



# Introduction to Nyrstar

**Heinz Eigner**, Chief Financial Officer

15 May 2012



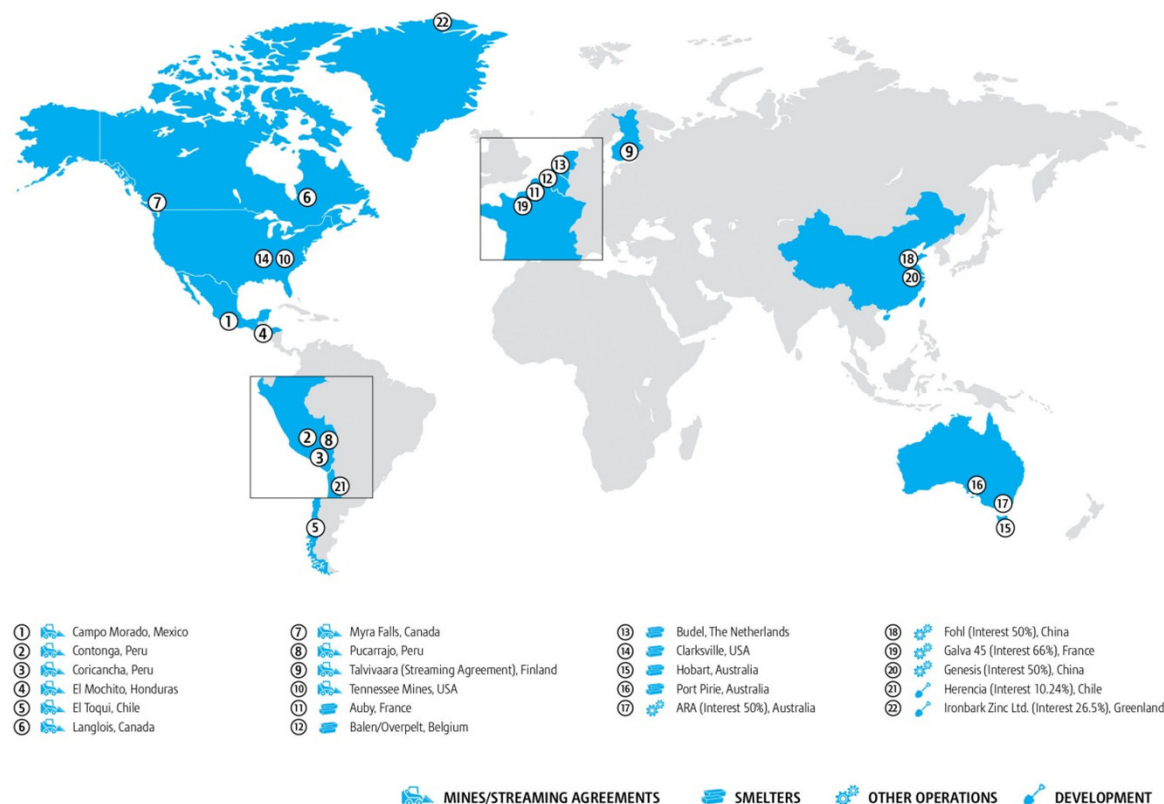
## Important Notice

- 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.

# Nyrstar's expanding global multi-metals footprint

Nyrstar is an integrated mining and metals business, with market leading positions in zinc and lead, and growing positions in other base and precious metals; essential resources that are fuelling the rapid urbanisation and industrialisation of our changing world. Nyrstar is incorporated in Belgium and has its corporate office in Switzerland. Nyrstar is listed on NYSE Euronext Brussels under the symbol NYR, and is a member of the BEL20 and Eurostoxx 600

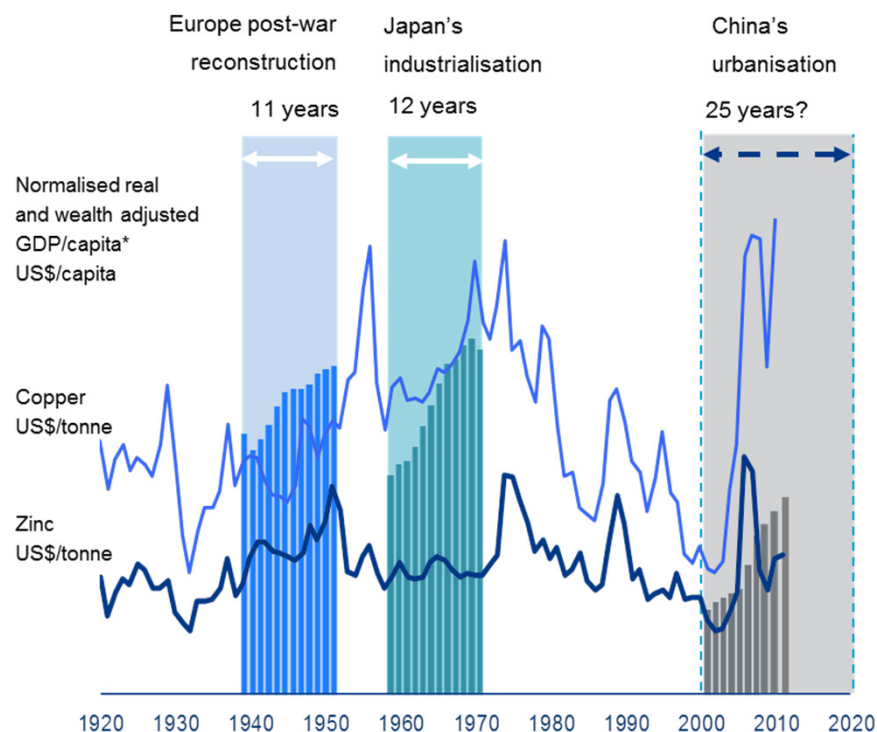
- One of the world's largest integrated zinc producers
  - 1.1 million tpa zinc metal
  - 475,000 tpa zinc in concentrate<sup>1</sup>
- Market leading position in lead
- Expanding multi-metals footprint
  - Growing production of copper, gold, silver and lead
- Nine mining operations
- Six smelters
- Employing over 7,000 people across five continents



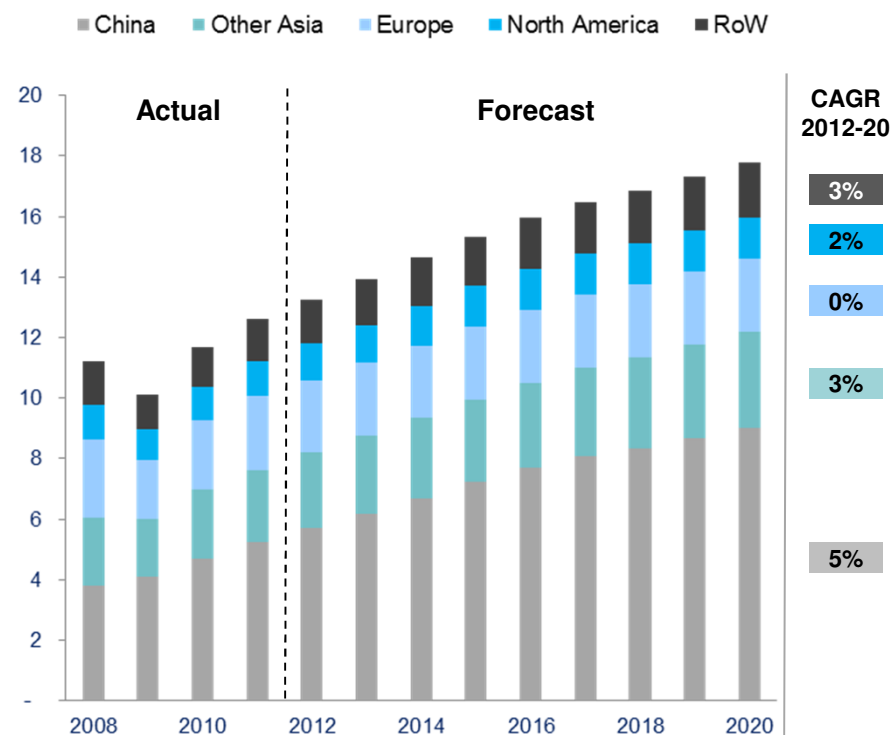
<sup>1</sup> Based on full production of mining assets. Compared against Brook Hunt's 2012 zinc mining company rankings (Long Term Outlook Zinc, Q1 2012)

# Economic growth in developing economies will underpin the continuing demand for zinc

## Zinc supported by phases of economic growth\*



## Zinc consumption (million tonnes)\*\*



- Despite some recent disappointing economic data, the outlook for **Chinese zinc demand growth remains strong** over the medium to long term

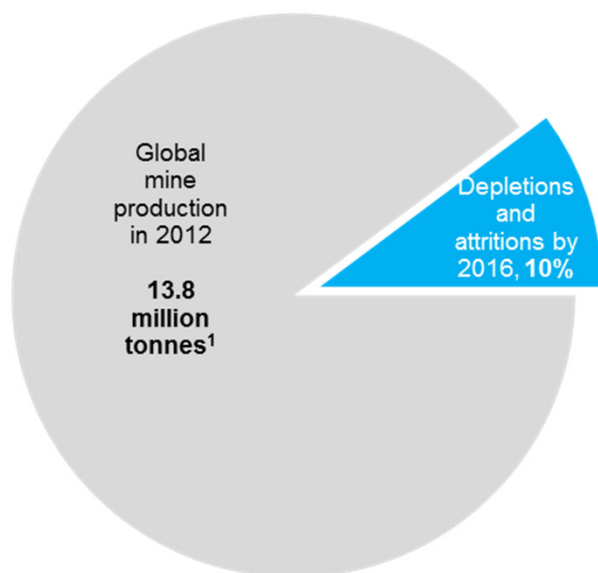
\*Sources: World Development Indicators database, World Bank 1 July 2011 world average GDP/capita used to deflate GDP/capita for individual countries to 1940 levels

\*\* Source: Brook Hunt, LTO Q1 2012 (March 2012)



## and a significant tightening of zinc concentrate supply in the medium term ...

Zinc mine depletions and attritions by the end of 2016



Zinc mine depletions (and total attritions) between 2012-2016

Mine (location)	Zinc production (kt) <sup>2</sup>
Century (Australia)	510
Brunswick (Canada)	185
Lisheen (Ireland)	168
Skorpion (Namibia)	164
Perseverance (Canada)	124
Pomorzany-Olkusz (Poland)	65
Mae Sod (Thailand)	45
Bairendaba Yindu (China)	45
Other depletions and attritions	112
<b>Total depletions and attritions</b>	<b>1,408 (10%)</b>

- Based on Brook Hunt data, Nyrstar estimates that new mine projects and expansions will supply the market with approximately **1 million tonnes<sup>3</sup>** of additional production per annum by the end of 2016
- The forecast **tightness in supply** will be the **driver supporting strong zinc market fundamentals** over the medium term

Source: Brook Hunt LTO (Q1 2012 (March 2012)), Nyrstar estimates

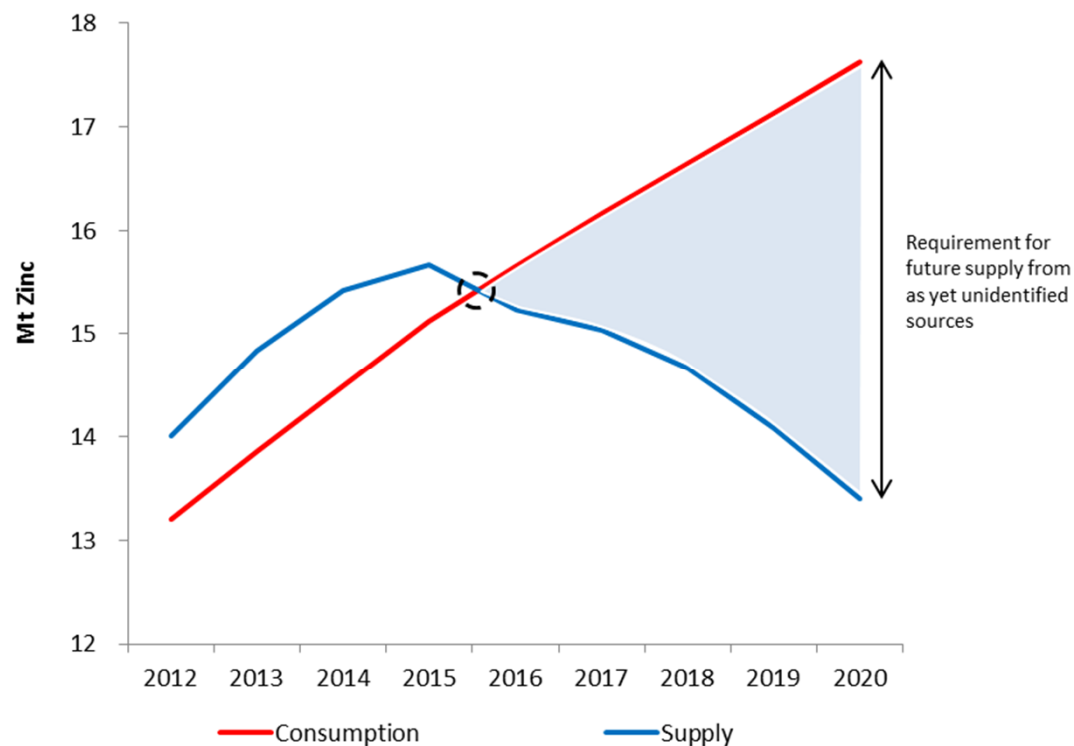
1. 2012 estimated global zinc mine production

2. Individual mine production based on estimated 2012 volumes

3. Based on analysis of Brook Hunt categorised probable A&B projects and expansions

## ...leading to strong zinc market fundamentals

### Projected tightness in concentrate market in medium term

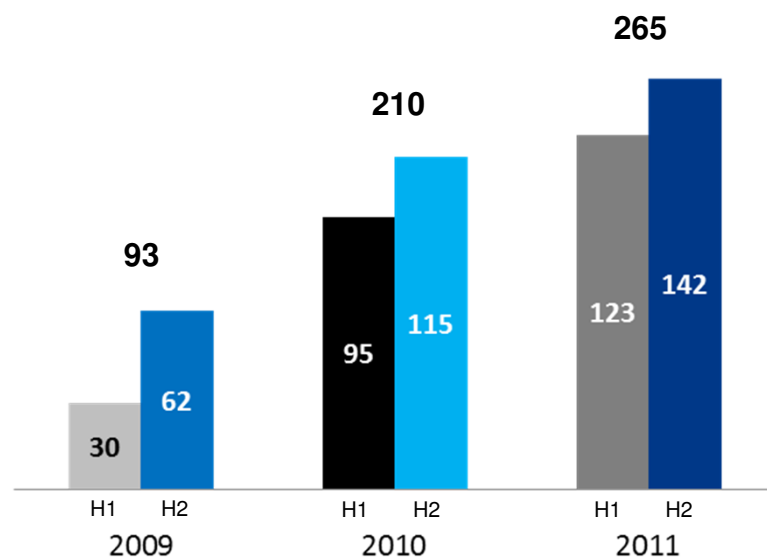


- **Estimated project incentive price necessary to attract 3.5Mt/a Zn of new capacity from probable and possible mine projects is \$2,650/t for a 10% pre-tax internal rate of return\***

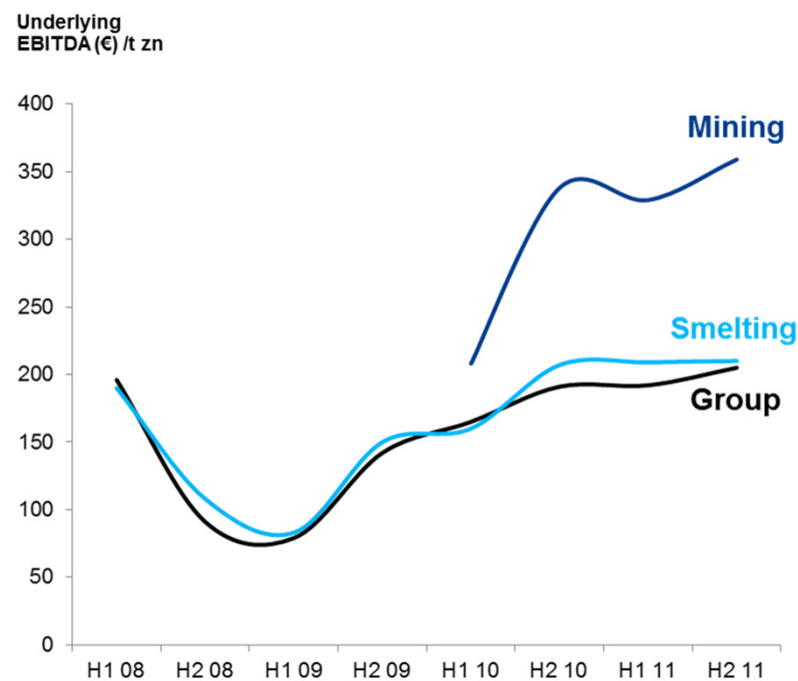
Source: Brook Hunt, LTO Q1 2012 (March 2012), Nyrstar estimates. Based on 94.8% smelter recovery, mine production including Nyrstar analysis of Brook Hunt categorised probable A&B projects and expansions and secondary production (assuming secondaries represent on average 7% of global zinc smelter raw material)

## Despite the volatile market environment in 2011, we again achieved considerable growth in EBITDA and EBITDA per tonne

### Continued growth in underlying EBITDA (€ million)



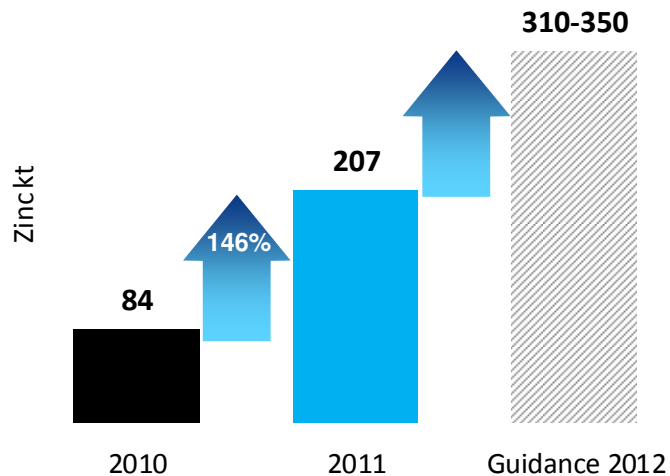
### Increasing Underlying EBITDA per tonne driven by growth in mining segment



<sup>1</sup> To improve reporting transparency, M&A related transaction expenses (2011: €14.6m, 2010: €2.8m) have been re-classed from operating costs to underlying adjustments, impacting Underlying EBITDA. Profit after tax is unchanged

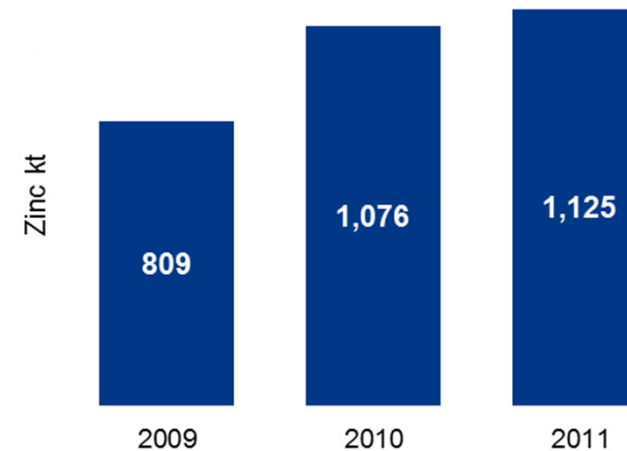
## We continue to grow mining production and in 2011 achieved record production in the smelting segment

### Mining: zinc in concentrate production<sup>1</sup>



- Zinc in concentrate production in 2011 of 207kt (in line with revised guidance of 205kt to 215kt), up 146% from 2010
- All metal production in Q1 2012 in line with full year guidance

### Smelting: zinc metal production

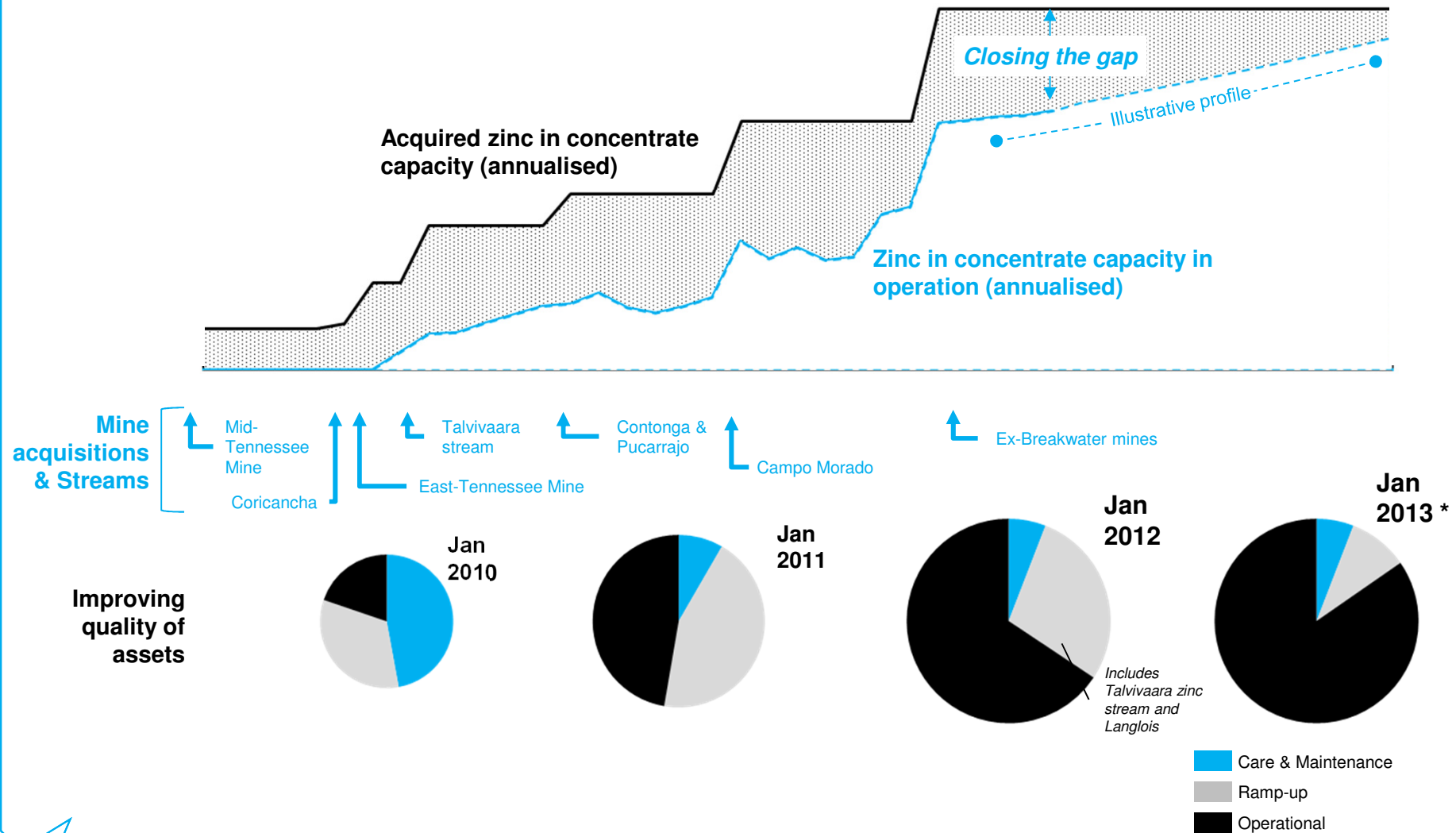


- Record zinc metal production in 2011 of approximately 1,125kt, up 5% on 2010 (previous record year)
- Q1 2012 zinc metal production, down on record Q4 2011 production; expect to deliver nominal smelting capacity in-line with management expectations

<sup>1</sup> Including deliveries from Talvivaara under the zinc streaming agreement



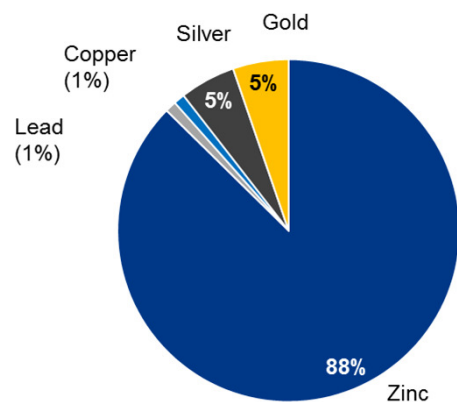
# We continue to improve the quality of our portfolio of mining assets and are focussed on maximising value from our acquired capacity



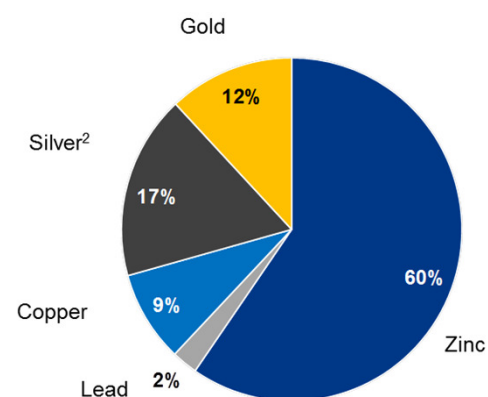
\* Illustrative profile, with a conservative estimate of approximately two thirds of capacity at Talvivaara and Pucarrajo on care & maintenance

# Our expanding multi-metals footprint delivers increasing gross profit contributions from metals in addition to zinc

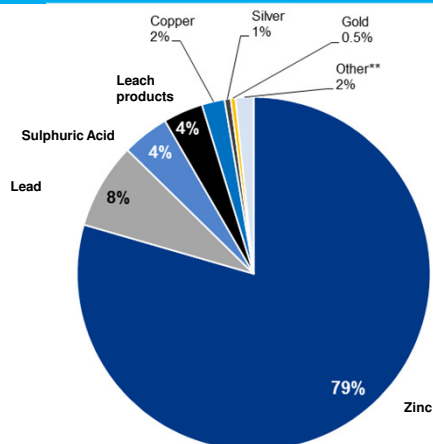
**Mining 2010**  
€96 million <sup>1</sup>



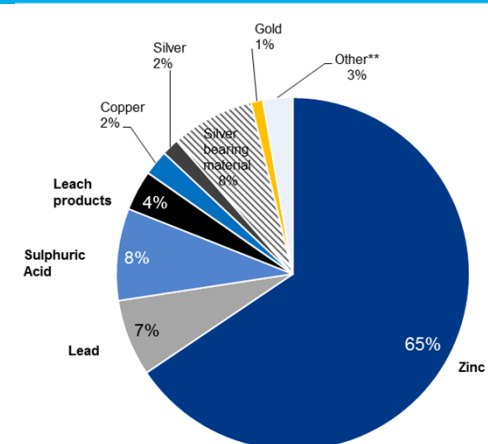
**Mining 2011**  
€345 million <sup>1</sup>



**Smelting 2010**  
€827 million \*



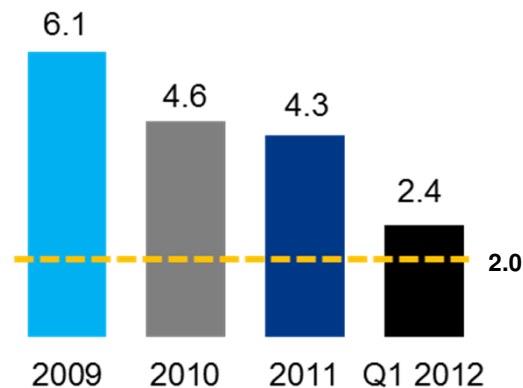
**Smelting 2011**  
€937 million \*



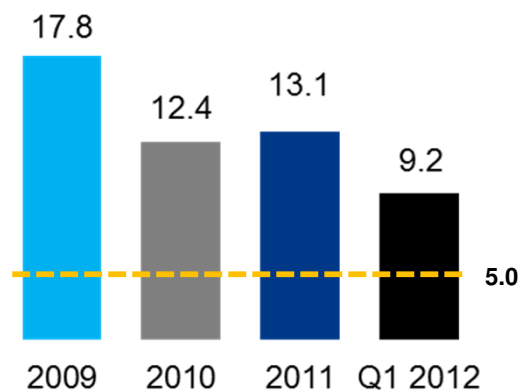
2. 75% of the silver produced by Campo Morado is subject to a streaming agreement with Silver Wheaton Corporation whereby only USD3.90/oz is payable. In 2011, Campo Morado produced approximately 1,836,000 troy ounces of silver.  
<sup>1</sup> Includes other products / metals: €2m 2011, €1m 2010;  
<sup>\*</sup>2 Includes "Other Gross Profit" which includes realisation expenses, costs of alloying materials and contribution from smaller sites: €(98)m 2011, €(81)m 2010  
<sup>\*\*</sup> Other includes a range of metals and products, including: Cobalt, Cadmium, Germanium, Indium

**We have an unrelenting commitment to achieve world class safety, health and environmental performance which is critical to our on-going growth and success**

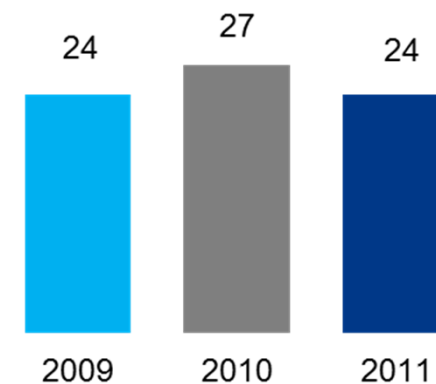
**LTR<sup>1</sup>**



**RIR<sup>1</sup>**



**Recordable environmental incidents**



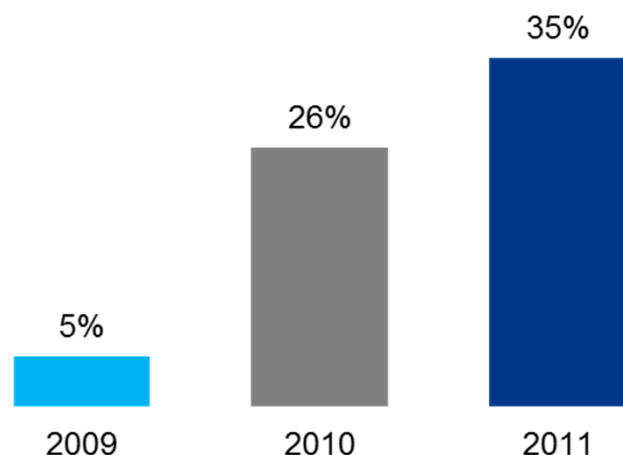
--- World class oil and gas industry standard

- Tragically, despite the significant amount of work on safety that has been undertaken by Nyrstar, two employees were fatally injured in separate incidents at the Coricancha mine
- Nyrstar launched an global underground safety audit and appointed a global mining safety manager to ensure a “prevent harm” culture is implemented across our mining operations

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

# Solid financial position with a well balanced portfolio of long term debt

## Gearing<sup>1</sup>



## Quality of debt

Type	Due	Financial Covenants
€120M Convertible Bonds	2014	None
€225M Fixed Rate Bonds	2015	None
€525M Fixed Rate Bonds	2016	None
€500M Structured Commodity Trade Finance Facility	No P&L related financial covenants; entirely undrawn as of December 31, 2011	

- Successfully completed €490m rights offering in March 2011
- Closed public bonds offer for €525m in May 2011
- Capital raise and bond issue both demonstrated strong support by shareholders and the market of our strategy and ability to deliver value accretive transactions
- Solid financial position with net debt of €718m at 31 December, and gearing of approximately 35%<sup>1</sup>
- Conservative debt financing well suited for a cyclical business
- Significant committed funding headroom available

## We are continuing to put our Strategy into Action with a clear focus on consistently delivering performance



“Strategy into Action” is a disciplined approach to taking our strategy into **every part of the business** and **engaging the entire workforce** to achieve our vision of being the leading integrated mining and metals business

- **Recovery of historical silver** refining losses at Port Pirie
- Expanding production capabilities to **tellurium dioxide** and **indium metal** and reviewing opportunities to expand precious metal recovery



- Successful **acquisition** of Campo Morado and Breakwater Resources and comprehensive **integration process**, including the implementation of Nyrstar's policies and procedures
- Building and developing a **pipeline of internal growth initiatives** aimed at maximising the value inherent in our mineral resources and enhancing the scope of our processing capabilities

- Nyrstar's Operational Excellence programme with **850 people** across Nyrstar involved, **21 operational records broken in 2011** contributing to record smelter metal production and reduction of capital requirements, enabling reallocation of funds to growth areas

## We have a clear strategy and long term ambition, and through Strategy into Action, the processes in place to ensure continued growth and success

- Key milestones **achieved** during 2011
  - Acquired further zinc multi-metal mining capacity
  - Significant growth in zinc in concentrate production, up 146% compared to 2010, with a substantial improvement in mining EBITDA per tonne
- In 2012, **continued growth in zinc in concentrate production**, with management remaining committed to our guidance of 310-350kt
- We are committed to **maximising value from our portfolio of assets** by enhancing margins, even at constant prices, and driving our lean and disciplined cost focus across the organisation
- With our growing portfolio of assets we are building a **pipeline of internal growth opportunities** to maximise the value inherent in our mineral resources and enhance the scope of our processing capabilities; and we continue to explore opportunities **for value accretive external growth**
- Price volatility expected to continue in 2012, **fundamental commodities outlook remains positive** driven by significant zinc concentrate **supply constraints in the medium term**