

News Release
Regulated information

Nyrstar announces 2011 Half Year Results

27 July 2011

HIGHLIGHTS

Solid Financial Performance

- Underlying EBITDA of €123 million, a 8% increase from H2 2010 (€114 million)
- Successfully completed rights offering for €490 million in March 2011
- Successfully closed a public offering of bonds for €525 million in May 2011

Record smelting output with continued growth in mining production

- Record half year zinc metal production of 561,000 tonnes from the smelting segment
- Contribution of €29 million from “unlocking untapped value” initiatives in the smelting segment through the identification of recoverable silver
- Continued progress in mining ramp-up with zinc in concentrate production (including deliveries from the Talvivaara streaming agreement) up 58% in H1 2011 compared to H2 2010

Actively delivering on our upstream integration strategy

- Successfully completed the acquisition of the Campo Morado mining operation in Mexico for approximately €296 million in January 2011
- Announced binding agreement to acquire Breakwater Resources for a total offer value of approximately €442 million in June 2011
- Zinc integration increased from 31% to 43% based on full production of existing assets and including Breakwater Resources
- Continue to actively explore opportunities to achieve medium-term zinc integration target of 50%
- Extended Commodity Grade Off-take Agreement with the Glencore Group

Commenting on the first half results, Roland Junck, Chief Executive Officer of Nyrstar, said,

“In the first half of 2011 we have continued to grow in terms of our financial results, our scale of operations, and our level of ambition. We achieved an underlying EBITDA of €123 million, with solid contributions of €26 million and €117 million from our mining and smelting segments respectively.

The zinc price, as well as the prices for a number of our key by-products, whilst remaining volatile improved on average between H2 2010 and H1 2011 in US dollar terms, and to a lesser extent in Euro terms due to the weakening of the US dollar against the Euro currency during this period.

We are continuing to aggressively deliver on our strategy of upstream integration. With the expected closing of the Breakwater acquisition in Q3 2011 and full ramp-up of our mining operations expected by the end of 2012, our zinc integration level will reach 43% by such time, which would make us a top 5 global zinc mining company based on 2010 global production according to Brook Hunt. The Breakwater acquisition is in line with our strategy to selectively pursue opportunities in mining, and presents an exciting opportunity to get within striking distance of our medium-term zinc integration target of 50%.

To support our upstream integration strategy, including the acquisition of Breakwater, and to further diversify our funding sources, we were delighted to successfully implement two major financing initiatives in H1 2011. Both the rights offering for €490 million and the public bond offering for €525 million were not only strongly

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supported by our shareholders and the market, but also demonstrate clear support for Nyrstar's strategy and our ability to deliver value accretive transactions.

We remain confident in the fundamental medium to long term outlook for the zinc market and believe that Nyrstar, as the world's largest zinc metal producer and through its continued upstream integration, is well positioned to leverage off these strong zinc market fundamentals.

During the first half, we re-entered the BEL 20 Index and are also now included in the Eurostoxx 600 index. Our inclusion in both of those indices validates our strategy for growth and our performance, along with the importance of Nyrstar within the Belgian and European markets. We are working hard to continue delivering on our strategic transformation and are thankful to our shareholders for their continued support."

COMMENT

The Company delivered a solid financial performance in H1 2011, with underlying EBITDA of €123 million, growing by 8% compared to €114 million in H2 2010. This consisted of a €26 million and €117 million contribution, respectively, from the mining and smelting segments, with €(20) million in the other and eliminations segment.

The zinc price, whilst volatile, rose 7% to an average of US\$2,323/tonne in H1 2011, from an average of US\$2,163/tonne in H2 2010. However, the Company's financial performance was negatively impacted by the depreciation of the US Dollar against the Euro, with the US dollar falling by 5% to an average of 1.40 in H1 2011. As such, the Euro denominated zinc price increased only marginally by 2% in H1 2011. Other metal prices also increased during H1 2011 and were also negatively impacted by the weakening of the US dollar.

In H1 2011, mining underlying EBITDA per tonne¹ was €324 compared to H2 2010 at €338. This result achieved notwithstanding the higher C1 cash costs associated with the ramp-up phase, highlights the higher profitability of mining as compared to smelting (the underlying EBITDA per tonne² of which remained relatively flat at €209 (up from €207 in H2 2010)). The Company expects a further improvement in mining underlying EBITDA per tonne as its mining operations reach full production (as expected by the end of 2012), with a consequent reduction in C1 cash costs. The average C1 cash cost³ for Nyrstar's zinc mines (including the Talvivaara zinc stream) was US\$1,515 per tonne of payable zinc in H1 2011 and is expected to continually improve over the course of 2011 and 2012 to our stated target of less than \$1,000 per tonne.

Zinc in concentrate production from Nyrstar's mining segment (including deliveries under the Talvivaara streaming agreement) was 79kt in H1 2011, a substantial 58% increase on H2 2010, but less than the previously published guidance of 95kt. The shortfall in production was mainly caused by the delivery of lower volumes than anticipated from Talvivaara, temporary equipment availability issues at East Tennessee Mines in Q2 2011 and reduced mill head grades⁴ at some of the mining operations.

Nyrstar's mining operations fall into three categories. The first category consists of mines operated by Nyrstar which were acquired in a state of care and maintenance, or early ramp-up stage (e.g. the Coricancha and Pucclarajo mines (Peru) and the Tennessee Mines (US)). Despite a number of challenges that have been encountered which are normal in a ramp-up phase, substantial progress continued to be made during H1 2011 towards the stated goal of full production by the end of 2012. The second category

¹ Mining segment underlying EBITDA per tonne of zinc in concentrate produced.

² Smelting segment underlying EBITDA per tonne of zinc metal produced.

³ C1 cash costs are defined by Brook Hunt as: the costs of mining, milling and concentrating, on-site administration and general expenses, property and production royalties not related to revenues or profits, metal concentrate treatment charges, and freight and marketing costs less the net value of by-product credits.

⁴ Milled head grade is metal content of mined ore going into a mill for processing.

consists of mines operated by Nyrstar which were acquired at an advanced stage of production (e.g. the Campo Morado mine (Mexico), and Contonga mine (Peru)). Production performance of these mines during H1 2011 was in line with the Company's expectations. For these first two categories, the volume of ore milled in H1 2011 increased significantly by 42% from H2 2010 (with Middle Tennessee increasing 58%). Recovery rates remained stable, however, mill head grades in a number of instances decreased (particularly in the latter half of H1 2011). The decrease in head grade is in part due to the lack of life-of-mine plans and to a lack of investment in mine planning by previous mine owners. During H1 2011 Nyrstar has been actively delineating the reserves and resources of these mines and developing robust life-of-mine plans that will be implemented over the next 12 months and are expected to deliver further growth in production and earnings consistent with previous guidance. The third category consists of mines which are not operated by Nyrstar, namely the Talvivaara streaming agreement. Whilst volumes delivered under the streaming agreement during the half year were not as high as guidance previously provided by Talvivaara, Nyrstar remains confident that Talvivaara will continue to increase its delivery volumes consistent with its guidance to reach full production by the end of 2012.

As a result of the significant progress made in Nyrstar's mining operations during H1 2011 and the various initiatives that have been implemented, Nyrstar maintains its full year zinc in concentrate production guidance of 215kt. Nyrstar expects to provide an updated production guidance for full year 2011 as part of its Q3 Interim Management Statement following the expected closing of the Breakwater acquisition.

Nyrstar's mines also produced significant volumes of other metals that are becoming an increasingly valuable contributor to mining segment earnings. Approximately 13,300 troy ounces of gold in concentrate, 1,273,000 troy ounces of silver in concentrate⁵, 1,000 tonnes of lead in concentrate and 2,800 tonnes of copper in concentrate were produced in H1 2011.

In H1 2011, Nyrstar's smelting segment achieved record half year zinc metal production of approximately 561,000 tonnes. Production in H1 2011 was 2% higher than in H2 2010 (the previous record half year), primarily due to the increased production at the Balen smelter (Belgium) and the Hobart smelter (Australia). Lead production at the Port Pirie multi-metals smelter (Australia) demonstrated continued improvement during H1 2011 with production up 11% to 102kt due to sustained improvements of the sinter plant and blast furnace operations.

As part of the Company's strategic plan, Nyrstar2020, both the smelting and mining segments have started to deliver a number of tangible financial benefits. In addition to "upstream integration", the Nyrstar2020 plan focuses on "excellence in Nyrstar's existing business", aimed at creating an externally focused business driven by commercial, operational and financial excellence; and "unlocking untapped value" by exploring the opportunities available to Nyrstar to grow and strengthen its business, principally by exploring untapped value in Nyrstar's polymetallic raw materials and by-product streams.

Nyrstar has today announced that the expiry time of the offer to acquire Breakwater Resources Ltd. has been extended from 29 July 2011 until 25 August 2011. The extension of the offer is due to the regulatory approval process and related review periods of the requisite competition authority filings, and the approval required under the Investment Canada Act. All submissions have been made and are being reviewed by the relevant authorities in the normal course. Nyrstar and Breakwater are working closely with each of the regulatory authorities and no issues have been raised. Both Nyrstar and Breakwater expect that the

⁵ 75% of the silver produced by Campo Morado is subject to a streaming agreement with Silver Wheaton Corporation whereby only \$3.90 per oz is payable.

requisite approvals will be received prior to 25 August 2011. All other terms and conditions of the offer described in Nyrstar's offer and circular dated 23 June 2011 remain the same.

CONFERENCE CALL

Management will present these results to the investment community on 27 July at 08:00 British Summer Time, 09:00 Central European Time. The presentation will be webcast live on the Nyrstar website, www.nyrstar.com, and will also be available in archive.

KEY FIGURES

€ millions unless otherwise indicated	H1 2011	H2 2010	Δ %	H1 2010	FY 2010
Mining Production					
Zinc in concentrate ('000 tonnes)	79	50	58%	34	84
Gold ('000 troy ounces)	13.3	4.7	183%	-	4.7
Smelting Production ⁶					
Zinc metal ('000 tonnes)	561	546	3%	530	1,076
Lead metal ('000 tonnes)	111	101	10%	97	198
Market					
Average LME zinc price (US\$/t)	2,323	2,163	7%	2,155	2,159
Average exchange rate (€/US\$)	1.40	1.33	5%	1.33	1.33
Key Financial Data					
Revenue	1,622	1,419	14%	1,277	2,696
Underlying Smelting EBITDA	117	113	4%	85	198
Underlying Mining EBITDA	26	17	53%	7	24
Underlying Other & Eliminations EBITDA	(20)	(16)	25%	1	(15)
Underlying EBITDA ⁷	123	114	8%	93	207
Results from operating activities before exceptional items	61	61	-	49	110
Profit/(loss) for the period	20	47	(57)%	25	72
Underlying EPS ^{7,8} (€)	0.25	0.45	(44)%	0.36	0.81
Basic EPS (€) ⁸	0.15	0.41	(63)%	0.21	0.62
Capital Expenditure	56	91	(38)%	56	147
Cash Flow and Net Debt					
Net operating cash flow	(12)	224		8	232
Net debt/(cash), end of period	252	296		402	296
Gearing ⁹ (%)	17%	26%		33%	26%

⁶ Includes production from mines and primary and secondary smelters only. Internal transfers of cathode for subsequent melting and casting are excluded (approximately 21,000 tonnes in H1 2011 and 17,000 tonnes in H2 2010). Lead production at ARA reflects Nyrstar's ownership (50%). Production at Föhl, Galva 45, Genesis and GM Metal (closed in 2010) are not included.

⁷ Underlying measures exclude exceptional items related to restructuring measures, impairment of assets, material income or expenses arising from embedded derivatives recognised under IAS 39 and other items arising from events or transactions clearly distinct from the ordinary activities of Nyrstar. Underlying EPS does not consider tax effect on underlying adjustments.

⁸ In relation to the right offering, the comparative EPS, and underlying EPS, for H1 2010, H2 2010 and FY 2010 have been restated to retroactively reflect the impact of the March 2011 rights issue (adjusted in accordance with IAS 33 Earnings per Share). See note 20 of Nyrstar's Condensed Consolidated Interim Financial Statements for the period ended 30 June 2011 for further information.

⁹ Gearing: net debt to net debt plus equity at end of period.

OPERATIONS REVIEW

MINING

	H1 2011	H2 2010	Δ %	H1 2010	FY 2010
Ore Milled ('000 tonnes)					
Campo Morado ¹⁰	322	293	10%	317	611
Contonga & Pucarrajo	137	65	111%	-	65
Coricancha	61	58	5%	-	58
East Tennessee	785	829	(5)%	692	1,521
Middle Tennessee	550	349	58%	302	651
Tennessee Mines	1,335	1,178	13%	994	2,172
Total	1,855	1,301	42%	994	2,295
Zinc mill head grade (%)					
Campo Morado ¹⁰	7.68%	7.77%	(1)%	8.89%	8.35%
Contonga & Pucarrajo	4.52%	4.38%	3%		4.38%
Coricancha	1.36%	1.78%	(24)%		1.78%
East Tennessee	3.28%	3.53%	(7)%	3.46%	3.50%
Middle Tennessee	2.74%	2.59%	6%	2.11%	2.35%
Tennessee Mines	3.06%	3.29%	(7)%	3.05%	3.15%
Lead mill head grade (%)					
Contonga & Pucarrajo	0.50%	0.34%	47%	-	0.34%
Coricancha	1.30%	1.34%	(3)%	-	1.34%
Copper mill head grade (%)					
Campo Morado ¹⁰	1.04%	0.95%	9%	1.00%	0.98%
Contonga & Pucarrajo	0.58%	0.69%	(16)%	-	0.69%
Gold mill head grade (g/t)					
Campo Morado ¹⁰	2.14	1.80	19%	2.74	2.29
Coricancha	3.56	3.47	3%	-	3.47
Silver mill head grade (g/t)					
Campo Morado ¹⁰	145.00	125.74	15%	195.08	161.77
Contonga & Pucarrajo	60.34	55.06	10%	-	55.06
Coricancha	123.24	122.50	1%	-	122.50
Zinc recovery (%)					
Campo Morado ¹⁰	84%	83%	1%	82%	83%
Contonga & Pucarrajo	89%	86%	3%		86%
Coricancha	78%	78%	-		78%
East Tennessee	94%	95%	(1)%	92%	94%
Middle Tennessee	90%	89%	1%	84%	87%
Tennessee Mines	93%	93%	-	91%	92%
Gold recovery (%)					
Coricancha	77%	78%	(1)%		78%

¹⁰ Campo Morado operational results in 2010 were achieved under previous ownership. Ore milled and metal in concentrate at Campo Morado in H1 2010, H2 2010, FY 2010 not included in Total production results.

<i>'000 tonnes unless otherwise stated</i>	H1 2011	H2 2010	Δ %	H1 2010	FY 2010
Zinc in Concentrate					
Campo Morado ¹⁰	21	19	11%	23	42
Contonga & Pucarrajo	5	2	150%	-	2
Coricancha	1	1	-	-	1
East Tennessee	24	28	(14)%	22	50
Middle Tennessee	14	8	75%	5	13
Tennessee Mines	38	36	6%	27	63
Talvivaara Stream ¹¹	15	11	36%	7	18
Total	79	50	58%	34	84
Lead in concentrate					
Contonga & Pucarrajo	0.4	0.1	300%	-	0.1
Coricancha	0.6	0.6	-	-	0.6
Total	1.0	0.7	43%	-	0.7
Copper in concentrate					
Campo Morado ¹⁰	2.3	2.0	15%	2.0	4.0
Contonga & Pucarrajo	0.4	0.2	100%	-	0.2
Total	2.8	0.2	1300%	-	0.2
Gold ('000 troy oz)					
Campo Morado ¹⁰	7.8	6.7	16%	11.1	17.7
Coricancha	5.5	4.7	17%	-	4.7
Total	13.3	4.7	183%	-	4.7
Silver ('000 troy oz)					
Campo Morado ¹⁰	844	703	20%	1,016	1,720
Contonga & Pucarrajo	198	70	183%	-	70
Coricancha	231	201	15%	-	201
Total	1,273	271	370%	-	271

The Campo Morado operation, acquired by Nyrstar in January 2011, has integrated well into Nyrstar with production increasing in line with expectations. In H1 2011, the Campo Morado operation increased its ore milled tonnage by 10% half on half. Over this period the zinc mill head declined slightly by 1%; however, the copper, gold and silver grades increased by 9%, 19% and 15% respectively. As a consequence, in H1 2011 the Campo Morado operation produced an additional 11% of zinc in concentrate and an additional 15%, 16% and 20% respectively of copper, gold and silver in concentrate compared to H2 2010.

The Contonga mine, which Nyrstar successfully ramped up from a distressed asset when it was acquired in July 2010 to full production capacity by the end of 2010, continued to increase its output. In H1 2011, the operation milled 137,000 tonnes of ore, a 111% increase on H2 2010 while the zinc head grade increased by 3% over the same period. The mine produced approximately 5,000 tonnes of zinc in concentrate, 400 tonnes of lead in concentrate, 400 tonnes of copper in concentrate and 198,000 troy ounces of silver in concentrate.

The experiences at the Contonga mine as well as the Campo Morado mine demonstrate Nyrstar's ability to substantially increase the productive output of mines acquired at an advanced stage of production.

In H2 2011, production at the Contonga mine is expected to be temporarily reduced for a period of approximately 4 months for improvement work designed to expand the milling capacity from 660 to 990 tonnes per day. This expansion is expected to be completed by the beginning of Q4 2011, subject to the necessary permitting.

¹¹ Deliveries to Antwerp under the zinc streaming agreement.

The Coricancha mine reached full production capacity by the end of 2010. During H1 2011 the mine increased its volume of ore milled by 5% over H2 2010 and improved its gold head grade by 3%. However temporary interruptions to the operations in H1 2011 impacted production levels. As previously disclosed, heavy rainfall reduced operations at the mill for a period of approximately two weeks. During Q2 2011, despite the significant amount of work on safety matters that has been undertaken by Nyrstar, an employee was fatally injured in an incident at the Coricancha mine on 23 April 2011. To allow for a full and proper investigation by both the Peruvian regulators and Nyrstar, and to ensure that stoping procedures at the mine were in accordance with Nyrstar's safety standards, the Company ceased mining and milling activities for a period of 18 days. Further, following the conclusion of the investigations Nyrstar, in consultation with the Peruvian mining authorities, proactively decided to reduce production to approximately 30% capacity due to an increased moisture compaction level at the newly commissioned Chinchán tailings facility, resulting from the aforementioned heavy rainfall. Once the remediation and monitoring activities, which took approximately 22 days, were completed and both Nyrstar and the Peruvian mining authorities were satisfied with the outcome, production began to ramp back up (at the start of June) to full capacity. In total, production ceased or was severely reduced for a period of approximately 2 months. Despite this, production increased during H1 2011 compared to H2 2010 to approximately 5,500 troy ounces of gold and 231,000 troy ounces of silver, an increase of 17% and 15% respectively.

At the Pucarrajo mine the planned upgrade of mining and milling equipment is on schedule. Nyrstar is currently working through site access considerations with the local community and expects to reach agreement in the next few months. Thereafter, other ramp-up activities, such as exploration drilling will commence, with commercial production now expected to commence in H1 2012 rather than at the end of 2011 as previously forecast and to ramp-up to full capacity by the end of 2012.

The ramp-up of the Middle Tennessee Mines in H1 2011 was in line with the ramp-up timing guidance issued in the Q1 Interim Management Statement. Ore milled volumes increased significantly in H1 2011 by 58% to 550,000 tonnes due to the ramp-up of the Cumberland mine to full capacity (joining the Gordonsville mine which has been operating at full capacity since the end of 2010) and the continued ramp-up of the Elmwood mine, expected to reach full production by the end of 2011. In addition, the zinc head grade achieved at the Middle Tennessee Mines has improved by 6% in H1 2011 over H2 2010. As a consequence, the Middle Tennessee Mines produced approximately 14,000 tonnes of zinc in concentrate, an increase of 68% from H2 2010.

In H1 2011 the East Tennessee Mines, which had been operating at full capacity since the end of Q3 2010, milled approximately 785,000 tonnes of ore, down 5% on H2 2010 whilst the zinc head grade was also down by 7%. The lower volume and to some extent the lower grades were due to temporary equipment failure and availability issues during the second quarter of 2011. Consequently, the volume of zinc in concentrate produced fell approximately 14% to 24,000 tonnes in H1 2011. These temporary issues are expected to be fully resolved in Q3 2011 and in Q4 2011 production is expected to return to full capacity. The decrease in head grade is in part due to the lack of life-of-mine plans and to a lack of investment in mine planning by previous mine owners. During H1 2011 Nyrstar has been actively delineating the reserves and resources of the Tennessee mines, as well as its other mining operations, and developing robust life-of-mine plans that will be implemented over the next 12 months and are expected to deliver further growth in production and earnings consistent with previous guidance.

In H1 2011, the Talvivaara streaming agreement delivered approximately 15,000 tonnes of zinc in concentrate to Nyrstar, representing an increase in deliveries of 36% compared to H2 2010. Deliveries of concentrate from Talvivaara were lower than Nyrstar expected based on Talvivaara's previously announced full year production guidance. The concentrate delivered has also contained higher than anticipated moisture levels, requiring Talvivaara to deliver concentrate shipments by container rather than by bulk. This has resulted in a prolonged logistical process for delivery of the concentrate between the Talvivaara mine site and Nyrstar's port facilities in Antwerp. The logistical bottleneck of containerised shipping is expected to continue into Q4 2011 when Talvivaara is expected to commission a new filter press at the mine site as previously announced. To temporarily alleviate this situation, Nyrstar installed a mobile filtering process at Antwerp at the end of Q1 2011 and combined with the efforts of Nyrstar's technical teams, the Company's smelters have been able to process significantly higher volumes of Talvivaara concentrate. Based on the nickel production guidance issued by Talvivaara on 7 April 2011, Nyrstar anticipates approximately 44,000 to 56,000 tonnes of zinc in concentrate to be produced by

Talvivaara in 2011 (based on an assumed conversion ratio of 2 tonnes of zinc in concentrate for every 1 tonne of nickel in concentrate). However, due to aforementioned logistical issues, deliveries from Talvivaara to Nyrstar for 2011 are expected to be less than Talvivaara's production guidance.

Nyrstar maintains its full year zinc in concentrate production guidance of 215kt although it expects to provide an updated production guidance for full year 2011 as part of its Q3 Interim Management Statement following the expected closing of the Breakwater acquisition.

SMELTING

<i>'000 tonnes unless otherwise indicated</i>	H1 2011	H2 2010	Δ %	H1 2010	FY 2010
Zinc metal Production					
Auby	79	83	(5)%	80	163
Balen/Overpelt	165	140	18%	141	281
Budel	126	139	(9)%	125	264
Clarksville	61	60	2%	60	120
Hobart	137	127	8%	121	247
Port Pirie	14	16	(13)%	16	32
Elimination	(21)	(17)	24%	(13)	(30)
Total ¹²	561	546	3%	530	1,076
Lead metal Production					
Port Pirie	102	92	11%	87	179
ARA (50%)	9	9	-	10	19
Total	111	101	10%	97	198
Other products					
Copper cathode	2	2	-	2	4
Silver ('000 troy ounces)	8,489	6,169	38%	7,231	13,399
Gold ('000 troy ounces)	13	11	18%	10	22
Sulphuric acid	712	739	(4)%	706	1,444

In H1 2011, Nyrstar achieved record half year zinc metal production of approximately 559,000 tonnes, continuing on from the record annual production in 2010. Production in H1 2011 was 3% higher than in H2 2010, primarily due to increased production at Balen/Overpelt (Belgium) and Hobart (Australia). Balen/Overpelt production increased 18% in H1 2011 compared to H2 2010, with the successful installation and operation of a new casting line increasing production capacity. Zinc metal production at Hobart was 8% higher in H1 2011 than in H2 2010, due to impressive overall plant performance including the reinstatement of full rectifier capacity in March 2011. Production at the Clarksville smelter was also higher, by 2%, in H1 2011; however, production will be reduced in Q3 2011 due to a planned roaster dome replacement (a once in every 35 year event), which is scheduled to last approximately six weeks.

Production at the Auby smelter was impacted in March 2011 by a strike at the plant that temporarily suspended operations. Whilst production recovered to normal capacity in Q2, H1 2011 zinc metal production was 5% below that in H2 2010. Production at Budel was impacted by a planned roaster stop that had been brought forward from September 2011 to March 2011. Compared to H2 2010, production of zinc metal was 9% down in H1 2011, which in addition to the planned roaster stop is also a result of record production levels at Budel in the second half of 2010.

¹² Includes production from primary and secondary smelters only (Auby, Balen and Overpelt, Budel, Clarksville, Hobart, Port Pirie, ARA). Internal transfers of cathode for subsequent melting and casting are removed in the elimination line. Production at Föhl, Galva 45, Genesis and GM Metal (closed in 2010) are not included.

Lead metal production at the Port Pirie multi-metals smelter (Australia) was up 11% in H1 2011 due to the sustained improvement of sinter plant and blast furnace operations in 2011. Operational improvements also led to increased silver and gold production, up 38% and 18% respectively in H1 2011 compared to H2 2010.

HEALTH, SAFETY AND ENVIRONMENT

Nyrstar's recordable injury rate was relatively flat in H1 2011, with a slight increase of 2% to 12.6 compared to 12.4 in H2 2010, while the lost time injury rate increased 13% to 5.2 in H1 2011, compared to 4.6 in H2 2010. The recordable injury rate at Nyrstar's smelters is currently at record low levels, whilst there has only been a modest increase in recordable injury rates at Nyrstar's mining operations despite the ramp-up process and the large number of new mining employees.

As mentioned earlier, tragically, despite the significant amount of work on safety measures that has been undertaken by Nyrstar, an employee was fatally injured in an incident at the Coricancha mine on 23 April 2011.

There were 12 minor recordable environmental incidents in H1 2011, compared to 17 in H2 2010.

MARKET REVIEW

Average prices ¹³	H1 2011	H2 2010	Δ %	H1 2010	FY 2010
Exchange rate (€/US\$)	1.40	1.33	5%	1.33	1.33
Zinc price (US\$/tonne, cash settlement)	2,323	2,163	7%	2,155	2,159
Lead price (US\$/tonne, cash settlement)	2,578	2,209	17%	2,085	2,148
Copper price (US\$/tonne, cash settlement)	9,398	7,933	18%	7,130	7,539
Silver price (US\$/t.oz, LBMA AM fix)	34.84	22.38	56%	17.62	20.19
Gold price (US\$/t.oz, LBMA AM fix)	1,445	1,297	11%	1,153	1,225

Exchange rate

The US dollar fell by 5%, from an average of 1.33 in H2 2010 to an average of 1.40 in H1 2011. The depreciation of the US dollar relative to the Euro negatively impacted the Company's earnings in H1 2011 as its revenues are largely denominated in US dollars, whereas a substantial proportion of its operating costs are denominated in Euros.

Zinc

Brook Hunt estimates that global refined zinc consumption in H1 2011 was 6.2 million tonnes, up 8.8% from H2 2010 (5.7 million tonnes). During the second half of 2010 the stronger than expected performance of the world's manufacturing sector and the dissipation of concerns surrounding the Greek financial crisis resulted in renewed risk appetite and prompted a recovery in metal prices, including zinc, from falls earlier in the year. Whilst the average price of zinc is 7% higher for H1 2011 than H2 2010, zinc as well as other base metals corrected sharply in early March largely due to political instability in the Middle East and then as a consequence of the nuclear disaster in Japan. The loss of momentum in the price of zinc and other base metals in the first half of 2011 has been less pronounced than that seen between the same period in 2010, with an approximate 32.8% correction seen during H1 2010 (compared to a correction of 6.3% during H1 2011) amidst similar concerns such as Chinese fiscal tightening and Eurozone sovereign debt. Exchange inventories have continued to rise in June, albeit at a modest pace. Combined inventories of the London Metal and Shanghai Futures exchanges totalled approximately 1.27Mt, sufficient to meet global zinc consumption for 37 days, the highest level since 1994. Whilst LME inventories have risen by 23%, financing deals have kept a significant amount of zinc stocks tied up for

¹³ Zinc, lead and copper prices are averages of LME daily cash settlement prices. Silver and gold prices are averages of LBMA AM daily fixing prices.

some time. The average LME zinc price rose 7% to US\$2,323/tonne in H1 2011, from US\$2,163/tonne in H2 2010. However the zinc price has continued to be volatile in 2011, with the price peaking in mid-February at US\$2,546/tonne and then falling to US\$2,099/tonne less than a month later. Looking forward, Brook Hunt has recently upgraded their earlier forecast of 12.31Mt, and now projects that global zinc consumption will total 12.47Mt in 2011, up 5% from 2010.

Lead

Brook Hunt estimates that global refined lead consumption in H1 2011 was 4.8 million tonnes, up 1.0% from H2 2010 (4.7 million tonnes). At just under 360,000 tonnes, LME and SHFE lead stocks are at their highest levels since the mid-1990s, providing equivalent to approximately 13 days of world consumption. The LME lead price followed a similar pattern of volatility to zinc during 2011, with an average price in H1 2011 of US\$2,578 per tonne (17% higher than H2 2010).

Gold & Silver

The gold price has remained strong in H1 2011, supported by continuing uncertainties in certain areas of the global economy particularly with concerns over sovereign debt in the Eurozone as well as continued low interest rates in the United States. The gold price rose by approximately 11% to an average of US\$1,445/troy ounce whilst the silver price reached record levels in early 2011, climbing to US\$48.70/troy ounce in late April and settling to an average price in H1 2011 of US\$34.84/troy ounce. Volatility has been a feature of silver contracts, with a strong correction seen after the peak on April 28th with contract prices falling to \$32.50 per troy ounce on 12 May 2011.

Sulphuric Acid

In H1 2011, prices achieved by Nyrstar on sales of sulphuric acid, which are predominately based on contracts rather than the spot market, continued to trend upwards to an average of approximately US\$80 per tonne. The sulphuric acid price, which strengthened throughout 2010 reflecting the overall improvement of the world economy, has been buoyed in 2011 by increasing food prices.

FINANCIAL REVIEW

Nyrstar delivered a solid underlying EBITDA result of €123 million in H1 2011, compared to €114 million in H2 2010. The Mining segment continued its ramp-up in earnings by contributing €26 million of underlying EBITDA, up 53% in H1 2011 from H2 2010, while the Smelting segment generated underlying EBITDA of €117 million, an increase of 4% compared to H2 2010. Profit after tax of €20 million, down 68% on H2 2010, was negatively impacted by restructuring costs associated with the integration of Farallon Mining Ltd., increasing depletion of mineral reserves in the mining segment and higher financing costs due to the rights offering and issuance of a public bond in H1 2011.

MINING

€ millions	H1 2011	H2 2010	Δ %	H1 2010	FY 2010
Treatment charges	(26)	(17)	53%	(10)	(27)
Free metal contribution	115	78	47%	40	118
By-Products	31	9	244%	-	9
Other	(5)	(5)	-	-	(5)
Underlying Gross Profit	116	66	76%	30	96
Employee expenses	29	19	53%	8	27
Energy expenses	11	6	83%	3	9
Other expenses	51	23	122%	12	35
Underlying Operating Costs	90	49	84%	23	72
Underlying EBITDA	26	17	53%	7	24

The Mining segment delivered an underlying EBITDA contribution of €26 million, a 53% increase from H2 2010. The inclusion of production from Campo Morado had a positive impact on the result, while increased production at the Contonga mine also generated greater earnings compared to H2 2010. Lower than expected deliveries of concentrate from Talvivaara, temporary equipment availability issues at East Tennessee Mine, and reduced head grades at some of the mining operations impacted the mining result. This resulted in an underlying EBITDA per tonne of €324 in H1 2011, slightly down compared to H2 2010 (€338), however it was up 55% from H1 2010. As mines continue to ramp-up in H2 2011 it is expected that underlying mining EBITDA per tonne will improve, and with current temporary production issues expected to be resolved during H2 2011, mining segment earnings in the second half of 2011 are expected to significantly improve.

The Mining segment's underlying gross profit was €116 million in H1 2011. Smelting TC expense was €26 million, reflecting the increase in zinc concentrate sales, while free (payable) metal contribution was €115 million. A 244% increase in earnings from by-products to €31 million in H1 2011 (€9 million in H2 2010) reflects the growing importance of other metals within the Mining segment. Other Mining gross profit, which includes realization expenses, was €(5) million. Approximately 50% of the Mining segment's gross profit was generated from intra-company sales to the Smelting segment.

The average C1 cash cost for Nyrstar's zinc mines (including the Talvivaara zinc stream) was US\$1,515 per tonne of payable zinc in H1 2011, an improvement of approximately 19% on H2 2010. At the Campo Morado mine the cash cost was US\$485 per tonne, compared to US\$717 per tonne in FY 2010 when the mine was under previous ownership, while the result at the Contonga mine was approximately US\$867 per tonne, a reduction of approximately 70% from H2 2010 (US\$2,915 per tonne) due to higher production of zinc and other metals. The C1 cash cost for the Tennessee Mines was approximately US\$2,525 per tonne of payable zinc in H1 2011. The increase from H2 2010 of US\$2,069 per tonne, is a function of lower production from the East Tennessee Mines. C1 cash costs are expected to decrease to approximately US\$1,500 to US\$1,600 per tonne by the end of 2011 when, as expected, the six mines that comprise the Tennessee Mine operations are operating at full capacity. The C1 cash cost for zinc delivered from the Talvivaara zinc stream was approximately US\$1,028 per tonne of payable zinc. The C1 cash cost for Coricancha was approximately US\$1,095 per troy ounce of payable gold, compared to US\$940 in H2 2010. This deterioration is a function of the temporary production interruptions experienced in H1 2011. The C1 cash costs are expected to decrease substantially to approximately negative US\$100 to negative US\$200 per ounce of payable gold as production returns to full capacity.

C1 cash cost US\$/payable tonne zinc	H1 2011	H2 2010	Δ %	H1 2010	FY 2010
Talvivaara	1,028	1,050	(2)%	1,025	1,005
Contonga & Pucarrajo	867	2,915	(70)%	-	2,915
Tennessee Mines	2,525	2,069	22%	1,715	1,901
Campo Morado	485	-	-	-	717
Average zinc C1 cash cost	1,515	1,879	(19)%	1,582	1,739
C1 cash cost US\$/payable troy ounce					
Coricancha	1,095	940	16%	-	940

SMELTING

€ millions	H1 2011	H2 2010	Δ %	H1 2010	FY 2010
Treatment charges	205	205	-	224	429
Free metal contribution	125	132	(5)%	128	260
Premiums	61	52	17%	53	105
By-Products	100	74	35%	41	115
Other	(18)	(28)	(36)%	(53)	(81)
Underlying Gross Profit	472	434	9%	393	827
Employee expenses	100	94	6%	93	187
Energy expenses ¹⁴	136	128	6%	118	246
Other expenses	119	99	20%	97	196
Underlying Operating Costs	355	321	11%	308	629
Underlying EBITDA	117	113	4%	85	198

The Smelting segment delivered another strong earnings result, with underlying EBITDA increasing by 4% to €117 million in H1 2011 compared to H2 2010. Underlying EBITDA per tonne increased to €209, up from €207 in H2 2010 and €160 in H1 2010. A significant improvement in by-product earnings and higher realised premiums in H1 2011, largely offset the lower 2011 benchmark TCs, higher energy prices and a stronger Australian dollar against the Euro.

The Smelting segment's underlying gross profit increased 9% to €472 million in H1 2011, compared to €434 million in H2 2010. Smelting TC income from zinc and lead was €205 million in H1 2011, the same amount as H2 2010. While the 2011 zinc benchmark TCs settled below those achieved in 2010, the average lead benchmark TC in 2011 is higher than the equivalent 2010 terms and in secondary feeds, such as zinc oxides, Nyrstar has achieved favourable TC terms. Free metal contribution of €125 million was 5% less than H2 2010, due to lower production of zinc metal at Port Pirie, which earns the smelting segment a substantial free metal margin. The contribution from Premium was €61 million, an increase of 17% from H2 2010, due to improved realised premiums on SHG, commodity grade lead and speciality alloy products. By-product income improved by 35% in H1 2011, generating €100 million. This was primarily driven by the increase in acid and other metal prices, as well as increased production of silver and gold at Port Pirie. Smelting other gross profit was negative €18 million in H1 2011, compared to negative €28 million in H2 2010.

Underlying smelting operating costs were €355 million, an increase of 11% compared to H2 2010 (€321 million), due to record zinc metal production, increased energy prices and a stronger Australian dollar. Smelting segment operating cost per tonne (in Euro terms) increased in H1 2011 to €535, compared to €504 in H2 2010.

Whilst significant progress has been made in relation to the "raw material integration" initiative, in H1 2011 Nyrstar has already started to deliver tangible financial results under the "excellence in the existing business" and "unlocking untapped value" initiatives. An example of this is evident at Port Pirie where an "unlocking untapped value" initiative has identified historical silver refining losses of approximately 2.1 million troy ounces. The recognition of this material at an estimated historical cost of €29 million is included in the Other Smelting gross profit. Of the material identified, approximately 1.8 million troy ounces have been hedged at an average price of US\$39.43 per troy ounce. Nyrstar anticipates that this material will start to be recovered in H2 2011. A further example of these initiatives includes Nyrstar's "value in use" program which is achieving measurable results in maximising the profitability of Nyrstar's smelters by optimising the package of raw materials in their feed and the mix of products they produce.

¹⁴ Energy expenses do not include the net loss or gain on the Hobart smelter embedded energy derivatives (€2m loss in H1 2011, €3m loss in H2 2010).

OTHER & ELIMINATIONS

The Other and Eliminations segment resulted in an underlying EBITDA contribution of €(20) million, comprising of an elimination of unrealised Mining segment earnings of approximately €3 million (for material sold internally to own smelters), a net positive contribution of €2 million from other operations, and other group costs.

Cash Flow and Net Debt

As of June 30, 2011, cash and cash equivalents were €618 million, an increase of €458 million from December 31, 2010. Cash flows from operating activities in H1 2011 generated an outflow of €12 million compared to an inflow of €224 million in H2 2010. This was mainly due to an operating working capital outflow of €113 million due in part to higher average zinc, lead and silver prices at 30 June 2011 compared to 31 December 2010.

Cash flows from investing activities in 2011 mainly relate to the acquisition of Farallon Mining for approximately €284 million (net of cash). These outflows in H1 2011, compare to €259 million in H1 2010 and €30million in H2 2010 invested in the acquisition of mines, streaming agreements and mining interests. In addition the acquisition of property, plant and equipment was €56 million in H1 2011, compared to €91 million in H2 2010.

Cash inflows from financing activities amounted to €828 million. Included in this amount are the €490 million proceeds of the rights offering that closed in March 2011, and the €525 million raised in May 2011 with the placement of 5.375% bonds due 2016. Some of these proceeds were utilised to reduce the drawing on existing credit facilities in the short term, before they are required for acquisition financing. Also during H1 2011, Nyrstar acquired 2,765,000 shares to hold in treasury, for approximately €26 million (net cash movement was approximately €18 million), in accordance with the Board of Director's authorisation to acquire Nyrstar's own shares, renewed at the Extraordinary General Meeting on 26 May 2009.

Net debt at 30 June 2011 was €252 million as compared to €296 million at 31 December 2010.

Capital Expenditure

Capital expenditure was approximately €56 million in H1 2011, which includes approximately €26 million for mines. Capital expenditure for smelters was approximately €26 million in H1 2011, which included both maintenance and growth spend. In addition, approximately €4 million was invested at other operations and corporate offices.

Taxation

The main tax jurisdictions in which Nyrstar operated in H1 2011 were Australia, Belgium, France, Mexico, the Netherlands, Peru, Switzerland and the United States. Income tax expense is recognized based on management's best estimate of the weighted average annual income tax rate expected for the full financial year. The tax rate for H1 2011 (based on the estimated average annual tax rate for the year to 31 December 2011) is 18%. Nyrstar has accumulated tax losses in some of the jurisdictions where it operates and deferred tax benefits have been recognized to the extent it is likely that future taxable amounts will be available. Nyrstar expects to benefit from these deferred tax benefits through a decrease in its actual cash tax payments until such deferred tax benefits are used up or expire.

OTHER SIGNIFICANT EVENTS IN H1 2011

Farallon (Campo Morado)

In January 2011, Nyrstar successfully completed the acquisition of Farallon Mining Ltd. ("**Farallon**"), owner of the Campo Morado operation, pursuant to a friendly take-over for approximately CAD409 million (€296 million). The Campo Morado operation, a zinc-rich polymetallic mining operation in Mexico. The ore deposit currently being mined is the G-9 deposit which achieved commercial production in April 2009 and comprises high grade zinc, copper, lead, gold and silver. In addition to the G-9 deposit, there are four additional ore bodies that have been delineated (Reforma, El Largo, El Rey, Naranjo). Nyrstar is currently ramping-up production to an expected rate of 2,500 tonnes per day of ore by the end of 2012, representing production of approximately 70,000 tonnes per annum of zinc in concentrate, 8,000 tonnes of copper in concentrate, 7,000 tonnes of lead in concentrate, 3 million troy ounces of silver and 35,000 troy ounces of gold. As part of the integration of Farallon Mining and the Campo Morado operation into Nyrstar, the legacy head office based in Vancouver was closed during H1 2011, with activities transferred either to site or Nyrstar's corporate office in Zurich.

Breakwater Resources

In June 2011, Nyrstar announced a binding agreement to acquire Breakwater Resources Ltd. (TSX: BWR) ("**Breakwater**") pursuant to a friendly take-over bid for C\$7.00 in cash per common share, representing a total value of approximately C\$619 million (€442 million). In addition a special dividend of C\$0.50 in cash per common share is to be declared payable to Breakwater shareholders of record on the business day immediately prior to the take-up of shares by Nyrstar pursuant to the offer. This represents a total value of approximately C\$44 million (€32 million) to be paid by Breakwater. The Nyrstar offer, together with the Breakwater special dividend, implies a total transaction value to Breakwater shareholders of approximately C\$663 million (€473 million) on a fully diluted basis (including shares to be issued from the conversion of options and warrants). Nyrstar has today announced that the expiry time of the offer has been extended from 29 July 2011 until 25 August 2011. The extension of the offer is due to the regulatory approval process and related review periods of the requisite competition authority filings, and the approval required under the Investment Canada Act. All submissions have been made and are being reviewed by the relevant authorities in the normal course. Nyrstar and Breakwater are working closely with each of the regulatory authorities and no issues have been raised. Both Nyrstar and Breakwater expect that the requisite approvals will be received prior to 25 August 2011. All other terms and conditions of the offer described in Nyrstar's offer and circular dated 23 June 2011 remain the same.

Breakwater's operations consist of four zinc poly-metallic mines, including El Toqui in Chile, El Mochito in Honduras, Myra Falls in British Columbia Canada, and Langlois in Quebec Canada (Langlois is currently in ramp-up and expected to restart production in Q1 2012). Together, the operations have an annual production capacity of approximately 140,000 tonnes of zinc in concentrate, 14,000 tonnes of lead in concentrate, 6,000 tonnes of copper in concentrate, 2.3 million troy ounces of silver and 40,000 troy ounces of gold thereby significantly increasing Nyrstar's aggregate annual mining production.

Public Bonds

In May 2011 Nyrstar successfully completed the placement of 5.375% bonds due 2016 (the "**Bonds**") through a public offering in Belgium and Luxembourg. Due to strong demand the offering was increased from €150 million to €525 million.

Rights Offering

In March 2011, Nyrstar successfully completed a rights offering in the amount of approximately €490 million. During the rights subscription period 95% of the total number of 70,009,282 rights were exercised to subscribe for an equal number of new shares in Nyrstar. The remaining 5% of rights were converted into an equal number of scrips and sold by the underwriters of that offering through an accelerated book building procedure with institutional investors.

Glencore Off-take Agreement extension

At the end of June 2011, Nyrstar extended to the end of 2018 the Commodity Grade Off-take Agreement with the Glencore Group for the sales and marketing of commodity grade zinc and lead metal produced by Nyrstar (initially entered into in November 2008 (the "**Off-take Agreement**")). The Off-take Agreement allows Nyrstar to continue to direct its focus on growing sales within the higher margin value-added zinc and lead alloys markets, while selling its commodity grade products at market premiums to the Glencore Group.

Sensitivities

The Company's results are significantly affected by changes in metal prices, exchange rates and Treatment Charges (TCs). Sensitivities to variations in these parameters are depicted in the following table, which sets out the estimated impact of a change in each of the parameters on the Company's full year underlying EBITDA based on the actual results and production profile for the half year ending 30 June 2011.

HY 2011		
Parameter	Variable	Estimated annualised EBITDA impact in € million
Zinc Price	+/- US\$100/tonne	+/- 28
Lead Price	+/- US\$100/tonne	+/- 0
US\$/€	+/- €0.01	+/- 6
A\$/€	+/- €0.01	-/+ 4
Zinc TC	+/- US\$25/dmt ¹⁵	+/- 30
Lead TC	+/- US\$25/dmt	+/- 3

The above sensitivities were calculated by modelling the Company's H1 2011 underlying operating performance. Each parameter is based on an average value observed during that period and is varied in isolation to determine the annualised 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 the Company's results for any prior periods and may not be representative of the EBITDA sensitivity of any of the variations going forward.

¹⁵ DMT = dry metric tonnes of concentrate.

UNDERLYING SEGMENT INFORMATION

Half Year Ending 30 June 2011

<i>€millions</i> <i>Unless otherwise indicated</i>	Smelting H1 2011	Mining H1 2011	Other and Eliminations H1 2011	Group H1 2011
Zinc in concentrate ('000 tonnes)	-	79	-	79
Zinc market metal ('000 tonnes)	561	-	-	561
Lead market metal ('000 tonnes)	111	-	-	111
Sulphuric acid ('000 tonnes)	712	-	-	712
Revenue	1,543	61	18	1,622
Underlying EBITDA	117	26	(20)	123
Capital expenditure	26	26	4	56
Elements of Gross Profit				-
Treatment charges	205	(26)	-	179
Free metal	125	115	-	240
Premiums	61	-	-	61
By-products	100	31	-	131
Other	(18)	(5)	4	(19)
Underlying gross profit	472	116	4	592
Operating costs				-
Employee benefits expense	100	29	30	158
Energy expenses	136	11	1	147
Other expenses	119	51	(5)	165
Underlying operating costs	355	90	25	471

Half Year Ending 31 December 2010

<i>€millions</i> <i>Unless otherwise indicated</i>	Smelting H2 2010	Mining H2 2010	Other and Eliminations H2 2010	Group H2 2010
Zinc in concentrate ('000 tonnes)	-	50	-	50
Zinc market metal ('000 tonnes)	546	-	-	546
Lead market metal ('000 tonnes)	101	-	-	101
Sulphuric acid ('000 tonnes)	739	-	-	739
Revenue	1,390	13	17	1,419
Underlying EBITDA	113	17	(16)	114
Capital expenditure	54	32	3	91
Elements of Gross Profit				-
Treatment charges	205	(17)	-	189
Free metal	132	78	-	210
Premiums	52	0	-	52
By-products	74	9	-	83
Other	(28)	(5)	(4)	(36)
Underlying gross profit	434	66	(4)	496
Operating costs				-
Employee benefits expense	94	19	32	146
Energy expenses	128	6	0	134
Other expenses	99	23	(19)	104
Underlying operating costs	321	49	15	384

RECONCILIATION OF UNDERLYING RESULTS

The following table sets out the reconciliation between the "Result from operating activities before exceptional items" to Nyrstar's "EBITDA" and "Underlying EBITDA".

"EBITDA" is a non-IFRS measure that includes the result from operating activities, before depreciation and amortization, plus Nyrstar's share of the profit or loss of equity accounted investees.

"Underlying EBITDA" is an additional non-IFRS measure of earnings, which is reported by Nyrstar to provide greater understanding of the underlying business performance of its operations. Underlying EBITDA excludes items related to restructuring measures, impairment losses, material income or expenses arising from embedded derivatives recognized under IAS 39 and other items arising from events or transactions that management considers to be clearly distinct from the ordinary activities of Nyrstar.

€ millions		H1 2011	H2 2010	H1 2010	FY 2010
Result from operating activities before exceptional items		61	61	49	110
Depletion, depreciation and amortisation expense		59	50	32	82
Share of profit / (loss) of equity accounted investees		1	1	2	3
Restructuring expenses	(a)	(9)	(4)	(7)	(11)
Impairment (losses) / reversals	(b)	-	0	(1)	(1)
Net gain on disposal of subsidiaries		-	-	-	0
EBITDA		111	108	75	183
Underlying adjustments					
Add back:					
Restructuring expenses	(a)	9	4	7	11
Impairment losses / (reversals)	(b)	-	(0)	1	1
Net loss / (gain) on disposal of subsidiaries		-	-	-	0
Net loss / (gain) on Hobart Smelter embedded derivatives	(c)	2	3	10	13
Underlying EBITDA		123	114	93	207

The items excluded from the "Result from operating activities before exceptional items and depletion, depreciation and amortisation" in arriving at "Underlying EBITDA" are as follows:

(a) Restructuring expenses of €9 million in H1 2011 (€4 million in H2 2010) were incurred, mainly in relation to the acquisition of Farallon, including the closure of the Farallon corporate office. Expenses were also incurred in relation to the relocation of some additional corporate functions to the new corporate office in Zurich, Switzerland.

(b) In 2010 an impairment loss of € 0.9 million was recognised on leasehold improvements as a consequence of the announced relocation of the corporate office from London to Zurich. In 2009 a review of Nyrstar Yunnan Zinc Alloys Co. Ltd assets and liabilities held for sale was conducted, leading to a reversal of €4 million of previously recognised impairment losses. In addition, an impairment of €2 million was recognised with regard to the fixed assets of GM Metal when Nyrstar announced its planned closure in 2009. There were no impairment losses or reversals in H1 2011.

(c) The Hobart Smelter's electricity contract contains an embedded derivative which has been designated as a qualifying cash flow hedge. To the extent that the hedge is effective, changes in its fair value are recognised directly in equity, whilst to the extent the hedge is ineffective changes in fair value are recognised in the consolidated income statement. As the hedge is partially ineffective, the negative change in fair value of €2 million (H2 2010: €3 million) on the ineffective portion of the hedge was recorded as a cost in energy expenses within the consolidated income statement. The impact on the income statement has been reversed from EBITDA for the purpose of calculating the Company's underlying EBITDA.

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.

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About Nyrstar

The partner of choice in essential resources for the development of a changing world. Nyrstar is a leading global multi-metals business, producing significant quantities of zinc and lead as well as other products (including silver, gold and copper). Nyrstar is listed on NYSE Euronext Brussels under the symbol NYR. For further information visit the Nyrstar website, www.nyrstar.com.

Nyrstar
Condensed Consolidated
Interim Financial Statements



30 June 2011

Condensed consolidated interim income statement

€ millions	Note	Six months to 30 June 2011	Six months to 30 June 2010
Revenue		1,622.2	1,276.9
Raw materials used		(1,007.0)	(826.5)
Freight expense		(22.9)	(20.3)
Gross profit		592.3	430.1
Other income		6.6	6.6
Employee benefits expense		(158.5)	(118.2)
Energy expenses		(149.3)	(131.6)
Stores and consumables used		(72.9)	(48.9)
Contracting and consulting expenses		(70.1)	(34.3)
Other expenses		(28.6)	(22.2)
Depreciation, amortisation and depletion expense		(58.7)	(32.5)
Result from operating activities before exceptional items¹		60.8	49.0
Restructuring expenses	16	(9.1)	(7.2)
Impairment (losses) / reversal	12	-	(0.8)
Result from operating activities		51.7	41.0
Finance income		1.1	0.4
Finance expenses		(26.5)	(16.0)
Net foreign exchange gain / (loss)		(2.3)	3.2
Net financing income / (expense)	7	(27.7)	(12.4)
Share of profit of equity accounted investees		1.0	1.8
Profit before income tax		25.0	30.4
Income tax benefit / (expense)	8	(4.5)	(5.5)
Profit for the period		20.5	24.9
Attributable to:			
Equity holders of the parent		20.4	24.9
Non-controlling interest		0.1	-
		20.5	24.9
Earnings per share for profit attributable to the equity holders of the Company during the period (expressed in Euro per share) ²			
- basic	20	0.15	0.21
- diluted	20	0.17	0.22

¹ Exceptional items are those items of financial performance which the Group believes should be separately disclosed on the face of the income statement to assist in the understanding of financial performance achieved by the group.

² In relation to the rights offering, the comparative earnings per share amounts for 30 June 2010 have been restated. For details see note 20

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

Condensed consolidated interim statement of comprehensive income

€ millions	Note	Six months to 30 June 2011	Six months to 30 June 2010
Profit for the period		20.5	24.9
Foreign currency translation differences		(56.4)	51.8
Defined benefit plans - actuarial gain and losses		(0.3)	0
Effective portion of changes in fair value of cashflow hedges		10.9	(11.9)
Change in fair value of investments in equity securities		(2.0)	(1.5)
Income tax on income and expenses recognised directly in equity	8	-	3.6
Other comprehensive income for the period, net of tax		(47.8)	42.0
Total comprehensive income for the period		(27.3)	66.9
Attributable to:			
Equity holders of the parent		(27.4)	66.9
Non-controlling interest		0.1	-
Total comprehensive income for the period		(27.3)	66.9

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

Condensed consolidated interim statement of financial position

€ millions	Note	As at 30 June 2011	As at 31 December 2010*
ASSETS			
Non-current assets			
Property, plant and equipment	12	1,072.7	759.2
Intangible assets	9	87.2	18.7
Investments in equity accounted investees		51.0	50.9
Investments in equity securities		8.3	9.8
Zinc purchase interests	11	225.9	247.3
Deferred income tax assets		22.4	13.5
Other financial assets		24.9	23.7
		1,492.4	1,123.1
Current assets			
Inventories	13	607.3	556.6
Trade and other receivables		263.0	209.6
Prepayments		8.8	9.5
Current income tax assets		5.1	7.2
Other financial assets		27.5	36.8
Cash and cash equivalents		618.2	160.6
		1,529.9	980.3
Total assets		3,022.3	2,103.4
EQUITY			
Equity attributable to equity holders of the parent			
Share capital and share premium		1,704.4	1,255.4
Reserves		(266.0)	(258.3)
Retained earnings		(201.4)	(169.0)
		1,237.0	828.1
Non-controlling interest		4.3	4.2
Total equity		1,241.3	832.3
LIABILITIES			
Non-current liabilities			
Loans and borrowings	14	855.1	443.4
Deferred income tax liabilities	8,9	116.0	54.0
Provisions	16	117.1	115.3
Employee benefits		48.4	52.2
Other financial liabilities		0.6	-
Other non-current liabilities	9	68.2	-
Other liabilities	10	4.2	12.1
		1,209.6	677.0
Current liabilities			
Trade and other payables		357.2	314.0
Current income tax liabilities		18.7	13.9
Loans and borrowings	14	15.0	13.4
Provisions	16	32.6	43.3
Employee benefits		35.3	44.7
Other financial liabilities		14.0	30.2
Deferred income		86.5	107.0
Other liabilities	10	12.1	27.6
		571.4	594.1
Total liabilities		1,781.0	1,271.1
Total equity and liabilities		3,022.3	2,103.4

* Adjusted for revisions to the provisional accounting for the acquisition of the Contonga and Pucarajo mines (refer to note 9)

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

Condensed consolidated interim statement of changes in equity

€ millions	Share capital	Share premium	Reserves	Retained earnings	Total amount attributable to owners	Non-controlling interest	Total equity
Balance at 1 January 2011	1,176.9	78.5	(258.3)	(169.0)	828.1	4.2	832.3
Profit or loss	-	-	-	20.4	20.4	0.1	20.5
Other comprehensive income	-	-	(49.0)	1.2	(47.8)	-	(47.8)
Capital increase	1,043.6	(569.2)	-	-	474.4	-	474.4
Change in par value	(843.1)	843.1	68.6	(68.6)	-	-	-
Treasury shares	-	-	(28.9)	11.3	(17.6)	-	(17.6)
Distribution to shareholders (capital decrease)	(25.5)	-	-	-	(25.5)	-	(25.5)
Conversion of bonds	0.1	-	-	-	0.1	-	0.1
Dividends	-	-	-	-	-	-	-
Share-based payments	-	-	1.6	3.3	4.9	-	4.9
Balance at 30 June 2011	1,352.0	352.4	(266.0)	(201.4)	1,237.0	4.3	1,241.3

€ millions	Share capital	Share premium	Reserves	Retained earnings	Total amount attributable to owners	Non-controlling interest	Total equity
Balance at 1 January 2010	1,176.9	78.5	(230.0)	(252.0)	773.4	6.2	779.6
Profit or loss	-	-	-	24.9	24.9	-	24.9
Other comprehensive income	-	-	42.0	-	42.0	-	42.0
Treasury shares	-	-	(49.4)	20.1	(29.3)	-	(29.3)
Dividends	-	-	-	(10.0)	(10.0)	-	(10.0)
Share-based payments	-	-	-	2.3	2.3	-	2.3
Balance at 30 June 2010	1,176.9	78.5	(237.4)	(214.7)	803.3	6.2	809.5

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

Condensed consolidated interim statement of cash flows

€ millions	Note	Six months to 30 June 2011	Six months to 30 June 2010
Cash flows from operating activities			
Profit for the period		20.5	24.9
Adjustment to:			
Depreciation, amortisation and depletion expense		58.7	32.5
Income tax (benefit) / expense		4.5	5.5
Net finance expense / (income)		27.7	12.4
Profit on fair value adjustment on investments in equity securities		-	(3.8)
Share of profit in equity accounted investees		(1.0)	(1.8)
Impairment / (reversal of impairment)	12	-	0.8
Equity settled share based payment transactions		0.8	2.3
(Gain) / loss on sale of property, plant and equipment	12	(0.1)	(3.2)
		90.6	69.6
Changes in inventories		(84.1)	132.7
Changes in trade and other receivables		(61.5)	(70.3)
Changes in prepayments		1.4	(0.2)
Changes in other financial assets and liabilities and other non-monetary items		31.4	64.5
Changes in trade and other payables and deferred income		33.1	(117.6)
Changes in other liabilities		(23.1)	(51.4)
Change in provisions and employee benefits		(17.0)	(16.3)
Income tax paid		(3.6)	(3.2)
Net cash (outflows) from operating activities		(12.3)	7.8
Cash flows from investing activities			
Acquisition of property, plant and equipment	12	(52.3)	(56.0)
Acquisition of intangible assets		(3.7)	-
Proceeds from sale of property, plant and equipment		0.3	5.2
Acquisition of zinc purchase interests	11	-	(242.6)
Acquisition of equity accounted investees		-	(10.8)
Acquisition of subsidiary net of cash acquired	9	(283.8)	-
Acquisition of investments in equity securities		(0.3)	(5.1)
Interest received		1.2	1.0
Distributions from associates		-	1.9
Net cash (outflows) from investing activities		(338.6)	(306.4)
Cash flows from financing activities			
Capital increase	17	474.4	-
Proceeds from borrowings	14	530.8	366.7
Repayments of borrowings	14	(134.5)	(5.1)
Repurchase of own shares	19	(18.4)	(27.2)
Interest paid		(24.2)	(7.5)
Distributions to shareholders	15	-	(10.0)
Net cash (outflows) from financing activities		828.1	316.9
Net increase / (decrease) in cash held		477.2	18.3
Cash at the beginning of the reporting period		160.6	84.0
Exchange fluctuations		(19.6)	2.9
Cash and cash equivalents at the end of the reporting period		618.2	105.2

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

Condensed consolidated interim statement of cash flows

1 Reporting entity

Nyrstar NV ("Nyrstar" or the "Company") is a company domiciled in Belgium. The condensed consolidated interim financial statements of the Company as at and for the six months ended 30 June 2011 comprise the Company and its subsidiaries (together referred to as the "Group" and individually as "Group entities") and the Group's interest in associates and jointly controlled entities.

The Group is primarily a global multi-metals business, producing significant quantities of zinc and lead as well as other products (including silver, gold and copper) through mining, smelting and alloying operations.

The condensed consolidated interim financial statements of the Group as at and for the six months ended 30 June 2011 are available upon request from the Company's registered office at Zinkstraat 1, 2490 Balen, Belgium or at <http://www.nyrstar.com/>.

The condensed consolidated interim financial statements were authorised for issue by the Board of Directors of Nyrstar NV on 26 July 2011.

2 Basis of preparation

(a) Statement of compliance

These condensed consolidated interim financial statements have been prepared in accordance with IAS 34 *Interim Financial Reporting* as adopted by the European Union. They do not include all of the information required for full annual financial statements, and should be read in conjunction with the consolidated financial statements of the Group as at and for the year ended 31 December 2010.

(b) Functional and presentational Currency

The condensed consolidated interim financial statements are presented in Euro which is the Company's functional and presentation currency. All financial information has been rounded to the nearest hundred thousand Euros.

(c) Standards, amendments and interpretations issued

In preparing the Interim Financial Statements, the accounting principles and methods of computation applied are consistent with those used in the Financial Statements as of 31 December 2010 and for the year then ended. As of 1 January 2011, the Company adopted the following new or amended interpretations:

- Amendment to IAS 32 'Classification of rights issues' requiring rights issues within the scope of the amendment to be classified as equity. The amendments are effective for annual periods beginning on or after 1 February 2010.
- IAS 24 Revised 'Related-party transactions', effective for annual periods beginning on or after 1 January 2011. The revised standard amends the definition of a related party and modifies certain related party disclosure requirements for government-related entities.
- 'Improvements to IFRSs' (2010) amending IAS 1, IAS 27, IAS 34, IFRS 1, IFRS 3, IFRS 7 and IFRIC 13. These improvements are effective 1 January 2011.
- IFRIC 19 'Extinguishing financial liabilities with equity Instruments', effective for periods beginning on or after 1 July 2010. IFRIC 19 clarifies the accounting when a debtor and creditor might renegotiate the terms of a financial liability with the result that the debtor extinguishes the liability fully or partially by issuing equity instruments to the creditor.
- Amendments to IFRIC 14 'Pre-payments of a minimum funding requirement', effective for annual periods beginning on or after 1 January 2011. The amendment removes an unintended consequence of IFRIC 14 arising from the treatment of prepayments of future contributions in some circumstances when there is a minimum funding requirement.

These new or amended standards and interpretations have no significant impact on the Company's Condensed Consolidated Financial Statements.

3 Significant accounting policies

The accounting policies applied by the Group in these condensed consolidated interim financial statements are the same as those applied by the Group in its consolidated financial statements as at and for the year ended 31 December 2010.

4 Critical accounting estimates and judgments

The preparation of these condensed consolidated interim financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing these condensed consolidated interim financial statements, except for a new area of accounting estimation disclosed in note 13, the significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2010.

Notes to the condensed consolidated interim financial statements

5 Financial risk management

The Group's financial risk management objectives and policies are consistent with that disclosed in the consolidated financial statements as at and for the year ended 31 December 2010.

6 Segment reporting

The Group's operating segments (Smelting, Mining and Other & Eliminations) reflect the approach of the Nyrstar Management Committee (NMC) towards evaluating the financial performance and allocating resources to the Group's operations. The NMC has been identified as the chief operating decision making group. The segmentation and the basis of measurement of segment profit/(loss) are unchanged to the last annual financial statements as at 31 December 2010. Consequently, the acquired Campo Morado Operation has been allocated to the Mining segment. For details of this acquisition refer to note 9.

Six months to 30 June 2011 € millions	Smelting	Mining	Other& Eliminations	Total
Revenue from external customers	1,543.4	60.9	17.9	1,622.2
Inter-segment revenue	-	58.3	(58.3)	-
Total segment revenue	1,543.4	119.2	(40.4)	1,622.2
Raw materials used	(1,052.3)	-	45.3	(1,007.0)
Freight expense	(19.5)	(4.1)	0.7	(22.9)
Gross profit	471.6	116.2	4.5	592.3
Employee benefits expense	(99.8)	(29.2)	(29.5)	(158.5)
Energy expenses	(138.3)	(10.5)	(0.5)	(149.3)
Other income / expenses	(118.8)	(50.7)	4.5	(165.0)
Depreciation, amortisation and depletion expense	(30.2)	(26.1)	(2.4)	(58.7)
Result from operating activities before exceptional items	84.5	(0.3)	(23.4)	60.8
Restructuring expenses				(9.1)
Impairment (losses) / reversal				-
Result from operating activities				51.7
Finance income				1.1
Finance expenses				(26.5)
Net foreign exchange gain/(loss)				(2.3)
Net financing income/(expense)				(27.7)
Share of profit/(loss) of equity accounted investees				1.0
Profit/(loss) before income tax				25.0
Income tax benefit / (expense)				(4.5)
Profit/(loss) for the period				20.5
Capital expenditure	(26.5)	(25.7)	(3.8)	(56.0)

Notes to the condensed consolidated interim financial statements

Six months to 30 June 2010 € millions	Smelting	Mining	Other& Eliminations	Total
Revenue from external customers	1,264.1	0.1	12.7	1,276.9
Inter-segment revenue	-	29.4	(29.4)	-
Total segment revenue	1,264.1	29.5	(16.7)	1,276.9
Raw materials used	(847.6)	-	21.1	(826.5)
Freight expense	(23.3)	-	3.0	(20.3)
Gross profit	393.2	29.5	7.4	430.1
Employee benefits expense	(93.4)	(8.4)	(16.4)	(118.2)
Energy expenses	(128.3)	(2.7)	(0.6)	(131.6)
Other income / expenses	(97.4)	(11.7)	10.3	(98.8)
Depreciation, mortisation and depletion expense	(24.9)	(4.1)	(3.5)	(32.5)
Result from operating activities before exceptional items	49.2	2.6	(2.8)	49.0
Restructuring expenses				(7.2)
Impairment (losses) / reversal				(0.8)
Result from operating activities				41.0
Finance income				0.4
Finance expenses				(16.0)
Net foreign exchange gain/(loss)				3.2
Net financing income/(expense)				(12.4)
Share of profit/(loss) of equity accounted investees				1.8
Profit/(loss) before income tax				30.4
Income tax benefit / (expense)				(5.5)
Profit/(loss) for the period				24.9
Capital expenditure	(26.5)	(28.4)	(1.1)	(56.0)

7 Finance income and expense

Recognised in the income statement:	June 2011 €m	June 2010 €m
Finance income		
Interest income on cash and cash equivalents	1.1	0.4
Finance expense		
Interest expense on financial liabilities	(21.1)	(10.3)
Unwind of discount in provisions	(3.1)	(4.1)
Other finance charges	(2.3)	(1.6)
	(26.5)	(16.0)
Net foreign exchange gain/(loss)	(2.3)	3.2
Net financing income/(expense)	(27.7)	(12.4)

8 Income tax expense

Income tax expense is recognized based on management's best estimate of the weighted average annual income tax rate expected for the full financial year. The tax rate for the six months ended 30 June 2011 (based on the estimated average annual tax rate for the year to 31 December 2011) is 18% (the estimated tax rate for the six months ended 30 June 2010 was 18%). The main items impacting the income tax rate are the notional interest deduction in Belgium, non- tax deductible expenses and the recognition and the non-recognition of deferred tax assets attributable to tax losses and temporary differences in Australia, Belgium, Peru and Switzerland.

The income tax benefit recognised directly in equity was nil (€3.6million income tax benefit for the six months ended 30 June 2010) which represents the tax effect of changes in cash-flow hedges.

Notes to the condensed consolidated interim financial statements

9 Acquisitions

Acquisition of Farallon Mining Limited

On 5 January 2011 Nyrstar acquired a 93.75 % interest in Farallon Mining Ltd., the owner of the Campo Morado zinc-rich polymetallic mining operation in Mexico (the "Campo Morado Operation") and completed the compulsory acquisition of the remaining shares by 15 March 2011. The Campo Morado Operation comprises approximately 12,000 hectares in six mining concessions, located 160 kilometers south-southwest of Mexico City. The ore deposit currently being mined is the G-9 deposit which achieved commercial production in April 2009 and comprises high grade zinc, copper, lead, gold and silver (the "G-9 Mine"). In addition to the G-9 Mine, there are four additional deposits that have been delineated (Reforma, El Largo, El Rey, Naranjo).

The acquisition had the following effect on the Group's assets and liabilities on acquisition date :

	Recognised fair values on acquisition €m
Property, plant and equipment	372.0
Inventories	11.3
Trade receivables	7.0
Deferred tax asset	10.3
Cash and cash equivalents	15.9
Other current assets	2.4
Provisions	(3.1)
Other non-current liabilities	(78.9)
Loans and borrowings	(23.8)
Deferred tax liabilities	(74.4)
Trade and other payables	(13.2)
Net identifiable assets and liabilities	225.5
Hedge result deducted from consideration paid	(3.3)
Goodwill on acquisition	70.9
Consideration paid, satisfied in cash	299.7
Cash acquired	15.9
Net cash outflow	283.8

The fair values are provisional due to the complexity and timing of the acquisition. The review of the fair value of the assets and liabilities acquired will continue for one year from the acquisition date.

The amounts of revenue and profit since the acquisition date included in the consolidated income statement for the reporting period is €44.1 million and €(10.1) million respectively. If the acquisition had occurred on 1 January 2011, management estimates that consolidated revenue for the current period and the consolidated profit for the current period would be materially identical to the actual revenue and profit recognised in the Group's interim financial statements for the six months ended 30 June 2011. In determining these amounts, management has assumed that the fair value adjustments that arose on the date of the acquisition would have been the same if the acquisition had occurred on 1 January 2011. The goodwill balance is a result of the recognised deferred tax liabilities which solely relate to the total fair value adjustments on net assets within the acquisition accounting.

Additional information on prior year acquisitions

Acquisition of Contonga and Pucarrajo mines

In July 2010 Nyrstar acquired a 100 % interest in the Contonga and Pucarrajo polymetallic mines in Peru (owned by Minera Huallanca S.A.) for approximately US\$33 million (€25.8 million) including assumed debt. The Contonga and Pucarrajo mines comprise approximately 4,600 hectares of mining concessions, located 450 kilometer north of Lima in the Ancash region, which is well known for its significant zinc, lead, silver, gold and copper deposits.

The accounting for the Contonga and Pucarrajo mines acquisition as at 31 December 2010 was based on provisional amounts due to the timing and complexity of the acquisition. In 2011, the acquisition accounting was completed within the one year measurement period as follows:

Notes to the condensed consolidated interim financial statements

	Provisional fair values on acquisition as previously reported €m	Fair value adjustments €m	Fair values on acquisition €m
Property, plant and equipment	47.7	0.4	48.1
Inventories	2.1	-	2.1
Trade receivables	4.3	-	4.3
Other current assets	3.8	-	3.8
Deferred tax asset	0.6	-	0.6
Cash and cash equivalents	0.1	-	0.1
Provisions	(16.9)	(0.6)	(17.5)
Loans and borrowings	(4.1)	-	(4.1)
Deferred tax liabilities	(7.0)	0.2	(6.8)
Trade and other payables	(11.8)	-	(11.8)
Net identifiable assets and liabilities	18.8	-	18.4
Goodwill on acquisition	7.0	-	7.0
Consideration paid, satisfied in cash	25.8		25.8
Cash acquired	0.1		0.1
Net cash outflow	25.7		25.7

The fair value adjustments arose due to the revision of the valuation of certain provisions and the related impact on deferred tax liabilities. The goodwill balance is a result of the recognised deferred tax liabilities which solely relate to the total fair value adjustments on net assets within the acquisition accounting.

The 2010 comparative information has been revised to reflect this measurement period adjustment.

10 Other liabilities

The other liabilities as at 30 June 2011 relate to the fair value of the underlying hedged items on the fixed forward sales contracts for a total of €16.3 million (31 December 2010: other liabilities of €39.7 million), being offset by the fair value of hedging derivatives on these fixed forward sales contracts, which amounts to €16.7 million as at 30 June 2011 (31 December 2010: fair value of €39.2 million).

11 Non-current assets: Zinc purchase interests

In February 2010, Nyrstar has agreed to acquire 1.25 million tonnes of zinc in concentrate from Talvivaara Sotkamo Limited (a member of the Talvivaara Mining Company Plc group) for a purchase price paid of US\$ 335 million (€242.6 million).

The acquisition is presented on the face of the balance sheet as Zinc purchase interests. The useful life is determined with reference to the number of metric tons to be delivered. The asset is depleted through profit-and-loss using the unit-of-production method, as the asset is recovered with each metric ton of zinc delivered under the contract.

Talvivaara will deliver 100% of its zinc concentrate production to Nyrstar until the 1.25 million tonnes of zinc in concentrate has been delivered (equivalent to approximately 2 million tonnes of zinc concentrate at a grade of 65%). Based on Talvivaara's planned production, the parties expect a ramp-up to approximately 90,000 tonnes per annum of zinc in concentrate by 2012, with deliveries over a period of 10 to 15 years.

12 Property, plant and equipment

During the six months period ended 30 June 2011 the Group's capital expenditure in the normal course of business amounted to €52.3 million (€56.0 million for the six months ended 30 June 2010). In addition, property, plant and equipment in an amount of €372.0 million was added as a part of the acquisition of Farallon Mining Ltd. For details refer to note 9.

During the six months period ended 30 June 2010 the Group recorded an impairment loss of €0.8 million on leasehold improvements as a consequence of the announced relocation of the Corporate head office from London to Zurich. For the six months period ended 30 June 2011 no indicator of impairment or reversal of impairment for the Group was identified.

13 Inventories

As at end of	June 2011 €m	December 2010 €m
Raw materials	259.9	170.2
Work in progress	236.9	268.6
Finished goods	56.2	38.0
Stores and consumables	54.4	46.7
Fair value adjustment	(0.1)	33.1
Total inventories	607.3	556.6

Notes to the condensed consolidated interim financial statements

As the Group applies hedge accounting, the hedged items of inventories are adjusted by the fair value movements of the related hedging instrument. The fair value adjustment as part of the carrying value of inventories at 30 June 2011 amounts to €0.1 million (31 December 2010: €33.1 million).

During the half-year ended 30 June 2011 Nyrstar benefited from identified silver inventory that has previously not been recognised on the balance sheet. This inventory relates to historical silver losses in the Port Pirie smelter that have been identified as recoverable during the half-year ended 30 June 2011. At 30 June 2011 this inventory is carried at its estimated historical costs of €29 million.

14 Loans and borrowings

The following table sets out the movement in borrowings during the period:

	Jun-11 €m	Jun-10 €m
Carrying amount at beginning of period	456.8	122
Change in consolidation scope	23.8	-
Change in SCTF Credit Facility	(95.1)	138.5
Proceeds from 5.375% fixed rate bonds (due 2016)	525.0	-
Proceeds from 5.5% fixed rate bonds (due 2015)	-	225
Net repayment of unsecured bank loans	(17.7)	(1.9)
Other	(0.5)	2.6
Foreign exchange fluctuations	(22.2)	20.7
Carrying amount at the end of period	870.1	506.9

In May 2011 Nyrstar successfully completed a €525 million public offering of its five-year 5.375% fixed rate bonds due 2016. The bonds are listed on the Luxembourg Stock Exchange's regulated market.

In January 2011 Nyrstar announced that 13,262 shares have been issued as the result of the conversion of 7% senior unsecured convertible bonds due 2014 for an aggregate principal amount of €100,000. Following the aforementioned conversion, the remaining convertible bonds represent an aggregate principal amount of €119,900,000. The convertible bonds can be converted at any time at the current conversion price of €6.29 per share¹. Based on the current conversion price, if all remaining convertible bonds were converted in their entirety, 19,062,003 new shares would be issued.

In January 2010 Nyrstar entered into a €250 million multi-currency revolving "Structured Commodity Trade Finance Credit Facility" underwritten by Deutsche Bank. The facility has a maturity of four years (with run-off period during the fourth year), and a margin of 1.9% above EURIBOR. The amount that the Company may draw down under the facility is determined by reference to the value of the Company's inventories and receivables (the borrowing base, which also serves as security for the lenders) and accordingly adjusts as commodity prices change. In March 2010 the Company successfully completed the syndication process with an increase in the facility limit to €400 million. The syndicated facility incorporates an "accordion" feature that facilitated an increase in the facility limit. In November 2010, Nyrstar exercised the accordion and the syndicate banks increased their commitments to € 500 million, resulting in a facility limit of € 500 million.

As at 30 June 2011, the facility was not drawn (31 December 2010: US\$ 150.0 million or €112.3 million).

In March 2010, the Company successfully completed a €225 million public offering of 5.5% fixed rate bonds due 2015. The bonds are listed on the Luxembourg Stock Exchange's regulated market.

¹Adjusted to reflect the impact of the March 2011 rights issue.

15 Dividends

In the six months ended 30 June 2011 no dividend was paid to the shareholders. On 24 May 2011 an extraordinary general shareholders' meeting of the company approved the proposal of the board of directors to distribute to the shareholders a (gross) amount of €0.15 per share, and to structure the distribution as a capital reduction with reimbursement of paid-up capital. Payment date will be 12 August 2011.

16 Provisions

Restructuring provisions

In the first half of 2011 Nyrstar finalised its global organisational restructuring program with the objective of reducing costs and positioning the Company for a long-term sustainable future. The incremental cost of this program in the period ended 30 June 2011 amounted to €9.1 million (30 June 2010: €7.2 million).

Notes to the condensed consolidated interim financial statements

17 Share capital and share premium

In March 2011 Nyrstar issued 70,009,282 new shares as the result of the completion of a capital increase in the amount of €490,064,974 within the framework of a rights offering which was approved by the extraordinary general shareholders' meeting of 6 January 2011. The associated costs of the capital increase amounted to €15,647,264.

As at the 30 June 2011 the share capital of Nyrstar NV comprised 170.0 million ordinary shares (31 December 2010: 100 million) with a par value of €2.50 (31 December 2010: €14.91).

18 Share based payments

In addition to the share based payment plans disclosed in the notes to the last consolidated financial statements as at 31 December 2010 the following new grants have been awarded:

Executive Long term Incentive Plan (Grant 4)

During the first half of 2011 a fourth grant (Grant 4) was made in accordance with the rules and conditions of the Nyrstar Executive Long Term Incentive Plan (LTIP). The effective accounting grant date of Grant 4 is 30 June 2011 and the performance period over which the performance conditions are assessed is three years, commencing 1 January 2011.

To ensure that the LTIP is aligned with maximising shareholder returns, the Board has set two performance conditions under Grant 4 which are weighted equally at fifty percent and which are equal to the performance conditions of the prior grants. These performance conditions are:

- 1) Nyrstar's share price movement (as a percentage) is to outperform the LME zinc price movement (as a percentage) on average over the performance period.
- 2) Nyrstar's share price movement (as a percentage) is to outperform the MSCI World Metals and Mining Index movement (as a percentage) on average over the performance period.

Shares are awarded pro rata to executives to the extent that predetermined scaling thresholds for each of the performance conditions are met. Settlement of the awarded shares can be either in the way of an allocation of shares or a cash payment.

As the effective accounting grant date of Grant 4 is 30 June 2011, the fair value of services received in return for the shares issued for the six month period to 30 June 2011 is deemed to be nil.

Management Committee Co-Investment Plan

In line with the resolution of the Annual General Shareholders meeting held at 27 April 2011 the Co-investment Plan has reflected the impact of the March 2011 rights issue by the Company. It was also agreed that additional 95,510 shares of the company subscribed for by the respective participants in the Co-Investment Plan are considered "Co-investment Shares" for purposes of the Co-Investment Plan. At 30 June 2011 an additional participant has purchased 25,000 shares as participation in the Co-investment plan. The terms and conditions of this participation are consistent with the terms and conditions of the previous Co-investment Plan participations.

The fair value of services rendered in return for the shares qualifying under the Co-Investment plan for the six months to 30 June 2011 amounts to €0.6 million (2010: €0.2 million).

19 Treasury shares

During the period from 4 May 2011 to 3 June 2011, Nyrstar acquired at NYSE Euronext Brussels a total number of 2,765,000 own shares. The total cash consideration, including directly attributable costs, amounted to €26.0 million.

In March 2011 Nyrstar sold the subscription rights related of its treasury shares held at the time of the capital increase. The consideration received of €7.6 million was recognised directly in retained earnings.

During the period from 10 May 2010 to 28 June 2010, Nyrstar acquired at NYSE Euronext Brussels a total number of 3,321,558 own shares. The total cash consideration, including directly attributable costs, amounted to €29.3 million, of which the last tranche of €2.1 million has been paid subsequent to the 30 June 2010 reporting date.

The treasury shares reserve comprises the par value of the Company's share held by the Group. As at 30 June 2011, the Group held a total of 5,756,605 of the shares (31 December 2010: 3,631,558). The difference between the par value of the total treasury shares purchased (€16.0 million) and the consideration paid (€57.0 million), which includes directly attributable costs, amounts to €41.0 million and has been recognised directly in retained earnings.

During the six months ended 30 June 2011 the Group partially settled its LTIP Grant 1. A total of 639,953 shares were allocated to the employees as a part of this settlement.

20 Earnings per share

Earnings per share

(a) Basic earnings per share

The calculation of basic earnings per share (EPS) at 30 June 2011 was based on the profit attributable to ordinary shareholders of €20.4 million (30 June 2010: €24.9 million) and a weighted average number of ordinary shares outstanding of 136.1 million (30 June 2010: 118.9 million). The basic EPS is calculated as follows:

Notes to the condensed consolidated interim financial statements

	Jun-11	Jun-10
	€m	€m
Profit attributable to ordinary shareholders		
Profit for the period	20.4	24.9
Weighted average number of ordinary shares at end of period¹	136.1	118.9
Earnings per share (expressed as Euro per share)	0.15	0.21

(b) Diluted earnings per share

The calculation of diluted earnings per share (EPS) at 30 June 2011 was based on the profit attributable to ordinary shareholders (diluted) of €25.1 million and a weighted average number of ordinary shares outstanding of 153.7 million.

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of dilutive potential ordinary shares. The convertible bond is assumed to have been converted into ordinary shares, and the net profit is adjusted to eliminate the interest expense, net of tax, resulting from the liability component of the convertible bond.

The diluted EPS is calculated as follows

	Jun-11	Jun-10
	€m	€m
Profit attributable to ordinary shareholders	20.4	24.9
Interest expense on convertible bond, net of tax	5.2	4.9
Profit attributable to ordinary shareholders (diluted)	25.6	29.8
Weighted average number of ordinary shares (diluted) at end of period¹	153.7	137.8
Earnings per share (diluted, expressed as Euro per share)	0.17	0.22

¹ In relation to the rights offering, the comparative earnings per share for 30 June 2010 have been restated to retroactively reflect the impact of the March 2011 rights issue. As the rights issue was offered at a discount (€7.00) to market value (€11.54) the weighted average number of shares outstanding for 30 June 2011 and 30 June 2010 were adjusted in accordance with IAS 33 *Earnings per Share*. The adjustment resulted in an increase in the weighted average shares outstanding, both basic and diluted, in 2011 and 2010 of approximately 20 %. Further details of the rights issue and international offering are disclosed in Note 17 Share capital and share premium.

21 Capital commitments

The value of commitments for acquisition of plant and equipment contracted for but not recognised as liabilities at the reporting date are set out in the table below.

	June 2011	December 2010
	€m	€m
Within one year	37.6	15.0
Later than one year, but not later than five years	-	-
	37.6	15.0

22 Contingencies

Nyrstar is the subject of a number of claims and legal proceedings incidental to the normal conduct of its business. Management does not believe that such claims and proceedings are likely, on aggregate, to have a material adverse effect on the financial condition of Nyrstar.

23 Seasonality

The Group operates in an industry that is subject to volatile and cyclical commodity prices and is exposed to exchange rate fluctuations; it does not operate in an industry that is subject to seasonal changes.

Notes to the condensed consolidated interim financial statements

24 Subsequent events

On 15 June 2011, Nyrstar announced that it has entered into a binding support agreement (the "Support Agreement") with Breakwater Resources Ltd. (TSX: BWR) ("Breakwater") pursuant to which Nyrstar has agreed to make an all-cash offer to acquire all of the issued and outstanding shares of Breakwater by way of a friendly take-over bid. Under the terms of the Support Agreement, Breakwater shareholders will receive the following consideration for each share held:

- C\$7.00 in cash per common share, representing a total value of approximately C\$619 million (€442 million) to be paid by Nyrstar (the "Nyrstar Offer").
- A special cash dividend of C\$0.50 in cash per common share (the "Breakwater Special Dividend") to be declared payable to Breakwater shareholders of record on the business day immediately prior to the take-up of shares by Nyrstar pursuant to the offer. This represents a total value of approximately C\$44 million (€32 million) to be paid by Breakwater, as consented to by Nyrstar under the Support Agreement

The Offer will be open for acceptance until 5:00 p.m. (Toronto time) on August 25, 2011 (the "Expiry Time"), unless the Offer is extended or withdrawn.

STATEMENT OF RESPONSIBILITY

We hereby declare that, to the best of our knowledge, the condensed consolidated interim financial statements for the six month period ended 30 June 2011, which have been prepared in accordance with the IAS 34 *Interim Financial Reporting* as adopted by the European Union, give a true and fair view of the financial position and income statement of Nyrstar. The commentary on pages 1 to 19 of the press release offers a fair and balanced review of the overall performance of the business during the six month period ended 30 June 2011, and any significant transactions with related parties have been disclosed in the financial information.

There have been no material changes to the risks and uncertainties for the Group as outlined in the 2010 Annual Report; these risks and uncertainties remain applicable for the financial performance of the Group for the remainder of 2011.

Brussels, 27 July 2011



Roland Junck
Chief Executive Officer



Heinz Eigner
Chief Financial Officer

FINANCIAL AUDIT STATEMENT

The statutory auditor PricewaterhouseCoopers Bedrijfsrevisoren burg. CVBA / Réviseursd'Entreprises SCRL civile, represented by Peter Van den Eynde, has issued an unqualified review report on the IFRS condensed consolidated interim financial statements and has confirmed that the IFRS accounting data included in this interim announcement does not include any apparent inconsistencies with the IFRS condensed consolidated interim financial statements. The accounting data included in this interim announcement incorporates other financial information which has not been audited nor reviewed.