

Nyrstar

Unaudited Interim Condensed Consolidated
Financial Statements

30 June 2015

INTERIM CONDENSED CONSOLIDATED INCOME STATEMENT

EUR million	Note	six months ended 30 Jun 2015	six months ended 30 Jun 2014
Revenue		1,501.3	1,353.7
Raw materials used		(742.8)	(668.6)
Freight expense		(42.0)	(47.9)
Gross profit		716.5	637.2
Other income		4.2	4.6
Employee benefits expense		(204.6)	(200.2)
Energy expenses		(143.8)	(142.2)
Stores and consumables used		(95.4)	(89.8)
Contracting and consulting expense		(79.5)	(70.6)
Other expense		(30.7)	(29.9)
Depreciation, amortisation and depletion		(126.3)	(124.1)
Result from operating activities before exceptional items		40.4	(15.0)
M&A related transaction expense		-	(0.1)
Restructuring expense		(4.1)	(3.0)
Impairment loss	5	(417.5)	-
Result from operating activities		(381.2)	(18.1)
Finance income		0.5	0.6
Finance expense		(61.7)	(59.0)
Net foreign exchange gain / (loss)		3.1	(1.7)
Net finance expense		(58.1)	(60.1)
Share of (loss) / profit of equity accounted investees		(0.1)	0.1
Gain on the disposal of equity accounted investees		-	1.0
Loss before income tax		(439.4)	(77.1)
Income tax benefit	4	189.3	11.5
Loss for the period		(250.1)	(65.6)
Attributable to:			
Equity holders of the parent		(250.1)	(65.6)
Loss per share for profit attributable to the equity holders of the Company during the period (expressed in EUR per share)			
basic	14	(0.76)	(0.33)
diluted	14	(0.76)	(0.33)

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 2015	six months ended 30 Jun 2014
Loss for the period		(250.1)	(65.6)
Other comprehensive income			
Items that may be reclassified to profit or loss:			
Foreign currency translation differences		56.4	24.7
Gains / (losses) on cash flow hedges		23.7	(4.3)
Less: transfers to the income statement		(1.3)	0.4
Income tax (expense) / benefit		(4.5)	0.7
Change in fair value of investments in equity securities		0.8	2.4
Items that will not be reclassified to profit or loss:			
Remeasurements of defined benefit plans		-	-
Income tax benefit		-	-
Other comprehensive income for the period, net of tax		75.1	23.9
Total comprehensive loss for the period		(175.0)	(41.7)
Attributable to:			
Equity holders of the parent		(175.0)	(41.7)
Non-controlling interest		-	-
Total comprehensive loss for the period		(175.0)	(41.7)

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INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

EUR million	Note	as at 30 Jun 2015	as at 31 Dec 2014
Property, plant and equipment	6	1,653.0	1,917.3
Intangible assets		14.8	14.0
Investments in equity accounted investees	5	5.5	15.8
Investments in equity securities	8	29.3	28.2
Deferred income tax assets		326.0	181.5
Other financial assets	8	59.8	31.5
Other assets		4.5	2.5
Total non-current assets		2,092.9	2,190.8
Inventories		655.0	625.6
Trade and other receivables		271.3	201.4
Prepayments		19.0	15.9
Current income tax assets		11.5	11.2
Other financial assets	8	74.9	39.6
Other assets		4.5	1.0
Cash and cash equivalents		203.6	498.5
Total current assets		1,239.8	1,393.2
Total assets		3,332.7	3,584.0
Share capital and share premium		1,892.0	1,892.7
Reserves	16	(45.2)	(120.3)
Accumulated losses		(1,065.5)	(817.1)
Total equity attributable to equity holders of the parent		781.3	955.3
Non-controlling interest		-	-
Total equity		781.3	955.3
Loans and borrowings	7	454.4	862.2
Deferred income tax liabilities		107.5	158.0
Provisions		231.5	214.9
Employee benefits		89.3	86.8
Other financial liabilities	8	0.3	0.1
Deferred income	9	90.8	89.5
Total non-current liabilities		973.8	1,411.5
Trade and other payables		591.8	610.5
Current income tax liabilities		4.2	8.1
Loans and borrowings	7	415.9	74.6
Provisions		12.0	12.0
Employee benefits		38.4	58.4
Other financial liabilities	8	13.2	27.9
Deferred income	9	501.6	425.3
Other liabilities		0.5	0.4
Total current liabilities		1,577.6	1,217.2
Total liabilities		2,551.4	2,628.7
Total equity and liabilities		3,332.7	3,584.0

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

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 2015		960.9	931.8	(120.3)	(817.1)	955.3	-	955.3
Loss for the period		-	-	-	(250.1)	(250.1)	-	(250.1)
Other comprehensive income		-	-	75.1	-	75.1	-	75.1
Total comprehensive loss		-	-	75.1	(250.1)	(175.0)	-	(175.0)
Cost related to prior capital increase		-	(0.7)	-	-	(0.7)	-	(0.7)
Treasury shares	13	-	-	-	0.2	0.2	-	0.2
Share-based payments		-	-	-	1.5	1.5	-	1.5
As at 30 Jun 2015		960.9	931.1	(45.2)	(1,065.5)	781.3	-	781.3

EUR million	Note	Share capital	Share premium	Reserves	Accumulated losses	Total amount attributable to shareholders	Non-controlling interest	Total equity
As at 1 Jan 2014		1,297.6	352.1	(274.5)	(505.6)	869.6	-	869.6
Loss for the period		-	-	-	(65.6)	(65.6)	-	(65.6)
Other comprehensive income		-	-	23.9	-	23.9	-	23.9
Total comprehensive loss		-	-	23.9	(65.6)	(41.7)	-	(41.7)
Treasury shares	13	-	-	5.8	(0.5)	5.3	-	5.3
Share-based payments		-	-	-	1.4	1.4	-	1.4
As at 30 Jun 2014		1,297.6	352.1	(244.8)	(570.3)	834.6	-	834.6

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INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

EUR million	Note	six months ended 30 Jun 2015	six months ended 30 Jun 2014
Loss for the year		(250.1)	(65.6)
Adjustment for:			
Depreciation, amortisation and depletion		126.3	124.1
Income tax benefit		(189.3)	(11.5)
Net finance expense		58.1	60.1
Share of loss / (profit) in equity accounted investees		0.1	(0.1)
Impairment loss	5	417.5	-
Equity settled share based payment transactions		1.4	1.9
Other non-monetary items		(34.3)	4.2
Gain on disposal of equity accounted investees		-	(1.0)
Gain on sale of property, plant and equipment		(0.6)	(1.2)
Cash flow from operating activities before working capital changes		129.1	110.9
Change in inventories		20.1	4.8
Change in trade and other receivables		(58.0)	(27.9)
Change in prepayments		(6.4)	5.3
Change in deferred income		33.8	30.7
Change in trade and other payables		(42.2)	47.4
Change in other assets and liabilities		(54.0)	14.5
Change in provisions and employee benefits		(31.5)	4.2
Income tax paid		(4.9)	(23.1)
Cash flow (used in) / from operating activities		(14.0)	166.8
Acquisition of property, plant and equipment	6	(176.0)	(90.4)
Acquisition of intangible assets		(0.8)	(0.4)
Proceeds from sale of property, plant and equipment		1.1	1.6
Proceeds from sale of intangible assets		-	1.2
Proceeds from sale of equity accounted investees		-	3.3
Interest received		0.5	0.5
Cash flow used in investing activities		(175.2)	(84.2)
Sale of own shares	13	-	4.9
Proceeds from borrowings		4.3	-
Repayment of borrowings		(74.0)	(3.1)
Change in SCTF		-	-
Interest paid		(66.7)	(69.9)
Cash flow used in financing activities		(136.4)	(68.1)
Net (decrease) / increase in cash held		(325.6)	14.5
Cash at beginning of the reporting period		498.5	292.3
Exchange fluctuations		30.7	2.7
Cash at end of the reporting period		203.6	309.5

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

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 2015 comprises 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 2015 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 22 July 2015.

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 2014 (available at <http://www.nyrstar.com>). The unaudited interim condensed consolidated financial statements for the six months ended 30 June 2015 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 2014, except for the adoption of the following new and revised standards and interpretations effective as of 1 January 2015:

- IFRIC 21 Levies – Guidance on when to recognize a liability for a levy imposed by a government
- Annual Improvements 2011-2013 Cycle – a collection of amendments to IFRSs, in response to issues addressed during the 2011–2013 cycle

The nature and impact is described below:

IFRIC 21 Levies – Guidance on when to recognize a liability for a levy imposed by a government

IFRIC 21 provides guidance on when to recognize a liability for a levy imposed by a government, both for levies that are accounted for in accordance with IAS 37 Provisions, Contingent Liabilities and Contingent Assets and those where the timing and amount of the levy is certain. The Interpretation identifies the obligating event for the recognition of a liability as

the activity that triggers the payment of the levy in accordance with the relevant legislation. IFRIC 21 has been applied retrospectively with no impact on the Group's reported financial position or performance.

Annual Improvements 2011-2013 Cycle – a collection of amendments to IFRSs, in response to issues addressed during the 2011–2013 cycle

The IASB issued 'Annual Improvements to IFRSs 2011–2013 Cycle', a collection of amendments to IFRSs, in response to issues addressed during the 2011–2013 cycle. The following standards are affected by the amendments:

- IFRS 1, clarify which versions of IFRSs can be used on initial adoption (amends basis for conclusions only)
- IFRS 3, clarify that IFRS 3 excludes from its scope the accounting for the formation of a joint arrangement in the financial statements of the joint arrangement itself
- IFRS 13, clarify the scope of the portfolio exception in paragraph 52
- IAS 40, clarify the interrelationship of IFRS 3 and IAS 40 when classifying property as investment property or owner-occupied property

The adoption of the annual improvement 2011-2013 cycle 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 2014.

For the six months ended 30 Jun 2015, EUR million	Mining	Metals Processing	Other and eliminations	Total
Revenue from external customers	28.5	1,472.8	-	1,501.3
Inter-segment revenue	183.0	0.3	(183.3)	-
Total segment revenue	211.5	1,473.1	(183.3)	1,501.3
Payable metal / free metal contribution	206.4	142.0	0.1	348.5
Treatment charges	(42.5)	232.9	-	190.4
Premiums	-	85.8	0.2	86.0
By-products	47.5	104.5	-	152.0
Other	(14.2)	(45.2)	(1.0)	(60.4)
Gross Profit	197.2	520.0	(0.7)	716.5
Employee expenses	(76.9)	(110.1)	(17.6)	(204.6)
Energy expenses	(23.5)	(118.4)	(0.1)	(142.0)
Other expenses / income	(92.9)	(98.9)	(13.7)	(205.5)
Direct operating costs	(193.3)	(327.4)	(31.4)	(552.1)
Non-operating and other	1.9	(9.9)	12.0	4.0
Underlying EBITDA	5.8	182.7	(20.1)	168.4
Depreciation, amortisation and depletion				(126.3)
Restructuring expense				(4.1)
Impairment loss				(417.5)
Embedded derivatives				(1.8)
Gain on the disposal of equity accounted investees				-
Net finance expense				(58.1)
Income tax benefit				189.3
Loss for the period				(250.1)
Capital expenditure	(50.0)	(124.7)	(2.5)	(177.2)

For the six months ended 30 Jun 2014, EUR million	Mining	Metals Processing	Other and eliminations	Total
Revenue from external customers	45.3	1,308.4	-	1,353.7
Inter-segment revenue	187.9	0.2	(188.1)	-
Total segment revenue	233.2	1,308.6	(188.1)	1,353.7
Payable metal / free metal contribution	168.4	123.9	(1.8)	290.5
Treatment charges	(39.1)	174.4	0.7	136.0
Premiums	-	75.4	0.3	75.7
By-products	90.1	102.2	0.1	192.4
Other	(11.5)	(45.5)	(0.4)	(57.4)
Gross Profit	207.9	430.4	(1.1)	637.2
Employee expenses	(68.6)	(102.4)	(29.2)	(200.2)
Energy expenses	(25.0)	(116.7)	-	(141.7)
Other expenses / income	(77.8)	(88.3)	(19.2)	(185.3)
Direct operating costs	(171.4)	(307.4)	(48.4)	(527.2)
Non-operating and other	(10.6)	(14.8)	25.1	(0.3)
Underlying EBITDA	25.9	108.2	(24.4)	109.7
Depreciation, amortisation and depletion				(124.1)
Restructuring expense				(3.0)
Impairment loss				-
Embedded derivatives				(0.5)
Gain on the disposal of equity accounted investees				1.0
Net finance expense				(60.1)
Income tax benefit				11.5
Loss for the period				(65.6)
Capital expenditure	(45.7)	(44.9)	(2.0)	(92.6)

4. INCOME TAX BENEFIT

Nyrstar recognised an income tax benefit for the six months ended 30 June 2015 of EUR 189.3 million (for the six months ended 30 June 2014: EUR 11.5 million) representing an effective tax rate of 43.1% (30 June 2014: 14.9%) based on management's best estimate of the weighted average annual income tax rate expected for the full financial year. The effective tax rate is impacted by the results of impairment testing undertaken in the period and the associated recognition of deferred tax assets. Further, the effective tax rate is impacted by losses incurred by the Group for which no tax benefit has been recognised.

Reconciliation of effective tax rate:

EUR million	six month ended 30 Jun 2015	six month ended 30 Jun 2014
Loss before income tax	(439.4)	(77.1)
Tax at aggregated weighted average tax rate (2015: 38.1% / 2014: 35.4%)	167.4	27.3
(Non-deductible) / non-taxable amounts	144.2	(1.5)
Net non-recognition of tax assets	(121.4)	(5.6)
Prior year adjustments and tax rate change	2.0	(7.3)
Non-recoverable withholding tax	(2.9)	(1.4)
Income tax benefit	189.3	11.5
Effective tax rate	43.1%	14.9%

5. IMPAIRMENT LOSS

The carrying values of assets related to the Metals Processing and to the Mining segments at 30 June 2015 are EUR 1,055.0 million and EUR 623.6 million respectively. At 30 June 2015 Nyrstar tested all of its mining assets for impairment. In the six months ended 30 June 2015 Nyrstar recognised pre-tax impairment losses of EUR 417.5 million (30 June 2014: Nil). The majority of the impairment losses relate to pre-tax impairment charges on Nyrstar's Mining assets of EUR 407.3 million (30 June 2014: EUR Nil). The remaining impairment charges relate to non-core operations of the Group of EUR 10.2 million (30 June 2014: EUR Nil).

The allocation of the impairment charges for the period to individual assets, cash generating units and operating segments is outlined below:

in EUR million	whereof			
	Impairment (loss) / reversal	Property, plant and equipment	Investments	Other
Campo Morado	(375.9)	(375.9)	-	-
El Toqui	(17.5)	(17.5)	-	-
Myra Falls	(7.8)	(7.8)	-	-
Langlois	(5.7)	(5.7)	-	-
Peruvian mines	(0.4)	-	-	(0.4)
Mining	(407.3)	(406.9)	-	(0.4)
Investments in equity accounted investees	(10.2)	-	(10.2)	-
Other non-core assets of the Group ¹	(10.2)	-	(10.2)	-
Total	(417.5)	(406.9)	(10.2)	(0.4)

¹ Other non-core operations were not part of the Mining and Metals Processing segments and the impairment losses therefore remained unallocated to operating segments and are included in Other and eliminations in Note 3

Impairment testing for mining operations

Recoverable values were determined in their functional currencies on the basis of fair value less cost to sell (FVLCS) for each operation. The FVLCS recoverable values for Mining operations were determined as the present value of the estimated future cash flows (expressed in real terms) expected to arise from the continued use of the assets (life of asset), including reasonable forecast expansion prospects and using assumptions that an independent market participant would take into account. These cash flows were discounted using a real after-tax discount rate that reflected current market assessments of the time value of money and the risks specific to the operation. The FVLCS measurement represents in its entirety Level 3 of the fair value hierarchy. Management projected the cash flows over the expected life of the mines, which varied from 6 to 13 years.

The key assumptions underlying the FVLCS were forecast commodity prices, foreign exchange rates, treatment charges, discount rates, production assumptions and capital and operating costs.

Commodity price and foreign exchange forecasts were developed from externally available forecasts from a number of different market commentators. Given the wide range of forecast metal prices and considering the current uncertainty relative to economic growth in some parts of the world, a broad range of externally available reputable forecasts were utilised in establishing the robust composite price sets whereby equal weighting was applied to each of the individual forecasts in order to exclude any bias. The metal prices applied in the impairment assessment varied in accordance with the year the sale was expected to occur with long term prices effective from 2021. The ranges of prices used are outlined in the table below:

	Low	High	Long term
Commodity prices (USD)			
Zinc (per tonne)	2,261	2,681	2,490
Lead (per tonne)	1,981	2,179	2,172
Copper (per tonne)	6,105	6,783	6,783
Gold (per ounce)	1,195	1,311	1,269
Silver (per ounce)	16.84	20.39	19.94
Foreign exchange rates (versus USD)			
Mexican Peso	13.9	15.2	14.3
Canadian dollar	1.13	1.24	1.13
Chilean Peso	551	620	551

Zinc treatment charge assumptions are determined by reference to benchmark treatment charges and historical treatment charge rates as a proportion of the associated metal price and range from 8% to 12% of the underlying metal price.

Discount rates are determined using a weighted average cost of capital methodology on an operation specific basis. The discount rates applied for operations with impairment charges on property, plant and equipment are outlined in the table below:

	Discount rate
Campo Morado	12.10%
Langlois / Myra Falls	8.10%
El Toqui	9.20%

Production assumptions and capital and operating costs are determined based on approved budgets and forecasts with greater weight given to historical results unless definitive plans are in place for capital projects which are expected to have a significant, favourable effect on the operation. In such circumstances, expenditures associated with the capital project are incorporated into the FVLCS model.

Impairment charges related to mining operations

Based on the results of its impairment testing at 30 June 2015, the Group has recorded impairment losses related to its mining operations totalling EUR 407.3 million (30 June 2014: Nil). The main component of the impairment loss was the full write-down of the carrying value of the Campo Morado mine of EUR 376 million due to uncertainty related to the restart of the mine due to the ongoing security risks in the Mexican State of Guerrero combined with the application of the most recent operational and commercial assumptions to the Mineral Resource block model and the ensuing life of mine plan. Smaller reductions to the carrying values were recorded for the El Toqui, Langlois and Myra Falls mines driven primarily by the application of the most recent commercial assumptions.

Other non-core assets of the Group

In the six months ended 30 June 2015 Nyrstar recognised impairment losses of EUR 10.2 million (30 June 2014: Nil) on its 22.1% investment in Ironbark Zinc Limited, primarily as a result of the application of the most recent commercial assumptions.

6. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2015 the Group's capital expenditure in the normal course of business amounted to EUR 176.4 million (six months ended 30 June 2014: EUR 92.2 million).

7. 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 2015	as at 31 Dec 2014
Convertible bonds	107.6	106.0
Fixed rate bonds	336.8	751.3
Unsecured bank loans	8.7	3.0
Finance lease liabilities	1.3	1.9
Total non-current loans and borrowings	454.4	862.2
Fixed rate bonds	414.8	72.6
Finance lease liabilities	1.1	2.0
Total current loans and borrowings	415.9	74.6
Total loans and borrowings	870.3	936.8

Fixed rate bonds

In March 2015, Nyrstar bought back its own 5.5% fixed rate bonds with a face value of EUR 5.8 million for a total cash consideration of EUR 5.9 million.

In April 2015 Nyrstar repaid its 5.5% fixed rate bonds with an original face value of EUR 225 million, due April 2015.

SCTF credit facility

SCTF credit facility is a secured multi-currency revolving structured commodity trade finance credit facility with a limit of EUR 400 million. The facility was refinanced at the end of June 2015 and has a maturity of four years (with run-off period during the fourth year leading to a maturity of June 2019). The facility includes an accordion to increase its size to EUR 750 million on a pre-approved but uncommitted basis.

Funds drawn under the facility bear interest at EURIBOR plus a margin of 2.25%.

Directly attributable transaction costs will be recognised in the Income Statement using the effective interest rate method over the term of the credit facility.

Transaction cost related to the new SCTF credit facility amount to EUR 3.5 million. The unamortised transaction costs of EUR 1.3 million related to the previous SCTF credit facility were fully expensed in June 2015.

8. 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 of EUR 751.6 million (31 December 2014: EUR 823.9 million) and the convertible bonds of EUR 107.6 million (31 December 2014: EUR 106.0 million), with fair values based on quoted prices in active markets (Level 1 measurement), of EUR 785.6 million (31 December 2014: EUR 843.0 million) and EUR 134.9 million (31 December 2014: EUR 125.0 million) respectively.

The fair value measurement 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 2014.

EUR million	Valuation technique(s) and key input(s)	Level 1	Level 2	Level 3	Total Jun 30, 2015
Investment in equity securities (i)		29.3	-	-	29.3
Commodity contracts – fair value hedges	a	-	45.8	-	45.8
Commodity contracts – cash flow hedges	a	-	18.7	-	18.7
Foreign exchange contracts – held for trading	b	-	8.8	-	8.8
Foreign exchange contracts – cash flow hedges	b	-	1.3	-	1.3
Embedded derivative	c	-	1.0	-	1.0
Total		-	75.6	-	75.6
Commodity contracts – fair value hedges	a	-	(11.4)	-	(11.4)
Foreign exchange contracts – held for trading	b	-	(2.1)	-	(2.1)
Total		-	(13.5)	-	(13.5)

EUR million	Valuation technique(s) and key input(s)	Level 1	Level 2	Level 3	Total Dec 31, 2014
Investment in equity securities (i)		28.2	-	-	28.2
Commodity contracts – fair value hedges	a	-	15.7	-	15.7
Commodity contracts – cash flow hedges	a	-	8.1	-	8.1
Foreign exchange contracts – held for trading	b	-	13.4	-	13.4
Foreign exchange contracts – cash flow hedges	b	-	1.4	-	1.4
Embedded derivative	c	-	1.1	-	1.1
Total		-	39.7	-	39.7
Commodity contracts – fair value hedges	a	-	(3.8)	-	(3.8)
Foreign exchange contracts – held for trading	b	-	(23.9)	-	(23.9)
Embedded derivative	c	-	(0.3)	-	(0.3)
Total		-	(28.0)	-	(28.0)

(i) All investments in equity securities are measured at level 1 under the fair value measurements using quoted bid prices in an active market, with the exception of the company's investment of EUR 4.2 million (31 December 2014: EUR 4.2 million) in Exeltium SAS, which is a private company and carried at cost and has not been included in the tables above.

For level 2 fair value measurements, fair values are determined based on the underlying notional amount and the associated observable forward prices/rates in active markets. The key inputs in these valuations are as follows (with reference to the tables above):

- a) forward commodity prices in active market
- b) forward exchange rates in active market
- c) forward electricity prices in active market

9. DEFERRED INCOME

Deferred income consists of payments received by the Company from customers for future physical deliveries of metal production that are expected to be settled in normal course of business.

In October 2014, Nyrstar entered into a forward sale of a portion of the future incremental silver production from the Port Pirie smelter for a gross upfront payment of approximately AUD 120 million (net proceeds of EUR 85.2 million) in order to fund the second component of the funding package of the redevelopment of its smelter in Port Pirie. The forward sale is for a term of five years. Under the terms of the forward sale, the majority of the silver volumes will be delivered under a defined delivery schedule post commissioning of the redeveloped Port Pirie smelter from 2016 until the end of 2019. Silver prices have been hedged with counterparties.

In December 2014 Nyrstar entered into silver prepay agreements, under which Nyrstar received approximately USD 124.6 million (EUR 102.7 million) prepayment and agreed to physically deliver 9.4 million oz of silver in equal instalments over a six month period ended June 2015. The silver prepayments have been amortised into revenue as the underlying silver was physically delivered. As at 30 June 2015, the agreed tonnage of silver was fully delivered.

During the six months ended 30 June 2015 Nyrstar entered into silver prepay agreements under which Nyrstar received approximately USD 175 million (EUR 156.4 million) prepayment and agreed to physically deliver 13.1 million oz of silver in monthly instalments. The silver prepayments are amortised into revenue as the underlying silver is physically delivered. As at 30 June 2015, 0.2 million oz of silver have been delivered. The remaining 12.2 million oz will be delivered in the second half of 2015 and 0.7 million oz will be delivered between January 2016 and March 2017.

In connection with these silver prepay agreements Nyrstar entered into forward purchase contracts with equivalent delivery dates to hedge the silver price exposure related to delivery commitments. These contracts are accounted for as effective fair value hedges of the firm sales commitments in the silver prepay agreements. The change in fair value of the forward purchase contracts of EUR 6.5 million has been included in other financial liabilities and the portion of deferred income related to the silver prepay agreement of EUR 6.5 million effectively offsets in the income statement.

10. DIVIDENDS

In the six months ended 30 June 2015 and 2014 no dividends were paid to shareholders. The Board of Directors has not proposed any dividends to be paid in 2015 and 2014.

11. SHARE CAPITAL AND SHARE PREMIUM

As at 30 June 2015 the share capital of Nyrstar NV comprised 340,045,088 ordinary shares (31 December 2014: 340,045,088 ordinary shares) with a par value of EUR 0.1 (31 December 2014: EUR 0.1).

12. SHARE BASED PAYMENTS

In addition to the share based payment plans disclosed in the notes to the consolidated financial statements as at 31 December 2014, the following grants have been settled and a new grant, grant 8 with a grant date of 30 June 2015 was made in accordance with the rules and conditions of the Nyrstar Executive Long Term Incentive Plan (LTIP).

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

Executive Long Term Incentive Plan (Grant 8)

As at 30 June 2015 an eighth grant (Grant 8) was made in accordance with the rules and conditions of the LTIP. 3,803,515 awards were granted with an effective accounting grant date of 30 June 2015 and a performance period of 3 years, commencing 1 January 2015, 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 8 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 8 is 30 June 2015, the fair value of services received in return for the shares issued for the six month period to 30 June 2015 is deemed to be nil.

Settlement of LTIP Grant 4

During the six months ended 30 June 2014, the Group settled the remainder of the 72,219 instruments outstanding under the LTIP Grant 4 for a cash consideration of EUR 0.2 million.

Leveraged Employee Stock Ownership Plan (LESOP)

No shares have been granted under the LESOP plan during the six months ended 30 June 2015.

The second stage of the 2013 LESOP was implemented in March 2014. 500,000 shares were granted, with an effective accounting grant date of 31 March 2014. The shares vested immediately at the grant date. The fair value per share at the grant date was EUR 0.69, resulting in the total fair value of EUR 0.3 million fully recognised in the six months period ended 30 June 2014.

The 2014 LESOP was approved by the general shareholder's meeting in April 2014. 2,500,000 shares were granted, with an effective accounting grant date of 18 June 2014. The shares vested immediately at the grant date. The fair value per share at the grant date was EUR 0.11, resulting in the total fair value of EUR 0.3 million fully recognised in the six months period ended 30 June 2014.

Deferred Shares Awards

During the six months ended 30 June 2015, the Group settled the 2013 Deferred Shares Awards. A total of 92,832 treasury shares were allocated to settle the awards.

During the six months ended 30 June 2014, the Group settled the 2012 Deferred Shares Awards. A total of 140,639 treasury shares were allocated to settle the awards.

The fair value of the service received in return for these awards for the six months ended 30 June 2015 amounts to EUR 0.6 million (for the six months ended 30 June 2014: EUR 0.5 million)

13. TREASURY SHARES

The treasury shares reserve comprises the par value of the Company's shares held by the Group. As at 30 June 2015, the Group held a total of 12,571,225 of the shares (31 December 2014: 12,664,057).

	six month ended 30 Jun 2015	six month ended 30 Jun 2014
Movement in treasury shares		
As at 1 Jan	12,664,057	15,338,431
Sales	-	(2,500,000)
Employee share based payment plan (Note 12)	(92,832)	(140,693)
As at 30 June	12,571,225	12,697,738

In May 2014 Nyrstar sold 2,500,000 shares to a financial institution and the participants in relation with the LESOP (note 12), for a cash consideration of EUR 4.9 million.

14. EARNINGS PER SHARE

(a) Basic loss per share

The calculation of basic loss per share (EPS) for the six months ended 30 June 2015 was based on the loss attributable to ordinary shareholders of EUR 250.1 million (for the six months ended 30 June 2014: loss of EUR 65.6 million) and a weighted average number of ordinary shares outstanding of 327.4 million (30 June 2014: 200.2 million). The basic EPS is calculated as follows:

EUR million	six months ended 30 Jun 2015	six months ended 30 Jun 2014
Loss attributable to ordinary shareholders (basic)	(250.1)	(65.6)
Weighted average number of ordinary shares (basic, in million) ⁽¹⁾	327.4	200.2
Loss per share (basic, in EUR)	(0.76)	(0.33)

1) In relation to the rights offering, the comparative earnings per share for 30 June 2014 have been restated to retroactively reflect the impact of the September 2014 rights issue. As the rights issue was offered at a discount (EUR 1.48) to market value (EUR 2.68), the weighted average number of shares outstanding for 30 June 2014 was 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 2014 of approximately 29 %.

(b) Diluted loss per share

As the entity incurred a loss for the six months ended 30 June 2015, the diluted loss per share EUR 0.76 equals the basic loss per share (for the six months ended 30 June 2014: EUR 0.33).

15. 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 2015	as at 31 Dec 2014
Within one year	155.2	116.8
Between one and five years	-	1.0
More than five years	-	-
Total	155.2	117.8

16. RESERVES

EUR million	Treasury shares	Translation reserves	Reverse acquisition reserve	Cash flow hedge reserve	Convertible bond	Investments reserve	Total
As at 1 Jan 2015	(1.2)	85.5	(265.4)	34.4	24.5	1.9	(120.3)
Gains on cash flow hedges	-	-	-	17.9	-	-	17.9
Foreign currency translation differences	-	56.4	-	-	-	-	56.4
Change in fair value of investments in equity securities	-	-	-	-	-	0.8	0.8
As at 30 June 2015	(1.2)	141.9	(265.4)	52.3	24.5	2.7	(45.2)

EUR million	Treasury shares	Translation reserves	Reverse acquisition reserve	Cash flow hedge reserve	Convertible bond	Investments reserve	Total
As at 1 Jan 2014	(33.4)	(20.5)	(265.4)	19.1	24.5	1.2	(274.5)
Losses on cash flow hedges	-	-	-	(3.2)	-	-	(3.2)
Foreign currency translation differences	-	24.7	-	-	-	-	24.7
Change in fair value of investments in equity securities	-	-	-	-	-	2.4	2.4
(Acquisition) / distribution of treasury shares	5.8	-	-	-	-	-	5.8
As at 30 June 2014	(27.6)	4.2	(265.4)	15.9	24.5	3.6	(244.8)

17. CONTINGENCIES

No environmental incidents with material business consequences occurred in H1 2015.

The regulatory processes initiated at Coricancha and Contonga in 2014, as disclosed in the consolidated financial statements for the year ended 31 December 2014, remain open. Efforts to return the sites to compliance are being pursued, however the potential for regulatory action cannot be excluded.

Addition to the above Nyrstar is subject to 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.

18. SUBSEQUENT EVENTS

There have been no material reportable events subsequent to 30 June 2015.

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 2015, 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 18 offers a fair and balanced review of the overall performance of the business during the six month period ended 30 June 2015, 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 2014 Annual Report; these risks and uncertainties remain applicable for the financial performance of the Group for the remainder of 2015.

Brussels, 22 July 2015

A handwritten signature in blue ink, appearing to read "Eigner".

Heinz Eigner
Acting Chief Executive Officer & Chief Financial Officer

Nyrstar NV

**Report on review
of the consolidated interim financial
information for the six-month period
ended 30 June 2015**

The original text of this report is in Dutch

Nyrstar NV

Report on review of the consolidated interim financial information for the six-month period ended 30 June 2015

To the board of directors

We report to you in the context of our appointment as the company's statutory auditor. This report includes our report on the consolidated interim financial information. This consolidated interim financial information comprises the condensed consolidated statement of financial position as at 30 June 2015, the condensed consolidated income statement, the condensed consolidated statement of comprehensive income, the condensed consolidated statement of changes in equity and the condensed consolidated statement of cash flows for the period of six months then ended, as well as selective notes 1 to 18.

Report on the consolidated interim financial information

We have reviewed the consolidated interim financial information of Nyrstar NV ("the company") and its subsidiaries (jointly "the group"), prepared in accordance with International Financial Reporting Standard IAS 34 – *Interim Financial Reporting* as adopted by the European Union.

The condensed consolidated statement of financial position shows total assets of 3,332.7 million EUR and the condensed consolidated income statement shows a consolidated loss (group share) for the year then ended of 250.1 million EUR.

The board of directors of the company is responsible for the preparation and fair presentation of the consolidated interim financial information in accordance with IAS 34 – *Interim Financial Reporting* as adopted by the European Union. Our responsibility is to express a conclusion on this consolidated interim financial information based on our review.

Scope of review

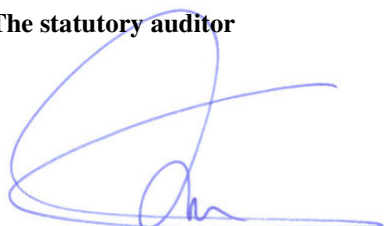
We conducted our review of the consolidated interim financial information in accordance with International Standard on Review Engagements (ISRE) 2410 – *Review of interim financial information performed by the independent auditor of the entity*. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit performed in accordance with the International Standards on Auditing (ISA) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion on the consolidated interim financial information.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the consolidated interim financial information of Nyrstar NV has not been prepared, in all material respects, in accordance with IAS 34 – *Interim Financial Reporting* as adopted by the European Union.

Diegem, 22 July 2015

The statutory auditor



DELOITTE Bedrijfsrevisoren / Reviseurs d'Entreprises

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

Represented by Gert Vanhees