27 JULY 2012

nyrstar

Half Year Results 2012

Half Year Results 2012

Roland Junck
Chief Executive Officer

Greg McMillan
Chief Operating Officer

Heinz Eigner
Chief Financial Officer

Roland Junck
Chief Executive Officer

> **Highlights**
Operating Results
Financial Results
Outlook & Summary

H1 2012 Highlights - Operations

Solid operating performance with full year production guidance for all metals maintained

Mining

- Mining production of **151kt of zinc in concentrate, up 18%** (23kt)
  - Own mine production of 135kt, **up 25%** (27kt)
  - **Langlois ramp up completed** in line with management expectations with production of 17kt
  - **On-going improved performance at Tennessee Mines** due to optimisation program with production of 49kt, **up 17%** (7kt)
  - Talvivaara deliveries of 16kt, **down 20%** (4kt)
- **Mining production of other metals up** on H2 2011; gold 16%, silver 11%, copper 43% and lead 16%
- **Coricancha suspension order lifted** and milling operations recommenced in July 2012
- Average zinc mining C1 cash cost of USD1,255 per tonne of payable zinc (USD1,095/t in H2 2011) impacted by production mix and lower by-product prices

Smelting

- Zinc metal production of 538kt: **smelters in line to deliver ~ 1.1 million tonnes** in 2012
- Smelting operating costs of EUR 568/t impacted by a strong Australian dollar and lower production in Q1 2012

H1 2012 Highlights - Financial

Contribution from mining segment continuing to grow in line with strategy; group underlying EBITDA and PAT adversely impacted by macro-economic conditions

Group underlying EBITDA of EUR 111 million, down 22%

- Mining EUR 56 million, **up 22%**, in line with **strong production growth**
- Smelting EUR 79 million, **down 33%**, impacted by lower treatment charges and reduced contribution from silver bearing material at Port Pirie (H1 2012: EUR 13m c.f. H2 2011: EUR 49m)

- Mining represents 50% of group underlying EBITDA, compared to 32% in H2 2011
- Mining underlying EBITDA per tonne EUR 371, **up 4%**
- Smelting underlying EBITDA per tonne EUR 147, **down 30%**
- EPS of EUR(0.18) (PAT: EUR (32) million) impacted by one-off impairment charges of non-core assets

Strong financial position through proactive initiatives

- **Substantial reduction in net debt by EUR 100 million** in H1 2012 to EUR 618 million
- **Gearing reduced** from 35.3% to 32.7% at the end of H1 2012
- Capital distribution of EUR 0.16 per share to occur on 13 August 2012
- Capital expenditure of EUR 118 million (down 32%); **full year spend expected at lower end of guidance**

Greg McMillan
Chief Operating Officer

Highlights

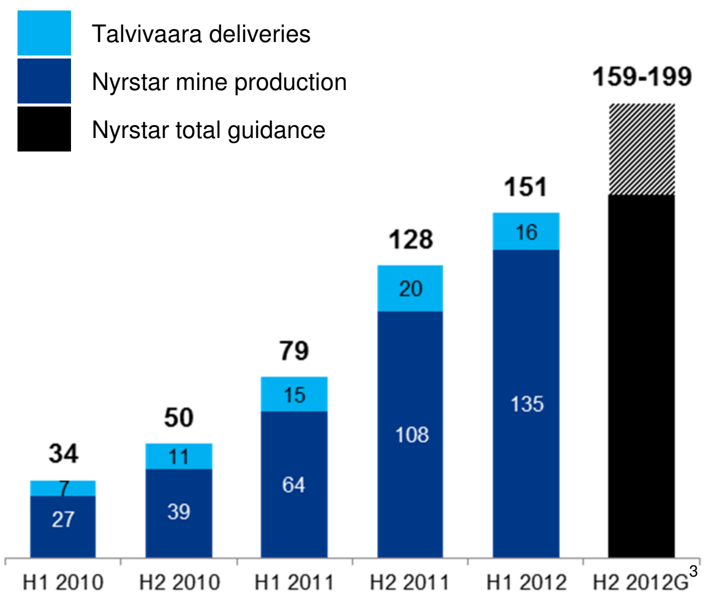
Financial Results

> **Operating Results**

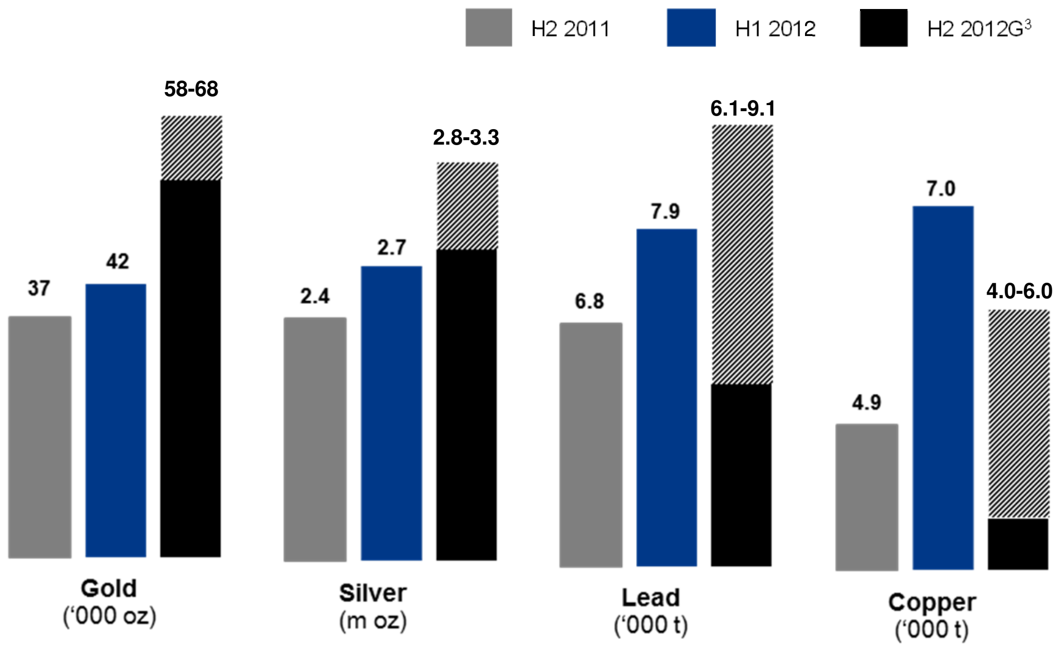
Outlook & Summary

Nyrstar mine production continues to increase and guidance for all metals maintained

Zinc in Concentrate Production[1]



Other Metal in Concentrate Production[2]



- Zinc in concentrate production of 151kt in H1 2012 up 18% on H2 2011, with production from Nyrstar's mines increasing 25% over the same period
- Significant increases in production of other metals in H2 2011 compared to H2 2011; gold 16%, silver 11%, lead 16% and copper 43%
- **Full year guidance for all metals maintained**

1 Including deliveries from Talvivaara under the zinc streaming agreement

2 75% of the silver produced by Campo Morado is subject to a streaming agreement with Silver Wheaton Corporation whereby only USD3.90/oz is payable. In H1 2012 Campo Morado produced approximately 912,000 troy ounces of silver

3 Based on Nyrstar FY2012 production guidance issued on 23 February 2012

Nyrstar mining production

Langlois

- Successfully **completed** its ramp-up during Q2 2012, in line with previous guidance
- Production of all metals is expected to continue to increase during H2 2012

Coricancha

- Received suspension order at end of Q1 2012 from Peruvian mining authority, temporarily ceasing milling operations; no milling production possible during Q2 2012 (mining has been on-going with stockpiling of ore)
- Authorisation granted during July to re-start milling operations; in process of re-commencing milling operations and expected to operate at full capacity during August

Tennessee Mines

- Undertook 6 week optimisation programme to develop an optimised operating approach
- Short term increase in costs; however benefits evident in results delivered towards **end of Q2 2012**
- Zinc in concentrate production up at both East (8%) and Middle (22%) Tennessee Mines; supported by increased mill throughput at both mines and a 7% improvement in the zinc grade at Middle Tennessee Mine
- **Continued improvements expected** in production and cost performance throughout H2 2012

El Toqui

- Successful execution of gold campaign in Q2 2012, resulting in 19% increase in gold production in H1 2012
- Demonstrates Nyrstar's strategy to focus on maximising value rather than production,
- Operational performance particularly impressive given mill operated at reduced level for ~4 weeks during March 2012, due to the **impact of social demonstrations** unconnected to Nyrstar

Nyrstar mining production

Campo Morado

- Amended mine plan to defer targeting of higher grade gold ore to optimise production on a full year basis
- Installation of heavy media separator in H1 2012 and currently commissioning gold gravity flotation circuit to improve the gold recovery rate
- Commenced optimisation programme in July, utilising same approach deployed at Tennessee Mines

Contonga

- Delivered 40% increase in zinc in concentrate production
- Successfully received permitting to expand mill capacity from 660 tonnes to 990 tonnes per day at the end of Q1 2012 and progressively increased mill throughput during H1 2012

El Mochito

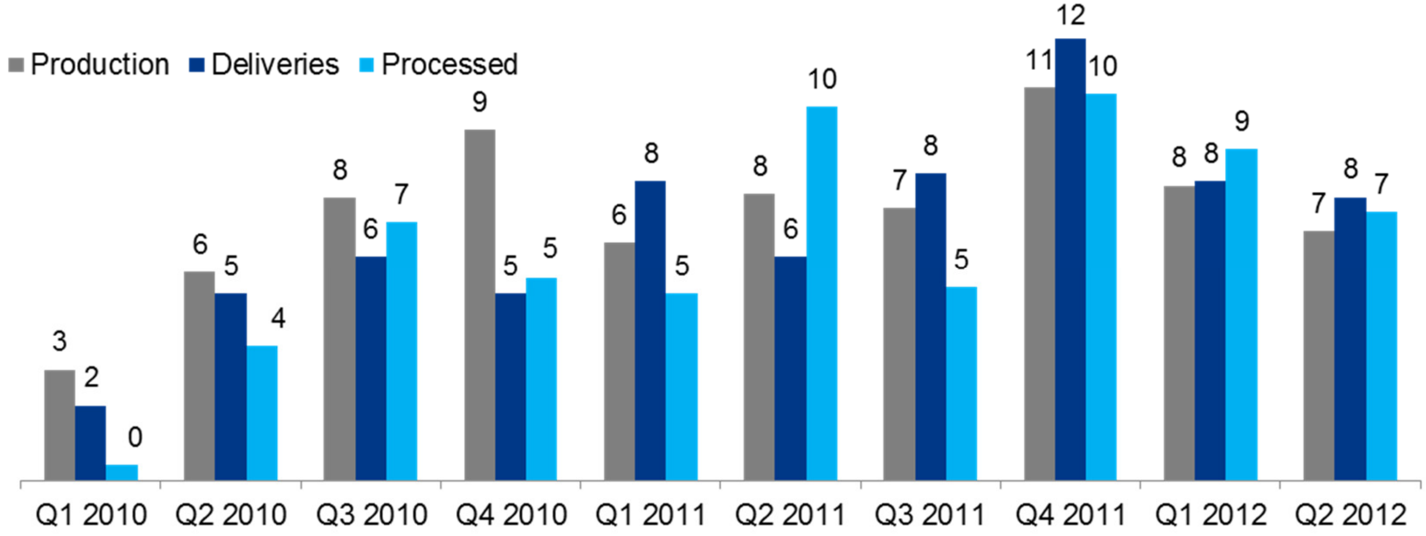
- Continued to deliver a solid performance with zinc, lead and silver production in line with H2 2011

Myra Falls

- Increased copper (10%), gold (10%) and silver (13%) production, due to targeting of higher grade copper and gold ore bodies

All comparisons of former Breakwater mine production volumes are on a H1 2012 vs total production in H2 2011 (irrespective of ownership)

Talvivaara deliveries

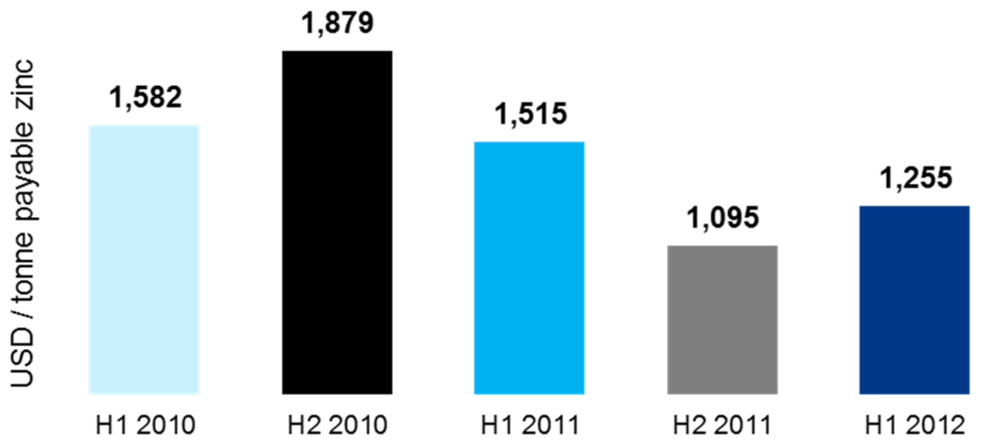


- Deliveries under the zinc streaming agreement declined 20% (4kt) to 16kt in H1 2012
- Performance in Q2 2012 was impacted by dilution of leach solutions due to spring flooding and excessive rain, scheduled maintenance and a fatality related stoppage in April[1]
- Talvivaara anticipates to provide updated guidance for 2012 in their interim results on 16 August 2012[1]
- In the production of nickel (Talvivaara's primary metal), zinc is extracted first; as such, Talvivaara is incentivised to maximise zinc production to maximise nickel output
- Nyrstar is encouraged by the fact that Talvivaara's metals recovery plant was in continuous and stable operation with close to 100% availability since late April[1]
- Despite any potential change to Talvivaara's FY2012 guidance, Nyrstar remains confident in its ability to deliver on our FY2012 zinc production guidance of 310-350kt

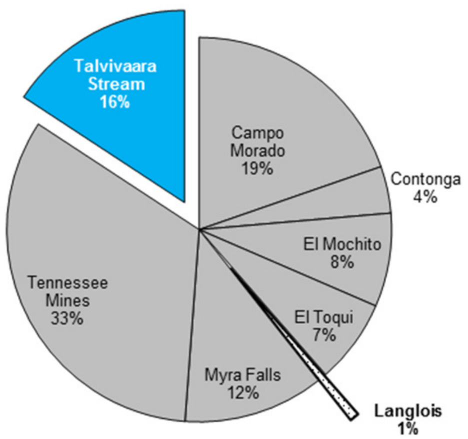
1 *As per Talvivaara's Operational Update issued on 3 July 2012*

C1 cash costs impacted by production mix and lower by-product prices

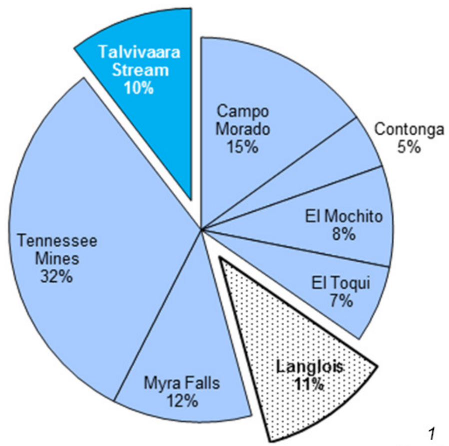
Average Zinc mine[1,2]



H2 2011 C1 cash cost weighting



H1 2012 C1 cash cost weighting

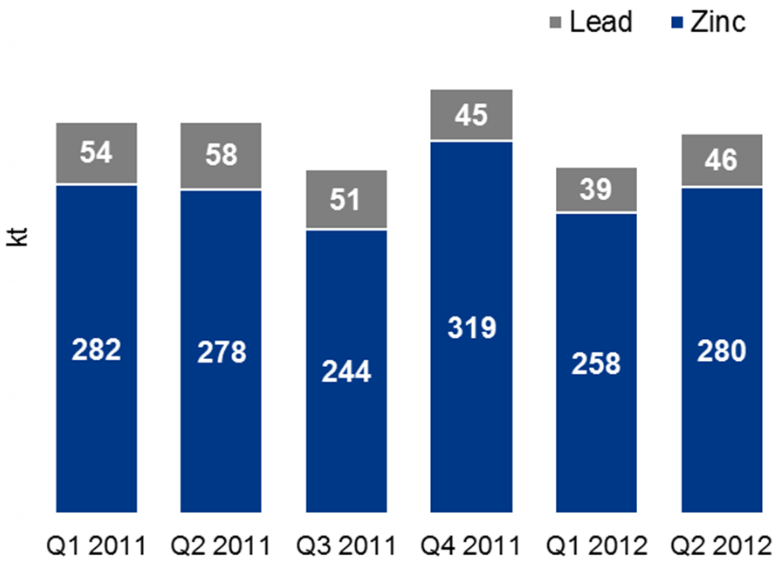


- Average zinc C1 cash cost for in H1 2012 was USD1,255/t[2] in 2011, compared to USD1,095/t in H2 2011
- Increase in cash cost driven by:
- Lower gold, silver, lead and copper prices, thereby reducing the level of by-product credits and;
- Production mix (lower deliverers from Talvivaara and ramp-up completion at the Langlois mine;
- Excluding Langlois, average zinc C1 cash cost in H1 2012 was USD1,172/t

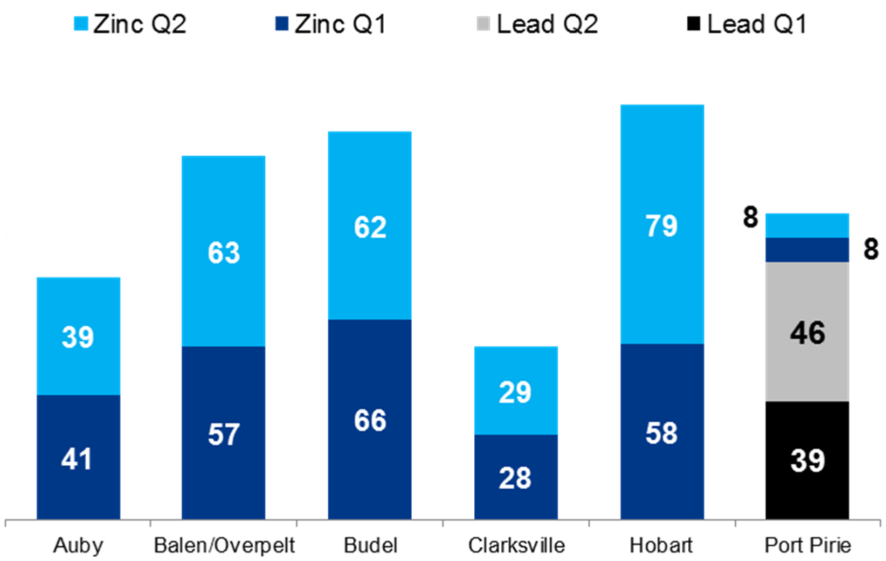
1 C1 cash costs as defined by Brook Hunt (see page 31 for full details)
2 Including deliveries from Talvivaara under the zinc streaming agreement

Smelting production in line with management expectations

Smelting production



2012 quarterly production



– The smelters delivered a strong production performance in Q2 2012, following some operational issues during Q1 2012, with overall H1 2012 production in line with management expectations

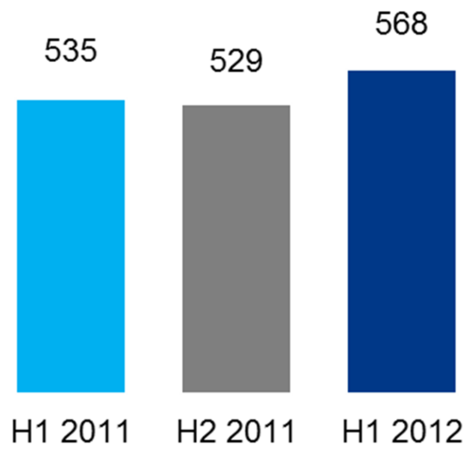
– Reduced lead production at Port Pirie due to the treatment of more complex raw materials to enable the production of higher margin by-products and a maintenance shut during the half

– First production of indium metal at the Auby smelter following the successful commissioning of the indium facility in Q2 2012; timing in line with previous guidance

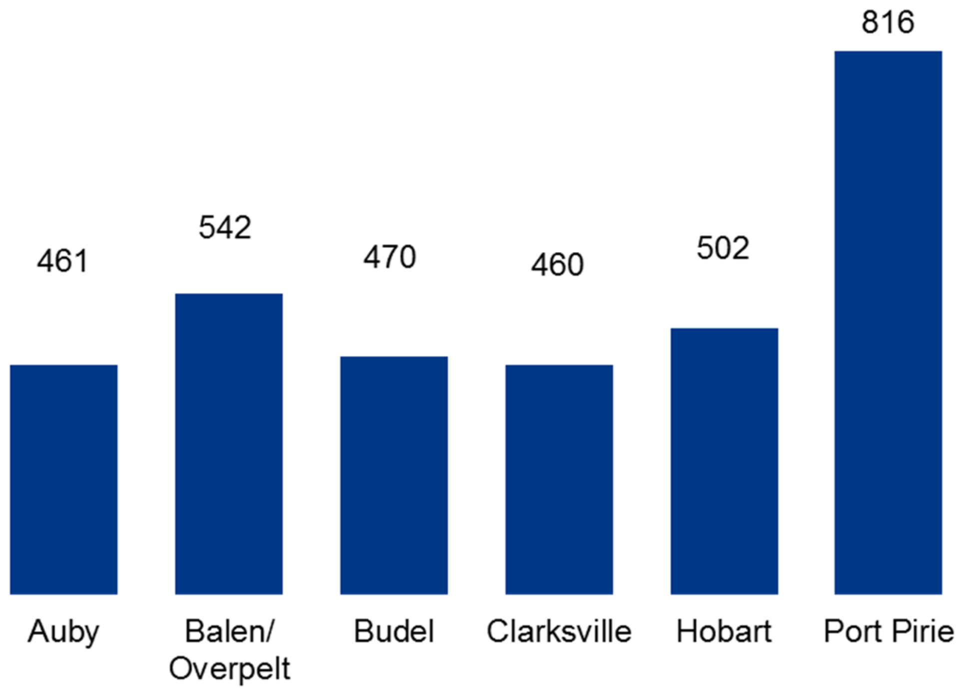
Note: Individual smelter production includes internal transfers of cathode for subsequent melting and casting

Increase in smelting operating cost per tonne

Smelting Cost (EUR/tonne)[1]



H1 2012 (EUR/tonne)



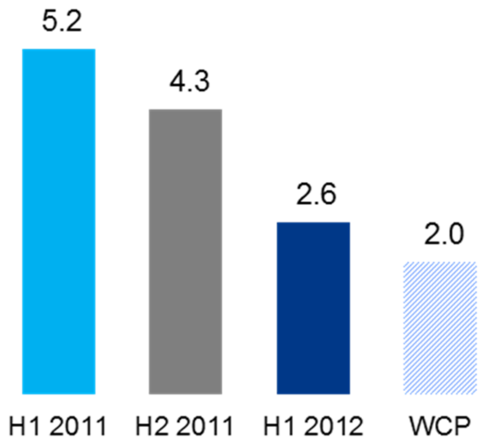
– Smelting cost per tonne increased in Euro terms as a result of a stronger Australian dollar, lower lead production at Port Pirie (maintenance shut) and slightly lower production at Balen/Overpelt

1 *Smelting segment underlying operating cost per tonne of primary market metal (zinc and Port Pirie lead)*

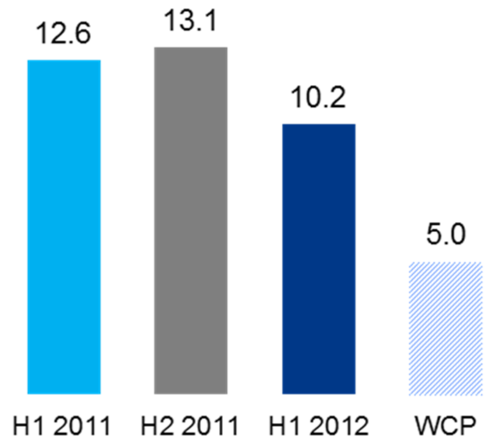
Safety, Health and Environment

WCP: World class performance[2]

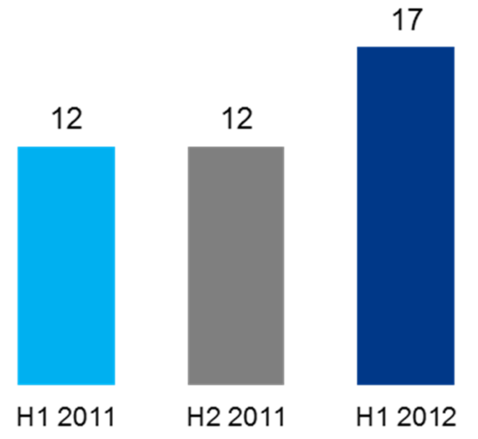
LTR[1]



RIR[1]



Recordable Environmental Incidents



Safety

- The Lost Time Injury Rate (LTR) and Recordable Injury Rate (RIR) both significantly decreased in H1 2012, by 40% and 22% respectively.
- Smelters maintained record low Lost Time and Recordable Injury Rates
- Significant improvement at the mines following the conclusion of a global underground safety audit and the subsequent implementation of site level improvement plans

Environment

- 17 minor recordable incidents (8 at mines, 9 at smelters), none with significant off-site impact

1 *Lost Time Injury Rate (LTR) and Recordable Injury Rate (RIR) are 12 month rolling averages of the number of lost time injuries and recordable injuries (respectively) per million hours worked, and include all employees and contractors at all operations*

2 *World class performance based on international oil and gas industry health and safety data*

Heinz Eigner
Chief Financial Officer

Highlights

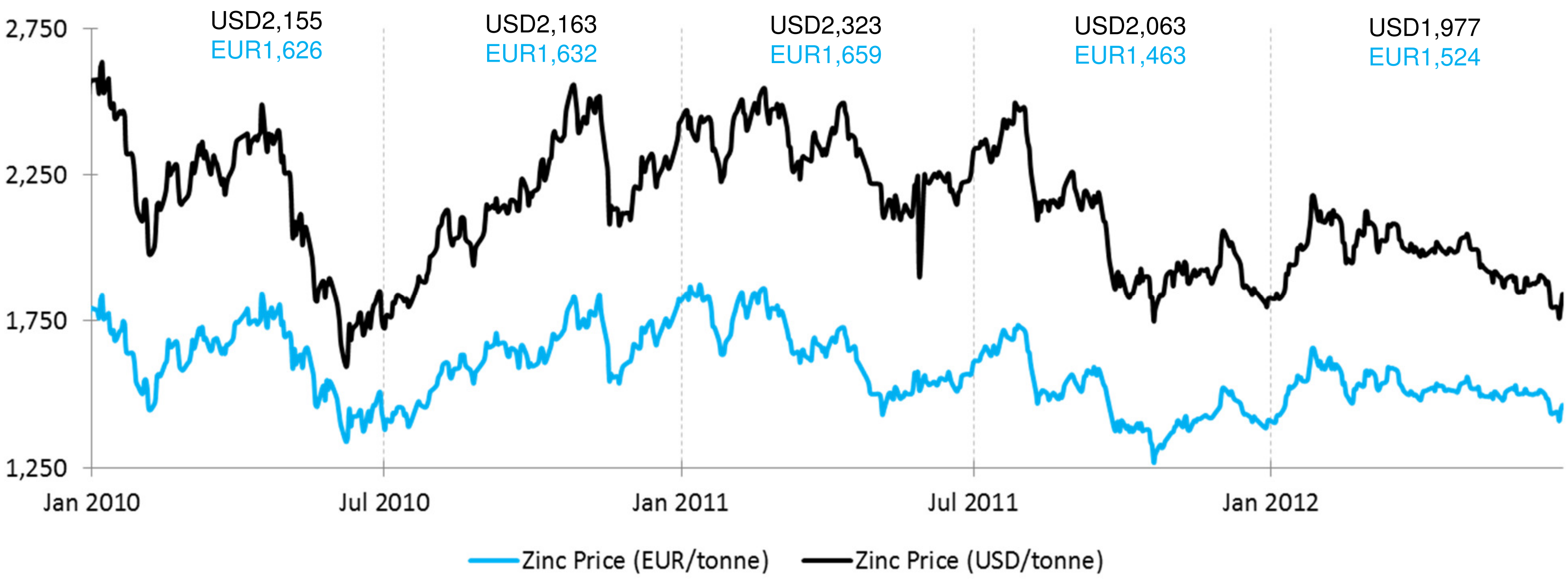
Operating Results

> **Financial Results**

Outlook & Summary

Deteriorating macro-economic environment during H1 2012

LME Zinc Price



– Zinc price, as well as prices for the other metals in the Nyrstar's multi-metals footprint, remained volatile and fell sharply towards the end of H1 2012

– The zinc, lead, copper, silver and gold prices declined in H1 2012 compared to H2 2011 by 4%, 8%, 2%, 12% and 3% respectively

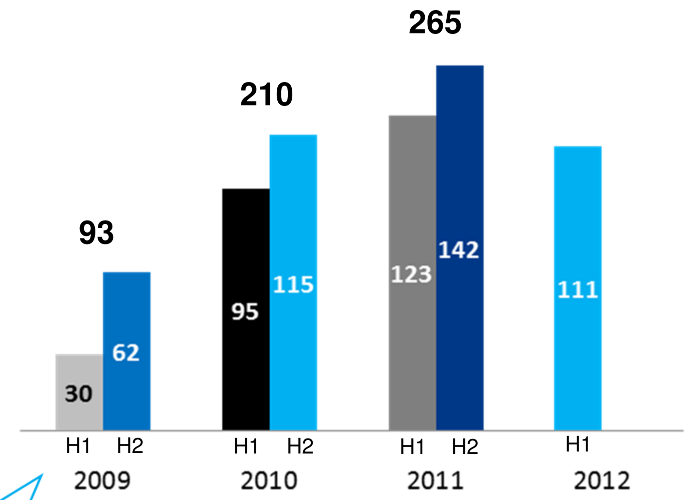
– With Nyrstar's increasing earnings sensitivity to zinc and other metal prices, the sharp decline in prices in H1 2012 reduced smelting income and increased mining C1 cash costs

Zinc price is average of LME daily cash settlement prices

Group underlying EBITDA and PAT:
- adversely impacted by macro conditions and one-off impairments
- mining segment continues to grow

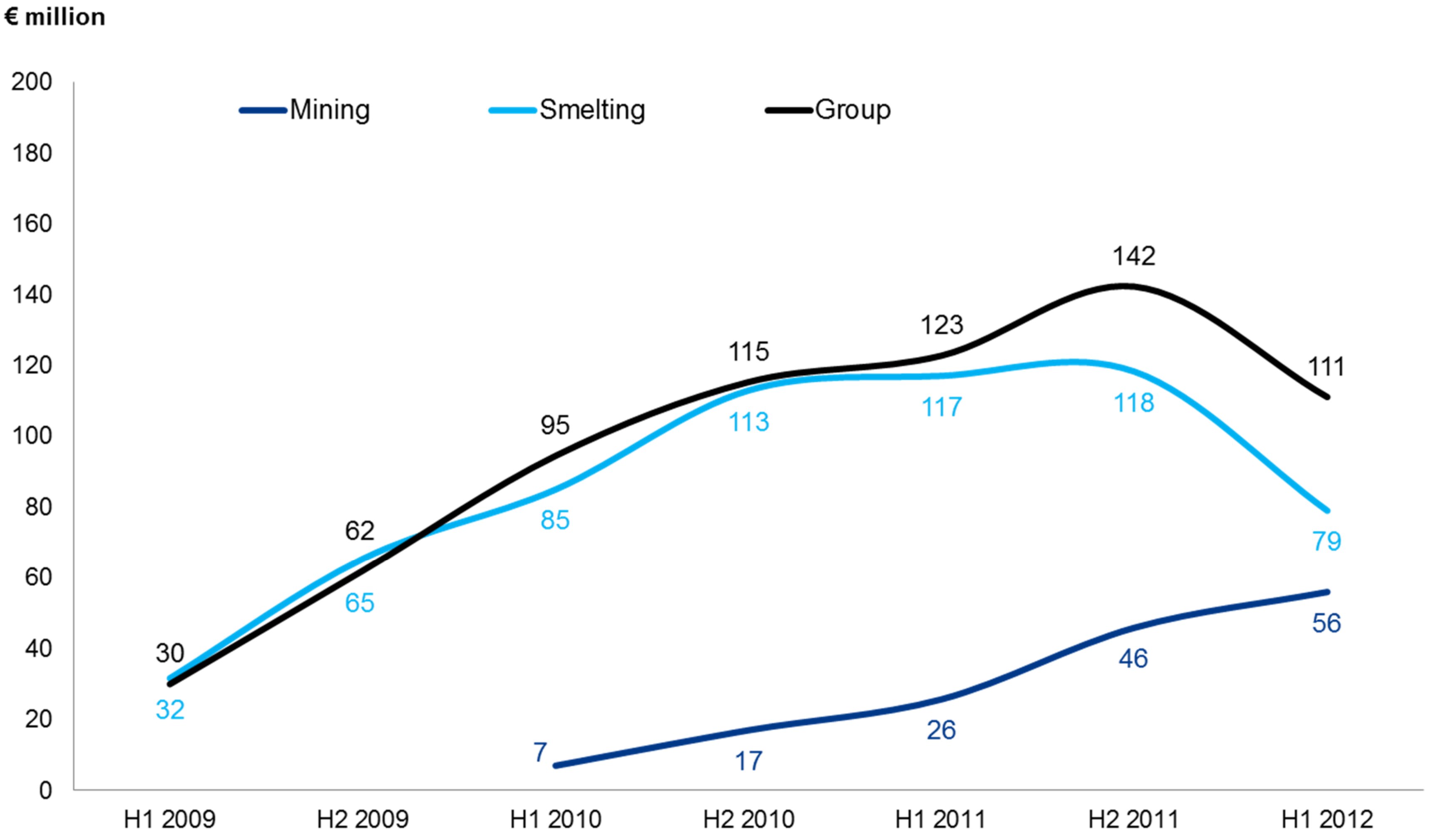
- Group underlying EBITDA of EUR 111 million, down 22% on H2 2011
  - mining EBITDA up 22%, in line with strong production growth
  - smelting EBITDA down 33%, impacted by lower TCs, lower production and reduced contribution from silver bearing material at Port Pirie
- EPS of EUR (0.18) additionally impacted by one-off impairments on non-core assets
- Capital distribution of EUR0.16 per share to occur on 13 August 2012

Underlying EBITDA (EUR million)

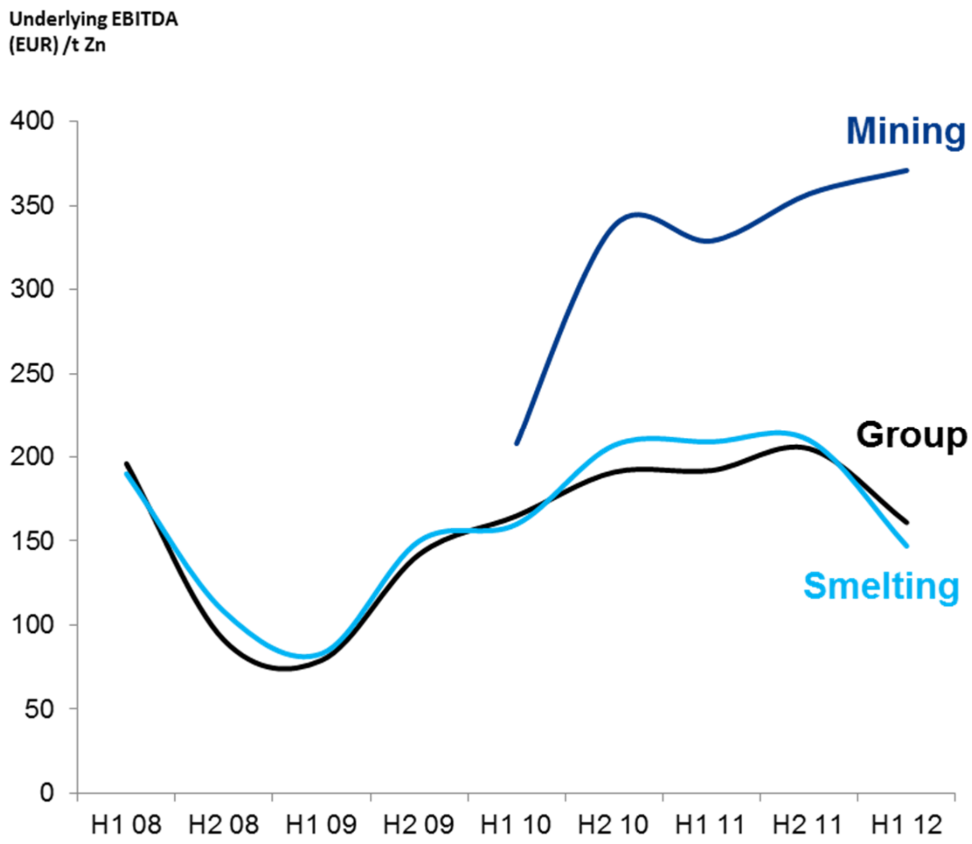


EUR million	H1 2012	H2 2011	Variation
Revenue	1,489	1,726	(14)%
Gross Profit	684	694	(1)%
Underlying Operating costs	(571)	(552)	(3)%
Underlying EBITDA	111	142	(22)%
Profit After Tax	(32)	16	(300)%
Basic EPS	(0.18)	0.10	(280)%

Mining underlying EBITDA continues to grow, whilst smelting underlying EBITDA under pressure



Continued increase in mining underlying EBITDA per tonne in deteriorating macro-economic environment

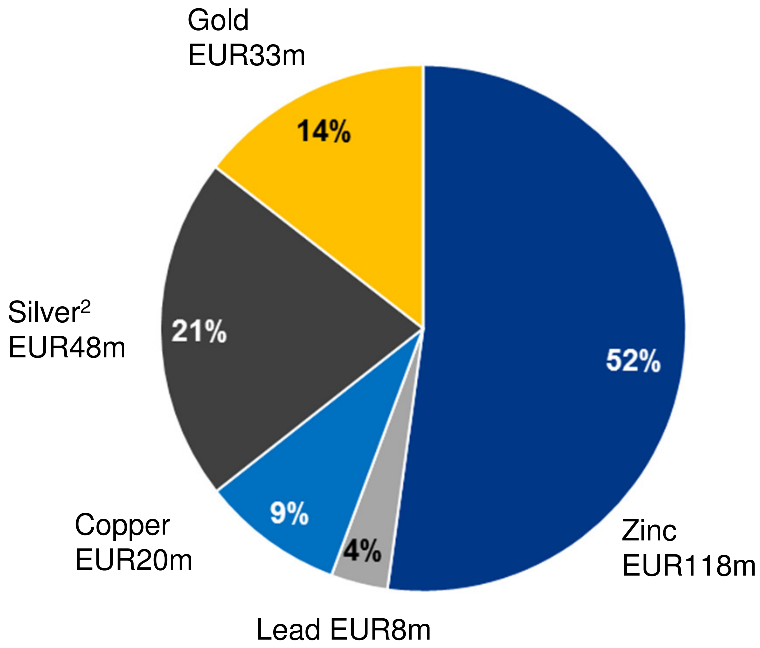


- **Group underlying EBITDA/t[1] declined 21% to EUR161/t (EUR205/t in H2 2011)**
- **Mining underlying EBITDA/t[2] EUR371, up 4% on H2 2011 (EUR357)**
  - Driven by strong production growth, in line with full year 2012 guidance
  - Negatively impacted by disruptions to operations at El Toqui in Q1 and Coricancha mill suspension in Q2
- **Smelting underlying EBITDA/t[3] down 30% to EUR147 (H2 2011 EUR210)**
  - Impacted by a lower benchmark zinc TC, smaller contribution from Port Pirie silver bearing material and a stronger Australian dollar

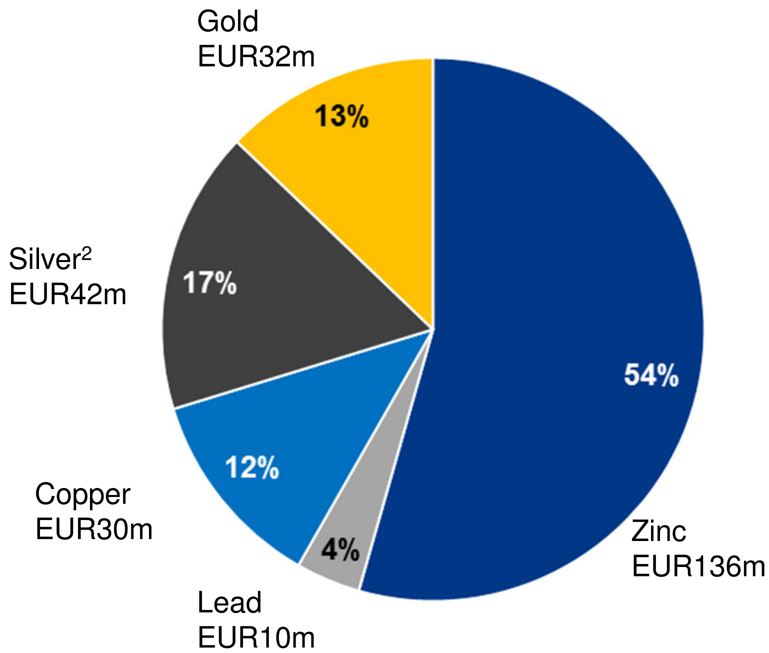
1 Group underlying EBITDA per tonne of zinc in concentrate and zinc metal produced
2 Mining segment underlying EBITDA per tonne of zinc in concentrate produced
3 Smelting segment underlying EBITDA per tonne of zinc metal produced

Mining gross profit by metal

H2 2011
EUR228 million [1]



H1 2012
EUR250 million [1]



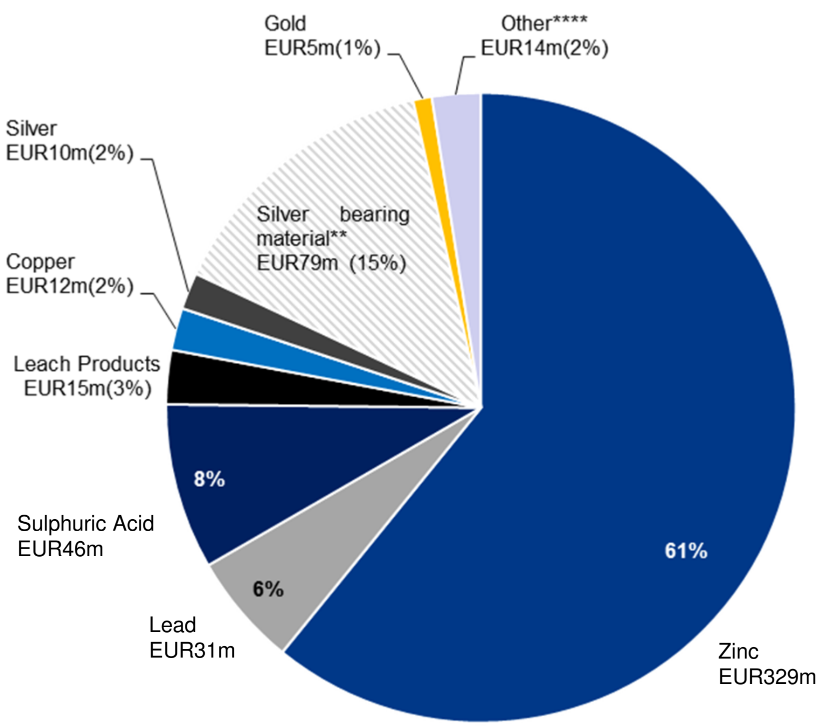
- Gross profit growth of 10% in H1 2012 compared to H2 2011, despite lower commodity prices
- Approximately half of gross profit from metals other than zinc, namely silver, gold and copper, and increasing sensitivity to changes in the prices of those metals

1 *Includes other products / metals: EUR1m H1 2012, EUR1m H2 2011*

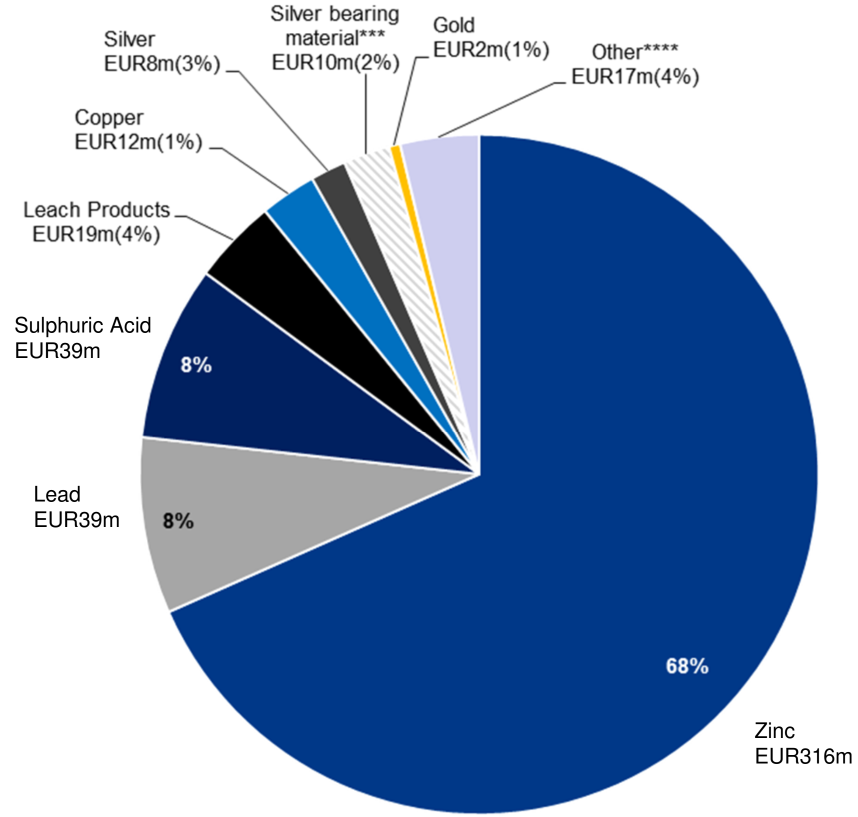
2 *75% of the silver produced by Campo Morado is subject to a streaming agreement with Silver Wheaton Corporation whereby only USD3.90/oz is payable In H1 2012, Campo Morado produced approximately 912,000 troy ounces of silver*

Smelting gross profit by metal

H2 2011
EUR465 million *



H1 2012
EUR433 million *



– Smelting by-product income declined by 7% due to reduced benchmark zinc TCs, lower commodity prices and less contribution from the identification of silver bearing material at the Port Pirie smelter

** Includes "Other Gross Profit" which includes realisation expenses and costs of alloying materials: EUR(29)m H1 2012, EUR(79)m H2 2011*

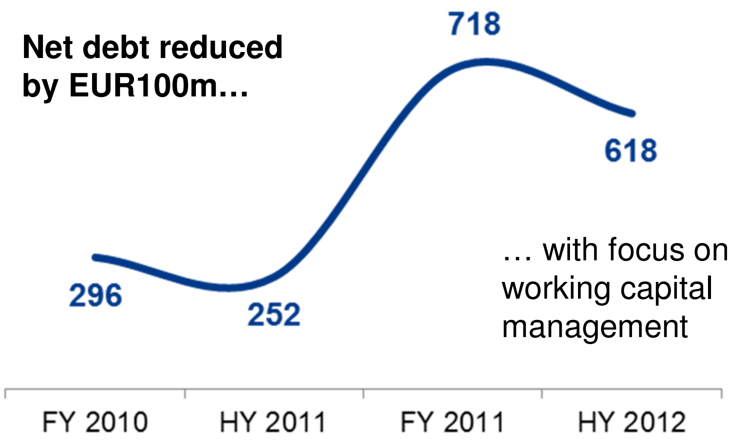
*** In H1 2011, Nyrstar recognised EUR29m in relation to estimated historical cost of silver refining process losses identified at Port Pirie (in "Other Gross Profit"). In H2 2011, Nyrstar recovered these losses and sold the material, recognising the full amount of EUR79m in By-Products gross profit*

**** Relates to the identification of~836,000toz of additional historical silver refining process losses at the Port Pirie smelter The recognition of this material was at a total estimated historical cost of EUR13m, with EUR10m of historical raw material costs recorded in by-product gross profit and EUR3m of historical conversion costs recorded in Other Expenses.*

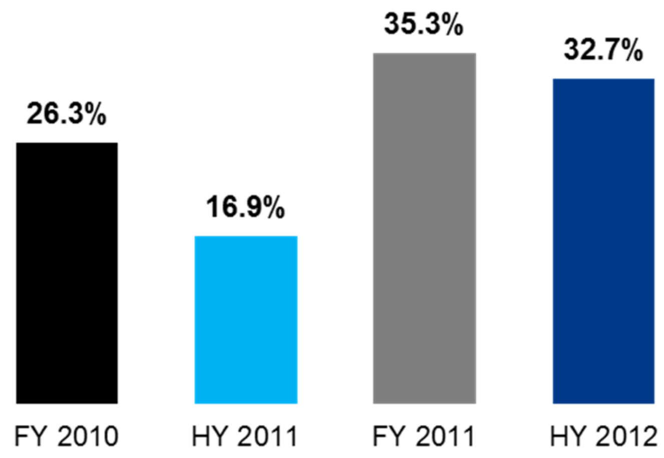
***** Other includes a range of metals and products, including: Cobalt, Cadmium, Germanium, Indium*

Strong financial position with high quality portfolio of long-term debt

Net Debt



Gearing[1]



Quality of debt

Type	Due	Financial Covenants
EUR120m Convertible Bonds	2014	None
EUR225m Fixed Rate Bonds	2015	None
EUR525m Fixed Rate Bonds	2016	None
EUR500m Structured Commodity Trade Finance Facility	No P&L related financial covenants; entirely undrawn as of 30 June 2012	

- Conservative debt financing well suited for a cyclical business
- Significant committed **funding headroom available**

1 *Gearing: Net debt to net debt plus equity at end of period*

Roland Junck
Chief Executive Officer

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Operating Results
Financial Results
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Outlook

Executing our strategy

– **Growth in mining segment** with focus on continuing to improve margins and volumes, with full year production guidance maintained for all metals

– Develop value accretive opportunities to **protect and grow smelting segment** by unlocking untapped value and a strong growth pipeline

– Group wide review of corporate offices, mining and smelting operations to identify opportunities to **sustainably reduce operating costs** has been commenced

– Capital expenditure expected to be at lower end of full year guidance, whilst continuing to strengthen our strong pipeline of growth initiatives

– Supported by **prudent balance sheet management**

Markets

– Continued belief in the strong medium and long term fundamentals of the zinc and other related commodity markets, despite shorter term volatility caused by macro-economic uncertainty

Questions

Appendix

Executing on our Strategy

During H1 2012 Nyrstar continued to execute on its strategy, Nyrstar2020, supported by Strategy into Action, a disciplined approach to taking the strategy into every part of the business, and engaging the entire workforce to achieve Nyrstar's vision of being the leading integrated mining and metals business

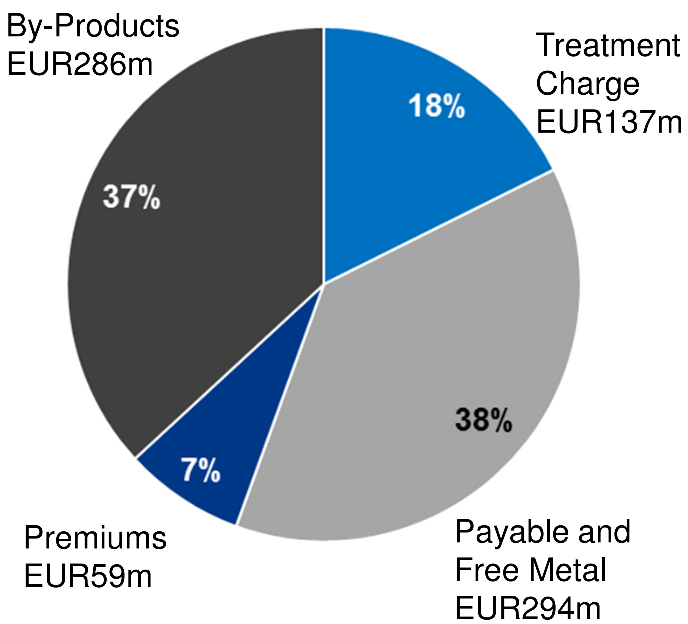
- Successfully **commissioned indium plant** at the Auby smelter, in line with guidance
- Construction of a **tellurium extraction facility** at the Port Pirie smelter remains **on schedule**
- Identification of additional 0.8m troy ounces of silver bearing material at the Port Pirie smelter: scheduled for **recovery in H2 2012**

- Successfully **completed the ramp-up of Langlois mine**, in line with previous guidance; production expected to continue to increase in H2 2012

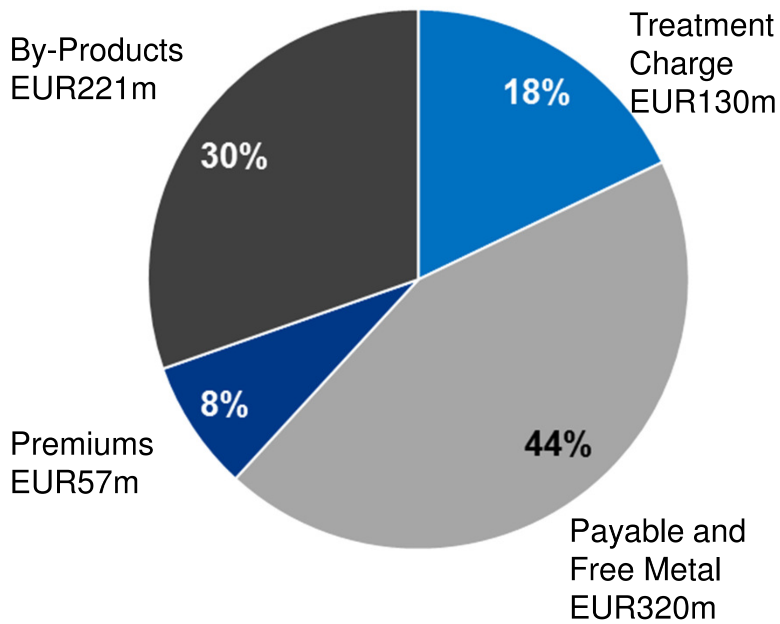
- Commenced a group wide review of corporate offices, mining and smelting operations to identify opportunities to sustainably reduce operating costs

Group gross profit

H2 2011
EUR694 million [1]



H1 2012
EUR684 million [1]

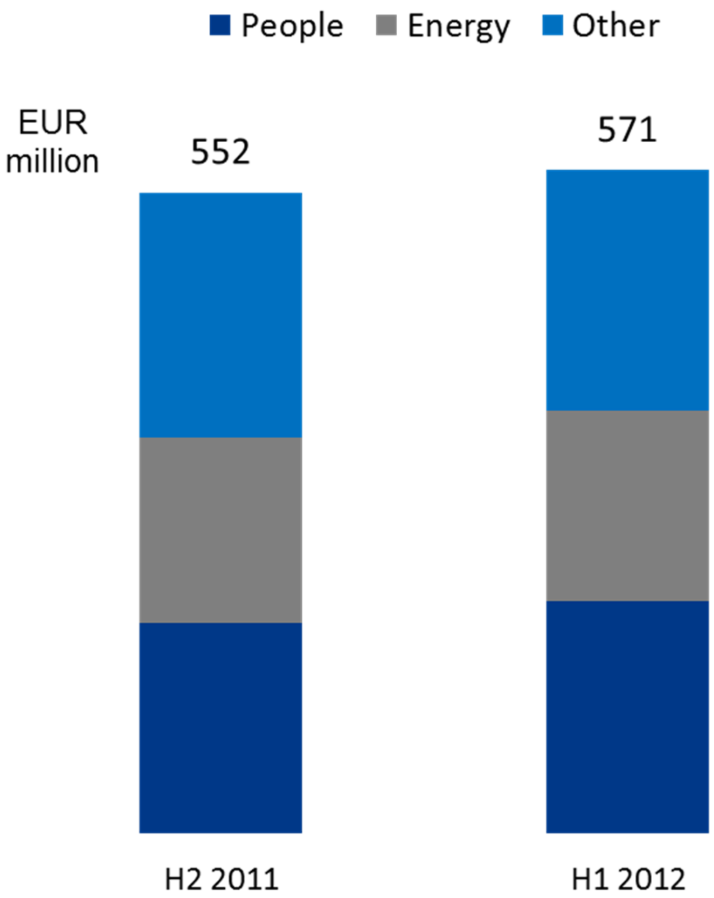


- Gross profit slightly declined in H1 2012 from H2 2011 (1%), despite continued growth in the mining segment, due to lower commodity prices (impacting both payable and free metal and by-product profit) and reduced zinc benchmark TCs
- H2 2011 by-product gross profit includes EUR78m from sale of ~2.8m troy ounces of silver bearing material recovered at the Port Pirie smelter[2]

1 *Includes "Other Gross Profit" which includes realisation expenses, costs of alloying materials and contribution from smaller sites: EUR(44)m H1 2012, EUR(83)m H2 2012*

2 *H1 2012 by-product profit includes impact from identification of approximately 836,000 troy ounces of additional historical silver refining process losses, recognised at estimated historical cost of EUR13m*

Operating expenses



Underlying operating costs up 3%, impacted by stronger Australian dollar

Employee Expenses

- 10% increase due to a full half year contribution from the former Breakwater mines (acquired in August 2011)

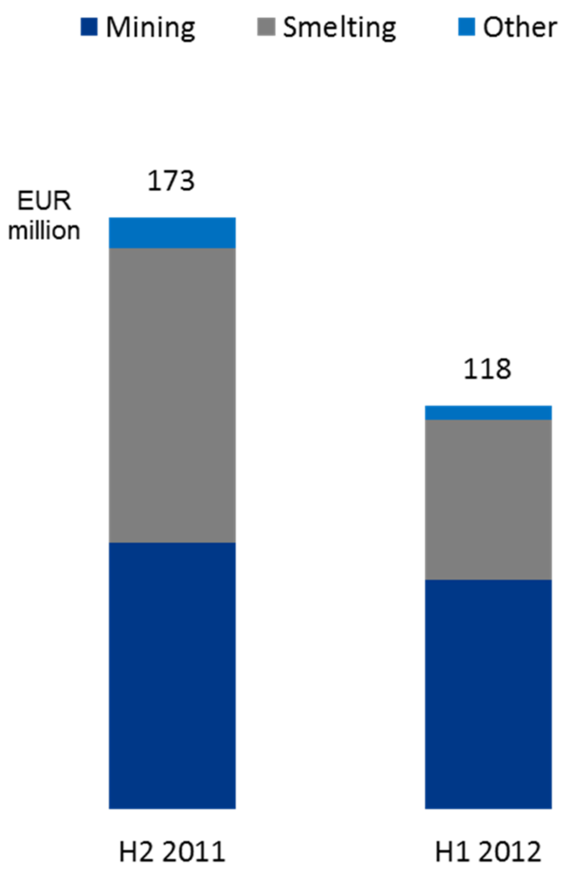
Energy Expenses

- Increased slightly, 3%, with increased mine production; electricity prices in local currencies relatively stable

Other Expenses

- Down 3% with reduced M&A and mining integration costs

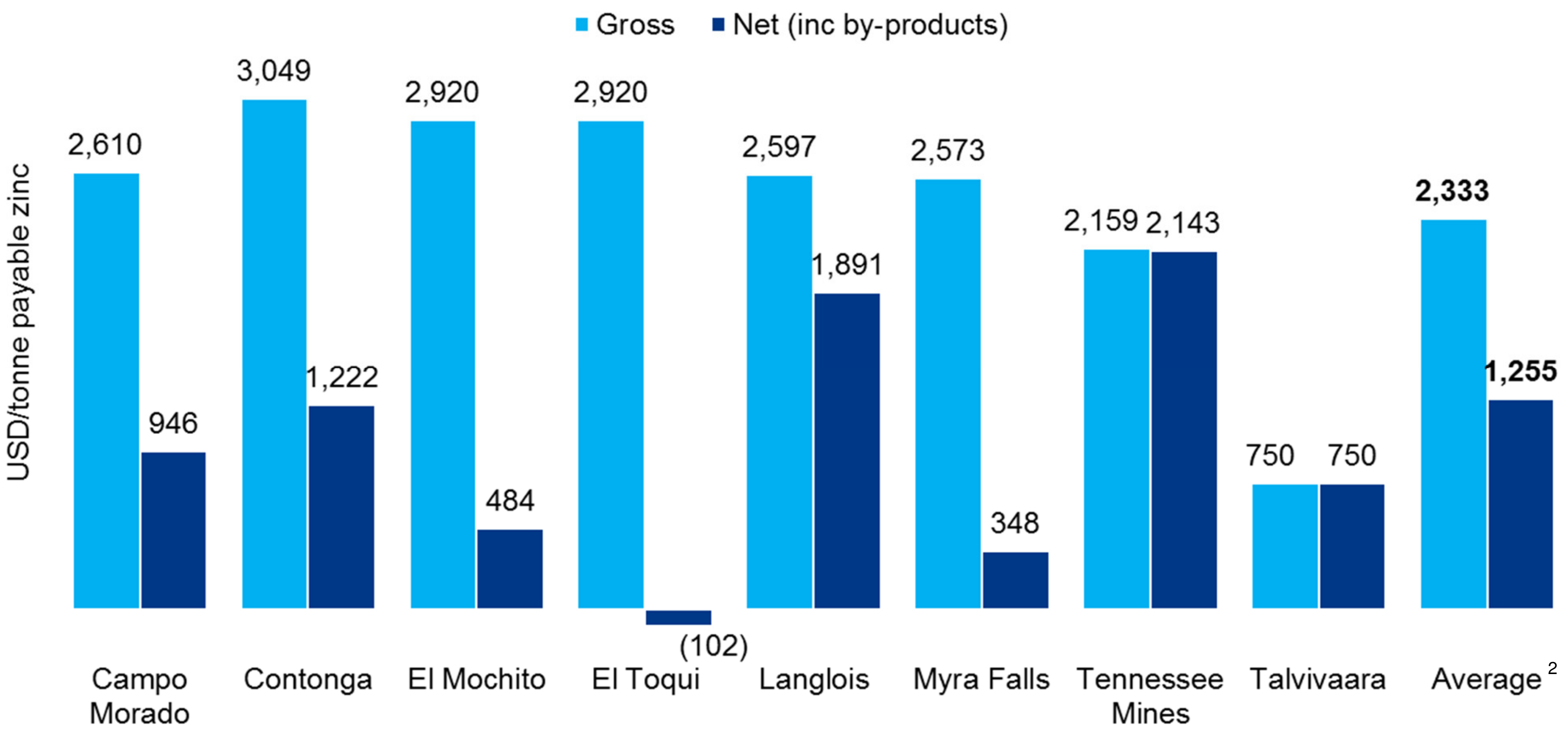
Capital expenditure



Capital Expenditure decreased by 32%

- EUR 68 million for mining, including sustaining and growth spend
- EUR 46 million for smelters
  - EUR 39 million for sustaining and shutdown spend
  - EUR 7 million for growth spend
- EUR 3 million invested at other operations and corporate offices
- **Full year spend expected to be at lower end of guidance**
  - Mining (EUR120m – 140m)
  - Smelting (EUR 105m – 135m)
  - Group (EUR 225m – 275m)

H1 2012 mining cash costs [1]



1 C1 cash costs are the net direct cash costs incurred from mining through to refined metal (including operating costs, treatment charges, concentrate freight costs), less by-products credits. For Coricancha the cash cost is based on gold production per troy ounce only, with other metal revenues treated as by-product credits

2 Including deliveries from Talvivaara under the zinc streaming agreement

EBITDA reconciliation

EUR million	H2 2011	H1 2012
EBITDA	**137**	**127**
Add back Underlying adjustments:		
Restructuring expenses	(0)	2
Transaction related expenses	11	1
Net loss / (gain) on disposal of subsidiaries	-	(27)
Net loss / (gain) on Hobart Smelter embedded derivatives	(6)	8
Underlying EBITDA	**142**	**111**

EBITDA Sensitivities

Parameter	Variable	Estimated annual EBITDA impact EUR million H1 2012
Zinc price	+/- USD100/t	+36 / -34
Lead price	+/- USD100/t	+2 / -2
Copper price	+/- USD500/t	+6 / -6
Silver Price	+/- USD1/troy ounce	+4 / -4
Gold Price	+/- USD100/troy ounce	+6 / -6
USD / EUR	+/- EUR0.01	+16 / -16
AUD / EUR	+/- EUR0.01	+4 / -4
Zinc TC	+/- USD25/dmt[1]	+26 / -26
Lead TC	+/- USD25/dmt[1]	+4 / -4

- Calculated by modeling Nyrstar's H1 2012 underlying operating performance. Each parameter is based on an average value observed during that period and is varied in isolation to determine the annual EBITDA impact
- Particular care needs to be taken when applying the sensitivities. For details refer to Nyrstar's H1 2012 results announcement

1 dmt = dry metric tonne

Important Notice

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