Analyst Teach-In Brussels

21 April 2008

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Important Information

This presentation contains worked examples of common calculations used to model the businesses in which Nyrstar operates.

All concentrate specifications and contract terms contained within this presentation are hypothetical and designed to illustrate the relevant calculations.

Worked examples do not necessarily reflect the terms of any individual contract that Nyrstar has previously entered into, currently trades on or is likely to enter into in the future.

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Zinc & Lead Business Model

- Nyrstar reports four ‘elements of gross profit’ for our zinc and lead based business units. These are:
  - Free Metal
  - Treatment charges
  - Premium
  - By-products
- This session will review a method of calculation of each of these items and illustrate some techniques by which these can be forecast in the future.
- The key topics covered in today’s session will be:
  - Zinc Business Model
  - Lead Business Model
  - Understanding By-products
  - Putting it all together.

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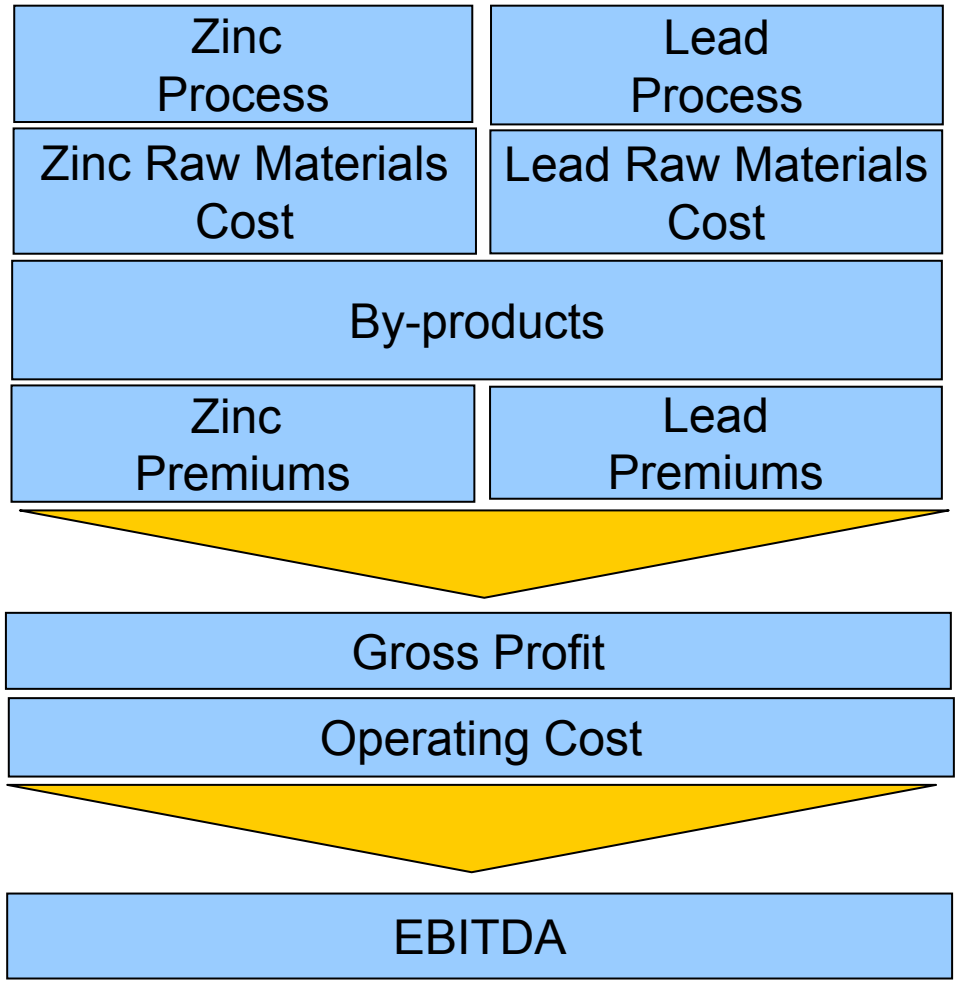
Zinc & Lead Business Model Building Blocks



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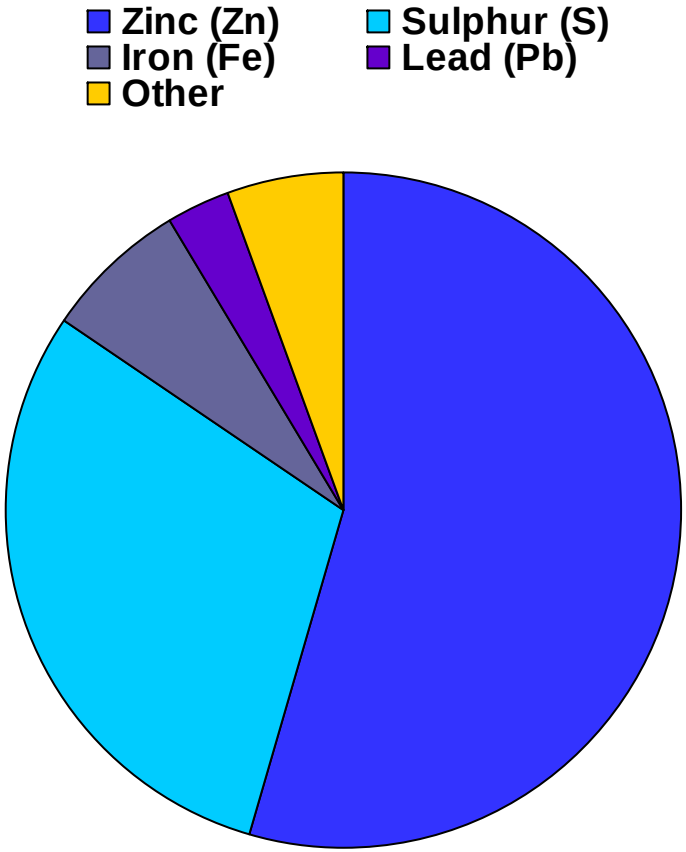
Zinc Business Model

Zinc Concentrate – Typical Analysis



Zinc (Zn)	54.5000%
Sulphur (S)	30.0000%
Iron (Fe)	7.0000%
Lead (Pb)	3.0000%
Other	5.5000%

Other Includes

Silicon Dioxide (SiO2)	1.1000%
Calcium Oxide (CaO)	0.9000%
Magnesium Oxide (MgO)	0.6000%
Arsenic (As)	0.3000%
Aluminium (AL2O3)	0.3400%
Potassium (K)	0.1800%
Cadmium (Cd)	0.1000%
Copper (Cu)	0.0900%
Nickel (Ni)	0.0500%
Sodium (Na)	0.0300%
Chlorine (Cl)	0.0300%
Flourine (F)	0.0200%
Cobalt (Co)	0.0200%
Barium (Ba)	0.0200%
Titanium (Ti)	0.0185%
Manganese Oxide (MnO)	0.0100%
Silver (Ag)	0.0095%
Antimony (Sb)	0.0050%
Bismuth (Bi)	0.0050%
Germanium (Ge)	0.0050%
Mercury (Hg)	0.0003%

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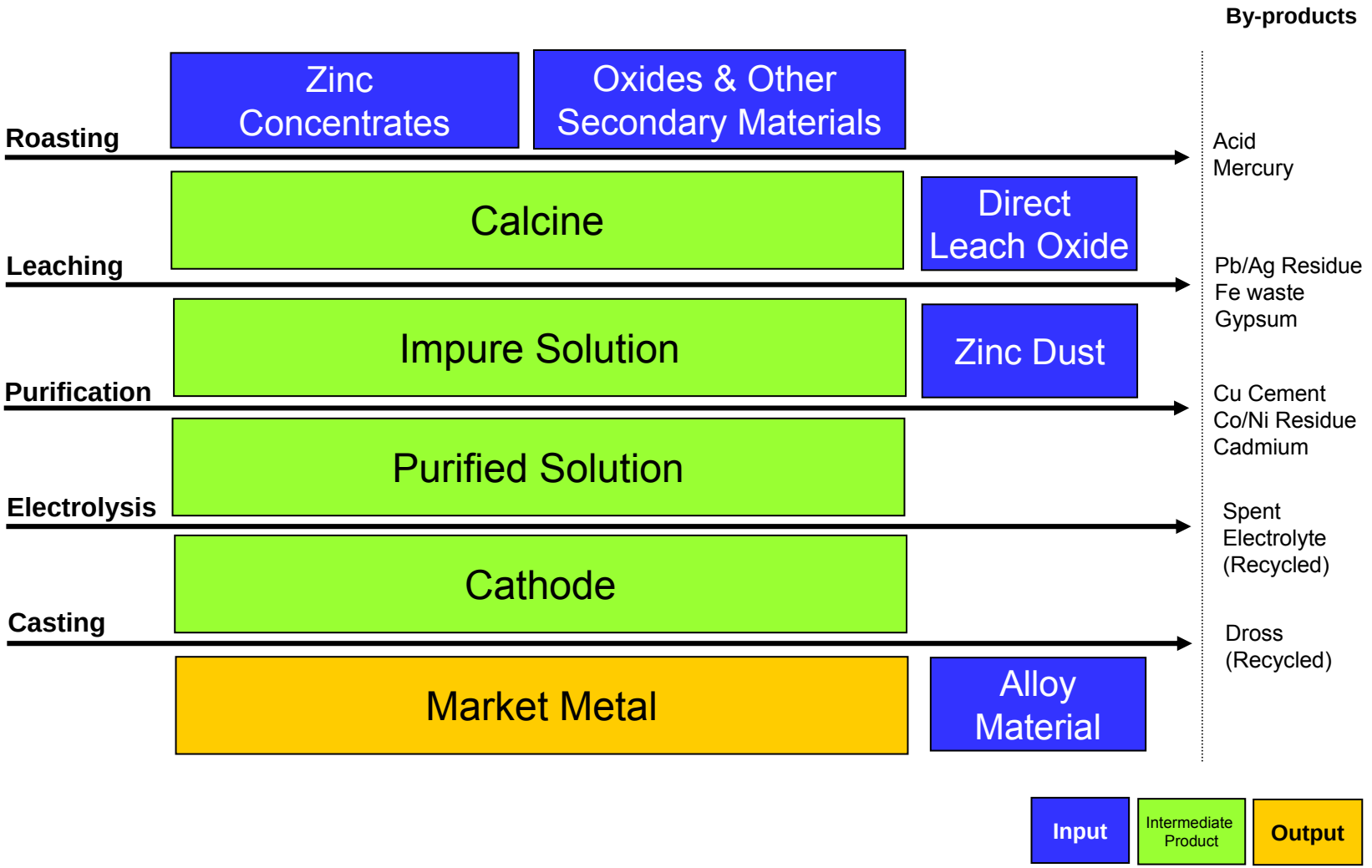
Zinc Smelting Process



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Zinc Concentrate – Typical Pricing Terms

– Zn Metal Paid	85.0%
– Zn Minimum Deduction	8.0%
– Ag Paid	65.0%
– Ag Minimum Deduction	90.0 (g/t)
– Au Paid	75.0%
– Au Minimum Deduction	1.0 (g/t)

Deductions

– Treatment Charges	$neg
– Penalty: Silica in concentrate > 3.8%	1.5 USD per 1%

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Zinc Concentrate
Pricing the Zinc Component

Zinc Grade	A	50.0%	53.5%	57.0%	60.5%
Paid Zinc	B	85%	85%	85%	85%
Calculated Free Zinc (% of conc)	C*	7.5%	8.0%	8.6%	9.1%
Minimum Deduction	D	8%	8%	8%	8%
Actual Free Zinc	E*	16.00%	15.00%	15.00%	15.00%
Actual Paid Zinc	F*	84.00%	85.00%	85.00%	85.00%

C* = (1 - B) * A
E* = IF(D<C,C/A,1-B)
F* = IF(D<C,1-C/A,B)

Where the free zinc percentage of the total concentrate volume is less than the minimum deduction then this is used instead of the 85% mechanism. This compensates smelters for processing low grade concentrate.

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Zinc Concentrate
Pricing the Silver Component

Silver Grade (%)	A	0.0050%	0.0150%	0.0300%	0.1200%
Silver Grade (g/t)	B*	50	150	300	1200
Paid Silver	C	65%	65%	65%	65%
Calculated Free Silver (g/t)	D*	17.5	52.5	105	420
Minimum Deduction (g/t)	E	90	90	90	90
Actual Free Silver (g/t)	E*	50	90	105	420
Actual Paid Silver (g/t)	F*	0	60	195	780
Paid Metal %		0%	40%	65%	65%
Free Metal %		100%	60%	35%	35%

B* = A * 10^6
D* = (1 - B) * A
E* = MIN(B,MAX(D,E))
F* = B - E

Where the free silver component is less than the minimum deduction then this mechanism used instead. This ensures that silver is only paid where the grade is material.

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Zinc Concentrate
Pricing the Gold Component

Gold Grade (%)	A	0.00008%	0.00020%	0.00040%	0.00060%
Gold Grade (g/t)	B*	0.8	2.0	4.0	6.0
Paid Gold	C	75%	75%	75%	75%
Calculated Free Gold (g/t)	D*	0.200	0.500	1.000	1.500
Minimum Deduction (g/t)	E	1.000	1.000	1.000	1.000
Actual Free Gold (g/t)	E*	0.800	1.000	1.000	1.500
Actual Paid Gold (g/t)	F*	0.000	1.000	3.000	4.500
Paid Metal %		0%	50%	75%	75%
Free Metal %		100%	50%	25%	25%

B* = A * 10^6
D* = (1 - B) * A
E* = MIN(B,MAX(D,E))
F* = B - E

Where the free gold component is less than the minimum deduction then this mechanism used instead. This ensures that gold is only paid where the grade is material.

<u>Most zinc concentrates do not have payable gold.</u>

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Zinc Concentrate
Free Metal Contribution

- The contribution to each site's gross profit from free metal is determined by the recovery rate, the LME zinc price and exchange rates.

$$FreeMetal = \Pr oduction \times \frac{(\mathrm{Re\,cov}\,ery - 85\%)}{\mathrm{Re\,cov}\,ery} \times \frac{LME}{Exchange\_Rate}$$

- The free metal contribution has to be grossed up by the recovery rate as zinc lost in the production process has a free metal component.
- Recovery rates by site for 2007 were as follows:
  - Auby 96.0%
  - Balen 96.2%
  - Budel 98.5%
  - Clarksville 93.0%
  - Hobart 91.9%

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Zinc Concentrate Treatment Charges

- For zinc concentrates, treatment charges are payable per tonne of concentrate.
- This is different to the copper industry where a refining charge is levied per tonne of payable metal. This can be confusing.
- Treatment charges have an element of price participation and are generally negotiated with the following components:
  - Base TC
  - Basis Price
  - Escalator
  - De-escalator

  In some years there may be a more complex structure with non participation windows, or variable escalators/de-escalators.

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Zinc Concentrate
Treatment Charges – Worked Example

- 2007 Benchmark terms
  - Base TC 300 USD/t
  - Basis Price LME Zinc (Window 3000 - 3500)
  - Escalator +8% / De-escalator -6%

Realised LME price	A	2000	2500	3000	3500	4000
Base TC (USD/t)	B	300	300	300	300	300
Basis Price Min (USD/t)	C	3000	3000	3000	3000	3000
Basis Price Max (USD/t)	D	3500	3500	3500	3500	3500
Escalator	E	8%	8%	8%	8%	8%
Descalator	F	6%	6%	6%	6%	6%
Realised TC	G*	240	270	300	300	340

G* = B+MAX(A-D,0)*E+MIN(A-C,0)*F

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Zinc Concentrate
Treatment Charge Negotiations

- Treatment charges are negotiated annually between smelters and miners.
  - Typically this process starts in October (at the opening of LME week) and continues into the following year.
  - To date, no industry wide benchmark has been agreed despite a reported settlement between Teck Cominco and Korea Zinc at $330 per tonne benchmark at a basis price of $2,500 per tonne with layered escalators*

* +/- 6% above 2000; +/- 8% 1500 –2000; +/- 13c < 1500; +13c >2500

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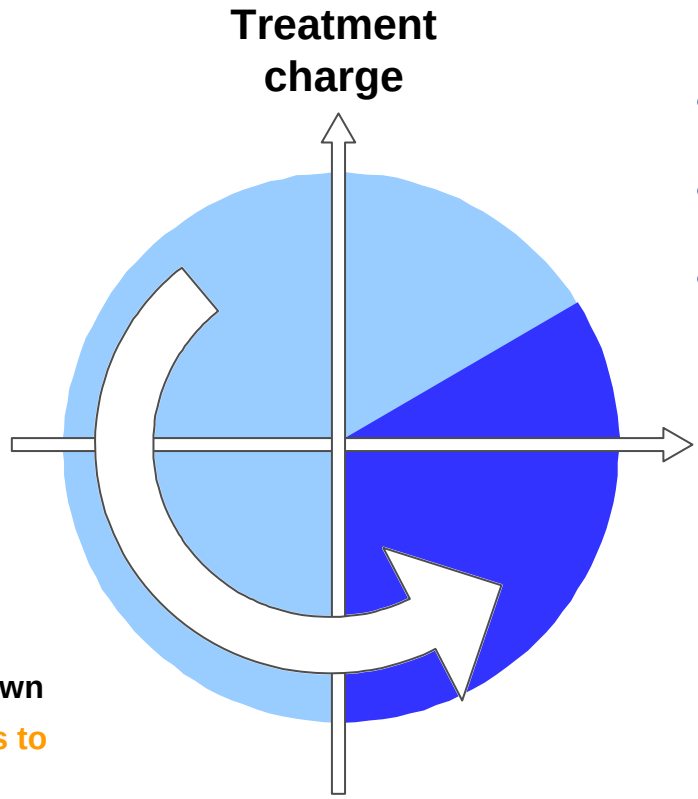
Zinc Concentrate
Treatment Charges Profit Share Concept

- **Surplus metal and concentrate stocks**
- **Prices fall**
- **Mines cut production**



- **Concentrate stock surplus**
- **Power shifts from mines to smelters**
- **Metal production moves into surplus, TCs trend higher**

- **Concentrate stock drawdown**
- **Power shifts from smelters to mines**
- **Metal stock drawdown**

- **TCs improve, prices increase**
- **Mines increase production**

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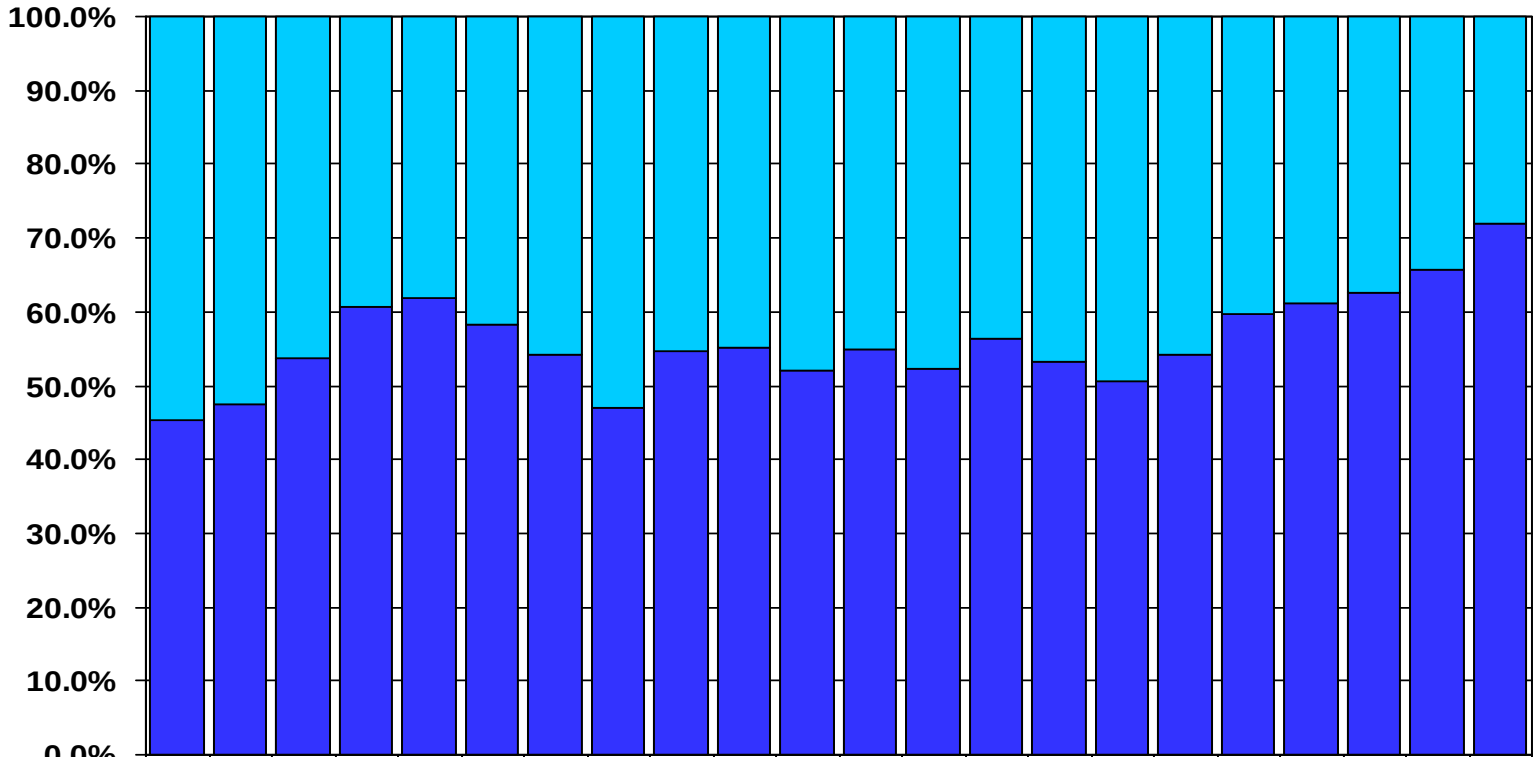
Zinc Concentrate
Treatment Charges Profit Share Concept



	86	87	88	89	90	91	92	93	94	95	96	97	98	99	00	01	02	03	04	05	06	07
Smelters	54.7	52.5	46.3	39.5	38.1	41.8	45.8	53.0	45.3	44.8	48.0	45.1	47.8	43.6	46.8	49.4	45.7	40.3	39.0	37.5	34.3	28.1
Mines	45.3	47.5	53.7	60.6	61.9	58.2	54.3	47.0	54.7	55.2	52.0	54.9	52.3	56.4	53.2	50.6	54.3	59.7	61.1	62.5	65.7	71.9

Average 43.9% - Maximum 54.7% - Minimum 28.1%
Source : Brook Hunt

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Zinc Concentrate
Treatment Charges Profit Share Concept

- Industry players often refer to a concept of profit share which is the proportion of the LME zinc price attributable to smelters. The profit share referred to here refers to realised TC + free metal contribution.
- These are calculated using the following industry assumptions:
  - Concentrate Grade 53.5%
  - Zinc Recovery 95.5%
  - Paid Zinc 85.0%

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Zinc Concentrate
Treatment Charges Profit Share Concept

		2005	2006	2007
Realised LME price	A	1,382	3,273	3,273
Base TC (USD/t)	B	126	128	300
Basis Price Min (USD/t)	C	1,000	1,400	3,500
Basis Price Max (USD/t)	D	1,000	1,400	3,500
Escalator	E	0.16	0.14	0.08
Descalator	F	0.14	0.12	0.06
Realised TC (USD/t)	G*	187	390	286
Assay	H	53.50%	53.50%	53.50%
Recovery	I	95.50%	95.50%	95.50%
Paid Zinc	J	85%	85%	85%
Smelter Margin				
Free Metal Contribution	*K**	152	360	360
Treatment Charge Contribution	*L**	366	763	560
Total Smelter Margin	M*	518	1,123	920
% of LME Zinc Price	N*	37.48%	34.31%	28.11%

G* = B+MAX(A-D,0)*E+MIN(A-C,0)*F
K* = (I-J) / I*A
L* = G / H / I
M* = K + L
N* = M / A

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Zinc Concentrate
Projecting Treatment Charges

- The profit share concept can also be used to forecast treatment charges going forward. The following formula:

$$Percentage = \frac{(\mathrm{Recovery} - 85\%)/\mathrm{Recovery} \times LME + TC / \mathrm{Recovery} / Grade}{LME}$$

can be rearranged to calculate the realised TC for any combination of profit-share percentage and LME price.

$$TC = \mathrm{Recovery} \times Grade \times LME \times \left(Percentage - \frac{(\mathrm{Recovery} - 85\%)}{\mathrm{Recovery}} \right)$$

- This ensures that forecast TC assumptions are aligned to the relevant the zinc price assumption and profit share %.

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Zinc - Other Secondary Materials

- Secondary materials include:
  - EAF Dust (Electric Arc Furnace Dust)
  - Waelz Oxides
  - Zinc recovered form brass/copper recycling
- Most secondary materials are received on terms similar to zinc concentrate (i.e. 85% payable zinc, less treatment charges) however:
  - Treatment charges may be higher per tonne of material than zinc concentrates.
  - Additional washing costs may also be payable by the supplier. This is a cost recovery and does not generally result in profit for Nyrstar.
- The key benefits from the secondary materials are operational flexibility, reduced reliance on concentrate feed and scope for low cost incremental capacity increases.

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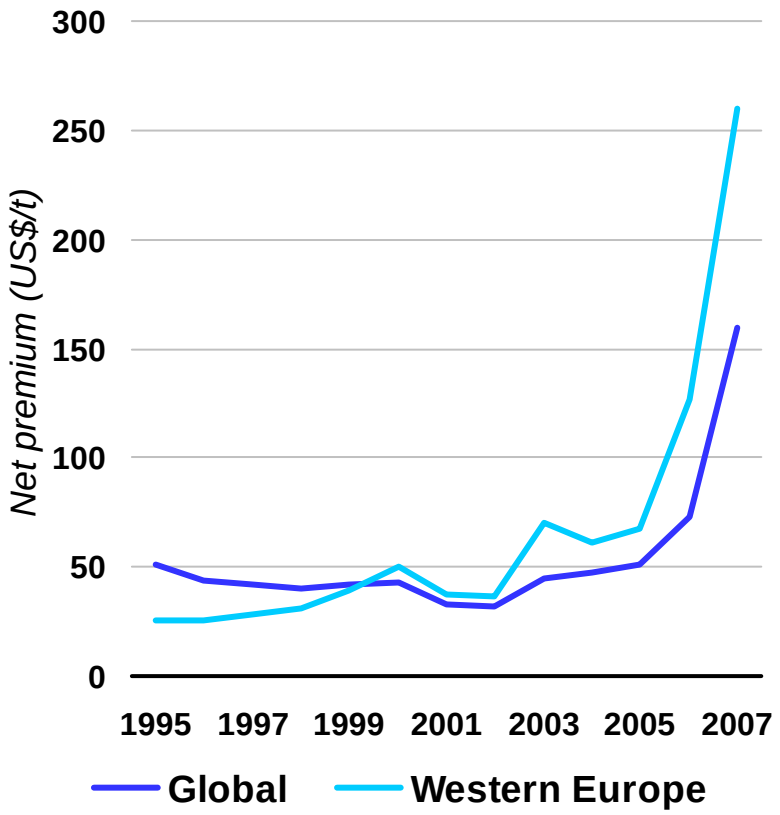
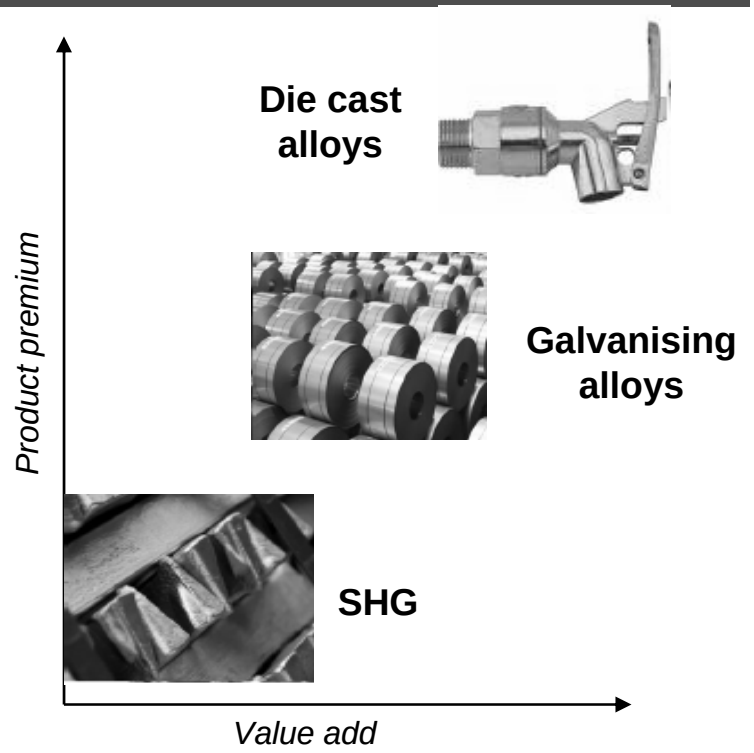
Zinc Premiums by Product/Location

Zinc Location Premium



Zinc products



Premium based on LME SHG
Source: Brook Hunt

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Zinc Premiums

- Premiums are generally reported by industry analysts on a gross basis (as paid by the customer).

Spot Premia
SHG Zinc (Delivered basis)

	2005	2006	2007	2008 Q1
United States	94	226	140	77-120
Asia	102	110	108	45-55
Western Europe	105	252	260	150-200
Worldwide Average	101	186	170	105

Source: Brook Hunt / CRU

- Net premiums are generally ~30 EUR/t below this due to delivery charges and other realisation costs incurred by zinc producers.

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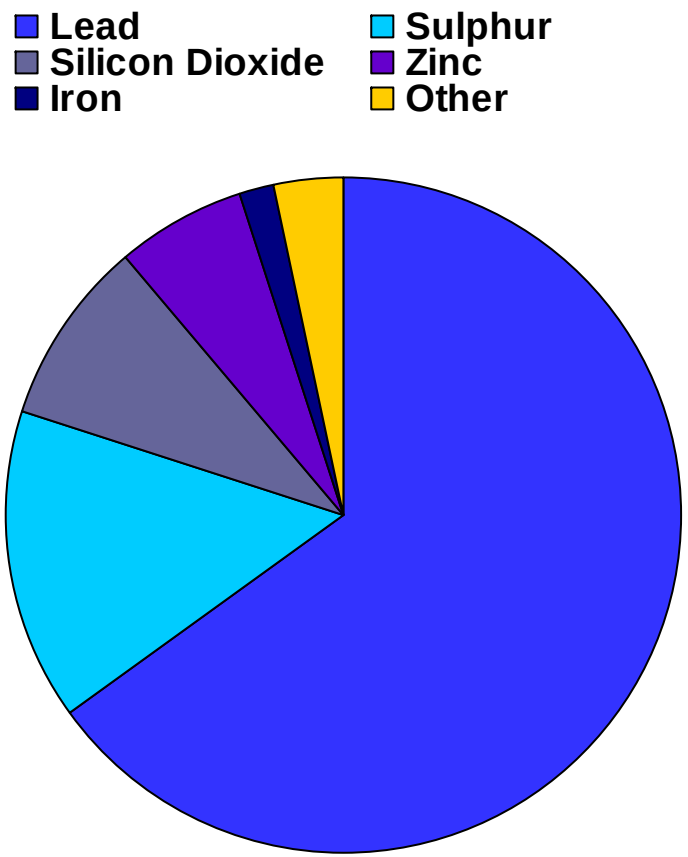
Lead Business Model

Lead Concentrate – Typical Analysis



Lead (Pb)	65.0000%
Sulphur (S)	15.0000%
Zinc (Zn)	6.0000%
Iron (Fe)	1.7500%
Silicon Dioxide (SiO2)	9.0000%
Other	3.2500%

Other Includes

Potassium (K)	0.1200%
Silver (Ag)	0.0600%
Chlorine (Cl)	0.0500%
Copper (Cu)	0.0350%
Magnesium Oxide (MgO)	0.0300%
Flourine (F)	0.0250%
Cadmium (Cd)	0.0200%
Arsenic (As)	0.0170%
Sodium (Na)	0.0070%
Tin (Sn)	0.0050%
Nickel (Ni)	0.0050%
Antimony (Sb)	0.0020%
Barium (Ba)	0.0020%
Selenium (Se)	0.0010%
Cobalt (Co)	0.0010%
Titanium (Ti)	0.0010%
Mercury (Hg)	0.0008%
Boron (B)	0.0006%
Germanium (Ge)	0.0001%
Indium (In)	0.0001%

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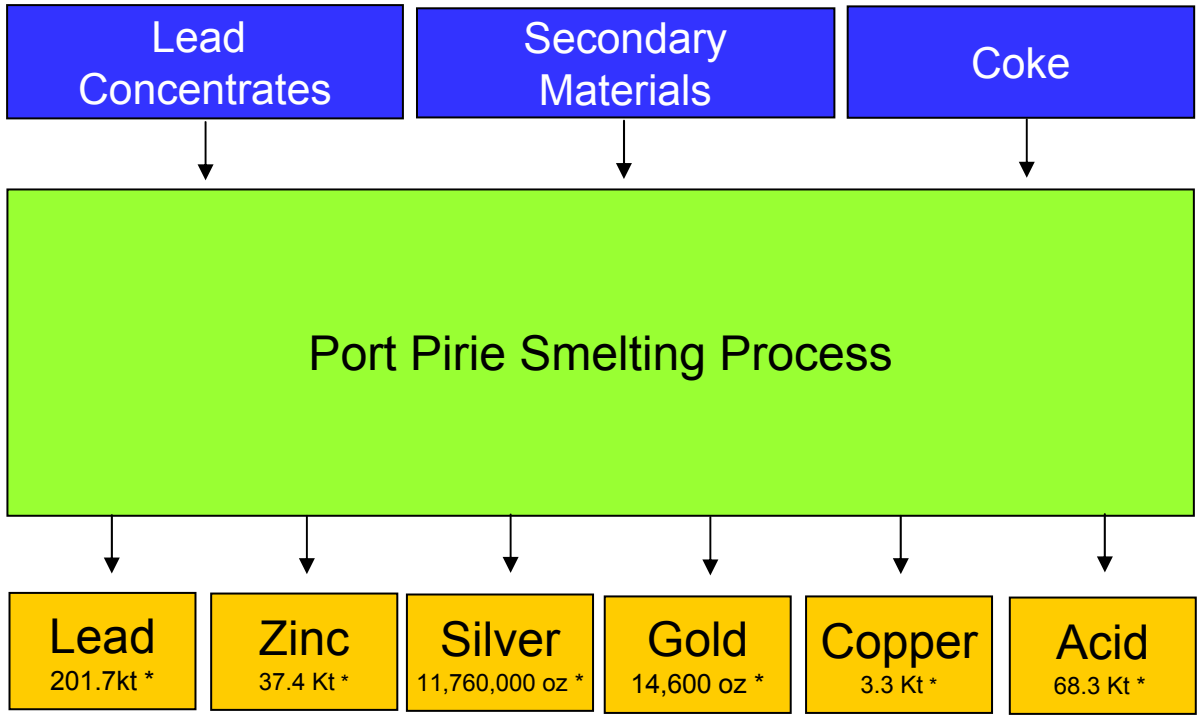
Lead Smelting Process

Complicated multi-strand process. The detail will not be discussed however it is documented in the Nyrstar prospectus.



* 2007 Annual Report Figures

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Lead Concentrate – Typical Pricing Terms

– Pb Metal Paid	95.0%
– Pb Minimum Deduction	3.0%
– Ag Paid	95.0%
– Ag Minimum Deduction	50.0 (g/t)
– Au Paid	90.0%
– Au Minimum Deduction	1.0 (g/t)
– Cu Paid	30%
– Cu Minimum Deduction	1%

Deductions

– Penalty: Silica in concentrate > 3.8%	1.5 USD per 1%
– Lead Treatment Charge	$neg
– Silver Refining Charge	$neg USD/kg*

**payable metal*

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Lead Concentrate
Pricing the Lead Component

Lead Grade	A	55.0%	60.0%	65.0%	70.0%
Paid Lead	B	95%	95%	95%	95%
Calculated Free Lead (% of conc)	C*	2.8%	3.0%	3.3%	3.5%
Minimum Deduction	D	3%	3%	3%	3%
Actual Free Lead	E*	5.45%	5.00%	5.00%	5.00%
Actual Paid Lead	F*	94.55%	95.00%	95.00%	95.00%

C* = (1 - B) * A
E* = IF(D<C,C/A,1-B)
F* = IF(D<C,1-C/A,B)

Where the free lead percentage of the total concentrate volume is less than the minimum deduction then this is used instead of the standard mechanism.

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Lead Concentrate
Pricing the Silver & Gold Components

- The same methodology is applied here for the pricing of silver and gold as is used for zinc concentrates.
- As a general rule, the grades of precious metals is higher in lead concentrates than in zinc concentrates. For this reason:
  - the payable metal percentages are often higher.
  - the minimum deductions are often lower.

Lead Concentrate
Pricing the Silver Component

Silver Grade (%)	A	0.0050%	0.1500%	0.2500%	0.3500%
Silver Grade (g/t)	B*	50	1500	2500	3500
Paid Silver	C	95%	95%	95%	95%
Calculated Free Silver (g/t)	D*	2.5	75	125	175
Minimum Deduction (g/t)	E	50	50	50	50
Actual Free Silver (g/t)	E*	50	75	125	175
Actual Paid Silver (g/t)	F*	0	1425	2375	3325
Paid Metal %		0%	95%	95%	95%
Free Metal %		100%	5%	5%	5%

B* = A * 10^6
D* = (1 - B) * A
E* = MIN(B,MAX(D,E))
F* = B - E

The same methodology is applied here as is used for zinc concentrates. As a general rule, the grade of precious metals is higher in lead concentrates than in zinc concentrates. For this reason: (i) the payable metal percentages are often higher; and, (ii) the minimum deductions are often lower.

Lead Concentrate
Pricing the Gold Component

Gold Grade (%)	A	0.00008%	0.00020%	0.00040%	0.00060%
Gold Grade (g/t)	B*	0.8	2.0	4.0	6.0
Paid Gold	C	90%	90%	90%	90%
Calculated Free Gold (g/t)	D*	0.080	0.200	0.400	0.600
Minimum Deduction (g/t)	E	1.000	1.000	1.000	1.000
Actual Free Gold (g/t)	E*	0.800	1.000	1.000	1.000
Actual Paid Gold (g/t)	F*	0.000	1.000	3.000	5.000
Paid Metal %		0%	50%	75%	83%
Free Metal %		100%	50%	25%	17%

B* = A * 10^6
D* = (1 - B) * A
E* = MIN(B,MAX(D,E))
F* = B - E

The same methodology is applied here as is used for zinc concentrates. As a general rule, the grade of precious metals is higher in lead concentrates than in zinc concentrates. For this reason: (i) the payable metal percentages are often higher; and, (ii) the minimum deductions are often lower.

Lead Concentrate Treatment Charges

- For lead concentrates, treatment charges are payable per tonne of concentrate.
- Treatment charges are either flat or have escalators/de-escalators like zinc concentrates.
- 2007 terms were generally either:
  - 140 USD/t flat TC (plus silver refining charge of 10 USD/kg); or
  - 158 USD/t at a basis price of 1500 (+7%/-5%)

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Lead Concentrate
Treatment Charge Negotiations

- Treatment charges are negotiated annually between smelters and miners in a process similar to Zinc treatment charges.
- Reported settlements include:
  - Teck Cominco / Korea Zinc settlement
    350 USD/t at a basis price of 2500 (+10%/-6%)
  - Cannington Settlement
    350 USD/t flat (plus silver refining charge of 17.50 USD/kg)

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Lead Premiums

- Lead premiums are generally lower than those for zinc.
- Nyrstar generally sells lead from Port Pirie / ARA on an ex-works basis.

Lead Premium USD/t

	Europe	Asia	US
2004	80/100	20/40	139
2005	60/120	10/20	175
2006	65/150	6/17	180
2007	100/210	10/180	155
2008 Q1	100/120	20/50	154

Source – Brook Hunt

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By-products

By-products

- The *'by-product'* means different things at different sites.
  - At the the zinc smelters, anything other than zinc is the reported as a by-product.
  - At Port Pirie, lead is the main product and anything else sold is a by product.
- Zinc sales at Port Pirie are reported as by-products. This is significant because we do not pay for the zinc contained in most lead concentrates.

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Forecasting By-products…

- Nyrstar does not provide a full disclosure of by-products production, revenues or contribution.
  - There is a long tail of minor products that are not material.
  - Some contribution comes in the form of ‘one-off’ sales of stockpiles that have built up over many years.
  - Some products (e.g. mercury) are essentially ‘toxic waste’ and have negative contribution after recovery/transport are considered.
- The best way to estimate this as an external analyst is to adjust historic contributions for:
  - Changes in overall production levels
  - An index of relevant metals prices

Contribution from by-products

2007 Contribution from by-products (Unaudited)	**€m**
Zinc at Port Pirie *(37,401 tonnes)*	84.0
Leach product (Pb/Ag/Au)	53.0
Sulphuric Acid *(1,461,000 tonnes)*	35.0
Copper based	31.0
Silver *(11,670,000 oz)*	11.0
Gold *(14,600 oz)*	4.0
Cadmium	3.0
Other	25.9
TOTAL	246.9

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Gross Profit

Gross Profit – High Level Model

Nyrstar uses a model very similar to this to check the output of more detailed models.

INPUTS		
Zinc Production (ex Port Pirie)	A	1,100,000
Lead Production (Port Pirie)	B	200,000
Zinc Recovery	C	95.50%
Lead Recovery	D	99.00%
Paid Zinc	E	85%
Paid Lead	F	95%
Zinc Concentrate Grade	G	53.50%
Lead Concentrate Grade	H	60%
LME Zinc Price (USD/t)	I	2594
LME Lead Price (USD/t)	J	3248
USD/ EUR	K	1.37
Realised TC (Zn) USD/t	L	300
Relaised TC (Pb) USD/t	M	160
Zinc (Average Premium)	N	250
Lead (Average Premium)	O	100

CALCULATION		
Free Zinc	P*	229.0
Zinc TC	Q*	471.5
Zinc Premium	R*	200.7
Free Lead	S*	19.2
Lead TC	T*	39.3
Lead Premium	U*	14.6
By-products	V*	250
Other	W*	-88
TOTAL GP	X	1136.3

P = A * (C - E) / C * I / K / 10^6*
Q = A * L / C / G / K / 10^6*
R = A * N / K / 10^6*
S = B * (D - F) / D * J / K / 10^6*
T = B * M / H / D / K / 10^6*
U = B * O / K / 10^6*
V = Assumption*
W = Assumption*
X = P + Q + R + S + T + U + V + W*

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Expenditure

Operating Costs

	Balen	Auby	Budel	Clarksville	Hobart	Port Pirie	Chinese	Other	TOTAL
Employee benefits	(27.2)	(36.4)	(28.0)	(15.7)	(42.8)	(21.7)	(3.7)	(13.2)	(188.7)
Energy	(35.1)	(31.5)	(65.1)	(15.2)	(46.3)	(28.0)	(6.1)	(1.4)	(228.7)
Other	(36.0)	(42.3)	(27.3)	(20.1)	(43.8)	(33.5)	(2.2)	(3.2)	(208.4)
2006 Operating costs **	**(98.3)**	**(110.2)**	**(120.4)**	**(51.0)**	**(132.9)**	**(83.2)**	**(12.0)**	**(17.8)**	**(625.8)**
Employee benefits	(45.9)	(21.7)	(27.6)	(14.6)	(27.8)	(36.6)	(3.1)	(24.6)	(202.0)
Energy	(48.6)	(23.2)	(58.6)	(15.8)	(36.5)	(31.6)	(9.3)	(1.5)	(225.2)
Other	(65.0)	(28.5)	(50.9)	(30.7)	(53.2)	(70.7)	(4.3)	3.7	(299.6)
2007 Operating costs*	**(159.5)**	**(73.4)**	**(137.1)**	**(61.2)**	**(117.5)**	**(139.0)**	**(16.7)**	**(22.4)**	**(726.8)**

Reconciliation of Underlying cost	31 Dec 07	
€m	Total energy costs	Total operating costs
Total Modified Pro Forma energy expenses	(175.7)	(677.3)
Adjustment for embedded derivatives	(49.5)	(49.5)
Underlying energy costs	(225.2)	(726.8)

* Underlying

** Modified Pro Forma

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Capital Expenditure

- Nyrstar expects to spend €150 million on capex in 2008.
  - €70 million on sustaining maintenance capex,
  - €30 million in growth projects and the remaining
  - €50 million on environmental capex.
- ***Was any of this capex intended for 2007?***

  Nyrstar has committed to spend €150 million on capex in 2008. Whilst some projects have been carried forward from 2007, cost savings and scope redefinition on other projects and rescheduling has left the total spend at €150m

  Why has the 2008 sustaining capex budget been reduced from €80m (IPO) to €70m

  We have deferred some of our capacity maintenance projects to maintain our self-imposed €150m capex cap for 2008. Whilst lower than forecast this is not deemed detrimental to the overall asset sustaining improvement plans across the operations

  Why has the 2008 growth capex budget been reduced from €40m (IPO) to €30m?

  All proposed projects are still progressing, however a portion of the expenditure has been deferred to 2009, with more detailed feasibility engineering design occurring over 2008. There is no expected delay to completion dates.

  Why has the 2008 environmental capex budget been increased from €30m (IPO) to €50m?

  Some environment and legal compliance capital expenditure has been brought forward from our 5 year plan, to ensure commitments are met

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Financial Review

Depreciation Policy (Note 3)

- All items of property, plant and equipment are depreciated on a straight-line basis.
- Useful lives are based on the shorter of the useful life of the asset and the remaining life of the operation, where the asset is being utilised.
- The expected useful lives are the lesser of the life of the operation or as follows:
  - Buildings 40 years
  - Plant and equipment 5–15 years
  - Freehold land is not depreciated.
- Depreciation rates are reviewed regularly and reassessed in light of commercial and technological developments.
- Where parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.
- Spare parts purchased for particular items of plant, are capitalised and depreciated on the same basis as the plant to which they relate.

Intangible Assets (Note 13)

Goodwill is allocated to the Group's cash-generating units (CGUs) according to the segments level summary below:	
Cash Generating Units	*Dec 2007 €m*
Auby Smelter	**20.2**
Balen Smelter	**183.3**
Budel Smelter	**25.7**
Clarksville Refinery	**0.2**
Chinese Operations	**20.9**
Other Operations	**4.5**
	254.8

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Other Financial Assets & Liabilities (Note 16)

	Dec 2007 €m
Current Assets	
Commodity Contracts – fair values hedges	1.9
Fair value of underlying hedged risk	9.1
Commodity contracts – held for trading	15.1
Foreign exchange contracts – held for trading	42.1
Embedded derivatives	17.9
	86.1
Non-current assets	
Fair value of underlying hedged risk	0.1
Embedded derivatives	22.5
	22.6
Current liabilities	
Commodity contracts - fair value hedges	8.9
Fair value of underlying hedged risk	2.0
Commodity contracts – held for trading	0.5
Foreign exchange contracts – held for trading	5.9
Embedded derivatives	2.1
Total current other financial liabilities	19.4
Non-current liabilities	
Commodity contracts – fair value hedges	0.1

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Inventories (Note 17)

	Dec 2007 €m
Raw materials	244.5
Work in progress	131.0
Finished goods	69.3
Stores and consumables	27.8
Total inventories	472.6

Note: 30 June inventory values are not comparable with the December 2007 due to the application of reverse acquisition accounting and IPO purchase price adjustments.

	Pro Forma 30 Jun 2007	Audited 31 Dec 2007	Implied Release *
Inventories	598.9	472.6	126.3
Trade and Other Receivables	461.2	286.5	174.7
Trade and Other Payables	(259.4)	(240.6)	(18.8)
Working Capital	800.7	518.5	282.2

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Loans and Borrowings (Note 21)

	Dec 2007 €m
Non-current	
Unsecured bank loans	311.3
Finance lease liabilities	0.6
	311.9
Current	
Current portion of unsecured bank loans	21.5
Loans from associate	19.6
Finance lease liabilities	0.7
	41.8

				Dec 2007 €m	
	Currency	Nominal interest rate	Year of maturity	Face value	Carrying amount
Unsecured bank loan	EUR	EURBOR + 47.5bp	2010	312.0	311.3
Unsecured bank loan	RMB	5.9%	2008	19.5	19.5
Loan from associate	AUD	Non-interest bearing	2008	19.6	19.6
Finance lease liabilities	AUD	9.37%	2009	1.3	1.3
Other	EUR	Non-interest bearing	2008	2.0	2.0
Total interest bearing liabilities				354.4	353.7

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Provisions (Note 22)

	Current portion				Non-current portion		
	Restoration	Workers' compensation	Other	Total	Restoration	Workers' compensation	Total
31 December 2007							
Carrying amount at start of period	5.1	2.6	-	7.7	80.5	3.5	84.0
Acquisition through business combinations	6.8	-	1.1	7.9	36.9	-	36.9
Payments/other sacrifices of economic benefits	-	(1.1)	-	(1.1)	(2.9)	-	(2.9)
Additional provisions	-	0.3	-	0.3	3.0	0.2	3.2
Transfers	3.2	-	-	3.2	(5.6)	-	(5.6)
Unwind of discount	-	-	-	-	2.8	-	2.8
Exchange differences	-	(0.1)	-	(0.1)	(2.3)	(0.1)	(2.4)
Carrying amounts at end of period	15.1	1.7	1.1	17.9	112.4	3.6	116.0

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Employee Benefits (Note 23)

	Dec 2007 €m	Jun 2007 €m
Present value of funded obligations	68.4	52.3
Present value of unfunded obligations	13.6	-
Total present value of obligations	82.0	52.3
Fair value of plan assets	(59.0)	(45.1)
Unrecognised past service costs	(0.6)	-
Total recognised retirement benefit obligations	22.4	7.2
Plan assets comprise:	Dec 2007 €m	Jun 2007 €m
Cash	4.0	4.0
Equity instruments	28.3	21.4
Debt instruments	7.9	7.9
Property	1.3	1.3
Other assets	17.5	10.5
	59.0	45.1

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Reconciliation to Underlying Result (Note 28)

- The items excluded from the Result from operating activities in arriving at Underlying earnings are as follows:
- (a) The Hobart Smelter entered into a new electricity contract with its electricity supplier that had a positive impact on the result from operating activities of €40 million. The former contract also contained an embedded derivative that had a positive impact on the result from operating activities of €4.7 million.
- (b) As at 31 August 2007, Nyrstar inherited an unhedged metal at risk position. Parent company approval for the hedging of this position was received on 13 September 2007. During this period in which the metal was not hedged, both the price of zinc and the US dollar fell, resulting in a negative impact on the result from operating activities of approximately €24.7 million. Certain sales remained unhedged until 19 December 2007 resulting in a further loss of €12.0m.

Reconciliation to Underlying Result (Modified Pro forma)

Result from operating activities before depreciation and amortisation		541.3
Share of profit/(loss) of equity accounted investees		18.4
EBITDA		559.7
Underlying adjustments		
Hobart Smelter embedded derivatives	(a)	(49.5)
Unhedged inventory	(b)	36.7
Underlying EBITDA		546.9

	31 Dec 07	
€m	Total energy costs	Total operating costs
Total Modified Pro Forma energy expenses	(175.7)	(677.3)
Adjustment for embedded derivatives	(49.5)	(49.5)
Underlying energy costs	(225.2)	(726.8)

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