

To the shareholders,

I am pleased to announce that trading in Metaleurop's shares is to resume in the near future. Indeed, in a ruling handed down on 24 November 2005, following two years of legal proceedings, the Paris Commercial Court approved our company's recovery plan for continuation as a going concern.

Below are the main elements of the plan which will enable us to look to the future with confidence.

Taking into account the debt waivers obtained in the sum of € 19.8 million and the restatement of certain declared debts, the debt to be repaid taken into account in order to draw up the plan amounts to € 60.8 million. Out of this amount, various claims representing a total sum of € 12.6 million are the subject of disputes.

The debt settlement arrangements vary depending on the option under the plan selected by creditors:

- 58% of the undisputed debt is the subject of a 50% debt waiver (€ 19.8 million) in consideration of repayment of the balance (i.e. 50%) over two years (2006 and 2007). This option benefits from a better fortunes clause on leaving the plan in 2015;
- 42% of the undisputed debt is not the subject of a debt waiver; for this portion of the debt, provision is made for repayment in ten progressive yearly instalments (2006 to 2015);
- for the portion of the debt which is the subject of dispute, repayment will be effected in ten progressive yearly instalments (2006 to 2015).

The plan provides that financing will be assured by the cash flow generated by the company's business, dividends to be received from subsidiaries and the proceeds of the planned disposal of non-strategic assets over the course of the first two years in which the plan is in place. In this regard, in December, the Company exercised its option on the undertaking to sell held on the participating interest in Conimast, in the sum of € 1.5 million.

Please find below the pro forma consolidated balance sheet as at 30 June 2005 after the effects of the continuation plan have been taken into account.

**Consolidated balance sheet
as at 30 June 2005, In millions of €**

Assets au 30.06.05		Liabilities au 30.06.05	
Fixed assets	70,6	Capital	89
Stocks	34,7	Premiums/reserves	-108,9
Current assets	36,4	Group share net profit	7
		Group share capital and reserves	-12,9
		Minority shareholders	2,2
		Capital and reserves plus minority shareholders	-10,7
		Provisions	54,2
Available funds	5,5	Debts	103,7
TOTAL	147,2	TOTAL	147,2

**Pro forma consolidated balance sheet as at 30 June 2005,
having taken account of the effects of the continuation plan,
In millions of €**

Actif au 30.06.05		Passif au 30.06.05	
Fixed assets	70,6	Capital	89
Stocks	34,7	Premiums/reserves	-108,9
Current assets	36,4	Group share net profit	26,7
		Group share capital and reserves	6,8
		Minority shareholders	2,2
		Capital and reserves plus minority shareholders	9
		Provisions	54,2
Available funds	5,5	Debts	84
TOTAL	147,2	TOTAL	147,2

Accounts prepared according to French standards having been subject to a limited audit by the auditors and published on 04.11.2005 in the BALO [Bulletin of Compulsory Legal Notices]

Steady metal prices and lasting industrial performance during the second half of the year, notwithstanding planned maintenance stoppages, point to turnover for 2005 in the region of € 225 million and expectations of a significant improvement in operating results for 2005 compared to those of 2004.

With respect to the preparation of the consolidated accounts for 2005, pursuant to the new international IFRS accounting standards, implementation of the transition plan continues as announced in our press release of 25 October 2005, and it is already possible to identify a certain number of differences compared to the French standards. The effect of adapting the opening balance sheet as at 1 January 2004 to bring it into line with the new international standards will be, in particular, to change the net book value of entries relating to tangible fixed assets, stocks and provisions for staff benefits. At the current stage of the project, the impact of adaptation of the opening balance sheet on the amount of capital and reserves cannot be accurately quantified.

Following several years of legal proceedings and major restructuring, Metaleurop is gearing up for a fresh start, relying both on its acknowledged expertise and a clear and targeted industrial strategy. In fact, over the course of the last two years, we have refocused our activities primarily on recycling, lead and plastics processing, and we have retained our interests in the zinc and special metals sector.

This strategy has enabled us to demonstrate our ability to sustain our activity, to embark upon a significant turnaround in our financial recovery and to work together towards a successful future, thanks to the unfailing co-operation of the group teams.

I would like in particular to thank you for the support you have shown us to date. Together, and thanks to your continuing confidence, we will be able to look forward to an unclouded future.

Yours most sincerely,



Yves ROCHE
Chairman and CEO