

Regulated Information

## First Quarter 2018 Interim Management Statement

3 May 2018 at 07:00 CEST

### HIGHLIGHTS:

- Group underlying EBITDA<sup>1</sup> of EUR 54 million for Q1 2018, EUR 3 million lower than Q1 2017. Nyrstar benefited from a 23% increase in the zinc price and ramp-up of the Middle Tennessee Mines which was offset by reductions in treatment charge terms, a substantial weakening of the USD/EUR from 1.06 to 1.23, negative earnings contributions of the Myra Falls Mine whilst in start-up and reduced free metal price exposure due to the zinc price collar hedging
  - Metals Processing underlying EBITDA of EUR 49 million, down EUR 14 million year-on-year, driven primarily by lower realised zinc treatment charges and zinc metal production, partially offset by higher commodity prices; and
  - Substantially improved Mining underlying EBITDA of EUR 16 million, up EUR 11 million year-on-year, driven by higher commodity prices and the successful restart of the Middle Tennessee mines, partially offset by the EUR 8 million negative EBITDA contribution from the restart of the Myra Falls mine
- Net debt excluding zinc metal prepay and perpetual securities of EUR 1.351 billion at the end of Q1 2018, an increase of EUR 249 million on 31 December 2017 driven predominantly by working capital outflow mainly due to higher commodity prices and amortisation of prepaids. Net debt inclusive of zinc metal prepay and perpetual securities of EUR 1.592 billion at the end of Q1 2018, an increase of EUR 229 million on 31 December 2017
- Port Pirie Redevelopment ramp-up progressing well
  - Ramp-up is ahead of schedule with important milestones achieved on operating time, volume of material treated and proportion of residue in feed
  - Earnings uplift in-line with guidance provided at the start of 2017 against a 2016 basis, with at least EUR 40 million expected in H2 2018, EUR 100 million in 2019 and EUR 130 million in 2020
- Restart of the Myra Falls mine commenced in August 2017 and is progressing in-line with schedule for zinc production by the start of H2 2018
- Chris Eger to step down as Chief Financial Officer in the summer of 2018 after a comprehensive transition period; Michel Abaza, currently Corporate Treasurer at Safran Group, to take over. Please see biography for Michel Abaza included at the end of this document

Commenting on the first quarter 2018 interim management statement, Hilmar Rode, Chief Executive Officer said:

"We have made substantial progress on the Port Pirie Redevelopment ramp-up, the restart of the Myra Falls mine and have also advanced our other strategic priorities in Q1 2018. Production performance across the group during the quarter was in-line with full year guidance. No material unplanned outages were experienced at the operations and the mines had a 42% increase in zinc in concentrate production year-on-year as a result of the successful ramp-up of the Middle Tennessee mines.

Following the successful start of hot commissioning at the Port Pirie Redevelopment and first feed to the new TSL furnace at the end of 2017, during Q1 2018 we have been able to ramp-up the TSL furnace more quickly than anticipated in terms of operating time, volume of material treated and the proportion of high margin residues in the feed. For the month of April

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<sup>1</sup> Underlying EBITDA is a non-IFRS measure of earnings, which is used by management to assess the underlying performance of Nyrstar's operations and is reported by Nyrstar to provide additional understanding of the underlying business performance of its operations. Nyrstar defines "Underlying EBITDA" as profit or loss for the period adjusted to exclude loss from discontinued operations (net of income tax), income tax (expense)/benefit, share of loss of equity-accounted investees, gain on the disposal of equity-accounted investees, net finance expense, impairment losses and reversals, restructuring expense, M&A related transaction expenses, depreciation, depletion and amortization, income or expenses arising from embedded derivatives recognised under IAS 39 "Financial Instruments: Recognition and Measurement" and other items arising from events or transactions clearly distinct from the ordinary activities of Nyrstar. For a definition of other terms used in this press release, please see Nyrstar's glossary of key terms available at: <http://www.nyrstar.com/investors/en/Pages/investorsmaterials.aspx>

2018 the residue consumed in the TSL feed was 55% of the overall feed mix, which exceeds the fully ramped-up target of 40% residue in the feed.

The financial performance of the Company continues to be supported by strong zinc market fundamentals, with the quarterly zinc price 23% higher in Q1 2018 compared to a year ago. Offsetting some of this support has been lower zinc treatment charge terms, the translational earnings impact of the material weakening of the US dollar against the Euro and the impact of 70% of the free metal zinc price exposure being capped by the current collar hedge at USD 3,094/t through to the end of the first half of this year. We continue to expect a substantial improvement in earnings and a move to positive free cash flow generation in H2 2018 with the ramp-up of the Port Pirie Redevelopment, the restart of the Myra Falls mine and ongoing improvements in operational performance at the mining and smelting operations.

After two and a half years as the Chief Financial Officer at Nyrstar, Chris Eger has communicated to the Board over the past months that he has decided to leave Nyrstar in the summer to pursue other opportunities. We undertook a thorough search process and have appointed Michel Abaza as CFO to take over from Chris. Michel has over 20 years' experience in treasury, capital markets, financial reporting and M&A and joins us from the Safran Group where he was the Corporate Treasurer. Michel will start at Nyrstar in the coming months and will work with Chris to ensure an orderly handover. We thank Chris for his hard work and dedication which has been instrumental in strengthening Nyrstar's balance sheet and placing Nyrstar on a much stronger financial footing to enable the transformation of the business.

## **CONFERENCE CALL**

Management will discuss this statement in a conference call with the investment community on 3 May 2018 at 9:00am Central European Summer Time. The presentation will be webcast live and will also be available in archive. The webcast can be accessed via <https://edge.media-server.com/m6/p/6brkechn>

## KEY FIGURES

EUR million (unless otherwise indicated)	Q1 2017	Q1 2018	% Change
<b>Revenue</b>			
Metals Processing	931	957	3%
Mining	49	77	57%
Other	(48)	(77)	60%
<b>Group Revenue</b>	<b>932</b>	<b>957</b>	<b>3%</b>
<b>Underlying EBITDA</b>			
Metals Processing Underlying EBITDA	63	49	(22%)
Mining Underlying EBITDA	5	16	220%
Other and Eliminations Underlying EBITDA	(11)	(11)	-
<b>Group Underlying EBITDA</b>	<b>57</b>	<b>54</b>	<b>(5%)</b>
Underlying EBITDA margin	6%	6%	-
<b>Capex</b>			
Metals Processing	56	24	(57%)
Mining	8	28	250%
Other	2	-	-
<b>Group Capex</b>	<b>65</b>	<b>53</b>	<b>(18%)</b>
Loans and borrowings, end of the period	1,045	1,550	48%
Less cash and cash equivalents, end of period	58	199	243%
<b>Net Debt Exclusive of Zinc Prepay and Perpetual Securities</b>	<b>986</b>	<b>1,351</b>	<b>37%</b>
Zinc Prepay	147	55	(63%)
Perpetual Securities	139	186	34%
<b>Net Debt Inclusive of Zinc Prepay and Perpetual Securities</b>	<b>1,272</b>	<b>1,592</b>	<b>25%</b>
<b>Metals Processing Production</b>			
Zinc metal ('000 tonnes)	261	252	(3%)
Lead metal ('000 tonnes)	35	39	11%
<b>Mining Production</b>			
Zinc in concentrate ('000 tonnes)	23	33	42%
Copper in concentrate ('000 tonnes)	0.3	0.5	41%
Silver ('000 troy ounces)	117	108	(8%)
Gold ('000 troy ounces)	0.3	0.4	25%
<b>Market<sup>2</sup></b>			
Zinc price (USD/t)	2,780	3,421	23%
Lead price (USD/t)	2,278	2,523	11%
Silver price (USD/t.oz)	17.42	16.78	(4%)
Gold price (USD/t.oz)	1,219	1,331	9%
EUR/USD average exchange rate	1.06	1.23	15%
EUR/AUD average exchange rate	1.40	1.57	12%

<sup>2</sup> Zinc, lead and copper prices are averages of LME daily cash settlement prices. Silver/Gold price is average of LBMA daily fixing / daily PM fixing, respectively

## GROUP FINANCIAL OVERVIEW

Revenue for Q1 2018 of EUR 957 million was up 3% on Q1 2017, primarily driven by higher zinc and lead prices which were up 23% and 11% respectively, higher mining production partially offset by deteriorating benchmark zinc treatment charge terms.

Group underlying EBITDA of EUR 54 million in Q1 2018, a decrease of 5% on Q1 2017, due to lower treatment charges a weakening of the US dollar versus the Euro, largely offset by higher commodity prices.

Capital expenditure was EUR 53 million in Q1 2018, representing a decrease of 18% year-on-year driven by a substantial EUR 32 million capex reduction in Metals Processing with the completion of the Port Pirie Redevelopment at the end of 2017, partially offset by a EUR 20 million increase in total capex spend in mining compared to Q1 2017 with the restart of the Myra Falls mine.

Net debt at the end of Q1 2018, excluding the zinc metal prepay and perpetual securities, was 23% higher compared to the end of 2017 at EUR 1,351 million (EUR 1,102 million at the end of 2017). Net debt increased during the quarter due to a cash outflow from capex spend of EUR 53 million, interest and tax payments of EUR 55 million, a temporary reduction in prepaids of EUR 50 million mainly from the planned maintenance outage at Port Pirie at the start of Q2 2018 and a working capital outflow of EUR 155 million. The net debt inclusive of the zinc metal prepay and perpetual securities at the end of Q1 2018 was EUR 1,592 million, up 17% compared to the end of 2017. Cash balance at the end of Q1 2018 was EUR 199 million compared to EUR 67 million at the end of 2017 with liquidity at the end of Q1 2018 of EUR 479 million.

## ZINC CONCENTRATES

The zinc concentrate 2018 benchmark treatment charges have been settled at the end of April 2018 with a base TC of USD 147 per dmt (dry metric tonne) of concentrate. The 2018 benchmark zinc concentrate treatment charge represents a base TC decrease of approximately 15% on the 2017 headline treatment charge of USD 172 per dmt.

Similar to 2017, the vast majority (90-95%) of Nyrstar's concentrate requirements for 2018 are priced at benchmark terms or by reference to the benchmark with a discount applied. The average discount to the benchmark realized by Nyrstar in Q1 2018 has been in-line with that achieved in Q1 2017 at approximately USD 40 per tonne. The same discount is expected to be realized over the course of 2018.

## SAFETY, HEALTH AND ENVIRONMENT

"Prevent Harm" is a core priority of Nyrstar. The Company is committed to maintaining safe operations and to proactively managing risks including with respect to people and the environment. At Nyrstar, we work together to create a workplace where all risks are effectively identified and controlled and everyone goes home safe and healthy each day of their working life.

Continuing the positive trend seen in 2017, during Q1 2018, there was a significant reduction in the severity of injuries with the frequency rate of cases with time lost or under restricted duties (DART) decreasing by 15% compared to Q1 2017 and the frequency rate of cases requiring at least a medical treatment (RIR) decreasing by 3% compared to Q1 2017. Four of our sites continue to operate DART free in 2018.

No environmental events with material business consequences or long-term environmental impacts occurred during the period.

## OPERATIONS REVIEW: METALS PROCESSING

EUR million (unless otherwise indicated)	Q1 2017	Q1 2018	% Change
Revenue	931	957	3%
<b>Underlying EBITDA</b>	<b>63</b>	<b>49</b>	<b>(22%)</b>
Sustaining	21	17	(18%)
Growth	7	4	(43%)
Port Pirie Redevelopment	27	3	(88%)
<b>Metal Processing Capex</b>	<b>56</b>	<b>24</b>	<b>(56%)</b>

Metals Processing delivered an underlying EBITDA result of EUR 49 million in Q1 2018, a decrease of 22% over Q1 2017 due to slightly lower zinc metal production, a substantially weaker USD and lower zinc treatment charges.

Sustaining capital spend in Q1 2018 decreased by 18% on Q1 2017, in-line with the lower capital expenditure guidance provided for 2018 (EUR 130 million to EUR 150 million) and the absence of Port Pirie Redevelopment capital expenditure in 2018.

	Q1 2017	Q1 2018	% Change
<b>Zinc metal ('000 tonnes)</b>			
Auby	40	39	(3%)
Balen/Overpelt	64	69	7%
Budel	71	66	(6%)
Clarksville	29	24	(18%)
Hobart	57	54	(5%)
<b>Total</b>	<b>261</b>	<b>252</b>	<b>(3%)</b>
<b>Lead metal ('000 tonnes)</b>			
Port Pirie	35	39	11%
<b>Other products</b>			
Copper cathode ('000 tonnes)	0.9	1.1	31%
Silver (million troy ounces)	2.8	2.8	-
Gold ('000 troy ounces)	17.6	17.9	1%
Indium metal (tonnes)	2.7	9.2	243%
Sulphuric acid ('000 tonnes)	331	330	-

Metals Processing produced approximately 252,000 tonnes of zinc metal in Q1 2018, in-line with full year 2018 guidance, representing a 3% decrease on Q1 2017. The decrease in zinc metal production year-over-year was primarily driven by extreme cold weather in Tennessee in January 2018 that resulted in a number of process equipment failures and an electrical event on one of the transformers at Clarksville that limited amperage to 60% of the plant maximum for 3 weeks in February 2018; a cautious ramp-up and focus on process stability at Budel following the hydrogen explosions experienced in the leaching department in Q4 2017; high lead in cathode zinc due to issues experienced in the leaching and electrolysis departments at Hobart resulted in a 5% reduction in the production of zinc market metal. The Balen smelter had a strong production performance in Q1 2018 with an 7% year-on-year improvement driven primarily by increased roaster rates with the consumption of a greater proportion of secondary oxides in the feed mix.

Lead market metal production at Port Pirie of 39kt was 11% higher compared to Q1 2017. This improved production was despite poor quality sinter production in January and February 2018 due to a feed system change to allow the new TSL

furnace to run on the existing proportioning plant. Gold and silver production in Q1 2018 was on par with Q1 2017. Copper production was higher in Q1 2018 by 31% due to a different feed mix consumed with higher copper contained.

## OPERATIONS REVIEW: MINING

EUR million (unless otherwise indicated)	Q1 2017	Q1 2018	% Change
Revenue	49	77	57%
<b>Underlying EBITDA</b>	<b>5</b>	<b>16</b>	<b>220%</b>
Sustaining, exploration and development	8	25	202%
Growth	-	3	-
<b>Mining Capex</b>	<b>8</b>	<b>28</b>	<b>240%</b>

Mining underlying EBITDA of EUR 16 million in Q1 2018 was EUR 11 million higher than in Q1 2017 due to the higher zinc price, lower zinc treatment charge and the restart of the Middle Tennessee Mines. The Mining result includes a EUR 8 million negative underlying EBITDA impact of the Myra Falls mine restart in Q1 2018 (EUR 3 million in Q1 2017). As the Myra Falls mine commences mill production during the start of H2 2018, the complex is expected to begin contributing positive EBITDA when it makes its first shipments and sales of concentrate.

Mining capital expenditure in Q1 2018 was EUR 28 million, up EUR 20 million year-on-year, due primarily to the re-start of the Myra Falls mine which commenced in August 2017.

'000 tonnes unless otherwise indicated	Q1 2017	Q1 2018	% Change
<b>Total ore milled</b>	<b>586</b>	<b>974</b>	<b>66%</b>
<b>Zinc in Concentrate</b>			
Langlois	7	6	(17%)
Myra Falls	-	-	-
East Tennessee	17	17	1%
Middle Tennessee	-	11	-
<b>Total</b>	<b>23</b>	<b>33</b>	<b>42%</b>
<b>Other metals</b>			
Copper in concentrate	0.3	0.5	41%
Silver ('000 troy oz)	117	108	(8%)
Gold ('000 troy oz)	0.3	0.4	25%

Nyrstar's Mining operations produced approximately 33kt of zinc in concentrate in Q1 2018, an increase of 42% compared to Q1 2017. During Q1 2018, the Middle Tennessee Mine, which restarted during 2017, performed in-line with management expectations with production of 11kt of zinc in concentrate. Production at the East Tennessee Mines was flat year-on-year with a 13% increase in ore milled due to increased feed from the mines and the installation and commissioning of higher capacity cyclones in the grinding and flotation circuit of the plant allowing a higher throughput being offset by the mining of lower grade ore zones at the mines.

## NEW CFO BIOGRAPHY

Michel Abaza is a seasoned finance director with over 20 years of experience in treasury, capital markets, financial reporting and analysis as well as in M&A. Michel has a proven track record in developing robust capital structures and balance sheets within complex international businesses and across multiple geographies and cultures.

Michel joins Nyrstar from the publicly listed Safran Group (an international high-technology group, operating in the aircraft propulsion and equipment, space and defense markets) based in France where he was the Group's corporate treasurer. Prior to that, he was the finance director for Messier-Dowty France, one of the major divisions of Safran.

Michel has also worked at Valeo in divisional senior finance management roles gaining significant corporate transactions and restructuring experience. He started his finance career at Schlumberger in the mid-nineties where he undertook a variety of finance roles in financial control, tax, financial planning and analysis and commercial decision support.

Michel holds a degree in Management Controlling from the Ecole des Hautes Etudes Commerciales in Paris (HEC Paris). A French national, he is fluent in French, English and Spanish.

## FORWARD-LOOKING STATEMENTS

This release includes forward-looking statements that reflect Nyrstar's intentions, beliefs or current expectations concerning, among other things: Nyrstar's results of operations, financial condition, liquidity, performance, prospects, growth, strategies and the industry in which Nyrstar operates. These forward-looking statements are subject to risks, uncertainties and assumptions and other factors that could cause Nyrstar's actual results of operations, financial condition, liquidity, performance, prospects 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. Nyrstar 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 Nyrstar operates may differ materially from those made in or suggested by the forward-looking statements contained in this news release. In addition, even if Nyrstar's results of operations, financial condition, liquidity and growth and the development of the industry in which Nyrstar operates are consistent with the forward-looking statements contained in this news release, those results or developments may not be indicative of results or developments in future periods. Nyrstar 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 report or any change in Nyrstar'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.

## About Nyrstar

Nyrstar is a global multi-metals business, with a market leading position in zinc and lead, and growing positions in other base and precious metals, which are essential resources that are fuelling the rapid urbanisation and industrialisation of our changing world. Nyrstar has mining, smelting and other operations located in Europe, the Americas and Australia and employs approximately 4,100 people. Nyrstar is incorporated in Belgium and has its corporate office in Switzerland. Nyrstar is listed on Euronext Brussels under the symbol NYR. For further information please visit the Nyrstar website: [www.nyrstar.com](http://www.nyrstar.com).

## Important information

This announcement is for general information only. It does not constitute, or form part of, an offer or invitation to sell or issue, or any solicitation of an offer to purchase or subscribe for, nor shall there be any sale or purchase of, the securities referred to herein. In particular, this announcement is not an offer of securities for sale in the United States. Any such securities may not be sold in the United States absent registration with the United States Securities and Exchange Commission or an exemption from registration under the U.S. Securities Act of 1933, as amended. The Company does not intend to register any part of any offering in the United States or to conduct a public offering of securities in the United



States. Any offering of securities will be made by means of an offering document that will contain detailed information about the company and management as well as financial statements. This announcement is not a prospectus within the meaning of Directive 2003/71/EC of the European Parliament and the Council of November 4th, 2003, as amended and as implemented respectively in each member State of the European Economic Area (the "Prospectus Directive"). This announcement does not, and shall not, in any circumstances constitute a public offering nor an invitation to the public in connection with any offer to buy or subscribe for securities in any jurisdiction.

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## MINING PRODUCTION ANNEX

PERIOD	Production KPI by Site	Ore milled ('000 tonnes)	Mill head grade					Recovery					Concentrate			Metal in concentrate				
			Zinc (%)	Lead (%)	Copper (%)	Gold (g/t)	Silver (g/t)	Zinc (%)	Lead (%)	Copper (%)	Gold (%)	Silver (%)	Zinc (kt)	Lead (kt)	Copper (kt)	Zinc (kt)	Lead (kt)	Copper (kt)	Gold (k'toz)	Silver (m'toz)
Q1 2017	Langlois	92	7.71%	-	0.49%	0.14	45.02	94.4%	-	75.0%	76.0%	87.5%	12	-	1.4	6.7	-	0.3	0.3	117
	Myra Falls	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	EastTennessee	494	3.52%	-	-	-	-	95.9%	-	-	-	-	27	-	-	16.6	-	-	-	-
	Mid Tennessee	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	<b>MiningTotal</b>	<b>586</b>	<b>4.17%</b>	<b>-</b>	<b>0.49%</b>	<b>0.14</b>	<b>45.02</b>	<b>95.7%</b>	<b>-</b>	<b>75.0%</b>	<b>76.0%</b>	<b>87.5%</b>	<b>39</b>	<b>-</b>	<b>1.4</b>	<b>23.3</b>	<b>-</b>	<b>0.3</b>	<b>0.3</b>	<b>117</b>
Q1 2018	Langlois	92	6.37%	-	0.65%	0.17	42.38	94.5%	-	80.9%	79.7%	85.8%	11	-	2.1	5.5	-	0.5	0.4	108
	Myra Falls	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	EastTennessee	557	3.25%	-	-	-	-	93.3%	-	-	-	-	27	-	-	16.9	-	-	-	-
	Mid Tennessee	325	3.44%	-	-	-	-	95.4%	-	-	-	-	17	-	-	10.7	-	-	-	-
	<b>MiningTotal</b>	<b>974</b>	<b>3.61%</b>	<b>-</b>	<b>0.65%</b>	<b>0.17</b>	<b>42.38</b>	<b>94.1%</b>	<b>-</b>	<b>80.9%</b>	<b>79.7%</b>	<b>85.8%</b>	<b>54</b>	<b>-</b>	<b>2.1</b>	<b>33.1</b>	<b>-</b>	<b>0.5</b>	<b>0.4</b>	<b>108</b>
% Change	Langlois	0%	(17%)	-	33%	19%	(6%)	0%	-	8%	5%	(2%)	(12%)	-	46%	(17%)	-	41%	25%	(8%)
	Myra Falls	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	EastTennessee	13%	(8%)	-	-	-	-	(3%)	-	-	-	-	(0%)	-	-	1%	-	-	-	-
	Mid Tennessee	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	<b>MiningTotal</b>	<b>66%</b>	<b>(14%)</b>	<b>-</b>	<b>33%</b>	<b>19%</b>	<b>(6%)</b>	<b>(2%)</b>	<b>-</b>	<b>8%</b>	<b>5%</b>	<b>(2%)</b>	<b>38%</b>	<b>-</b>	<b>46%</b>	<b>42%</b>	<b>-</b>	<b>41%</b>	<b>25%</b>	<b>(8%)</b>