



**BNP PARIBAS
FORTIS**

The bank and insurance for a changing world

Bond loan



5 years



Right to 100% reimbursement of the nominal value at maturity



Annual coupon of 5.375% (gross)



Dynamic to aggressive profile



15% withholding tax

Nyrstar is issuing new bonds in euros. These bonds are a debt instrument: when you subscribe to them, you are lending money to the issuer, which undertakes to reimburse you at maturity. There is a risk that, in the event of the issuer's bankruptcy or insolvency, you will not get back the amount you invested and other sums to which you are entitled at maturity.

These bonds are intended for investors with the ability to assess the associated potential and risk, based on their own knowledge and experience, including their familiarity with interest rates and maturities.

Key features

- ✓ Maturity of five years.
- ✓ Annual coupon of 5.375% (gross).
- ✓ Based on the issue price of 101.623%, the yield to maturity is 5.00% (gross).
- ✓ Investor profile: dynamic to aggressive.

Description of Nyrstar

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

Nyrstar's primary focus is zinc production and it is the world's largest zinc smelting company, based on 2010 production volumes according to Brook Hunt. Having produced approximately 1.1 million tonnes of zinc in 2010, Nyrstar's share of the global zinc market in 2010 was 8.6% according to Brook Hunt.

Zinc provides excellent corrosion resistance to steel and is primarily used in steel galvanising. Zinc is also a relatively hard metal with a low melting point, making it suitable for die casting, but still soft enough to be formed, rolled or extruded. Zinc has diverse applications and uses, from construction and infrastructure, to transport, industrial machinery, communications and electronics, consumer products and even human health. This makes it an essential and highly sought after resource in an ever demanding world.

Nyrstar Global Operations



Nyrstar was originally formed in 2007, predominantly as a zinc and lead smelting company. Since 2009, Nyrstar has been undergoing a significant strategic transformation by expanding upstream into mining both to secure raw material supply for its smelters and to gain exposure to the more profitable part of the zinc value chain (zinc mining being historically more profitable than zinc smelting).

Since 2009, Nyrstar has acquired mines in the United States, Peru, and Mexico and has entered into an innovative zinc streaming agreement with the Talvivaara mine in Finland. Nyrstar expects that these mines, once fully ramped-up (as expected by the end of 2012) will be capable of producing the equivalent of approximately 31% of Nyrstar's zinc raw material requirements (based on smelting operations at full capacity).

At such level, Nyrstar's zinc mining operations (including the Talvivaara zinc streaming agreement) would be one of the ten largest in the world based on 2010 production according to Brook Hunt. Nyrstar has a medium goal of being capable of producing the equivalent of 50% of its zinc raw material requirements (zinc concentrates and secondary feed materials) from its own mining operations and streaming agreements.

Strengths

Management believes that Nyrstar benefits from the following principal competitive strengths:

- Well positioned to leverage off strong zinc market fundamentals resulting from the combination of forecast increasing demand for zinc metal (primarily the urbanisation of China's growing economy) and mine supply constraints (a number of larger zinc mines expected to deplete over the next five years);
- A clear strategy to expand into mining, where producing one tonne of zinc in concentrate is on average more than two times more profitable than smelting one tonne of zinc;
- Large scale, overall and on both the mining and smelting sides of the industry, positioning it well to take a leading role in shaping the zinc industry's future;
- Large and geographically diversified portfolio of assets;
- High environmental standards and management systems to maintain environmental and safety track records;
- An experienced management team with a proven track record of executing its strategy; and
- Strong operational capabilities and expertise.

(Source: Nyrstar)

Nyrstar will use the net proceeds of this bond issue to further diversify its sources of finance, improve its liquidity and enable it to seize any internal and external growth opportunities that may arise and that match the company's business strategy.



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For which investors?

According to the criteria used by BNP Paribas Fortis, these bonds are intended for investors with a **dynamic to aggressive** profile. They may also be suitable, subject to certain restrictions, for investors with a different profile, depending on the degree of diversification of their portfolio and the risk they are prepared to accept.

More information about investor profiles can be found at www.bnpparibasfortis.be/saveandinvest > Plan by steps.

Investors are advised to ascertain whether or not the intended investment is suitable for them, taking account of their investment knowledge and experience, investment goals and financial situation. In case of doubt, they can consult a specialist financial adviser and, if necessary, refrain from investing.



Principal risks of this bond

This bond is subject to a number of risks, most notably credit, indebtedness and market risk, including volatility, interest-rate and liquidity risk, as well as the risk inherent to the sector.

- ➔ **Credit risk:** investors accept the risk that their capital might not be reimbursed at maturity in the event of the issuer's bankruptcy or insolvency.
- ➔ **Indebtedness risk:** as at December 31, 2010, Nyrstar's consolidated net debt was EUR 296 million, its consolidated equity was EUR 832 million and its gearing ratio (net debt to net debt plus equity) was 26%. Since December 31, 2010, Nyrstar completed the acquisition of Farallon Mining (the owner of the Campo Morado operation), in an acquisition that valued Farallon Mining at approximately EUR 296 million and which was financed on the basis of existing financial means and credit facilities of Nyrstar. In March 2011, Nyrstar also completed a capital increase through a rights offering in an amount of EUR 490 million in total. Through the issue of the Bonds (that may reach an amount of 3.5 times the minimum nominal amount of EUR 150 million) Nyrstar will further increase its indebtedness.
- ➔ **Volatility and interest-rate risk:** the price of these bonds may be influenced by a number of factors, including the issuer's financial health, the general pattern of interest rates and the volatility of the market. If market interest rates rise after this bond issue, all other things being equal the value of the bond will fall. Conversely, the price of the bond will rise if market rates decline. The risk of fluctuations of this kind is greater at the beginning of the bond's term. It gradually diminishes as maturity approaches. Investors wishing to sell their bonds prior to maturity will therefore have to do so at the market price, which could be lower than the nominal value.
- ➔ **Liquidity risk:** there is no guarantee that an active market will arise in which these bonds may be traded. The market might be limited and relatively illiquid, and it is not possible to predict the price at which the bonds will be traded.
- ➔ **Risk inherent to the sector:** demand for zinc can fall sharply when global economic growth declines. Zinc prices can also be affected by the volatile and cyclical commodity market. Rising energy prices likewise pose an additional threat to the sector. The recent transformation towards mining also entails operational risks linked specifically to the mining industry. Lastly, there are legal and political risks in the shape of evolving environmental, health, tax and labour legislation.

For further information about risk factors, investors are invited to read the Prospectus (see below) carefully and to consider the purchase decision in the light of all the information contained there. Particular attention should be paid to the information set out in the 'Risk Factors' section beginning on page 14 of the Prospectus. This includes a full list of the risks associated with this issue. We also advise investors to consult the 'Information Leaflet on Financial Instruments' (FR/NL), which is available from any branch or from the website www.bnpparibasfortis.be/saveandinvest > Useful information > MiFID



How to subscribe?

This document has been prepared as part of a **public offering in Belgium**. Sale restrictions are set out in the Prospectus (see below).

The subscription period is from 2 May (9 a.m.) to 6 May 2011 (4 p.m.).

Earlier closure is possible in certain circumstances, as described in the Prospectus.

For more information or to subscribe:



Over-the-counter at any branch of **BNP Paribas Fortis**



via **Phone banking** (02 433 40 34)

Key features of this issue



Description

Issuer: Nyrstar NV.

Rating: neither the issuer nor the bonds have a rating.

Securities:

- Nominal value: EUR 1,000.
- Anticipated value of issue: minimum EUR 150 million.
- Non-subordinated and non-guaranteed dematerialised bearer securities.
- The bonds are publicly offered in Belgium and Luxembourg and will be listed on the regulated market of the Luxembourg Stock Exchange.
- ISIN Code: BE6220236143.



Risk

The principal risks associated with these bonds are described on page 3.



Investor profile

According to the criteria used by BNP Paribas Fortis, these bonds are intended for investors with a **dynamic to aggressive** profile. They may also be suitable, subject to certain limits, for investors with a different profile, depending on the degree of diversification of their portfolio and the risk they are prepared to accept. This issue is not appropriate, however, for investors with a conservative profile.



Maturity

Issue and payment date: 11 May 2011

Issue price: 101.623% of the nominal value (including a 1.875% commission payable by private investors).

Maturity date: 11 May 2016, representing a term of five years.

Redemption price: right to reimbursement of 100% of the nominal value at maturity, except in the event of the issuer's bankruptcy or insolvency.

Early redemption: Investors may request the early redemption of some or all the bonds in the event of certain changes in control over the issuer. In that event, if at least 85% of the bonds are redeemed, the issuer will have the option of redeeming the balance of the bonds. The conditions and procedure applying to these possibilities for early redemption are described in the Prospectus.



Return

- Investors receive an annual coupon of 5.375% (gross).
- Interest is payable annually in arrears on 11 May of each year, beginning on 11 May 2012.
- That gives a gross yield to maturity of 5.00% based on the issue price.



Fees

Financial service: free at BNP Paribas Fortis in Belgium.

Custody in a BNP Paribas Fortis Custody Account: at the prevailing rate (see our 'Scale of Charges', available from any branch or via our website www.bnpparibasfortis.be/saveandinvest > Useful information).



Tax

Tax regime for private investors in Belgium

Withholding tax will be levied at the rate of 15% on income from bonds collected by a financial intermediary based in Belgium. This levy is 'definitive' for private investors (i.e. the income does not have to be declared again for tax purposes).

Tax treatment depends on the individual situation of each investor and is subject to possible change in the future. Other categories of investor are requested to ascertain the tax regime applying to them.

Tax on Stock Exchange Transactions

- This tax is not payable on the primary market.
- Tax on Stock Exchange Transactions payable on sale/purchase after the initial subscription period: 0.07% (max. EUR 500 per transaction).



Documentation

The Prospectus, dated 27/04/2011 and prepared in English, has been approved by the 'Commission de Surveillance du Secteur Financier' (CSSF) on 27/04/2011. It is available, together with summaries in Dutch and French, from any branch of BNP Paribas Fortis, by phone on 02 433 40 34 or via the website www.bnpparibasfortis.be/issues

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Conflict of interests

Fortis Bank SA/NV is part of the syndicate of banks in respect of this transaction. Fortis Bank SA/NV is moreover a significant credit provider for the issuer.