



CHANGE AND INVOLVEMENT

- TWO KEYS TO SUCCESS

General Manager, Geoff Orrock

In the early weeks of May I spoke to all the work teams about our results this year and our plans and expectations for the future. The emphasis of these plans is what I believe to be the two keys to success - sensible change and involvement.

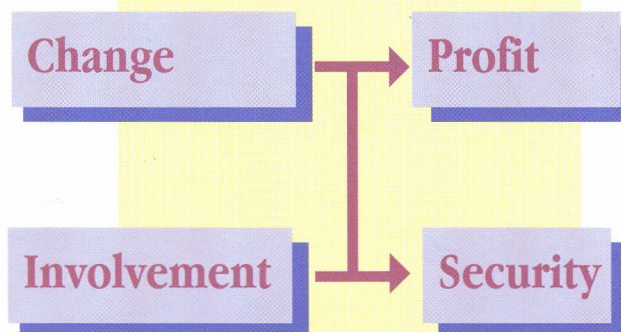
The physical measure of performance this year generally showed improving trends. We expect no more than fifteen lost time injuries this year - which we must continue to work on. More importantly we also need to focus on the near-hits injuries we managed to avoid. Our challenge must be to operate injury free - helping each other to work safely.

Zinc metal production will be the highest ever achieved. Lead bullion production will also be at record levels. Copper sulphate production was disappointing and a significant lost opportunity for us which we can't afford. Acid production was near 200,000 tonnes.

Our environmental performance continued to improve. We need however to make sure that in all of our work we plan to eliminate any emissions which might result. Our focus next year will be on hygiene and reducing lead in air in the plant giving us both environmental and hygiene benefits.

The recent financial measures have not shown benefits from improved production and profitability is poor. We, as one of the stakeholders in our business have had a fair return for our efforts in the form of salaries and the community has benefited from taxes each year.

THE SITE CHALLENGE



Our owners, however, people like you and I, the shareholders of Pasminco, have not had a satisfactory return because our operation has not been profitable over the last few years.

I have stressed that this situation must change. We have to have much greater focus on cost reduction especially through elimination of waste and product recycle. We have to get good control over our processes by measurement and well planned actions. We need to ensure we purchase and process low priced materials and maximise the value of our products by exceeding our customers requirements.

**Safety
Performance
5 Years**

In terms of our numbers we have chosen the path of sensible reductions by the work teams restructuring as people leave our organisation. We have no alternative but to continue this process for the present.

During June, WCP Limited will be here to assist us in our process of change. WCP's director, Alan Fitzgerald who has worked with other Pasminco sites in their change process, will be on site to talk to a range of people.

The object of this review will be to seek the best opportunities for improvement and to take a comprehensive look at the way we work.

In summary the challenges for all of us on this site are to adopt changes which will lead to profitability for our owners and security for ourselves.

**Zinc
Metal
Production
5 Years**

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