

Nyrstar

Unaudited Interim Condensed Consolidated
Financial Statements

30 June 2016

INTERIM CONDENSED CONSOLIDATED INCOME STATEMENT

EUR million	Note	six months ended 30 Jun 2016	six months ended 30 Jun 2015*
Continuing operations			
Revenue		1,345.7	1,476.6
Raw materials used		(821.5)	(742.8)
Freight expense		(28.6)	(38.4)
Gross profit		495.6	695.4
Other income		4.8	3.7
Employee benefits expense		(162.0)	(197.4)
Energy expenses		(106.6)	(141.8)
Stores and consumables used		(66.5)	(88.7)
Contracting and consulting expense		(64.0)	(75.3)
Other expense		(21.3)	(30.1)
Depreciation, amortisation and depletion		(100.5)	(116.8)
Result from operating activities before exceptional items		(20.5)	49.0
Merger and acquisition related expense		(1.5)	-
Restructuring expense		(1.8)	(4.1)
Impairment loss	4,6	(106.1)	(400.0)
Result from operating activities		(129.9)	(355.1)
Finance income		0.6	0.5
Finance expense		(55.5)	(61.3)
Net foreign exchange (loss) / gain		(5.3)	4.2
Net finance expense		(60.2)	(56.6)
Share of loss of equity accounted investees		-	(0.1)
Loss before income tax		(190.1)	(411.8)
Income tax (expense) / benefit	5	(23.4)	183.2
Loss for the period from continuing operations		(213.5)	(228.6)
Discontinued operations			
Loss from discontinued operations, net of income taxes	4	(28.3)	(21.5)
Loss for the period		(241.8)	(250.1)
Attributable to:			
Equity holders of the parent		(241.8)	(250.1)
Loss per share for profit attributable to the equity holders of the Company during the period (expressed in EUR per share)			
basic	14	(2.98)	(4.39)
diluted	14	(2.98)	(4.39)

* Prior year amounts have been re-presented for the impact of the discontinued operation, see Note 4

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 2016	six months ended 30 Jun 2015*
Loss for the period		(241.8)	(250.1)
Other comprehensive income			
<i>Continuing operations</i>			
Items that may be reclassified to profit or loss:			
Foreign currency translation differences		(13.4)	45.0
(Losses) / gains on cash flow hedges		(21.2)	23.7
Less: transfers to the income statement		(3.6)	(1.3)
Income tax benefit / (expense)		4.6	(4.5)
Change in fair value of investments in equity securities		0.7	0.8
Other comprehensive (loss) / income for the period from continuing operations, net of tax		(32.9)	63.7
<i>Discontinued operations</i>			
Items that may be reclassified to profit or loss:			
Foreign currency translation differences		(1.9)	11.4
Other comprehensive (loss) / income for the period from discontinued operations, net of tax		(1.9)	11.4
Other comprehensive (loss) / income for the period, net of tax		(34.8)	75.1
Total comprehensive loss for the period		(276.6)	(175.0)
Attributable to:			
Equity holders of the parent		(276.6)	(175.0)
Non-controlling interest		-	-
Total comprehensive loss for the period		(276.6)	(175.0)

* Prior year amounts have been re-presented for the impact of the discontinued operation, see Note 4

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

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

EUR million	Note	as at 30 Jun 2016	as at 31 Dec 2015
Property, plant and equipment	7	1,475.6	1,607.8
Intangible assets		8.4	11.3
Investments in equity accounted investees		0.1	3.4
Investments in equity securities	9	25.6	20.9
Deferred income tax assets		338.9	349.3
Other financial assets	9	101.3	84.9
Other assets		1.2	3.8
Total non-current assets		1,951.1	2,081.4
Inventories		625.7	506.1
Trade and other receivables		187.7	218.1
Prepayments		13.0	12.5
Current income tax assets		9.1	14.6
Other financial assets	9	33.6	60.0
Other assets		-	5.0
Cash and cash equivalents		98.3	116.2
Assets classified as held for sale	4	55.7	-
Total current assets		1,023.1	932.5
Total assets		2,974.2	3,013.9
Share capital and share premium		2,153.1	1,892.0
Accumulated losses		(1,480.4)	(1,239.2)
Reserves	16	(25.7)	(9.2)
Foreign currency translation differences accumulated in equity relating to disposal group held for sale	16	27.0	-
Total equity attributable to equity holders of the parent		674.0	643.6
Total equity		674.0	643.6
Loans and borrowings	8	466.2	460.3
Deferred income tax liabilities		90.1	87.2
Provisions		190.2	199.7
Employee benefits		83.7	84.4
Other financial liabilities	9	98.6	134.5
Deferred income	10	64.0	79.8
Other liabilities		0.2	-
Total non-current liabilities		993.0	1,045.9
Trade and other payables		571.9	613.4
Current income tax liabilities		2.8	6.1
Loans and borrowings	8	300.2	417.0
Provisions		10.9	12.7
Employee benefits		44.4	43.8
Other financial liabilities	9	58.1	17.4
Deferred income	10	289.4	214.0
Other liabilities		6.4	-
Liabilities classified as held for sale	4	23.1	-
Total current liabilities		1,307.2	1,324.4
Total liabilities		2,300.2	2,370.3
Total equity and liabilities		2,974.2	3,013.9

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 2016		960.9	931.1	(9.2)	(1,239.2)	643.6	-	643.6
Loss for the period		-	-	-	(241.8)	(241.8)	-	(241.8)
Other comprehensive loss		-	-	(34.8)	-	(34.8)	-	(34.8)
Total comprehensive loss		-	-	(34.8)	(241.8)	(276.6)	-	(276.6)
Capital increase		63.2	199.1	-	-	262.3	-	262.3
Change in par value		1.2	(1.2)	-	-	-	-	-
Treasury shares	13	(1.2)	-	1.2	-	-	-	-
Issuance of perpetual instrument		-	-	45.2	-	45.2	-	45.2
Distribution from reserves		-	-	(1.1)	-	(1.1)	-	(1.1)
Share-based payments		-	-	-	0.6	0.6	-	0.6
As at 30 Jun 2016		1,024.1	1,129.0	1.3	(1,480.4)	674.0	-	674.0

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 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)
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

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

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

EUR million	Note	six months ended 30 Jun 2016	six months ended 30 Jun 2015
Loss for the year		(241.8)	(250.1)
Adjustment for:			
Depreciation, amortisation and depletion		109.8	126.3
Income tax expense / (benefit)	5	29.4	(189.3)
Net finance expense		59.7	58.1
Share of loss in equity accounted investees		-	0.1
Impairment loss	4,6	124.0	417.5
Equity settled share based payment transactions		2.5	1.4
Other non-monetary items		(17.7)	(34.3)
Gain on sale of property, plant and equipment		(0.7)	(0.6)
Cash flow from operating activities before working capital changes		65.2	129.1
Change in inventories		(139.9)	20.1
Change in trade and other receivables		24.6	(58.0)
Change in prepayments		(0.6)	(6.4)
Change in deferred income		68.2	33.8
Change in trade and other payables		(18.4)	(42.2)
Change in other assets and liabilities		1.4	(54.0)
Change in provisions and employee benefits		(4.4)	(31.5)
Income tax paid		(11.5)	(4.9)
Cash flow used in operating activities		(15.4)	(14.0)
Acquisition of property, plant and equipment	7	(131.1)	(176.0)
Acquisition of intangible assets		-	(0.8)
Proceeds from sale of property, plant and equipment		1.5	1.1
Proceeds from sale of intangible assets		0.5	-
Interest received		0.6	0.5
Cash flow used in investing activities		(128.5)	(175.2)
Capital increase		262.3	-
Proceeds from borrowings		105.7	4.3
Repayment of borrowings		(415.3)	(74.0)
Change in SCTF credit facility		197.2	-
Issue of perpetual instrument		45.2	-
Distribution from reserves		(1.1)	-
Interest paid		(62.2)	(66.7)
Cash flow from / (used in) financing activities		131.8	(136.4)
Net decrease in cash held		(12.1)	(325.6)
Cash at beginning of the reporting period		116.2	498.5
Exchange fluctuations		(1.6)	30.7
Cash at end of the reporting period		102.5	203.6

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 2016 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 2016 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 5 August 2016.

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 2015 (available at <http://www.nyrstar.com>).

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

(b) Going concern

The Company is of the opinion that, taking into account its available cash and cash equivalents (including undrawn committed facilities), an assumed zinc price of USD 2,200 per tonne (consistent with current spot prices) and with the exception of El Toqui (note 4) continued ownership of its mining assets, it has sufficient liquidity to meet its present obligations and cover its working capital needs for a period of at least 12 months from the date of authorisation of the 30 June 2016 unaudited interim condensed consolidated financial statements.

The Company's forecast liquidity requirement is sensitive to the zinc price. The Company stress tested its forecast liquidity requirement, and assuming all feasible mitigating measures are implemented, the Company would have sufficient liquidity at a zinc price below the average price for each of the five preceding years.

In note 2(b) of the Consolidated Financial Statements for 31 December 2015 (the "2015 financial statements"), the Company reported a material uncertainty relating to its ability to remain compliant with its financial covenants. Due to the rights offering being successfully completed in February 2016 (note 11), the improvement in zinc prices from USD 1,600 as at 31 December 2015 to USD 2,102 as at 30 June 2016, and the Company repaying the May 2016 bonds, the Company has remained compliant with its financial covenants and the headroom on its covenants has increased. Further, based on the continuing similar macroeconomic environment, the Company is of the view that the headroom should be sufficient to absorb potential future losses in the event the mining assets are sold below carrying values or further impaired. Therefore, the Company does not believe there is a material uncertainty relating to its ability to remain compliant with its covenants as at 30 June 2016.

As such, the interim condensed consolidated financial statements have been prepared on a going concern basis. No adjustments have been recorded with respect to the valuation or the classification of certain balance sheet items, which would be required, should the Company no longer be able to meet its funding requirements and no longer have access to adequate and sufficient financial resources to continue its operations for the foreseeable future.

(c) 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 2015, except for the adoption of the following new and revised standards and interpretations effective as of 1 January 2016:

- Annual Improvements to IFRSs 2010-2012 Cycle – a collection of amendments to IFRSs, in response to issues addressed during the 2010–2012 cycle
- Annual Improvements to IFRSs 2012-2014 Cycle – a collection of amendments to IFRSs, in response to issues addressed during the 2012–2014 cycle
- Amendments to IAS 19 – Defined Benefit Plans: Employee Contributions
- Amendments to IAS 27 – Equity Method in Separate Financial Statements
- Amendments to IAS 1 – Disclosure Initiative
- Amendments to IAS 16 and IAS 38 – Clarification of Acceptable Methods of Depreciation and Amortisation
- Amendments to IFRS 11 – Accounting for Acquisitions of Interests in Joint Operations
- Amendments to IAS 16 and IAS 41 – Bearer Plants

The nature and impact is described below:

Annual Improvements to IFRSs 2010-2012 Cycle

The IASB issued 'Annual Improvements to IFRSs 2010-2012 Cycle', a collection of amendments to IFRSs, in response to issues addressed during the 2010-2012 cycle. The following standards are affected by the amendments:

- IFRS 2, amends the definitions of 'vesting condition' and 'market condition' and adds definitions for 'performance condition' and 'service condition'
- IFRS 3, requires contingent consideration that is classified as an asset or a liability to be measured at fair value at each reporting date
- IFRS 8, requires disclosure of the judgements made by management in applying the aggregation criteria to operating segments, clarify reconciliations of segment assets only required if segment assets are reported regularly
- IFRS 13, clarifies that issuing IFRS 13 and amending IFRS 9 and IAS 39 did not remove the ability to measure certain short-term receivables and payables on an undiscounted basis (amends basis for conclusions only)
- IAS 16 and IAS 38, clarifies that the gross amount of property, plant and equipment is adjusted in a manner consistent with a revaluation of the carrying amount
- IAS 24, clarifies how payments to entities providing management services are to be disclosed

The adoption of the annual improvement 2010-2012 cycle did not have a material impact on the Group.

Annual Improvements to IFRSs 2012-2014 Cycle

The IASB issued 'Annual Improvements to IFRSs 2012-2014 Cycle', a collection of amendments to IFRSs, in response to issues addressed during the 2012-2014 cycle. The following standards are affected by the amendments:

- IFRS 5, adds specific guidance in IFRS 5 for cases in which an entity reclassifies an asset from held for sale to held for distribution or vice versa and cases in which held-for-distribution accounting is discontinued
- IFRS 7, additional guidance to clarify whether a servicing contract is continuing involvement in a transferred asset, and clarification on offsetting disclosures in condensed interim financial statements
- IAS 9, clarifies that the high quality corporate bonds used in estimating the discount rate for post-employment benefits should be denominated in the same currency as the benefits to be paid
- IAS 34, clarifies the meaning of 'elsewhere in the interim report' and require a cross-reference

The adoption of the annual improvement 2012-2014 cycle did not have a material impact on the Group.

Amendments to IAS 19 – Defined Benefit Plans: Employee Contributions

Amends IAS 19 Employee Benefits to clarify the requirements that relate to how contributions from employees or third parties that are linked to service should be attributed to periods of service. In addition, it permits a practical expedient if the amount of the contributions is independent of the number of years of service, in that contributions, can, but are not required, to be recognised as a reduction in the service cost in the period in which the related service is rendered.

The adoption of the amendments to IAS 19 did not have a material impact on the Group.

Amendments to IAS 27 – Equity Method in Separate Financial Statements

Amends IAS 27 Separate Financial Statements to permit investments in subsidiaries, joint ventures and associates to be optionally accounted for using the equity method in separate financial statements.

The adoption of the amendments to IAS 27 did not have a material impact on the Group.

Amendments to IAS 1 – Disclosure Initiative

Amends IAS 1 Presentation of Financial Statements to address perceived impediments to preparers exercising their judgement in presenting their financial reports by making the following changes:

- clarification that information should not be obscured by aggregating or by providing immaterial information, materiality considerations apply to the all parts of the financial statements, and even when a standard requires a specific disclosure, materiality considerations do apply
- clarification that the list of line items to be presented in these statements can be disaggregated and aggregated as relevant and additional guidance on subtotals in these statements and clarification that an entity's share of OCI of equity-accounted associates and joint ventures should be presented in aggregate as single line items based on whether or not it will subsequently be reclassified to profit or loss
- additional examples of possible ways of ordering the notes to clarify that understandability and comparability should be considered when determining the order of the notes and to demonstrate that the notes need not be presented in the order so far listed in paragraph 114 of IAS 1

The adoption of the amendments to IAS 1 did not have a material impact on the Group.

Amendments to IAS 16 and IAS 38 – Clarification of Acceptable Methods of Depreciation and Amortisation

Clarifies that the gross amount of property, plant and equipment is adjusted in a manner consistent with a revaluation of the carrying amount

The adoption of the amendments to IAS 16 and IAS 38 did not have a material impact on the Group.

Amendments to IFRS 11 – Accounting for Acquisitions of Interests in Joint Operations

Amends IFRS 11 Joint Arrangements to require an acquirer of an interest in a joint operation in which the activity constitutes a business (as defined in IFRS 3 Business Combinations) to:

- apply all of the business combinations accounting principles in IFRS 3 and other IFRSs, except for those principles that conflict with the guidance in IFRS 11
- disclose the information required by IFRS 3 and other IFRSs for business combinations.

The amendments apply both to the initial acquisition of an interest in joint operation, and the acquisition of an additional interest in a joint operation (in the latter case, previously held interests are not remeasured).

The adoption of the amendments to IFRS 11 did not have a material impact on the Group.

Amendments to IAS 16 and IAS 41 – Bearer Plants

Amends IAS 16 Property, Plant and Equipment and IAS 41 Agriculture to:

- include 'bearer plants' within the scope of IAS 16 rather than IAS 41, allowing such assets to be accounted for as property, plant and equipment and measured after initial recognition on a cost or revaluation basis in accordance with IAS 16
- introduce a definition of 'bearer plants' as a living plant that is used in the production or supply of agricultural produce, is expected to bear produce for more than one period and has a remote likelihood of being sold as agricultural produce, except for incidental scrap sales
- clarify that produce growing on bearer plants remains within the scope of IAS 41.

The adoption of the amendments to IAS 16 and IAS 41 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.

In its 30 June 2016 Interim Condensed Consolidated Financial Statements the Group also applied the requirements of IFRS 5: Non-current Assets Held for Sale and Discontinued Operations. The non-current assets and assets and liabilities included in disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use, they are available for immediate disposal and the sale is highly probable. Non-current assets held for sale are measured at the lower of their carrying amount or fair value less costs of disposal.

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 2015.

For the six months ended 30 Jun 2016, EUR million	Metals Processing	Mining	Other and eliminations	Total
Revenue from external customers	1,329.5	16.2	-	1,345.7
Inter-segment revenue	0.1	84.8	(84.9)	-
Total segment revenue	1,329.6	101.0	(84.9)	1,345.7
Payable metal / free metal contribution	109.0	92.5	-	201.5
Treatment charges	188.9	(19.3)	-	169.6
Premiums	76.8	-	-	76.8
By-products	79.1	20.2	-	99.3
Other	(45.6)	(8.3)	2.3	(51.6)
Gross Profit	408.2	85.1	2.3	495.6
Employee expenses	(111.9)	(39.4)	(10.7)	(162.0)
Energy expenses	(89.0)	(13.6)	(0.1)	(102.7)
Other expenses / income	(101.8)	(47.7)	(7.7)	(157.2)
Direct operating costs	(302.7)	(100.7)	(18.5)	(421.9)
Non-operating and other	(1.0)	10.0	1.2	10.2
Underlying EBITDA	104.5	(5.6)	(15.0)	83.9
Depreciation, amortisation and depletion				(100.5)
Merger and acquisition related expense				(1.5)
Restructuring expense				(1.8)
Impairment loss				(106.1)
Embedded derivatives				(3.9)
Net finance expense				(60.2)
Income tax expense				(23.4)
Loss from discontinued operations, net of taxes				(28.3)
Loss for the period				(241.8)
Capital expenditure	(117.8)	(16.0)	(1.6)	(135.4)
continuing operations	(117.8)	(14.8)	(1.6)	(134.2)
discontinued operations	-	(1.2)	-	(1.2)

For the six months ended 30 Jun 2015, EUR million *	Metals Processing	Mining	Other and eliminations	Total
Revenue from external customers	1,458.0	18.6	-	1,476.6
Inter-segment revenue	0.3	183.0	(183.3)	-
Total segment revenue	1,458.3	201.6	(183.3)	1,476.6
Payable metal / free metal contribution	142.0	174.6	0.1	316.7
Treatment charges	232.9	(35.4)	-	197.5
Premiums	85.8	-	0.2	86.0
By-products	104.5	44.7	-	149.2
Other	(45.2)	(7.8)	(1.0)	(54.0)
Gross Profit	520.0	176.1	(0.7)	695.4
Employee expenses	(110.0)	(69.8)	(17.6)	(197.4)
Energy expenses	(118.4)	(21.5)	(0.1)	(140.0)
Other expenses / income	(99.0)	(80.8)	(13.5)	(193.3)
Direct operating costs	(327.4)	(172.1)	(31.2)	(530.7)
Non-operating and other	(9.9)	0.7	12.0	2.8
Underlying EBITDA	182.7	4.7	(19.9)	167.5
Depreciation, amortisation and depletion				(116.8)
Restructuring expense				(4.1)
Impairment loss				(400.0)
Embedded derivatives				(1.8)
Net finance expense				(56.6)
Income tax benefit				183.2
Loss from discontinued operations, net of taxes				(21.5)
Loss for the period				(250.1)
Capital expenditure	(124.7)	(50.0)	(2.5)	(177.2)
continuing operations	(124.7)	(42.6)	(2.5)	(169.8)
discontinued operations	-	(7.4)	-	(7.4)

* Prior year amounts have been re-presented for the impact of the discontinued operation, see Note 4

4. DISCONTINUED OPERATIONS

On 27 June 2016 Nyrstar announced that it has entered into a Share Purchase Agreement (the "Agreement") to sell its El Toqui mine in Chile to Laguna Gold Limited ("Laguna"), an Australian based mining company, for a total cash consideration of USD 25 million (EUR 22.3 million) (the "Consideration"), plus future proceeds through a price participation agreement with Laguna (the "Transaction"). Accordingly, El Toqui mine is classified as a disposal group held for sale from 27 June 2016 and presented as a discontinued operation.

The Consideration payable to Nyrstar consists of USD 12 million (EUR 10.7 million) payable in cash by the closing of the Transaction and USD 13 million (EUR 11.6 million) in cash payments over a four year period following the closing of the Transaction. In addition, Nyrstar will have the opportunity to retain upside exposure to an improving commodity price environment by receiving additional cash proceeds through a price participation agreement with Laguna on the first 7.9 million tonnes of ore processed at El Toqui following the closing of the Transaction. The price participation commences above a zinc price of USD 2,100 per tonne and is applicable at set zinc prices. The impairment loss on remeasurement to fair value less cost to sell of EUR 17.9 million represents a difference between the total sale proceeds, comprising the total cash consideration and the discounted value of anticipated price participation, and the remaining carrying value of net assets of the El Toqui mine at the time of the remeasurement.

Prior to reclassification as disposal group held for sale, El Toqui mine was part of mining segment in note 3.

Income statement from discontinued operations:

EUR million	six months ended 30 Jun 2016	six months ended 30 Jun 2015
Revenue	24.2	24.7
Gross profit	21.4	21.1
Other expenses	(17.0)	(20.1)
Depreciation, amortisation and depletion	(9.3)	(9.5)
Result from operating activities before exceptional items	(4.8)	(8.5)
Impairment loss	-	(17.5)
Impairment loss on remeasurement to fair value less cost to sell	(17.9)	-
Result from operating activities	(22.7)	(26.1)
Net finance benefit / (expense)	0.5	(1.5)
Loss before income tax	(22.3)	(27.6)
Income tax (expense) / benefit	(6.0)	6.1
Loss for the period from discontinued operations	(28.3)	(21.5)

Cash flows from discontinued operations:

EUR million	six months ended 30 Jun 2016	six months ended 30 Jun 2015
Cash flow from operating activities	5.3	4.6
Cash flow used in investing activities	(1.1)	(7.3)
Cash flow used in financing activities	(0.1)	(0.5)
Net increase / (decrease) in cash held	4.1	(3.2)

Details of assets and liabilities held for sale at 30 June 2016:

EUR million	as at 30 Jun 2016
Property, plant and equipment	32.4
Other non-current assets	0.2
Total non-current assets	32.6
Total current assets	23.1
Total assets	55.7
Provisions	6.6
Other non-current liabilities	7.5
Total non-current liabilities	14.1
Total current liabilities	9.0
Total liabilities	23.1

5. INCOME TAX (EXPENSE) / BENEFIT

Nyrstar recognised an income tax expense for the six months ended 30 June 2016 of EUR 29.4 million (for the six months ended 30 June 2015: income tax benefit of EUR 189.3 million) representing an effective tax rate of -13.9% (30 June 2015: 43.1%) 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 2016	six month ended 30 Jun 2015
Loss before income tax	(212.4)	(439.4)
Tax at aggregated weighted average tax rate (2016: 29.1% / 2015: 38.1%)	61.8	167.4
(Non-deductible) / non-taxable amounts	(2.9)	144.2
Net non-recognition of tax assets	(86.3)	(121.4)
Prior year adjustments and tax rate change	(1.5)	2.0
Non-recoverable withholding tax	(0.6)	(2.9)
Income tax (expense) / benefit	(29.4)	189.3
Income tax (expense) / benefit from continuing operations	(23.4)	183.2
Income tax (expense) / benefit from discontinued operations	(6.0)	6.1
Effective tax rate	-13.9%	43.1%

Nyrstar periodically assesses its liabilities and contingencies for all tax years open to audit based upon the latest information available. For those matters where it is probable that an adjustment will be made, the Group recorded its best estimate of these tax liabilities, including related interest charges. The final outcome of tax examinations may result in a materially different outcome compared to the recorded tax liabilities and contingencies.

As part of tax dispute procedures, Nyrstar Netherlands (Holdings) BV is challenging a corrective corporate income tax assessment relating to an intra-group reorganisation in the year ended 31 December 2010. Further, Nyrstar Belgium NV is challenging an assessment relating to the non-deductibility of interest expenses incurred in the year ended 31 December 2012. Despite the recent court decision in first instance in favour of the tax authorities' position, Nyrstar continues to defend itself in court and remains confident that it has a strong position which will prevail in the next instances. It has not recorded a provision in respect of these matters.

6. IMPAIRMENT LOSS

30 June 2016

The carrying values of assets related to the Metals Processing and to the Mining segments at 30 June 2016 are EUR 1,179.6 million and EUR 322.1 million respectively. In the half-year ended 30 June 2016 Nyrstar recognised pre-tax net impairment losses of EUR 106.1 million (30 June 2015: EUR 417.5 million). The impairment losses relate to pre-tax impairment charges on Nyrstar's Mining assets (30 June 2015: EUR 407.3 million related to the impairment of Nyrstar's mining assets).

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

in EUR million	Impairment loss	PP&E and Intangible assets	whereof	
			Investments	Other
El Mochito	(48.3)	(48.3)	-	-
Myra Falls	(27.1)	(27.1)	-	-
Middle Tennessee Mines	(30.7)	(30.7)	-	-
Total Mining	(106.1)	(106.1)	-	-

Impairment testing for mining operations

Recoverable values were determined in their functional currencies on the basis of fair value less costs of disposal (FVLCD) for each operation. The FVLCD 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 FVLCD 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 7 to 18 years.

The key assumptions underlying the FVLCD were forecast commodity prices, foreign exchange rates, treatment charges, discount rates, amount of inferred resources, 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. A broad range of externally available reputable forecasts were utilised in establishing the robust composite price sets. 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 of production was expected to occur with long term prices held flat effective from 2023. The ranges of prices used are outlined in the table below showing the high and low prices over the period of assumed cash flows:

	Low	High	Long term
Commodity prices (USD)			
Zinc (per tonne)	2,077	2,579	2,283
Lead (per tonne)	1,772	1,842	1,747
Copper (per tonne)	4,903	6,907	6,907
Gold (per ounce)	1,124	1,256	1,256
Silver (per ounce)	15.14	19.41	19.41
Foreign exchange rates (versus USD)			
Honduran Lempira	22.78	24.86	24.86
Canadian Dollar	1.30	1.30	1.30

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 9% to 10% (30 June 2015: 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 rates 30 June 2016
El Mochito	13.40%
Myra Falls	7.90%
Middle Tennessee Mines	7.70%

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 FVLCD model.

Nyrstar has included inferred mineral resources in its valuation models. An inferred mineral resource is that part of a mineral resource for which quantity and grade or quality can be estimated on the basis of geological evidence and limited sampling and reasonably assumed, but not verified, geological and grade continuity. The estimate is based on more limited information than indicated and measured mineral resources. Due to the uncertainty that may be attached to inferred mineral resources it cannot always be assumed that all or any part of an inferred mineral resource will be upgraded to an indicated or measured mineral resource as a result of continued exploration. Due to this uncertainty, Nyrstar has not included 100% of inferred resources in its model, but instead included differing levels of inferred resources for each mine based on management's view of the likely conversion of inferred resources into reserves at that asset. On average across all the mines, Nyrstar has included 45.1% of inferred resources in its valuation models.

The carrying amounts of each mining CGU at 30 June 2016 are outlined in the table below:

Cash generating unit		EUR million
El Mochito	FVLCD	23
Myra Falls	FVLCD	28
Middle Tennessee Mines	FVLCD	25
East Tennessee Mines	FVLCD	95
Contonga	FVLCD	39
Langlois	FVLCD	112
Coricancha	FVLCD	-
Pucarrajo	FVLCD	-
Campo Morado	FVLCD	-

Sensitivity analysis

The results of the impairment testing are affected by changes in commodity prices, foreign exchange rates, discount rates and rate of utilisation of inferred resources. Sensitivities to variations in relevant assumptions are depicted in the following table, which sets out the estimated impact on the impairment charges for the half-year ended 30 June 2016 (in EUR million):

Parameter	Variable	EUR million
Zinc price	+/- 5%	23 / (35)
Lead price	+/- 5%	4 / (4)
Copper price	+/- 5%	6 / (6)
Gold price	+/- 5%	7 / (7)
Silver price	+/- 5%	7 / (7)
Foreign exchange rates	+/- 5%	31 / (44)
Discount rate	+ 100bps	(8)

Impairment charges related to mining operations

Based on the results of its impairment testing at 30 June 2016, the Group has recorded impairment losses related to its mining operations totalling EUR 106.1 million (30 June 2015: 407.3 million). The impairment loss was caused by a decrease in the long term zinc price forecast, unfavourable movement in the USD/CAD exchange spread impacting Myra Falls, continued care and maintenance of Myra Falls and Mid Tennessee mines, and revised production profile and ore grade assumptions at El Mochito.

30 June 2015

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. The majority of the impairment losses relate to pre-tax impairment charges on Nyrstar's Mining assets of EUR 407.3 million. The remaining impairment charges relate to non-core operations of the Group of EUR 10.2 million.

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 costs of disposal (FVLCD) for each operation. The FVLCD 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 FVLCD 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 FVLCD 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 FVLCD 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. 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 on its 22.1% investment in Ironbark Zinc Limited, primarily as a result of the application of the most recent commercial assumptions.

7. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2016 the Group's capital expenditure in the normal course of business amounted to EUR 134.6 million (six months ended 30 June 2015: EUR 176.4 million).

8. 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 2016	as at 31 Dec 2015
Convertible bonds	111.1	109.4
Fixed rate bonds	339.9	338.4
Unsecured bank loans	14.4	11.6
Finance lease liabilities	0.8	0.9
Total non-current loans and borrowings	466.2	460.3
Fixed rate bonds	-	414.9
SCTF Credit Facility	195.4	-
Unsecured bank loans	1.6	1.6
Loans from related parties	103.1	-
Finance lease liabilities	0.1	0.5
Total current loans and borrowings	300.2	417.0
Total loans and borrowings	766.4	877.3

Fixed rate bonds - current

In May 2016 Nyrstar repaid its 5.375% fixed rate bonds with an original face value of EUR 525 million, due May 2016.

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

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.

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 are recognised in the Income Statement over the term of the credit facility using the effective interest rate method.

Transaction costs related to the current SCTF credit facility amount to EUR 2.8 million. The unamortised transaction costs of EUR 1.3 million related to the previous SCTF credit facility were fully expensed in June 2015.

Loans from related parties (Note 18)

In May 2016 Nyrstar entered into a USD 150 million (EUR: 135.1 million) revolving working capital facility agreement with Trafigura. The facility is uncommitted and secured by the shares of a subsidiary of the Company with a current term through to January 2017 and bears an interest of LIBOR plus 4%.

9. 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 339.9 million (31 December 2015: EUR 753.3 million) and the convertible bonds of EUR 111.1 million (31 December 2015: EUR 109.4 million), with fair values based on quoted prices in active markets (Level 1 measurement), of EUR 353.4 million (31 December 2015: EUR 687.9 million) and EUR 108.4 million (31 December 2015: EUR 96.1 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 2015.

EUR million	Valuation technique(s) and key input(s)	Level 1	Level 2	Level 3	Total Jun 30, 2016
Investment in equity securities (i)		25.6	-	-	25.6
Commodity contracts – fair value hedges	a	-	16.2	-	16.2
Foreign exchange contracts – held for trading	b	-	2.0	-	2.0
Embedded derivative	c	-	40.9	-	40.9
Total		-	59.1	-	59.1
Commodity contracts – fair value hedges	a	-	(11.4)	-	(11.4)
Commodity contracts – cash flow hedges	a	-	(6.6)	-	(6.6)
Foreign exchange contracts – held for trading	b	-	(6.9)	-	(6.9)
Foreign exchange contracts – cash flow hedges	b	-	(0.3)	-	(0.3)
Total		-	(25.2)	-	(25.2)

EUR million	Valuation technique(s) and key input(s)	Level 1	Level 2	Level 3	Total Dec 31, 2015
Investment in equity securities (i)		20.9	-	-	20.9
Commodity contracts – fair value hedges	a	-	3.1	-	3.1
Commodity contracts – cash flow hedges	a	-	23.2	-	23.2
Foreign exchange contracts – held for trading	b	-	12.3	-	12.3
Embedded derivative	c	-	34.8	-	34.8
Total		-	73.4	-	73.4
Commodity contracts – fair value hedges	a	-	(12.0)	-	(12.0)
Foreign exchange contracts – held for trading	b	-	(5.3)	-	(5.3)
Foreign exchange contracts – cash flow hedges	b	-	(0.1)	-	(0.1)
Total		-	(17.4)	-	(17.4)

(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 1.5 million (31 December 2015: EUR 1.5 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

Zinc prepayment

In December 2015, Nyrstar entered into a zinc prepayment, a tripartite agreement between a physical offtaker and a bank, in the nominal amount of USD 150 million (EUR 137.8 million) through a special purpose vehicle ("SPV") structure. The prepayment agreement is linked to the physical delivery of refined zinc metal to Trafigura under the terms of a three-year offtake agreement and the zinc prepayment was arranged by Deutsche Bank AG. The zinc metal prepayment has an amortising structure with a three-year term and a 12-month grace period following which the prepayment will be repaid in equal monthly zinc metal deliveries over a period of two years. The outstanding balance of the zinc prepayment at 30 June 2016 is EUR 131.5 million (31 December 2015: EUR 134.5 million).

10. DEFERRED INCOME

EUR million	as at 30 Jun 2016	as at 31 Dec 2015
Prepayments for deliveries of silver metal	64.0	79.8
Total non-current deferred income	64.0	79.8
Prepayments for deliveries of silver metal	87.0	29.7
Prepayments for deliveries of zinc and lead metal	194.7	184.3
Other prepayments	7.7	-
Total current deferred income	289.4	214.0
Total deferred income	353.5	293.8

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.

Prepayments for deliveries of silver metal

During the six months ended 30 June 2016 Nyrstar entered into a silver prepay agreement under which Nyrstar received approximately USD 75 million (EUR 67.6 million) prepayment and agreed to physically deliver 6.8 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 2016, 2.3 million oz of silver have been delivered. The remaining 4.5 million oz will be delivered between July 2016 and December 2016.

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 2016, 12.7 million oz of silver have been delivered. The remaining 0.4 million oz will be delivered between July 2016 and March 2017.

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 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 9.2 million has been included in other financial assets and the portion of deferred income related to the silver prepay agreement of EUR 9.2 million effectively offsets in the income statement.

Prepayments for deliveries of zinc and lead metal

The prepayments for deliveries of zinc and lead metal consist prepayments received from the Company's customers for future physical deliveries of zinc and lead metal under existing offtake agreements.

11. SHARE CAPITAL AND SHARE PREMIUM

As at 30 June 2016 the share capital of Nyrstar NV comprised 93,563,960 ordinary shares (31 December 2015: 340,045,088 ordinary shares) without par value (31 December 2015: EUR 0.1).

In February 2016 Nyrstar issued 608,165,740 new shares as the result of the completion of a capital increase in the amount of EUR 273.7 million within the framework of a rights offering which was approved by the extraordinary general shareholders' meeting of 18 January 2016. The associated costs of the capital increase amounted to EUR 11.4 million.

In May 2016 the Company implemented a share consolidation with respect to all outstanding shares by means of a 1-for-10 reverse stock split (the "RSS"). The RSS was effective as of 9 June 2016.

12. SHARE BASED PAYMENTS

During the six months ended 30 June 2016, the Group decided to settle the Grant 6 of the Executive Long Term Incentive Plan (LTIP) for a cash consideration of EUR 2.1 million. There have been no other changes to the Group's share based payment plans as disclosed in detail in the notes to the consolidated financial statements for the year ended 31 December 2015.

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.

13. TREASURY SHARES

The treasury shares reserve comprises the par value of the Company's shares held by the Group. As at 30 June 2016, the Group did not hold shares of the Company (31 December 2015: 12,571,225).

The extraordinary general shareholders' meeting held on 18 January 2016 approved the cancellation of all 12,571,225 treasury shares held by the Company.

	six month ended 30 Jun 2016	six month ended 30 Jun 2015
Movement in treasury shares		
As at 1 Jan	12,571,225	12,664,057
Cancellation of treasury shares	(12,571,225)	-
Employee share based payment plan (Note 12)	-	(92,832)
As at 30 June	-	12,571,225

14. EARNINGS PER SHARE

(a) Basic loss per share

The calculation of basic loss per share (EPS) for the six months ended 30 June 2016 was based on the loss attributable to ordinary shareholders of EUR 241.8 million (for the six months ended 30 June 2015: loss of EUR 250.1 million) and a weighted average number of ordinary shares outstanding of 81.1 million⁽¹⁾⁽²⁾ (30 June 2015: 57.0 million⁽¹⁾⁽²⁾). The basic EPS is calculated as follows:

EUR million	six months ended 30 Jun 2016	six months ended 30 Jun 2015
Shareholders of Nyrstar		
Loss attributable to ordinary shareholders (basic)	(241.8)	(250.1)
Weighted average number of ordinary shares (basic, in million) ⁽¹⁾⁽²⁾	81.1	57.0
Loss per share (basic, in EUR)	(2.98)	(4.39)
Continuing operations		
Loss attributable to continuing operations (basic)	(213.5)	(228.6)
Weighted average number of ordinary shares (basic, in million) ⁽¹⁾⁽²⁾	81.1	57.0
Loss per share continuing operations (basic, in EUR)	(2.63)	(4.01)
Discontinued operations		
Loss attributable to discontinued operations (basic)	(28.3)	(21.5)
Weighted average number of ordinary shares (basic, in million) ⁽¹⁾⁽²⁾	81.1	57.0
Loss per share discontinued operations (basic, in EUR)	(0.35)	(0.38)

1) In relation to the February 2016 rights offering, the comparative earnings per share for 30 June 2015 have been restated to retroactively reflect the impact of the February 2016 rights issue. As the rights issue was offered at a discount (EUR 0.45) to market value (EUR 1.30), the weighted average number of shares outstanding for 30 June 2016 and 30 June 2015 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 2016 and 2015 of approximately 74 %. Further details of the rights issue are disclosed in Note 11 Share capital and share premium.

2) The comparative earnings per share for 30 June 2015 have been restated to retroactively reflect the impact of the 1-for-10 reverse stock split in June 2016. Further details of the 1-for-10 reverse stock split are disclosed in Note 11 Share capital and share premium.

(b) Diluted loss per share

As the entity incurred a loss for the six months ended 30 June 2016, the diluted loss per share EUR 2.98 (continuing: EUR 2.63, discontinued: EUR 0.35) equals the basic loss per share (for the six months ended 30 June 2015: EUR 4.39 (continuing: EUR 4.01, discontinued: EUR 0.38)).

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 2016	as at 31 Dec 2015
Within one year	71.6	104.0
Between one and five years	1.8	-
More than five years	-	-
Total	73.4	104.0

16. RESERVES

EUR million	Treasury shares	Translation reserves	Reverse acquisition reserve	Cash flow hedge reserve	Convertible bond	Perpetual instrument	Investments reserve	Total
As at 1 Jan 2016	(1.2)	148.8	(265.4)	59.5	24.5	21.8	2.8	(9.2)
Losses on cash flow hedges	-	-	-	(20.2)	-	-	-	(20.2)
Foreign currency translation differences	-	(15.3)	-	-	-	-	-	(15.3)
Change in fair value of investments in equity securities	-	-	-	-	-	-	0.7	0.7
Issue of perpetual instrument	-	-	-	-	-	45.2	-	45.2
Distribution from reserve	-	-	-	-	-	(1.1)	-	(1.1)
Cancellation of treasury shares	1.2	-	-	-	-	-	-	1.2
As at 30 June 2016	-	133.5	(265.4)	39.3	24.5	65.9	3.5	1.3

EUR million	Treasury shares	Translation reserves	Reverse acquisition reserve	Cash flow hedge reserve	Convertible bond	Perpetual instrument	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)

17. CONTINGENCIES

Legal actions

In the ordinary course of business, Nyrstar is involved in lawsuits, claims, investigations and proceedings, including product liability, intellectual property, commercial, environmental, and health and safety matters. Although the outcome of any legal proceedings cannot be predicted with certainty, management is of the opinion that, apart from those cases where a legal provision has been recognized or as specifically disclosed below, there are no such matters pending which would be likely to have any material adverse effect in relation to its business, financial position, or results of operations.

The sanction process initiated at Coricancha in 2014, related to alleged non-compliances identified by the environmental regulator (OEFA) during an inspection in April 2013, remains open. Nyrstar has filed a legal defence contesting OEFA's findings and Nyrstar's assessment is that material regulatory penalties are unlikely to be incurred. Efforts to return the sites to compliance are being pursued, however the potential for regulatory action cannot be excluded.

At Contonga, a sanction processes was commenced by the National Water Authority (ANA) in June 2016 related to instances of non-compliance with water discharge limits established in the site's effluent permit. Efforts to rectify the

situation, including modification of the site's effluent permit, are underway. Penalties allowed for under Peruvian legislation include fines or withdrawal of the permit; however on the basis of the actions currently being taken Nyrstar's assessment is that material regulatory penalties are unlikely to be incurred.

18. RELATED PARTIES

Relationship with Trafigura

Overview of the relationship with Trafigura

Trafigura is a significant shareholder of the Company through its subsidiary, Urion Holdings (Malta) Ltd ("Urion"). It acquired its shareholding in the Company through several acquisitions, which were notified to the Company as follows:

Date of Notification	Number of shares notified	Percentage of shares notified
1 October 2014	28,638,753	8.42% ⁽¹⁾
2 October 2014	34,651,369	10.19% ⁽¹⁾
12 November 2014	52,035,694	15.30% ⁽¹⁾
1 September 2015	68,090,869	20.02% ⁽¹⁾

Notes:

- (1) On the basis of 340,045,088 outstanding Shares of the Company at that time before conversion of any of the convertible bonds outstanding at that time.

Since the notification of significant shareholding received by the Company at 1 September 2015, Urion acquired additional shares in the Company via market purchases. According to the most recent information received by the Company, at 31 December 2015 Urion held 80,694,821 shares in Nyrstar representing 23.73% voting rights. Subsequent to the cancellation of treasury shares approved by Nyrstar's extraordinary general meeting at 18 January 2016 the 80,694,821 shares in Nyrstar held by Urion represent 24.64% of the voting rights. Subsequent to the reverse stock split effective 9 June 2016 as approved by Nyrstar's extraordinary general meeting on 19 May 2016 the current holding of Urion is 8,069,482 shares representing 24.64% of the voting rights.

Following the annual general shareholders' meeting held at 27 April 2016, the Board of Directors includes two non-executive dependent directors, namely Mr. Christopher Cox and Mr. Jesús Fernandez. Both Mr. Christopher Cox and Mr. Jesús Fernandez represent Urion.

Trafigura Relationship Agreement

In connection with Trafigura's commitment to support the Offering (see below), on 9 November 2015 the Company entered into a relationship agreement (the "Relationship Agreement") with Trafigura Group Pte. Ltd. to govern Nyrstar's relationship with Trafigura Group Pte. Ltd. and its affiliated persons (collectively "Trafigura").

The Relationship Agreement provides amongst other things for the following:

- All transactions between the Group and Trafigura are to be conducted at arm's length and on normal commercial terms.
- Trafigura will during the term of the Relationship Agreement not acquire (directly or indirectly) any shares or voting rights in the Company that would bring its aggregate holding of shares or voting rights (when aggregated with the holdings of any person with whom it acts in concert, including, as the case may be, the Group) to a level above 49.9% of the outstanding shares or voting rights of the Company. Furthermore, Trafigura does not intend to and will not, directly or indirectly, solicit, launch or publicly announce the solicitation or launching of a private or public offer or any proxy solicitation with respect to all or substantially all of the voting securities of the Company that is not

recommended or otherwise supported by the board of directors of the Company. The aforementioned restrictions would automatically fall away in case of the announcement by a third party at the request of the Belgian FSMA regarding its intention to carry out a public tender offer, the announcement of an actual public tender offer by a third party, an acquisition by a third party of shares such that such person's holding of shares reaches or exceeds 10% of the outstanding shares in the Company, and it becoming unlawful for the Relationship Agreement to remain in force. The restrictions do not prevent Trafigura from soliciting, launching or publicly announcing the solicitation or launching of a private or public offer or any proxy solicitation with respect to all or substantially all of the voting securities of the Company that is recommended or otherwise supported by the board of directors of the Company, tendering shares in a public tender offer (including the entering into an irrevocable commitment with respect to such public tender offer) or entering into another transaction in relation to its shares, such as sale of its shares.

- Trafigura will be able to nominate or propose the nomination of such number of directors to the Company's board of directors as it determines, but limited to a number that does not constitute a majority of the Company's board of directors (such directors being a "Trafigura Director", but it being noted that the director appointed upon proposal of Trafigura, Mr. Martyn Konig, prior to the date of the Relationship Agreement who is an "independent director" shall not for these purposes be considered as a Trafigura Director). The Relationship Agreement also provides that the proposal for appointment of any new independent director requires the approval of a majority of the directors other than the Trafigura Directors, it being understood however, that the Relationship Agreement in no way restricts the Trafigura group as shareholder to vote in favour of or against any proposed independent director. In case a Trafigura Director is chairman of the board of directors or chairs a meeting of the board of directors, he or she shall not have a casting vote. Furthermore, the Relationship Agreement provides that the attendance quorum for a board meeting shall be at least one independent director and one Trafigura Director, but if this attendance quorum is not met, a subsequent board meeting can be held with the same agenda if at least any two directors are present.
- Trafigura may request the Company to take certain steps, including the publication of a prospectus or other offering document in connection with a proposed disposal of some or all of Trafigura's shares.
- If the Company issues equity securities, Trafigura will have pro rata subscription rights.

The Relationship Agreement will have effect for as long as Trafigura holds 20% or more but less than 50% of the shares in the Company. It may be terminated by Trafigura if any of the Trafigura Commercial Agreements that it entered into with the Nyrstar Sales & Marketing AG on 9 November 2015 is terminated other than as a result of expiry or non-renewal and other than due to material breach by Trafigura.

Trafigura's Commitment to the Rights Offering

On 9 November 2015, Trafigura, (through its subsidiary, Urion) agreed, subject to certain conditions, to subscribe for shares in the rights offering ("Offering") that was launched on 5 February 2016, for up to a maximum aggregate amount of EUR 125 million, and provided that its aggregate shareholding in the Company after completion of the Offering is not more than 49.9%. Pursuant to the Rights Offering, Urion subscribed with rights for 149,861,803 new shares for an aggregate amount of EUR 67.4 million. As a result of the Offering, Urion's shareholding in the Company remained at 24.64% in aggregate. The Company paid to Trafigura a commission of EUR 5.0 million.

Trafigura Commercial Agreements

On 9 November 2015, Nyrstar Sales & Marketing AG entered into commercial agreements with Trafigura Pte. Ltd. (the "Trafigura Commercial Agreements") relating to the purchase by Nyrstar from Trafigura of zinc concentrate, lead concentrate and finished refined aluminium metal (the "Purchase Agreements") and the sale by Nyrstar to Trafigura of finished refined zinc metal (part of this contract being implemented by way of the 2015 prepay financing), finished refined lead metal and finished refined copper cathodes (the "Sales Agreements").

All of the agreements entered into force on 1 January 2016 for a fixed term of five years, with an option for Trafigura to renew for a further period of five years. Thereafter they are expected to continue on an evergreen basis, provided that with at least one calendar year's notice (which can be given on and from 31 December 2024) (i) Trafigura may terminate at any time and (ii) Nyrstar may terminate if Trafigura's or its affiliates' shareholding in Nyrstar NV or its affiliate falls below 20%. In

addition, the agreements are subject to certain termination rights in case of default under the various agreements. The Company is of the opinion that Trafigura Commercial Agreements were entered into at market conditions.

The Purchase Agreements provide for market-based prices with annually agreed treatment charges (for zinc concentrate and lead concentrate) and premiums (for aluminium) subject to certain fallback mechanisms, in case no agreement can be reached between the parties. Subject to annual agreement, the Purchase Agreements will relate to approximately 10-35% of Nyrstar's feedstock requirements.

The Sales Agreements provide for market-based prices with (i) market-based premiums subject to specific market-based discounts up to and including 2017 and annually agreed discounts thereafter for zinc metal, (ii) annually agreed premiums for lead metal and (iii) market-based premiums subject to annually agreed discounts for copper cathodes, subject to certain fallback mechanisms in case no agreement can be reached between the parties. The Sales Agreements will relate to substantially all of Nyrstar's commodity grade metal.

In April 2016 Nyrstar announced that it terminated the offtake and marketing agreement with Noble Group Limited ("Noble") to market and sell 200,000 tonnes per annum of commodity grade zinc metal produced at its European smelters. Nyrstar has included the zinc metal volumes that were previously to be provided to Noble until the end of 2016 into the zinc metal offtake agreement with Trafigura entered into on 9 November 2015 with market based terms and a prepayment mechanism.

Trafigura Off-take Agreement under the zinc prepayment agreement

In December 2015 Trafigura also became the off-taker in the USD 150 million (EUR 137.8 million) zinc prepayment arranged by Deutsche Bank AG that is linked to the physical delivery of refined zinc metal to Trafigura under the terms of a three-year offtake agreement.

Trafigura Working Capital Facility

In May 2016 Nyrstar entered into a USD 150 million revolving working capital facility agreement with Trafigura. The facility is uncommitted and secured by the shares of a subsidiary of the Company with a current term through to January 2017 and bears an interest of LIBOR plus 4%.

Transactions with related parties

Trafigura became a related party to Nyrstar at 28 August 2015 when it acquired more than 20% ownership in Nyrstar. The transaction values disclosed below include the transactions from 1 January 2016 to 30 June 2016.

EUR million	Transaction values for the six months ended 30 June	
	2016	2015
Sale of goods and services		
Trafigura Beheer B.V.	-	-
Subsidiaries & associates of Trafigura Beheer B.V.	78.1	-
Purchase of goods		
Trafigura Beheer B.V.	-	-
Subsidiaries & associates of Trafigura Beheer B.V.	356.0	-
Amounts owed by		
Trafigura Beheer B.V.	-	-
Subsidiaries & associates of Trafigura Beheer B.V.	6.3	-
Amounts owed to		
Trafigura Beheer B.V.	-	-
Subsidiaries & associates of Trafigura Beheer B.V.	206.6	-

The amounts outstanding are unsecured and will be settled in cash. No guarantees have been given or received. No expenses have been recognized in the current or prior years for bad or doubtful debts in respect of the amounts owed by related parties.

EUR million	Transaction values for the six months ended 30 June	
	2016	2015
Loan from related parties		
Trafigura Beheer B.V.	-	-
Subsidiaries & associates of Trafigura Beheer B.V.	103.1	-
Interest paid to related parties		
Trafigura Beheer B.V.	-	-
Subsidiaries & associates of Trafigura Beheer B.V.	0.9	-

19. SUBSEQUENT EVENTS

On 6 July 2016 Nyrstar issued senior guaranteed unsecured convertible bonds due 2022 (the "Bonds") for a principal amount of EUR 115 million. The Bonds were issued at 100% of their principal amount and have a coupon of 5% per annum, payable semiannually in equal instalments in arrears. The conversion price was set at EUR 9.60.

On 5 August 2016 Nyrstar upsized the USD 150 million (EUR 137.8 million) zinc prepay issued in December 2015 (Note 9) to USD 175 million (EUR 157.6 million).

With the exception of the events stated above, there have been no material reportable events subsequent to 30 June 2016.

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 2016, 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 29 offers a fair and balanced review of the overall performance of the business during the six month period ended 30 June 2016, 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 2015 Annual Report; these risks and uncertainties remain applicable for the financial performance of the Group for the remainder of 2016.

Brussels, 5 August 2016

A handwritten signature in black ink, appearing to read "W. Scotting".

William A. Scotting
Chief Executive Officer

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

Christopher Eger
Chief Financial Officer

Nyrstar NV

**Report on review
of the consolidated interim financial
information for the six-month period
ended 30 June 2016**

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 2016

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 2016, 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 19.

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 2,974.2 million EUR and the condensed consolidated income statement shows a consolidated loss (group share) for the year then ended of 241.8 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, 5 August 2016

The statutory auditor



DELOITTE Bedrijfsrevisoren / Reviseurs d'Entreprises

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

Represented by Gert Vanhees