

## Regulated Information

### Nyrstar delivers positive Funds From Operations in H1 2018

1 August 2018 at 07:00 CEST

#### HIGHLIGHTS:

- Group underlying EBITDA<sup>1</sup> of EUR 120 million for H1 2018, an increase of EUR 9 million (8%) on H1 2017, supported by a 21% increase in the average zinc price (USD 2,690/t to USD 3,268/t), and a 30% production increase in Mining, partially offset by lower treatment charges, an expected reduced production at Port Pirie due to a planned blast furnace maintenance shut, and a weakening of the USD against the EUR (1.08 to 1.21)
  - Metals Processing underlying EBITDA of EUR 118 million, up EUR 1 million year-on-year, driven by slightly higher zinc metal production and higher commodity prices, offset by reduced lead and by-product production and lower zinc and lead treatment charges
  - Mining underlying EBITDA of EUR 28 million, up EUR 13 million year-on-year, driven by the successful restart and ramp-up of the Middle Tennessee Mines, higher commodity prices and lower treatment charges, partially offset by the negative EBITDA contribution of the Myra Falls mine re-start
- Balance sheet strengthened in-line with guidance provided at the Q1 2018 Interim Management Statement
  - Net debt excluding zinc metal prepay and perpetual securities of EUR 1,198 million at the end of June 2018, a reduction of EUR 153 million on 31 March 2018, predominantly due to the working capital outflow experienced in Q1 2018 being fully reversed. Net debt inclusive of zinc metal prepay and perpetual securities of EUR 1,487 million at the end of June 2018, a reduction of EUR 105 million on 31 March 2018
  - Further protective hedges placed during Q2 2018 for zinc price and foreign exchange to reduce downside risk with 100% of free zinc to be produced by the Mines in 2019 (166kt) hedged at c. USD 3,000/t (positive mark to market as at 30 July 2018 of c. USD 85 million)
- Port Pirie Redevelopment remains ahead of schedule
  - Important milestones achieved on operating time, volume of material treated and proportion of high margin residue in feed (residue in feed of 54% in Q2 2018 and 57% in July 2018)
  - Sufficient internally generated residues (c. 400kt) stockpiled on-site to feed the TSL furnace for several years with a substantial operating margin per metal of approximately 99% for lead, 75-85% for silver, 80-90% for gold, 90-95% for copper and 15% for zinc)
  - Earnings uplift continues to be in-line with guidance, with at least EUR 40 million expected in H2 2018, EUR 100 million in 2019 and EUR 130 million in 2020
- Myra Falls restart is progressing well with zinc production expected to commence during Q3 2018 and first shipment of zinc in concentrate to take place in Q4 2018
- Opportunistically commencing a programme to buy-back and cancel 2019 senior notes

Commenting on the first half 2018 results, Hilmar Rode, Chief Executive Officer said:

"We have delivered a strong set of operational and financial results over the first half of the year with positive Funds From Operations in H1 2018 and are confident that we will be Free Cash Flow positive for the full year.

We continue to deliver on our strategy of ramping-up the Port Pirie Redevelopment, restarting and ramping up production from our North American mines, optimising our five zinc smelting operations and strengthening our balance sheet. The Port

1 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>

Pirie Redevelopment has maintained its strong ramp-up trajectory and is expected to contribute positively to earnings in the second half of 2018 in-line with previous guidance. The Middle Tennessee Mines have substantially increased production since their restart in 2017 and the Myra Falls mine is on-course to commence zinc production in Q3 2018 and provide a further uplift to Nyrstar's earnings.

The hedging programme has been extended over the course of Q2 2018 to mitigate downside risks to the business, including the placement of hedges on 100% of 2019 free zinc exposure of the mines (166kt) at approximately USD 3,000/t. Our ability to deliver on our transformation strategy and generate free cash flow has given us the confidence to enter the market to start buying-back and cancelling our 2019 bonds."

## **CONFERENCE CALL**

Management will discuss this statement in a conference call with the investment community on 1 August 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/e8pucsu>

## KEY FIGURES<sup>2</sup>

EUR million (unless otherwise indicated)	H1 2017	H1 2018	% Change
<b>Income Statement Summary</b>			
Revenue	1,806	1,930	7%
Gross Profit	555	600	8%
Direct operating costs	(445)	(485)	9%
Non-operating and other	2	6	200%
<b>Underlying EBITDA</b>			
Metals Processing Underlying EBITDA	117	118	1%
Mining Underlying EBITDA	15	28	87%
Other and Eliminations Underlying EBITDA	(22)	(26)	18%
<b>Group Underlying EBITDA</b>	<b>111</b>	<b>120</b>	<b>8%</b>
Underlying EBITDA margin	6%	6%	-
Embedded derivatives	(2)	(3)	50%
Restructuring expense	(1)	(13)	-
M&A related transaction expense	0	(2)	-
Other income	7	2	(71%)
Profit / (Loss) on disposal of investments	(2)	(0)	-
Underlying adjustments	2	(16)	-
Depreciation, depletion, amortisation	(77)	(75)	(3%)
Impairment gain / (loss)	-	-	-
<b>Result from operating activities</b>	<b>36</b>	<b>30</b>	<b>(17%)</b>
Net finance expense (excluding fx)	(65)	(71)	9%
Net foreign exchange (loss)/gain	(35)	(5)	(86%)
Income tax (expense) / benefit	9	1	(89%)
Profit / (Loss) from continuing operations	(56)	(45)	(20%)
Profit / (Loss) from discontinued operations	35	(4)	-
<b>Profit / (Loss) for the period</b>	<b>(21)</b>	<b>(49)</b>	<b>133%</b>
Basic Loss per share (EUR)	(0.22)	(0.45)	(105%)
<b>Capex</b>			
Metals Processing	140	70	(50%)
Mining	19	63	232%
Other	2	1	(50%)
<b>Group Capex</b>	<b>161</b>	<b>134</b>	<b>(17%)</b>
<b>Cash Flow</b>			
Funds From Operations (FFO) <sup>3</sup>	(111)	18	(116%)
Net Free Cash Flow (FCF) <sup>4</sup>	(159)	(58)	(64%)

<sup>2</sup> Small differences in tables are due to rounding to zero decimal places

<sup>3</sup> Funds From Operations (FFO) is a measure used by management to assess the performance of Nyrstar's operations and is defined as Group Underlying EBITDA less working capital movements, capital expenditure, tax and other cash flow (excluding changes in silver, copper and Zinc Metal prepay)

<sup>4</sup> Free Cash Flow (FCF) is a measure used by management to assess the performance of Nyrstar's operations and is defined as FFO minus interest and financing expenses

	30 Jun 2017	30 Jun 2018	
Loans and borrowings, end of the period	1,081	1,276	18%
Less cash and cash equivalents, end of period	(95)	(78)	(18%)
<b>Net Debt Exclusive of Zinc Prepay and Perpetual Securities</b>	<b>986</b>	<b>1,198</b>	<b>22%</b>
	H1	H1	%
Zinc Prepay	118	104	(12%)
Perpetual Securities	139	186	34%
<b>Net Debt Inclusive of Zinc Prepay and Perpetual Securities</b>	<b>1,243</b>	<b>1,487</b>	<b>20%</b>
EUR million (unless otherwise indicated)	2017	2018	Change
<b>Metals Processing Production</b>			
Zinc metal ('000 tonnes)	518	528	2%
Lead metal ('000 tonnes)	84	69	(18%)
<b>Mining Production</b>			
Zinc in concentrate ('000 tonnes)	53	69	30%
<b>Market<sup>5</sup></b>			
Zinc price (USD/t)	2,690	3,268	21%
Lead price (USD/t)	2,221	2,456	11%
Silver price (USD/t.oz)	17.32	16.65	(4%)
Gold price (USD/t.oz)	1,238	1,318	6%
EUR/USD average exchange rate	1.08	1.21	12%
EUR/AUD average exchange rate	1.44	1.57	9%

## GROUP FINANCIAL OVERVIEW

Revenue for H1 2018 of EUR 1,930 million was up 7% on H1 2017, driven by higher zinc, lead and gold prices which were up 21%, 11% and 6% respectively and increased production volumes in zinc smelting and mining.

Group gross profit for H1 2018 of EUR 600 million was up 8% on H1 2017, driven by higher production volumes in both Metals Processing and Mining and higher zinc, lead and gold prices, partially offset by deteriorating benchmark zinc treatment charge terms and a weaker US dollar.

Direct operating costs for H1 2018 of EUR 485 million increased 9% on H1 2017, due to higher production volumes in both Metals Processing and Mining and higher mining costs as a result of the ramp-up of mining operations at Middle Tennessee and the restart at Myra Falls.

Group underlying EBITDA of EUR 120 million in H1 2018, an increase of 8% on H1 2017, due to higher commodity prices and higher production volumes in Metals Processing and Mining, partially offset by lower treatment charges, lower production from Port Pirie and a weaker US dollar.

Depreciation, depletion and amortisation expense for H1 2018 of EUR 75 million was down 3% year-on year.

<sup>5</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

Net finance expense excluding foreign exchange for H1 2018 of EUR 71 million was up EUR 6 million on H1 2017 primarily due to net debt exclusive of zinc prepay and perpetual securities increasing by 21% and net debt inclusive of zinc prepay and perpetual securities increasing by 20% compared to end June 2017. In line with the funding agreement with the South Australian Government, Nyrstar has full discretion to defer payment of the principal and interest on the perpetual securities. In May 2018, Nyrstar elected to defer payment of the principal only on the perpetual securities. The interest payment of c. AUD 7.9 million under the perpetual securities was made in May 2018.

Income tax benefit for H1 2018 of EUR 1 million (H1 2017: income tax benefit of EUR 9 million) due to recognition of losses, representing an effective tax rate of 2.4% (H1 2017: (29.4%)). The effective tax rate for H1 2018 was impacted by losses incurred by Nyrstar, including the discontinued operations, for which no tax benefit has been recognised.

Loss from continuing operations in H1 2018 of EUR 45 million, compared to a net loss of EUR 56 million in H1 2017, mainly as a result of lower foreign exchange impact offset by higher restructuring expenses and consulting expenses compared to the prior period.

Capital expenditure was EUR 134 million in H1 2018, representing a decrease of 17% year-on-year driven by a substantial reduction in Metals Processing from EUR 140 million in H1 2017 to EUR 70 million in H1 2018 with the completion of the Port Pirie Redevelopment and a EUR 44 million increase in Mining with the restart of the Myra Falls mine.

FFO of EUR 18 million in H1 2018 was an improvement of EUR 129 million compared to H1 2017 and FCF in H1 2018 of negative EUR 58 million was down 64% compared to negative EUR 159 million in H1 2017. The positive FFO in H1 2018 was driven primarily by an inflow of working capital and increased Group Underlying EBITDA.

Net debt of EUR 1,198 million at the end of H1 2018, excluding the zinc metal prepay and perpetual securities, was 21% higher year-on-year (EUR 986 million at the end of June 2017). The net debt inclusive of the zinc metal prepay and perpetual securities at the end of H1 2018 was EUR 1,487 million, up 20% compared to the end of June 2017. Cash balance at the end of H1 2018 was EUR 78 million compared to EUR 95 million at the end of June 2017 with immediately available liquidity at the end of H1 2018 of EUR 643 million.

## STRATEGIC HEDGES

During the implementation of the transformation and turnaround strategy, Nyrstar has taken prudent measures to mitigate downside risk on zinc prices and key currencies by placing zero cost hedging collars whereby Nyrstar buys put options and sells call options on zinc price and sells put options and buys call options on foreign exchange.

In addition to the collar hedging that has previously been disclosed to the market, during the course of Q2 2018, Nyrstar entered into strategic hedging arrangements using metal market and currency futures contracts to cover its exposure to approximately all of its free zinc metal production and non-USD exposure on a fixed forward basis in the Mining segment for 2019. Nyrstar has also placed hedges to cover its transactional currency exposure on a rolling 12 month fixed forward basis for its European and Australian smelter operations. The hedging is aligned with Nyrstar's strategic hedging policy, which has been in place since 2012, and is intended to provide price certainty and improve profitability by taking advantage of price and exchange rate conditions which are seen as being advantageous during the implementation of the Company's transformation and turnaround plan. The recently entered forward and futures contracts hedging is supplementary to the previously communicated collar hedging.

The Metals Processing segment is 50% hedged in H2 2018 for its zinc free metal exposure with a collar between USD 2,600/ and USD 3,842/t. Currency exposure for Metals Processing direct operating costs and capital investments are hedged on a rolling 12 month basis to the end of June 2019. This hedging provides a EUR/USD hedge at 1.18 for H2 2018 and 1.18 for H1 2019. The AUD/USD is hedged with a collar of 0.70 to 0.80 in H2 2018 and at 0.76 in H1 2019.

The Mining segment is 50% hedged in H2 2018 for its zinc free metal exposure with a collar between USD 2,600/t and USD 3,842/t. In 2019, Nyrstar has hedged 100% of its zinc free metal exposure (166kt) for the Mining segment at c. USD 3,000/t. Transactional CAD/USD currency exposure for the Mining segment is fully hedged with a collar of 1.32 to 1.36 in H2 2018 and a fixed forward of 1.32 in 2019.

## ZINC CONCENTRATES

Zinc concentrate 2018 benchmark treatment charges were 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 realised by Nyrstar in H1 2018 has been in-line with that achieved in H1 2017 at approximately USD 40 per tonne. The same discount is expected to be realised 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.

The frequency rate of cases with time lost or under restricted duties (DART) was 4.1, this is 4% lower than in the same period of last year. The frequency rate of cases requiring at least a medical treatment (RIR) increased by 3% compared to H1 2017. The severity of the injuries in H1 2018, measured as the number of days lost or under restrictions due to Lost Time or Restricted Work Injuries was reduced by 18% compared to the same period of last year.

Nyrstar achieved a number of significant safety milestones in H1 of 2018. These milestones included the Auby smelter in France reaching two million working hours without a restricted work or a lost time injury. The last DART case at Auby occurred in March 2016. This is the first time that a Nyrstar site has achieved such a milestone. Further, the Balen smelter in Belgium achieved one million working hours DART free.

No environmental events with material business consequences or long-term environmental impacts occurred during H1 2018.

## OPERATIONS REVIEW: METALS PROCESSING

EUR million (unless otherwise indicated)	H1 2017	H1 2018	% Change
Treatment charges	171	123	(28%)
Free metal contribution	182	193	6%
Premiums	79	76	(4%)
By-Products	79	106	34%
Other	(56)	(47)	(16%)
<b>Gross Profit</b>	<b>456</b>	<b>451</b>	(1%)
Employee expenses	(112)	(109)	(3%)
Energy expenses	(117)	(117)	-
Other expenses /income	(110)	(120)	9%
<b>Direct Operating Costs</b>	<b>(339)</b>	<b>(346)</b>	2%
Non-operating and other	0	14	-
<b>Underlying EBITDA</b>	<b>117</b>	<b>118</b>	1%
Sustaining and growth	76	68	(11%)
Port Pirie Redevelopment	64	2	(97%)
<b>Metal Processing Capex</b>	<b>140</b>	<b>70</b>	(50%)

Metals Processing delivered an underlying EBITDA result of EUR 118 million in H1 2018, an increase of EUR 1 million over H1 2017 despite zinc treatment charges down 15% over H1 2017, higher energy prices and reduced lead and by-product production and a weaker US dollar against the Euro due to higher commodity prices and increased zinc metal production.

Gross profit year-over-year was relatively flat at EUR 451 million in H1 2018 with higher zinc, lead and gold commodity prices and higher production offset by a 15% decrease in the annual zinc benchmark treatment charges.

Direct operating costs year-over-year were up 2% at EUR 346 million, predominantly due to higher energy costs at Port Pirie with the start-up at the beginning of 2018 of the new TSL furnace and a 2% increase in zinc metal production.

Sustaining and growth capital spend in H1 2018 decreased by 11% on H1 2017, in-line with the full year expenditure guidance provided for 2018 (EUR 130 million to EUR 150 million). The Port Pirie Redevelopment capex was effectively completed at the end of 2017. In H1 2018, the capital spend on the Port Pirie Redevelopment had been reduced to EUR 2 million versus EUR 64 million in H1 2017.

EUR DOC/tonne	H1 2017	H1 2018	% Change
Auby	460	477	4%
Balen/Overpelt	514	483	(6%)
Budel	377	411	9%
Clarksville	514	536	4%
Hobart	478	453	(5%)
Port Pirie <sup>6</sup>	849	1,117	32%
<b>DOC/tonne<sup>7</sup></b>	<b>562</b>	<b>580</b>	3%

<sup>6</sup> Per tonne of lead metal and zinc contained in fume

<sup>7</sup> DOC/tonne calculated based on segmental direct operating costs and total production of Zinc and Lead Market Metal

Direct operating costs per tonne increased by 3% in H1 2018 compared to H1 2017 due to increased energy prices which were partially offset by ongoing efficiency improvements across Metals Processing. The direct operating costs per tonne at Port Pirie increased by 32% in H1 2018 compared to the same period in 2017 due to increased energy prices, lower production volumes driven by the planned 36 day blast furnace maintenance outage and the ramp-up of the new TSL furnace which is currently operating in parallel with the old sinter plant.

	H1 2017	H1 2018	% Change
<b>Zinc metal ('000 tonnes)</b>			
Auby	82	78	(5%)
Balen/Overpelt	117	137	17%
Budel	140	133	(5%)
Clarksville	59	52	(12%)
Hobart	121	129	7%
<b>Total</b>	<b>518</b>	<b>528</b>	2%
<b>Lead metal ('000 tonnes)</b>			
Port Pirie	84	69	(18%)
<b>Other products</b>			
Copper cathode ('000 tonnes)	2.0	1.6	(20%)
Silver (million troy ounces)	6.4	4.9	(23%)
Gold ('000 troy ounces)	35.3	25.7	(27%)
Indium metal (tonnes)	9.7	21.4	121%
Sulphuric acid ('000 tonnes)	652	653	-

Metals Processing produced approximately 528,000 tonnes of zinc metal in H1 2018, in-line with full year 2018 guidance, representing a 2% increase on H1 2017. The increase in zinc metal production year-over-year was up despite the planned maintenance shut of the roaster in Auby which was successfully completed in June with no production impact and the planned replacement of the roaster #5 dome at Hobart since June 2018 which is expected to be complete in early August 2018 with no impact on production.

Zinc metal production at Clarksville was down 12% in H1 2018 compared to H1 2017, primarily due to unplanned down time experienced in the roaster and acid plant. This unplanned down time resulted in approximately 10,000 tonnes of lost zinc metal production. The outages were caused by the failure of certain equipment including, a waste heat boiler water pump and acid plant heat exchanger. In addition, at the start of the year, the site was negatively impacted by extreme cold weather which froze a number of process pipes. Production at Budel was down 5% year-on-year with a cautious ramp-up and focus on process stability following the hydrogen explosions experienced in the leaching department in Q4 2017. The Balen smelter had a strong production performance, up 17% year-on-year, driven predominantly 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 69kt was 18% lower compared to H1 2017 due to a planned 36 day blast furnace maintenance outage which negatively impacted production by 21kt of lead metal as per the full year guidance provided at the start of the year. Copper, silver and gold production was lower in H1 2018 by 20%, 23% and 27% respectively. The variance in the production of copper, silver and gold is mainly due to lower production at the site due to the planned blast furnace outage.

Sulphuric acid production of 653,000 tonnes in H1 2018 was flat compared to H1 2017.

## OPERATIONS REVIEW: MINING

EUR million (unless otherwise indicated)	H1 2017	H1 2018	% Change
Treatment charges	(10)	(14)	40%
Payable metal contribution	105	160	52%
By-Products	9	9	-
Other	(6)	(7)	17%
<b>Gross Profit</b>	<b>98</b>	<b>148</b>	51%
Employee expenses	(38)	(42)	11%
Energy expenses	(10)	(12)	20%
Other expenses	(36)	(58)	61%
<b>Direct Operating Costs</b>	<b>(85)</b>	<b>(111)</b>	31%
Non-operating and other	2	(9)	-
<b>Underlying EBITDA</b>	<b>15</b>	<b>28</b>	87%
<b>Mining Capex</b>	<b>19</b>	<b>63</b>	232%

Mining underlying EBITDA of EUR 28 million in H1 2018 was EUR 13 million higher than in H1 2017 due to the higher zinc price, lower zinc treatment charge terms, operational improvements and the successful restart and ramp-up of the Middle Tennessee Mines. Myra Falls being in the process of restart in H1 2018, contributed EBITDA of negative EUR 10 million in H1 2018. The Myra Falls mine is expected to contribute positive EBITDA in H2 2018.

Mining capital expenditure in H1 2018 was EUR 63 million, up EUR 44 million year-on-year, due primarily to the ramp-up of the Middle Tennessee mines and the restart of the Myra Falls mine which commenced in August 2017.

DOC USD/tonne ore milled	H1 2017	H1 2018	% Change
Langlois	130	139	7%
East Tennessee	42	38	(10%)
Middle Tennessee	77	64	(17%)
<b>Average DOC/tonne ore milled</b>	<b>60</b>	<b>58</b>	(3%)

'000 tonnes unless otherwise indicated	H1 2017	H1 2018	% Change
<b>Total ore milled</b>	1,366	2,075	52%
<b>Zinc in Concentrate</b>			
Langlois	16	11	(31%)
East Tennessee	32	36	13%
Middle Tennessee	5	22	340%
Myra Falls	-	-	
<b>Total</b>	<b>53</b>	<b>69</b>	<b>30%</b>
<b>Other metals</b>			
Copper in concentrate	0.9	0.8	(11%)
Silver ('000 troy oz)	271	214	(21%)
Gold ('000 troy oz)	0.8	0.7	(13%)

Nyrstar's Mining operations produced approximately 69kt of zinc in concentrate in H1 2018, an increase of 30% compared to H1 2017. Production at Langlois was impacted due to the mining of lower grade ore zones, in accordance with the mine plan, which resulted in the zinc mill head grade being reduced by 30% from 8.4% in H1 2017 to 5.9% in H1 2018. The Middle Tennessee and East Tennessee Mines are continuing to ramp-up their production in-line with management's expectations. Total mine production of zinc in concentrate in 2018 is expected to be within the full year guidance range of 160-180kt.

## OTHER DEVELOPMENTS

### Port Pirie Redevelopment

During H1 2018, the TSL furnace has been ramped-up 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 June 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.

### Zinc Metal Prepayment

In July 2018, the Company increased the USD 125 million zinc metal prepay that was refinanced in May 2018 to USD 150 million. The upsize of the prepay agreement was arranged by Deutsche Bank and is linked to the physical delivery of refined zinc metal to Trafigura under the terms of a 3-year offtake agreement. The zinc metal prepay has an amortising structure with a 3-year tenure and a 12 month grace period following which the facility will be repaid in equal monthly instalments over a period of two years concluding in May 2021.

## SENSITIVITIES

Nyrstar's results are affected by changes in metal prices, exchange rates and treatment charges. Sensitivities to variations in these parameters are depicted in the below table, which sets out the estimated impact of a change in each of the parameters on Nyrstar's annualised H1 2018 underlying EBITDA based on the actual results and production profile for the half year ending 30 June 2018.

Estimated annualised H1 2018 underlying EBITDA impact (EURm)

Parameter	H1 2018 Annual Average price/rate	Variable	Metals Processing	Mining	Group
EUR:USD	1.21	-/+ 10%	+99/(81)	+12/(10)	+112/(91)
Zinc price	\$3,257/t	-/+ 10%	(37)/+37	(32)/+32	(69)/+69
Zinc BM TC	\$147/dmt	-/+ 10%	(21)/+21	+3/(3)	(18)/+18
EUR:AUD	1.57	-/+ 10%	(33)/+27	-	(33)/+27
Silver Price	\$16.65/oz	-/+ 10%	(5)/+5	-	(6)+6
Copper price	\$6,917/t	-/+ 10%	(2)/+2	(1)/+1	(2)+2
Gold Price	\$1,318/oz	-/+ 10%	(1)/+1	-	(1)+1
Lead price	\$2,456/t	-/+ 10%	(1)/+1	-	(1)/+1
Lead TC	\$99/dmt	-/+ 10%	(2)/+2	-	(2)/+2
EUR:CHF	1.17	-/+ 10%	-	-	(5)/+4

The above sensitivities were calculated by modelling Nyrstar's H1 2018 underlying operating performance. Each parameter is based on an average value observed during that period and is varied in isolation to determine the full-year underlying EBITDA impact.

Sensitivities are:

- Dependent on production volumes and the economic environment observed during the reference period.
- Not reflective of simultaneously varying more than one parameter; adding them together may not lead to an accurate estimate of financial performance.
- Expressed as linear values within a relevant range. Outside the range listed for each variable, the impact of changes may be significantly different to the results outlined.

These sensitivities should not be applied to Nyrstar's results for any prior periods and may not be representative of the underlying EBITDA sensitivity of any of the variations going forward.

## 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 six smelters, one fumer and four mining operations, located in Europe, Australia and North America, 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).

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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)
<b>CONTINUING OPERATIONS</b>																				
H1 2017	Langlois	202	8.41%	-	0.56%	0.16	47.89	95.0%	-	76.2%	78.5%	87.0%	30	-	3.6	16.2	-	0.9	0.8	271
	East Tennessee	964	3.48%	-	-	-	-	95.5%	-	-	-	-	52	-	-	32.1	-	-	-	-
	Middle Tennessee	200	2.82%	-	-	-	-	91.0%	-	-	-	-	8	-	-	5.1	-	-	-	-
	<b>MiningTotal</b>	<b>1,366</b>	<b>4.12%</b>	<b>-</b>	<b>0.56%</b>	<b>0.16</b>	<b>47.89</b>	<b>94.8%</b>	<b>-</b>	<b>76.2%</b>	<b>78.5%</b>	<b>87.0%</b>	<b>89</b>	<b>-</b>	<b>3.6</b>	<b>53.4</b>	<b>-</b>	<b>0.9</b>	<b>0.8</b>	<b>271</b>
H1 2018	Langlois	209	5.86%	-	0.49%	0.15	37.32	94.3%	-	77.7%	75.0%	83.4%	23	-	3.6	11.0	-	0.8	0.7	214
	East Tennessee	1,132	3.38%	-	-	-	-	93.9%	-	-	-	-	58	-	-	35.9	-	-	-	-
	Middle Tennessee	734	3.19%	-	-	-	-	95.1%	-	-	-	-	34	-	-	22.3	-	-	-	-
	<b>MiningTotal</b>	<b>2,075</b>	<b>3.57%</b>	<b>-</b>	<b>0.49%</b>	<b>0.15</b>	<b>37.32</b>	<b>94.4%</b>	<b>-</b>	<b>77.7%</b>	<b>75.0%</b>	<b>83.4%</b>	<b>115</b>	<b>-</b>	<b>3.6</b>	<b>69.3</b>	<b>-</b>	<b>0.8</b>	<b>0.7</b>	<b>214</b>
% Change	Langlois	4%	(30%)	-	(13%)	(5%)	(22%)	(1%)	-	2%	(4%)	(4%)	(23%)	-	0%	(32%)	-	(8%)	(8%)	(21%)
	East Tennessee	17%	(3%)	-	-	-	-	(2%)	-	-	-	-	12%	-	-	12%	-	-	-	-
	Middle Tennessee	267%	13%	-	-	-	-	4%	-	-	-	-	331%	-	-	333%	-	-	-	-
	<b>MiningTotal</b>	<b>52%</b>	<b>(13%)</b>	<b>-</b>	<b>(13%)</b>	<b>(5%)</b>	<b>(22%)</b>	<b>(0%)</b>	<b>-</b>	<b>2%</b>	<b>(4%)</b>	<b>(4%)</b>	<b>29%</b>	<b>-</b>	<b>0%</b>	<b>30%</b>	<b>-</b>	<b>(8%)</b>	<b>-</b>	<b>(21%)</b>