



Navigating the Future

Prudently, Pragmatically, Proactively

Strategy Update,
June 2009





Welcome

Michael Morley, Director, Legal and External
Affairs

Introducing: The Nyrstar Management Team



Roland Junck
Chief Executive Officer



Heinz Eigner
Chief Financial
Officer



Greg McMillan
Chief Operating
Officer



Erling Sorensen
Chief Commercial
Officer



Michael Morley
Director, Legal &
External Affairs



Russell Murphy
Director, Human
Resources & SHE



Navigating the Future

- **Transforming today for a sustainable future**
 - Nyrstar is transforming itself in the face of a challenging year for commodities
- **Our perspective of a changing world**
 - The future outlook of the metal industry is strong
- **Building for the future**
 - Our new strategy



Transforming today for a sustainable future

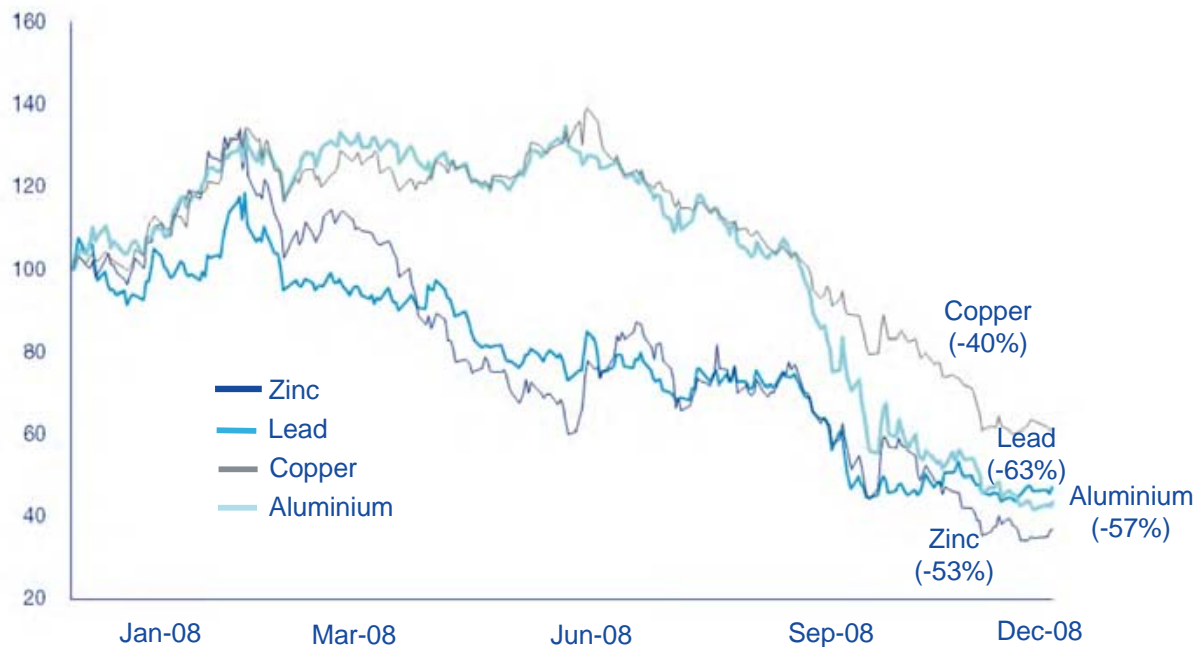
Roland Junck, Chief Executive Officer

> **Transforming today** for a sustainable future
Our perspective of a changing world
Building for the future



Global financial crisis: a challenging year for commodities

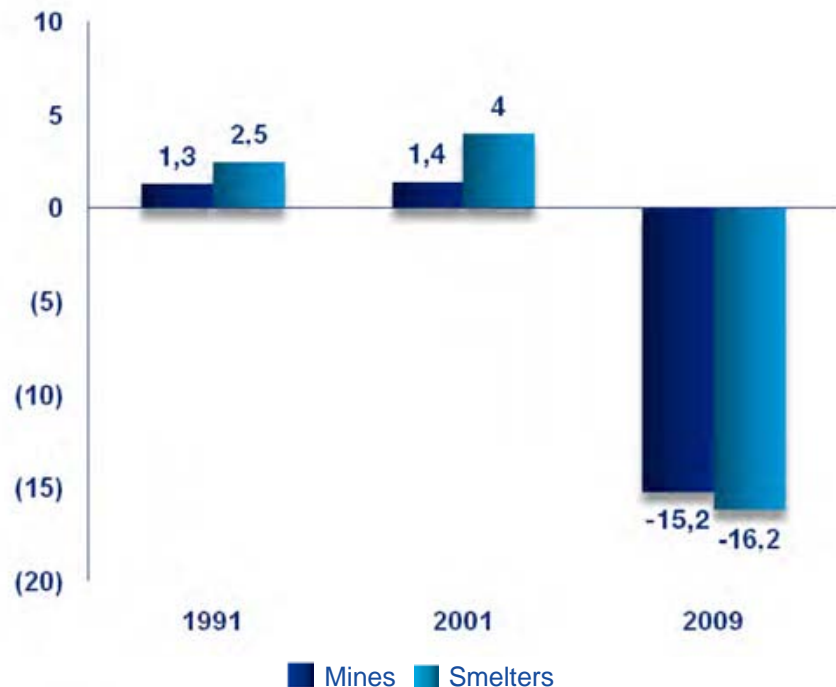
% Change



Commodity prices fell dramatically over the last year as the result of **exceptionally challenging financial conditions**

Fast action: Smelting industry leadership by cutting production and addressing supply/demand

% Global Consumption



Nyrstar took **bold and unprecedented action** to address the supply/demand imbalance facing the smelting industry.

- In total **approx 1.7 million tonnes** of refined zinc cut by smelters

- Matched by approx 1.7 million tonnes of zinc cut by mines

- Strong contrast compared with previous downturns



Results apparent: Zinc prices stabilise



The **decisive actions** stabilised zinc prices:

- Production cuts helped to address supply/demand balance
- Growth in stocks arrested
- Sowed the seeds for price recovery

Transforming today

- I Nyrstar is transforming itself to ensure that it is well placed to seize future opportunities

Organisation Restructure

- I Management team re-structured
- I >500 employees (15%) over 2009/2010

Cost Reductions*

- I >€30m reduction in Employee Costs
- I >€20m reduction in Other Costs

Total Operating Costs

- I Targeting <€500/t in 2009, from €576/t in 2008**

Timing

- I All initiatives completed by end 2010
- I Expect to realise 50% of savings in 2009
 - I Once-off restructuring costs of €24m in 2008, €16m in 2009



**Savings and restructuring costs include previously announced Balen and corporate restructuring; Excludes reductions from short term production cuts; Excludes impact of wage inflation going forward*

*** Estimated Underlying Operating Costs per ton of primary market metal (Zinc + Lead)*

Our strategic framework: for a sustainable future



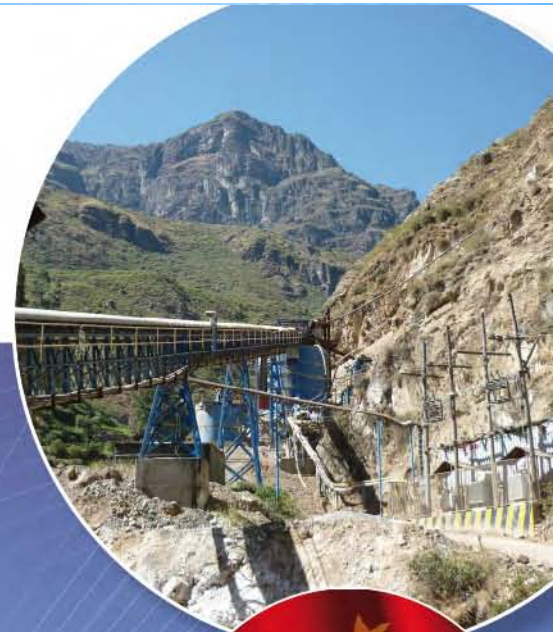
- **New vision:** “The partner of choice in essential resources for the development of a changing world”
- **Target:** Financial return and scale
- **Strategic focus**
 - Portfolio management
 - Business improvement
 - Growth



Our perspective of a changing world

Erling Sorensen, Chief Commercial Officer

Transforming today for a sustainable future
> **Our perspective** of a changing world
Building for the future



The key global trends affecting Nyrstar in the long-term is the scarcity of resources

Global mega-trends

Limited resources, unlimited demands – resource demand rapidly outpaces supply (oil, gas, coal, water, biomass, most relevant metals)

New consumers – over 1 billion new consumers, predominately in China and India; ageing population

Shifting centres of economic activity – dramatic realignment of GDP, oil windfall in the Gulf, urbanization

Climate change – carbon productivity or adaptation becoming the dominant factor in all business decisions

The overburdened public sector – productivity gains in the public sector needed to avoid massive tax increases

The social cost of the free market – companies increasingly have to answer not just to shareholders but also to stakeholders

Social life in a technological world – connectivity transforms the way we live and interact

Turbulent tides of talent – supply and demand for global talent is shifting to Asia for low cost and highly skilled talent

New global industry structures – barbell-like industry structures, increasing global capital flows

The new economies of knowledge – ubiquitous access to information, science of management



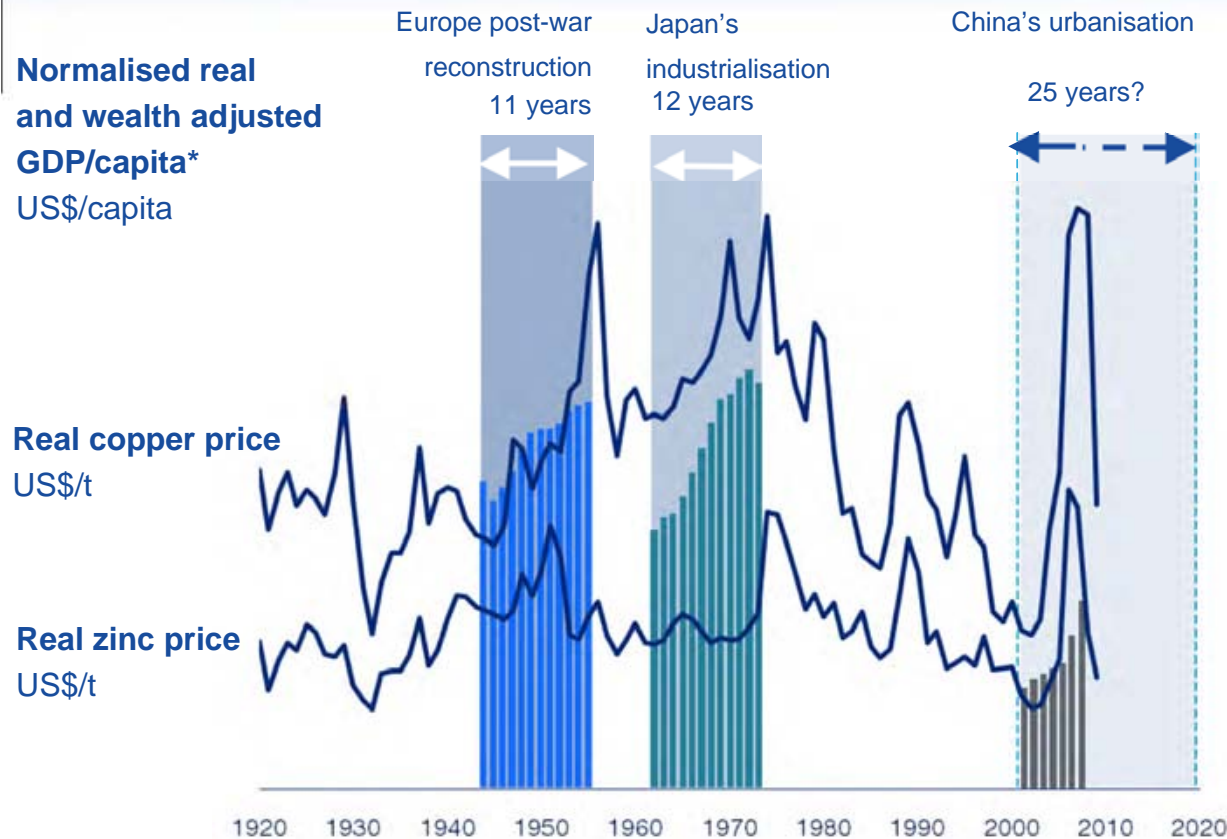
China's urbanisation in perspective

The medium to long-term outlook for metals markets remains intact

- From 2005-2025, Chinese cities will add more than 350m people...
...equivalent to more than the entire population of the USA today
- There will be more than 200 cities in China with over 1m inhabitants...
...whereas in Europe today there are only 35 cities with 1m people
- China will build up to 50,000 new skyscrapers...
...which is equivalent to building New York ten times over
- There are plans for up to 170 new mass transit systems...
...whereas in Europe today there are only 70 mass transit systems
- **By 2025, two-thirds of the citizens of China will live in cities...**
...which in round numbers means one thousand million people

We should not lose sight of the *structural* trends shaping our industry in the current *cyclical* downturn

Economic growth drives demand

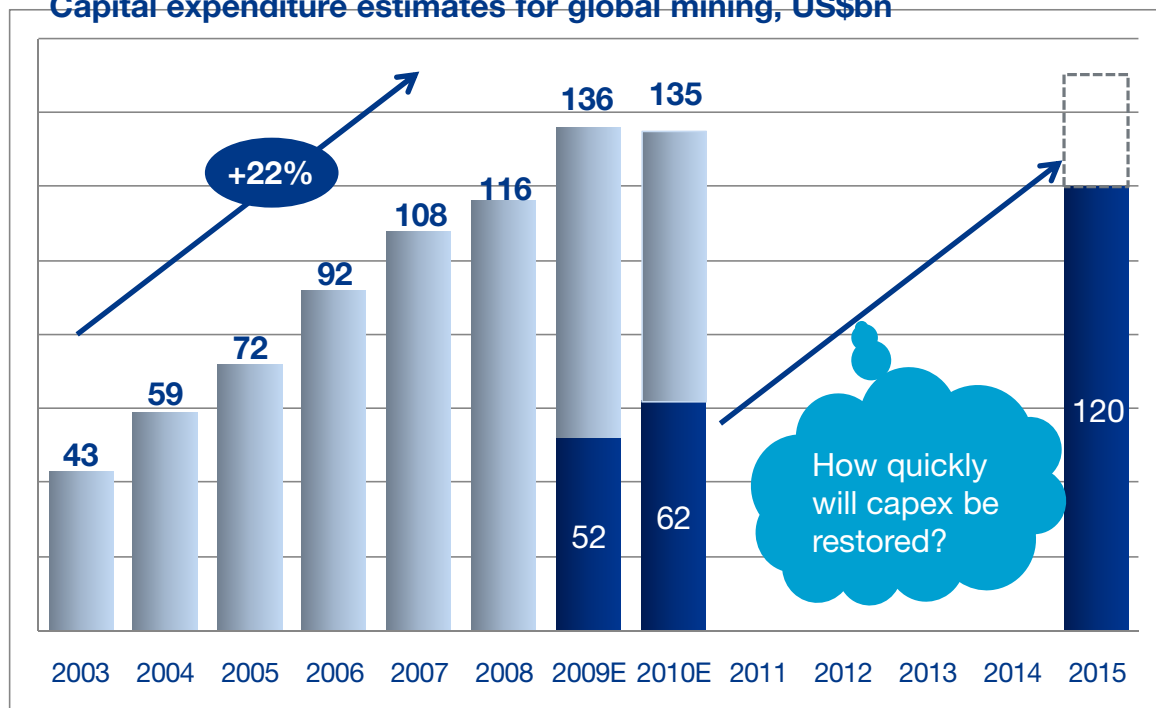


- China is continuing to develop and this process will lead to **greater demand for resources**

Tumbling investment in resources' supply

Spending in recent years was in part catching up for low investment in the 1990s

Capital expenditure estimates for global mining, US\$bn



- Supply response will lag resumed demand
 - Capex budgets will lag behind resumed demand
 - Additional delay on projects as feasibility studies need to be redone
 - Traditional supply side constraints will return

Lead indicators suggest metals markets are moving towards recovery

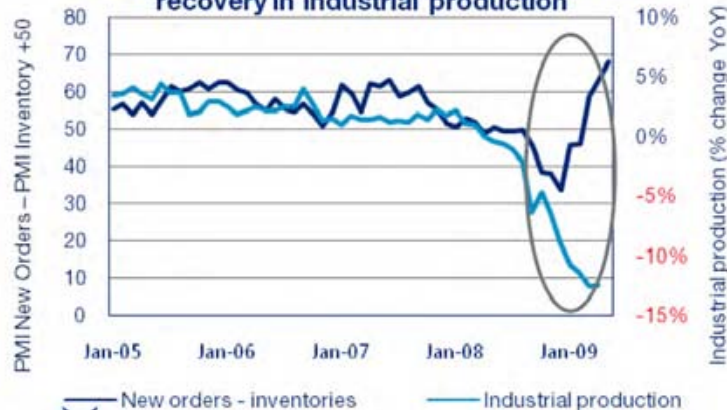
New orders led the production recovery in 1975



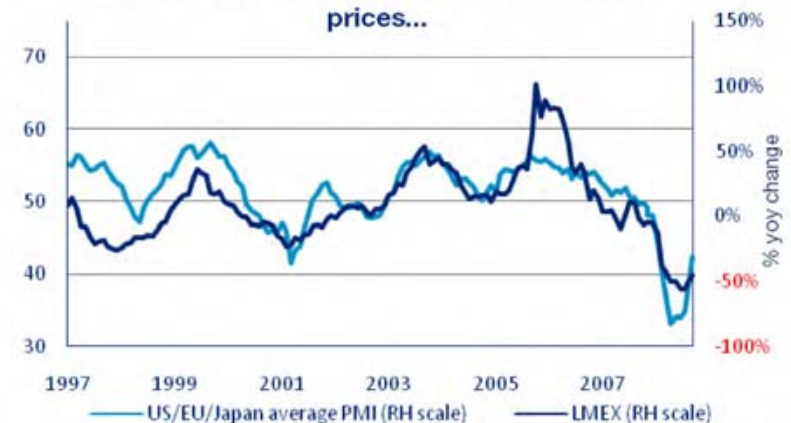
PMIs a timely indication of industrial production...



New order and inventory indices tend to lead a recovery in industrial production



And show reasonable correlation with metals prices...



Our perspective of a changing world

I Cyclical short-term outlook

- I World economy and metals markets are at or approaching a turning point but markets will remain volatile

I Structural outlook

- I Medium to longer term expectations for strong metals consumption increase based on BRIC industrialisation and urbanisation remain intact
- I Fall-out from recession and credit crunch will reduce the capacity of metals supply to respond to rising demand

I Market outlook

- I We believe the resources outlook is **positive** and provides **opportunities**



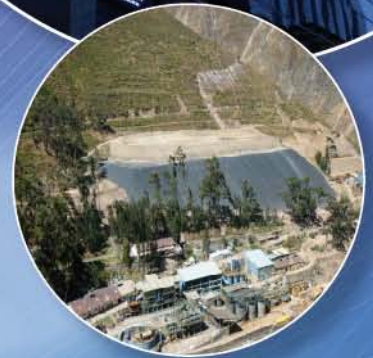
Building for the future

Roland Junck, Chief Executive Officer

Transforming today for a sustainable future

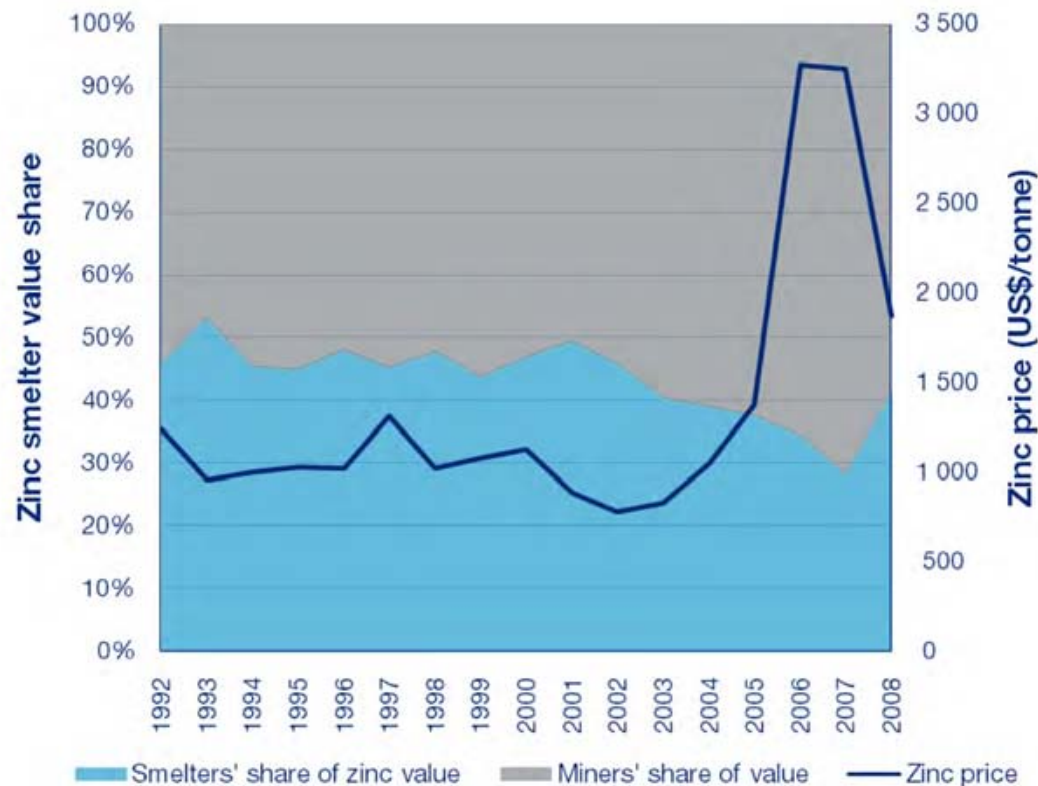
Our perspective of a changing world

> **Building** for the future



Opportunity through upstream integration

Zinc smelter value share



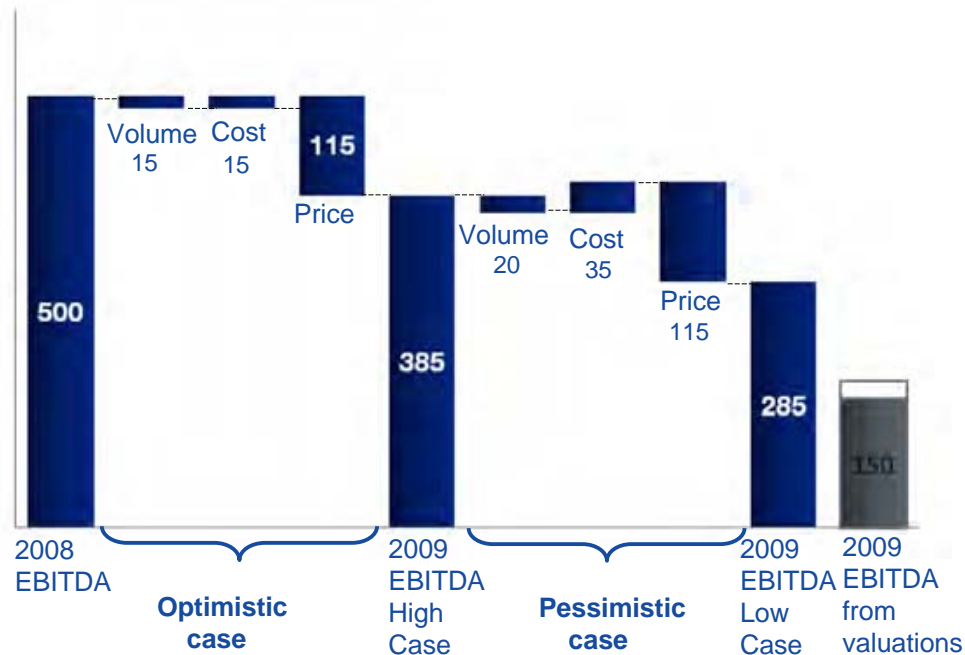
Note: Zinc prices are annual average cash settlement in nominal terms



- Upstream integration provides a **greater exposure to metal prices** throughout the cycle

Mining valuations appear conservative

Global Mining EBITDA 2008-2009, USD Billions



- The opportunity exists for Nyrstar to selectively **grow into mining now**
- March 2009 valuations assume EBITDA of \$150 to \$170 bn



Future Strategy

We will:

- Continue to improve and expand our existing business
 - Selectively pursue opportunities in mining, favouring:
 - mines that support our existing business
 - markets where Nyrstar has existing expertise (Zinc, Lead, Silver, Gold, Copper) and proven capability
- ➡ Our aim is that smelting and mining will both provide valuable contributions to our earnings
- ➡ An integrated Nyrstar could facilitate broader industry consolidation

How we will fund this?

- Strong financial position
 - €176m cash end March 2009
 - Undrawn credit facilities of €350m (€150m from 2010)
 - Will maintain a net cash position for 2009
- Maintain financial strength
- Examining longer term financing options

Our vision

To be **the partner of choice** in
essential resources for the
development of a changing world



Questions & Answers

