

Zinc International



IRELAND

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NAMIBIA
SOUTH AFRICA

Map index

- 1 Lisheen mine, Ireland
- 2 Skorpion mine, Namibia
- 3 Black Mountain mine, South Africa

Production-Refined Zinc and Mined Zinc-Lead (kt)



EBITDA (US\$m)



¹ For the period post acquisition.

Operations

Total production of zinc and lead MIC and zinc refined metal was 426,000 tonnes, which comprised 280,000 tonnes of zinc and lead MIC at the Lisheen and Black Mountain Mine ('BMM'), and 145,000 tonnes of refined zinc at the Skorpion mine. This compared with production of 444,000 tonnes in the previous financial year.

Unit costs

The unit cost of production reduced in FY2012-13 to US\$ 1,092 per tonne from US\$1,146 per tonne in FY2011-12, primarily due to operational efficiencies and favourable currency movements.

EBITDA

EBITDA for the FY 2012-13 was US\$294.5 million and operating profit was US\$110.6 million. Operating profit fell due to lower zinc and lead prices, and lower volume, mainly from the Lisheen mine partially offset by lower cost of production ('CoP').

Outlook

In FY 2013-14, production at Zinc International is expected to be impacted by a fall in grade and progressive reduction in production at the Lisheen mine, which will lead to lower production volumes at around 390-400kt for FY 2013-14. During the current year we plan to complete the feasibility study for the Gamsberg/Swartberg and Refinery Co-treatment projects.

Production performance

(In US\$ millions, except as stated)	FY 2012-13	FY 2011-12	% change
Production - Zinc (kt)			
Mined metal content BMM and Lisheen	208	215	(3.2)%
Refined metal Skorpion	145	145	-
Production - Lead (kt)			
Mined metal content	72	84	(13.7)%

Unit costs

(In US\$ millions, except as stated)	FY 2012-13	FY 2011-12	% change
Zinc (US\$ per tonne) CoP	1,092	1,146	4.7

Financial performance

(In US\$ millions, except as stated)	FY 2012-13	FY 2011-12	% change
Revenue	797.2	890.7	(10.5)%
EBITDA	294.5	366.0	(19.5)%
EBITDA margin (%)	36.9%	41.1%	-
Depreciation	122.5	119.0	2.9%
Acquisition related amortisation	61.4	117.8	(47.9)%
Operating profit	110.6	129.2	(14.4)%
Share in group operating profit (%)	4.4%	5.4%	-
Capital expenditure	35.5	41.7	(14.9)%
Sustaining	27.4	41.7	(34.3)%
Growth	8.1	-	-

Key achievements

- Stable operating and improved cost performance despite fall in grades and volume
- Production volumes in line with mine plan

Strategic priorities

- Feasibility study of Gamsberg & Swartberg projects underway
- Feasibility study for Refinery Conversion Project being investigated to co-treat sulphide opportunity in Namibia
- Focus on increasing the mine life of all assets though in pit and near pit drilling and exploration continues