

Nyrstar

Unaudited Interim Condensed Consolidated Financial Statements

30 June 2013

INTERIM CONDENSED CONSOLIDATED INCOME STATEMENT

EUR million	Note	six months ended 30 Jun 2013	six months ended 30 Jun 2012*
Revenue		1,430.4	1,489.4
Raw materials used		(766.1)	(762.8)
Freight expense		(42.2)	(42.6)
Gross profit		622.1	684.0
Other income	15	48.9	8.1
Employee benefits expense		(202.5)	(199.4)
Energy expenses		(175.1)	(172.2)
Stores and consumables used		(93.5)	(96.8)
Contracting and consulting expense		(80.9)	(82.8)
Other expense		(42.6)	(35.5)
Depreciation, amortisation and depletion		(105.7)	(101.6)
Result from operating activities before exceptional items		(29.3)	3.8
M&A related transaction expense		(0.6)	(1.4)
Restructuring expense		(10.5)	(2.3)
Impairment loss	5	(12.1)	(17.0)
Result from operating activities		(52.5)	(16.9)
Finance income		0.3	0.9
Finance expense		(48.8)	(44.1)
Net foreign exchange (loss) / gain		(1.2)	2.2
Net finance expense		(49.7)	(41.0)
Share of profit / (loss) of equity accounted investees		0.4	(1.5)
Gain on the disposal of equity accounted investees	7	-	26.8
Loss before income tax		(101.8)	(32.6)
Income tax benefit	4	10.3	0.4
Loss for the period		(91.5)	(32.2)
Attributable to:			
Equity holders of the parent		(91.5)	(29.5)
Non-controlling interest		-	(2.7)
Loss per share for profit attributable to the equity holders of the Company during the period (expressed in EUR per share)			
basic	17	(0.58)	(0.18)
diluted	17	(0.58)	(0.18)

* Certain amounts shown here do not correspond to the interim condensed consolidated financial statements as at 30 June 2012 and reflect the adoption of new and revised standards as detailed in Note 2.

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

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

EUR million	Note	six months ended 30 Jun 2013	six months ended 30 Jun 2012*
Loss for the period		(91.5)	(32.2)
Other comprehensive income			
Items that may be reclassified to profit:			
Foreign currency translation differences		(21.2)	17.6
Gains / (losses) on cash flow hedges		48.1	(16.9)
Less: transfers to the income statement		8.3	5.1
Income tax (expense) / benefit		(13.7)	3.0
Change in fair value of investments in equity securities		(8.6)	(7.3)
Less: transfers to the income statement	5	11.7	-
Reclassification of reverse acquisition reserve	7	-	7.6
Items that will not be reclassified to profit:			
Remeasurements of defined benefit plans		-	0.1
Income tax benefit / (expense)		0.6	(0.1)
Other comprehensive income for the period, net of tax		25.2	9.1
Total comprehensive loss for the period		(66.3)	(23.1)
Attributable to:			
Equity holders of the parent		(66.3)	(20.4)
Non-controlling interest		-	(2.7)
Total comprehensive loss for the period		(66.3)	(23.1)

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INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

EUR million	Note	as at 30 Jun 2013	as at 31 Dec 2012*
Property, plant and equipment	6	1,720.3	1,730.2
Intangible assets		130.8	133.4
Investments in equity accounted investees	7	29.4	29.0
Investments in equity securities	5,10	28.7	37.9
Zinc purchase interest		237.9	237.2
Deferred income tax assets		72.6	77.0
Other financial assets		13.4	25.1
Other assets		5.2	3.9
Total non-current assets		2,238.3	2,273.7
Inventories	8	573.4	747.1
Trade and other receivables		224.7	221.1
Prepayments		20.2	14.4
Current income tax assets		9.2	6.2
Other financial assets	10	121.6	47.0
Other assets		1.9	4.0
Cash and cash equivalents		113.0	188.1
Total current assets		1,064.0	1,227.9
Total assets		3,302.3	3,501.6
Share capital and share premium		1,649.7	1,676.9
Reserves	19	(209.5)	(207.5)
Accumulated losses		(410.4)	(307.6)
Total equity attributable to equity holders of the parent		1,029.8	1,161.8
Non-controlling interest		-	-
Total equity		1,029.8	1,161.8
Loans and borrowings	9	867.8	867.2
Deferred income tax liabilities		132.9	142.5
Provisions		209.2	210.5
Employee benefits	16	82.5	84.4
Other financial liabilities	10	3.7	2.1
Other liabilities		59.6	59.3
Total non-current liabilities		1,355.7	1,366.0
Trade and other payables		483.4	641.2
Current income tax liabilities		9.7	16.8
Loans and borrowings	9	1.1	1.3
Provisions		22.3	24.3
Employee benefits		38.1	53.5
Other financial liabilities	10	39.6	11.3
Deferred income	11	319.5	218.6
Other liabilities		3.1	6.8
Total current liabilities		916.8	973.8
Total liabilities		2,272.5	2,339.8
Total equity and liabilities		3,302.3	3,501.6

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INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

EUR million	Note	Share capital	Share premium	Reserves	Accumulated losses	Total amount attributable to shareholders	Non-controlling interest	Total equity
As at 1 Jan 2013*		1,324.8	352.1	(207.5)	(307.6)	1,161.8	-	1,161.8
Loss for the period		-	-	-	(91.5)	(91.5)	-	(91.5)
Other comprehensive income		-	-	24.6	0.6	25.2	-	25.2
Total comprehensive loss		-	-	24.6	(90.9)	(66.3)	-	(66.3)
Change in par value	15	-	-	3.2	(3.2)	-	-	-
Treasury shares	15	-	-	(29.8)	(11.7)	(41.5)	-	(41.5)
Distribution to shareholders (capital decrease)	12	(27.2)	-	-	-	(27.2)	-	(27.2)
Share-based payments		-	-	-	3.0	3.0	-	3.0
As at 30 Jun 2013		1,297.6	352.1	(209.5)	(410.4)	1,029.8	-	1,029.8

EUR million	Note	Share capital	Share premium	Reserves	Accumulated losses	Total amount attributable to share holders	Non-controlling interest	Total equity
As at 1 Jan 2012*		1,352.0	352.1	(184.9)	(204.2)	1,315.0	4.3	1,319.3
Loss for the period		-	-	-	(29.5)	(29.5)	(2.7)	(32.2)
Other comprehensive income		-	-	9.1	-	9.1	-	9.1
Total comprehensive loss		-	-	9.1	(29.5)	(20.4)	(2.7)	(23.1)
Change in par value	15	-	-	1.2	(1.2)	-	-	-
Treasury shares	15	-	-	4.8	(3.6)	1.2	-	1.2
Distribution to shareholders (capital decrease)	12	(27.2)	-	-	-	(27.2)	-	(27.2)
Share-based payments		-	-	-	0.5	0.5	-	0.5
As at 30 Jun 2012*		1,324.8	352.1	(169.8)	(238.0)	1,269.1	1.6	1,270.7

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INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

EUR million	Note	six months ended 30 Jun 2013	six months ended 30 Jun 2012*
Loss for the year		(91.5)	(32.2)
Adjustment for:			
Depreciation, amortisation and depletion		105.7	101.6
Income tax benefit		(10.3)	(0.4)
Net finance expense		49.7	41.0
Share of (profit) / loss in equity accounted investees		(0.4)	1.5
Impairment loss	5	12.1	17.0
Equity settled share based payment transactions		3.1	2.1
Other non-monetary items	15	(54.8)	(20.3)
Gain on disposal of equity accounted investees	7	-	(26.8)
Gain on sale of property, plant and equipment		(1.2)	(1.1)
Cash flow from operating activities before working capital changes		12.4	82.4
Change in inventories		171.6	(46.8)
Change in trade and other receivables		(2.6)	131.1
Change in prepayments		(6.1)	10.1
Change in deferred income		98.5	100.8
Change in trade and other payables		(163.9)	8.2
Change in other assets and liabilities		18.0	7.5
Change in provisions and employee benefits		(17.8)	(27.6)
Income tax paid		(15.7)	(24.2)
Cash flow from operating activities		94.4	241.5
Acquisition of property, plant and equipment	6	(109.4)	(115.5)
Acquisition of intangible assets		(0.6)	(2.2)
Proceeds from sale of property, plant and equipment		1.5	2.0
Proceeds from sale of intangible assets		-	0.1
Acquisition of investment in equity securities		(0.2)	(5.3)
Distribution from equity accounted investees		-	0.2
Proceeds from sale of equity accounted investees	7	-	32.5
Interest received		0.3	0.9
Cash flow used in investing activities		(108.4)	(87.3)
Proceeds from borrowings		0.5	58.1
Repayment of borrowings		(1.2)	(90.4)
Interest paid		(62.0)	(56.4)
Cash flow used in financing activities		(62.7)	(88.7)
Net (decrease) / increase in cash held		(76.7)	65.5
Cash at beginning of the reporting period		188.1	177.4
Exchange fluctuations		1.6	7.0
Cash at end of the reporting period		113.0	249.9

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1. GENERAL INFORMATION

On 29 October 2007, Nyrstar NV (“Nyrstar” or the “Company”) commenced trading on Euronext Brussels Stock Exchange. The company is incorporated and domiciled in Belgium. The unaudited interim condensed consolidated financial statements of the Company as at and for the six months ended 30 June 2013 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, metals processing and alloying operations.

The unaudited interim condensed consolidated financial statements of the Group as at and for the six months ended 30 June 2013 are available upon request from the Company’s registered office at Zinkstraat 1, 2490 Balen, Belgium or at <http://www.nyrstar.com/>.

The unaudited interim condensed consolidated financial statements were authorised for issue by the Board of Directors of Nyrstar NV on 24 July 2013.

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

(a) Statement of compliance

These unaudited interim condensed consolidated 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, prepared in accordance with International Financial Reporting Standards as adopted by the European Union (“IFRS”) and should be read in conjunction with the audited consolidated financial statements of the Group as at and for the year ended 31 December 2012 (available at <http://www.nyrstar.com>). The unaudited interim condensed consolidated financial statements for the six months ended 30 June 2013 have been prepared on a going concern basis as the directors believe there are no material uncertainties that would lead to significant doubt that the Group can continue as a going concern in the foreseeable future.

The impact of seasonality or cyclicity on operations is not regarded as significant to the unaudited interim condensed consolidated financial statements.

(b) Changes in Accounting Policies

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group’s annual consolidated financial statements for the year ended 31 December 2012, except for the adoption of the following new and revised standards and interpretations effective as of 1 January 2013:

- IAS 1 Presentation of Items of Other Comprehensive Income (Amendment)
- IAS 19 Employee Benefits (Revised 2011) (IAS 19R)
- IFRS 13 Fair Value Measurement
- IAS 32 Tax effects of distributions to holders of equity instruments (Amendment)

The adoption of the amendment to IAS 1 Presentation of Financial Statements and revised standard IAS 19 (2011) Employee Benefits require restatement of previous financial statements. The nature and impact is described below:

IAS 1 Presentation of Items of Other Comprehensive Income – Amendment to IAS 1

The amendments to IAS 1 introduce a grouping of items presented in other comprehensive income (OCI). Items that may be reclassified to profit or loss at a future point in time now have to be presented separately from items that will never be reclassified. The amendment has been applied retrospectively and affected presentation only with no impact on the Group's reported financial position or performance.

IAS 19 Employee Benefits (Revised 2011) (IAS 19R)

IAS 19R includes a number of amendments to the accounting for defined benefit plans, including expected returns on plan assets are no longer recognised in profit or loss, instead there is a requirement to recognise interest expense on the net defined benefit liability in profit or loss, calculated using the market based discount rate used to measure the defined benefit obligation and; unvested past service costs are now recognised in profit or loss at the earlier of when the plan amendment occurs or when the related restructuring or termination costs are recognised. Other amendments include new disclosures, such as, quantitative sensitivity disclosures, will be included in the annual consolidated financial statements.

In case of the Group, the transition to IAS 19R had an impact on the net defined benefit plan obligations due to the difference in accounting for interest on plan assets and unvested past service costs. The effect of the adoption of IAS 19R is explained in note 16.

IFRS 13 Fair Value Measurement

The new standard IFRS 13 Fair Values Measurement establishes a single source of guidance under IFRS for all fair value measurements. IFRS 13 does not change when an entity is required to use fair value, but rather provides guidance on how to measure fair value under IFRS when fair value is required or permitted. IFRS 13 also requires enhanced disclosures on fair values. Adoption of IFRS 13 did not have a material impact on the fair value measurements carried out by the Group but will result in additional disclosures in these unaudited interim condensed consolidated financial statements in note 10 and the annual consolidated financial statements.

IAS 32 Financial Instruments: Presentation

The adoption of the amendment to IAS 32 Financial Instruments: Presentation did not have a material impact on the Group.

The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

3. SEGMENT REPORTING

The Group's operating segments (Metals Processing and Mining) 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 NMC assesses the performance of the operating segments based on a measure of 'Underlying EBITDA'.

The segmentation and the basis of measurement of 'Underlying EBITDA' and components of gross profit are unchanged to those presented in the audited consolidated financial statements as at 31 December 2012.

For the six months ended 30 Jun 2013, EUR million	Mining	Metals Processing	Other and eliminations	Total
Revenue from external customers	116.4	1,314.0	-	1,430.4
Inter-segment revenue	72.4	-	(72.4)	-
Total segment revenue	188.8	1,314.0	(72.4)	1,430.4
Payable metal / free metal contribution	182.3	116.4	0.7	299.4
Treatment charges	(38.9)	163.9	-	125.0
Premiums	-	60.6	0.1	60.7
By-products	82.6	107.7	-	190.3
Other	0.1	(50.9)	(2.5)	(53.3)
Gross Profit	226.1	397.7	(1.7)	622.1
Employee expenses	(72.0)	(109.9)	(20.6)	(202.5)
Energy expenses	(24.4)	(140.4)	(0.1)	(164.9)
Other expenses / income	(86.6)	(101.4)	(15.3)	(203.3)
Direct operating costs	(183.0)	(351.7)	(36.0)	(570.7)
Non-operating and other	(10.5)	28.4	17.7	35.6
Underlying EBITDA	32.6	74.4	(20.0)	87.0
Depreciation, amortisation and depletion				(105.7)
M&A related transaction expense				(0.6)
Restructuring expense				(10.5)
Impairment loss				(12.1)
Embedded derivatives				(10.2)
Gain on the disposal of equity accounted investees				-
Net finance expense				(49.7)
Income tax benefit				10.3
Loss for the period				(91.5)
Capital expenditure	(50.4)	(56.4)	(4.8)	(111.6)

For the six months ended 30 Jun 2012, EUR million	Mining	Metals Processing	Other and eliminations	Total
Revenue from external customers	177.8	1,402.2	(90.6)	1,489.4
Inter-segment revenue	88.2	-	(88.2)	-
Total segment revenue	266.0	1,402.2	(178.8)	1,489.4
Payable metal / free metal contribution	198.0	121.7	-	319.7
Treatment charges	(46.2)	176.1	-	129.9
Premiums	-	56.8	-	56.8
By-products	113.7	107.5	-	221.2
Other	(15.6)	(29.0)	1.0	(43.6)
Gross Profit	249.9	433.1	1.0	684.0
Employee expenses	(67.0)	(107.5)	(24.9)	(199.4)
Energy expenses	(23.1)	(140.9)	(0.6)	(164.6)
Other expenses / income	(98.0)	(92.0)	(17.0)	(207.0)
Direct operating costs	(188.1)	(340.4)	(42.5)	(571.0)
Non-operating and other	(5.0)	(14.0)	17.5	(1.5)
Underlying EBITDA	56.8	78.7	(24.0)	111.5
Depreciation, amortisation and depletion				(101.6)
M&A related transaction expense				(1.4)
Restructuring expense				(2.3)
Impairment loss				(17.0)
Embedded derivatives				(7.6)
Gain on the disposal of equity accounted investees				26.8
Net finance expense				(41.0)
Income tax benefit				0.4
Loss for the period				(32.2)
Capital expenditure	(68.4)	(46.2)	(3.1)	(117.7)

4. INCOME TAX EXPENSE

Nyrstar recognised an income tax benefit for the six months ended 30 June 2013 of EUR 10.3 million representing an effective tax rate of 10.1% (for the six months ended 30 June 2012: 1.2%). The weighted average tax rate for the Group is calculated by applying the relevant statutory tax rate to the projected annual profit or loss of each Group entity. The resulting tax charges and benefits are then aggregated and divided by the overall Group result. The effective tax rate is impacted by losses incurred by the Group for the six months ended 30 June 2013 for which no tax benefit has been recognised. In addition, the Group benefitted from the release of certain tax provisions, which are no longer required.

Reconciliation of effective tax rate:

EUR million	six month ended 30 Jun 2013	six month ended 30 Jun 2012
Loss before income tax	(101.8)	(32.6)
Tax at aggregated weighted average tax rate (2013: 30.3% / 2012: 45.4%)	30.9	14.8
(Non-deductible) / non-taxable amounts	(4.3)	1.3
Net non-recognition of tax assets	(17.8)	(27.0)
Tax refund and release of provisions	4.9	14.1
Non-recoverable withholding tax	(3.4)	(2.8)
Income tax benefit	10.3	0.4
Effective tax rate	10.1%	1.2%

5. IMPAIRMENT LOSS

In the six months ended 30 June 2013 Nyrstar recognised impairment losses of EUR 12.1 million. The majority of these impairment losses relate to an investment in equity securities that has been valued at fair value with mark to market movements recognised in other comprehensive income ("OCI"). Nyrstar has determined that the cumulative loss on the investment of EUR 11.7 million, representing a difference between Nyrstar's acquisition costs and the share price at 30 June 2013, that has been previously recognised in OCI is of a significant and prolonged nature. As a consequence Nyrstar reclassified the loss from OCI to the income statement. The loss is a result of the challenging macroeconomic conditions that continue to negatively impact the commodity and share price environment. This reclassification had no impact on the balance sheet value which continues to be carried at fair value.

In the six month ended 30 June 2012 impairment losses of EUR 17.0 million were incurred and impacted property, plant and equipment and investments in equity accounted investees and related to non-core operations of the Group. The impairment losses were recognised due to the prevailing metal price environment and increasing operating costs combined with objective evidence that the recoverable value for the operations was lower than the Group's carrying value. The impairments were determined on the basis of value in use and fair value less cost to sell.

The impaired non-core operations were not part of the Mining and Metals Processing segments and the impairment losses therefore remained unallocated.

6. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2013 Group's capital expenditure in the normal course of business amounted to EUR 111.0 million (EUR 115.5 million for the six months ended 30 June 2012).

7. INVESTMENTS IN EQUITY ACCOUNTED INVESTEEES

During the six months ended 30 June 2012, the joint venture between Nyrstar and SimsMM (ARA joint venture) sold Australian Refined Alloys' secondary lead producing facility in Sydney, Australia (ARA Sydney) to companies associated

with Renewed Metal Technologies for a total sale price of EUR 60 million (AUD 80 million) plus working capital. Nyrstar's share of the sales proceeds was EUR 32.5 million, including a working capital adjustment, with a gain on the sale of EUR 26.8 million.

8. INVENTORIES

During the six months ended 30 June 2012 Nyrstar benefited from identified silver inventory that previously had not been recognised on the balance sheet. This inventory related to historical silver losses in the Port Pirie smelter that were identified as recoverable during the six months ended 30 June 2012. At 30 June 2012 this inventory was recognised and carried at its estimated historical cost of EUR 12.9 million. During the six months ended 30 June 2013, Nyrstar did not identify further silver inventory.

9. LOANS AND BORROWINGS

This note provides information about the contractual terms of the Group's interest-bearing loans and borrowings, which are measured at amortised cost.

EUR million	as at 30 Jun 2013	as at 31 Dec 2012
Other loans	-	0.3
Convertible bonds	117.1	115.9
Fixed rate bonds	749.0	748.8
Finance lease liabilities	1.7	2.2
Total non-current loans and borrowings	867.8	867.2
Unsecured bank loans	-	0.3
Finance lease liabilities	1.1	1.0
Total current loans and borrowings	1.1	1.3
Total loans and borrowings	868.9	868.5

10. FAIR VALUE MEASUREMENT OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

The carrying amount of all financial assets and liabilities recognised at amortised cost on the interim condensed consolidated statement of financial position approximate their fair value, with the exception of the fixed rate bonds and the convertible bonds of EUR 749.0 million (31 December 2012: EUR 748.8 million) and EUR 117.1 million (31 December 2012: EUR 115.9 million) respectively with fair values of EUR 778.6 million (31 December 2012: EUR 788.0 million) and EUR 123.9 million (31 December 2012: EUR 130.0 million) respectively.

The fair value measurements policies and valuation procedures of Nyrstar's financial assets and liabilities are consistent with the fair value measurement disclosures in the notes to the consolidated financial statements as at 31 December 2012.

EUR million	Level 1	Level 2	Level 3	Total Jun 30, 2013
Investment in equity securities (a)	24.5	-	4.2	28.7
Commodity contracts – fair value hedges	-	44.0	-	44.0
Commodity contracts – cash flow hedges (b)	-	65.9	-	65.9
Foreign exchange contracts – held for trading	-	8.8	-	8.8
Embedded derivative	-	2.9	-	2.9
Total	-	121.6	-	121.6
Commodity contracts – fair value hedges	-	(24.8)	-	(24.8)
Foreign exchange contracts – held for trading	-	(11.8)	-	(11.8)
Embedded derivative	-	(6.7)	-	(6.7)
Total	-	(43.3)	-	(43.3)

EUR million	Level 1	Level 2	Level 3	Total Dec 31, 2012
Investment in equity securities (a)	33.7	-	4.2	37.9
Commodity contracts – fair value hedges	-	33.8	-	33.8
Foreign exchange contracts – held for trading	-	7.7	-	7.7
Embedded derivative	-	17.1	-	17.1
Total	-	58.6	-	58.6
Commodity contracts – fair value hedges	-	(10.6)	-	(10.6)
Foreign exchange contracts – held for trading	-	(0.5)	-	(0.5)
Embedded derivative	-	(2.3)	-	(2.3)
Total	-	(13.4)	-	(13.4)

(a) The level 3 measurement is an investment in equity in a privately held company and is carried at cost. There has been no movement in the carrying value of this investment during the six months ended 30 June 2013 (six months ended 2012: nil).

(b) During the six months ended 30 June 2013, Nyrstar entered into short-term strategic hedging arrangements to hedge commodity price risk with respect to Zinc (200kt of zinc), silver (1,580,000 oz of silver) and gold (35,600 oz of gold) for future sales expected to be completed from March 2013 to December 2013. In addition Nyrstar entered into a silver sales forward transaction (to February 2014) for 5.0 million oz silver, to hedge silver price risk with regard to the funding of the Port Pirie transformation. The above hedges are designated and qualify as cash flow hedges. The effective portion of changes in the fair value of the hedges (EUR 64.8 million) has been recognised outside of the income statement, directly in other comprehensive income in the hedging reserve. The result on realised hedges of EUR 14.8 million has been recognised in the income statement.

11. DEFERRED INCOME

In June 2013, Nyrstar entered into a silver prepay agreement, under which Nyrstar received a USD 195.8 million (EUR 148.1 million) prepayment and agreed to physically deliver 8.75 million oz of silver in equal installments over a ten month period ending March 2014. The silver prepayment is amortised into revenue as the underlying silver is physically delivered. As at 30 June 2013, 875,000 oz of silver have been delivered.

In connection with the silver prepay agreement Nyrstar entered into forward purchase contracts with equivalent delivery dates to hedge the silver price exposure related to delivery commitment. These contracts are accounted for as an effective

fair value hedge of the firm sales commitment in the silver prepay agreement. The change in fair value of the forward purchase contracts (EUR 23.0 million at 30 June 2013, included in other financial liabilities) and the portion of deferred income related to the silver prepay agreement (EUR 23.0 million) effectively offset in the income statement.

12. DIVIDENDS

In the six months ended 30 June 2013 no dividends were paid to shareholders. On 23 May 2013 an extraordinary general shareholders' meeting of the company approved the proposal of the Board of Directors to distribute to shareholders an amount of EUR 0.16 per share, EUR 27.2 million in total (2012 – EUR 0.16 per share, EUR 27.2 million in total) and to structure the distribution as a capital reduction through reimbursement of paid-up capital. Payment date will be on or around 14 August 2013.

13. SHARE CAPITAL AND SHARE PREMIUM

As at 30 June 2013 the share capital of Nyrstar NV comprised 170,022,544 ordinary shares (31 December 2012: 170,022,544 ordinary shares) with a par value of EUR 2.18 (31 December 2012: EUR 2.34).

14. SHARE BASED PAYMENTS

In addition to the share based payment plans disclosed in the notes to the consolidated financial statements as at 31 December 2012, the terms and conditions of grant 3, 4 and 5 were modified with modification date 6 February 2013 and a new grant, grant 6 with a Grant date of 30 June 2013 was made in accordance with the rules and conditions of the Nyrstar Executive Long Term Incentive Plan (LTIP).

The details of the modifications and the new grant are summarised below:

Modifications to LTIP Grants 3, 4 and 5

As at 6 February 2013 modifications were made to the performance conditions of Grants 3, 4 and 5. The modifications resulted in the exclusion of the 2012 zinc price performance from the performance hurdle for all three grants, when determining the average LTIP achievement and lowering of the MSCI performance hurdles for future years for Grants 4 and 5.

The modified awards have been valued, using a consistent valuation methodology to that disclosed in the notes to the consolidated financial statements as at 31 December 2012. The incremental increase in the fair value of the awards amounted to EUR 1.8 million and will be recognised over the remaining vesting period of the awards, starting from the modification date. The total incremental fair value recognised in the six months ended 30 June 2013 amounted to EUR 1.7 million. The modifications did not change the number of outstanding awards as disclosed in the notes to the consolidated financial statements as at 31 December 2012, however it resulted in the vesting of 389,928 Grant 3 awards.

Executive Long term Incentive Plan (Grant 6)

As at 30 June 2013 a sixth grant (Grant 6) was made in accordance with the rules and conditions of the Nyrstar Executive Long Term Incentive Plan (LTIP). Under Grant 6, 2,270,961 awards were granted with an effective accounting grant date of 30 June 2013 and a performance period of 3 years, commencing 1 January 2013, over which the performance conditions are assessed.

To ensure that the LTIP is aligned with maximising shareholder returns, the Board has set two performance conditions under Grant 6 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 will be in the way of an allocation of shares.

As the effective accounting grant date of Grant 6 is 30 June 2013, the fair value of services received in return for the shares issued for the six month period to 30 June 2013 is deemed to be nil.

Settlement of LTIP Grants 2 and 3

During the six months ended 30 June 2013, the Group settled the remainder of its LTIP Grants 2 and 3. A total of 487,927 treasury shares were allocated to the employees in settlement of the 859,831 instruments outstanding under LTIP Grants 2 and 3.

15. TREASURY SHARES

The treasury shares reserve comprises the par value of the Company's shares held by the Group. As at 30 June 2013, the Group held a total of 20,103,655 of the shares (31 December 2012: 7,345,826). The effect of the approved distribution of dividend as capital reduction (decrease in par value of shares from EUR 2.34 to EUR 2.18) has an EUR 3.2 million effect on the value of the outstanding treasury shares and has been recognised directly in accumulated losses.

Movement in treasury shares	six month ended 30 Jun 2013	six month ended 30 Jun 2012
As at 1 Jan	7,345,826	9,413,138
Purchases	13,245,756	-
Employee share based payment plan (Note 14)	(487,927)	(1,927,635)
As at 30 June	20,103,655	7,485,503

At 16 April 2013, the Group acquired off-market, Glencore International AG's ("Glencore") entire 7.79% shareholding (13,245,756 shares) in Nyrstar for EUR 3.39 per share, for a total consideration of EUR 44.9 million. Furthermore Glencore agreed to compensate Nyrstar with a termination fee of EUR 44.9 million in relation to ending its Commodity Grade Off-take agreement by 31 December 2013 for the sale and marketing of commodity grade zinc metal produced by Nyrstar, within the European Union. The termination fee has been recognised in other income.

16. EMPLOYEE BENEFITS

The Group participates in a number of retirement benefit plans.

The application of IAS 19R changes the accounting for defined benefit plans and termination benefits and has been applied retrospectively from 1 January 2012 (as the earliest comparative period). As a result, the expected returns on plan assets of defined benefit plans are not recognised in the profit or loss. Instead interest on net defined benefit obligation is recognised in profit or loss, calculated based on the net pension obligation.

Also, unvested past service costs can no longer be deferred and recognised over the future vesting period. Instead, all past service costs are recognised at the earlier of when the amendment occurs and when the group recognised related restructuring or termination costs. Until 2012, the Group's unvested past service costs were recognised as expense on a straight-line basis over the average period until the benefits become vested. Upon transition to IAS 19R, past service costs are recognised immediately following the introduction of, or changes to, a pension plan, regardless whether the past service costs are vested or unvested.

IAS 19R introduces certain changes in the presentation of the defined benefit costs including more extensive disclosures.

Impact of transition to IAS 19R

These 30 June 2013 unaudited interim condensed consolidated financial statements are the first financial statements in which the Group has adopted IAS 19R. IAS 19R has been adopted retrospectively in accordance with IAS 8. Consequently, the Group has adjusted opening equity as of 1 January 2012 and the amounts for 2012 have been restated as if IAS 19R had always been applied.

EUR million	Non Current Employee Benefits	Deferred Tax assets	Accumulated Losses
Balance as reported at 1 January 2012	75.1	75.4	(204.8)
Effect of application of IAS 19R	(1.0)	(0.4)	0.6
Restated balance at 1 January 2012	74.1	75.0	(204.2)

EUR million	Non Current Employee Benefits	Deferred Tax assets	Accumulated Losses
Balance as reported at 31 December 2012	85.4	77.4	(308.2)
Effect of application of IAS 19R	(1.0)	(0.4)	(0.6)
Effect on total comprehensive loss for the period	-	-	1.2
Restated balance at 31 December 2012	84.4	77.0	(307.6)

The effect on the unaudited interim condensed consolidated income statement was as follows:

EUR million	six months ended 30 Jun 2013	six months ended 30 Jun 2012
(Increase) / decrease of employee benefit expenses	(0.3)	0.5
Increase of finance expenses	(0.8)	(1.3)
Decrease of income tax expense	0.3	0.2
Increase of loss for the period	(0.8)	(0.6)

The change in accounting policy had no effect on the unaudited interim condensed consolidated statement of comprehensive income and an immaterial impact on the Group's interim consolidated statement of cash flows and the basic and diluted earnings per share for the current and comparative period.

17. EARNINGS PER SHARE

(a) Basic loss per share

The calculation of basic loss per share (EPS) as at 30 June 2013 was based on the loss attributable to ordinary shareholders of EUR 91.5 million (30 June 2012: loss of EUR 29.5 million) and a weighted average number of ordinary shares outstanding of 157.4 million (30 June 2012: 161.5 million). The basic EPS is calculated as follows:

EUR million	six months ended 30 Jun 2013	six months ended 30 Jun 2012
Loss attributable to ordinary shareholders (basic)	(91.5)	(29.5)
Weighted average number of ordinary shares (basic, in million)	157.4	161.5
Loss per share (basic, in EUR)	(0.58)	(0.18)

(b) Diluted loss per share

As the entity incurred a loss for the six months ended 30 June 2013, the diluted loss per share EUR 0.58 equals the basic loss per share (EUR 0.18 for the six months ended 30 June 2012).

18. 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.

EUR million	as at 30 Jun 2013	as at 31 Dec 2012
Within one year	35.0	20.2
Between one and five years	-	-
More than five years	-	-
Total	35.0	20.2

19. RESERVES

EUR million	Treasury shares	Translation reserves	Reverse acquisition reserve	Cash flow hedge reserve	Convertible bond	Investments reserve	Total
As at 1 Jan 2013	(17.2)	69.5	(265.4)	(0.3)	8.8	(2.9)	(207.5)
Gains on cash flow hedges	-	-	-	42.7	-	-	42.7
Foreign currency translation differences	-	(21.2)	-	-	-	-	(21.2)
Change in fair value of investments in equity securities	-	-	-	-	-	3.1	3.1
Change in par value	3.2	-	-	-	-	-	3.2
(Acquisition) / distribution of treasury shares	(29.8)	-	-	-	-	-	(29.8)
As at 30 June 2013	(43.8)	48.3	(265.4)	42.4	8.8	0.2	(209.5)

EUR million	Treasury shares	Translation reserves	Reverse acquisition reserve	Cash flow hedge reserve	Convertible bond	Investments reserve	Total
As at 1 Jan 2012	(23.5)	93.9	(273.0)	6.9	8.8	2.0	(184.9)
Losses on cash flow hedges	-	-	-	(8.8)	-	-	(8.8)
Foreign currency translation differences	-	17.6	-	-	-	-	17.6
Change in fair value of investments in equity securities	-	-	-	-	-	(7.3)	(7.3)
Reclassification of reversed acquisition reserve	-	-	7.6	-	-	-	7.6
Change in par value	1.2	-	-	-	-	-	1.2
(Acquisition) / distribution of treasury shares	4.8	-	-	-	-	-	4.8
As at 30 June 2012	(17.5)	111.5	(265.4)	(1.9)	8.8	(5.3)	(169.8)

20. SUBSEQUENT EVENTS

There have been no material reportable events subsequent to 30 June 2013.

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 2013, 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 16 offers a fair and balanced review of the overall performance of the business during the six month period ended 30 June 2013, 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 2012 Annual Report; these risks and uncertainties remain applicable for the financial performance of the Group for the remainder of 2013.

Brussels, 24 July 2013



Roland Junck
Chief Executive Officer



Heinz Eigner
Chief Financial Officer

Nyrstar NV

**Limited review report
on the consolidated interim financial
information for the six-month period
ended 30 June 2013**

The original text of this report is in Dutch

Nyrstar NV

Limited review report on the consolidated interim financial information for the six-month period ended 30 June 2013

To the board of directors

We have performed a limited review of the accompanying consolidated condensed statement of financial position, condensed income statement, condensed statement of comprehensive income, condensed cash flow statement, condensed statement of changes in equity and selective notes 1 to 20 (jointly the “interim financial information”) of Nyrstar NV (“the company”) and its subsidiaries (jointly “the group”) for the six-month period ended 30 June 2013. The board of directors of the company is responsible for the preparation and fair presentation of this interim financial information. Our responsibility is to express a conclusion on this interim financial information based on our review.

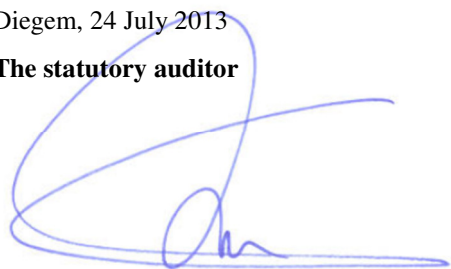
The interim financial information has been prepared in accordance with international financial reporting standard IAS 34 – *Interim Financial Reporting* as adopted by the European Union.

Our limited review of the interim financial information was conducted in accordance with international standard ISRE 2410 – *Review of interim financial information performed by the independent auditor of the entity*. A limited review consists of making inquiries of group management and applying analytical and other review procedures to the interim financial information and underlying financial data. A limited review is substantially less in scope than an audit performed in accordance with the International Standards on Auditing (ISA). Accordingly, we do not express an audit opinion on the interim financial information.

Based on our limited review, nothing has come to our attention that causes us to believe that the interim financial information for the six-month period ended 30 June 2013 is not prepared, in all material respects, in accordance with IAS 34 – *Interim Financial Reporting* as adopted by the European Union.

Diegem, 24 July 2013

The statutory auditor



DELOITTE Bedrijfsrevisoren / Reviseurs d'Entreprises

BV o.v.v.e. CVBA / SC s.f.d. SCRL

Represented by Gert Vanhees