



# **Full Year Results 2008**

27 February 2009

# Important note

This presentation has been prepared by the management of Nyrstar NV (the "Company"). It does not constitute or form part of, and should not be construed as, an offer, solicitation or invitation to subscribe for, underwrite or otherwise acquire, any securities of the Company or any member of its group nor should it or any part of it form the basis of, or be relied on in connection with, any contract to purchase or subscribe for any securities of the Company or any member of its group, nor shall it or any part of it form the basis of or be relied on in connection with any contract or commitment whatsoever.

The information included in this presentation has been provided to you solely for your information and background and is subject to updating, completion, revision and amendment and such information may change materially. Unless required by applicable law or regulation, no person is under any obligation to update or keep current the information contained in this presentation and any opinions expressed in relation thereto are subject to change without notice. No representation or warranty, express or implied, is made as to the fairness, accuracy, reasonableness or completeness of the information contained herein. Neither the Company nor any other person accepts any liability for any loss howsoever arising, directly or indirectly, from this presentation or its contents.

This presentation includes forward-looking statements that reflect the Company's intentions, beliefs or current expectations concerning, among other things, the Company's results of operations, financial condition, liquidity, performance, prospects, growth, strategies and the industry in which the Company operates. These forward-looking statements are subject to risks, uncertainties and assumptions and other factors that could cause the Company's actual results of operations, financial condition, liquidity, performance, prospects, growth or opportunities, as well as those of the markets it serves or intends to serve, to differ materially from those expressed in, or suggested by, these forward-looking statements. The Company cautions you that forward-looking statements are not guarantees of future performance and that its actual results of operations, financial condition and liquidity and the development of the industry in which the Company operates may differ materially from those made in or suggested by the forward-looking statements contained in this presentation. In addition, even if the Company's results of operations, financial condition, liquidity and growth and the development of the industry in which the Company operates are consistent with the forward-looking statements contained in this presentation, those results or developments may not be indicative of results or developments in future periods. The Company and each of its directors, officers and employees expressly disclaim any obligation or undertaking to review, update or release any update of or revisions to any forward-looking statements in this presentation or any change in the Company's expectations or any change in events, conditions or circumstances on which these forward-looking statements are based, except as required by applicable law or regulation.

This document and any materials distributed in connection with this document are not directed to, or intended for distribution to or use by, any person or entity that is a citizen or resident or located in any locality, state, country or other jurisdiction where such distribution, publication, availability or use would be contrary to law or regulation or which would require any registration or licensing within such jurisdiction.

The distribution of this document in certain jurisdictions may be restricted by law and persons into whose possession this document comes should inform themselves about, and observe any such restrictions. The Company's shares have not been and will not be registered under the US Securities Act of 1933 (the "Securities Act") and may not be offered or sold in the United States absent registration under the Securities Act or exemption from the registration requirement thereof.



**Roland Junck**  
**Chief Executive Officer**

# New CEO



**Roland Junck**

- Non-executive director of Nyrstar since October 2007
- Former CEO of Arcelor Mittal
- Member of the Group Management Board of Arcelor
- Senior executive vice president of Arcelor
- Senior vice president of Aceralia in 1998 and member of the Arbed Group Management Board from 1999 until 2002
- Started career with Arbed in 1980, appointed managing director in 1996

# Agenda

Speaker	Subject
Roland Junck, CEO	Highlights
Greg McMillan, COO	Operational Performance
Heinz Eigner, CFO	Financial Results
Roland Junck, CEO	Outlook
ALL	<b>Questions &amp; Answers</b>

# Highlights

- **SAFETY AND ENVIRONMENT**

- Lost Time Injury Rate down 34% from 7.9 to 5.2
- Recordable environmental incidents down 55% to 25, all minor

- **PRODUCTION**

- Production curtailments at Budel and Clarksville, Balen placed on care and maintenance
- Zinc market metal production of 1.056 million tonnes, in line with 2007
- Lead market metal production up 9% to 240,000 tonnes

- **COSTS**

- Strong cost control - flat compared with 2007

- **EARNINGS**

- Average zinc price in euros almost halved
- Underlying EBITDA of €153 million
- Net cash €147 million

- **MARKETING**

- Five year off-take agreement with Glencore to sell commodity grade zinc and lead metal

- **PORTFOLIO MANAGEMENT**

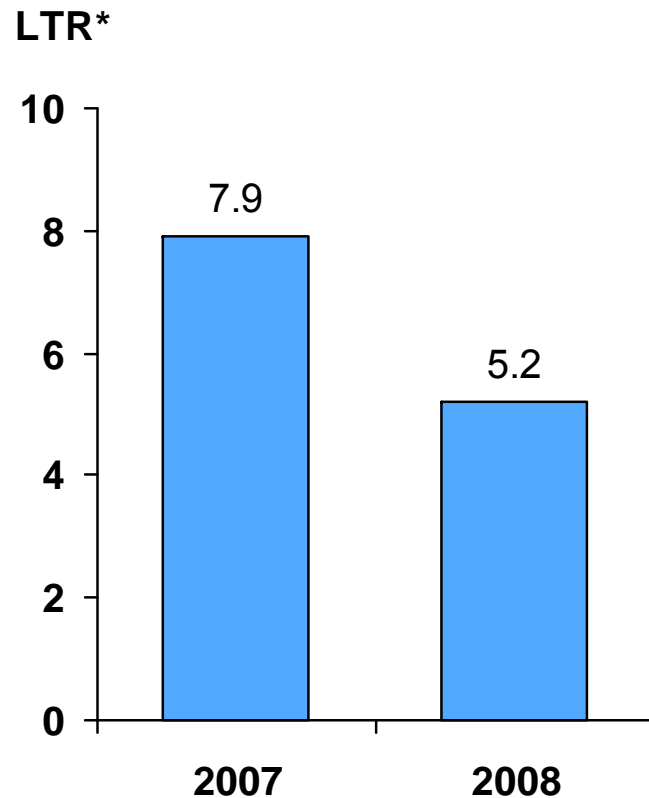
- Sale of holdings in Padaeng Industry Public Company Limited and agreement to sell holding in Nyrstar Yunnan Zinc Alloys Co Ltd





**Greg McMillan**  
**Chief Operating Officer**  
**Operational Performance**

# Safety, health and environment

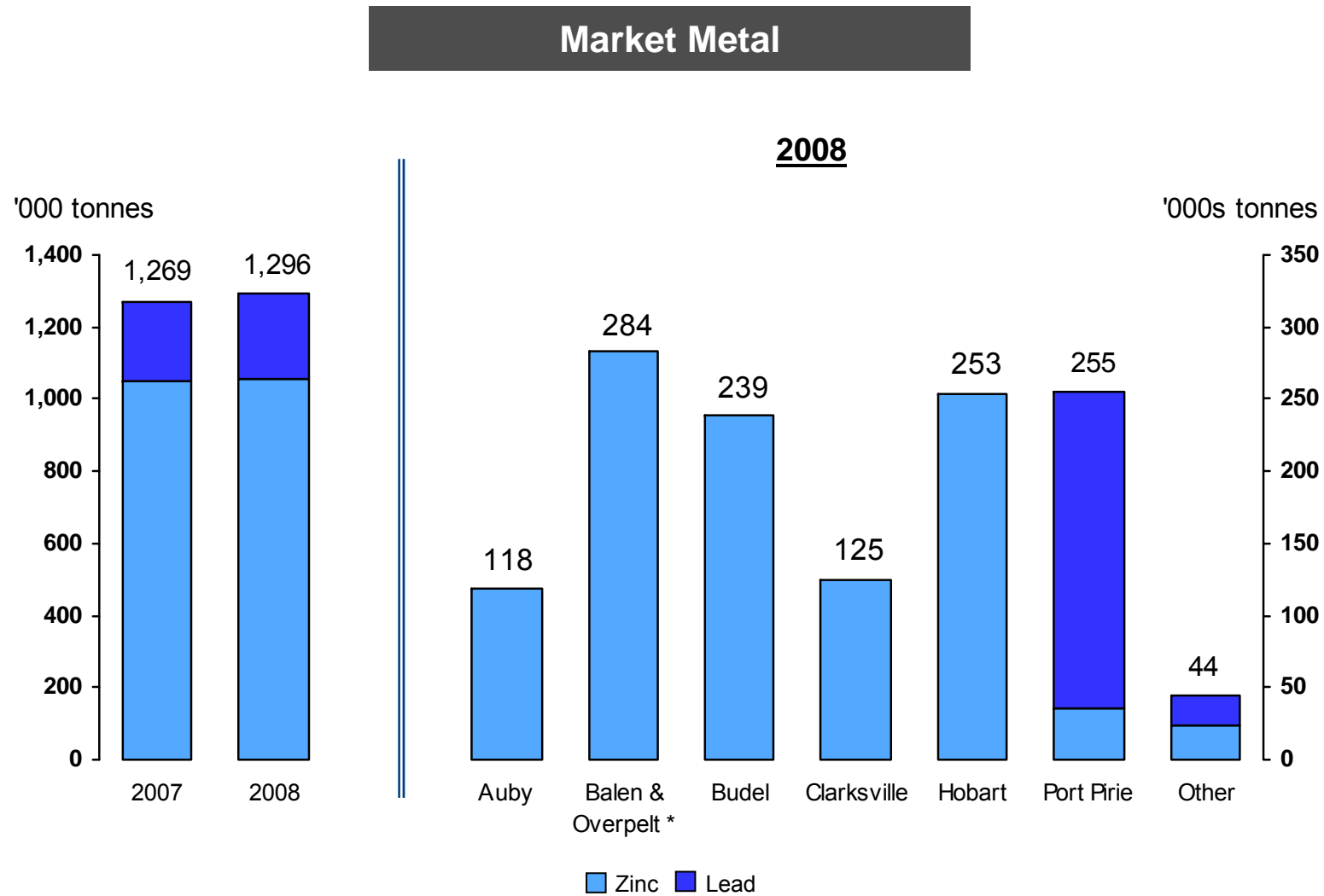


- Safety & Health
  - LTR Improvement of 34% achieved over 2007
- Environment
  - Recordable incidents down 55% to 25, all minor
  - Continue to focus on emission reduction and historical contamination

\* Lost Time Injury Rate (LTR) per million hours worked, includes contractor data where available



# 2008 production



\* Includes 21,000 tonnes of cathode purchased from Auby and Budel for conversion into zinc market metal, which is excluded from 2008 total

# Business improvement initiatives

- Zinc recovery at Hobart increased by 3%
- IPT (Improving Performance Together) initiative resulted in significant improvement in plant reliability and throughput at all sites, most notably
  - Hobart casting machines
  - Port Pirie sinter plant
  - Budel cathode stripping machines
  - Clarksville roaster
- Operational enhancements
  - Expansion of Auby's cell house from 130,000 to 160,000 tonnes pa
  - Optimisation of calcine distribution across the group enabled Budel and Clarksville to achieve record production
  - Moving to off peak power modulation at Budel and Clarksville has enhanced our ability to cost effectively flex output in line with market circumstances

# Restructuring initiatives

- Restructuring at Balen / Overpelt
  - Enhance operational/financial performance
  - Preserve the long-term future viability of the operations
- Restructuring of GMS
  - Glencore off-take agreement for commodity grade zinc and lead
  - Retain full operational flexibility, produce/market die-cast and other special alloys
- Major operational and technical evaluations at Port Pirie under review
  - Transfer of zinc production from Port Pirie to Hobart
  - Installing modern smelting technology and multi metals recycling in the longer term
- Divestment of non-core businesses
  - Sale of 24.9% holding in Padaeng Industry Public Company Limited
  - Agreement to sell 60% holding in Nyrstar Yunnan Zinc Alloys Co Ltd



**Heinz Eigner**  
Chief Financial Officer

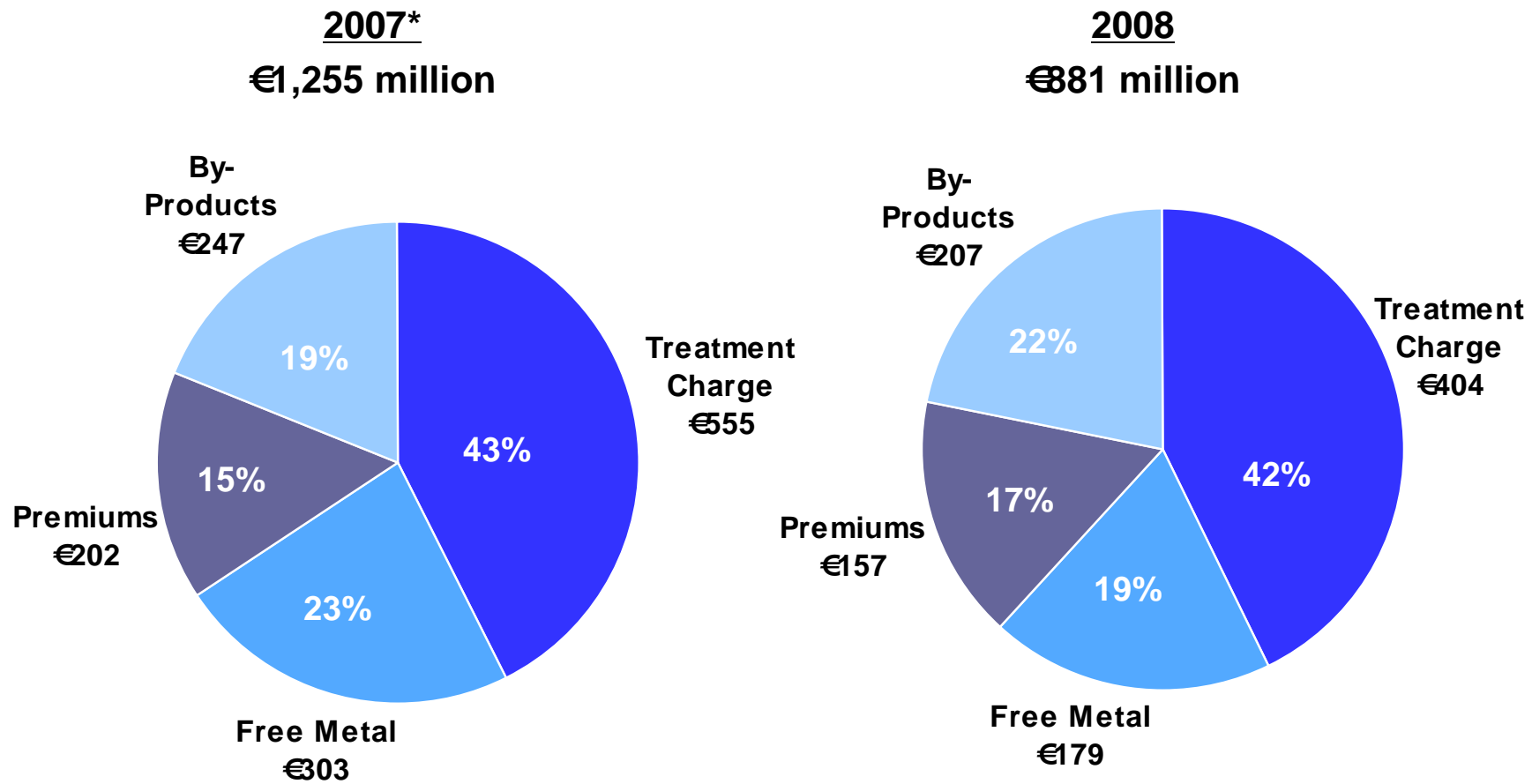
**Financial Results**

# Full year results

€millions unless otherwise indicated	12 months to 31 December	
	2007*	2008
<b>Revenue</b>	3,815	2,410
<b>Gross Profit</b>	1,255	881
<b>EBITDA</b>	547	153
<b>NPAT</b>	n/a	(595)
<b>Net cash/(debt)</b>	(155)	147

\* Modified pro forma basis  
Gross Profit and EBITDA are on an underlying basis

# Elements of gross profit



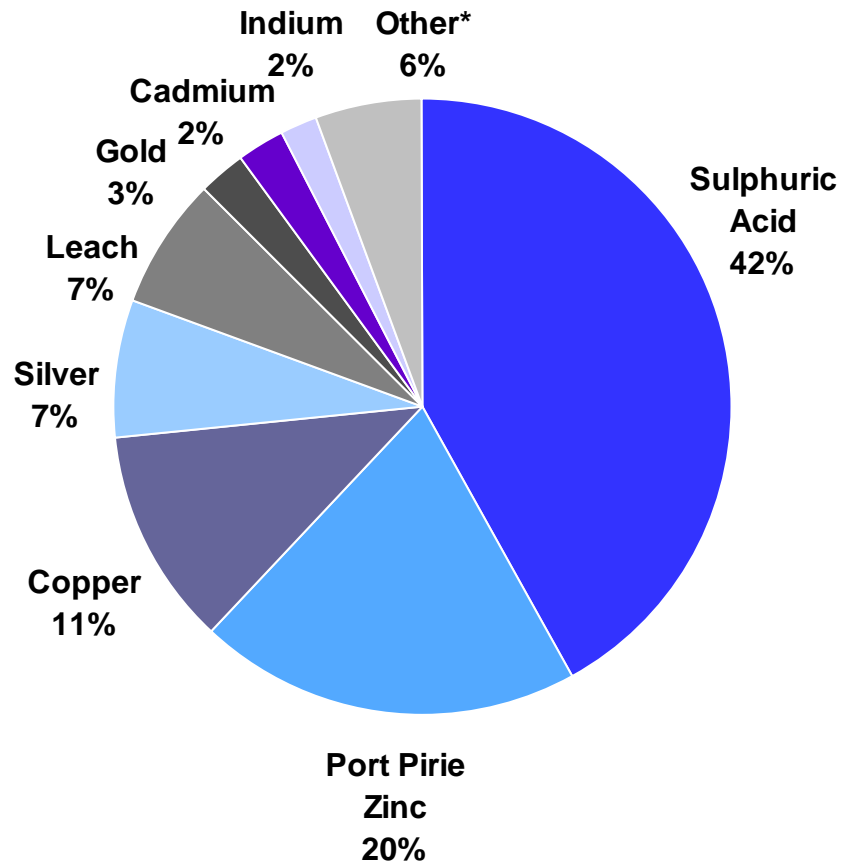
\* Modified pro forma basis

Excludes "Other" which includes realisation expenses, cost of alloying materials and realised price differences - €(51)m:2007 €(65)m:2008



# By-product contributions

2008 - €207 million



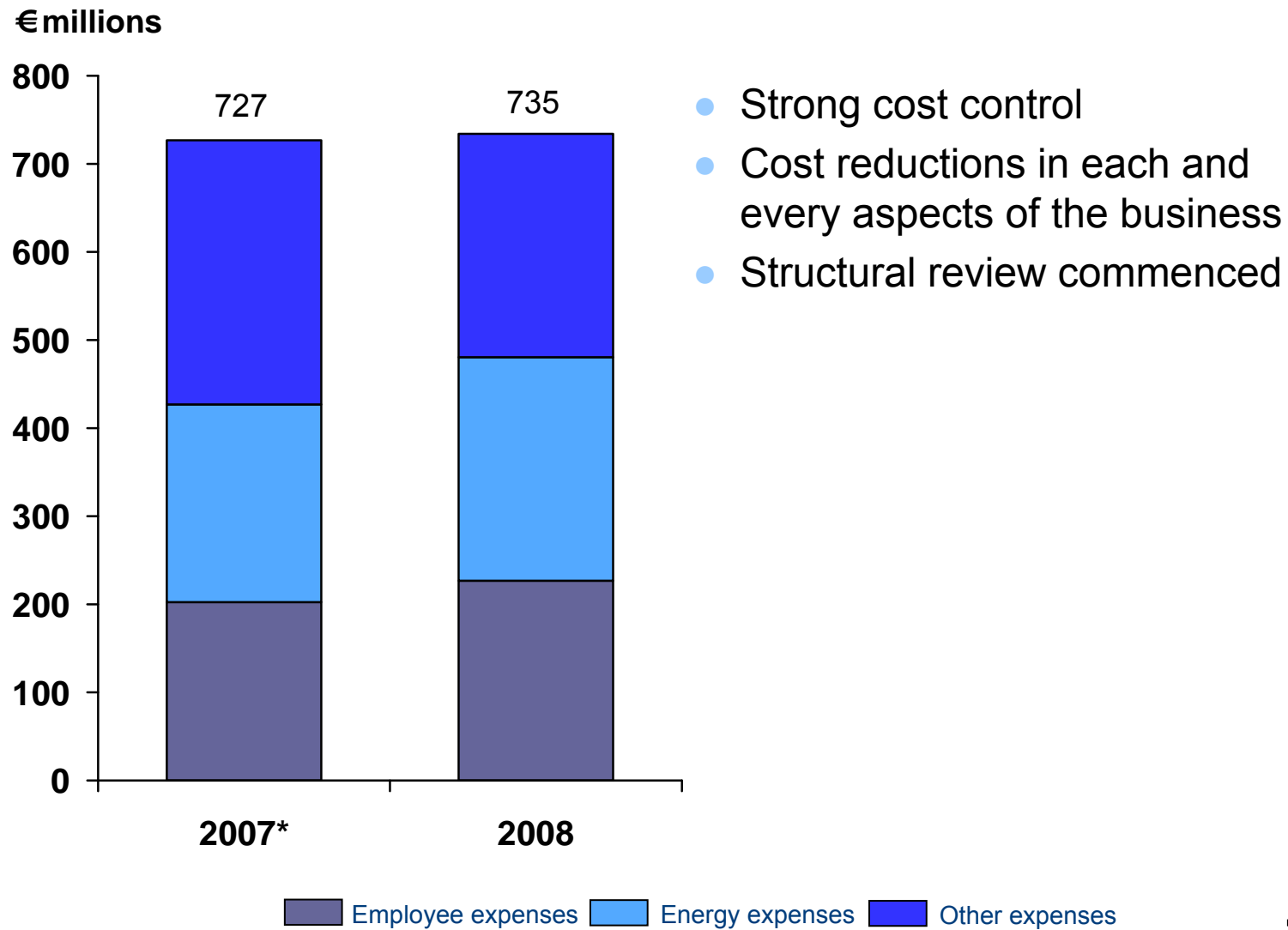
- By-product contribution impacted by falling metal prices, offset by strong demand for sulphuric acid
  - Incremental €52 million from sulphuric acid
  - Precious metals, cadmium and indium also supportive
  - Sharp decline of leach and zinc

2007

Port Pirie Zinc	34%
Leach	21%
Sulphuric Acid	14%
Precious Metals	7%

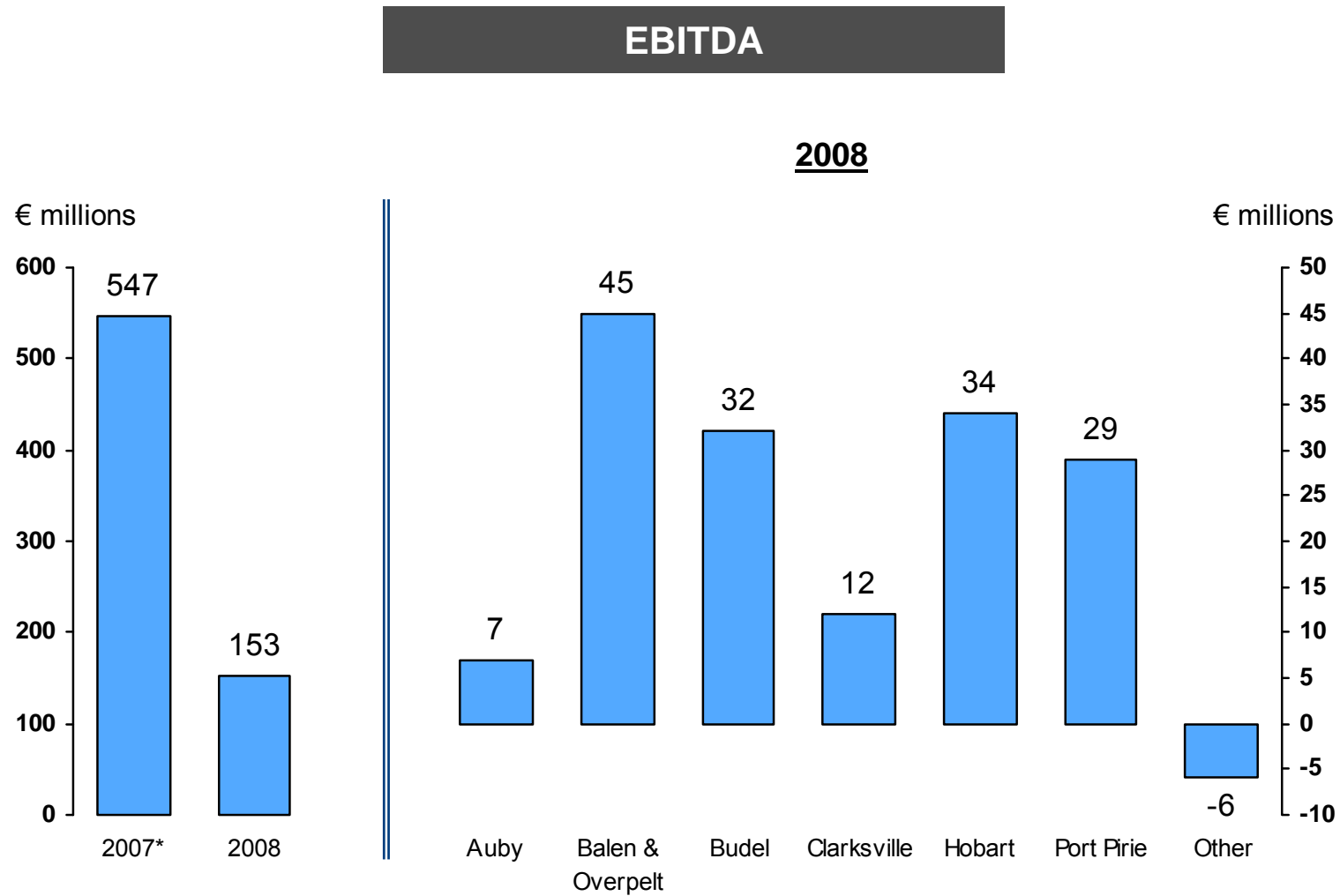
\* Other includes a range of metals and products e.g. Cobalt, Nickel, Germanium etc

# Operating expenses



\* Modified pro forma basis

# EBITDA performance



\* Modified pro forma basis

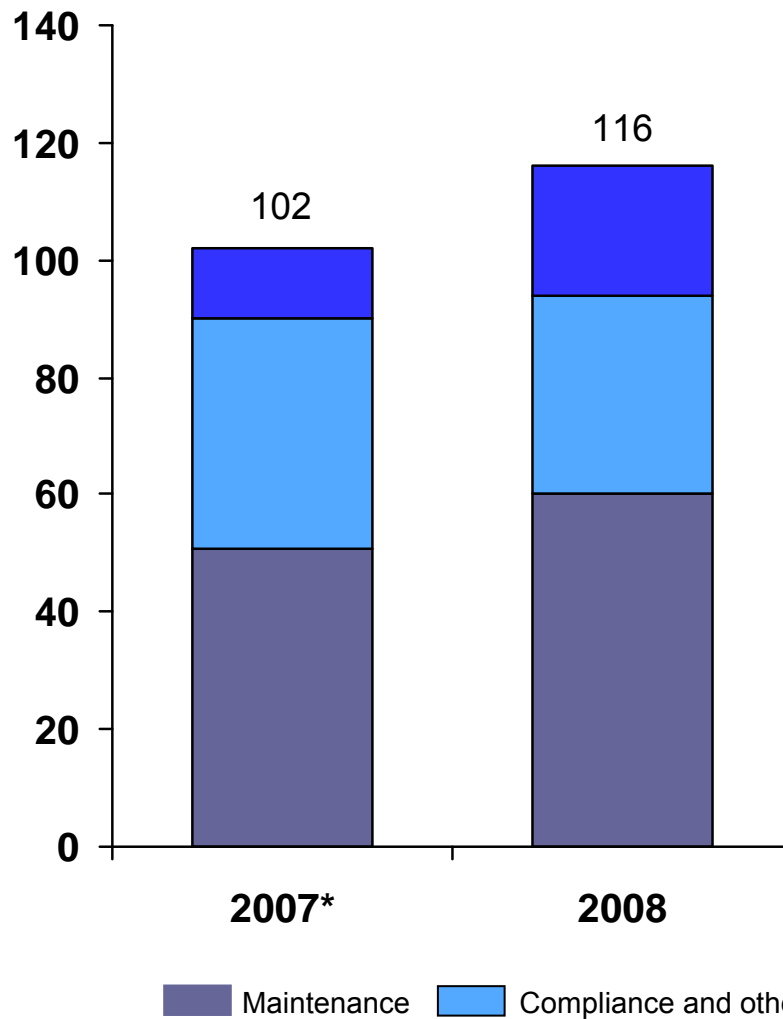
## EBITDA sensitivities

Parameter	Variable	Estimated EBITDA impact in €millions
		2008
Zinc price	+/- US\$100/t	+/- 17
Lead price	+/- US\$100/t	+/- 1
US\$/€	+/- € 0.01	+/- 11
A\$/€	+/- € 0.01	+/- 4
Zinc TC	+/- US\$25/t	+/- 29
Lead TC	+/- US\$25/t	+/- 6

- Calculated by modelling Nyrstar's 2008 underlying operating performance. Each parameter is based on an average value observed during that period and is varied in isolation to determine the EBITDA impact.
- Particular care needs to be taken when applying the sensitivities. For details refer to Nyrstar's annual results announcement

# Capital expenditure

€millions

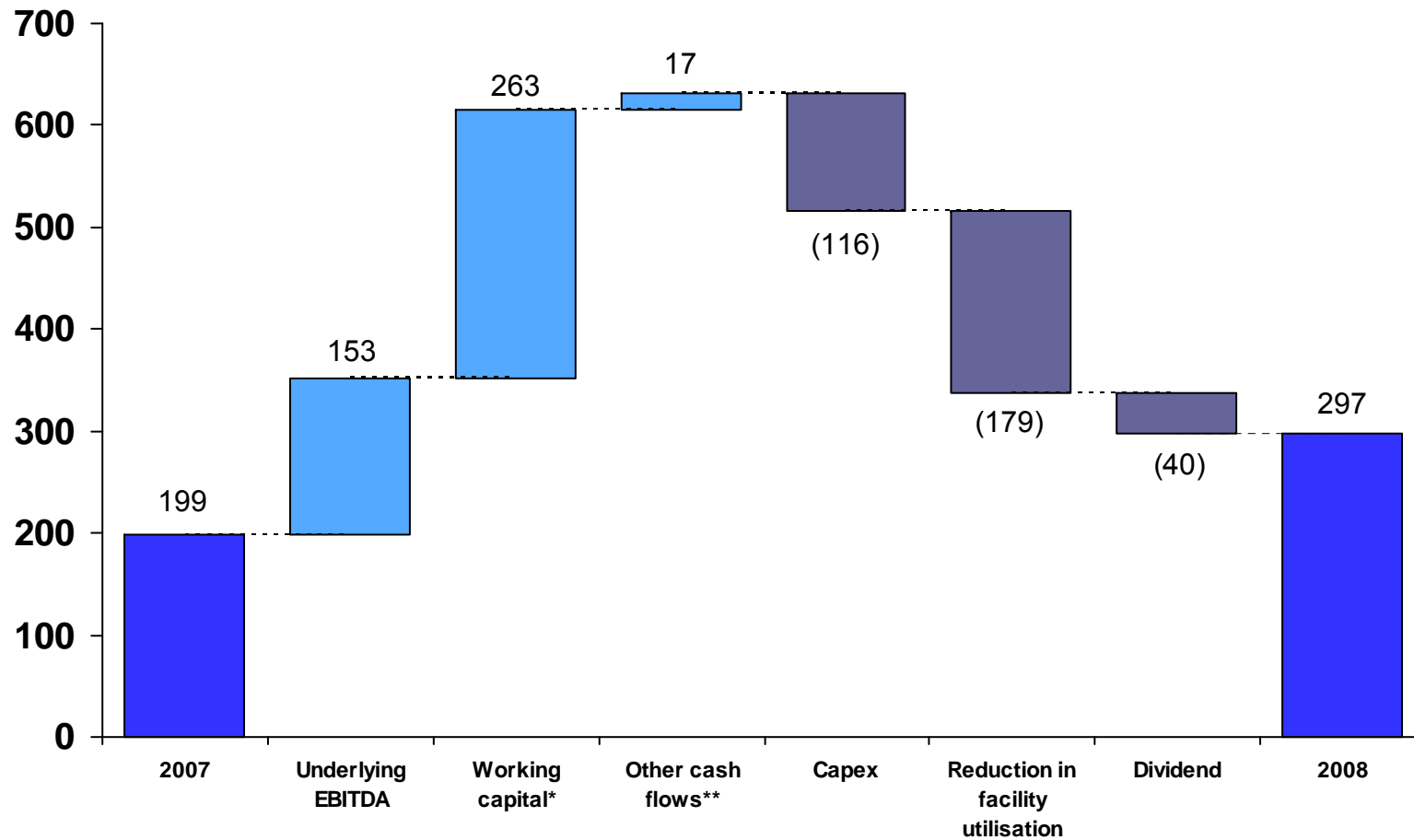


- Capital expenditure at historical levels
  - 19% growth
  - 29% compliance and other environmental
  - 52% maintenance
- Significant adjustments to spending levels during H2 2008

\* Modified pro forma basis

# Cash flow

€ millions

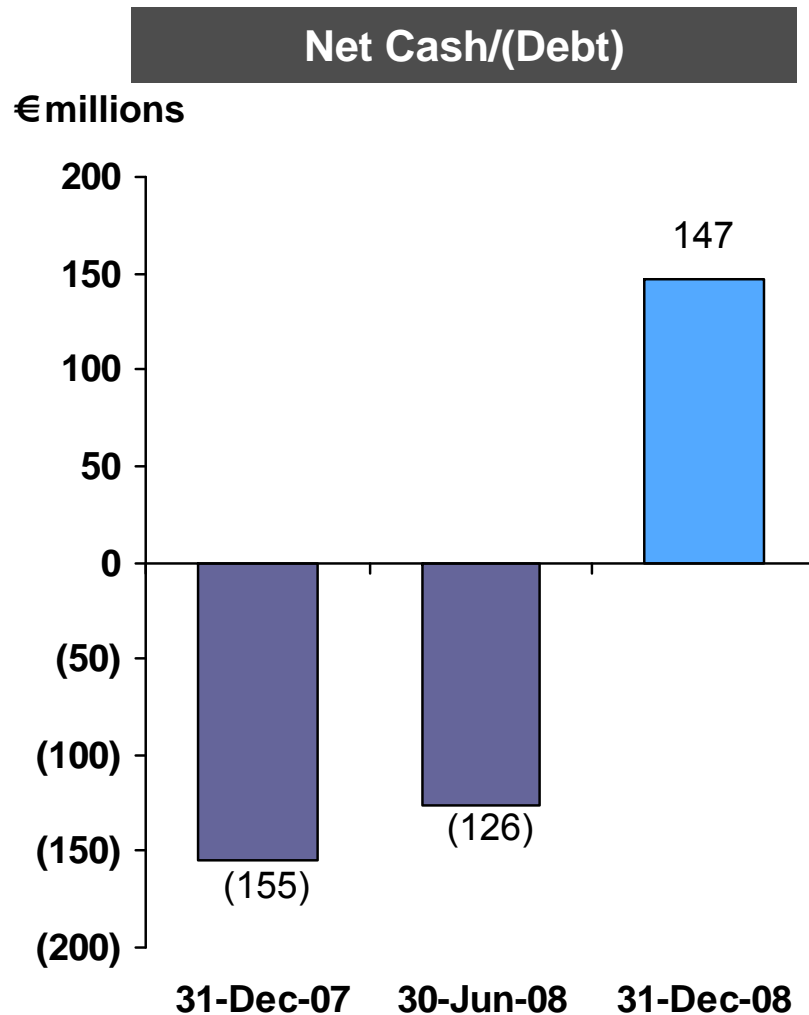


\* Working capital includes movements in inventories, trade & other receivables and trade & other payables

\*\* Other cash flows includes movements in prepayments, financial assets & liabilities, and investing and financing activities not disclosed above. Adjustments are made for certain items reclassified to underlying EBITDA.



# Liquidity position



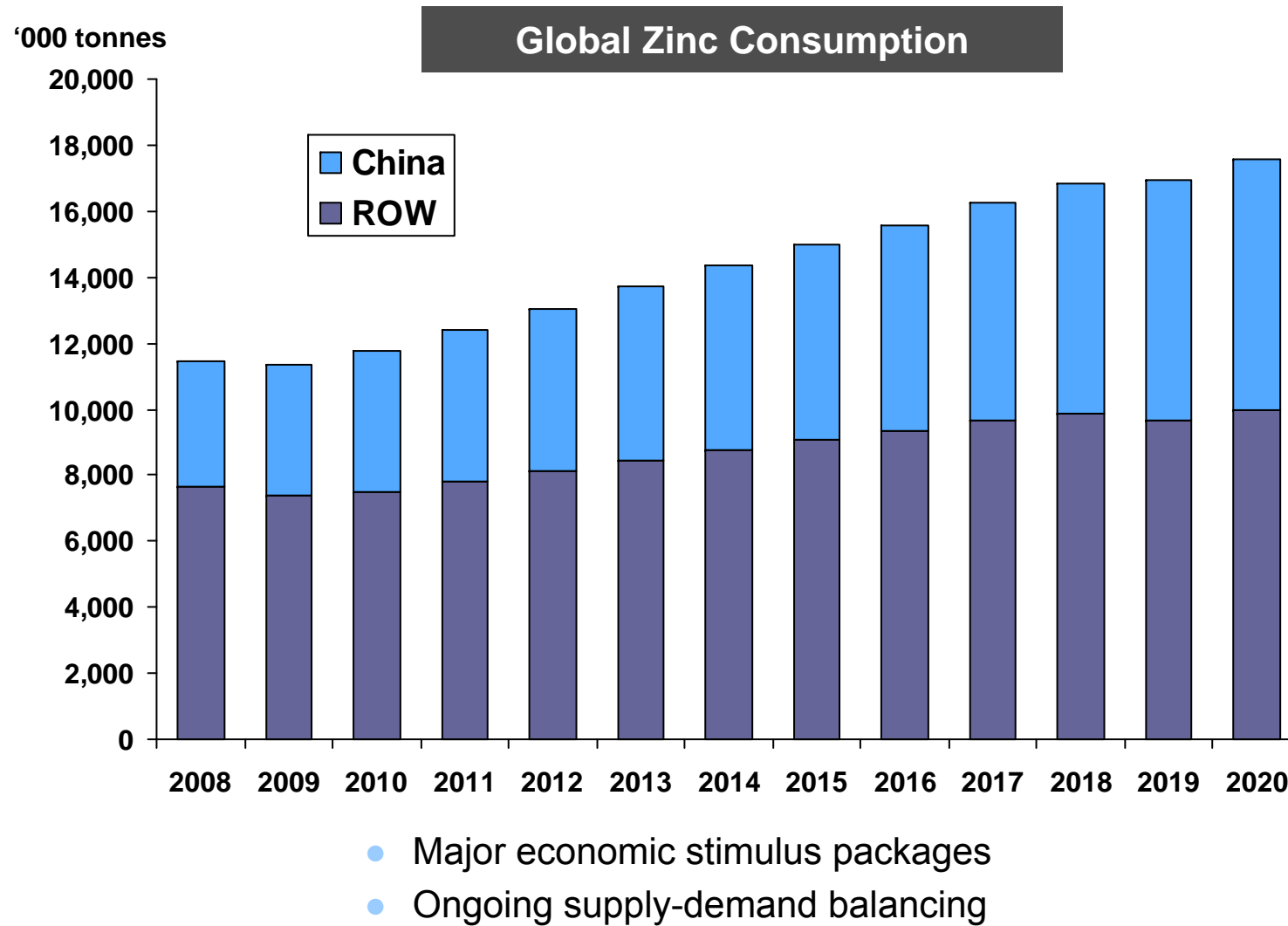
- Strong net cash position
- Trading comfortably within debt financing covenants
- €350 million (Dec 2009: €150 million) revolving credit facility available
- Off-take agreement commenced January 2009



**Roland Junck**  
Chief Executive Officer

**Outlook**

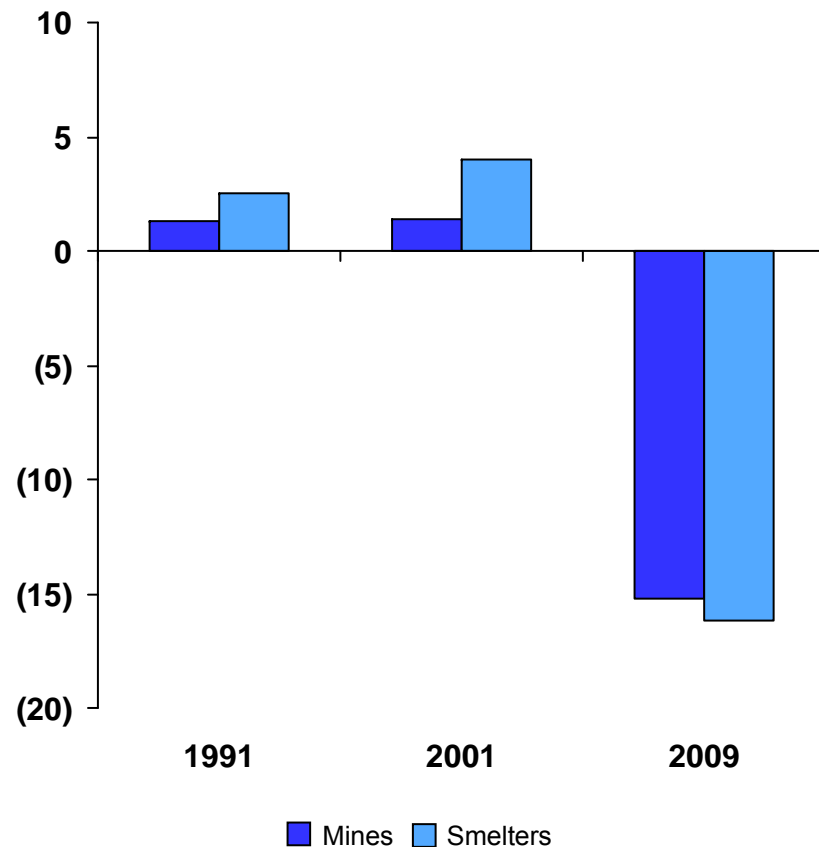
# Demand trend for zinc



Source: Brook Hunt – December 2008

# Zinc industry production cuts during recessions

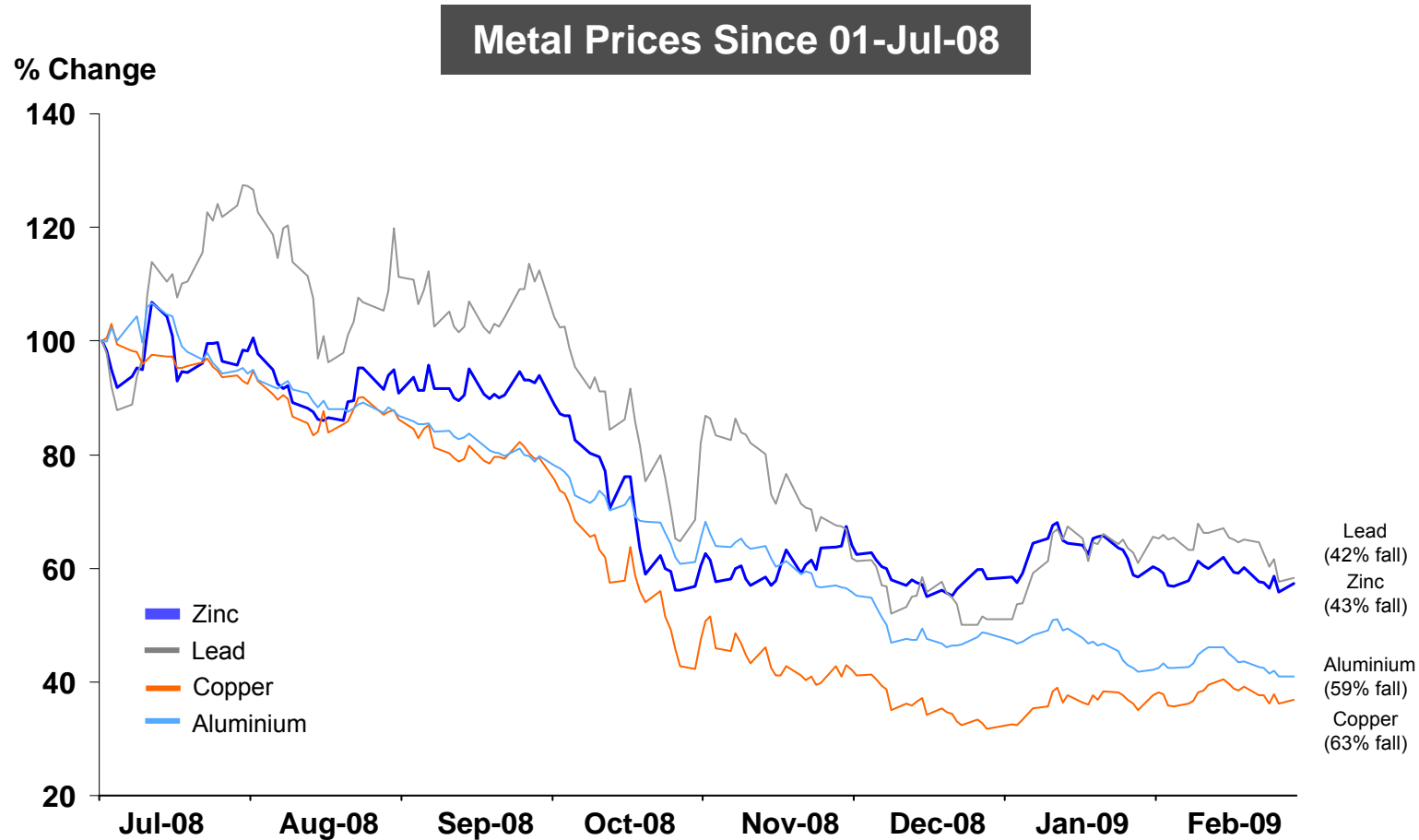
% Global Consumption



- Aggressive cut backs from both mines and smelters in 2009
  - Approximately 1.7 million tonnes of zinc contained cut by mines
  - And approximately 1.7 million tonnes of refined zinc cut by smelters
- Strong contrast compared with previous downturns
  - Output pushed in an attempt to control unit costs
  - But many still unprofitable

Source: Brook Hunt, market intelligence and company announcements.

# Zinc/lead - best performers since production cuts



Source: [www.metalprices.com](http://www.metalprices.com)

# Outlook

- Unprecedented downturn in global economy
- Above all
  - Our strong balance sheet allows necessary transformation
- Continued focus on:
  - Cost and capital control
  - Higher premium zinc products
  - Improve share of the zinc and lead price via treatment charges
  - Increased operational flexibility





**Greg McMillan, COO**



**Heinz Eigner, CFO**



**Roland Junck, CEO**



**Erling Sorensen, CMO**

## **Questions & Answers**