



New Zealand Aluminium Smelters Limited

MEDIA RELEASE

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New Zealand Aluminium Smelters Limited halts \$70 million in capital expenditure

New Zealand Aluminium Smelters Limited (NZAS) today announced it will immediately halt \$70 million in planned capital expenditure, including \$15 million for the remainder of 2012 and for 2013.

Capital work that is critical to business operations and health, safety and environment will continue.

This follows a review of all capital and major maintenance project expenditure.

General Manager, Ryan Cavanagh said, "Given the extremely challenging market conditions, halting project work on site is one of a number of actions being taken to try and return NZAS to viability as quickly as possible.

"Other initiatives include the completion of an organisational restructure, including implementing redundancies, by the end of November," he said.

"NZAS is losing money. We are continuing to work with all of our key suppliers and stakeholders to reduce costs and grow revenues.

"NZAS is working closely with impacted contractors and suppliers to ensure the project work is stopped in a safe and orderly manner," Mr Cavanagh said.

Background information:

- New Zealand Aluminium Smelters Limited (NZAS) is New Zealand's only aluminium smelter and is located on Tiwai Peninsula, across the harbour from Bluff in the province of Southland
- Annual production in 2011: 354,029 tonnes
- NZAS contributes \$525 million to the Southland economy annually (10.5 per cent of Southland's GDP) and supports more than 3,200 direct and indirect jobs in Southland
- In 2011, NZAS made \$391 million in payments to New Zealand suppliers, including \$51 million to suppliers in Southland

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