeting
Thursday, May 24, 2018	Publication of Statement for the Q1 2018 & Analyst Call
Friday, July 27, 2018	Publication of Interim Report for the H1 2018 & Analyst Call
Thursday, November 22, 2018	Publication of Statement for the Q3 2018 & Analyst Call

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