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Introduction to Nyrstar

> Overview

Recent Results

2 October 2010

VFB – Dag van de Tips, Antwerp

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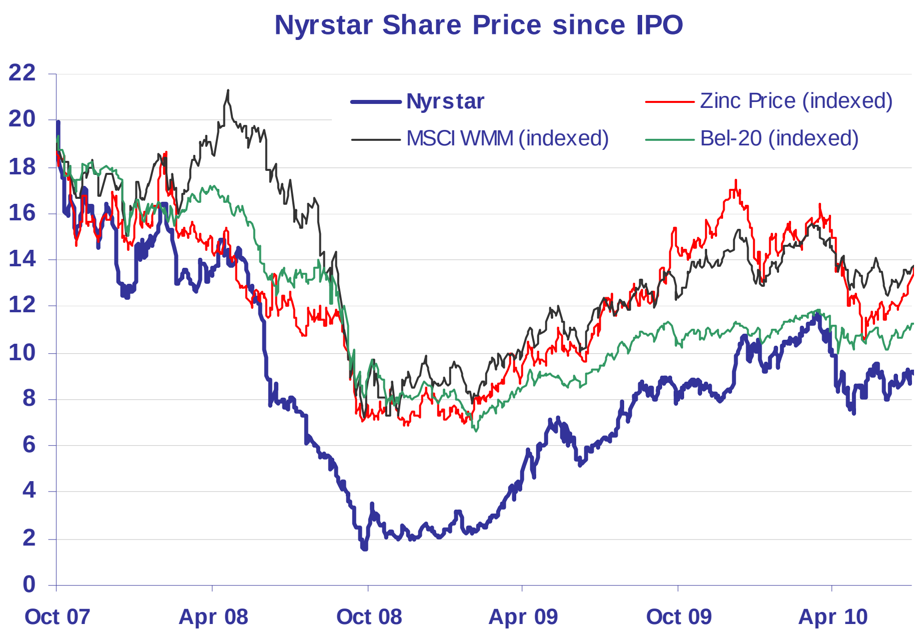
Where we have **come from**

- Nyrstar was created on 31 August 2007 by combining the zinc and lead smelting and alloying operations of Zinifex and Umicore
- On 29 October 2007, Nyrstar listed on the Euronext Brussels stock exchange through an Initial Public Offering (IPO)
- A year later the LME zinc price had fallen by more than 60%



(MSCI WMM: MSCI World Metals & Mining Index)

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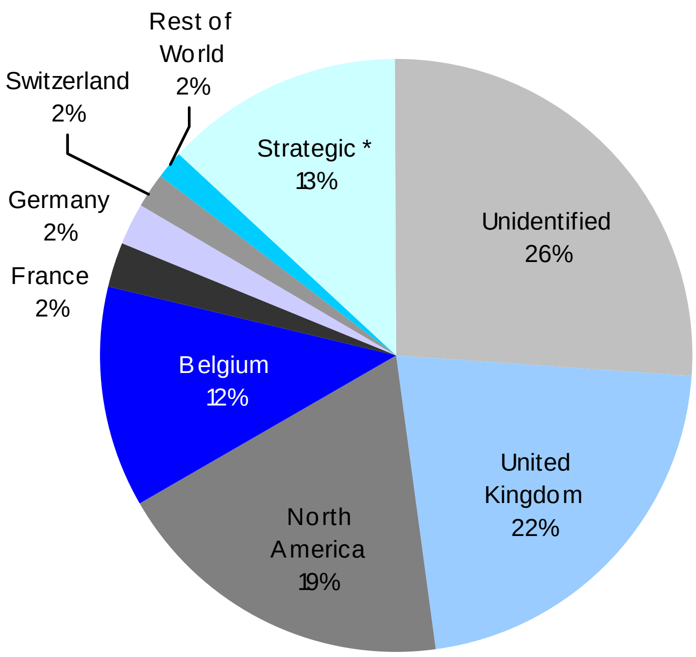
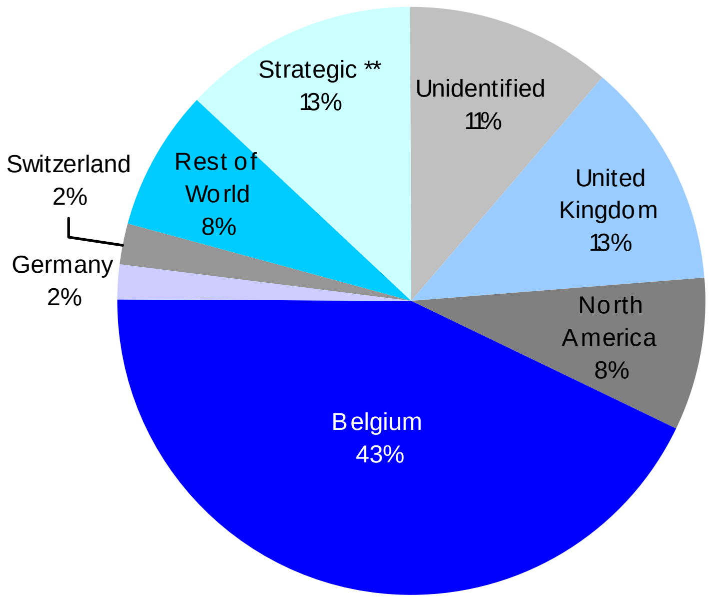
Nyrstar changing **shareholder** structure

Shareholding August 2008



* Strategic shareholding of Zinfiex (8%) and Umicore (5%)

Shareholding June 2010



** Strategic shareholding of Glencore (8%) and Umicore (5%)

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About Nyrstar

- **Nyrstar is a leading global multi-metals business, producing significant quantities of zinc and lead as well as other products (including silver, gold and copper)**

- **World's largest zinc producer**
  - 1.1 million tpa zinc metal
  - 260,000 tpa zinc in concentrate *
- **Major lead producer**
  - 240,000 tpa lead metal
  - 10,000 tpa lead in concentrate *
- **Other products**
  - 17.5 million troy ounces silver **
  - 60,000 troy ounces gold **

** Based on full ramp-up of mining assets (expected by 2012)*
*** Combined mining and smelter capacity on full ramp-up*

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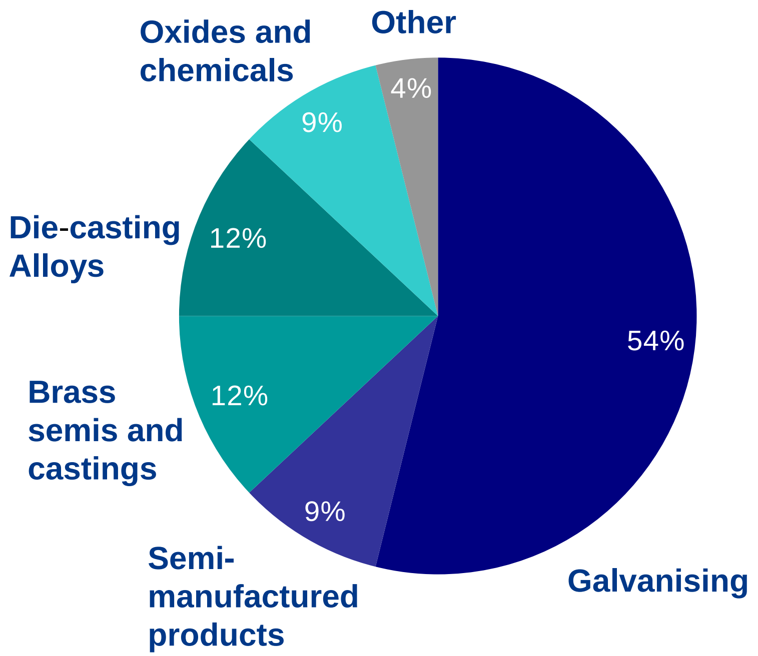
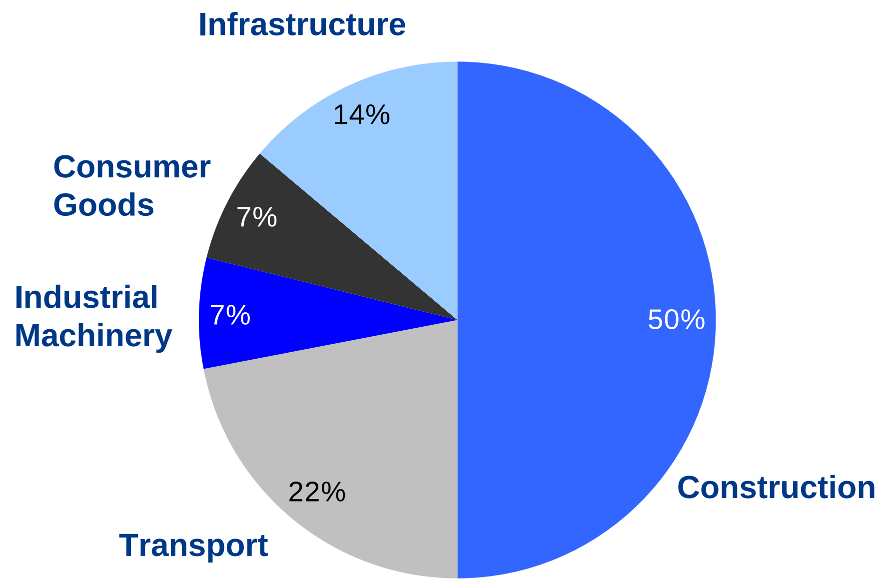
Think zinc: main first and end use markets

Zinc consumption by first use



Zinc consumption by end use



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Source: Brook Hunt

Integrated Mining and **Smelting** business model: sources of profit

MINING SOURCES OF PROFIT

A. Treatment Charge

Mines subtract Treatment / Refining Charges when selling concentrates

B. Free / Payable Metal

Mines earn the market price for the payable component of primary metal in concentrate

C. By Products

Secondary metals and other by-products can provide valuable earnings contributions, especially in pollymetallic mines (eg. silver)

Mining

20 million tonnes of ore (grade ranges 3%-10% Zn, avg grade 5% Zn)

Concentrates

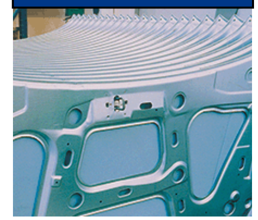
2 million tonnes of concentrate (avg grade 54% Zn)

Smelting

Market Metals & Alloys

1 million tonnes of metal

Customers



SMELTING SOURCES OF PROFIT

1. Treatment Charge

Smelters pay miners for 85% of the zinc in concentrates, minus a treatment charge (TC) per tonne of concentrate

2. Free Metal

Smelters pay for 85% of metal but recover ~96%, resulting in the capture of approximately 11% "free metal"

3. Premiums

Customers pay a premium on top of the LME metal price based on the type of alloy and regional supply/demand balance

4. By Products

Other by-products provide valuable earnings contributions (predominately acid, but also other metals for a lead smelter)

Through Treatment Charges and Free Metal, smelters capture approximately 40% of metal price

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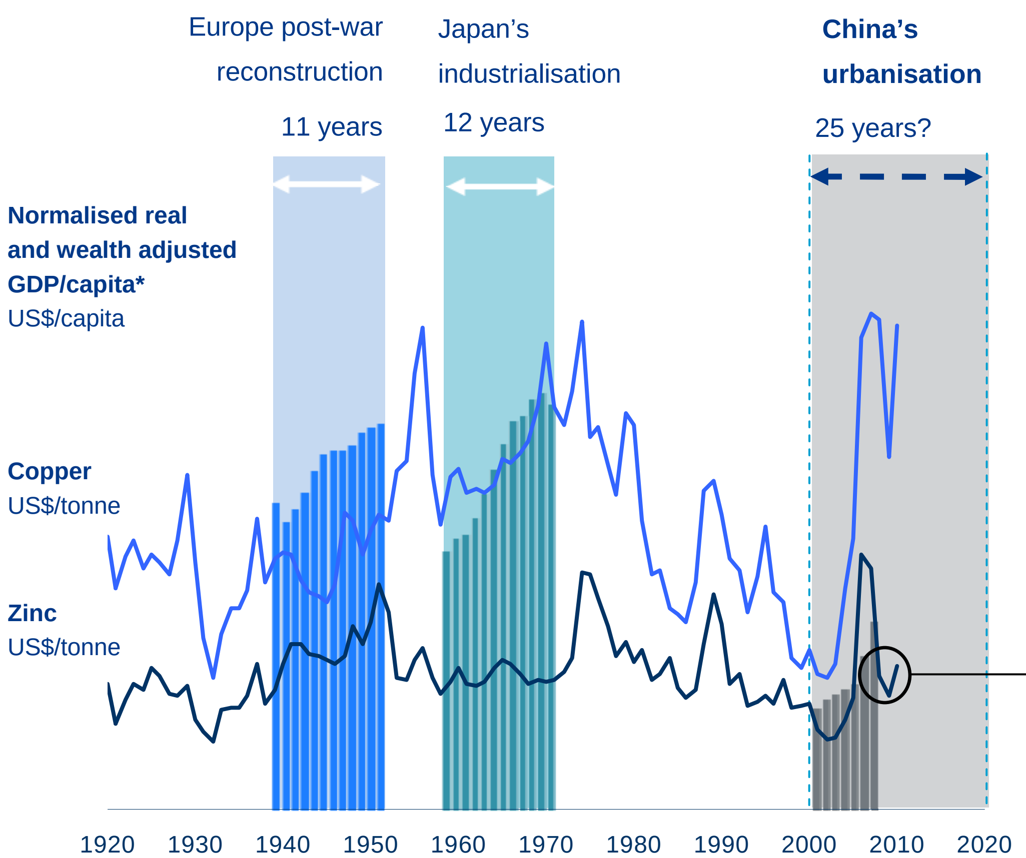
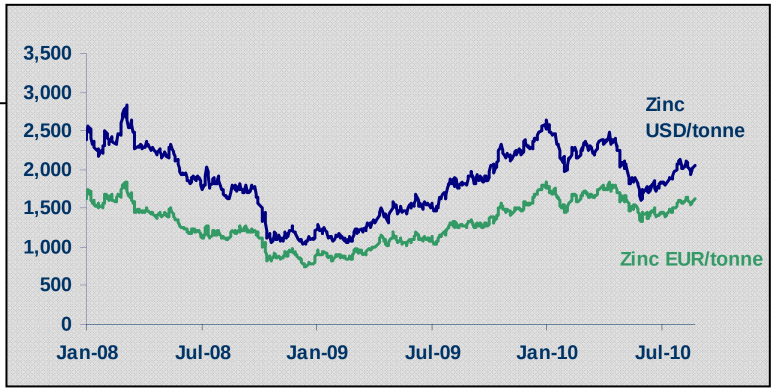
Economic growth driving demand



- China's GDP per capita is still only $3500, less than 10% of US or Europe
- 54% of China's 1.3 billion people still live in rural areas (64% in 2000, 74% in 1990)
- **With vast investment still required for urbanisation, sustained long-term demand growth for zinc and other commodities is expected**



Source: Angus Maddison, Global Insight, Tex Report, USGS
** world average GDP/capita used to deflate GDP/capita for individual countries to 1940 levels*

China's Urbanisation: unprecedented scale and speed

Future Trends

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

Recent Developments

- By the end of 2009 the urbanization rate reached 46%, with 50% expected to live in cities by 2015
- In Q2 2010 China overtook Japan as the world's second-biggest economy

Recent **cyclical** downturn should not distract from **structural** trends driving metals demand

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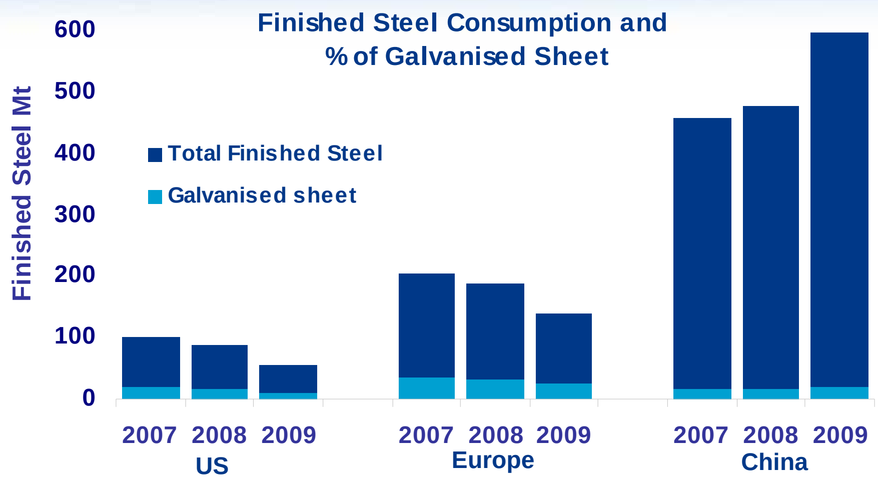
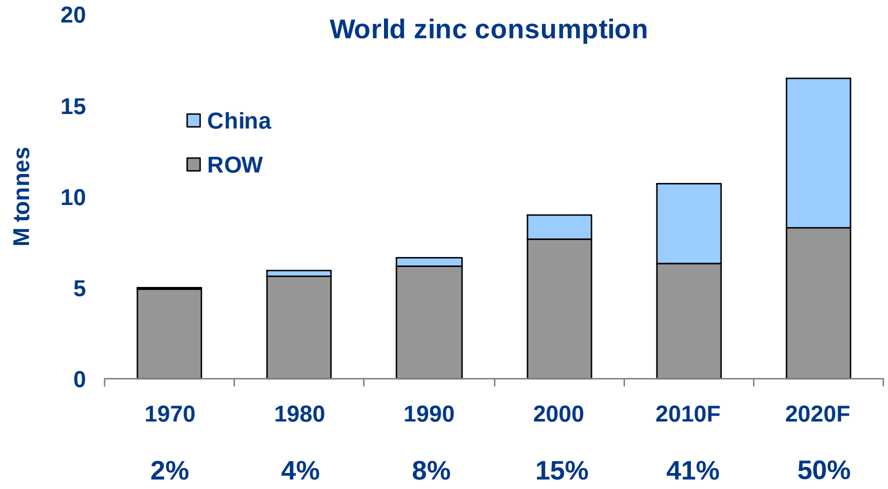
Source: McKinsey, Nyrstar, Bloomberg

Economic growth **driving demand**

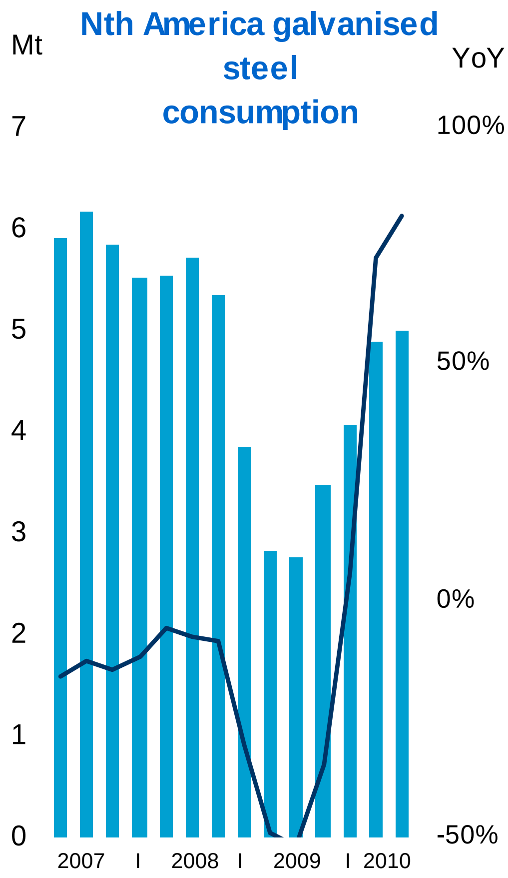


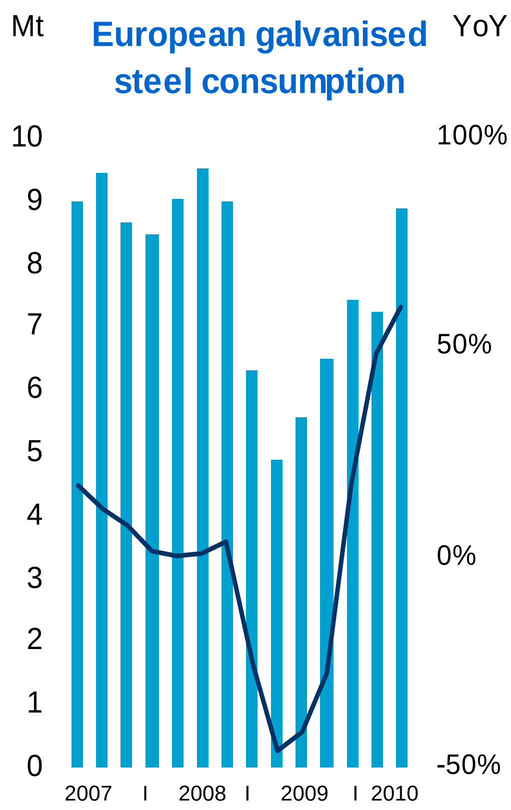


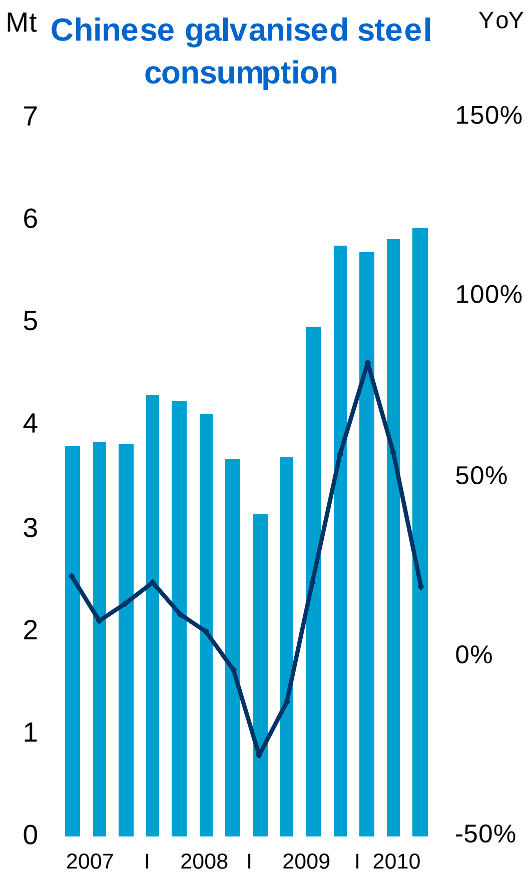
- Only **3%** of China's steel consumption is in galvanised sheet form (18% in Europe & US)
- As China's urbanisation progresses:
  - Steel demand will continue to grow
  - Steel product mix will shift
  - Increase in galvanized flat products
- If China consumed a similar ratio of galvanized to finished steel as Europe and US, it would require an additional 5mt of zinc

Source: CRU, Nyrstar

Demand strengthening







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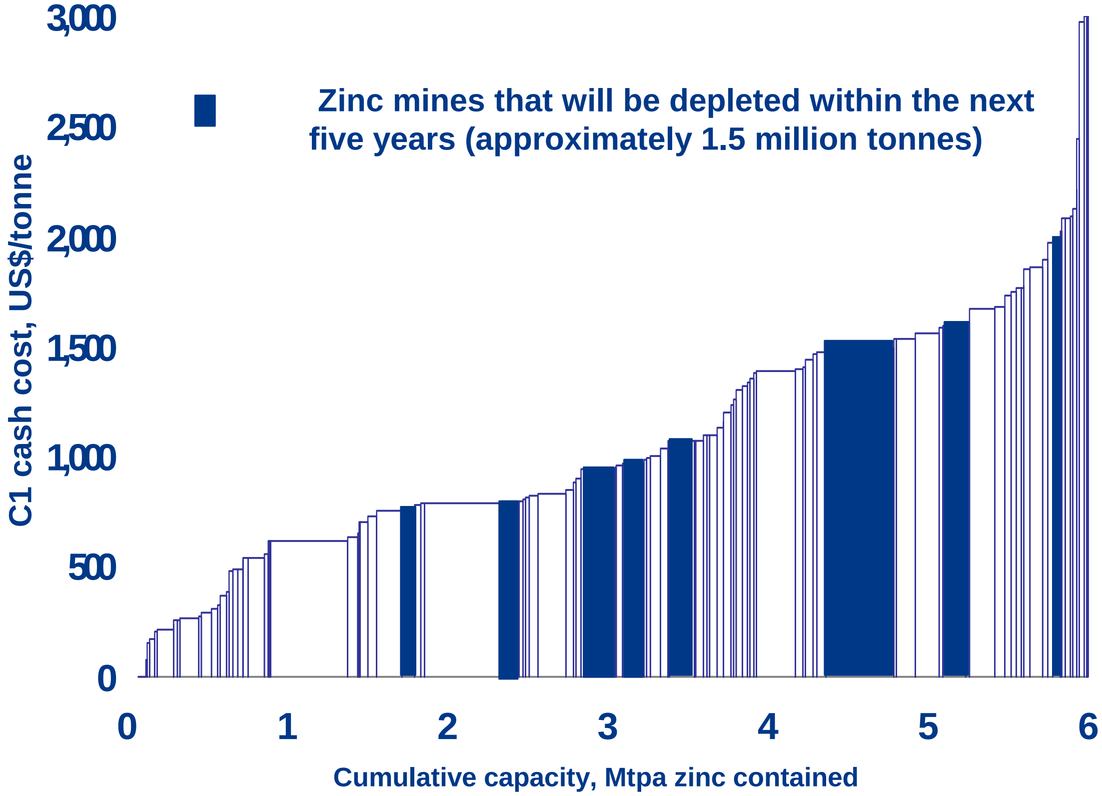
Source: CRU, Nyrstar

Supply constraints **will return**



Supply constraints will return and impact long-term prices

- Number of large zinc mines to be depleted in next 5 years
- Significant reduction in mining capital expenditure exacerbated by financial crisis, and limited focus on zinc by majors
- Limited number of new zinc projects in pipeline
- Supply response will lag recovery in demand
- New projects often in difficult geographies

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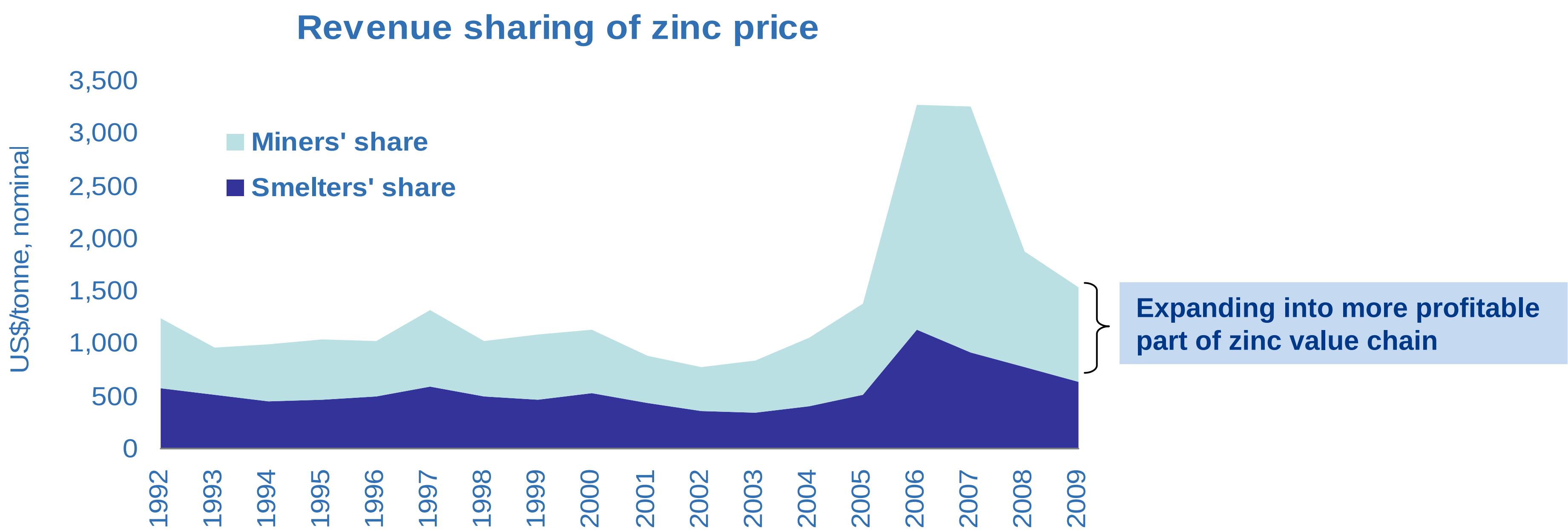
Source: Brook Hunt. Based on currently stated reserves
Excludes number of Chinese mines for which data does not exist

Increased exposure to **zinc fundamentals**



- Zinc miners earn a greater share of zinc price revenues compared to zinc smelters (60% v. 40%) and traditionally generate higher margins
- **Upstream integration creates a significantly stronger business given market fundamentals**

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Note: Chart shows revenue share accruing to mines and smelters based on LME annual average cash settlement prices and "benchmark" treatment charges

Nyrstar's **strategy**

Nyrstar will:

- Continue to improve and expand its existing business
- Selectively pursue opportunities in mining, focused on:
  - Mines that support its existing smelting assets
  - Markets where it has existing expertise (zinc, lead, silver, gold, copper) and proven capability
- Nyrstar's aim is that smelting and mining will both provide valuable contributions to its earnings
  - An integrated Nyrstar could facilitate broader industry consolidation

Delivering on Growth

May 2009: Acquire Mid-Tennessee Zinc mine complex in US

June 2009: Announce new strategy of up upstream integration

July 2009: €120M convertible bond

Nov 2009: Acquire 85% of Coricancha mine in Peru

Nov 2009: Acquire 19.9% stake in Ironbark, owner of Citronen zinc-lead project in Northern Greenland

Dec 2009: Acquire East-Tennessee Zinc mine complex in US

Feb 2010: Innovative acquisition of 1.25 million tonnes of zinc in concentrate from Talvivaara

March 2010: Syndication of €400 million credit facility

March 2010: €225 million retail bond issued

May 2010: Acquire additional 11% stake in Ironbark

July 2010: Acquire remaining 15% stake in Coricancha mine

July 2010: Acquire Contonga and Pucarrajo mines in Peru

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Acquisition | Financing

Introduction to Nyrstar

Overview

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Strong financial performance

- Strong growth in EBITDA supported by increased production, zinc price, cost control and contribution from new mines
- H1 2010 EBITDA of €93 million equivalent to full year 2009

€ millions	H1 2010	H2 2009	% Var
Revenue	1,277	951	34%
Gross Profit	430	311	38%
Operating Costs	337	250	35%
EBITDA	93	62	50%
Depreciation	33	24	38%
Capital Expenditure	56	45	24%
€	**H1 2010**	**H2 2009**	**% Var**
EPS	0.43	0.20	115%
Share Price *(period avg)*	9.79	7.66	28%
US$/t	**H1 2010**	**H2 2009**	**% Var**
Zinc Price	2,155	1,982	9%

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Gross Profit, Operating Costs, EBITDA and EPS are on an underlying basis

EBITDA sensitivities

H1 2010		
Parameter	**Variable**	**Estimated Annualised EBITDA impact in € million**
Zinc Price	+/- US$100/t	**+/- 26**
Lead Price	+/- US$100/t	**+/- 1**
US$/€	+/- €0.01	**+/- 7**
A$/€	+/- €0.01	**-/+ 4**
Zinc TC	+/- US$25/dmt	**+/- 30**
Lead TC	+/- US$25/dmt	**+/- 5**

- Calculated by modelling Nyrstar's H1 2010 underlying operating performance. Each parameter is based on an average value observed during that period and is varied in isolation to determine the **annualised** EBITDA impact.
- Particular care needs to be taken when applying the sensitivities. For details refer to Nyrstar's H1 2010 results announcement.

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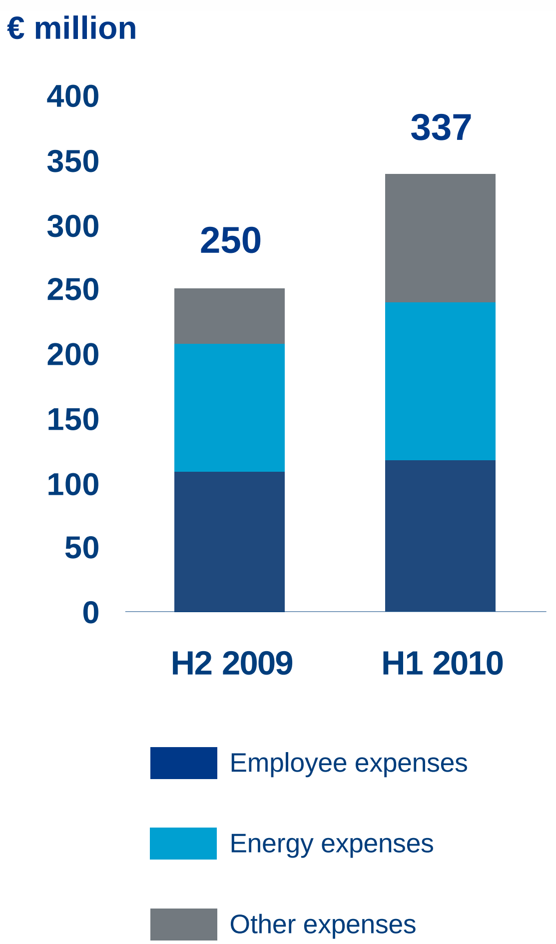
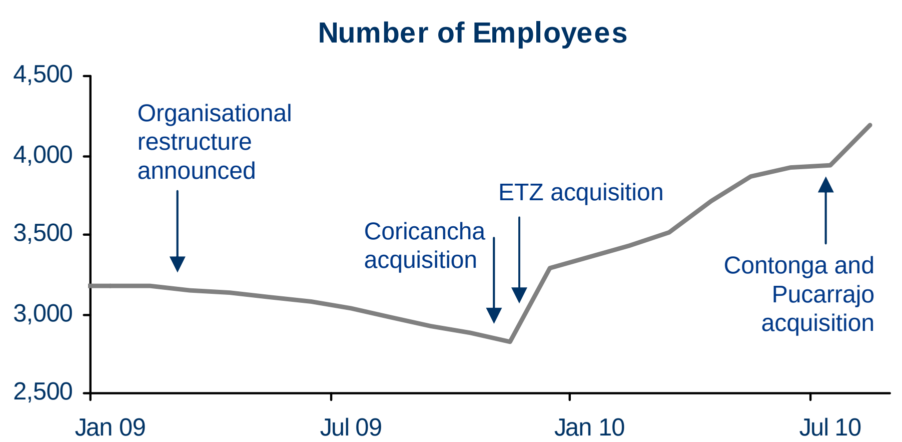
Operating expenses



Underlying operating costs up 35% in H1 2010

- Smelting – Balen returning to full production
- Mining – acquisition and ramp-up

- **Employees**
  - Only up 8% despite ramp-up of new mines and increased production profile
- **Energy**
  - Up 23% due to new mines, increased production profile and weaker EUR:USD rate
- **Other**
  - Up 30% due to new mines and increased production



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Cash flow management and **Strong** financial position

- Operating cash flow neutral in H1 2010, compared to outflow of €66 million in H2 2009 largely due to improved operational result

Working Capital outflow

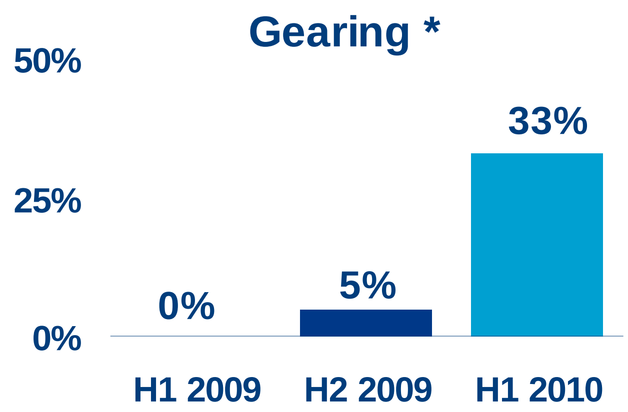
- Increased smelter production, new mining operations and strengthening USD

Acquisitions

- Talvivaara mine zinc stream
- Additional 11% of Ironbark

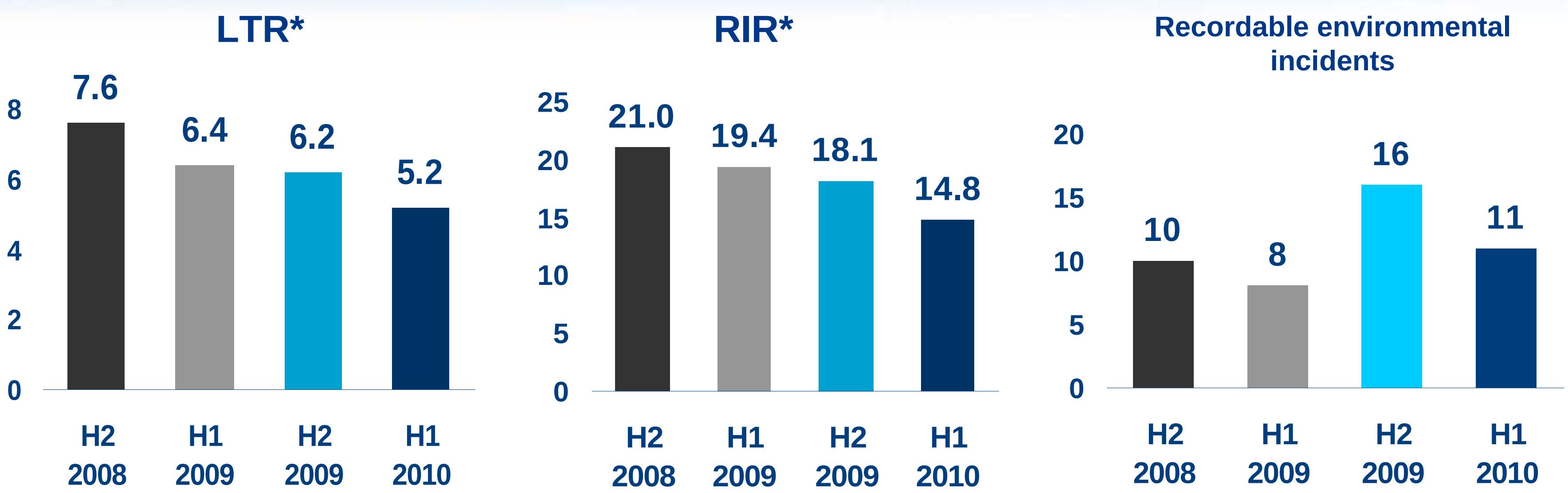
Other

- Capex of €56m, including mine ramp-up
- €10m dividend payment



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

Safety, Health and Environment



- Safety
  - Lost Time Injury Rate reduced 16%, Recordable Injury Rate reduced 18%
  - Despite strong safety focus, tragically had a fatality in an incident related to the Coricancha mine commissioning
- Environment
  - Recordable incidents reduced by 31% to 11, all minor

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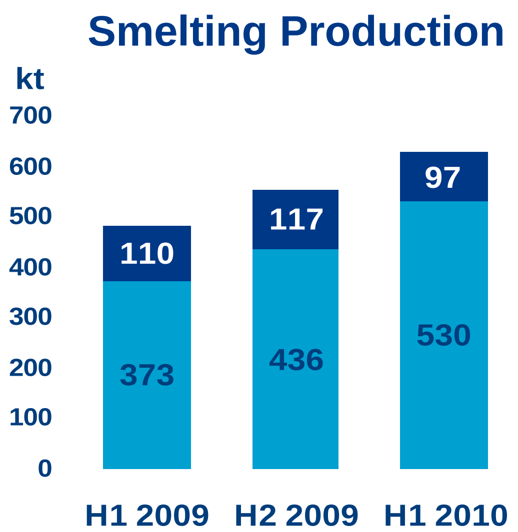
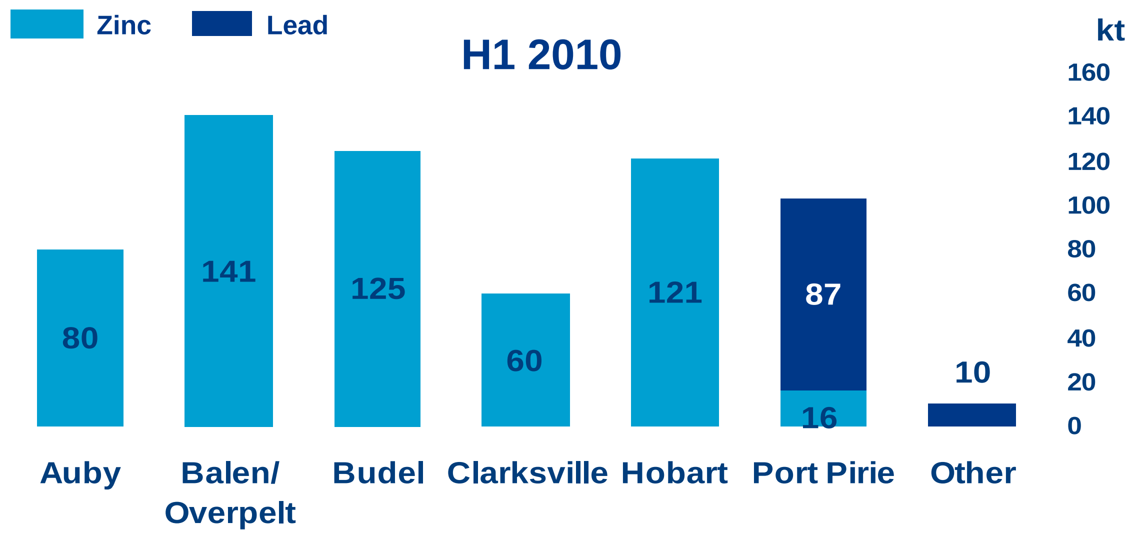
* *Lost Time Injury Rate (LTR) and Recordable Injury Rate (RIR) are 12 month rolling averages of the number of lost time injuries and recordable injuries (respectively) per million hours worked, and include all employees and contractors at all operations*

Smelter production returning to capacity





- Zinc production up 22% in H1 2010, primarily due to Balen smelter returning to full production in first quarter
- Zinc production down 9% at Hobart due to minor cast-house equipment failures in Q1, and damage to transformer rectiformers in May 2010
  - Site restored to 95% of capacity, and expected to return to 100% before end of year
- Lead production at Port Pirie down 19% due to sinter plant reliability issues in Q1

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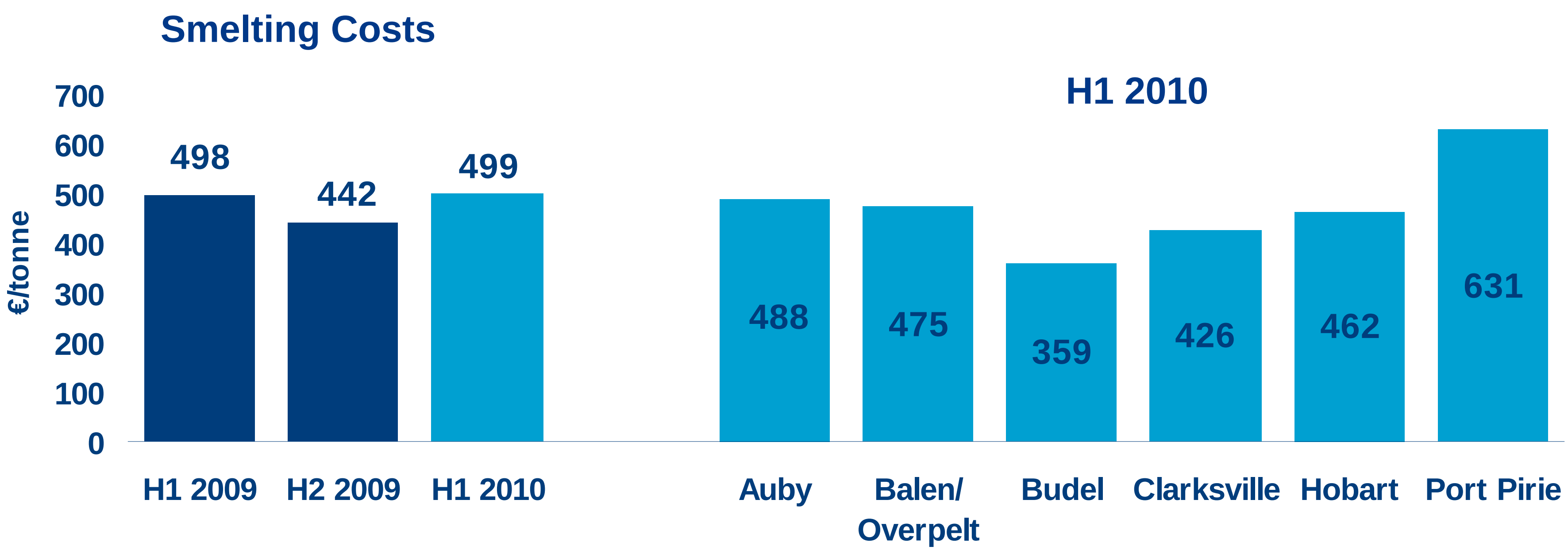
* *Production incorporates internal transfers of cathode for subsequent melting and casting (approx. 13,000 tonnes in H1 2010 and 48,000 tonnes in H2 2009), but this is eliminated from Totals*

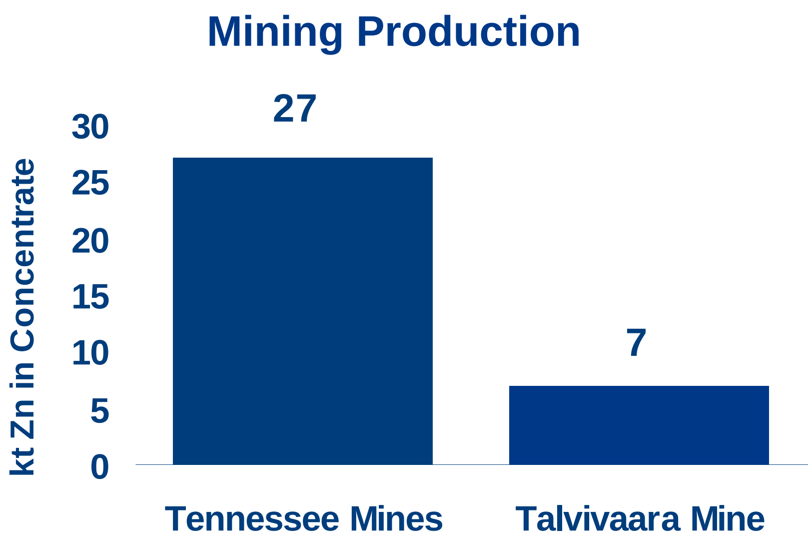
Focusing on **smelting operating costs**

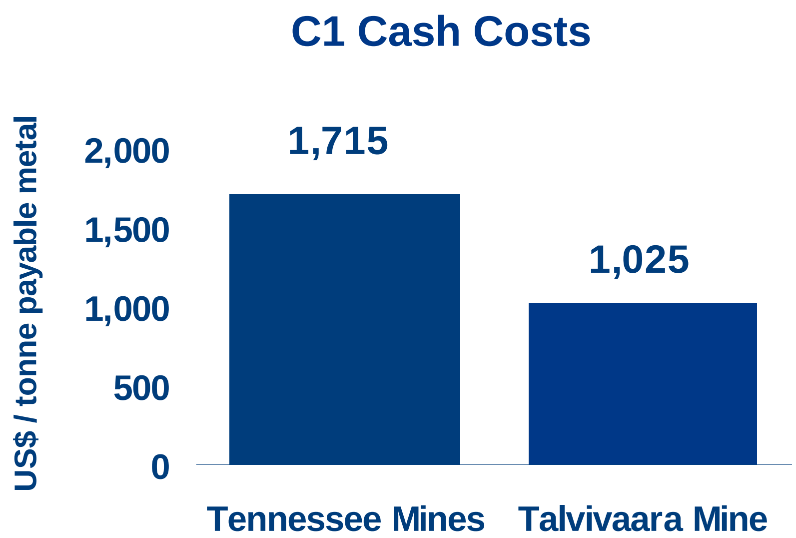


- Smelting costs contained to H1 2009 levels despite depreciating euro, and temporary production issues at Hobart and Port Pirie
- Continued focus on reducing costs on a sustainable basis

Smelting segment underlying operating cost per tonne of primary market metal (zinc and lead, excludes ARA)

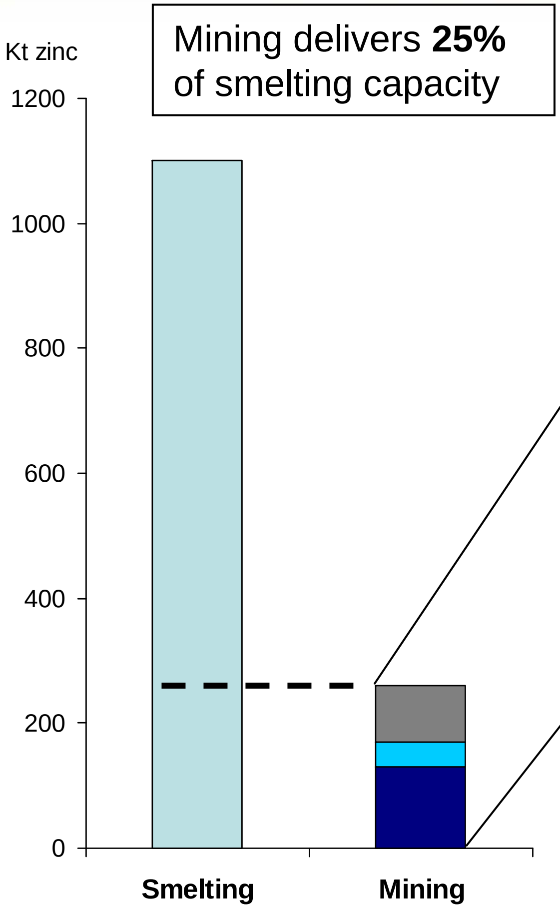
Ramping-up mines





- Ramp-up continued at Tennessee mines: East Tennessee at 80% of capacity, Mid Tennessee at 25% of capacity at end H1
  - C1 cash costs expected to decline as ramp up continues
- Deliveries ramping-up from Talvivaara mine zinc stream
- Coricancha mine and mill re-commissioned in H1 2010, ramping up in H2
- Focused on driving continuous C1 cash cost reductions

Upstream integration



	C1 Cash Costs US$ / payable tonne zinc		Other metal by-products	Ramped-up Capacity
	Current	At full ramp-up		
Talvivaara	1,025	1,000 to 1,100	-	90kt Zn
Contonga & Pucarrajo	1,000	<1,000	4kt Pb, 1kt Cu, 1.5m oz Ag	40kt Zn
NTM	1,715	1,500 to 1,600	-	130kt Zn

	C1 Cash Costs US$ / payable troy ounce gold		Other metal by-products	Ramped-up Capacity
	Current	At full ramp-up		
Coricancha	-	(100) to (200)	5kt Zn, 3kt Pb, 1m oz Ag	40k oz Au

** For Coricancha the cash cost is based on gold production per troy ounce only, with other metal revenues treated as by-product credits*

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Looking to the **future**

- Fundamental market outlook is positive and will provide opportunities for further growth
- Continue to deliver on strategy
- Creating a framework for a long term sustainable future

The world is changing and so are we

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