

News Release
Regulated information

Nyrstar Announces 2008 Annual Results

Balen, Belgium (27 February 2009) - Nyrstar NV (the "Company") today released its annual results, including its audited IFRS financial statements for the year ended 31 December 2008.

HIGHLIGHTS

- Safety record enhanced - Lost Time Injury Rate (LTR) reduced by 34% to 5.2
- Recordable environmental incidents reduced by 55%
- Balancing the zinc market with production cuts of 35,000 tonnes in Q4 2008 and further cuts amounting to 190,000 tonnes instigated for H1 2009
- Zinc market metal production flat at 1.056 million tonnes against 2007
- Lead market metal production up 9% to 240,000 tonnes
- Operating costs flat despite significant year-on-year increases in energy costs
- Average zinc price in euros almost halved
- Underlying EBITDA of €153 million
- Robust balance sheet with net cash of €147 million at 31 December 2008
- Off-take agreement with Glencore provides improved liquidity and lower inventory
- Sale of holdings in Padaeng Industry Public Company Limited and agreement to sell holdings in Nyrstar Yunnan Zinc Alloys Co Ltd
- Announced €575 million Group impairment charge precludes potential for 2008 dividend

OUTLOOK

The effects of the sudden and severe downturn in the global economy in the second half of 2008 are expected to persist throughout the year, which will make for a very challenging 2009.

The response from the zinc industry to the downturn has been encouraging, when compared to previous economic downturns. Zinc miners and zinc smelters are estimated to have made production cuts of approximately 1.7 million tonnes each, equivalent to about 15% of estimated 2009 demand. Such a rapid and significant supply-side response to economic conditions should give support to zinc prices in the near to medium term, and provide for medium to long-term upside. Whilst production costs will benefit from lower energy prices and reduced wage inflation, the collapse in sulphuric acid demand poses an operational risk in the event that Nyrstar's acid output cannot be sold.

Our strong balance sheet will enable us to implement further transformational changes across the business, consistent with our continued focus on reducing costs and preserving capital, marketing premium zinc products, improving our retained share of zinc and lead prices through treatment charges and increasing operational flexibility.

COMMENT

Roland Junck, chief executive officer of Nyrstar, said,

"In what has been extremely volatile economic conditions we have adjusted our production, revised our capital expenditure program, actively managed our net cash position and adjusted our asset portfolio so we can pull through this severe global economic downturn. We will continue to focus on building the foundations for a long-term sustainable future for our plants and our employees in what will be a very difficult and unpredictable trading environment in 2009."

CONFERENCE CALL AND PRESENTATION

Management will discuss these results in a conference call and presentation with the investment community on 27 February at 8:30am UK Time, 9:30am Central European Time. The conference call will be webcast live on the Nyrstar website, www.nyrstar.com, where it will also be available in archive.

NYRSTAR NV
ZINKSTRAAT 1
B-2490
BALEN
BELGIUM

info@nyrstar.com
www.nyrstar.com

Contacts

Investors / Media

Jan Altlink
Director IR and
Communications
T: +44 20 7408 8119
M: +44 7912 269 483
jan.altlink@nyrstar.com

Craig Chapman
IR Manager
T: +44 20 7408 8195
M: +44 7912 391 370
craig.chapman@nyrstar.com

Geert Lambrechts
Communications Advisor
T: +32 14 449 646
M: +32 473 637 892
geert.lambrechts@nyrstar.com

KEY FIGURES

€ millions unless otherwise indicated	H2 2008	H1 2008	FY 2008	FY 2007
Production ^{1,2}				
Zinc cathode ('000 tonnes)	524	551	1,075	1,079
Zinc market metal ('000 tonnes)	515	541	1,056	1,048
Lead market metal ('000 tonnes)	122	118	240	221
IFRS Financials				
Revenue	1,002	1,408	2,410	1,486
Results from operating activities before exceptional items	2	55	57	92
Profit/(loss) for the period	(614)	21	(595)	120
Modified Pro Forma Financials ³				
Revenue	1,002	1,408	2,410	3,815
Gross profit	420	461	881	1,219
Operating costs	377	366	744	677
EBITDA	(594)	81	(513)	560
Underlying Results ⁴				
Treatment charges	189	215	404	555
Free metal contribution	79	100	179	303
Premiums	68	89	157	202
By-products	103	104	207	247
Other	(19)	(46)	(65)	(51)
Underlying gross profit	420	461	881	1,255
Underlying operating costs	376	359	735	727
Underlying EBITDA	47	106	153	547
Basic earnings per share (€)	(6.06)	0.21	(5.85)	n/a
Weighted average shares (millions)	100	100	100	n/a
Capital expenditure	66	50	116	102
Net operating cash flow	332	86	418	n/a
Net cash/(debt), end of period	147	(126)	147	(155)
Gearing (%) (Net debt to net debt plus equity, end of period)	net cash	8%	net cash	10%

¹ Includes production from primary zinc smelters and primary and secondary lead smelters only. Production at subsidiaries and associate companies has been consolidated proportionate to equity holdings. Production for 2007 in the table above and throughout this report has been restated to exclude Padaeng, following its sale in April 2008.

² Throughout this release tables may not add arithmetically due to rounding.

³ Financial data for 2008 is based on information prepared in accordance with IFRS. Comparative information for 2007 is presented on a modified pro forma basis. Reference should be made to the "Important Note" in relation to the presentation of financial information on page 13.

⁴ Underlying measures exclude exceptional items related to restructuring measures, impairment of assets, material income or expenses arising from embedded derivatives recognised under IAS 39 and other items arising from events or transactions clearly distinct from the ordinary activities of Nyrstar.

BUSINESS REVIEW

The Company has operated in challenging conditions over the past 12 months. In our industry, we have seen prices fall dramatically with real zinc prices falling below historical averages¹. Financial markets have been and remain in a degree of distress, which has led to a sudden and unprecedented collapse of economic output across the globe.

Nyrstar has taken several actions to ensure a sustainable future for the Company. In October 2008, we announced the restructuring of our operations in Belgium with the intention of reducing the number of roles in the plant by 205 over a period of 24 months. In addition to the restructuring program, production cuts were announced at Balen and Budel in November. This was followed by a decision in December to place our Balen plant on care and maintenance. Nyrstar announced a further 40% production cut at our Clarksville smelter effective January 2009.

We have had a number of successes during the year. Zinc production was on track to meet our targeted production increase on 2007 with high plant availability and improved recoveries while our lead smelter increased its production by 9%. Other accomplishments include higher contract treatment charges, improved contribution from key by-products and cost control measures successfully absorbing significant energy cost increases and limiting operating costs to 2007 levels. We have made substantial improvements in all safety and environmental measures compared with 2007. Sales and marketing resources have been focused on the higher margin alloys segment, with a distribution channel for commodity grade material secured by our partnership with Glencore.

Nyrstar has announced today underlying EBITDA of €153 million for the year and a net loss after tax of €595 million (inclusive of impairment charges). The Company maintains a strong balance sheet going into 2009, with a net cash position at 31 December 2008 of €147 million.

Production

Production of zinc cathode and market metal was broadly in line with 2007 levels. Production fell in the second half as a result of production curtailments at Balen and Budel, the failure of a cell house transformer at Auby and a production stoppage at Kunming. Lead production improved 9% year-on-year with improved plant availability and sinter quality.

	H2 2008	H1 2008	FY 2008	FY 2007
Zinc cathode ('000 tonnes)	524	551	1,075	1,079
Zinc market metal ('000 tonnes)	515	541	1,056	1,048
Lead market metal ('000 tonnes)	122	118	240	221
Sulphuric acid ('000 tonnes, gross)	700	713	1,414	1,461
Silver ('000 troy ounces)	7,972	6,315	14,287	11,670
Indium (tonnes)	18.9	17.8	36.7	15.8
Gold ('000 troy ounces)	8.4	7.7	16.1	14.6

¹ Real historical averages calculated per Brook Hunt data 1960-2008

Health and Safety

During 2008, we focused on a company-wide safety and health reporting structure establishing a set of standard definitions applied across all sites. At the end of H2 2008 our Lost Time Injury Rate (LTR) per million hours worked dropped to 5.2 compared with 7.9 at the end of 2007 in line with our target. The focus in H2 2008 has been the roll-out of our behavioural safety programs with a full review of the existing safety leadership program and this will continue into 2009.

Environment

The number of recordable environmental incidents for 2008 reduced 55% to 25, compared with 55 for 2007, a major achievement. All of the 25 recorded incidents were technical and minor in nature and there was no material impact on the environment or communities adjacent to our smelters. In line with the introduction of REACH (Registration, Evaluation, Authorisation and Restriction of Chemicals) legislation in Europe, Nyrstar completed all required pre-registrations by the end of November 2008.

Nyrstar continues to monitor government policy responses to climate change and work with regulators to minimise potential inequitable impacts of carbon emissions trading on the zinc industry. In December 2008 the Australian Government released a proposal for a carbon pollution reduction scheme to come into effect in 2010 and the European Parliament is proposing changes to the EU Emissions Trading Scheme effective from 2013. In their currently proposed forms, the major impact would be higher energy costs in both regions.

Business Improvement

Improvement of zinc recovery at Hobart

At the Hobart smelter we have installed new equipment that has improved zinc recovery from 92% to 95%, realising an additional 9,000 tonnes of zinc per annum at minimal cost. By drawing on shared knowledge across the Group, this was achieved at a lower cost than planned and we anticipate that this technology can be successfully applied at other sites.

Improving Performance Together Initiative

Implemented in 2008, *Improving Performance Together* is an initiative through which we actively share best practices across the Company in order to identify technical and operational improvements. In 2008, the initiative delivered a number of significant enhancements to both equipment reliability and throughput, most notably, the sinter plant at Port Pirie, casting at Hobart, cathode stripping at Budel and roasting at Clarksville. The ongoing focus is on the delivery of reliable performance at lower maintenance and materials costs.

Securing a Distribution Channel for Commodity Grade Material

In December we entered into a five-year agreement to sell the majority of our commodity grade zinc and lead metal to Glencore. The arrangement guarantees off-take of our production and prompt payment terms. Nyrstar retains full flexibility to produce and sell die-cast and other special alloys, a market which attracts higher margins and in which we have a strong and growing presence.

Evaluation of Operations at Port Pirie

Major operational and technical evaluations commenced at the Port Pirie smelter reviewing the ongoing production of zinc metal and the pre-feasibility investigation into alternate lead smelting technology. Once the global financial situation improves and a definitive position regarding the Australian Carbon Pollution Reduction Scheme (CPRS) is confirmed, management will re-evaluate these options.

Divestment of Non-Core Businesses

During the year, we conducted a strategic review of our operations in order to focus our resources on those operations capable of achieving sustainable financial performance acceptable to Nyrstar. The result was the sale of our 24.9% holding in Padaeng Industry Public Company Limited and the proposed divestment of our 60% stake in Nyrstar Yunnan Alloys Co Ltd, both of which were considered non-core.

FINANCIAL REVIEW

Underlying Gross Profit

Underlying gross profit declined 30% to €881 million for the full year as the price of zinc deteriorated and demand for higher premium alloys weakened.

€millions	H2 2008	H1 2008	FY 2008	FY 2007
Treatment charges (TCs)	189	215	404	555
Free metal contribution	79	100	179	303
Premiums	68	89	157	202
By-products	103	104	207	247
Other ¹	(19)	(46)	(65)	(51)
	420	461	881	1,255

¹ Other gross profit includes realisation expenses, alloying costs, price differentials and income from Chinese and Other operations

Treatment Charges

Contribution from treatment charges (TCs) for 2008 fell 27% to €404 million. This decline was due to the impact of price participation clauses in an environment of weaker commodity prices. While total contribution fell, the Company succeeded in improving contract TC terms and increased its share of the value of zinc contained in concentrate by the largest year-on-year percentage increase in the last 15 years. We anticipate realised TCs to drop in 2009 but endeavour to increase our share of the income split between miners and smelters.

Free Metal

In the context of sharp falls in the zinc price and production curtailments, the contribution from free metal fell by 41% to €179 million from €303 million in 2007. Across the Company, free metal production increased due to overall improvement in zinc recovery by some 1% to 96.7%.

Premiums

As the demand for zinc, and in particular some high margin alloys, declined during 2008, regional spot market gross premiums also fell. The most pronounced drops were recorded in Nyrstar's main markets of Europe and the USA. The overall impact to the Company was limited as annual contract premiums (which account for the bulk of the Company's sales) were agreed in early 2008 under stronger market conditions. The average net premium for 2008 was US\$220 per tonne.

By-products

By-products contribution was impacted by falling metal prices, which were offset by strong demand for sulphuric acid from chemical, fertiliser and mining companies that resulted in record prices until a sudden and severe fall in Q4 2008.

Underlying Operating Costs

Underlying operating costs for 2008 were flat year-on-year despite significantly increased European electricity costs.

€millions	H2 2008	H1 2008	FY 2008	FY 2007
Employee expenses	113	114	227	202
Energy expenses	127	126	253	225
Other expenses	136	119	255	300
	376	359	735	727

A focus on the level of maintenance costs and minimising other discretionary expenditure was a major factor in absorbing higher energy prices, increased employee numbers and wage inflation. Higher costs in the second

half of the year related to environmental provisions, mark-to-market stock write-downs and a release of capitalised production costs due to the reduction of finished goods inventories that arose as a result of the Glencore off-take agreement.

Group Impairment Review

We conducted an impairment review of the Company's assets, triggered by the fall of the Company's market capitalisation below its net asset value coupled with adverse market conditions in the second half of the year. The review was carried out using a variety of data, including externally sourced forecasts on future metal prices.

The outcome of the review was a total impairment charge of €575 million. This includes €234 million of goodwill created at the time of Nyrstar's formation and the value of property, plant and equipment at Balen and Port Pirie, which have been lowered by €247 million and €94 million respectively.

Sale of Nyrstar Yunnan

Nyrstar has conditionally agreed to sell its 60% interest in Nyrstar Yunnan. Provided certain criteria are met, the completion of the sale is expected to occur in the first half of 2009. During 2008, an impairment loss of €40 million has been recognised reflecting an expected loss on this transaction.

Cash Flows and Net Debt

Nyrstar's operations generated positive cash flows of €418 million in the year ending 31 December 2008, of which €263 million was generated through the release of working capital due to weaker commodity prices and production curtailments.

Net cash flow for the year was positive €100 million and includes: proceeds from the sale of Padaeng (€34 million), reduction of external debt (€179 million), dividends paid to shareholders (€40 million) and the settlement of purchase price adjustments with Zinifex and Umicore (€76 million).

Nyrstar maintains a strong financial position. Consolidated net cash at the end of 2008 is €147 million, a significant improvement over the net debt position of €155 million reported at the end of 2007. The Company continues to trade comfortably within its debt covenants and financing facilities. Under the terms of the Company's existing three-year multi-currency revolving credit facility, the commitment by the syndicate of banks under the facility will reduce from €350 million to €150 million in December 2009. The remaining committed facility of €150 million does not expire until December 2010. The Company does not anticipate the need to access any additional financing during 2009. In view of the tighter conditions in the credit market, the Company will nevertheless consider longer-term financing options during 2009 to maintain financial flexibility.

Capital Expenditure

	H2	H1	FY	FY
€millions	2008	2008	2008	2007
Maintenance	26	34	60	51
Compliance and Other Environmental	23	11	34	39
Growth	17	5	22	12
	66	50	116	102

In 2008, the Company's investment in maintaining its plants' reliability and compliance in respect of legal and environmental obligations has been consistent with the prior year. Key growth projects were completed, including the expansion of the cell house at Auby and the significant improvement in zinc recovery at Hobart. The former increases capacity by 30,000 tonnes per annum and was completed on budget, while the latter was finished at only a fraction of the initial estimate. The new transformers and cells have been installed at Auby. Commissioning began in January with the full capacity increase achieved during February 2009.

Dividend

As previously announced by the Company, as a consequence of the impairment review and its effect on the Company's distributable reserves, the Company is unable to declare a 2008 dividend. It is the board's intention to seek shareholder approval at the annual shareholders' meeting to be held on 29 April 2009 to undertake a capital decrease to absorb the effect of the impairment loss and thereby restore the Company's potential future dividend capacity.

Taxation

Nyrstar recognised an income tax benefit for 2008 of €12 million representing a weighted average effective tax rate of 2%. The low rate is due largely to the decision not to recognise deferred tax assets arising from the impairment of goodwill and other assets, the tax exempt sale of Padaeng and notional interest deductions. An underlying effective tax rate of 13% would apply after adjusting for restructuring, impairment and realised losses on the sale of Padaeng and embedded derivatives.

Subsequent Events

On 16 February 2009, Nyrstar's board announced the departure of chief executive officer, Paul Fowler, who decided to leave the Company for personal reasons. Non-executive director Roland Junck succeeded Paul in the role with immediate effect.

On 3 February 2009, OZ Minerals Holdings Limited sold 7,791,622 ordinary shares of Nyrstar. The 7.8% stake was acquired by Glencore Investments BV, making Glencore the largest shareholder of Nyrstar.

Sensitivities

Nyrstar's results are significantly affected by changes in metal prices, TCs, and exchange rates. Sensitivities to variations in these parameters are depicted in the following table, which sets out the estimated impact of a change in each of the parameters on Nyrstar's underlying EBITDA for the year ending 31 December 2008.

FY 2008		Estimated EBITDA impact in €million
Parameter	Variable	
Zinc Price	+/- US\$100/t	+/- 17
Lead Price	+/- US\$100/t	+/- 1
US\$/€	+/- €0.01	+/- 11
A\$/€	+/- €0.01	+/- 4
Zinc TC	+/- US\$25/t	+/- 29
Lead TC	+/- US\$25/t	+/- 6

The above sensitivities were calculated by modelling Nyrstar's 2008 underlying operating performance. Each parameter is based on an average value observed during that period and is varied in isolation to determine the EBITDA impact. Sensitivities are:

- Not reflective of simultaneously varying more than one parameter; adding them together may not lead to an accurate estimate of financial performance.
- Expressed as linear values within a relevant range. Outside the range listed for each variable, the impact of changes may be significantly different to the results outlined.
- Based on production volumes achieved in the year ended 31 December 2008. Sensitivity to any factor is dependent on production volumes and the economic environment observed during the reference period. These sensitivities assume that Nyrstar is operating at full capacity and do not capture initiatives currently implemented to balance market supply and demand.

These sensitivities should not be applied to Nyrstar's results for any prior periods and may not be representative of the EBITDA sensitivity of any of the variations going forward. This is particularly important in respect of the reduced production plan for the first half of 2009 as sensitivities do not have a linear relationship with production volumes.

MARKET REVIEW

	H2 2008	H1 2008	FY 2008	FY 2007
Average exchange rates (€/US\$)	1.41	1.53	1.47	1.37
Average LME zinc price (US\$/tonne)	1,483	2,269	1,873	3,248
Average LME zinc price (€/tonne)	1,041	1,486	1,262	2,383
Average LME lead price (US\$/tonne)	1,613	2,601	2,103	2,580
Average LME lead price (€/tonne)	1,134	1,407	1,417	1,881

The combined movement of the average LME zinc price and the €/US\$ exchange rate has resulted in a 47% decline of the average euro price per tonne of zinc.

Impacted by the fall-out from the global financial crisis and associated downturn in industrial production and GDP, world zinc consumption remained flat in 2008 at 11.4 million tonnes, although China's zinc consumption increased 8% to a record 3.8 million tonnes.

World refined zinc production rose 4% to 11.6 million tonnes in 2008, leaving the market with a small surplus, which put pressure on the LME zinc price. Barring a brief rally related to the impact of inclement weather in China during February and March, the zinc price drifted steadily down until October, when it dropped sharply in the wake of the demise of Lehman Brothers. The zinc price ended 2008 near four-year lows at US\$1,121 per tonne, while the average price for the year at US\$1,873 per tonne was over 40% lower than 2007.

Reflecting the market surplus, LME zinc stocks rose steadily through the year and ended 31% higher at 253,475 tonnes. In China, the Shanghai Futures Exchange recorded similar patterns in price and stock movements. Total exchange stocks remain low by historical standards at the equivalent of only 10 days of world consumption. Production cuts towards the end of the year will moderate rising surpluses

In addition to a number of producers announcing production cut-backs or shutdowns because of financial difficulties, decisive action was taken by Nyrstar and other smelters and miners during second half of 2008 to reduce output of zinc. By 31 December we estimate a total of 1.5 million tonnes of mine production and 1.2 million tonnes of smelter production had been cut. This was a larger number achieved over a much shorter period of time through a more resolute response than experienced in previous downturns.

After five years of deficit the market for refined lead moved into a modest surplus of 57,000 tonnes in 2008 with world consumption increasing by 3% to 8.5 million tonnes. Strong demand growth in China led to a 14% rise in Chinese lead consumption to more than 3 million tonnes for the first time.

Responding to demand and rising lead prices over the last four years, refined lead production rose 5% to 8.5 million tonnes in 2008, with China contributing 60% in 2008, up from 27% in 2007. This was still insufficient to keep pace with the growth in its domestic demand, where China has swung from being a net exporter to net importer of refined lead.

The LME lead price followed a similar pattern to zinc during 2008. After peaking at close to US\$3,500 per tonne in February, the lead price followed a downward trend reaching four-year lows of less than US\$900 per tonne towards the end of 2008. However, over the year lead registered a stronger price performance than zinc and the average of US\$2,103 per tonne was only 18% lower than the record posted in 2007. Despite the market's move into a modest surplus, LME lead stocks ended 2008 almost unchanged compared with 2007 at 45,150 tonnes, the equivalent of only two days of world consumption, low by historical standards.

UNDERLYING SEGMENT INFORMATION

All segmental financial information is presented on an underlying basis. Information for 2007 is presented on a modified pro forma basis. Reference should be made to the "Important Note" in relation to the presentation of financial information on page 13.

Year ending 31 December 2008

€millions	Auby Smelter	Balen Smelter	Budel Smelter	Clarksville Smelter	Hobart Smelter	Port Pirie Smelter	Chinese Ops.	Other Ops.	Total
Unless otherwise indicated	2008	2008	2008	2008	2008	2008	2008	2008	2008
Zinc cathode ('000 tonnes)	118	251	250	132	260	38	25	-	1,075
Zinc market metal ('000 tonnes)	118	284	239	125	253	35	24	(21)	1,056
Lead market metal ('000 tonnes)	-	-	-	-	-	220	-	20	240
Sulphuric acid ('000 tonnes, gross)	196	327	276	147	394	74	-	-	1,414
Revenue	211	586	389	206	371	542	60	45	2,410
EBITDA	7	45	32	12	34	29	(5)	(1)	153
Capital expenditure	25	22	12	6	22	21	1	8	116
Elements of Gross Profit									
Treatment charges	40	93	83	31	85	71	-	-	404
Free metal contribution	22	39	53	17	32	16	-	-	179
Premiums	4	81	42	7	16	7	-	-	157
By-products	27	36	34	21	14	75	-	-	207
Other	(9)	(28)	(34)	(10)	(7)	(10)	12	19	(65)
Gross profit	83	221	178	67	141	160	12	19	881
Operating costs									
Employee benefits expense	22	46	32	14	28	39	4	43	227
Energy expenses	20	67	71	20	33	32	9	2	253
Other expenses	35	64	44	22	45	60	4	(18)	255
Total operating costs	77	177	147	55	106	131	17	26	735

Year ending 31 December 2007

€millions	Auby Smelter	Balen Smelter	Budel Smelter	Clarksville Smelter	Hobart Smelter	Port Pirie Smelter	Chinese Ops.	Other Ops.	Total
Unless otherwise indicated	2007	2007	2007	2007	2007	2007	2007	2007	2007
Zinc cathode ('000 tonnes)	129	254	234	124	262	41	34	-	1,079
Zinc market metal ('000 tonnes)	129	264	225	121	250	37	33	(11)	1,048
Lead market metal ('000 tonnes)	-	-	-	-	-	202	-	19	221
Sulphuric acid ('000 tonnes, gross)	189	342	285	146	431	68	-	-	1,461
Revenue	347	969	674	332	646	643	137	66	3,815
EBITDA	59	180	122	25	94	51	1	15	547
Capital expenditure	12	18	10	10	23	24	1	4	102
Elements of Gross Profit									
Treatment charges	79	152	102	37	144	41	-	-	555
Free metal contribution	39	77	74	33	43	38	-	-	303
Premiums	4	105	54	16	20	4	-	-	202
By-products	17	31	45	10	30	114	-	-	247
Other	(6)	(25)	(17)	(9)	(24)	(6)	18	19	(51)
Gross profit	132	340	258	87	213	190	18	19	1,255
Operating costs									
Employee benefits expense	22	46	28	15	28	37	3	25	202
Energy expenses	23	49	59	16	37	32	9	2	225
Other expenses	29	65	51	31	53	71	4	(4)	300
Total operating costs	73	160	137	61	118	139	17	23	727

OPERATIONS REVIEW

Auby

Zinc cathode production was impeded due to the failure of a cell-house electricity transformer in mid-June. The plant operated at reduced capacity while replacement supply was commissioned, only returning to full production from the end of October. Efficient transfer of calcine to other sites minimised the impact on the Company's overall production.

The impact of falling prices and worsening markets is reflected in gross profit, which was down 37% compared with 2007. Operating costs increased by 5% over 2007, chiefly due to provisions in respect of increased environmental obligations. The TRTAM electricity contract, which provides the site with a regulated electricity price tariff, has been extended until 30 June 2010.

The level of capital expenditure was double that of 2007, as a result of transformer repair/replacement works and the cell house capacity expansion. Environmental projects progressed during the year included compacting residues to extend the life of the ponds and soil remediation around the plant.

Balen/Overpelt

Production of zinc market metal was up by 8% against 2007. Strong production performance for most of the year was offset by the 28% production cut in November and full production stop in December as the plant was put on care and maintenance. The suspension of operations at Balen is expected to continue until mid 2009 and will be subject to regular review. The care and maintenance program will help to ensure that Balen is maintained in a ready condition, enabling it to return to production when economic conditions improve. The nearby site at Overpelt will continue to operate at a reduced five-day week, producing die-cast alloys and providing washed zinc oxides for the Company's smelters in Europe.

Gross profit was €221 million (2007: €340 million). Operating costs were 11% greater than 2007, principally due to higher energy prices.

Capital expenditure increased compared with 2007 due to ongoing compliance and environmental measures. These included upgrade of the effluent treatment plant at Overpelt and the final phase of residue pond capping at Overpelt.

Balen's restructuring program (announced in October) to preserve its long-term future by enhancing operational and financial performance through improved efficiencies remains on track. Annual cost savings of about €14 million are expected to be generated once all elements of the program are in place by late 2010.

Budel

Optimisation of calcine distribution across the Group allowed Budel's cell house to achieve record production levels until the decision to move to off peak production in November. Market metal production increased by 6% over 2007.

Gross profit fell by 31% compared to 2007. Operating costs increased as a result of the significant rise in Dutch electricity prices during 2008. In response to lower zinc prices, we have implemented a flexible production schedule of night and weekend work at the site. Stringent cost controls have been applied that will significantly improve performance in 2009.

Capital expenditure projects include covering the final open residue pond, improvements to the cell house ventilation and elimination of manual handling issues in the cathode stripping department. All projects were completed on time and on budget.

Clarksville

Record production in 2008 is attributable to increased use of secondary feedstock (oxides) in the roaster, processing of excess calcine from Auby and higher cell house throughput.

Gross profit was negatively impacted by declining zinc prices, but was boosted by contribution from by-products, with strong demand for sulphuric acid from the US market. In spite of increased electricity prices operating costs came down 10% on 2007 as a result of ongoing cost management programs and the weaker US dollar in the first half of 2008.

Two growth projects commenced in 2008: construction of a flotation plant to improve zinc recovery and the engineering design of an oxide washing plant. Investment in safety and environmental programs continued at normal levels.

Hobart

Operational improvements in the cell house and casting facilities resulted in a substantial increase in capacity late in the year. Most notable was the improvement in zinc recovery rate to 95%, leading to increased cathode production at minimal cost. Overall market metal production was 1% higher than 2007.

Despite these improvements, weak metal prices caused a 34% fall in gross profit against 2007. Favourably, operating costs decreased 10% on 2007, reflecting a stronger cost focus with lower external service costs and electricity charges under a new contract, which came into effect on 1 January 2008.

Total capital expenditure for the year 2008 was in line with 2007. This included the process changes delivering improved zinc recovery, successful planned maintenance shut of the roaster and acid plant and ongoing work to eliminate the visible tail gas stack plume and to automate skimming on casting lines. Progress continues as planned with environmental projects to address historical groundwater issues, by-product stockpiles and contaminated waste issues.

Port Pirie

Lead production was up 9% over 2007, due to greater plant availability and better sinter quality. Zinc production was down by 7% as a result of the planned slag furnace shutdown in May and June 2008.

Falling commodity prices impacted gross profit, which was down 16% against 2007. Annual renewal of electricity, coke and coal contracts occurred in June, at the peak of the market. Inventories of coke, coal, WIP and finished goods have since been written down to reflect market values at year end. Nevertheless, improvements in the management of external service costs and weakening of the Australian dollar reduced operating costs by 6% on 2007.

All conditions of the environmental licence were complied with in 2008. A number of *tenby10* projects were completed in 2008 that resulted in blood lead levels for employees and children in the local community being at record low levels. Initiatives will continue in the coming year in line with the *tenby10* program's objective of having at least 95% of Port Pirie children aged 0-4 years with a blood lead level of less than 10µg/dL by the end of 2010.

Capital expenditure was constant year-on-year. Major capital projects for 2008 included a planned slag fuming furnace shutdown allowing for additional work to increase the lifetime of the boilers by an additional 30 years.

Chinese and Other Operations

At Nyrstar Yunnan Zinc Alloys Co Ltd zinc production (Nyrstar's 60% shareholding) was 24,388 tonnes, down 25% compared with 2007. Reduced production was related to the production stop between July and September and reduced local demand that prompted a decrease in production in December to only 20% of the plant's capacity.

At Genesis Alloys Ningbo Ltd zinc alloy production (Nyrstar's 50% shareholding) decreased by 6% to 11,442 tonnes, due to a significant drop in demand, with many customers operating at 50% capacity. As a result the site stopped production for a total of four weeks. During the year work was undertaken to increase capacity to 68,000 tonnes in total, which can be utilised when demand picks up again.

At Föhl China Co Ltd, machine hours of 17,150 were up 61% over 2007 as a result of two additional die casting machines being installed during H1 2008. During the latter half of the year, Föhl has been adversely affected by reduced demand from automotive customers and destocking. Föhl's environmental ISO14001 certification was issued on 29 December 2008.

At Australian Refined Alloys Pty Ltd (ARA) lead production (Nyrstar's 50% shareholding) was 19,813 tonnes, up 5% on 2007, which was due to improved furnace performance in Melbourne and excellent battery availability, which allowed both furnaces (Melbourne and Sydney) to be operated continuously.

At GM-Metal SAS production of zinc alloys decreased by 18% to 21,527 tonnes against prior year, due to reduced operations as a result of the slowing market and maintenance shutdowns in August and December.

At Galva 45 weak demand, particularly from the automotive sector, limited production of galvanized steel parts to 35,620 tonnes (Nyrstar's 66% shareholding), down 12% compared with 2007.

FORWARD-LOOKING STATEMENTS

This release includes forward-looking statements that reflect Nyrstar's intentions, beliefs or current expectations concerning, among other things: Nyrstar's results of operations, financial condition, liquidity, performance, prospects, growth, strategies and the industry in which Nyrstar operates. These forward-looking statements are subject to risks, uncertainties and assumptions and other factors that could cause Nyrstar's actual results of operations, financial condition, liquidity, performance, prospects or opportunities, as well as those of the markets it serves or intends to serve, to differ materially from those expressed in, or suggested by, these forward-looking statements. Nyrstar cautions you that forward-looking statements are not guarantees of future performance and that its actual results of operations, financial condition and liquidity and the development of the industry in which Nyrstar operates may differ materially from those made in or suggested by the forward-looking statements contained in this news release. In addition, even if Nyrstar's results of operations, financial condition, liquidity and growth and the development of the industry in which Nyrstar operates are consistent with the forward-looking statements contained in this news release, those results or developments may not be indicative of results or developments in future periods. Nyrstar and each of its directors, officers and employees expressly disclaim any obligation or undertaking to review, update or release any update of or revisions to any forward-looking statements in this report or any change in Nyrstar's expectations or any change in events, conditions or circumstances on which these forward-looking statements are based, except as required by applicable law or regulation.

- end -

About Nyrstar

Nyrstar NV is the world's largest producer of zinc metal and alloys, and in addition, is one of the world's largest primary lead smelting and refining companies. The Company produces other valuable by-products including copper, gold and indium, along with significant quantities of refined silver. In 2008 Nyrstar produced more than one million tonnes of zinc. Incorporated in Belgium and with its corporate offices in London (United Kingdom) and Balen (Belgium), Nyrstar has wholly-owned operations in Australia, Belgium, France, the Netherlands and the USA and joint ventures in Australia, China and France. Nyrstar is listed on Euronext Brussels under the symbol NYR. For further information visit the Nyrstar website, www.nyrstar.com.

IMPORTANT NOTE IN RELATION TO THE PRESENTATION OF FINANCIAL INFORMATION

Nyrstar was formed by the former zinc and lead smelting and alloying business of Zinifex Limited (the 'Zinifex Carve-out Group') acquiring the zinc smelting and alloying business of Umicore SA/NV (the 'Umicore Carve-out Group') on 31 August 2007. Under IFRS 3 (Business Combinations), this was considered a reverse acquisition. The comparative information set out within the IFRS Consolidated Financial Statements for the year ended 31 December 2008 is for the 6-months ended 31 December 2007 and reflects the results of:

- The Zinifex Carve-out Group for July and August 2007; and
- Nyrstar for the period 1 September 2007 to 31 December 2007.

To provide more meaningful information to aid analysis and understanding of Nyrstar's operating result, Nyrstar produced unaudited Modified Pro Forma Consolidated Financial Information for the 12-months ended 31 December 2007 as if the business combination took effect on 1 January 2007. This unaudited Modified Pro Forma Consolidated Financial Information is derived from:

- Unaudited Pro Forma Consolidated Financial Information for the 12-months ended 31 December 2007; and
- Management adjustments to illustrate management's view of the Company's performance for the 12-months ended 31 December 2007.

Management adjustments to the Pro Forma Consolidated Financial Information reflect the hypothetical application of Nyrstar's transactional hedging policies and eliminate the results of the structural hedging policy employed by the Umicore Carve-out Group from 1 January 2007. For the 12-months ended 31 December 2007, the application of Nyrstar's transactional hedging policies and the elimination of the structural hedging policy increased the Pro Forma Result from operating activities by €133 million and €104 million respectively.

Greater detail on the basis of preparation of the Modified Pro Forma Consolidated Financial Information is set out on pages 18 to 23 of this release and refers the user to previously published information that sets out the bridges from the:

- IFRS Consolidated Income Statement for the 6-months ended 31 December 2007 to the Pro Forma Consolidated Financial Information for the 12-months ended 31 December 2007. The joint statutory auditors of the Company issued a separate ISAE 3000 report on the Pro Forma Consolidated Financial Information, which is included in the 2007 annual report; and
- Pro Forma Consolidated Financial Information to the Modified Pro Forma Consolidated Financial Information for the 12-months ended 31 December 2007.

By their nature, both the Pro Forma Consolidated Financial Information and Modified Pro Forma Consolidated Financial Information are based on hypothetical situations and should therefore not be interpreted as reflecting what would have happened in past periods and may not be comparable to any similar information presented by other companies.

Unless stated otherwise, the comparative financial information included in this release is based on the Modified Pro Forma Consolidated Financial Information. This information is presented solely to facilitate a review of our operating result.

Only the IFRS Consolidated Financial Statements have been audited. Both the Pro Forma Consolidated Financial Information and the Modified Pro Forma Consolidated Financial Information are unaudited.

Selected Nyrstar Consolidated Financial Information



For the year ended

31 December 2008

The joint statutory auditors, Klynveld Peat Marwick Goerdeler Bedrijfsrevisoren burg. CVBA / Réviseurs d'Entreprises SCRL civile, represented by Benoit Van Roost and PricewaterhouseCoopers Bedrijfsrevisoren burg. CVBA / Réviseurs d'Entreprises SCRL civile, represented by Peter Van den Eynde, have issued an unqualified audit opinion on the IFRS consolidated financial statements and have confirmed that the IFRS accounting data included in this annual announcement does not include any apparent inconsistencies with the IFRS consolidated financial statements. The accounting data included in this annual announcement incorporates modified pro forma and other financial information which has not been audited.

IFRS Consolidated income statement

<i>€ millions</i>	Twelve months to 31 December 2008	Six months to 31 December 2007
Revenue	2,409.7	1,486.2
Other income	9.6	11.2
Changes in inventories	(10.4)	(5.1)
Raw materials used	(1,454.3)	(1,065.8)
Stores and consumables used	(95.8)	(43.6)
Employee benefits expense	(226.9)	(91.4)
Energy expenses	(261.7)	(53.3)
Depreciation and amortisation expenses	(79.7)	(31.4)
Contracting and consulting expenses	(110.1)	(62.8)
Freight expense	(74.6)	(35.2)
Other expenses	(48.4)	(16.4)
Result from operating activities before exceptional items (a)	57.4	92.4
Restructuring expenses	(24.1)	-
Impairment losses	(615.0)	-
Result from operating activities	(581.7)	92.4
Finance income	7.4	3.1
Finance expenses	(21.1)	(12.2)
Net foreign exchange gain/(loss)	(0.1)	9.4
Net financing income/(expense)	(13.8)	0.3
Share of profit of equity accounted investees	6.9	9.0
Loss on the disposal of equity accounted investees	(17.7)	-
Profit before income tax	(606.3)	101.7
Income tax benefit/(expense)	11.6	18.4
Profit/(loss) for the period	(594.7)	120.1
Attributable to:		
Equity holders of the parent	(584.9)	121.2
Minority interest	(9.8)	(1.1)
	(594.7)	120.1
Earnings per share for profit attributable to the equity holders of the Company during the period (expressed in Euro per share)		
- basic	(5.85)	1.65
- diluted	(5.85)	1.55

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

IFRS Consolidated balance sheet

<i>€ millions</i>	As at 31 December 2008	As at 31 December 2007
ASSETS		
Non-current assets		
Property, plant and equipment	435.9	801.8
Intangible assets	3.0	256.0
Investments in equity accounted investees	25.0	103.0
Deferred tax assets	14.4	59.5
Other financial assets	52.7	22.6
	531.0	1,242.9
Current assets		
Inventories	266.8	472.6
Trade and other receivables	194.1	288.5
Prepayments	5.6	8.6
Current tax assets	8.4	18.2
Other financial assets	25.7	86.1
Cash and cash equivalents	297.0	198.8
Assets classified as held for sale	11.2	-
	808.8	1,072.8
Total assets	1,339.8	2,315.7
EQUITY		
Equity attributable to equity holders of the parent		
Share capital and Share premium	1,255.4	1,255.4
Reserves	(285.9)	(208.9)
Retained earnings	(262.9)	360.4
	706.6	1,406.9
Minority interest	4.5	13.7
Total equity	711.1	1,420.6
LIABILITIES		
Non-current liabilities		
Loans and borrowings	149.8	311.9
Deferred tax liabilities	40.4	85.7
Provisions	111.2	116.0
Employee benefits	37.8	26.0
Other financial liabilities	0.3	0.1
	339.5	539.7
Current liabilities		
Trade and other payables	157.0	241.6
Current tax liabilities	6.7	7.7
Loans and borrowings	0.5	41.8
Provisions	39.1	17.9
Employee benefits	32.2	27.0
Other financial liabilities	42.5	19.4
Liabilities classified as held for sale	11.2	-
	289.2	355.4
Total liabilities	628.7	895.1
Total equity and liabilities	1,339.8	2,315.7

IFRS Consolidated statement of cash flows

<i>€ millions</i>	Twelve months to 31 December 2008	Six months to 31 December 2007
Cash flows from operating activities		
Profit for the period	(594.7)	120.1
Adjustment to:		
Depreciation and amortisation	79.7	31.4
Income tax expense	(11.6)	(18.4)
Net finance expense	13.8	(0.3)
Share of profit in equity accounted investees	(6.9)	(9.0)
Impairment	615.0	-
Equity settled share based payment transactions	1.0	0.1
(Gain)/Loss on sale of investments	17.7	-
(Gain)/Loss on sale of property, plant and equipment	0.3	0.1
	114.3	124.0
Changes in inventories	179.1	99.6
Changes in trade and other receivables	46.0	173.6
Changes in prepayments	(0.4)	4.7
Changes in other financial assets and liabilities	30.4	(97.8)
Changes in trade and other payables	37.9	32.7
Change in provisions and employee benefits	26.0	(0.9)
Interest paid	(13.8)	(8.9)
Income tax paid	(1.7)	(27.9)
Net cash from operating activities	417.8	299.1
Cash flows from investing activities		
Acquisition of property, plant and equipment	(116.4)	(42.5)
Proceeds from sale of property, plant and equipment	0.3	-
Acquisition of subsidiary net of cash acquired - Zinifex Carve-out Group	(30.1)	(1,552.6)
Acquisition of subsidiary net of cash acquired - Umicore Carve-out Group	-	(914.9)
Repayment of borrowings from associates	(19.6)	-
Distribution from associates	26.8	-
Proceeds from sale of equity accounted investee	33.6	-
Interest received	8.1	5.3
Net cash (outflows) from investing activities	(97.3)	(2,504.7)
Cash flows from financing activities		
Proceeds from issue of share capital	-	2,195.0
Repurchase of own shares	(1.7)	-
Proceeds from borrowings	-	350.0
Repayments of borrowings	(178.7)	(77.5)
Distributions to shareholders	(40.0)	(135.9)
Distributions to minority interests	(0.2)	-
Net cash (outflows) from financing activities	(220.6)	2,331.6
Net increase in cash held	99.9	126.0
Cash at the beginning of the reporting period	198.8	74.5
Exchange fluctuations	(1.7)	(1.7)
Cash and cash equivalents at the end of the reporting period	297.0	198.8

NOTE:

In August 2007, Port Pirie Pty Ltd issued share capital, as reported in note 20, to its former parent, Zinifex Limited, in satisfaction of a long term intercompany loan.

The €106.9 million repayment of the loan and the offsetting cash inflow from issuing share capital is netted off in the consolidated cash flow for the six months to 31 December 2007.

Nyrstar Modified Consolidated
Financial Information
(Unaudited)



For the year ended

31 December 2008

Modified Pro Forma Consolidated Financial Information

<i>€ millions</i> <i>For the year ended</i>	Note	IFRS Consolidated Financial Statements 31 December 2008	Modified Pro Forma 31 December 2007
Revenue		2,409.7	3,815.2
Result from operating activities before depreciation and amortisation		137.1	541.3
Depreciation and amortisation		(79.7)	(74.8)
Result from operating activities before exceptional items (a)		57.4	466.5
Restructuring expenses	4	(24.1)	-
Impairment losses	4	(615.0)	-
Result from operating activities		(581.7)	466.5
Share of profit / (loss) of equity accounted investees		6.9	18.4
Loss on sale of equity accounted investees	4	(17.7)	-
Result before net financing costs and income tax		(592.5)	484.9
Other Information			
Other information includes:			
Gross profit		880.8	1,218.6
Employee benefits expense		(226.9)	(202.0)
Energy expenses		(261.7)	(175.7)
Other expenses		(255.1)	(299.6)
Total operating costs		(743.7)	(677.3)
Capital expenditure and cyclical maintenance		(116.4)	(102.2)

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

The accompanying notes are an integral part of the Nyrstar Modified Pro Forma Consolidated Financial Information.

Note to the Modified Pro Forma Consolidated Financial Information

1 Reporting entity

Nyrstar NV ("Nyrstar" or the "Company") was formed on 13 April 2007 in the context of the subsequent signing of the Business Combination and Shareholders' Agreement between Nyrstar, Zinifex Limited ("Zinifex") and Umicore SA/NV ("Umicore") on 23 April 2007. The Company listed its shares on the Eurolist of Euronext, Brussels on 29 October 2007. The listed entity represents a business combination of the zinc and lead smelting and alloying business of Zinifex (the "Zinifex Carve-out Group") and the zinc smelting and alloying business of Umicore (the "Umicore Carve-out Group").

2 Basis of preparation

(a) Modified Pro Forma Consolidated Financial Information

For the purpose of Nyrstar's listing on the Eurolist of Euronext, Brussels and to assist users of its financial statements to understand the historical performance of the combined group, the Company prepared consolidated financial information as if the business combination between Nyrstar, the Zinifex Carve-out Group and the Umicore Carve-out Group took effect as of 1 January 2007.

Nyrstar prepared both "Pro Forma Consolidated Financial Information" and "Modified Pro Forma Consolidated Financial Information". The Pro Forma Consolidated Financial Information was prepared having regard to the principles set out in Annex II of the Commission Regulation (EC) No. 809/2004. This consolidated financial information was adjusted by management to illustrate management's view of the Company's performance over the periods disclosed producing "Modified Pro Forma Consolidated Financial Information".

Both the Pro Forma Consolidated Financial Income Statement and Modified Pro Forma Consolidated Financial Income Statement were provided only to the level of profit before net financing costs and income tax. The tax profile and gearing of Nyrstar differed substantially from those of the Zinifex Carve-out Group and the Umicore Carve-out Group, which, historically, were operated under different corporate structures and, therefore, a comparison of historical interest and tax expense is not considered to be meaningful, appropriate or representative.

A review of the Pro Forma Consolidated Financial Information for the twelve months ended 31 December 2007 was carried out by Nyrstar's Joint Statutory Auditors PwC and KPMG in accordance with International Standard on Assurance Engagements 3000. This information and the accompanying report for the year ended 31 December 2007 is set out within the appendices of Nyrstar's Annual Report 2007. The Modified Pro Forma Consolidated Financial Information presented for the year ended 31 December 2007 is unaudited.

(b) Underlying financial information

The financial information presented for the twelve months ended 31 December 2008 is consistent with the information set out in the accompanying IFRS consolidated financial statements. The information has been set out in such a way to provide the user with additional information relating to the Company's gross profit and operating costs.

The comparative Modified Pro Forma Consolidated Information for the period ending 31 December 2007 is based on:

- Pro Forma Consolidated Financial Information set out within the appendices of Nyrstar's Annual Report 2007; and
- Management adjustments to illustrate management's view of the Company's performance over the periods disclosed as set out within the appendices of Nyrstar's Annual Report 2007.

(c) Limitation of information

The Modified Pro Forma Consolidated Financial Information has been prepared for the twelve months ended 31 December 2007 giving pro forma effect to the acquisitions of the Zinifex Carve-out Group and the Umicore Carve-out Group by Nyrstar as if the acquisitions had occurred on 1 January 2007. The information has been prepared and is intended for illustrative purposes only and addresses a hypothetical situation and therefore does not purport to represent the results of operations that the Company would actually have obtained during the period presented and is not necessarily indicative of the results the Company expects in future periods. The information is modified to the extent it is adjusted to show management's view on the Company's performance over the periods disclosed.

In this respect, the Modified Pro Forma Consolidated Information, for all information relating to the period prior to 1 September 2007 (the date Nyrstar first traded as a combined entity), amongst other things:

- Does not reflect net financing costs and income tax expense as the tax profile and gearing of Nyrstar differ substantially from those of the Zinifex Carve-out Group and the Umicore Carve-out Group;
- Does not reflect the strategies and corporate structure that Nyrstar may have employed had the smelting businesses been operating as a combined group;
- Does not reflect the fact that the contractual terms between Nyrstar and its customers and suppliers may have been different had the smelting businesses been operating as a combined group;
- Does not reflect the operating risks that Nyrstar may have been subject to had the smelting businesses been operating as a combined group;
- Does not reflect the results of any Financial Risk Management, such as transactional hedging, that Nyrstar may have employed; and
- Does not reflect international accounting standards to the extent of the modifications made by management.

In addition, as has been noted above, the Modified Pro Forma Consolidated Financial Information has been provided only to the level of profit before net financing costs and income tax.

(d) Nature of management adjustments

The Modified Pro Forma Consolidated Financial Information for the twelve months ended 31 December 2007 has been modified to reflect management's view of the Company's performance. The management adjustments apply Nyrstar's transactional hedging policies and eliminate the results of the Umicore Carve-out Group's structural hedging policy. The modified pro forma adjustments are based on estimates, available information and certain assumptions that management believes are reasonable.

Note to the Modified Pro Forma Consolidated Financial Information

3 Segment Reporting

The segment information reported below has been prepared on the basis of the segments described in Nyrstar's consolidated financial statements.

3.1 Segment Information for the Twelve Months Ended 31 December 2008

IFRS Consolidated Financial Statements 31 December 2008									
Income / (Cost)	Auby Smelter €m	Baln Smelter €m	Budel Smelter €m	Clarksville Refinery €m	Hobart Smelter €m	Port Pirie Smelter €m	Chinese Operat- ions €m	Other Operat- ions €m	Total €m
Revenue to external customers	210.7	585.6	389.1	206.3	371.2	541.9	60.3	44.6	2,409.7
Intersegment revenue	44.2	154.6	36.3	-	1.2	1.1	-	5.3	242.7
Result from operating activities before depreciation and amortisation	6.6	44.6	31.9	11.6	25.5	29.0	(5.1)	(7.0)	137.1
Depreciation and amortisation	(15.5)	(20.4)	(6.8)	(3.5)	(17.5)	(12.4)	(0.9)	(2.7)	(79.7)
Result from operating activities before exceptional items	(8.9)	24.2	25.1	8.1	8.0	16.6	(6.0)	(9.7)	57.4
Restructuring expenses	-	-	-	-	-	-	-	(24.1)	(24.1)
Impairment losses	-	-	-	-	-	-	-	(615.0)	(615.0)
Result from operating activities	(8.9)	24.2	25.1	8.1	8.0	16.6	(6.0)	(648.8)	(581.7)
Share of profit / (loss) of equity accounted investees	-	-	-	-	-	-	0.6	6.3	6.9
Loss on sale of equity accounted investees	-	-	-	-	-	-	-	(17.7)	(17.7)
Result before net financing costs and income tax	(8.9)	24.2	25.1	8.1	8.0	16.6	(5.4)	(660.2)	(592.5)
Other Information									
Other information includes:									
Gross profit	83.1	221.3	178.6	66.5	140.3	160.1	11.8	19.1	880.8
Employee benefits expense	(21.5)	(46.2)	(32.1)	(13.7)	(28.1)	(39.1)	(3.6)	(42.6)	(226.9)
Energy expenses	(19.6)	(66.6)	(71.1)	(19.6)	(41.5)	(32.4)	(9.3)	(1.6)	(261.7)
Other expenses	(35.4)	(63.9)	(43.5)	(21.6)	(45.2)	(59.6)	(4.0)	18.1	(255.1)
Total operating costs	(76.5)	(176.7)	(146.7)	(54.9)	(114.8)	(131.1)	(16.9)	(26.1)	(743.7)
Capital expenditure and cyclical maintenance	(24.6)	(21.8)	(12.1)	(5.7)	(21.5)	(21.4)	(1.1)	(8.2)	(116.4)

Note to the Modified Pro Forma Consolidated Financial Information

3.2 Segment Information for the Twelve Months Ended 31 December 2007

Selected Modified Pro Forma Financial Information 31 December 2007									
Income / (Cost)	Auby Smelter €m	Balen Smelter €m	Budel Smelter €m	Clarksville Refinery €m	Hobart Smelter €m	Port Pirie Smelter €m	Chinese Operations €m	Other Operations €m	Total €m
Revenue to external customers	347.4	969.2	673.5	332.4	646.4	643.4	136.8	66.1	3,815.2
Intersegment revenue	52.4	413.6	23.3	3.6	8.6	1.4	-	14.6	517.5
Result from operating activities before depreciation and amortisation	58.9	169.6	117.2	23.8	128.8	45.3	0.8	(3.1)	541.3
Depreciation and amortisation	(13.8)	(17.8)	(6.8)	(5.3)	(15.4)	(12.8)	(1.6)	(1.3)	(74.8)
Result from operating activities	45.1	151.8	110.4	18.5	113.4	32.5	(0.8)	(4.4)	466.5
Share of profit / (loss) of equity accounted investees	-	-	-	-	-	-	(0.2)	18.6	18.4
Result before net financing costs and income tax	45.1	151.8	110.4	18.5	113.4	32.5	(1.0)	14.2	484.9
Other Information									
Other information includes:									
Gross profit	132.3	329.1	254.3	85.0	196.8	184.2	17.5	19.4	1,218.6
Employee benefits expense	(21.7)	(45.9)	(27.6)	(14.6)	(27.8)	(36.6)	(3.1)	(24.7)	(202.0)
Energy expenses	(23.2)	(48.6)	(58.6)	(15.8)	13.0	(31.6)	(9.3)	(1.6)	(175.7)
Other expenses	(28.5)	(65.0)	(50.9)	(30.8)	(53.2)	(70.7)	(4.3)	3.8	(299.6)
Total operating costs	(73.4)	(159.5)	(137.1)	(61.2)	(68.0)	(138.9)	(16.7)	(22.5)	(677.3)
Capital expenditure and cyclical maintenance	(11.7)	(18.2)	(10.4)	(10.0)	(23.0)	(23.9)	(1.0)	(4.0)	(102.2)

4 Reconciliation to Underlying Results

4.1 Underlying EBITDA

The following table sets out the reconciliation between the "Result from operating activities before depreciation and amortisation" to the Company's "EBITDA" and "Underlying EBITDA".

"EBITDA" includes the result from operating activities before depreciation and amortisation plus Nyrstar's share of the profit or loss of equity accounted investees.

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

€m	IFRS Consolidated Financial Statements 31 Dec 08	Modified Pro Forma Financial Information 31 Dec 07
Result from operating activities before depreciation and amortisation	137.1	541.3
Share of profit / (loss) of equity accounted investees	6.9	18.4
Restructuring expenses	(a) (24.1)	-
Impairment losses	(b) (615.0)	-
Loss on disposal of equity accounted investees	(c) (17.7)	-
EBITDA	(512.8)	559.7
Underlying adjustments		
Add back:		
Restructuring expenses	(a) 24.1	-
Impairment losses	(b) 615.0	-
Net loss on disposal of equity accounted investees	(c) 17.7	-
Net loss / (gain) on Hobart Smelter embedded derivatives	(d) 8.7	(49.5)
Unhedged inventory	(e) -	36.7
Underlying EBITDA	152.7	546.9

Note to the Modified Pro Forma Consolidated Financial Information

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

(a) The Group announced two restructuring programmes during 2008.

Balen restructuring programme - In October 2008, Nyrstar announced its intention to reduce the number of roles at the Balen and Overpelt plants by 205 positions as part of a strategic plan to enhance the Group's operational and financial performance in the face of difficult economic conditions. The restructuring programme is aimed at preserving the long-term future of the Balen operation and employment in response to increasing energy and high labour costs. As at 31 December 2008, an accurate classification of the provision between current and non-current was not determinable. Therefore, although it is anticipated that the staff reductions will occur over a 24 month period concluding in 2010, the provision is classified as current.

Global Marketing and Services restructuring programme - In December 2008, the Company demonstrably committed to a plan to restructure its Global Marketing and Services team which will lead to staff reductions within the team and generate future cost savings. It is anticipated that the plan will be completed in 2009.

The cost of both restructuring programmes has been reversed from EBITDA for the purpose of calculating the Group's underlying EBITDA.

(b) As a result of the fall in the Company's market capitalisation below its net asset value coupled with the adverse market conditions in the second half of 2008, all cash generating units (CGUs) were tested for impairment.

The result of the impairment test led to an impairment charge of €575.4 million, adding to the €39.6 million impairment charge recognised on the Nyrstar Yunnan assets, bringing the total impairment charge to €615.0 million for the year. Of this amount €607.8 million is attributed to the equity holders of the Group and €7.2 million to the minority equity holders of Nyrstar Yunnan.

The assets impaired comprised of the entire Group's goodwill of €254.8 million, intangible assets at Nyrstar Yunnan of €1.2 million and property plant and equipment at Balen, Port Pirie and Nyrstar Yunnan of €247.1 million, €94.4 million and €17.5 million respectively.

The cost of all impairments has been reversed from EBITDA for the purpose of calculating the Group's underlying EBITDA.

(c) Nyrstar divested its 24.9% minority shareholding in Padaeng Industry Public Company Limited in April 2008 which resulted in a loss for the year ended 31 December 2008 of €17.7 million. This loss has been reversed from EBITDA for the purpose of calculating the Group's underlying EBITDA.

(d) The Hobart Smelter electricity contract with its electricity supplier contains an embedded derivative which has been designated as a qualifying cash flow hedge. To the extent that the hedge is effective, changes in its fair value are recognised directly in equity, whilst to the extent the hedge is ineffective changes in fair value are recognised in the consolidated income statement. As the hedge is partially ineffective, the negative change in fair value of €8.7 million (31 December 2007: €49.5 million gain) on the ineffective portion of the hedge was recorded as a cost in energy expenses within the consolidated income statement. The impact on the income statement has been reversed from EBITDA for the purpose of calculating the Group's underlying EBITDA.

(e) As at 31 August 2007, Nyrstar inherited an unhedged metal at risk position. Parent company approval for the hedging of this position was received on 13 September 2007. During this period in which the metal was not hedged, both the price of zinc and US dollar fell against the Euro resulting in a negative impact on the result from operating activities of approximately €24.7 million. Subsequently, an additional 19,000 tonnes of metal was determined to be exposed and was successfully hedged by mid December. The impact of this exposure was to reduce the result from operating activities by €12.0 million. These impacts have been reversed and increase EBITDA for the purpose of calculating the Group's underlying EBITDA.

4.2 Underlying Gross Profit and Operating Expenses

The below tables set out the underlying gross profit and operating expenses based on the underlying adjustments identified in Section 4.1 (a) to (e) above.

€m	31 Dec 08	31 Dec 07
Gross Profit		
Reported modified pro forma gross profit	880.8	1,218.6
Adjustment for unhedged inventory	-	36.7
Underlying gross profit	880.8	1,255.3

€m	31 Dec 08		31 Dec 07	
	Energy costs	Total operating costs	Energy costs	Total operating costs
Reported modified pro forma costs	(261.7)	(743.7)	(175.7)	(677.3)
Adjustment for embedded derivatives	8.7	8.7	(49.5)	(49.5)
Underlying operating costs	(253.0)	(735.0)	(225.2)	(726.8)

Note adjustments (a) to (c) are reported below the Result from operating activities before depreciation and amortisation in the Modified Pro Forma Consolidated Financial Information.