

5 OCTOBER 2013



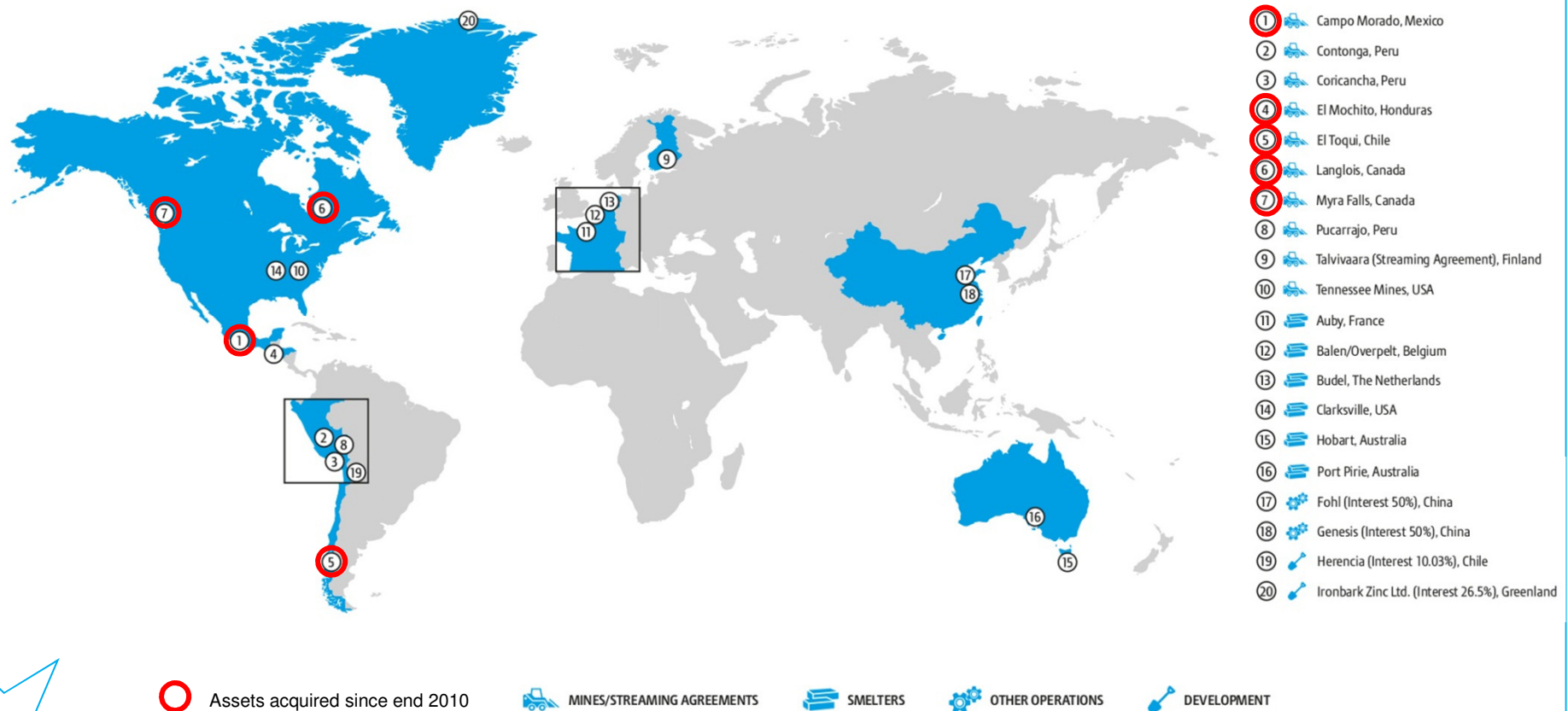
# Delivering our strategic mission in a challenging trading environment

**Roland Junck**, Chief Executive Officer

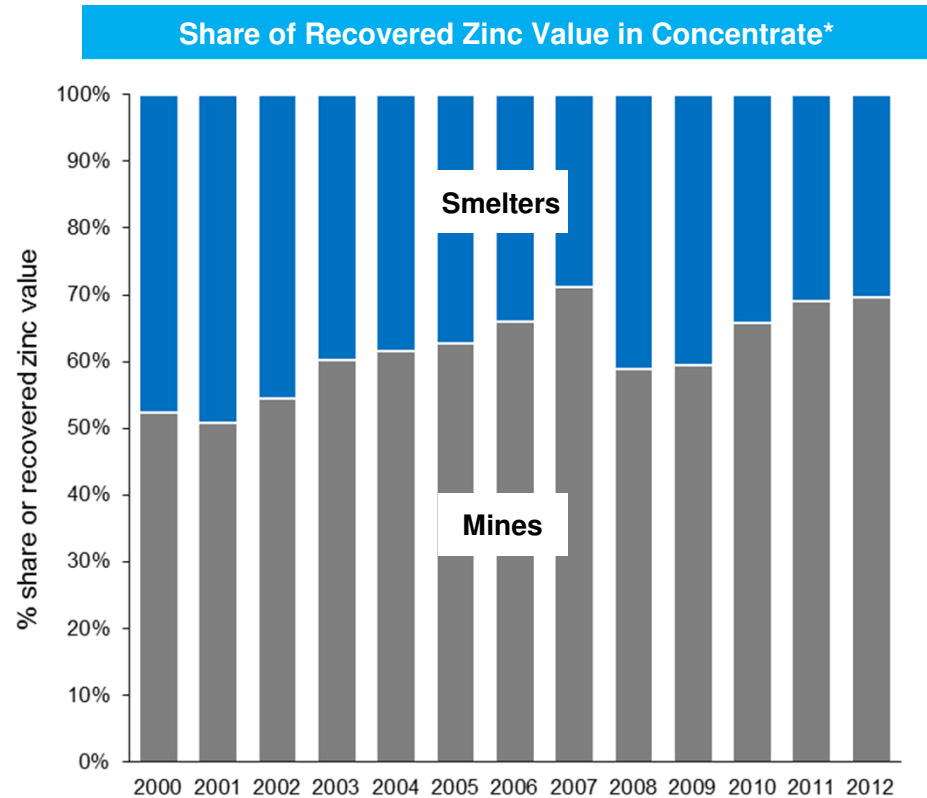


Since we last spoke at the VFB in 2010 our footprint has grown but our mission remains the same

To capture the maximum value inherent in mineral resources  
through **deep market insight**  
and **unique processing capabilities**



## The first step was to capture the maximum value inherent in mineral resources through upstream integration into mining



Note: Revenue split between miners and smelters based on LME annual average prices, premiums and "benchmark" treatment charges. Source: Brook Hunt

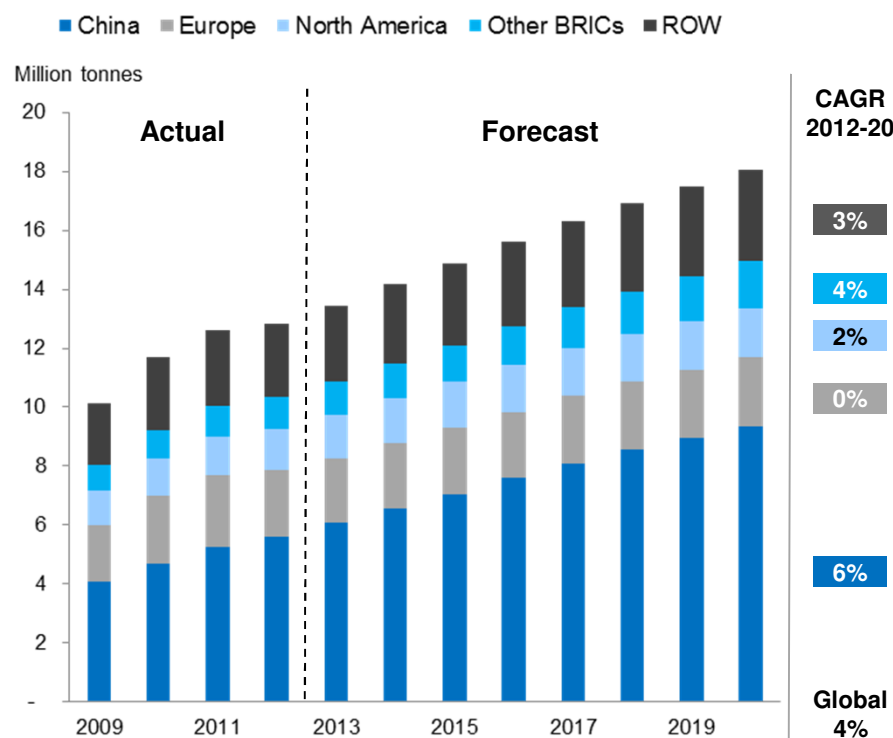
- During 2000's zinc mining increasingly more profitable than smelting
- Mining 1 tonne of zinc in concentrate more than two times more profitable than smelting 1 tonne of zinc\*\*
- Upstream integration has provided greater exposure to metal prices

**TURNED A THREAT INTO AN OPPORTUNITY AND MOVED INTO MINING...  
RIGHT MOVE AT THE RIGHT TIME**

\*\* Source: Brook Hunt estimate (on average)

# Move upstream into mining also supported by strong medium term zinc market fundamentals

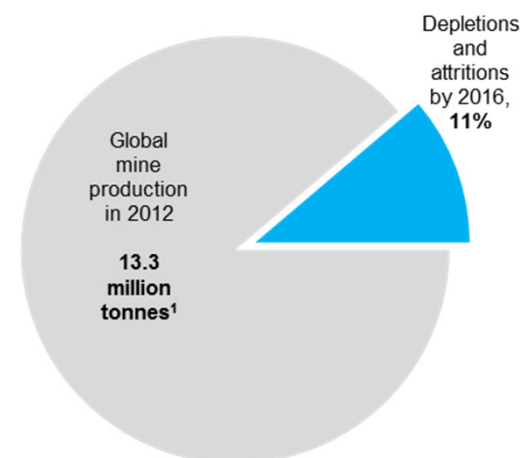
## Zinc demand increasing over the medium term



- Outlook for **Chinese zinc demand growth remains strong** over medium and long term
- Growth from other BRIC economies increasingly important

Source: Brook Hunt, LTO Q2 2013 (June 2013)

## Zinc supply: mine depletions already in progress and will accelerate



Mine closures 2013-2016 (location)	Zinc production (kt) <sup>2</sup>
Century (Australia) – 2016	515
Brunswick (Canada) – <b>CLOSED</b>	173
Lisheen (Ireland) – 2014	172
Skorpion (Namibia) – 2016	159
Perseverance (Canada) - 2013	125
Other depletions and attritions	531
<b>Total depletions and attritions</b>	<b>1,675 (11%)</b>

Source: Brook Hunt LTO (Q2 2013 (June 2013), Nyrstar estimates

<sup>1</sup> 2012 estimated global zinc mine production

<sup>2</sup> Individual mine production based on Brook Hunt estimated 2012 volumes

<sup>3</sup> Based on analysis of Brook Hunt categorised probable A&B projects and expansions

# The journey to date has fundamentally transformed and strengthened the business

2008

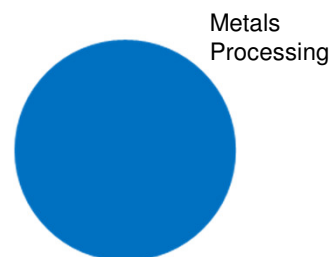
**Asset footprint**



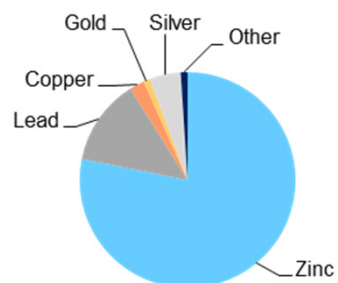
6 smelters

6 non-core assets

**Group EBITDA by segment**



**Group gross profit by metal**



2010



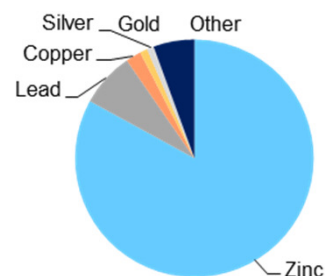
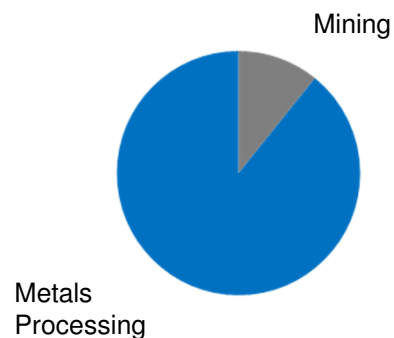
6 smelters



4 mines & stream

4 non-core assets

**Group EBITDA by segment**



2012



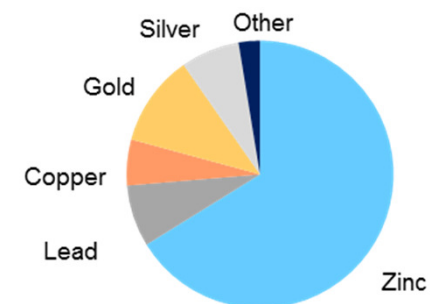
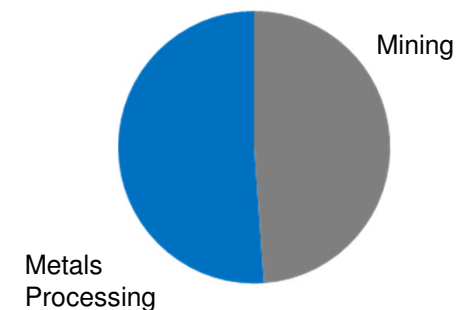
6 smelters



9 mines & stream

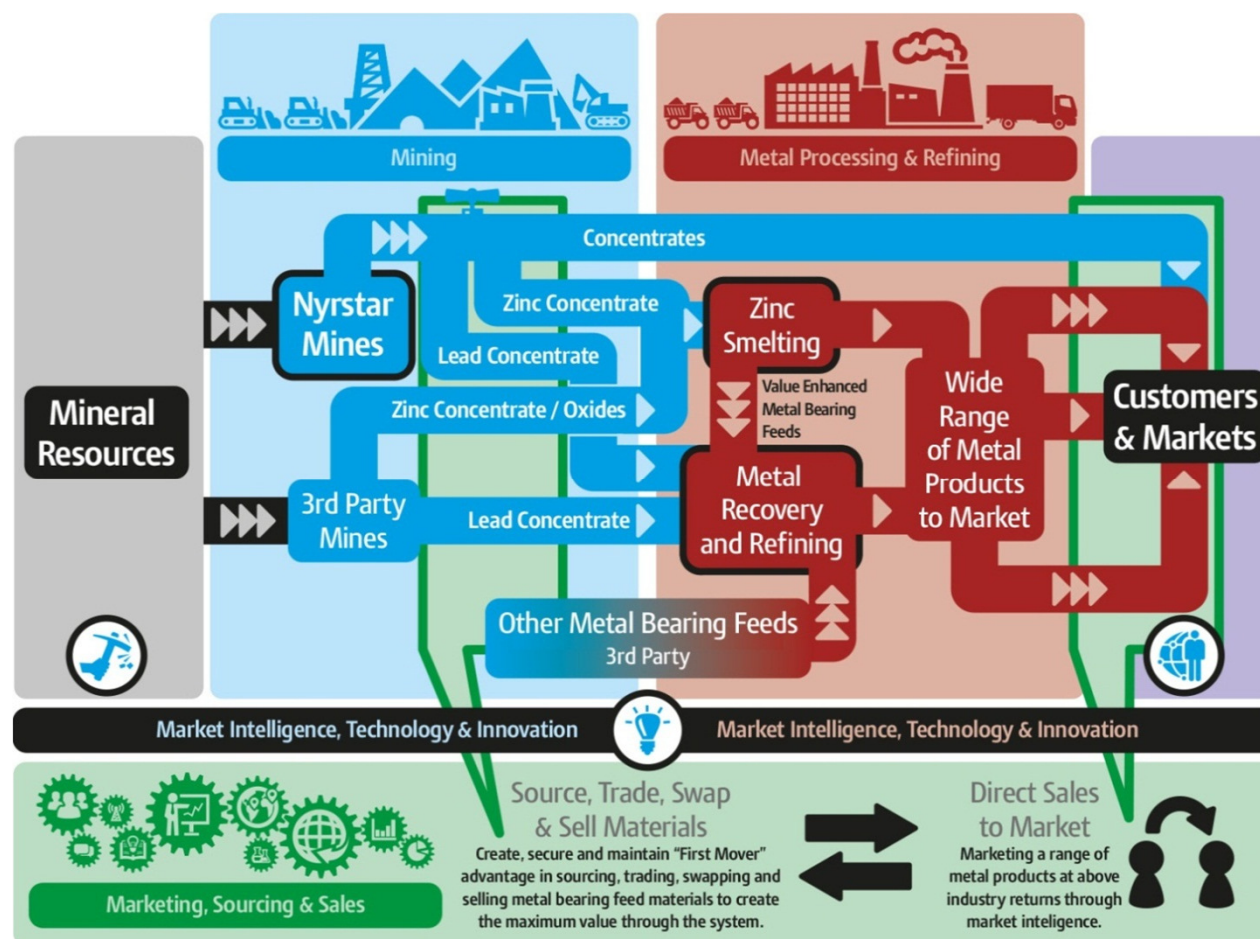
2 non-core assets

**Group EBITDA by segment**





We are now putting in place Nyrstar's integrated & market-oriented business model which remains aligned to our mission

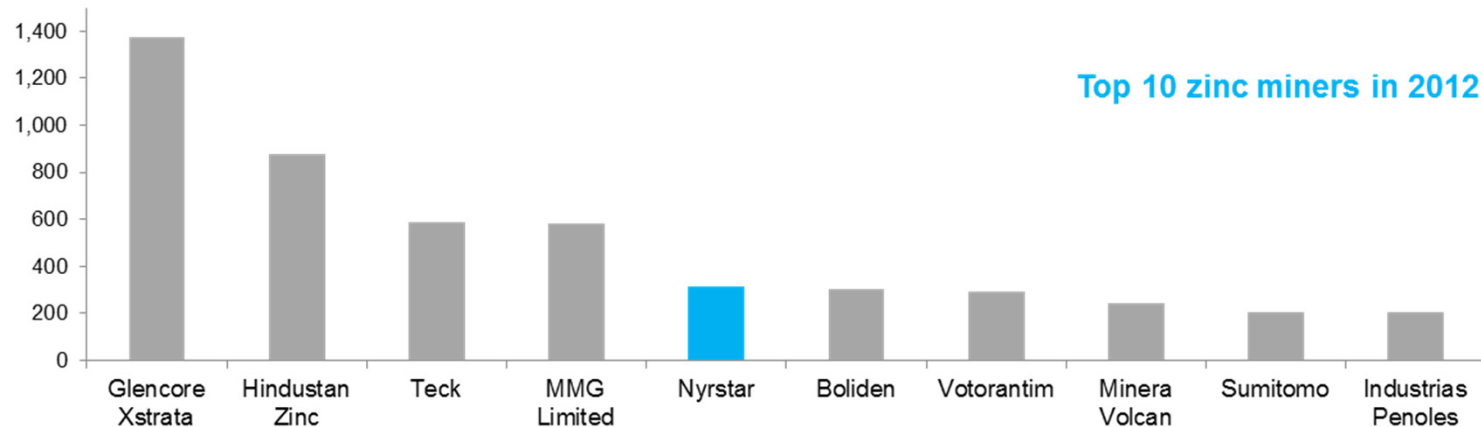


Our mission is to capture the maximum value inherent in mineral resources through deep market insight and unique processing capabilities...

## In our Mining segment we are capturing the maximum value inherent in mineral resources



- Increased production of zinc and other metals from 2010 to 2013
- Now one of the world's top 5 zinc miners

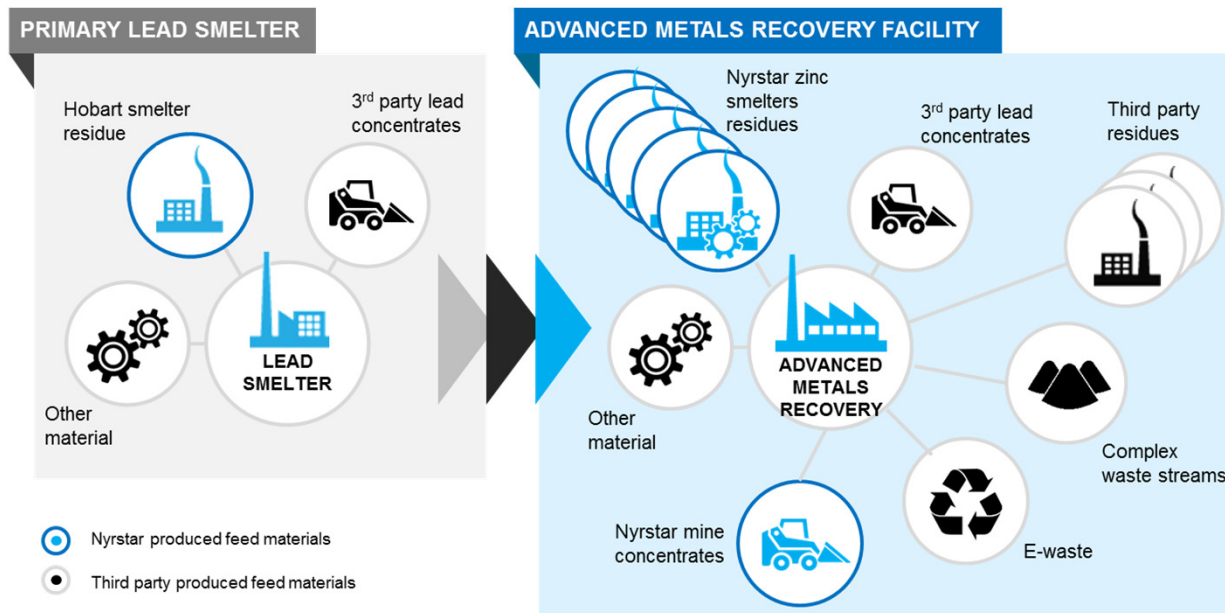


- Focussed on optimising individual asset performance and integration across our mines
- Determining how valuable feeds produced at our own mines can be integrated into our business model and supply the Metals Processing segment

## In Metals Processing we are developing unique processing capabilities to capture maximum value



- Transformation of Port Pirie is the first enabler for a wider transformation of our Metals Processing segment



### Port Pirie Transformation

- Expected returns comparable to advanced metals processing sector
- Capital cost estimated at EUR280m; financed by innovative funding and support package
- Final investment case expected to be completed by end 2013 and commissioning in early 2016

- Smelting strategic review is now identifying opportunities to generate greater value from our zinc smelters through their relationship between one another, a transformed Port Pirie and our mines



## In Marketing, Sourcing and Sales we are deepening our market insight to capture maximum value



### Global product portfolio

	Other products Sulphuric Acid, Gold, Silver, Copper cathode, Indium etc
Gold concentrates, dore and other	Specialty alloy metal
Copper concentrates	Other commodity grade
Lead concentrates	Other European commodity grade
Zinc concentrates	Noble European commodity grade metal

### Multi-channel approach for European commodity grade metal

#### European strategic marketing agreement

200,000 tonnes per annum



Continue to discuss direct sales, marketing and financing opportunities with a number of market participants  
150,000 tonnes per annum

**PRODUCE SERIES OF PRODUCTS THAT WILL BE MARKETING AND SOLD AT ABOVE INDUSTRY RETURNS THROUGH A BETTER UNDERSTANDING OF THE MARKETS**

# Journey and markets have been challenging; actively managing by delivering sustainable operational improvements

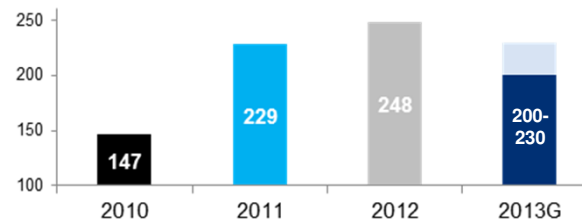
## Operational improvements

### Cost savings programme (Project Lean)

- EUR 75 million of annualised savings of by end of 2014
- Through de-layering, process improvements and elimination of non-value added tasks
- Across Mining, Metals Processing and corporate offices

### Capital expenditure reduction

Group capital expenditure (EURm)

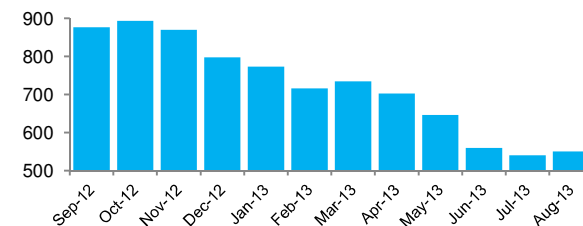


- On target to deliver significant reduction in 2013 vs 2012
- Rigorous quarterly review process
- Track spend on weekly basis

### Working capital improvements

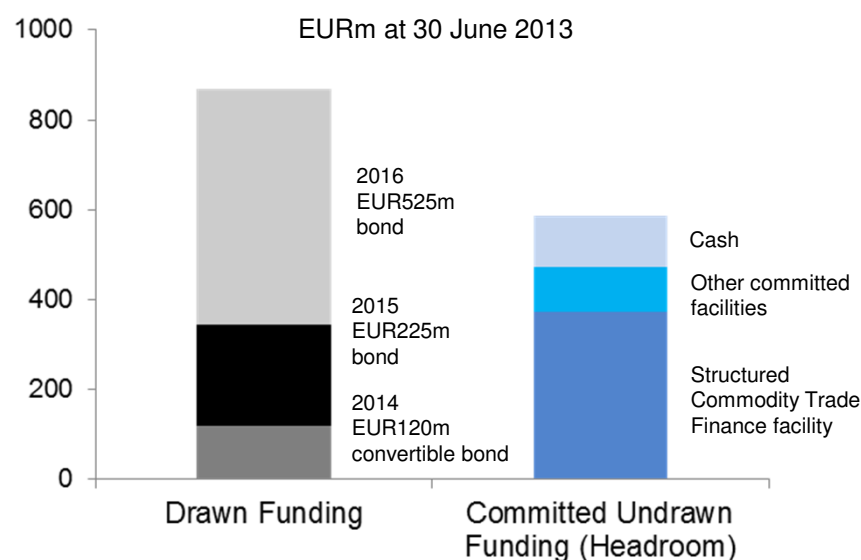
- Reducing physical inventories in Metals Processing segment
- Cyclical protection: Working capital reduces when metal prices decline

Monthly reduction in inventory value (USDm)



# Balance sheet strength and access to various funding opportunities allows us to manage short term challenges and to continue our transformation journey

## Diverse funding sources



- **New EUR 120 million convertible bond** issued
- Closest maturity refinanced at significantly improved terms (**4.25% coupon**)
- **Covenant free on all bonds**
- **Paid annual dividend over past 4 years**

## Financial options available

### Conventional options

Bonds (straight, convertible)

Bank debt

Equity

### Options available to Mining and Metals companies

Strategic hedging

Metal streams

Metal prepay

Commodity backed facility

Royalties

Strategic commercial partnerships

Strategic operational partnerships

Pre export financing

## Summary

- Gone through a **fundamental transformation** of our business
- Continue transformational journey by **leveraging** our **unique business model** and **asset footprint**
- Clear and **consistent mission**  
“To capture the **maximum value inherent in mineral resources...**  
through **deep market insight...**  
and **unique processing capabilities**”
- Journey and markets have been **challenging**, which needs **active management**
- **Balance sheet strength** and access to **various funding opportunities** allows us to manage short term challenges and to continue our transformation journey

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