Annual Report 2015

nyrstar

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Nyrstar is a global multi-metals business, with a market leading position in zinc and lead, and growing positions in other base and precious metals, which are essential resources that are fuelling the rapid urbanisation and industrialisation of our changing world. Nyrstar has mining, smelting, and other operations located in Europe, the Americas and Australia and employs approximately 5,000 people. Nyrstar is incorporated in Belgium and has its corporate office in Switzerland. Nyrstar is listed on Euronext Brussels under the symbol NYR.

For further information please visit the Nyrstar website:
www.nyrstar.com

2015 Highlights Key Figures

256 € million
Group Underlying EBITDA

+41 %
Metals Processing Underlying EBITDA YoY

1.115 million tonnes
Zinc Metal Production

FINANCIAL CALENDAR

04 February 2016	2015 Full Year Results
27 April 2016	2016 First Interim Management Statement
27 April 2016	Annual General Meeting
04 August 2016	2016 Half Year Results
20 October 2016	2016 Second Interim Management Statement

Dates are subject to change.
Please check the Nyrstar website for financial calendar updates.

Key figures 2015

METALS PROCESSING PRODUCTION	2015	2014
Zinc metal ('000 tonnes)	1,115	1,097
Lead metal ('000 tonnes)	185	178
MINING PRODUCTION		
Zinc in concentrate ('000 tonnes)	234	278
Gold ('000 troy ounces)	16.1	52.1
Silver ('000 troy ounces)	2,724	5,106
Copper in concentrate ('000 tonnes)	6.5	11.3
MARKET		
Average LME zinc price (USD/t)	1,928	2,164
Average exchange rate (EUR/USD)	1.11	1.33
KEY FINANCIAL DATA (EUR MILLION)		
Group Revenues	3,139	2,799
EBITDA	256	237[1]
Mining EBITDA	(41)	44[1]
Metals Processing EBITDA	336	239
Other & Eliminations EBITDA	(38)	(46)

KEY FINANCIAL DATA	2015	2014
Loss for the period	(432)	(287)
Basic EPS (EUR)	(1.32)	(1.22)
Capital Expenditure (CAPEX)	419	294
CASH FLOW		
Net operating CF	(7)	311
NET DEBT EXCLUSIVE OF ZINC PREPAY		
Net Debt, end of period	761	438
Net debt/EBITDA ratio	3.0	1.6[2]
NET DEBT INCLUSIVE OF ZINC PREPAY		
Net Debt, end of period	896	438
Net debt/EBITDA ratio	3.5	1.6[2]
NON-FINANCIAL KPIs		
RIFR	9.1	13.0
LTIFR	2.4	4.0

[1] 2014 Mining and Group EBITDA excludes non-cash gain of EUR 43 million achieved on the settlement of the silver stream at Campo Morado with Silver Wheaton. The gain was shown as part of underlying adjustments
[2] Based on actual EBITDA of EUR 280 million

KEY SHARE FACTS

FOR THE YEAR ENDED 31 DECEMBER	2015	2014
Market capitalisation	544,072,141	996,332,108
Ordinary shares	340,045,088	340,045,088
Treasury shares	12,571,225	12,664,057
Free float	76%	90%
Gross capital distribution	EUR 0	EUR 0
Closing share price	EUR 1.60	EUR 2.93
Intra day high	EUR 3.93	EUR 3.05
Intra day low	EUR 1.23	EUR 1.70
Average daily number of shares	1,598,469	1,087,484

Chairman & CEO Statement

2015 was a very important year for Nyrstar. It was a year in which the Company had to take some major decisions about the best way forward against the background of a sharp deterioration in commodity prices, including zinc, and recent market volatility. We redefined our priorities as a Group to position ourselves to be able to navigate this uncertain market, and ensure we are in the best position to benefit from future commodity price uplift.

The first half of the year saw zinc prices reach up to USD 2,405 per tonne, while in the second half zinc plummeted to a six-year low of around USD 1,470 per tonne. This sharp decline materially impacted our business performance, especially in our Mining segment.

In contrast, we are pleased with the strong operational and financial performance of our Metals Processing segment, which had a record underlying EBITDA in the first half this year and full-year production of 1.115 million tonnes of refined zinc metal.

STRATEGIC REPOSITIONING

Following a thorough review of the macro-economic outlook, strategic priorities and performance drivers of the business, on 9 November 2015 we announced our plan to strategically refocus the business on our core Metals Processing segment, which has been performing well, and divest our Mining segment which has been challenged by commodity prices.

The plan also features important measures aimed at strengthening the Company's balance sheet to enable Nyrstar to withstand the challenging near-term commodity prices and financing markets while giving it the necessary operational flexibility to deliver shareholder returns.

Prudent cash management has been a key focus for us in the current market environment and we continue to take significant steps to minimise the cash consumption of the Mining segment while the divestment process is progressing.

2015 PERFORMANCE OVERVIEW

Our underlying Group EBITDA for the year was EUR 256 million, which was up by EUR 19 million year-on-year, excluding the non-cash gain from the settlement of the Campo Morado silver stream with Silver Wheaton in 2014. The Group's result was driven by the strong performance of our Metal Processing segment, while benefitting from a continued weakening of the Euro against the US dollar, which offset the sharp decline in commodity prices in the second half of the year.

Our net debt of EUR 761 million at the end of 2015 was markedly higher compared to 2014, primarily driven by growth in Metal Processing Capex, negative cash flow in the Mining segment and the use of cash that was on the balance sheet at the end of 2014. The Company posted a net loss of EUR 432 million for 2015, primarily as a result of impairment charges of EUR 564 million, predominately related to the Mining segment assets.

Significant progress has been made on the various balance sheet strengthening measures we announced on 9 November 2015. We completed the funding of a USD 150 million zinc metal prepay in December 2015, and successfully completed our fully underwritten EUR 274 million rights offering at the end of February 2016. These measures improve our short term liquidity and enable repayment of the EUR 415 million retail bond in May of 2016.

Our cash preservation and cost reduction measures are progressing. We achieved EUR 65 million of cash savings in the Mining segment on an annualised basis in Q4 against the Q3 run rate. We also achieved EUR 10 million of annualised savings in corporate costs and continue to target further sustainable cash and cost savings across the Group during 2016.

Meanwhile, we formalised our relationship with Trafigura in a relationship agreement. As a key reference shareholder, Trafigura demonstrated their support for the business and our strategy by underwriting up to EUR 125 million of the rights offering. This relationship agreement established important corporate governance and commercial criteria.

BILL SCOTTING
CHIEF EXECUTIVE OFFICER

JULIEN DE WILDE
CHAIRMAN OF THE BOARD OF DIRECTORS

We formally launched the sale of our mining assets in January 2016 and have received very strong interest with numerous confidentiality agreements signed and companies undertaking due diligence. We are looking at a typical two-stage process with the first round concluded at the end of February and targeted completion of all or a partial sale of these assets around mid-year.

The strategically important Port Pirie Redevelopment is continuing on schedule with remaining funding until completion to come from the perpetual notes. The redevelopment, which benefits from the support of the South Australian Government, and Australia's export credit agency, the Export Finance Insurance Corporation (Efic), is an excellent example of what can be successfully achieved with the careful coordination and alignment of various stakeholders.

While we have made significant improvements in health and safety performance, sadly we had one fatality at El Mochito mine in 2015. Disappointingly, we started 2016 with three mining fatalities at El Mochito and Langlois. The safety of our employees is our top priority and this performance is clearly unacceptable and we are doing everything we can in our drive for zero harm.

OUTLOOK & 2016 FOCUS AREAS

While zinc was not immune to the broader decline in commodity prices in the second half of 2015, we remain positive about the fundamentals of the zinc market and believe the broader macro-economic concerns have overshadowed what remains a positive outlook for zinc.

Zinc concentrate supply is tightening on the back of recent mine closures, exchange stocks having fallen through 2015 and the recent trade data from China suggests the highest level of zinc imports for a number of years. Demand for zinc is expected to remain robust as it is a mid to late cycle commodity that will be supported by growth in global automotive manufacturing, especially in China.

Against this outlook, we see 2016 as a year of transition for Nyrstar as we continue to strengthen the balance sheet, refocus the company on its core Metal Processing segment and exit from our mining business. Our priorities for the year are:

- Strengthening and maintaining a more prudent balance sheet
- Progressing the sale of all or most of our mining assets
- Delivering the Port Pirie redevelopment
- Optimising our raw materials feed book to maximise the value in use from the various feed sources
- Continuing to focus on cash preservation and cost reduction

We are confident that, with our balance sheet strengthening measures and the ongoing capital discipline and operational improvements we have announced, we are taking the right steps to ensure the Company can weather near term uncertainties and be in the best position it can to benefit from the expected strengthening in the underlying fundamentals of the zinc market.

On behalf of the Board of Directors we would like to express our thanks to all Nyrstar employees around the world for their continued commitment and dedication.

We would also like to express our gratitude to our customers, suppliers and shareholders for their continued support and confidence in our Company.

BILL SCOTTING
CEO

JULIEN DE WILDE
CHAIRMAN OF THE BOARD OF DIRECTORS

Nyrstar Board of Directors

Julien De Wilde, *Chairman*

Julien De Wilde was appointed Chairman in August 2007. He is also Chairman of Agfa-Gevaert NV and was a Director of several other Belgian listed companies.

Christopher Cox,
Non-Executive Director

Christopher Cox, Non-Executive Director, currently serves on the Trafigura Supervisory Board. He was also formerly the Head of the Non-ferrous and Bulk trading division at Trafigura and a member of the Trafigura Management Board between March 2004 and December 2011 as well as a member of their Board of Directors from October 2013 until early September 2014.

Bill Scotting, *Executive Director*

Bill Scotting was appointed Executive Director in December 2015, having been appointed Chief Executive Officer of Nyrstar in August 2015 (see Nyrstar Management Committee for further details).

Oyvind Hushovd,
Non-Executive Director

Oyvind Hushovd, Non-Executive Director, currently serves on the boards of several companies, including, among others, Ivanhoe Mines.

Ray Stewart, *Non-Executive Director*

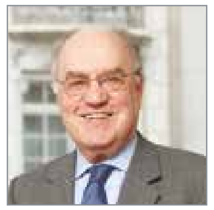
Ray Stewart, Non-Executive Director, currently serves on the Board of bpost NV. Previously, he held the position of Executive Vice President Finance and Chief Financial Officer of Belgacom Group NV.

Carole Cable, *Non-Executive Director*

Carole Cable, Non-Executive Director, is currently a Partner at Brunswick Group, an international communications firm, where she is the joint head of the energy and resources practice specialising in the metals and mining sector.

Martyn Konig, *Non-Executive Director*

Martyn Konig, Non-Executive Director, is currently the Chief Investment Officer for T Wealth Management SA, the private family office for partners and senior management of the Trafigura Group.



Karel Vinck, *Non-Executive Director*

Karel Vinck, Non-Executive Director, is coordinator at the European Commission and a Director of Tessenderlo Group NV and the Koninklijke Muntschouwburg. He was formerly the Chief Executive Officer of Umicore NV and later Chairman.

The Nyrstar Management Committee ('NMC')

Bill Scotting, *Chief Executive Officer*

Bill was appointed Chief Executive Officer in August 2015 and Executive Director on the Nyrstar Board in December 2015. Prior to joining Nyrstar he was Chief Executive Mining at ArcelorMittal. He joined Mittal Steel in 2002 as Director of Continuous improvement and after the merger with Arcelor also held the position of Head of Performance Enhancement and Head of Strategy. He started his career as a metallurgist with BHP in Australia and has also worked at McKinsey & Company and CRU International.

Willie Smit, *Senior Vice President Corporate Services*

Willie was appointed SVP Corporate Services in January 2016. Before joining Nyrstar, Willie was SVP & Group Head of Human Resources at the Swiss-based cement producer Holcim Ltd. During his 30 year career, he has held several senior management positions in HR including Executive VP and Head of HR at ArcelorMittal and Vice President HR Europe and Africa at the Siberian-Urals Aluminium Company (SUAL).

Christopher Eger,
Chief Financial Officer

Chris was appointed CFO in November 2015. He has extensive financial, M&A and commercial expertise related to the Metals and Mining sector, gained over a 15-year career in investment banking, metals trading and private equity. Previously Chris was at Trafigura where he was a senior member of the Mergers and Acquisitions team.

Michael Morley, *Senior Vice President Metals Processing*

Michael joined Nyrstar in August 2007 as Director Legal. Prior to that he was General Counsel at Smorgon Steel Group Ltd. and previously Senior Associate in the Corporate/Mergers & Acquisitions Team of Clayton Utz. He has also held a number of positions with Coopers & Lybrand and Fosters Brewing Group Limited. Michael was appointed Nyrstar SVP Metals Processing in December 2013.

John Galassini,
Senior Vice President Mining

John was appointed SVP Mining in December 2014. Prior to joining Nyrstar, he spent 21 years at Phelps Dodge/Freeport-McMoran related companies where he held increasingly senior operational positions in the Americas. He also held the position of Regional Vice President at Kinross Gold. His most recent role before Nyrstar was COO at Sunshine Silver Mines Corporation.

Strategy

"We are strategically refocusing our business on the core Metals Processing segment," Nyrstar CEO **Bill Scotting**

Construction work at Port Pirie Redevelopment site in Australia.

Strategy

Nyrstar's strategy is aimed at positioning the business for a sustainable future as a leading metals processing business. Through its deep market insight and unique processing capabilities, Nyrstar aims to generate superior returns by extracting the maximum value inherent in the mineral resources and by-products it processes. Accordingly, Nyrstar has developed a coordinated approach to redeveloping and operating its asset portfolio to optimise the concentrate feed into its smelters, maximise minor and precious metal extraction, and enhance the margins of its end-product mix. To realise its strategy, management has determined the following strategic priorities:

STRENGTHEN AND MAINTAIN A MORE CONSERVATIVE BALANCE SHEET

Nyrstar management has developed a robust plan designed to strengthen the Company's balance sheet and therefore enable the Company to withstand challenging commodity prices and financing markets while giving it the necessary operational flexibility to deliver shareholder returns. Core elements of this plan include:

- Cost savings: Cash consumption is being and will continue to be reduced, in particular in the Mining segment. Mining segment growth capital expenditure in 2016 will be reduced to nil, while targeted 2016 operating cost and sustaining capital savings have increased with expected annualised cash flow savings in the Mining segment to be greater than EUR 60 million compared to Q3 2015 annualised levels. Nyrstar will embed further operating cost and sustaining capital savings throughout the business, including an annualised reduction in Metals Processing and Corporate operating costs of EUR 30 million (EUR 20 million for Metals Processing and EUR 10 million for Corporate).

- Liquidity: The EUR 274 million Rights Offering which was successfully completed in February 2016 and a variety of existing and new financing initiatives including the USD 150 million Prepay Financing zinc metal secured in December 2015, are intended to provide necessary financial flexibility to address the current challenging commodity price environment and near-term bond maturities.

- Conservative investment policy: The new funding and cost savings will be combined with a conservative investment policy aimed at maintaining sufficient capital buffers, while at the same time executing the Company's strategy to be a leading metals processor leveraging an optimised feedbook mix for its smelters and generating superior returns from the targeted end product mix.

STREAMLINE THE ASSET BASE WITH A FOCUS ON SMELTING OPERATIONS

Following a detailed review of the Company's recent financial performance, medium term capital requirements and current commodity price environment, management has decided to pursue strategic alternatives for its mining assets, individually and as a portfolio, which may include asset disposals and a full exit from mining. Nyrstar's focus will be on smelting operations considering the unique value proposition the assets have to offer following the Port Pirie Redevelopment. Nyrstar has retained financial advisers, BMO Capital Markets and Lazard, to assist with a process to pursue these strategic alternatives. Where appropriate, offtake agreements will be put in place to maintain Nyrstar's access to concentrates. Nyrstar will consider further suspensions of its mines if the current depressed commodity price environment continues.

REDEVELOP PORT PIRIE THE METAL RECOVERY AND REFINING FACILITY TO MAXIMISE THE VALUE FROM CONCENTRATES AND RESIDUES

Nyrstar is progressing the redevelopment of its Port Pirie refinery into an advanced metals recovery and refining facility, with funding support from the South Australian Government and Efic, Australia's export credit agency. This redevelopment is expected to commence commissioning by end of H1 2016 and to ramp up in its revised configuration during H2 2016 and 2017. Once ramped-up, the redeveloped Port Pirie is forecast to generate an EBITDA uplift of approximately EUR 80 million, applying pricing and foreign exchange parameters as of 31 December 2015.

As part of the Port Pirie Redevelopment, Nyrstar is replacing an aging sinter plant with a new oxidation furnace on a revamped, upgraded site, which is expected to provide further flexibility to treat significantly increased volumes of zinc residues and complex lead concentrates and permit increased integration with Nyrstar's existing zinc smelters. A substantial increase in gross profit is targeted via an increase in the contribution from free metal and by-products and a lower dependence on treatment charges.

SELECTIVELY INVEST IN EXISTING SMELTER NETWORK TO ALLOW THE PROCESSING OF HIGHER MARGIN FEEDS

Nyrstar believes that the zinc and lead smelting industry has traditionally been driven by volume and treatment charges, which is a model that faces a number of strategic challenges, particularly in an environment of tightening raw material supply. At the same time, Nyrstar has identified the potential to capture significant additional value from raw material flows (sourced both internally from its mines and smelters, as well as externally) that Nyrstar does not currently capture given its historical footprint and technologies deployed. Accordingly, Nyrstar has developed a transformation blueprint aimed at increasing unrealised value in feed materials and increasing the value captured across the network.

These projects, some of which have already been implemented while others are being pursued in a more phased manner as and when the market conditions and funding permit, can be categorised under three core headings:

(i) de-bottlenecking (or de-constraining) Nyrstar's smelting network,

(ii) enhancing fuming capacity, and

(iii) increasing minor metals production capabilities.

The ultimate aim is to unlock value through a full-scale transformation of Nyrstar's metals processing business from individually-run smelters to an integrated system. Nyrstar believes that as a result of the transformation, it will improve the operational efficiency and financial performance of the Metals Processing segment.

OPTIMISE THE FEED BOOK OF RAW MATERIALS

Capitalising on the increased operational flexibility of its upgraded zinc smelter network and redeveloped metals recovery and refining asset base, Nyrstar intends not only to continue to optimise the current feed book of internally and externally sourced raw materials, but also to enhance its market position by securing a broader mix of long-term feed needs from third-party sources. The commercial agreements with Trafigura, among other arrangements, provide opportunities to secure a better mix of feed materials in the long-term. This optimisation will support increased flexibility and security of feed supply, enhance the cost of the raw materials supply mix, and allow maximum value to be extracted from raw materials, residues and by-products.

IMPROVE END PRODUCT MIX AND INTEGRATION WITH KEY END USERS

Nyrstar intends to continue to optimise and diversify its end product mix between specialty and commodity grade zinc and other metals. Building on its R&D capabilities and understanding of key customer product needs, Nyrstar aims to continue development of specialty products that will be marketed and sold at above industry benchmark prices.

Balance Sheet Strengthening Measures

OVERVIEW

On 9 November 2015 Nyrstar announced its intention to implement a package of measures aimed at strengthening the Company's Balance Sheet. The package of measures is designed to address any potential financing needs and aims to provide the increased financial flexibility required in the current commodity price environment to allow Nyrstar to continue with the implementation of its strategy.

There were two main components in the Balance Sheet Strengthening package as announced to the market on 9 November:

1. The intention to launch a fully underwritten rights offering of EUR 250 to 275 million, which we scheduled to be completed in the first quarter of 2016, subject to shareholder approval and appropriate market conditions. Such a rights offering would allow us to raise additional capital by issuing new shares initially to our existing shareholders.

2. The intention to enter into a prepay arrangement for refined zinc metal worth between EUR 150 to 200 million, supported by an offtake agreement. Under the terms of the prepay, the Company would receive cash upfront for the physical delivery of the refined zinc metal over the term of the agreement.

In addition, and after a thorough review of the performance and challenges facing Nyrstar's Mining segment, Nyrstar's Management Committee concluded that the current output from the Mining segment was not sufficiently meeting the Metal Processing segment's needs for concentrate and therefore the Company could not justify the current levels of capital spending on Mining.

Given that Nyrstar has a constrained balance sheet and there are multiple projects competing for investments, it was announced that some or all of Nyrstar's mining assets would be sold to new owners.

Subject to satisfactory market conditions, the Company also remains ready to issue a new EUR 200-250 million high yield bond to raise additional liquidity. The Company is prepared to go to market when conditions are considered to be adequate. At the present time this is not considered to be the case given the pricing of the Company's currently outstanding bonds, which serve as a reference for any new issuance. Management as well as the Nyrstar Board of Directors will continue to assess the development of debt capital markets as it progresses with the implementation of the other balance sheet strengthening measures discussed in this announcement.

USE OF PROCEEDS

Net proceeds from the balance sheet strengthening measures would be used:

- **to recapitalise the business and increase financial flexibility and liquidity in a challenging near-term commodity price environment;**
- **to support the funding of the value accretive Port Pirie Redevelopment;**
- **to improve the Company's ability to access debt markets, address near-term refinancing needs and extend its debt maturity profile; and**
- **for general corporate purposes.**

PROGRESS SINCE NOVEMBER 2015

Since the above announcement to the market, a number of measures are being progressed and are on track:

- On 30 December 2015, we announced the signing and pre-funding of the zinc metal prepayment financing to the amount of USD 150 million. The prepayment agreement was arranged by Deutsche Bank and is linked to the physical delivery of refined zinc metal to Trafigura under the terms of a three-year offtake agreement. Syndication of the transaction is ongoing and the transaction may potentially be upsized.

TRANSACTION SUMMARY:

RIGHTS OFFERING

Offering Size	• €274 million, fully-underwritten • 608m shares to be subscribed, representing 186% of the current shares outstanding
Subscription Price	• €0.45
Structure	• Ratio of 13 New Shares for 7 Rights • Represents a discount to TERP of 40.8%[1]
Syndicate *(fully underwritten)*	• Deutsche Bank AG, London Branch: Sole Global Coordinator • Deutsche Bank AG, London Branch and KBC Securities NV: Joint Bookrunners • BMO Capital Markets and BNP Paribas Fortis: Co-Lead Managers • Trafigura to underwrite €125 million

5 FEBRUARY
- Announcement of the RO
- Record date for shareholders to be entitled to receive preferential rights.

8 FEBRUARY
Opening of the rights subscription period and rights trading period.

22 FEBRUARY
End of the rights subscription period
→ Last day to subscribe (17:30 CET).

24 FEBRUARY RESULT ANNOUNCEMENT
- Total of 83.56% of total number of new shares offered pursuant to the rights offering were subscribed at EUR 0.45 per new share.
- Scrips placement successfully completed

29 FEBRUARY
- Completion of RO
- Payment of shares by subscribers

Offering will allow Nyrstar to recapitalise the business and increase financial flexibility as well as supporting long-term growth plans

[1] TERP discount based on closing share price of €1.335/ share, as at 4-February-2015. For further information on the Offering, please see the prospectus that has been approved by the Belgian Banking, Financial Services and Markets Authority on February 4 2015. Subject to certain restrictions, the prospectus may be accessed on the website of Nyrstar (www.nyrstar.com), as well as the following websites: www.kbc.be www.kbcsecurities.be www.cbc.be and www.bolero.be and www.bnpparibasfortis.be

- On 7 January 2016, Nyrstar formally launched the process for the sale of the mining assets. The Company has received very strong interest with confidentiality agreements signed and companies undertaking due diligence. The Company is running a typical two-stage process with the first round concluding towards the end of February 2016 and a target to complete all or partial sale of these assets around mid-year 2016.

- On 5 February 2016, the Company launched a fully underwritten rights offering in the amount of EUR 274 million, equivalent to 608,165,740 new shares, at a subscription price of EUR 0.45 per share. Under the terms of the offering, our existing shareholders were entitled to subscribe to 13 shares for every 7 rights they hold until the closing date of 22 February 2016.

- On 24 February 2016, the Company announced that 83.56% of the total number of 608,165,740 new shares offered pursuant to the rights offering were subscribed at EUR 0.45 per new share. With the placement of the scrips on the same day, the Company completed the penultimate step of the Rights Offering process which was successfully concluded on 29 February 2016.

With the progress outlined above Nyrstar believes it is well positioned to execute its strategy for the rest of 2016 and continue to operate in a challenging commodity price environment.

"THE PACKAGE OF MEASURES IS DESIGNED TO ADDRESS ANY POTENTIAL FINANCING NEEDS AND AIMS TO PROVIDE THE INCREASED FINANCIAL FLEXIBILITY REQUIRED IN THE CURRENT COMMODITY PRICE ENVIRONMENT TO ALLOW NYRSTAR TO CONTINUE WITH THE IMPLEMENTATION OF ITS STRATEGY."

Metals Processing

The Metals Processing segment produced approximately 1,115,000 tonnes of zinc metal in 2015, above the top end of guidance, representing a 2% increase on 2014. The increase in zinc production year-over-year was driven by fewer planned maintenance shuts during 2015 and improved availability and utilisation of the roasting, leaching and cell house processes.

Port Pirie Redevelopment with the TSL furnace in the foreground.

Metals Processing

The Metals Processing segment delivered an underlying EBITDA result of EUR 336 million in 2015, on the basis of continued strong operational performance, higher zinc market metal production and higher zinc benchmark treatment charges as well as favourable EUR/USD exchange rate movements.

KEY FIGURES	2015	2014
EUR million unless otherwise indicated		
Treatment charges	460	367
Free metal contribution	266	252
Premiums	171	153
By-Products	211	194
Other	(105)	(98)
Gross Profit	**1,003**	**868**
Sustaining capex	92	99
Growth capex	54	23
Port Pirie Redevelopment capex	176	59
Metals Processing total capex	322	181

KEY FIGURES	2015	2014
DOC/tonne in EUR*	498	482

Higher gross profit (up 16%) at EUR 1,003 million in 2015 was mainly driven by the beneficial effect on income of a weaker EUR/USD exchange rate, a 10% increase in the zinc benchmark treatment charges compared to 2014 and a higher production rate that resulted in a higher volume of concentrates consumed compared to 2014.

Premium gross profit contributions increase of 12% compared to 2014, was largely driven by favourable foreign exchange impacts and higher volumes, offsetting lower average realised premia rates. Benchmark premia have been under pressure in 2015, due to slower demand into China and higher Euro denominated zinc prices, as a result of the depreciation of the Euro against the US dollar, impacting European specialty grade sales.

* DOC/tonne calculated based on segment direct operating costs an total production of Zinc and Lead Market metal.

KEY FIGURES	2015	2014
METALS PROCESSING PRODUCTION		
Zinc metal ('000 tonnes)	1,115	1,097
Lead metal ('000 tonnes)	185	178
OTHER PRODUCTS		
Copper cathode ('000 tonnes)	4	4
Silver (million troy ounces)	14.6	13.4
Gold ('000 troy ounces)	77.3	33.8
Indium metal (tonnes)	41	43
Sulphuric acid ('000 tonnes)	1,451	1,438

By-product gross profit contributions were positively impacted by foreign exchange impacts, offset by lower precious metals prices compared to 2014. The delay of indium bearing concentrate shipments for Auby at the beginning of 2015, lower production in Q4 2015 due to a fire at the indium cement plant, coupled with lower recoveries and Indium prices further negatively impacted by-product gross profit.

Direct operating costs per tonne increased by 3% due to the stronger US dollar against the Euro and a number of energy credits recognised in H1 2014 relating to 2013. Energy credits in 2015 were in line with normal course of business.

Sustaining capital spend was down 7% year-over-year and was in line with guidance. The progress of the Port Pirie Redevelopment project as well as growth projects is reflected in higher than prior year Port Pirie Redevelopment and growth capital spend.

The Metals Processing segment produced approximately 1,115,000 tonnes of zinc metal in 2015, above the top end of guidance, representing a 2% increase on 2014. The increase in zinc production year-over-year was driven by fewer planned maintenance shuts during 2015 and improved availability and utilisation of the roasting, leaching and cell house processes.

Clarksville zinc metal production increased by 13% year-over-year as a result of no planned roaster shutdowns during this period. Hobart production was up 8% year-over-year as a result of the introduction of Port Pirie zinc containing fume to Hobart's feed book. Indium production at our Auby smelter was negatively impacted compared to 2014 due to technical issues impacting recovery of metal in H1 2015, a planned plant stop in Q3 2015 and a fire at the indium cement plant in November 2015 which impacted the production of indium cement. The indium cement production line is expected to be shut down for all of H1 2016 for the repair of damage caused by the November 2015 fire. As a consequence of the planned indium cement plant repair shutdown, production of indium metal in 2016 is expected to be approximately half of that produced in 2015.

Lead market metal production at Port Pirie was 4% higher compared to 2014 due to a planned 5 week shutdown in 2014. This higher production occurred despite the plant outage in April 2015 caused by a disruption of natural gas supply to the region of Port Pirie that extended for almost the entire month and in July by a leaking cooling water jacket requiring replacement. Gold and silver production were up 126% and 9% respectively compared to 2014 as a function of higher gold and silver in feed and a different mix of residues consumed. Production of copper cathode was flat year-over-year.

Metals Processing achieved its best safety performance ever in 2015. The number of cases with days lost or under restricted duties (DART) and number of cases requiring treatment (RIR) reduced by 23% and 19% respectively compared to 2014. Clarksville and the transformation project in Port Pirie closed 2015 lost time injury (LTI) free.

THE PORT PIRIE REDEVELOPMENT

The Redevelopment of the 125-year-old Port Pirie operation is at the heart of Nyrstar's broader portfolio of growth projects. It enables a quantum leap forward in the Company's mission to recover the maximum value inherent in mineral resources.

During 2015 all major engineering work, together with fabrication of the furnace, process equipment and major concrete works were completed. The furnace and first acid plant shipments have been delivered to site and a module yard in China commenced fabrication of structural and equipment modules.

Work on site is progressing well with all piling for the furnace, acid plant and oxygen plant completed and pile caps and foundations being close to completion. The installation of the structural and process equipment components commenced in Q4 2015. The modular offsite fabrication of the acid plant and furnace buildings also progressed, with offsite work ramping-up significantly throughout Q4 2015 and into 2016. Delivery of major modules from the module fabrication yards commenced in late Q4 2015. In readiness for the installation of the various modules, a 2,600 tonne heavy lift mobile crane has been assembled on site. The Port Pirie Redevelopment remains on schedule for commencement of commissioning by the end of H1 2016, with ramp-up commencing in H2 2016 and continuing during 2017.

As announced by the Company in the Q3 2015 results update, the projected cost to complete the Port Pirie Redevelopment has been increased by approximately 10% to AUD 563 million. The increase in cost of AUD 49 million largely results from adverse foreign exchange impacts and additional engineering and project management services required.

METALS PROCESSING GROWTH PIPELINE PROJECTS

The upgrading of Nyrstar's zinc and lead smelter network represents a critical step in Nyrstar's value optimisation. Completion of these initiatives will enable Nyrstar to extract more value from the feed and treat significantly increased volumes of more valuable zinc residues, including substantially all of its internally generated zinc residues through the redeveloped Port Pirie, as well as more complex and valuable zinc and lead concentrates. The nature of the identified investments is such that the timing of project development and implementation remains highly flexible.

Over the full course of 2015, Nyrstar has continued to progress the broader pipeline of growth projects with seven of the currently identified projects across the Metals Processing segment now substantially implemented. Project capital expenditure in 2015 was EUR 52 million and was concentrated on the de-constraining projects required as a result of the closure of Century mine in Australia. Progress was also made on both fuming at Hoyanger and minor metals projects.

Projects at Budel and Hobart, enabling the treatment of concentrates containing increased cadmium and iron volumes, following the introduction of a more complex feedbook with the closure of the Century mine, have been fully implemented, following a successful commissioning process in Q3 and Q4 2015.

At the Auby smelter the expansion of indium refining capacity from 45 tonnes to approximately 70 tonnes is well advanced with commissioning of key equipment completed. Due to a fire at Auby's Indium cement plant in November 2015, the ramp up schedule is expected to be delayed by approximately 6 months and occur by the end of Q3 2016. Also in Auby, the project to lift the silica constraint in concentrates consumed, enabling increased indium throughput and recovery, remains on schedule with commissioning underway. As a consequence of the fire, production of indium metal in 2016 will be negatively impacted compared to 2015 production levels.

Other de-constraining projects are progressing well and remain on schedule, including the commencement of the expansion of cadmium capacity at Port Pirie. Also in Port Pirie, the pilot plant trial for selenium recovery, which is critical to inform development phase engineering and final design, has been completed. Implementation of these projects will proceed in line with the commissioning and ramp-up schedule of the Port Pirie Redevelopment. Work at the Hoyanger fumer is continuing with the site having successfully treated residues from both the Budel and Clarksville smelters. The Hoyanger fumer is continuing to ramp-up, metal recoveries are meeting expectations and with some modifications planned in 2016, Nyrstar anticipates the plant to be running at full capacity processing 50,000 tonnes per annum of Budel leach product by the end of 2016.

Nyrstar's agreement in July 2015 with the Tasmanian Government on the key terms for an AUD 29 million (EUR 20 million) funding and support package has enabled the Company to proceed with two projects related to minor metals at the Hobart smelter. The projects are comprised of an upgrade of materials handling equipment and the addition of a side-leach plant allowing the smelter to treat zinc oxide from Nyrstar Port Pirie, splitting base metals (zinc and lead) from minor metals (indium and germanium) and enhancing the site's operational link with Nyrstar Port Pirie and the broader global Metals Processing network.

Capital expenditure guidance for 2016 in relation to the Metals Processing Growth Pipeline Projects is approximately EUR 35-45 million. The timing of the implementation of other value accretive Growth Pipeline Projects will be evaluated in light of the Company's prudent balance sheet management and the availability of resources to effectively manage a breadth of simultaneous projects.

The nature of the proposed investments is such that the timing of project development and implementation is highly flexible. The capital investment for the entire Metals Processing Growth Pipeline Projects implementation, which is subject to availability of funding and market conditions, was estimated in 2013 at approximately EUR 265 million. Management views the Metals Processing Growth Pipeline Projects as providing opportunity for a significant increase in earnings and gross profit, partially offset by a relatively modest increase in operating costs and sustaining capital spend and higher working capital requirements resulting in an overall increase in cash flow.

Under Nyrstar's model, Nyrstar evaluated the expected optimised feed mix for 2014 in terms of total value of unpaid metal units in the feed for each metal element and how much of that unpaid metal was expected to be recovered through the existing Metals Processing network configuration. Nyrstar then repeated the calculations for 2017 assuming at the time that the Metals Processing Growth Pipeline Projects would all be completed by 2017 (which is no longer the case) and taking into account the results of its internal modelling based on the expected optimised feed mix for 2017, including the total value of unpaid metal units in the feed for each metal element and how much of such unpaid metal value is expected to be recovered under the new (post-completion of the transformation) Metals Processing network configuration.

BEFORE INSTALLATION OF THE TSL FURNACE
AT PORT PIRIE (Q1 2015)

AFTER INSTALLATION OF THE TSL FURNACE
IN PORT PIRIE (Q1 2016)

The results indicate how much potential value there is in the then expected 2017 feed mix and what percentage of this is expected to be recovered following the completion of the Transformation. The comparative analysis uses flat internal metal price assumptions in order to ensure that the magnitude of uplift can only be attributable to a combination of the benefit from the transformation.

2015 Port Pirie Redevelopment Milestones

Q1 2015
- Temporary Accommodation Camp completed and fully functional
- Maintenance Workshop relocation completed
- Maintenance Workshop demolition commenced
- Detailed engineering design commenced
- Site by-pass road completed
- TSL Furnace piling commenced

Q2 2015

Acid Plant:
- Piling and foundation design completed
- Concrete works for the acid plant progressing to plan and schedule

Oxygen Plant:
- Oxygen plant piling completed
- Major equipment concrete foundation well advanced
- TSL piling nearing completion
- Offshore major process equipment fabrication commenced
- First module fabrication yard steel orders placed
- TSL furnace concrete foundation work begins on the southern end of the TSL foundation
- Work commences on TSL furnace pedestals and furnace plinth
- 150 tonne furnace shell arrives at the construction site

Q3 2015
- Fabrication of first equipment (paddle mixer) completed
- TSL piling finished
- Mobilisation of crane work on site

Q4 2015
- Acid Plant - Work continues on the new acid plant HPDE liner which stops acid entering the ground and underlying aquifers from leaks or spills

Mining

Mining performance was significantly negatively impacted in 2015 by the decline of metals prices with the average zinc price in H2 2015 being below Mining's average cost of production. The deterioration of lead, copper, silver and gold metal prices, in addition to the suspension of operations at Campo Morado, Myra Falls and Middle Tennessee Mines, also contributed to a negative mining EBITDA of EUR 41 million in 2015. Mining gross profit for the year of EUR 330 million was down 23% on 2014.

KEY PRODUCTION FIGURES

	2015	2014
MINING PRODUCTION		
Zinc in concentrate ('000 tonnes)	234	278
Lead in concentrate ('000 tonnes)	13.0	19.2
Gold ('000 troy ounces)	16.1	52.1
Silver ('000 troy ounces)	2,724	5,106
Copper in concentrate ('000 tonnes)	6.5	11.3

OVERVIEW OPERATIONS

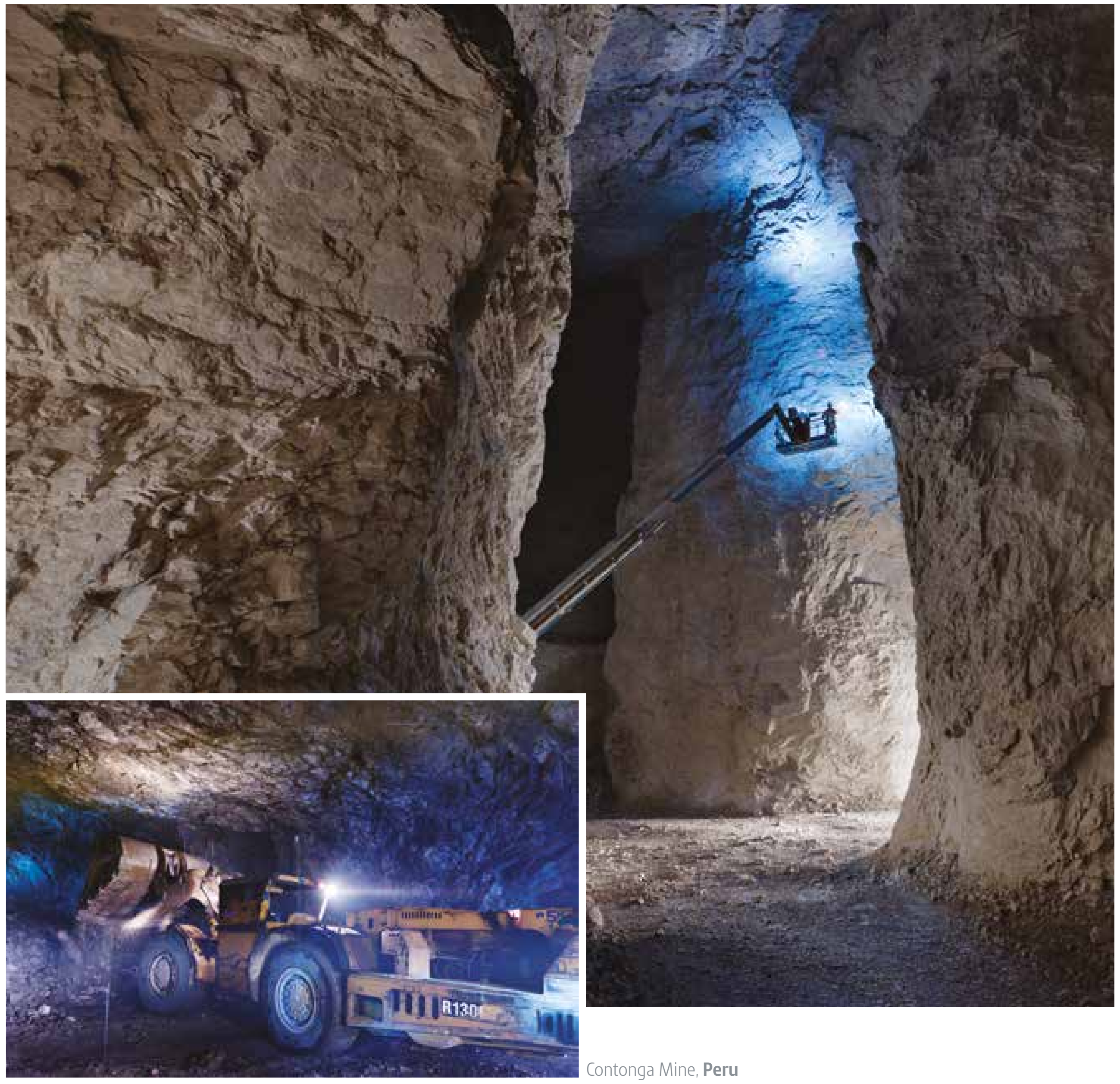
OPERATION	COUNTRY	STATUS
East Tennessee	USA	Operating
Middle Tennessee	USA	Care & Maintenance
Langlois	Canada	Operating
Myra Falls	Canada	Temporarily Suspended
El Mochito	Honduras	Operating
Campo Morado	Mexico	Care & Maintenance
Coricancha	Peru	Care & Maintenance
Contonga	Peru	Operating
Pucarrajo	Peru	Care & Maintenance
El Toqui	Chile	Operating

Nyrstar remained focused on improving the operating performance and financial health of its mining operations. During 2015 key transformation measures were taken, including an organizational restructure and the appointment of a new senior mining leadership team, in order to establish standards, systems and key performance indicators for each of the operations.

A number of operational improvements were implemented, for example, improved asset management processes were put in place which provided better reliability and higher volumes at various mines. The continuous focus on direct operating costs resulted in a reduction of 4.9% over 2014 for operating sites. Direct operating costs per tonne of ore milled were also reduced by 4.7% year-on-year for operating sites

Throughout the year the Company continued to address the impact of the challenging metals price environment by reducing cash consumption. High cost operations were either suspended, such as Myra Falls in May 2015, or placed into care and maintenance, such as Middle Tennessee in December 2015. Campo Morado, which was initially suspended for security reasons in January 2015, was placed on indefinite care and maintenance in October 2015.

Production performance was adversely impacted with the suspension of those operations. A number of operational challenges also impacted production, including dilution issues at Langlois and grade and mine development shortfalls at El Mochito impacting volume and costs. There were promising developments with production at the East Tennessee Mines up 2% in 2015 compared to 2014 due to an improvement in zinc mill head grade and ore milled.



Contonga Mine, **Peru**

Full year zinc in concentrate production from the mines was 234,000 tonnes (down 16% on 2014), slightly below market guidance. Lead in concentrate production was also slightly below guidance with 13,000 tonnes. Copper in concentrate production (6,500 tonnes), silver (2,703 troy ounces) and gold production (16,100 troy ounces) were all in line with market guidance.

Mining continued to increase its focus on improving its reporting culture for safety incidents and near misses in 2015. Tragically and despite the substantial and consistent safety focus, in June 2015, the El Mochito mine suffered a fatality when a contractor was fatally injured in an underground mining equipment incident.

The second half of 2015 was a record and represented the best six months for safety performance ever across mining. The number of cases of days lost or under restricted duties (DART) and the number of cases requiring medical treatment (RIR) decreased by 35% and 33% respectively compared to 2014.

Following a detailed review of medium term capital requirements for Mining, Nyrstar announced the sale of all or the majority of its mining assets in November 2015. The sales process was formally launched in January 2016 and is expected to require a period of several months and may or may not result in a sale of all or the majority of the Mining segment's assets. Nyrstar strongly believes that its mining assets have significant inherent value, which can be optimised through the implementation of identified growth initiatives.

Sustainability

We are committed to responsible and sustainable business practices. This protects and enhances our global license to operate and it helps to make our business more resilient and competitive. Our approach to managing sustainability issues and risks focuses on integrating sustainability considerations into company values, business strategies and day-to-day operational management decisions.

In the following pages we provide an overview of material sustainability topics of relevance for the financial condition and operating performance of Nyrstar. Additional non-financial performance data can be found in the Management Report and our Sustainability Report which provides information on the full range of significant sustainability aspects relevant to our operations. The Sustainability Report can be downloaded from our website: http://www.nyrstar.com/sutainability

Contonga Mine, **Peru**

Our People

People are the key to our success. Focusing on people, including their development, is fundamental to achieving our vision. To this end, we promote a culture where everyone has the opportunity to reach their full potential and where people are treated fairly. We provide a non-discriminatory and equitable workplace that is attractive to our employees and that enables us to attract the best people to deliver results against our objectives.

At the end of 2015, we employed approximately 5,000 people worldwide.

We have policies, management systems, training programmes and assurance processes which support these commitments. We believe in the power and advantages of a diverse workforce both in terms of ethnicity and gender. We also continue to believe that safety is a non-negotiable value and top priority at Nyrstar, as is providing a safe and healthy work environment (please refer to the section about Safety for further detail).

VALUES

Our philosophy of people management is based on The Nyrstar Way which establishes the professional conduct we expect from all our Nyrstar employees. By leveraging the principles of The Nyrstar Way we are committed to open and honest relationships and we are consistent, fair and transparent in our dealings with our employees. We believe that The Nyrstar Way and the conduct associated with it will not only support the delivery of our key strategies, but also creates an environment which attracts and retains talented people.

We are committed to respecting our employees' rights in line with the International Labour Organisation's Declaration on Fundamental Principles and Rights at Work. In support of this commitment, we endorse freedom of association and collective bargaining. We seek to ensure equitable treatment of all employees and contractors. At Nyrstar we do not tolerate any form of discrimination, harassment, intimidation, forced labour or child labour.

TALENT MANAGEMENT

The nurturing and development of high performance and talented individuals is an important part of our people strategy. With the ever changing business landscape facing our industry, we need agile leaders to navigate these changes now and in the future. It is imperative for the longterm sustainable success of Nyrstar to place the right people in the right roles at the right time.

PERFORMANCE MANAGEMENT

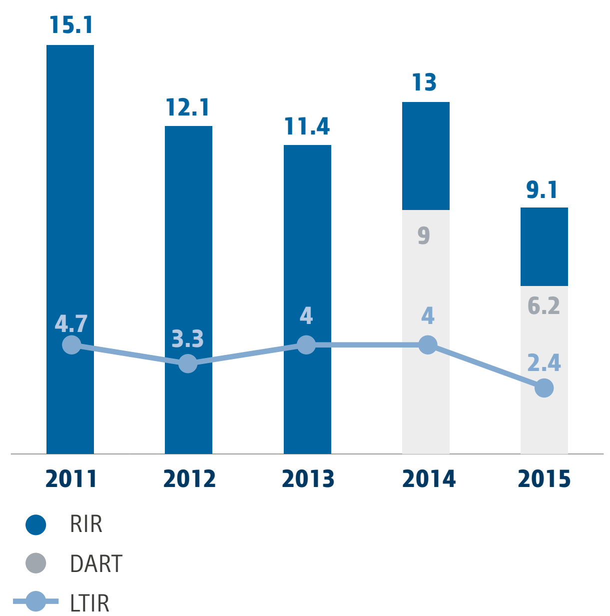
We promote a performance-driven culture by consistently connecting performance to reward. We continuously align individual targets to those of the organisation. Values and behaviours underpinning The Nyrstar Way are also assessed as a component of our performance management system.

Workforce Health & Safety

Nyrstar strives to provide a workplace where all hazards are effectively identified and controlled and where everyone takes responsibility for their own safety and that of their colleagues. We believe that every work-related illness and injury is preventable. To this end we pro-actively work towards creating a workplace where everyone goes home safe and healthy every day of their working lives.

Prior to a tragic contractor fatality at our El Mochito mine in Honduras on 16 June 2015, the Company had worked for 651 consecutive days without a fatality. In terms of other safety indicators, we significantly improved our Lost Time Injury (LTIR), Days Away, Restricted and Transfer (DART) and our Recordable Injury Rate (RIR) by 40%, 31% and 30% respectively in 2015.

2011-2015 LTIR, DART AND RIR



TOWARDS ZERO HARM

While we aim to operate with zero harm, our main priority is to prevent loss of life and serious injuries. With this in mind, we launched the Nyrstar Life Saving Rules in 2013 which define non-negotiable requirements in relation to key risks relevant to our operations.

Throughout 2015 we audited progress at our smelter and mining sites against their compliance with our internal standards and local regulations for their specific critical risks (Critical 6). The audits against the Critical 6 revealed that the sites continued to strengthen their systems and the effectiveness of their controls in the journey towards Zero Harm.

PROMOTING A CULTURE OF SAFETY

Superior safety performance does not only require strong systems and effective risk management but also demands a positive culture in which each and every employee embraces working safely and a shared vigilance culture is practiced.

In this spirit, the Metals Processing segment, rolled out an employee facing awareness campaign including a video entitled "Why We Work Safe". The video features Metals Processing employees at each of our smelters who share their personal thoughts and experiences on why they work safely.

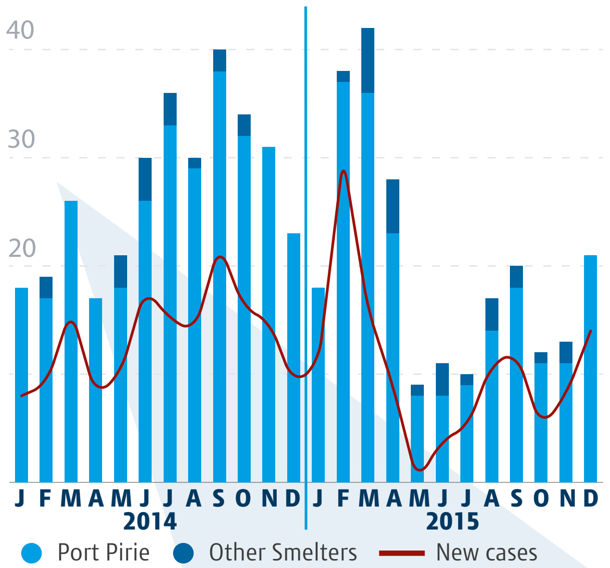
"*Why We Work Safe*" serves as a powerful reminder to all our employees that behind every single life, there are many other lives relying on the safe return home every day of our employees.

HAZARD MANAGEMENT

An essential part of any safety and health system is the correction of hazards that occur despite the overall prevention and control programmes. Those hazards that cannot be engineered out need to be tracked and monitored constantly. A clear and robust set of standards, procedures and assurance mechanisms is in place at Nyrstar to track and correct the impact of hazards.

Team Finance (Balen/Overpelt) was just one of the 200+ teams which took part in the Fit for Life Challenge 2015.

WORKFORCE BLOOD LEAD > TARGET
30 (males) or 15 (females) µg/dL



"Fit4Life made us realise that by making small changes to our lifestyles, like going for walks, we can keep fit with little effort. Even after the campaign ended, we continued to keep up our daily exercise routines."

TEAM FINANCE FROM BALEN/OVERPELT.

OCCUPATIONAL HEALTH

In 2015, the number of people with internal transfer levels for Lead in Blood were significantly reduced compared to 2014. The Company's own targets for internal transfer levels of Lead in Blood are well below the minimum legal exposure limit.

A major focus for the business continues to be the reduction of workplace noise. In this context we are pleased to report that there was only one case of recorded hearing loss in 2015, compared to the previous year when the Company recorded 21 such cases.

During the fourth quarter of 2015, the Nyrstar Health & Safety team launched and ran a Group-wide 3-month employee awareness campaign aimed at promoting healthy lifestyles by encouraging employees to eat a balanced diet and exercise regularly. The programme proved to be a big success with more than 200 teams and over 1,000 employees enrolling from Nyrstar's mines, smelters and corporate offices. The feedback from the participants was universally very positive and the programme will be repeated in 2016.

Environment

The principal environmental risks and focus areas relevant to our operations did not change significantly during 2015 and continue to revolve around water, energy and climate change, emissions to air, biodiversity and land management, waste and material stewardship. Of these risks and focus areas, impacts related to energy and climate change, water and catastrophic accidents (e.g. dam failures) are likely to be most material to the financial condition and operating results of our business.

Energy represents a significant share of our operating costs, especially at the smelters, and can also affect the business through increasingly stringent regulation of the carbon emissions generated from our use of fuels and electricity. At this point, water risks are largely associated with existing and anticipated future regulation of effluent discharges necessitating investment in treatment technologies and other operational improvements. Some of our operations are also located in areas at risk of water scarcity or in areas with increasing freshwater costs; we expect the significance of these risks to rise in the medium to long-term in step with increased competition for scarce water resources and as regulation forces the internalisation of costs for water withdrawal and use.

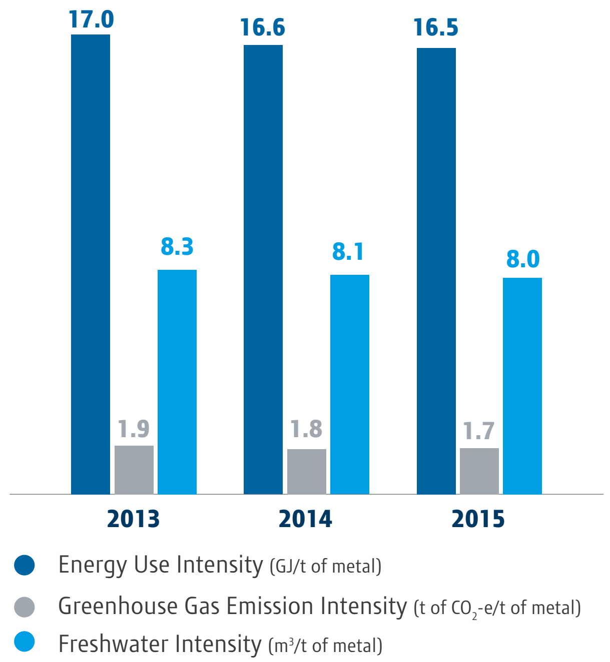
While our management of these risks involves a number of activities and components, strategically our approach to improving performance and reducing impacts is focused on: maintaining and driving *operational excellence*, underpinned by effective management systems, clear accountabilities and purposeful performance tracking; *investing in environmental abatement technologies*, such as air emission control equipment and effluent treatment plants; and *engaging with key stakeholders* to understand their perspectives and develop a shared understanding of environmental objectives.

OPERATIONAL EXCELLENCE

In 2015, our six smelters continued to demonstrate energy and water use efficiency improvements. Energy intensity and freshwater intensity (measured in terms of energy consumed and freshwater withdrawn relative to tonnes of metal produced) both improved by approximately 1% compared to 2014. These productivity gains were achieved through operational improvement projects and by adopting lean manufacturing practices to simplify work flows and reduce waste.

[1] To allow year-on-year comparison, energy use data excludes electricity generated on site from non-fuel sources as measurement of this indicator was only introduced in 2015.

ENERGY USE, CARBON EMISSIONS AND WATER USE FOR NYRSTAR SMELTERS (EXCL. HØYANGER)[1]



As a segment, our mines faced operational and financial challenges which prevented them from operating at full capacity and, therefore, at the efficiency levels possible at full production. The operational excellence efforts at the mines focused on protecting and improving the integrity of our assets and on securing compliance with environmental requirements specified by permits and regulations. This included a particular focus on dam safety, continuing the efforts commenced in 2014. Significant works were completed at the Myra Falls mine, especially, in order to investigate and address dam safety issues associated with the site's two tailing storage facilities. This includes two major earthworks projects expected to be finalised in 2016 at an estimated cost of CAD 10 million.

Our performance on environmental incidents can be directly linked to our ability to maintain process control and achieve operational excellence. For example, many incidents related to effluent discharges and emissions to air result from equipment breakdown and malfunction or other unplanned events. In regards to the environmental incident types monitored at Group level (Critical Environmental Incidents and Recordable Non-Compliance Incidents), no Critical Environmental Incidents occurred in 2015 and the performance on Recordable Non-Compliance remained similar to that achieved in 2014. It should be noted that eight of the ten Recordable Non-Compliances documented in 2015

Hobart Plant Manager Richard Curtis and Environment Minister the Hon. Matthew Groom MP unveil an interpretation panel for the site's Stormwater Harvesting and Re-use project

related to breach of effluent discharge criteria, highlighting the materiality of this issue to our company and the need for improved effluent controls. Whilst our current compliance record does not meet our expectations of zero regulatory breaches, none of the Recordable Non-Compliances experienced in 2015, including any potential fines that may result from the incidents, are expected to have a material impact on our operating or financial results.

Nine environmental fines totalling approximately USD 980,000 were paid in 2015, representing a significant increase relative to fines incurred in previous years. All but two of the fines related to non-compliant effluent discharges at our Peruvian operations that occurred in 2007 to 2009 (i.e. before Nyrstar's ownership of the operations).

Further details on our 2015 environmental incident performance as well as data for other environmental indicators are included in the Management Report.

ENVIRONMENTAL TECHNOLOGY

Several projects involving investments in environmental abatement and improvement technologies were advanced during the year. Of most significance to our overall environmental footprint, construction of the Port Pirie Redevelopment project continued with commissioning of the new project installations on schedule to occur in the second half of 2016. The new processing and environmental control equipment provided by the project are designed to deliver a step change reduction in the emission of lead and SO_2 to air and will also allow for increased reprocessing of residue materials. In combination with the community lead exposure reduction activities delivered through the Targeted Lead Abatement Program (TLAP), the emission reductions will help achieve further improvements in community health in terms of blood lead levels amongst the local population, especially children.

2015 also saw the commissioning of a new reverse osmosis (RO) plant and a 40ML stormwater detention pond at Hobart. These installations constitute the final components of the Stormwater Harvesting and Re-use project implemented on site. Through the project, the site's reliance on freshwater has decreased by 50% while also reducing metal discharges to the Derwent river and realising cost savings for potable water supply by around AUD 1 million per year.

Stakeholder and Community Engagement

Gaining and protecting our social license to operate is intrinsically linked to the way we engage with our communities, regulators, suppliers, customers and other key stakeholders. In order to understand the views and concerns of our stakeholders and to ensure these are reflected in operational strategies and activities, stakeholder consultation and engagement are undertaken on an ongoing, non-transactional basis as well as in relation to specific projects and developments.

At Port Pirie, the extensive stakeholder engagement programme established as part of the Redevelopment project was continued as the project moved into construction. Examples of stakeholder engagement activities undertaken at Port Pirie included community information sessions, plant tours and constructive dialogue with the Environment Protection Authority regarding environmental performance and renewal of the site's environmental licence. In the mining segment, a key focus area for our engagement activities in 2015 concerned the suspension of mining activities at Myra Falls, Campo Morado and Mid Tennessee Mines. Other stakeholder engagement efforts of a significant nature included the establishment of a 'roundtable' forum to discuss community concerns associated with windblown dust from a tailing facility at the El Toqui mine.

All Nyrstar operations have established processes for recording community feedback, whether positive or negative. In 2015, a total of 62 community complaints were received which compares to the 56 complaints recorded in 2014. The majority of the complaints related to noise and air quality. Received complaints are recorded, investigated and responded to in accordance with established protocols.

Key Milestones for the Nyrstar Group in 2015

5 JANUARY
Nyrstar announces an agreement with Silver Wheaton Corp. to settle the existing silver streaming agreement related to its Campo Morado mine in Mexico.

5 FEBRUARY
The Company releases 2014 Annual Results with Group Underlying EBITDA of EUR 280 million (increase of 51 percent YoY) mainly due to strengthening zinc price and settlement of Campo Morado silver stream.

29 APRIL
At the Annual General Meeting (AGM), Martyn Konig and Christopher Cox, are voted onto the Nyrstar Board of Directors, having been nominated by the Nyrstar reference shareholder, Trafigura.

29 APRIL
Nyrstar posts its Q1 results with an improved year-over-year Group underlying EBITDA which benefits from the strengthening of the US dollar.

19 MAY
Nyrstar concludes two-year option agreement to sell its Coricancha mining complex to Great Panther Silver Limited.

13 JULY
Nyrstar and the Tasmanian Government sign binding agreement for the key terms of funding and support package for certain investments at Hobart smelter in Tasmania.

23 JULY
The Company releases its H1 2015 results with record first half EBITDA for Metals Processing.

17 AUGUST
Bill Scotting assumes the position of Chief Executive Officer of Nyrstar.

23 OCTOBER
Nyrstar issues Second Interim Management Statement (Q3 results) with negative Mining segment cash flow due to a marked decline in zinc prices.

9 NOVEMBER
Company unveils package of balance sheet strengthening measures to the market and announces intention to divest all or most of its mining assets.

20 NOVEMBER
Christopher Eger is appointed Chief Financial Officer of Nyrstar.

27 NOVEMBER
Nyrstar reaches final key funding milestone for Port Pirie Redevelopment and commences draw-down under the funding structure supported by the South Australian Government and Australia's export credit agency, the Export Finance and Insurance Corporation (Efic).

7 DECEMBER
Nyrstar Middle Tennessee Mines (MTN) are placed on care and maintenance to further minimise cash burn in the Mining segment.

23 DECEMBER
Special General Shareholders' Meeting (SGM) approves appointment of CEO, Bill Scotting, as Executive Director to the Board of Directors.

30 DECEMBER
Nyrstar announces the signing and pre-funding of zinc metal prepayment financing of USD 150 million as part of its package of balance sheet strengthening measures announced in November 2015.

Notes

Notes

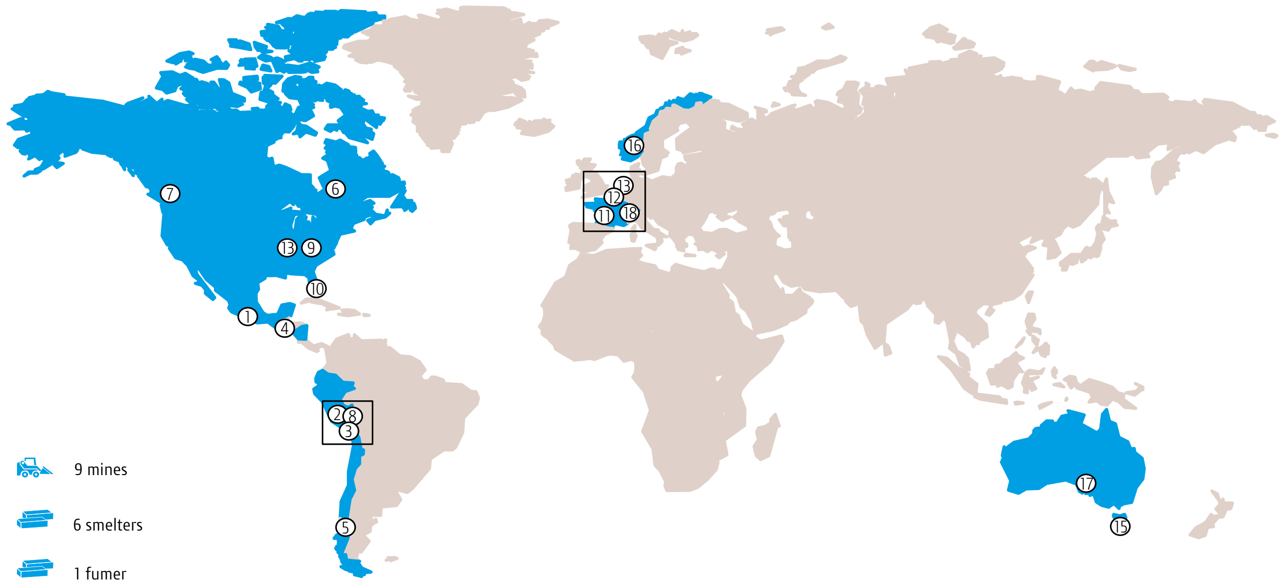
Facts & figures 2015

Management Report

Nyrstar is a global multi-metals business, with a market leading position in zinc and lead, and growing positions in other base and precious metals, which are essential resources that are fuelling the rapid urbanisation and industrialisation of our changing world. Nyrstar has mining, smelting, and other operations located in Europe, the Americas and Australia and employs approximately 5,000 people. Nyrstar is incorporated in Belgium and has its corporate office in Switzerland. Nyrstar is listed on Euronext Brussels under the symbol NYR. For further information please visit the Nyrstar website: www.nyrstar.com

Management Report

Locations



- ① Campo Morado, Mexico
- ② Contonga, Peru
- ③ Coricancha, Peru (Non-core asset)
- ④ El Mochito, Honduras
- ⑤ El Toqui, Chile
- ⑥ Langlois, Canada
- ⑦ Myra Falls, Canada
- ⑧ Pucarrajo, Peru (Non-core asset)
- ⑨ Mid-Tennessee and East-Tennessee, USA
- ⑩ Fort Lauderdale, Miami, USA
- ⑪ Auby, France
- ⑫ Balen/Overpelt, Belgium
- ⑬ Budel, The Netherlands
- ⑭ Clarksville, USA
- ⑮ Hobart , Australia
- ⑯ Hoyanger, Norway
- ⑰ Port Pirie, Australia
- ⑱ Zurich, Switzerland

Formal sale process launched

MINES/STREAMING AGREEMENTS · METAL PROCESSING · CORPORATE OFFICE

Primary Products

Zinc

A global leader in zinc: we are one of the world's largest integrated zinc producers. We produce zinc in concentrate from our mining operations and we produce a variety of refined market zinc products including special high grade zinc (SHG), zinc galvanising alloys, and zinc die-casting alloys as an outcome of our zinc smelting process. Zinc has diverse applications and uses, from construction and infrastructure, to transport, industrial machinery, communications, electronics and consumer products. This makes it an essential and highly sought-after resource.

Lead

We produce lead in concentrate and refined market lead (99.9%). Lead's primary usage is for the production of batteries. In fact, more than 80% of world production goes into the manufacture of lead acid batteries which continue to play an important part in the starter mechanism for automobiles as well as in batteries for ebikes where demand from developing economies remains significant. Other end uses for lead include underwater cable sheathing, glassware, solder and roof sheeting.

Copper

We produce copper in concentrate and copper cathode. Copper is predominantly used in building construction. Other significant end-use markets include electrical and electronic products, transportation equipment, consumer products and industrial machinery and equipment.

Gold

Gold is produced in concentrate and as gold doré from our mining operations. We also recover gold in the lead refining process.

Silver

Silver is produced in concentrate from our mining operations. We also recover silver from the lead refining process as a silver doré and as a by-product from the zinc refining process into various leach products.

Strategy

Nyrstar's Management has a strategy aimed at positioning the business for a sustainable future as a leading metals processing business. Through its deep market insight and unique processing capabilities, Nyrstar aims to generate superior returns by extracting the maximum value inherent in the mineral resources and by-products it processes. Accordingly, Nyrstar has developed a coordinated approach to redeveloping and operating its asset portfolio to optimise the concentrate feed into its smelters, maximise minor and precious metal extraction, and enhance the margins of its end-product mix.

To realise its strategy, management has determined the following strategic priorities (also, see Strategy chapter for more details):

- Strengthen and maintain a more conservative balance sheet
- Streamline the asset base with a focus on smelting operations
- Redevelop the Port Pirie metal recovery and refining facility to maximise the value from concentrates and residues
- Selectively invest in the existing smelter network to allow the processing of higher margin feeds
- Optimise the feed book of raw materials
- Improve end product mix and integration with key end users

Balance Sheet Strengthening Measures

On November 9 2015, Nyrstar announced a robust plan to strengthen the Company's balance sheet to enable the Company to withstand the challenging near-term commodity prices and financing markets while giving it the necessary operational flexibility to deliver shareholder returns (see Balance Sheet Strengthening Chapter).

In line with this plan, in December 2015, a USD 150 million funding of a zinc metal prepayment financing was completed. Furthermore, the Company successfully completed a EUR 274 million rights offering on 29 February 2016. Through the rights offering and other financial initiatives, including the pre funding of the zinc metal pre-pay, Nyrstar's balance sheet has strengthened and will continue to strengthen, thereby better positioning the Company to deal with the current commodity price environment.

Mining Segment Cash Preservation and Divestment Process

Despite the current environment of low zinc prices which are below the Mining segment's current average cost of production, Nyrstar remains positive about the outlook for the zinc industry and expects a dual deficit of raw material and metal supply to become evident during 2016 with a corresponding positive price response.

The asset-level assessment of the Mining segment that was conducted in H2 2015 highlighted that the scale of the Mining segment relative to the Metal's Processing Segment's requirement for concentrate is not material enough to justify the current levels of capital allocated to the Mining Segment. Whilst a number of the Nyrstar mining operations have strong potential, and operational progress has been made in the past year with the appointment of a new senior mining leadership team focused on mine development and life of mine planning, the segment as a whole is expected by Nyrstar Management to continue to underperform without an injection of significant additional capital. As Nyrstar is currently capital constrained and has a number of Metals Processing Growth Pipeline Projects with high projected internal rates of return competing for available capital, Management and the Board have concluded that there may be more suitable owners for some or all of Nyrstar's mining operations.

Nyrstar has retained BMO Capital Markets and Lazard as financial advisors to assist with a process to pursue a sale of all or the majority of the Mining segment assets. The mining asset sale process was formally launched on 7 January 2016 and is expected to require a period of several months. Nyrstar will issue an update in the event a sale is agreed or disclosure is otherwise required.

Nyrstar remains extremely focused on improving the operating performance and financial health of its mining operations. The EUR 60 million cost and capex savings target for the Mining segment, compared to the annualised Q3 2015 cash outflow of c.EUR 170 million [1], that was announced by the Company on 9 November 2015, was exceeded by EUR 5 million by the end of 2015. These targeted annualised cash flow savings have to date been achieved by reduced cash consumption of EUR 24 million and EUR 6 million at Myra Falls and Campo Morado, respectively, EUR 30 million from the Middle Tennessee mines, and a further EUR 5 million of cash flow savings across the other mining assets. In addition, the Mining segment growth capex in 2016 and has been reduced to nil. During the current mine divestment process, which is expected to be completed by June 2016, Nyrstar does not rule out additional mine suspensions to those already announced, in the event of a further deterioration in the zinc price.

Campo Morado

Since 5 January 2015, production at Campo Morado has been suspended as a precaution due to deteriorating security in the state. Production at the operation has been intermittently disrupted since 13 November 2014 due to issues associated with security in the region. This was initially because of an illegal blockade of the mine entrance by non-affiliated union activists and is currently due to contractors and unionised mine workers being subjected to systematic intimidation. As a consequence of the on-going and current security instability

[1] Defined as EBITDA minus sustaining capex

and the weakness in commodity prices, the Campo Morado mine was transitioned from suspension to indefinite care and maintenance during Q4 2015. Placing the mine on care and maintenance has further reduced the ongoing cash requirements for the operation by approximately EUR 6 million per annum against the Q3 2015 run rate.

Myra Falls

As communicated at the beginning of Q2 2015, following a comprehensive review of the operations at Myra Falls, management concluded that the most appropriate course of action was to temporarily suspend mining and milling operations. The temporary suspension which commenced during Q2 2015 was to allow work on site to focus on optimisation in readiness for a restart during H2 2016 with substantially improved mine and plant operating conditions. Given the weak commodity price environment and the on-going focus on portfolio optimisation and reduction of capital and operating expenditures, management decided in October 2015 that the series of critical development milestones that were to be completed over the coming year were to be immediately suspended and deferred. The suspension of this investment programme has resulted in a reduction of site personnel and has further reduced the cash requirements of the site by approximately EUR 24 million against the Q3 2015 run rate.

Middle Tennessee Mines

On 4 December 2015, the Middle Tennessee Mines were moved into a care and maintenance status to further minimise cash consumption in the mining segment. This action was taken in light of the sharp and accelerated deterioration in the commodity price environment in Q4 2015 with the zinc price being below the operating costs of the mines. Consequently, zinc metal production at the Clarksville smelter has been reduced by about 7 percent, equivalent to ca. 9,000 metric tonnes per annum. The Nyrstar Clarksville smelter will continue to be supplied by East Tennessee Mines and additional external sources.

Port Pirie Redevelopment:

During 2015 all major engineering work, together with fabrication of the furnace, process equipment and major concrete works were completed. The furnace and first acid plant shipments have been delivered to site and a module yard in China commenced fabrication of structural and equipment modules.

Work on site is progressing well with all piling for the furnace, acid plant and oxygen plant completed and pile caps and foundations being close to completion. The installation of the structural and process equipment components commenced in Q4 2015. The modular offsite fabrication of the acid plant and furnace buildings also progressed, with offsite work ramping-up significantly throughout Q4 2015 and into 2016. Delivery of major modules from the module fabrication yards commenced in late Q4 2015. In readiness for the installation of the various modules, a 2,600 tonne heavy lift mobile crane has been assembled on site. The Port Pirie Redevelopment remains on schedule for commencement of commissioning by the end of H1 2016, with ramp-up commencing in H2 2016 and continuing into 2017.

As announced by the Company in the Q3 2015 results update, the projected cost to complete the Port Pirie Redevelopment has been increased by approximately 10% to AUD 563 million. The increase in cost of AUD 49 million largely results from adverse foreign exchange impacts and additional engineering and project management services required.

Metals Processing Growth Pipeline Projects:

The upgrading of Nyrstar's zinc and lead smelter network represents a critical step in Nyrstar's value optimisation. Completion of these initiatives will enable Nyrstar to extract more value from the feed and treat significantly increased volumes of more valuable zinc residues, including substantially all of its internally generated zinc residues through the redeveloped Port Pirie, as well as more complex and valuable zinc and lead concentrates. The nature of the identified investments is such that the timing of project development and implementation remains highly flexible.

Over the full course of 2015, Nyrstar has continued to progress the broader pipeline of growth projects with seven of the currently identified projects across the Metals Processing segment now substantially implemented. Project capital expenditure in 2015 focused on the de-constraining projects required as a result of the Century mine closure, with progress on both fuming at Hoyanger and minor metals projects being made.

Projects at Budel and Hobart, enabling the treatment of concentrates containing increased cadmium and iron volumes, following the introduction of a more complex feedbook with the closure of the Century mine in Australia, have been fully implemented, following a successful commissioning process in Q3 and Q4 2015.

At the Auby smelter the expansion of indium refining capacity from 45 tonnes to approximately 70 tonnes is well advanced with commissioning of key equipment completed. Due to a fire at Auby's indium cement plant in November 2015, the ramp up schedule is expected to be delayed by approximately six months. Also in Auby, the project to lift the silica constraint in concentrates consumed, enabling increased indium throughput and recovery, remains on schedule with commissioning underway. As a consequence of the fire, production of indium metal in 2016 will be negatively impacted compared to 2015 production levels.

Other de-constraining projects are progressing well and remain on schedule, including the commencement of the expansion of cadmium capacity at Port Pirie. Also in Port Pirie, the pilot plant trial for selenium recovery, which is critical to inform development engineering and final design, has been completed. Implementation of these projects will proceed in line with commissioning and ramp-up of the Port Pirie Redevelopment schedule.

Work at the Hoyanger fumer is continuing with the site having successfully treated residues from both the Budel and Clarksville smelters. The Hoyanger fumer is continuing to ramp-up; metal recoveries are meeting expectations and with some modifications planned in 2016, we anticipate the plant to be running at full capacity processing 50,000 tonnes per annum of Budel leach product by end of 2016.

Nyrstar's agreement with the Tasmanian Government in July 2015 on the key terms for an AUD 29 million (EUR 20 million) funding and support package has enabled the Company to proceed with two projects related to minor metals at the Hobart smelter. The projects are comprised of an upgrade of materials handling equipment and the addition of a side-leach plant allowing the smelter to treat zinc oxide from Nyrstar Port Pirie, splitting base metals (zinc and lead) from minor metals (indium and germanium) enhancing the site's operational link with Nyrstar Port Pirie and the broader global Metals Processing network.

The timing of the implementation of other value accretive Growth Pipeline Projects will be evaluated in light of the Company's prudent balance sheet management and the availability of resources to effectively manage a breadth of simultaneous projects. During the course of 2016, Nyrstar will further review projects associated with the European fumer and additional fuming capacity in Europe, germanium recovery in Clarksville, Auby side-leach, germanium plant and additional indium plant.

Other Cost Savings Initiatives

The Company achieved an annualised saving of EUR 10 million in Q4 2015 against the previously announced EUR 30 million targeted cashflow savings in Metals Processing and Corporate. In 2016 the Company intends to continue rigorously controlling the cost base, on the Corporate side, and identify further opportunities for sustainable operating cost and capex reductions.

Relationship Agreement with Trafigura

In connection with Trafigura's commitment to support the rights offering, Nyrstar has executed a Relationship Agreement with Trafigura Group Pte. Ltd to govern its relationship with Trafigura and ensure that all business transactions are conducted at arm's length and on normal commercial terms. The Relationship Agreement will have effect for as long as Trafigura holds at least 20% but less than 50% of the shares in Nyrstar.

In addition to the Relationship Agreement, Nyrstar has negotiated strategic commercial agreements with Trafigura comprising of zinc concentrate, lead concentrate and finished refined aluminium metal purchase agreements, and finished refined zinc metal and finished refined lead metal and finished refined copper cathodes sales agreements.

Outlook For 2016

We remain positive about the fundamentals of the zinc market and believe the broader macro-economic concerns have overshadowed what remains a positive outlook for zinc.

Zinc concentrate supply is tightening on the back of recent mine closures, exchange stocks having fallen through 2015 and the recent trade data from China suggests the highest level of zinc imports for a number of years. Demand for zinc is expected to remain robust as it is a mid to late cycle commodity that will be supported by growth in global automotive manufacturing, especially in China.

We also see 2016 as a year of transition for Nyrstar as we continue to strengthen the balance sheet, refocus the company on its core Metal Processing segment and exit from our mining business.

Looking forward to the rest of 2016 our key focus areas are on:

- Strengthening and maintaining a more prudent balance sheet
- Progressing the sale of all or most of our mining assets
- Delivering the Port Pirie Redevelopment
- Optimising our raw materials feed book both from internal and external sources
- Continuing to focus on cash preservation and cost reduction

We are confident that, with our balance sheet strengthening measures and the ongoing capital discipline and operational improvements we have announced, we are taking the right steps to ensure the Company can weather near term uncertainties and be in the best position it can to benefit from the expected strengthening in the underlying fundamentals of the zinc market.

SHARES

Share price development

The Nyrstar share price decreased by 45% in 2015, compared to a 37% decrease in the MSCI World Metals and Mining Index, over the same period, and an 11% decrease in the average annual zinc price.

The average traded daily volume was approximately 1,598,469 shares in 2015 compared to 1,087,484 in 2014, an increase of 47%.

Share Capital

Nyrstar ordinary shares have been admitted to trading on Euronext® Brussels (symbol NYR BB) since 29 October 2007. As at 31 December 2015, the registered share capital amounted to EUR 34,004,508.88 represented by 340,045,088 ordinary shares with a par value of EUR0.10. The Company's shares do not have a nominal value.

Convertible Bonds

As at 31 December 2015, the Company had on issue EUR 120 million of senior unsecured convertible bonds, due 2018.

The bonds due in 2018 were issued in September 2013 at 100 per cent of their principal amount (EUR 100,000 per bond) and have a coupon of 4.25% per annum. The conversion price as at 31.12.2015 was EUR 3.71 per share with EUR 120 million of senior unsecured convertible 2018 bonds oustanding and, if all of the bonds were to be converted into new ordinary shares at the above conversion price, 32,345 new ordinary shares would be issued. The bonds are listed and admitted to trading on the Frankfurt Stock Exchange's Open Market segment.

Shareholder Structure

Pursuant to applicable Belgian legislation on the disclosure of significant shareholdings and the Company's articles of association, any person who acquires at least 3% of the total existing voting rights of the Company must notify both the Company and the Belgian Financial Services and Markets Authority (the FSMA, which is the successor to the Banking, Finance and Insurance Commission, the CBFA, since April 1, 2011).

A notification is also required when a person acquires at least 5%, 7.5%, 10%, 15%, 20% or any further multiple of 5% of the total existing voting rights of the Company, or when, due to disposals of securities, the number of voting rights falls below one of these thresholds. A list as well as a copy of such notifications can be obtained from the Company's website (www.nyrstar.com). As at 31 December 2015, on the basis of the notifications received by the Company, the major shareholders of the Company (i.e. holding more than 3% of the total voting rights) were:

Shareholder's Name	Shareholder's Address	Date of Notification	Number of Voting Rights	Share-holding
Urion Holdings (Malta) Ltd(1)	Leicester Court, Suite 2, Edgar Bernard Street, Gzira GZR1702, Malta	1 September 2015	68,090,869	20.02%
BlackRock	12 Throgmorton Avenue, London EC2N 2DL, United Kingdom	14 May 2015	10,772,165	3.17%
Umicore NV	Broekstraat 31, 1000 Brussels, Belgium	23 March 2011	10,503,712	3.09%
Dimensional Fund Advisors LP	6300 Bee Cave Road, Building One, Austin, Texas 78746, USA	29 April 2015	10,215,142	3%
			99,581,888	**29.28%**

(1) Urion Holdings (Malta) Ltd is an indirect subsidiary of Trafigura Group Pte Ltd. Since the notification of significant shareholding received by the Company at 1 September 2015, Urion Holdings (Malta) Ltd acquired additional shares in the Company via market purchases. According to the most recent information received by the Company, at 31 December 2015 Urion Holdings (Malta) Ltd 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 Holdings (Malta) Ltd represented 24.64% of the voting rights.

Shareholder profile

The Company has a wide shareholder base, mainly composed of institutional investors in the United Kingdom, the United States, Belgium and other European countries, but also comprising Belgian retail investors. Retail shareholders represent approximately 30 percent of the Nyrstar shareholder base.

KEY SHARE FACTS

For the year-ended 31 December	2015	2014
Number of issued ordinary shares	340,045,088	340,045,088
Number of treasury shares	12,571,225	12,664,057
Market capitalisation (as at 31/12)	544,072,141	996,332,108
Earnings/(Loss) per Share (12 months to 31/12)	(1.32)	(1.22)
Gross Capital Distribution (proposed)	0	0
Share price (closing as at 31/12)	1.60	2.93
Year high (intra-day)	3.93	3.05
Year low (intra-day)	1.23	1.70
Average volume traded shares per day (12 months to 31/12)	1,598,469	1,087,484
Free float (as at 31/12)	76%	90%

Dividend Policy

The Board reviewed the Company's dividend policy in 2009 and concluded that, in light of the revised Company strategy, a dividend policy with a fixed pay-out ratio was no longer appropriate. The Company's revised dividend policy aims to maximise total shareholder return through a combination of share price appreciation and dividends, whilst maintaining adequate cash flows for growth and the successful execution of the Company's strategy.

Disclosure Policy

As a Belgian listed company and with a view to ensuring that investors in Nyrstar shares have all information necessary to ensure the transparency, integrity and good functioning of the market, Nyrstar has established an information disclosure policy.

This policy is aimed at ensuring that material information of which Nyrstar is aware is immediately disclosed to the public. In addition, the policy is aimed at ensuring that information which is disclosed is fair and accurate, and so will enable the holders of shares in Nyrstar, and the public, to assess the impact of the information on Nyrstar's position, business and results.

Presentations to Investors, Analysts and Media

Nyrstar's reputation is greatly influenced by its ability to communicate in a consistent and professional manner with all our stakeholders.

A core Nyrstar value is to be open and honest and accordingly we strive to provide clear, open and transparent communications to all our stakeholders. Nyrstar regularly organises presentations to investors, analysts and the media to provide strategic, operational and financial updates, and to build strong relationships.

To provide financial analysts, investors and media with a greater insight into our business, we organised or participated in several events during the year.

To engage with its institutional shareholders Nyrstar presented the Company at events organised by Bank of America Merrill Lynch, BMO Capital Markets, Citi, Deutsche Bank, Exane BNP Paribas, Goldman Sachs, HSBC, ING, KBC Securities, Macquarie, Morgan Stanley, Petercam, and Royal Bank of Canada (RBC). In addition Nyrstar also participated in numerous investor roadshows in Europe and North America.

Brokerages

The following brokerages published research on Nyrstar in 2015:

ABN Amro	Credit Suisse	KBC Securities
Bank Degroof Petercam	Deutsche Bank	Macquarie
Bank of America Merrill Lynch	Exane BNP Paribas	Morgan Stanley
BMO	Goldman Sachs	Oddo Securities
Citi	ING	RBC

Proposed Distribution

The Board of Directors has decided not to propose to shareholders a distribution for the financial year 2015.

FINANCIAL AND OPERATIONAL REVIEW

GROUP FINANCIAL REVIEW

KEY DATA

EUR million unless otherwise indicated	FY 2015	FY 2014	% Change
Income Statement Summary			
Revenue	3,139	2,799	12%
Gross Profit	1,336	1,293	3%
Direct operating costs	(1,063)	(1,049)	1%
Non-operating and other	(16)	(7)	129%
Metal Processing EBITDA	336	239	41%
Mining EBITDA	(41)	44[2]	(193%)
Other & Eliminations EBITDA	(38)	(46)	(17%)
EBITDA[1]	**256**	**237[2]**	**8%**
EBITDA Margin	8%	8%	0%
Underlying adjustments	(3)	39[2]	(101%)
Depreciation, depletion and amortisation	(251)	(257)	(2%)
Impairment loss / Impairment reversal	(564)	(255)	121%
Net finance expense	(115)	(108)	6%
Income tax benefit	245	57	330%
Profit/(loss) for the period	(432)	(287)	51%
Basic EPS (EUR)	(1.32)	(1.22)	8%
Capex	419	294	43%
Cash Flow			
Cash flow from operating activities before working change	235	243	(3%)
Working capital and other changes	(242)	68	(456%)
Net Debt Exclusive of Zinc Prepay			
Net debt, end of period	761	438	74%
Net debt to EBITDA ratio[4]	3.0	1.6[3]	-
Gearing[5]	54%	31%	-
Net Debt Inclusive of Zinc Prepay			
Net debt, end of period[6]	896	438	105%
Net debt to EBITDA ratio[7]	3.5	1.6[3]	-
Gearing[8]	58%	31%	-

[1] All references to EBITDA in the Annual Report 2015 are Underlying EBITDA. Underlying measures exclude exceptional items related to restructuring measures, M&A related transaction expenses, 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
[2] 2014 Mining and Group EBITDA excludes non-cash gain of EUR 43 million achieved on the settlement of the Silver Stream at Campo Morado with Silver Wheaton. The gain was shown as part of underlying adjustments
[3] Based on actual EBITDA of EUR 280 million
[4] Net Debt to EBITDA ratio is calculated as Net Debt at the end of the period divided by last 12 months EBITDA
[5] Gearing is calculated as net debt to net debt plus equity at end of period
[6] Calculated as non-current and current loans and borrowings plus non-current other financial liabilities less cash and cash equivalents at end of period.
[7] Calculated as non-current and current loans and borrowings plus non-current other financial liabilities less cash and cash equivalents at end of period divided by last 12 months EBITDA.
[8] Calculated as non-current and current loans and borrowings plus non-current other financial liabilities to net debt plus non-current other financial liabilities plus total equity at end of period.

	FY 2015	FY 2014	% Change
Metals Processing Production			
Zinc metal ('000 tonnes)	1,115	1,097	2%
Lead metal ('000 tonnes)	185	178	4%
Mining Production			
Zinc in concentrate ('000 tonnes)	234	278	(16%)
Lead in concentrate ('000 tonnes)	13.0	19.2	(32%)
Gold ('000 troy ounces)	16.1	52.1	(69%)
Silver ('000 troy ounces)[1]	2,724	5,106	(47%)
Copper in concentrate ('000 tonnes)	6.5	11.3	(42%)
Market[2]			
Zinc price (USD/t)	1,928	2,164	(11%)
Lead price (USD/t)	1,784	2,096	(15%)
Silver price (USD/t.oz)	15.68	19	(18%)
Gold price (USD/t.oz)	1,159	1,266	(8%)
Average exchange rate (EUR/USD)	1.11	1.33	(17%)
Average exchange rate (EUR/AUD)	1.48	1.47	1%

Group gross profit for 2015 of EUR 1,336 million was up 3% on 2014, driven principally by the Metals Processing segment, which benefited from the strength of the US dollar versus the Euro and improved benchmark zinc treatment charge terms. Both Mining and Metals Processing segments were impacted by the volatility in the commodity markets during the year, with an average zinc price of $2,134/t in H1-2015, declining by 19% in H2-2015 to $1,731/t. FY average prices were down year-on-year across all key metals for the Company; average zinc, lead, silver and gold prices were down 11%, 15%, 18% and 8%, respectively.

Direct operating costs for 2015 of EUR 1,063 million were up EUR 14 million (1%) on 2014, due to the negative EUR 73 million translation effect on US Dollar and Swiss Franc denominated operating costs translated to Euro, with a significant offset from lower mining costs as a result of the suspension of operations at Campo Morado, Myra Falls and Middle Tennessee together with delivery of further sustainable cost saving measures within Metals Processing and at Corporate level.

Group underlying EBITDA in 2015 of EUR 256 million, represents an increase of EUR 19 million from 2014 (excluding the non-cash gain of EUR 43 million achieved on the settlement of the silver stream at Campo Morado with Silver Wheaton in 2014) due to strong Metals Processing performance supported by a stronger US dollar versus Euro and improved benchmark zinc treatment charge terms, largely offset by the effect of weaker commodity prices.

Depreciation, depletion and amortisation expense for 2015 of EUR 251 million was in line year-on-year.

Non-cash, pre-tax impairment losses of EUR 564 million net were recognised in 2015 (2014: EUR 255 million) comprising of losses recognized at the end of both H1 2015 and H2 2015. These impairment losses relate primarily to pre-tax impairment charges on Nyrstar's Mining assets of EUR 548 million (2014: EUR 246 million related to the impairment of the Zinc purchase interest). The remaining impairment losses, net of reversals, relate to non-core operations of the Group of EUR 16 million (2014: EUR 1 million).

[1] Until 31 December 2014, 75% of the silver produced by Campo Morado was subject to a streaming agreement with Silver Wheaton whereby $4.02/oz was payable.
[2] Zinc. Lead and copper prices are averages of LME daily cash settlement prices. Silver/Gold price is average of LBMA daily fixing / daily PM fixing, respectively.

At 30 June 2015, Nyrstar tested all of its mining assets for impairment and recognised a non-cash, pre-tax impairment loss of EUR 418 million which was related to 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 continued unstable security situation in the Mexican State of Guerrero and the remainder due to reductions to the carrying values for the El Toqui, Langlois and Myra Falls mines and for the equity accounted investment in Ironbark Zinc Limited driven primarily by the application of the most recent commercial assumptions. At 31 December 2015, due to a significant deterioration of the near term commodity price environment, Nyrstar again tested all of its mining assets for impairment and recognised a further non-cash, pre-tax impairment loss of EUR 146 million relating to further reductions in the carrying values of several of Nyrstar's mining assets.

As at 31 December 2015, the carrying value of the assets related to the Metals Processing segment and Mining segment were EUR 1,163 million and EUR 533 million respectively.

As at 31 December 2015, Nyrstar was compliant with the financial covenants in all of its existing loan agreements.

Net finance expense for 2015 of EUR 115 million was up EUR 8 million on the prior year representing full year accrual of incremental interest costs on fixed rate bonds.

Income tax benefit for 2015 of EUR 245 million (2014: EUR 57 million) representing an effective tax rate of 36.2% (2014: 16.6%). The effective tax rate is impacted by the results of impairment testing undertaken in the period that include a change of the Swiss corporate law, mandatory as from 1 January 2015, which requires that investments in subsidiaries are tested on a standalone rather than on a portfolio basis. Further, the effective tax rate has been impacted by losses incurred by the Group for which no tax benefit has been recognised.

Loss after tax in 2015 of EUR 432 million, compared to a net loss of EUR 287 million in 2014, was primarily as a result of the impairment charges related to the Mining segment assets in 2015 and the impairment charge on the Talvivaara steaming agreement in 2014.

Capital expenditure was EUR 419 million in 2015, representing an increase of EUR 125 million year-on-year which was entirely driven by the execution of value accretive projects in Metals Processing (the Port Pirie Redevelopment (an additional EUR 117 million compared to 2014) and the Metals Processing Growth Pipeline Projects (an additional EUR 31 million compared to 2014)) while sustaining capital expenditure continues to be tightly managed across both segments and decreased year-on-year by EUR 18 million.

Cash flow from operating activities before working capital changes of EUR 235 million in 2015 was down 3% compared to EUR 243 million in 2014 and cash out-flow from changes in working capital and other balance sheet movements in 2015 of EUR (242) million was down 456% compared to an in-flow of EUR 68 million in 2014, resulting in total cash out-flow from operating activities for 2015 of EUR 7 million compared to EUR 311 million in-flow for 2014. The increase in net working capital levels was driven by a reduction in current deferred income year-on-year following amortisation of silver prepays, which were not renewed at the end of 2015. The impact of lower commodity prices on working capital levels was largely offset by the strength of the U.S. dollar against the Euro.

Net debt at the end of 2015 was EUR 761 million, representing a 74% increase from EUR 438 million at the end of 2014 (in each case excluding other non-current financial liabilities), primarily driven by Metals Processing Transformation capex and negative cash flow from the Mining segment. Net debt plus the zinc metal prepay obligation totaled EUR 896 million. Cash on hand at the end of 2015 was EUR 116 million compared to EUR 499 million at 2014. The high cash balance held at the end of 2014 was as a result of the comprehensive strategic financing executed in September 2014, which consisted of EUR 350 million of high yield notes and EUR 251.6 million rights offering. The draw down on the cash balance during 2015 was driven by the investment on the Port Pirie Redevelopment and Metals Processing growth pipeline projects together with EUR 73 million settlement of the remaining balance outstanding on 2015 maturing notes.

In 2015, Nyrstar completed the refinancing of its Structured Commodity Trade Finance Facility (SCTFF) and USD 150 million funding for a zinc metal prepayment. The new SCTFF has a maturity of four years and replaces the previous EUR 400 million facility.

Operations Review: Metals Processing

EUR million unless otherwise indicated	FY 2015	FY 2014	% Change
Treatment charges	460	367	25%
Free metal contribution	266	252	6%
Premiums	171	153	12%
By-Products	211	194	9%
Other	(105)	(98)	7%
Gross Profit	**1,003**	**868**	**16%**
Employee expenses	(217)	(223)	(3%)
Energy expenses	(233)	(227)	3%
Other expenses /income	(198)	(166)	19%
Direct Operating Costs[1]	**(648)**	**(615)**	**5%**
Non-operating and other	(20)	(14)	43%
EBITDA	**336**	**239**	**41%**
Sustaining	92	99	(7%)
Growth	54	23	135%
Port Pirie Redevelopment	176	59	198%
Metals Processing Capex	**322**	**180**	**79%**

The Metals Processing segment delivered an underlying EBITDA result of EUR 336 million in 2015, on the basis of continued strong operational performance, higher zinc market metal production and higher zinc benchmark treatment charges as well as favourable EUR/USD exchange rate movements.

Higher gross profit (up 16%) at EUR 1,003 million in 2015 was mainly driven by the beneficial effect on income of a weaker EUR/USD exchange rate, a 10% increase in the zinc benchmark treatment charges compared to 2014 and a higher production rate that resulted in a higher volume of concentrates consumed compared to 2014.

The total Premium gross profit contributions increased by 12% compared to 2014, largely driven by favourable foreign exchange impacts and higher volumes, offset by lower average realised premia rates. Benchmark premia have been under pressure in 2015, due to slower demand into China and higher Euro denominated zinc prices, as a result of the depreciation of the Euro against the US dollar, impacting European specialty grade sales.

By-product gross profit contributions were positively impacted by foreign exchange impacts, offset by lower precious metals prices compared to 2014. The delay of indium bearing concentrate shipments for Auby at the beginning of 2015, lower production in Q4 2015 due to a fire at the indium cement plant, coupled with lower recoveries and indium prices further negatively impacted by-product gross profit.

Direct Operating costs per tonne increased by 3% due to the stronger US dollar against the Euro and a number of energy credits recognised in H1 2014 relating to 2013. Energy credits in 2015 were in line with normal course of business.

Sustaining capital spend was down 7% year-over-year and was in line with guidance. The progress of the Port Pirie Redevelopment project as well as growth projects is reflected in higher than prior year Port Pirie Redevelopment and growth capital spend.

[1] In 2015 Nyrstar changed its internal allocation of certain operating costs to its operating segments. This changed the composition of the allocation of the direct operating costs between the segments. The related 2014 information was restated to provide comparable information for the period. The change did not impact the previously reported Underlying EBITDA by the segments.

	FY 2015	FY 2014	% Change
EUR DOC/tonne			
Auby	499	484	3%
Balen/Overpelt	478	420	14%
Budel	370	340	9%
Clarksville	502	443	13%
Hobart	426	421	1%
Port Pirie[1]	656	687	(5%)
DOC/tonne[2]	**498**	**482**	**3%**

	FY 2015	FY 2014	% Change
Zinc metal ('000 tonnes)			
Auby	169	171	(1%)
Balen/Overpelt	260	262	(1%)
Budel	291	290	0%
Clarksville	124	110	13%
Hobart	271	252	8%
Port Pirie	-	13	(100%)
Total	**1,115**	**1,097**	**2%**
Lead metal ('000 tonnes)			
Port Pirie	185	178	4%

	FY 2015	FY 2014	% Change
Other products			
Copper cathode ('000 tonnes)	4	4	0%
Silver (million troy ounces)	14.6	13.4	9%
Gold ('000 troy ounces)	77.3	33.8	126%
Indium metal (tonnes)	41	43	(5%)
Sulphuric acid ('000 tonnes)	1,451	1,438	1%

The Metals Processing segment produced approximately 1,115,000 tonnes of zinc metal in 2015, at the top end of full year guidance, representing a 2% increase on 2014. The increase in zinc production year-over-year was driven by fewer planned maintenance shuts during 2015 and improved availability and utilisation of the roasting, leaching and cell house processes.

Clarksville zinc metal production increased by 13% year-over-year as a result of no planned roaster shutdowns during this period. Hobart production was up 8% year-over-year as a result of the introduction of Port Pirie zinc containing fume to Hobart's feed book. Indium production was negatively impacted compared to 2014 due to technical issues impacting recovery of metal in H1 2015, a planned plant stop in Q3 2015 and a fire at the indium cement plant in November 2015, which impacted the production of indium cement. The indium cement production line is expected to be shut down for all of H1 2016 for the repair of damage caused by the November 2015 fire. As a consequence of the planned indium cement plant repair shutdown, production of indium metal in 2016 is expected to be approximately half of that produced in 2015.

[1] Per tonne of lead metal and zinc contained in fume

[2] DOC/tonne calculated based on segmental direct operating costs and total production of Zinc and Lead Market Metal

Lead market metal production at Port Pirie was 4% higher compared to 2014 due to a planned five week shutdown in 2014. This higher production occurred despite the plant outage in April 2015 caused by a disruption of natural gas supply to the region of Port Pirie that extended for almost the entire month and in July by a leaking cooling water jacket requiring replacement. Gold and silver production was up 126% and 9% respectively compared to 2014 as a function of higher gold and silver in feed and a different mix of residues consumed. Production of copper cathode was flat year-over-year.

Metals Processing achieved its best safety performance ever in 2015. The number of cases with days lost or under restricted duties (DART) and number of cases requiring treatment (RIR) reduced by 23% and 19% respectively compared to 2014. Clarksville and the transformation project in Port Pirie closed 2015 lost time injury (LTI) free.

Metals Processing Production Guidance and Planned Maintenance Shuts

Nyrstar expects to produce 1.0 – 1.1 million tonnes of zinc metal in 2016. This level of production is based on maximising EBITDA and free cash flow generation in the Metals Processing segment by targeting the optimal balance between production and sustaining capital expenditure.

During 2016 there are a number of scheduled maintenance shuts at the smelters, which will have an impact on production. These shuts will enable the smelters to continue to operate within internal safety and environmental standards, comply with external regulations/standards and improve the reliability and efficiency of the production process, and allow the sites to make improvements to critical production steps. All efforts are made to reduce the production impact of these shuts by building intermediate stocks prior the shut and managing the shut in a timely and effective manner. The estimated impact of these shuts on 2016 production, which has been taken into account when determining zinc metal guidance for 2016, is listed in the table below.

2016 Metals Processing planned shuts

Smelter & production step impacted	Timing and duration	Estimated impact
Auby – roaster, leaching, cellhouse, indium	Q1-Q2: 3 weeks	7,600 tonnes
Balen – cellhouse, leaching	Q2: 1 week	4,000 tonnes
Balen – roaster F4	Q1-2: 7 weeks	nil
Balen – roaster F5	Q3: 2 weeks	nil
Clarksville - roaster	Q3: 2 weeks	3,400 tonnes
Hobart – roaster	Q2: 2 weeks	Nil
Port Pirie – lead plant	H2: 4 weeks	16,600 tonnes

Capital expenditure guidance for 2016 across Nyrstar's Metal Processing assets is as per the table below.

Segment	Capex category	EUR million
Metals Processing	Sustaining and compliance	95 - 105
	Growth	35 - 45
	Port Pirie Redevelopment[1]	110
	Metals Processing Capex	**240 - 260**

Total capital expenditure of EUR 176 million was incurred on the Port Pirie Redevelopment in 2015. As at 31 December 2015, a running total of AUD 368 million of capex had been incurred on the Port Pirie Redevelopment and AUD 497 million had been committed (i.e. order values placed). Whilst the full year 2015 expenditure was less than guidance, the spend profile has seen a substantial step-up during Q4 2015. In November 2015, the first tranche of the equity accounted perpetual notes were issued with subsequent draw-downs to occur on a monthly basis, with the majority of the AUD 291 million of perpetual notes being drawn in H1 2016. As at 31 December 2015, a total of AUD 45.8 million had been drawn against the perpetual notes.

[1] The majority of the Port Pirie Redevelopment spend is denominated in AUD and is subject to exchange rate fluctuation. The guidance above is given using the EUR:AUD rate of 1.58

Operations Review: Mining

Mining

EUR million unless otherwise indicated	FY 2015	FY 2014	% Change
Treatment charges	(78)	(84)	(7%)
Payable metal contribution	347	373	(7%)
By-Products	90	165	(45%)
Other	(29)	(26)	12%
Gross Profit	**330**	**429**	**(23%)**
Employee expenses	(141)	(149)	(5%)
Energy expenses	(44)	(51)	(14%)
Other expenses	(170)	(170)	0%
Direct Operating Costs[1]	**(355)**	**(370)**	**4%**
Non-operating and other	(16)	(15)[2]	7%
EBITDA	**(41)**	**44[2]**	**(193%)**
Sustaining capex	34	45	(24%)
Exploration and development capex	48	48	0%
Growth capex	10	15	(33%)
Mining Capex	**92**	**108**	**(15%)**

Negative mining EBITDA of EUR 41 million in 2015 was due to the suspension of operations at Campo Morado since the start of 2015, Myra Falls since May 2015, Middle Tennessee Mines since December 2015 and the average zinc price in H2 2015 of USD 1,731 per tonne being below the Mining segment's average current cost of production.

Mining capital expenditure was EUR 92 million, down 15% year-over-year, due to the postponement of non-essential sustaining capital projects across all mining operations, the cancellation of non-committed growth projects; the suspension and deferral of investment work at Myra Falls and transitioning the Campo Morado operations from suspension to care and maintenance in October 2015, and placing the Middle Tennessee Mines on care and maintenance in December 2015. During 2015, Exploration and Development spending for the segment was flat year-over-year. Growth capex in the mining segment was for previously committed Campo Morado plant modifications (now halted) in the first quarter of 2015, and other minor site projects related to energy efficiency improvements.

[1] In 2015 Nyrstar changed its internal allocation of certain operating costs to its operating segments. This changed the composition of the allocation of the direct operating costs between the segments. The related 2014 information was restated to provide comparable information for the period. The change did not impact the previously reported Underlying EBITDA by the segments.

[2] 2014 Mining EBITDA excludes non-cash gain of EUR 43 million achieved on the settlement of the silver stream at Campo Morado with Silver Wheaton. The gain was shown as part of underlying adjustments.

DOC USD/tonne ore milled	FY 2015	FY 2014	% Change
Campo Morado	n/a	87	n/a
Contonga	73	73	0%
El Mochito	63	70	(10%)
El Toqui	76	83	(8%)
Langlois	88	110	(20%)
Myra Falls	n/a	163	n/a
Tennessee Mines	42	43	(2%)
Average DOC/tonne ore milled*	**67**	**71**	**(6%)**

* This figure is a weighted average.

The average direct operating cost in USD per tonne of ore milled decreased by 6%, primarily due to the suspension of operations at Campo Morado, Myra Falls and Middle Tennessee. Unit costs at all of the operating mines improved in 2015 compared to 2014 primarily due to improved operating cost management and devaluation of the Canadian dollar against the US dollar.

'000 tonnes unless otherwise indicated	FY 2015	FY 2014	% Change
Total ore milled	**5,913**	**6,888**	**(14%)**
Zinc in Concentrate			
Campo Morado	-	22	(100%)
Contonga	12	13	(8%)
El Mochito	23	30	(23%)
El Toqui	38	37	3%
Langlois	40	38	5%
Myra Falls	9	27	(67%)
Tennessee Mines	111	110	1%
East Tennessee	64	63	2%
Middle Tennessee	47	47	0%
Total	**234**	**278**	**(16%)**
Other metals			
Lead in concentrate	13.0	19.2	(32%)
Copper in concentrate	6.5	11.3	(42%)
Silver ('000 troy oz)	2,724	5,106	(47%)
Gold ('000 troy oz)	16.1	52.1	(69%)

In 2015, Nyrstar's mines produced approximately 234kt of zinc in concentrate, a decrease of 16% compared to 2014 and was negatively impacted by the suspension of operations at Campo Morado at the beginning of the year, the suspension at Myra Falls from May 2015 and the suspension of operations at Middle Tennessee in December 2015.

During 2015, Campo Morado had no production at the mine, with operations being suspended due to the on-going issues associated with security in the region. This was initially caused by an illegal blockade of the mine entrance by non-affiliated union activists and over the course of the first quarter due to contractors and unionised mine workers being subjected to systematic intimidation. A small amount of Alimak vertical development was performed and work was advanced on the block model, metallurgical testing and mine plan prior to the mine being placed on indefinite care and maintenance in October 2015.

Production at Myra Falls was affected by hydro-electric power supply problems (Q1 2015) due to a turbine failure and the decision in Q2 2015 to suspend operations from May 2015 to allow for a concentrated focus on infrastructure and operational reliability to allow for a future restart with substantially improved mine and plant operating conditions. In October 2015, the Company suspended and deferred all restart work at the mine in response to the low zinc price environment. Production in H2 2015 was zero; the H1 2015 production was substantially reduced for all metals compared to the same period in 2014 primarily as a result of suspended mining and milling operations, lower head grades and recoveries for all metals except for zinc and the power interruptions impacting plant uptime.

At El Mochito, despite processing a similar volume of ore in 2015 compared to 2014, production of zinc, lead and silver during 2015 was reduced by 22%, 37% and 39% respectively compared to the same period in 2014. This reduced production was due to the lower contribution of ore from chimneys, replaced by lower grade mantos ore.

The Middle Tennessee Mines reported flat production year-over-year, despite ore milled reducing by 5% and the mines being placed on care and maintenance in December 2015, due to zinc mill head grade improving by 2%(higher grade stopes being mined) and zinc recovery improving by 3% (more consistent run schedule implemented at the Middle Tennessee mill). Production at the East Tennessee Mines was up 2% in 2015 compared to 2014 due to a moderate improvement in zinc mill head grade (up 1%) and ore milled (up 2%).

The volume of ore milled at Contonga during 2015 increased by 11% year-on-year due to higher ore production from stopes and drifts in the lower ore zones of the mine. The mined ore came from low zones with lower zinc head grades (down 18%) and higher copper (up 6%), lead (up 70%) and silver mineralization (up 6%). As a result of the head grades, zinc in concentrate was 8% lower, while copper, lead and silver were up by 19%, 149% and 19%, respectively compared to 2014.

Prior to a tragic contractor fatality at our El Mochito mine in Honduras on 16 June 2015, the Company had worked for 651 consecutive days without a fatality. There were some Mining Safety improvements in 2015 with cases of days lost under restricted duties (DART) and the number of cases requiring treatment (RIR) reduced by 35 and 33% respectively compared to 2014.

Mining Production Guidance and Capital Expenditure Guidance

The guidance below reflects Nyrstar's current expectations for 2016 production. Importantly, Nyrstar's strategy is to focus on maximizing value rather than production and, as such, the production mix of these metals may be altered during the course of the year depending on prevailing market conditions. Revised updates may be issued by Nyrstar in subsequent trading updates during 2016, if it is expected that there will be material changes to the above guidance.

Production guidance for 2016 across Nyrstar's portfolio of mining assets is as per the table below.

Segment	Metal in concentrate	Production guidance
Mining	Zinc	180,000 – 210,000 tonnes
	Lead	12,000 – 15,000 tonnes
	Copper	5,000 – 7,000 tonnes
	Silver	2,000,000 – 2,500,000 troy ounces
	Gold	14,000 – 18,000 troy ounces

Capital expenditure guidance for 2016 across Nyrstar's portfolio of mining assets is as per the table below.

Segment	Capex category	EUR million
Mining	Sustaining and compliance	20 - 25
	Exploration & Development	20 - 30
	Growth	0
	Mining Capex	**40 - 55**

The capital expenditure guidance provided above for the Mining segment will be impacted by the timing of the divestment process which is currently underway and the possibility of additional mine suspensions in the event of a further deterioration in the zinc price.

Market review

Average prices[1]	FY 2015	FY 2014	% Change
Exchange rate (EUR/USD)	1.11	1.33	(17%)
Exchange rate (EUR/AUD)	1.48	1.47	1%
Zinc price (USD/tonne)	1,928	2,164	(11%)
Lead price (USD/tonne)	1,784	2,096	(15%)
Copper price (USD/tonne)	5,494	6,862	(20%)
Silver price (USD/t.oz)	15.68	19.08	(18%)
Gold price (USD/t.oz)	1,159	1,266	(8%)

Exchange rates

Nyrstar's earnings and cash flows are influenced by movements in exchange rates of several currencies, particularly the U.S. Dollar, the Euro, the Australian Dollar and the Swiss Franc. Nyrstar's reporting currency is the Euro. Zinc, lead and other metals are sold throughout the world principally in US Dollars, while the costs of Nyrstar are primarily in Euros, Australian Dollars and Swiss Francs.

Strength in the US economy towards the end of 2014 and signs of weakening in Europe led to expectations that the US Federal Reserve would increase interest rates in 2015 whilst the European Central Bank would implement quantitative easing. During 2015, the European Central Bank implemented a policy of quantitative easing and in December 2015 the US Federal Reserve commenced a process of tightening its monetary policy with its first interest rate increase since 2006. Both of these factors pressurised currencies globally relative to the US Dollar. In particular, the impact of these economic divergences caused the Euro to weaken relative to the US Dollar by an average of 17% in 2015. The Australian dollar has devalued by 7% during H2 2015 compared to H1 2015 in line with the weakness in commodity prices that have impacted the value of commodity exports from Australia.

Zinc

The average zinc price decreased by 11% in 2015 to USD 1,928 per tonne compared to USD 2,164/t in 2014 and traded within a very wide range of USD1,461 per tonne and USD 2,405 per tonne. Zinc demand growth in 2015 was led by the developed world with the United States economy growing faster than many commentators had anticipated and European growth remaining robust despite the Greek financial crisis and tensions with Russia. China has dominated the economic landscape in H2 2015 with the bursting of its stock market bubble in August 2015 and reduced gross domestic product and industrial production. These events have led to a crisis of confidence amongst investors and negatively impacted the prices of all base metals. Global zinc consumption growth is estimated by Wood Mackenzie to have grown by 1.5% in 2015, its weakest annual growth since 2009. Sufficient supplies of concentrate and higher treatment charges have resulted in increased utilisation rates at smelters in 2015 with Wood Mackenzie forecasting that average smelter utilisation rates were 78% in China and 92% in the rest of the world. Over the medium term, the fundamental outlook for the zinc market remains strong with a continuing drawdown on refined metal stocks and expectations of tightening raw material supply.

Despite the current pricing environment for zinc, according to Wood Mackenzie, the prices for zinc metal continue to be expected to exceed long-term historical averages over the medium term as a result of forecast supply constraints as a number of larger zinc mines deplete and as demand for zinc metal is expected to further increase. Nyrstar believes that its strong market position will enable it to leverage off the strong zinc market fundamentals and capitalize on the expected increases in zinc prices.

[1] Zinc, lead and copper prices are averages of LME daily cash settlement prices. Silver/Gold price is average of LBMA daily fixing / daily PM fixing, respectively

Lead

Lead prices fell during 2015, averaging USD 1,784 per tonne, a 15% decline over 2014. Demand for refined lead remained strong throughout 2015 at the global level, growing at an estimated 6%, year-on-year, according to analysis from Wood Mackenzie. Continued growth in demand for lead-acid batteries ensures that the demand outlook remains healthy, though there are potential supply pressures, as primary smelter cutbacks are expected over the next couple of years and secondary production is also constrained, especially in Europe, with lead scrap availability remaining tight.

Copper

The average copper price in 2015 was USD 5,494 per tonne, a 20% decline compared to USD 6,862 per tonne in 2014. The International Copper Study Group expects the world mine production to have grown by around 1.2% in 2015 to 18.8 million tonnes, pointing to a mine supply surplus that will feed through to a modest refined surplus of about 41,000 tonnes in 2015. This is likely to keep pressure on copper prices and will drive volatility in price. Demand fundamentals are believed to be intact with additional growth coming from developed economies such as Europe and the US. However, growth in China, which accounts for approximately 40% of the global copper demand, is expected to slow down on a cooling real estate market.

Gold & Silver

Increasing confidence regarding global growth created downward pressure on precious metals prices in 2015 with the average gold price and silver price down 8% and 18% respectively.

Sulphuric Acid

The price of sulphuric acid in the North West European domestic market was stable in EUR terms; however, it was negatively impacted by the weakening of the Euro against the US dollar. Globally in H1 2015, Nyrstar realised an average price of USD 45 per tonne. During the second half of 2015, acid prices were weaker and the average price Nyrstar achieved was USD 39 per tonne. The lower prices were driven by weakening global sulphur prices, further Euro devaluation against the US dollar and indications of a weakening in the world economy during H2 2015.

Zinc Concentrates

The annual benchmark treatment charge for zinc concentrates in 2015 was settled at USD 245 per tonne of concentrate basis a zinc price of $2,000/t with a 9% escalator to $2,500/t, 8% to $3,000/t, 5% to $3,750/t and zero above that, and de-escalator of 3.3% to $1,500/t and zero below that. This represented an improvement from the previous year in favour of smelters of approximately 10%.

Several miners have implemented production cuts following lower zinc prices and the prices of the main by-products of zinc mines in 2015. The squeeze on margins was more acute in the second half of 2015, as falling prices put the profitability of the zinc mining sector under pressure. According to Wood Mackenzie, the break-even percentile on the zinc mine cash operating cost curve (C1) was estimated to be 82nd percentile at the November price lows, down from the 93rd percentile in August. In response to the low zinc prices, just prior to LME week in October 2015, Glencore announced that it was cutting output from its mines by 100kt Zn in Q4 2015 and by 500kt Zn in 2016. The cuts included reduced output from Mt Isa, McArthur River and Kazzinc mines and suspension of Iscaycruz. Wood Mackenzie estimates that price-induced mine capability cuts will total around 640kt in 2016.

Lead Concentrates

The annual treatment charge terms for high silver lead concentrates in 2015 were concluded at US Dollar192.50 per tonne of concentrate with a silver refining charge of US Dollar1.50 per troy ounce. Annual treatment charges for low silver lead concentrates were considered to be concluded within the range of US Dollar150 to US Dollarw180 per tonne of concentrate.

OTHER SIGNIFICANT EVENTS IN 2015

29 April – At the Annual General Meeting (AGM), Martyn Konig and Christopher Cox, were voted onto the Nyrstar Board of Directors, having been nominated by the Nyrstar reference shareholder, Trafigura.

19 May – Nyrstar concluded a two-year option agreement to sell its Coricancha mining complex to Great Panther Silver Limited.

13 July - Nyrstar and the Tasmanian Government signed a binding agreement for the key terms of funding and support package to support certain investments at Hobart smelter in Tasmania.

17 August – Bill Scotting assumed the position of Chief Executive Officer of Nyrstar.

20 November – Christopher Eger was appointed Chief Financial Officer of Nyrstar.

27 November - Nyrstar reached final key funding milestone for Port Pirie Redevelopment and commenced draw-down under the funding structure supported by South Australian Government and Australia's export credit agency, the Export Finance and Insurance Corporation (Efic).

7 December – Nyrstar Middle Tennessee Mines (MTN) were placed on care and maintenance to further minimise cash burn in the mining segment.

23 December – Special General Shareholders' Meeting (SGM) approved the appointment of CEO, Bill Scotting, as Executive Director to the Board of Directors.

SENSITIVITIES

Nyrstar's results were significantly affected during the course of 2015 by changes in metal prices, exchange rates and treatment charges. Sensitivities to variations in these parameters are depicted in the below table, which sets out the estimated impact of a change in each of the parameters on Nyrstar's full year underlying EBITDA, and is based on the actual results and production profile for the year ending 31 December 2015.

12 months ended 31 December 2015

			Estimated annual 2015 underlying EBITDA impact (EURm)		
Parameter	**Full Year 2015 Annual Average price/rate**	**Variable**	**Metals Processing**	**Mining**	**Group**
Zinc price	$1,928/t	-/+ 10%	-36/+48	-35/+35	-70 / +82
Lead price	$1,784/t	-/+ 10%	-1/+1	-2/+2	-3 / +3
Copper price	$5,494/t	-/+ 10%	-2/+2	-2/+2	-4 / +4
Silver Price	$15.68/oz	-/+ 10%	-2/+2	-2/+2	-4 / +4
Gold Price	$1,159/oz	-/+ 10%	-1/+1	-1/+1	-2 / +2
EUR: USD	1.11	-/+ 10%	+111/-91	+12/-10	+123/-101
EUR: AUD	1.48	-/+ 10%	-28/+23	-	-28 / +23
EUR: CHF	1.07	-/+ 10%	-	-	-5 / +4
Zinc Treatment Charge	$245/dmt	-/+ 10%	-37/+37	+8/-8	-30 / +30
Lead Treatment Charge	$192.50/dmt	-/+ 10%	-5/+5	+0.4/-0.4	-5 / +5

The above sensitivities were calculated by modelling Nyrstar's 2015 underlying operating performance. Each parameter is based on an average value observed during that period and is varied in isolation to determine the annualised EBITDA impact.

Sensitivities are:

- Dependent on production volumes and the economic environment observed during the reference period.
- Not reflective of simultaneously varying more than one parameter; adding them together may not lead to an accurate estimate of financial performance.
- Expressed as linear values within a relevant range. Outside the range listed for each variable, the impact of changes may be significantly different to the results outlined.
- The relationship between currencies and commodity prices is complex and movements in exchange rates can affect movements in commodity prices and vice versa.
- The exchange rate sensitivities include the effect on operating costs but exclude the effect on the revaluation of foreign currency working capital.

These sensitivities should not be applied to Nyrstar's results for any periods prior to 2015 and may not be representative of the EBITDA sensitivity of any of the variations going forward.

NON-FINANCIAL KEY PERFORMANCE INDICATORS

A set of non-financial key performance indicators (KPIs) has been developed to allow the Nyrstar Board and Management Committee to monitor the Group's sustainability performance. The non-financial KPIs are considered alongside our financial performance metrics and some of them are assessed against established objectives.

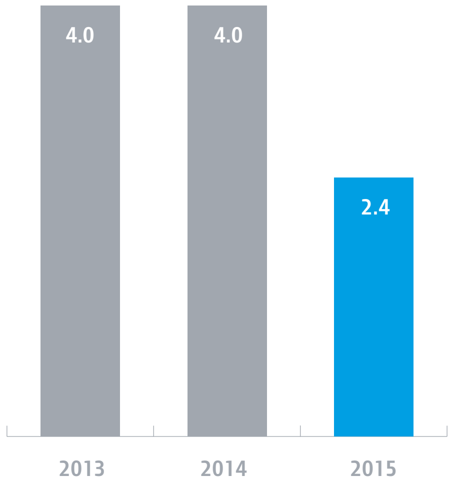
The non-financial KPIs measure performance in relation to the sustainability issues that are assessed to have the biggest potential to affect the operating results and financial condition of the company. They relate to workforce safety, our people, environmental incidents, energy and greenhouse gas emissions, freshwater withdrawal, emission of metals, and community engagement and development.

Our Safety, Health, Environment and Community (SHEC) Framework establishes the benchmark for implementation, review and continuous improvement of sustainability management systems and processes across our operations. The Framework is aligned with industry best practice and is continually updated to stay current with the needs of the business and with developments in external standards and requirements. Conformance to the Framework is assessed through our safety and environment assurance programmes which include a number of audit, assessment and review mechanisms.

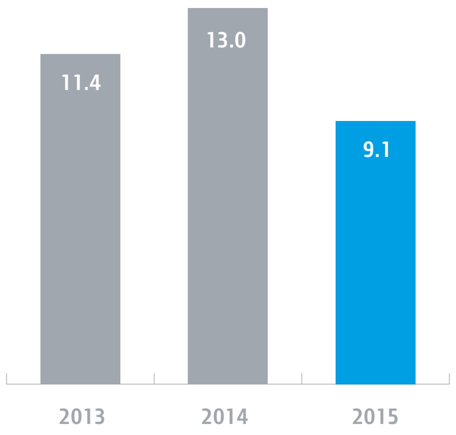
The SHEC Framework establishes requirements for reporting of sustainability data and information to Group. The data is consolidated and reviewed quarterly and progress is reported to the Nyrstar Management Committee and other senior management. In addition, a sub-set of the non-financial KPIs are reported monthly to the SHEC Committee of the Nyrstar Board.

Workforce Safety

Lost Time Injury Frequency Rate[1]
(per million hours worked)



Recordable Injury Frequency Rate[1]
(per million hours worked)



We are deeply saddened to report that one contractor lost his life while working for Nyrstar in 2015. The fatality occurred at the El Mochito mine in Honduras and is related to the use of mobile equipment underground.

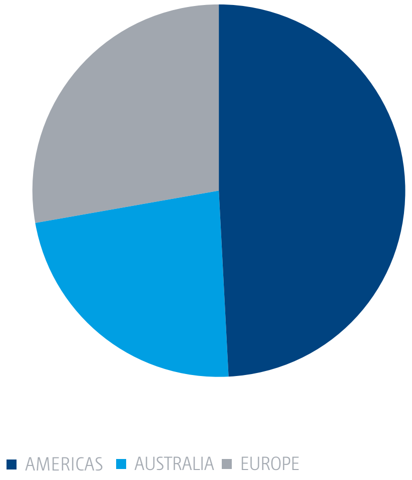
Despite the fatal accident, our other key indicators of safety performance improved significantly in 2015 relative to prior years. Our lost time injury frequency rate (LTIR) fell from 4.0 in 2014 to 2.4 in 2015 and the recordable injury frequency rate (RIR) improved by 30% to 9.1 at the end of 2015. The DART indicator, measuring the number of incidents involving days away from work or under restricted duties, showed similar reductions from 9.0 in 2014 to 6.3 in 2015 representing a 30% improvement. While the statistics reflect improvements in both Mining and Metals Processing, the smelting segment finished the year with the best safety performance since Nyrstar was founded.

Injury frequency rates include both employees and contractors and are measured per million hours worked.

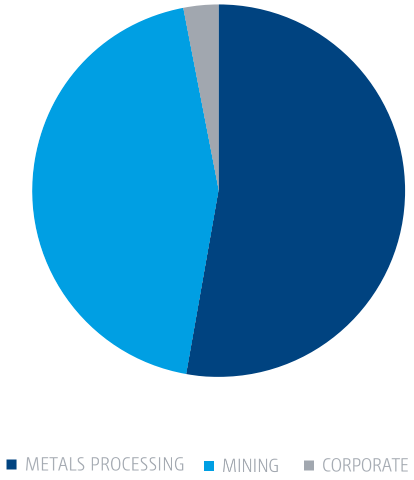
[1] Data subject to external assurance by ERM CVS. Please refer to Nyrstar's 2015 sustainability report for more information.

Our People

Global Workforce by Geographical Location
(year end data)



Global Workforce by Segment
(year end data)



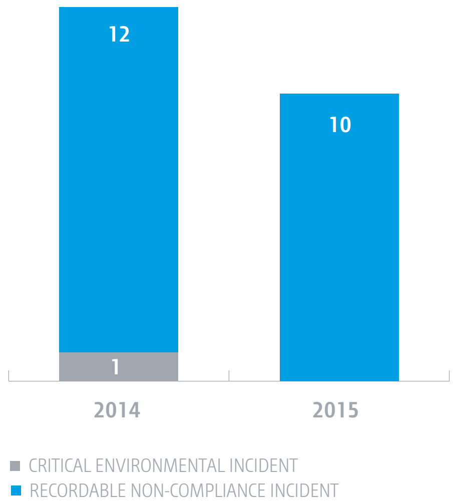
People are the foundation of our success and we strive to provide a workplace where everyone has the opportunity to reach their full potential and that enables us to attract the best people.

In 2015, our worldwide workforce decreased by 20% to 5,259 employees at the end of the year. The overwhelming majority of the reductions was in the Mining segment where suspension of activities at Campo Morado, Myra Falls and Mid Tennessee Mines, in particular, forced retrenchment of personnel.

As for the mining and metals industry in general, most of our employees (>90%) are male and approximately half of the workforce is covered by collective bargain agreements. Our global workforce is distributed across Australia, Europe and the Americas.

Environmental Incidents & Fines

2015 Environmental Incidents[1]



Environmental Fines 2013-2015

Year	Number of fines	Amount (US$)
2013	7	$383,200
2014	8	$109,810
2015	**9**	**$981,130**

We rate environmental incidents according to severity applying the consequence criteria defined in our enterprise risk management framework. Environmental incidents with an environmental consequence rating of 3 or more are classified as Critical Environmental Incidents (CEIs), representing incidents with impacts to receptors of significant environmental value or for which remediation is difficult or expensive. Environmental incidents are also rated for legal consequence with the relevant metric being Recordable Non-Compliance Incidents. Generally, this incident type defines an environmental non-compliance event for which fines or more significant legal actions have been, or could be, incurred. As these metrics were introduced in 2014, available incident data is limited to 2014 and 2015. No Critical Environmental Incidents and 10 Recordable Non-Compliance Incidents were documented in 2015, representing a slight improvement over 2014.

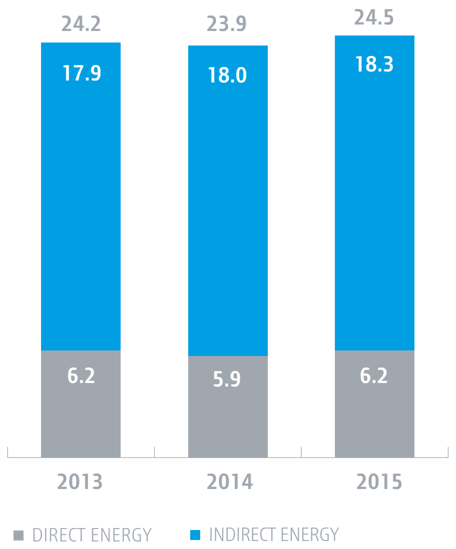
Nine environmental fines totalling approximately US$980,000 were paid in 2015. While this represents a significant increase relative to fines paid in prior years, it should be noted seven of the fines imposed at Contonga, Coricancha and Pucarrajo, for a total of US$932,000, relate to issues identified in regulatory inspections completed in 2007-2009 (i.e. before Nyrstar ownership of the operations).

[1] Data subject to external assurance by ERM CVS. Please refer to Nyrstar's 2015 sustainability report for more information.

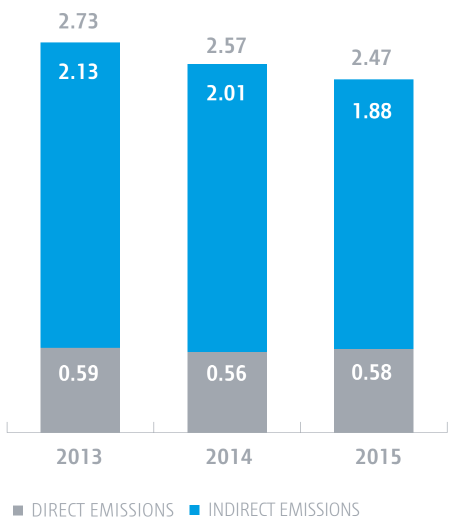
Management report

Energy and Greenhouse Gas Emissions

Energy Usage[1]
(petajoules)



Greenhouse Gas Emissions[1]
(CO_2-e million tonnes)



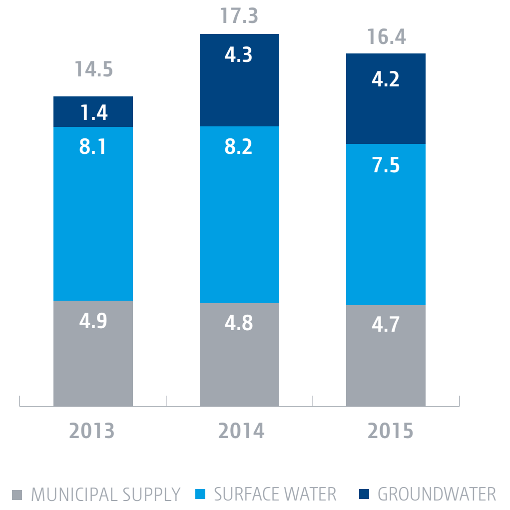
Energy use is measured in petajoules (PJ) and includes purchased electricity (indirect energy), energy from combustion of fuels and electricity that is generated on site from non-fuel sources (direct energy). In 2015 we consumed a total of 24.5 PJ of energy which was around 2.5% higher than the consumption in 2014. The increase was mainly attributable to increases in production volume at several of the smelters and inclusion of energy consumption data for Høyanger in the consolidated Group accounts. Despite the reduced production levels, total energy use at the mines remained similar to prior years.

Our greenhouse gas (GHG) emissions are measured as carbon dioxide equivalent tonnes (CO_2-e t). In 2015, direct and indirect GHG emissions reported by our operations totalled 2.47 million tonnes of CO_2-e representing a 4% decrease relative to 2014. The reduction was primarily associated with more precise measurement and reporting of indirect carbon emissions produced from purchased electricity used at the Clarksville smelter. Consistent with the lower emissions, the greenhouse gas emission intensity of our smelters (measured as tonnes of CO_2-e per tonne of metal produced) improved by 6% relative to 2014.

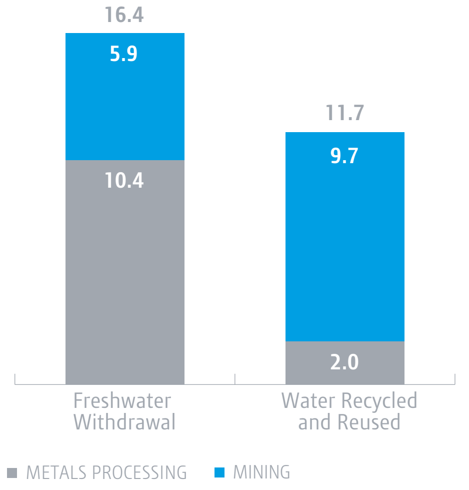
[1] Data subject to external assurance by ERM CVS. Please refer to Nyrstar's 2015 sustainability report for more information.

Water Withdrawal and Recycling

Freshwater Withdrawal by Source[1] (million m³)



2015 Freshwater Withdrawal and Wastewater Recycling[1] (million m³)



We measure quantities of freshwater withdrawn from surface waters, groundwater and from third party sources such as municipal mains. In 2015, we also commenced the monitoring of water recycled and reused for process purposes.

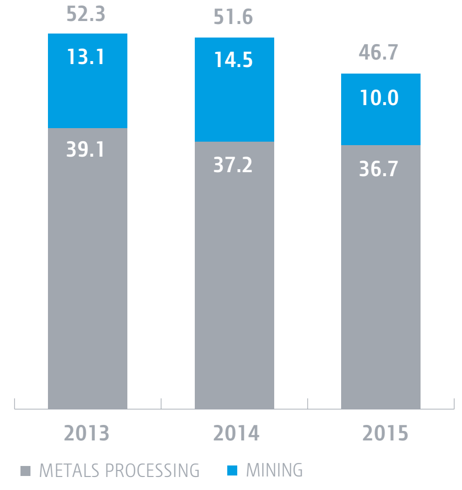
In 2015 freshwater withdrawals totalled 16.4 million m^3 which compare to the 17.3 million m^3 reported for 2014. The year-on-year decrease was driven by reduced process water needs in the mining segment in step with curtailment of production activities at some sites. Consequently, freshwater intensity (measured as m^3 of water withdrawn per tonne of metal produced) remained relatively unchanged compared to 2014 with a slight (1%) improvement at the Metals Processing sites offsetting a 4% deterioration at the mines.

By applying wastewater recycling and reuse our operations are able to reduce their reliance on scarce freshwater resources and limit their environmental footprint. In 2015, almost 12 million m^3 of water were recycled and reused in our production processes representing 42% of the total water uses during the year.

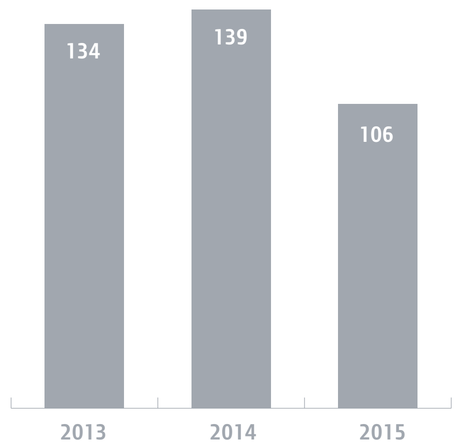
[1] Data subject to external assurance by ERM CVS. Please refer to Nyrstar's 2015 sustainability report for more information.

Emission of Metals to Air and Water

Discharge of Metals to Water[1] (tonnes)



Emissions of Metals to Air[1] (tonnes)



We measure the quantities of metals emitted to air and water via regulated emission points. As of 2015, metals emitted to air are reported as a sum of zinc, lead, cadmium, copper and arsenic whereas metals in effluent include zinc, lead, cadmium, copper, arsenic and mercury.

In 2015 discharges of metals to water decreased by almost 10% primarily as a result of reductions in the Mining segment. The majority of these reductions was contributed by Contonga where strengthened effluent management practices produced significant reductions in metal loading while also improving the site's compliance record.

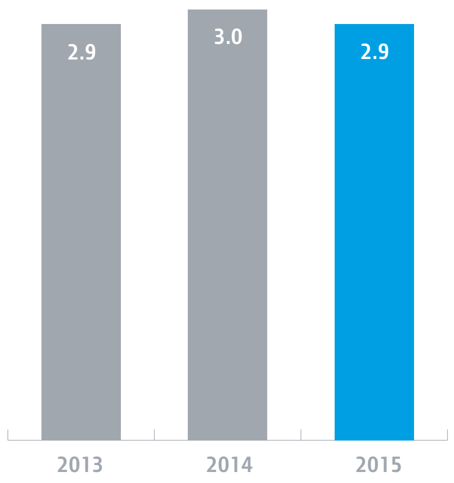
Emissions of metals to air are dominated by emissions from the smelting operations with the mines only contributing a very small portion of the Group footprint. Total metal emissions to air decreased by approximately 24% over the 2014 performance, largely as a result of a multi-year emission reduction programme initiated at Budel.

[1] Data subject to external assurance by ERM CVS. Please refer to Nyrstar's 2015 sustainability report for more information.

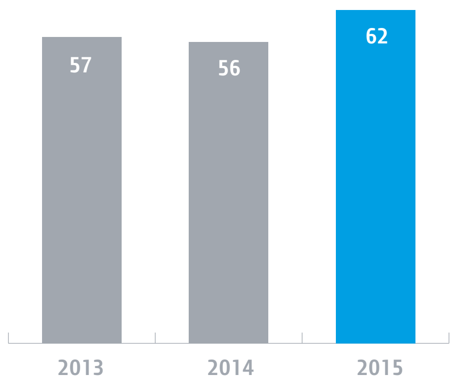
Management report

Community Engagement and Development

Community Financial Contributions
(EUR million)



Community Complaints[1]
(number of complaints)



Our mine and smelter sites undertake local community activities in line with established stakeholder engagement plans. In the past year, these activities included financial and in-kind support for local community initiatives such as children's health, educational opportunities, habitat & wildlife protection, cultural and sporting events. Financial contributions for community support, sponsorships and donations in 2015 totalled EUR 2.9 million versus a contribution of EUR 3.0 million in 2014. The reduced social investment relative to 2014 reflects a curtailment of community development activities at Campo Morado following the suspension of operations at the beginning of the year.

All Nyrstar operations have established processes for recording community feedback, whether positive or negative. In 2015, a total of 62 community complaints were received. The majority of the complaints related to noise and air quality.

[1] Data subject to external assurance by ERM CVS. Please refer to Nyrstar's 2015 sustainability report for more information.

Corporate Governance Statement

Nyrstar NV (the 'Company') has prepared this Corporate Governance Statement in accordance with the Belgian Code on Corporate Governance of 12 March 2009. This Corporate Governance Statement is included in the Company's report of Board of Directors on the statutory accounts for the financial year ended on 31 December 2015 dated 3 February 2016 in accordance with article 96 of the Belgian Companies Code.

The Company applies the nine corporate governance principles contained in the Belgian Code on Corporate Governance. The Company complies with the provisions set forth in the Belgian Code on Corporate Governance.

Corporate Governance Charter

The Company has adopted a Corporate Governance Charter in line with the Belgian Code on Corporate Governance of 12 March 2009.

The Corporate Governance Charter describes the main aspects of the corporate governance of the Company including its governance structure, the terms of reference of the Board of Directors and its Committees and other important topics.

The Corporate Governance Charter is available, together with the articles of association, on the Company's website, within the section About Nyrstar (http://www.nyrstar.com/about/Pages/corporategovernance.aspx). The Board of Directors approved the initial charter on 5 October 2007. Updated versions were approved on several occasions. The current version was approved by the Board of Directors on 21 October 2015.

What constitutes good corporate governance will evolve with the changing circumstances of a company and with the standards of corporate governance globally and must be tailored to meet those changing circumstances. The Board of Directors intends to update the Corporate Governance Charter as often as required to reflect changes to the Company's corporate governance.

Code of Business Conduct

Nyrstar has adopted a code of business conduct for all of Nyrstar's personnel and sites. The code of business conduct is based on the Nyrstar Way. The code also provides a frame of reference for Nyrstar sites to establish more specific guidelines to address local and territorial issues. Nyrstar also introduced a code of business conduct development program which supports the code of business conduct and aims to increase awareness in relation to some key risks to Nyrstar's business. The development program includes specially designed training modules for Nyrstar employees. The training modules are conducted by Nyrstar's Compliance Officer with the assistance of local expertise (where required). If employees have issues or concerns (for example, they are concerned that others are not complying with the letter and the spirit of the code of business conduct), they may raise the issue or concern with their supervisor or manager or Nyrstar's Compliance Officer. The code of business conduct is available on Nyrstar's website (www.nyrstar.com).

Board of Directors and Management Committee

Board of Directors

The table below gives an overview of the members of the Company's Board of Directors and their terms of office during 2015:

Name	Principal Function within the Company	Nature of Directorship	Start of Term	End of Term
Julien De Wilde	Chairman	Non-Executive, Independent	2007	2018
Carole Cable	Director	Non-Executive, Independent	2013	2017
Christopher Cox (1)	Director	Non-Executive	2015	2019
Oyvind Hushovd	Director	Non-Executive, Independent	2009	2016
Martyn Konig (2)	Director	Non-Executive, Independent	2015	2019
Bill Scotting (3)	Chief Executive Officer, Director	Executive	2015	2019
Ray Stewart	Director	Non-Executive, Independent	2007	2018
Karel Vinck	Director	Non-Executive	2007	2016

(1) APPOINTED ON 29 APRIL 2015

(2) APPOINTED ON 29 APRIL 2015

(3) APPOINTED ON 23 DECEMBER 2015

Julien De Wilde, Chairman, was appointed Chairman in August 2007. He is also Chairman of Agfa-Gevaert NV and was Director of several other Belgian listed companies. He is also former Chief Executive Officer of Bekaert NV, a Belgian metals company. Prior to Bekaert, he held senior positions at Alcatel, where he was a member of the executive committee, and at Texaco, where he was a member of the European management board. He is Chairman of the Nomination and Remuneration Committee and a Member of the Health, Safety, Environment and Community Committee. He obtained an engineering degree from the Catholic University of Leuven, Belgium.

Carole Cable, Non-Executive Director, is currently a Partner of the Brunswick Group, an international communications firm, where she is the Joint Head of the energy and resources practice specialising in the metals and mining sector. Prior to her current position, she worked at Credit Suisse and JPMorgan where she was a Mining Analyst and then moved into institutional equity sales covering the global mining sector as well as Asia ex Japan. Previous to that, she worked for an Australian listed mining company. She is a Member of the Nomination and Remuneration Committee and the Health, Safety, Environment and Community Committee. Ms. Cable holds a Bachelors of Science degree from the University of New South Wales, Australia and is currently on the Board of Women in Mining UK.

Christopher Cox, Non-Executive Director, currently serves on the Trafigura Supervisory Committee. He was also formerly the Head of the non-ferrous and bulk trading division at Trafigura and a member of the Trafigura Management Board between March 2004 and December 2011 as well as a member of the Trafigura Board of Directors from October 2013 until early September 2014. Prior to working for Trafigura, he was employed by Gold Fields of South Africa holding positions in mine and project evaluations and marketing of base metal concentrates and refined metals. He is a Member of the Nomination and Remuneration Committee and the Health, Safety, Environment and Community Committee. Mr. Cox was educated in South Africa and holds a BSc (Hons) in Geology and an MBA from University of Cape Town Graduate School of Business.

Oyvind Hushovd, Non-Executive Director, currently serves on the boards of mining companies, including, amongst others, Ivanhoe Mines Ltd. He was Chief Executive Officer of Gabriel Resources Ltd from 2003 to 2005 and, from 1996 to 2002, President and Chief Executive Officer of Falconbridge Limited (and prior to that held a number of senior positions within that company). He is Chairman of the Health, Safety, Environment and Community Committee and is a Member of the Audit Committee. He received a Master of Economics and Business Administration degree from the Norwegian School of Business and a Master of Law degree from the University of Oslo.

Martyn Konig, Non-Executive Director, is Non-Executive Chairman of Euromax Resources (since 2009) and an Independent Director of TSX-listed New Gold (since 2009), sitting on the Audit Committee and Chair of the Remuneration Committee. He is also a Consultant Chief Investment Officer for T Wealth Management, a private multi-family office for partners and senior management of the Trafigura group based in Geneva. Previously, from 2008, he was Executive Chairman and President of European Goldfields until its friendly takeover by Eldorado Gold Corp for US$2.5bn in 2012. He has also been a main Board Director of NM Rothschild and Sons Ltd. for 15 years and held senior positions at Goldman Sachs and UBS and other companies including FSA regulated Blackfish Capital Group, Resourceworks and Aim-listed Latitude Resources. Mr Konig is a member of the Audit Comittee and the Nomination and Remuneration Comittee. He is a barrister and also a Fellow of the Chartered Institute of Bankers.

Bill Scotting, Chief Executive Officer, was appointed Chief Executive Officer in August 2015 and elected as Director in December 2015. Prior to Nyrstar, he held the position of Chief Executive Mining at ArcelorMittal. He joined Mittal Steel in 2002 and prior to his role of Chief Executive Mining held the positions of Head of Strategy and Head of Performance Enhancement. Mr. Scotting has close to 30 years of experience in the metals and mining industry in strategic, operations management, technical and consulting roles. He has previously held positions at McKinsey & Company, BHP Steel, CRU International, Mascott Partnership and Pioneer Concrete. Mr. Scotting holds a Bachelor of Science degree in Metallurgy from the University of Newcastle in Australia and a Masters of Business Administration (with distinction) from Warwick Business School in the United Kingdom.

Ray Stewart, Non-Executive Director, currently serves on the Board of bpost NV. Previously, he held the position of Executive Vice President Finance and Chief Financial Officer of Belgacom NV. Prior to Belgacom, he was Chief Financial Officer of Matav. He has also held senior positions with Ameritech, including Chief Financial Officer for Ameritech International. He is Chairman of the Audit Committee and a Member of the Nomination and Remuneration Committee. He has a Business Undergraduate degree in Accounting from Indiana University, and a Master of Business Administration in Finance from Indiana University.

Karel Vinck, Non-Executive Director, is the Coordinator at the European Commission and a director of Tessenderlo Group NV and the Koninklijke Muntschouwburg. Formerly the Chief Executive Officer of Umicore NV and later Chairman, he was also Chief Executive Officer of Eternit NV, Bekaert NV and the Belgian Railways. He is a Member of the Audit Committee. He holds a Master's degree in Electrical and Mechanical Engineering from the Catholic University of Leuven, Belgium and a Master of Business Administration from Cornell University, United States.

Virginie Lietaer was appointed Company Secretary to the Company effective 10 March 2008.

The business address of each of the Directors is for the purpose of their directors' mandate, Zinkstraat 1, 2490 Balen, Belgium.

Management Committee

The Company's Management Committee consists of five members, as further set forth hereinafter:

Name	Title
Bill Scotting	Chief Executive Officer
Christopher Eger	Chief Financial Officer
Michael Morley	Senior Vice President, Metals Processing
John Galassini	Senior Vice President, Mining
Willie Smit	Senior Vice President, Corporate Services

Bill Scotting is the Chief Executive Officer of the Company. See his biography above under "*—Board of Directors*".

Christopher Eger, Chief Financial Officer was appointed in November 2015. Prior to Nyrstar he was at Trafigura where he was a senior member of the mergers and acquisitions team. Prior to that he was a member of the investment banking group of Bank of America Merrill Lynch, where he worked with metals and mining companies on debt and equity financing and M&A. He also worked as a director in the global metals and mining group at BMO Capital Markets. He holds an MBA from Kellogg School of Management at Northwestern University, United States.

Michael Morley, Senior Vice President, Metals Processing and Chief Development Officer, was appointed in August 2007. Prior to joining Nyrstar, he was General Counsel of Smorgon Steel Group Ltd, and before that a Senior Associate in the corporate/mergers and acquisitions team of Clayton Utz. He has also held a number of positions with Coopers & Lybrand (now PricewaterhouseCoopers) and Fosters Brewing Group Limited. He holds a Bachelor of Economics and a Bachelor of Laws from Monash University (Melbourne, Australia) and a Master of Taxation Law from Melbourne University (Melbourne, Australia).

John Galassini, Senior Vice President, Mining, was appointed in December 2014. Prior to joining Nyrstar, he was Senior Vice President for the Americas at Phelps Dodge/Freeport-McMoran. He also held the position of Regional Vice President at Kinross Gold with responsibility for Kinross' operations in North America. His most recent leadership role was as Chief Operating Officer of U.S.-based Sunshine Silver Mines Corporation, a privately-held silver mining and refining company. He holds a Bachelor of Science Chemical Engineering from New Mexico State University.

Willie Smit, Senior Vice President, Corporate Services, was appointed in January 2016. Prior to joining Nyrstar, he was a Senior Vice-President and Global Head of HR at Swiss-based cement producer Holcim Ltd, and before that he held a number of increasingly senior positions with ArcelorMittal, including Executive Vice President and Head of HR, where he was in charge of the global HR function for the Group. Before joining Mittal Steel in 2005, he worked for the Siberian-Urals Aluminium Company (SUAL) as Vice President HR Europe and Africa. He started his career in South Africa where he first worked as an HR graduate trainee at East Rand Proprietary Mines (EPRM Ltd.) and then joined the construction and infrastructure company Group Five. He holds a Bachelor of Educational Science Degree in Clinical Psychology from the University of Johannesburg in South Africa (formerly Rand Afrikaans University).

The business address of the Management Committee is Tessinerplatz 7, 8002 Zurich, Switzerland.

General Information on Directors and Management Committee

No Director or member of the Management Committee has:

(a) any convictions in relation to fraudulent offences or any offences involving dishonesty;

(b) except in the case of compulsory liquidations, at any time in the previous five years, been associated with any bankruptcy, receivership or liquidation of any entity in which such person acted in the capacity of a member of an administrative, management or supervisory body or senior manager;

(c) been declared bankrupt or has entered into an individual voluntary arrangement to surrender his or her estate;

(d) been a director with an executive function of any company at the time of, or within twelve months preceding, any receivership, compulsory liquidation, creditors' voluntary liquidation, administration, company voluntary arrangement or any composition or arrangement with that company's creditors generally or with any class of its creditors;

(e) been a partner in a partnership at a time of, or within twelve months preceding, any compulsory liquidation, administration or voluntary arrangement of such partnership;

(f) been a partner in a partnership at the time of, or within twelve months preceding, a receivership of any assets of such partnership; or

(g) had any of his or her assets subject to receivership; or

(h) received any official public incrimination and/or sanctions by any statutory or regulatory authorities (including designated professional bodies) or ever been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of a company or from acting in the management or conduct of the affairs of any company.

Other Mandates

Other than set out in the table below, no Director or member of the Management Committee has, at any time in the previous five years, been a member of the administrative, management or supervisory body or partner of any companies or partnerships. Over the five years preceding the date of this report, the Directors and members of the Management Committee hold or have held in addition to their function within Nyrstar, the following main directorships or memberships of administrative, management or supervisory bodies and/or partnerships:

Name	Current	Past
Julien De Wilde	Agfa-Gevaert NV Premier Development Fund CVBA	Telenet Group Holding NV Arseus NV Bekaert NV Metris NV Van Breda International NV CTO KBC Bank NV
Karel Vinck	Tessenderlo Group NV Koninklijke Muntschouwburg NV Coordinator at the European Commission in relation to the European Rail Traffic Management System	Eurostar Suez-Tractebel Umicore Vlaamse Raad voor Wetenschapsbeleid Beheersmaatschappij Antwerpen Mobiel NV
Ray Stewart	bpost NV The United Fund for Belgium	Belgacom NV
Oyvind Hushovd	Ivanhoe Mines Sørlaminering Røo-Invest Lydia AS	LionOre Western Oil Sands Nickel Mountain AB Cameco Corporation Corporation Libra Group Inmet Mining Corporation Jiffy International AS
Carole Cable	Brunswick Group Women in Mining UK	N/A
Martyn Konig	Euromax Resources Newgold	European Goldfields
Christopher Cox	Trafigura Beheer B.V.	N/A
Bill Scotting	N/A	Subsidiaries of ArcelorMittal
Christopher Eger	N/A	Mawson West
Michael Morley	N/A	N/A
John Galassini	College of Engineering of the New Mexico State University	Kinross Gold USA Inc Bema Gold (US) Inc
Willie Smit	Tenon Engineering	Subsidiaries of ArcelorMittal

Role of Board of Directors

The Company has opted for a "one-tier" governance structure whereby the Board of Directors is the ultimate decision-making body, with the overall responsibility for the management and control of the Company, and is authorised to carry out all actions that are considered necessary or useful to achieve the Company's purpose. The Board of Directors has all powers except for those reserved to the shareholders' meeting by law or the Company's articles of association.

Pursuant to Section 1.1 of the Company's Corporate Governance Charter, the role of the Board of Directors is to pursue the long-term success of the Company by providing entrepreneurial leadership and enabling risks to be assessed and managed. The Board of Directors decides on the Company's values and strategy, its risk appetite and key policies.

The Board of Directors is assisted by a number of committees to analyse specific issues. The committees advise the Board of Directors on these issues, but the decision-making remains with the Board of Directors as a whole (see also "*—Committees of the Board of Directors*" below).

Corporate Governance Statement

The Board of Directors appoints and removes the Chief Executive Officer. The role of the Chief Executive Officer is to implement the mission, strategy and targets set by the Board of Directors and to assume responsibility for the day-to-day management of the Company. The Chief Executive Officer reports directly to the Board of Directors.

In order to provide a group-wide support structure, the Company has corporate offices in Balen, Belgium, Zurich, Switzerland and Fort Lauderdale, USA. These offices provide a number of corporate and support functions including finance, treasury, human resources, safety and environment, legal, tax, information technology, corporate development, investor relations and communications.

Pursuant to the Company's articles of association, the Board of Directors must consist of at least three directors. The Company's Corporate Governance Charter provides that the composition of the Board of Directors should ensure that decisions are made in the corporate interest. It should be determined on the basis of diversity, as well as complementary skills, experience and knowledge. Pursuant to the Belgian Code on Corporate Governance, at least half of the directors must be non-executive and at least three directors must be independent in accordance with the criteria set out in the Belgian Companies Code and in the Belgian Code on Corporate Governance. By 1 January 2017, at least one third of the members of the Board of Directors will have to be of the opposite gender.

The directors are appointed for a term of no more than four years by the general shareholders' meeting. They may be re-elected for a new term. Proposals by the Board of Directors for the appointment or re-election of any director must be based on a recommendation by the Nomination and Remuneration Committee. In the event the office of a director becomes vacant, the remaining directors can appoint a successor temporarily filling the vacancy until the next general shareholders' meeting. The shareholders' meeting can dismiss the directors at any time.

In connection with Trafigura's commitment to support the Rights Offering, the Company entered into a Relationship Agreement with Trafigura Group Pte. Ltd., Urion's 100% parent company on 9 November 2015, to govern Nyrstar's relationship with Trafigura. The Relationship Agreement provides amongst other things that 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 "Trafigura Directors"). The director appointed upon proposal of Trafigura, who is 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. No independent director will be nominated or proposed for nomination unless with the approval of a majority of the directors other than the Trafigura Directors. On the date of this report, only Christopher Cox is a Trafigura Director. Furthermore, the Relationship Agreement provides that the attendance quorum for a board meeting includes at least one independent director and one Trafigura Director, but if this attendance quorum is not met, a subsequent meeting can be held with the same agenda if at least any two directors are present. The Relationship Agreement will have effect for as long as Trafigura holds at least 20% or more but less than 50% of the Shares in the Company. Trafigura may decide to terminate the Relationship Agreement if the Trafigura Commercial Agreements that it entered into with the Company are terminated by the Company other than due to material breach by Trafigura or if the Rights Offering is not completed by 27 April 2016 other than due to failure by Urion to comply with its obligations under the Shareholder Commitment Agreement.

The Board of Directors elects a chairman from among its non-executive members on the basis of his knowledge, skills, experience and mediation strength. If the Board of Directors envisages appointing a former Chief Executive Officer as chairman, it should carefully consider the positive and negative aspects in favour of such a decision and disclose why such appointment is in the best interest of the Company. The chairman is responsible for the leadership and the proper and efficient functioning of the Board of Directors.

The Board of Directors meets whenever the interests of the Company so require or at the request of one or more directors. In principle, the Board of Directors will meet sufficiently regularly and at least six times per year. The decisions of the Board of Directors are made by a simple majority of the votes cast. The chairman of the Board of Directors has a casting vote. The Relationship Agreement provides that 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.

During 2015, 17 meetings of the Board of Directors were held.

Committees of the Board of Directors

The Board of Directors has set up an Audit Committee, a Nomination and Remuneration Committee and a Health, Safety, Environment and Community Committee.

Audit Committee

The Audit Committee consists of at least three directors. All members of the Audit Committee are non executive directors. According to the Belgian Companies Code, at least one member of the Audit Committee must be independent and must have the necessary competence in accounting and auditing. The current members of the Audit Committee are Ray Stewart (Chairman), Karel Vinck, Martyn Konig and Oyvind Hushovd. The current composition of the Audit Committee complies with the Belgian Code on Corporate Governance which requires that a majority of the members of the Audit Committee are independent.

The members of the Audit Committee must have sufficient expertise in financial matters to discharge their functions. The Chairman of the Audit Committee is competent in accounting and auditing as evidenced by his previous roles as Chief Financial Officer of the Belgacom Group, Chief Financial Officer of Matav and Chief Financial Officer of Ameritech International. According to the Board of Directors, the other members of the Audit Committee also satisfy this requirement, as evidenced by the different senior management and director mandates that they have held in the past and currently hold (see also "*—Other mandates*").

The role of the Audit Committee is to supervise and review the financial reporting process, the internal control and risk management systems and the internal audit process of the Company. The Audit Committee monitors the audit of the statutory and consolidated financial statements, including the follow-up questions and recommendations by the statutory auditor. The Audit Committee also makes recommendations to the Board of Directors on the selection, appointment and remuneration of the external auditor and monitors the independence of the external auditor.

In principle, the Audit Committee meets as frequently as necessary for the efficiency of the operation of the Audit Committee, but at least four times a year. The members of the Audit Committee must have full access to the Chief Financial Officer and to any other employee to whom they may require access in order to carry out their responsibilities.

During 2015, four Audit Committee meetings were held.

Nomination and Remuneration Committee

The Nomination and Remuneration Committee consists of at least three directors. All members of the Nomination and Remuneration Committee are non-executive directors. In line with the Belgian Companies Code, the Nomination and Remuneration Committee consists of a majority of independent directors. The Nomination and Remuneration Committee is chaired by the Chairman of the Board of Directors or another non-executive director appointed by the committee. The following directors are currently members of the Nomination and Remuneration Committee: Julien De Wilde (Chairman), Ray Stewart, Christopher Cox, Martyn Konig and Carole Cable. Pursuant to the Belgian Companies Code, the Nomination and Remuneration Committee must have the necessary expertise on remuneration policy, which is evidenced by the experience and previous roles of its current members. The Chief Executive Officer participates to the meetings of the Nomination and Remuneration Committee in an advisory capacity each time the remuneration of another member of the Management Committee is being discussed.

The role of the Nomination and Remuneration Committee is to make recommendations to the Board of Directors with regard to the appointment of directors, make proposals to the Board of Directors on the remuneration policy and individual remuneration for directors and members of the management committee and to submit a remuneration report to the Board of Directors. In addition, the Nomination and Remuneration Committee each year submits the remuneration report to the annual general shareholders' meeting.

In principle, the Nomination and Remuneration Committee meets as frequently as necessary for the efficiency of the operation of the committee, but at least twice a year.

During 2015, three Nomination and Remuneration Committee meetings were held.

Health, Safety, Environment and Community Committee

The Health, Safety, Environment and Community Committee consists of at least three directors. All members of the Health, Safety, Environment and Community Committee are non-executive directors, with at least one independent director. The Health, Safety, Environment and Community Committee is chaired by the Chairman of the Board of Directors or another non-executive director appointed by the committee. The current members of the Health, Safety, Environment and Community Committee are Oyvind Hushovd (Chairman), Julien De Wilde, Carole Cable and Christopher Cox.

The role of the Health, Safety, Environment and Community Committee is to assist the Board of Directors in respect of health, safety, environment and community matters. In particular, its role is to ensure that the Company adopts and maintains appropriate health, safety, environment and community policies and procedures, as well as effective health, safety, environment and community internal control and risk management systems, and to make appropriate recommendations to the Board of Directors.

In principle, the Health, Safety, Environment and Community Committee meets as frequently as necessary for the efficiency of the operation of the committee, but at least twice a year.

During 2015, three Health, Safety, Environment and Community Committee meetings were held.

Activity Report and Attendance at Board and Committee Meetings during 2015

Name	Board Meeting Attended	Audit	Nomination and Remuneration	Health, Safety, Environment and Community
Julien De Wilde	17 of 17	N/A	3 of 3	3 of 3
Carole Cable	15 of 17	N/A	2 of 3 (4)	2 of 3
Christopher Cox (1)	10 of 17	N/A	2 of 3	2 of 3
Oyvind Hushovd	17 of 17	4 of 4	N/A	3 of 3
Martyn Konig (2)	9 of 17	2 of 4	2 of 3	N/A
Bill Scotting (3)	6 of 17	N/A	N/A	N/A
Ray Stewart	17 of 17	4 of 4	3 of 3	N/A
Karel Vinck	17 of 17	3 of 4	2 of 3 (5)	N/A

(1) APPOINTED 29 APRIL 2015

(2) APPOINTED 29 APRIL 2015

(3) APPOINTED CEO 17 AUGUST 2015

(4) MRS CABLE WAS APPOINTED MEMBER OF THE NOMINATION AND REMUNERATION COMMITTEE AS OF 17 JUNE 2016

(5) MR VINCK CEASED TO BE MEMBER OF THE NOMINATION AND REMUNERATION COMMITTEE AS OF 17 JUNE 2016

The topics discussed at the Board and Committee Meetings are in line with the role and responsibilities of the Board and its Committees as set out in the Corporate Governance Charter, such as for example, the determination of the Company's principal objectives and strategy and the approval of all major investments, divestments, business plans and annual budgets.

Independent Directors

A director will only qualify as an independent director if he meets at least the criteria set out in Article 526ter of the Belgian Companies Code, which can be summarised as follows:

- Not being an executive member of the Board of Directors, exercising a function as a member of the executive committee or as a person entrusted with daily management of the Company or a company or person affiliated with the Company, and not having been in such a position during the previous five years before his nomination.
- Not having served for more than three terms as a non-executive director of the Board of Directors, without exceeding a total term of more than twelve years.

- Not being an employee of the senior management (as defined in Article 19, 2° of the Belgian Act of 20 September 1948 regarding the organisation of the business industry) of the Company or a company or person affiliated with the Company and not having been in such a position for the previous three years before his nomination.
- Not receiving, or having received, any significant remuneration or other significant advantage of a financial nature from the Company or a company or person affiliated with the Company, other than any bonus or fee (tantièmes) he receives or has received as a non-executive member of the Board of Directors.
- Not holding (directly or via one or more companies under his control) any shareholder rights representing 10% or more of the Company's Shares or of a class of the Company's Shares (as the case may be), and not representing a shareholder meeting this condition.
- If the shareholder rights held by the director (directly or via one or more companies under his control) represent less than 10%, the disposal of such Shares or the exercise of the rights attached thereto may not be subject to contracts or unilateral undertakings entered into by the director. The director may also not represent a shareholder meeting this condition.
- Not having, or having had within the previous financial year, a significant business relationship with the Company or a company or person affiliated with the Company, either directly or as partner, shareholder, member of the Board of Directors, member of the senior management (as defined in Article 19, 2° of the aforementioned Belgian Act of 20 September 1948) of a company or person who maintains such a relationship.
- Not being or having been within the last three years, a partner or employee of the current or former statutory auditor of the Company or a company or person affiliated with the current or former statutory auditor of the Company.
- Not being an executive director of another company in which an executive director of the Company is a non-executive member of the board, and not having other significant links with executive directors of the Company through involvement in other companies or bodies.
- Not being a spouse, legal partner or close family member (by marriage or birth) to the second degree of a member of the Board of Directors, a member of the executive committee, a person charged with the daily management, or a member of the senior management (as defined in Article 19, 2° of the aforementioned Belgian Act of 20 September 1948) of the Company or a company or person affiliated with the Company, or of a person who finds him or herself in one or more of the circumstances described in the previous bullets.

The resolution appointing the director must mention the reasons on the basis of which the capacity of independent director is granted.

In the absence of guidance in the law or case law, the Board of Directors has not further quantified or specified the aforementioned criteria set out in Article 526ter of the Belgian Companies Code. The Company discloses in its annual report which directors are independent directors. An independent director who ceases to satisfy the requirements of independence must immediately inform the Board of Directors.

The shareholders meeting of the Company has appointed Julien De Wilde, Ray Stewart, Oyvind Hushovd, Carole Cable and Martyn Konig as independent directors.

The Relationship Agreement between the Company and Trafigura 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 directors. See also "*—Board of Directors*".

Performance Review of the Board, its Committees and its Members

The Board evaluates its own size, composition, performance and interaction with executive management and that of its committees on a continuous basis.

The evaluation assesses how the board and its committees operate, checks that important issues are effectively prepared and discussed, evaluate each director's contribution and constructive involvement, and assesses the present composition of the board and its committees

against the desired composition. This evaluation takes into account the members' general role as director, and specific roles as chairman, chairman or member of a board committee, as well as their relevant responsibilities and time commitment.

Non-executive directors assess their interaction with the executive management on a continuous basis.

As the mandate of two of the existing directors, Mr. Hushovd and Mr. Vinck, is scheduled to come to an end at the annual general shareholders' meeting that is to be held on 27 April 2016 and as at least a third of the directors will have to be of the opposite gender by 1 January 2017, the Board of Directors is currently reviewing its size and composition.

Executive Management

The Company's executive management is composed of the Chief Executive Officer and the other members of the Management Committee, as detailed above in "*—Board of Directors and Management Committee—Management Committee*".

Chief Executive Officer

The Chief Executive Officer is a member of the Board. He leads and chairs the Management Committee and is accountable to the Board of Directors for the Management Committee's performance.

The role of the Chief Executive Officer is to implement the mission, strategy and targets set by the Board of Directors and to assume responsibility for the day-to-day management of the Company. The Chief Executive Officer reports directly to the Board of Directors.

Management Committee

The Board of Directors has delegated the day-to-day management of the Company as well as certain management and operational powers to the Chief Executive Officer. The Chief Executive Officer is assisted by the Management Committee.

The Management Committee is composed of at least four members and includes the Chief Executive Officer. Its members are appointed by the Board of Directors on the basis of a recommendation by the Nomination and Remuneration Committee. The Company's Management Committee does not qualify as a "directiecomité"/"comité de direction" within the meaning of Article 524bis of the Belgian Companies Code. The Management Committee is responsible and accountable to the Board of Directors for the discharge of its responsibilities.

The Management Committee is responsible for assisting the Chief Executive Officer in relation to:

- operating the Company;
- implementing the decisions taken by the Board of Directors;
- putting in place internal controls and risk management systems (without prejudice to the Board of Directors', the Audit Committee's and the Health, Safety, Environment and Community Committee's monitoring roles) based on the framework approved by the Board of Directors;
- presenting the Board of Directors the complete, timely, reliable and accurate preparation of the Company's financial statements, in accordance with applicable accounting standards and policies;
- preparing the Company's required disclosure of the financial statements and other material, financial and non-financial information;
- presenting the Board of Directors with a balanced and understandable assessment of the company's financial situation; and
- providing the Board of Directors in due time with all information necessary for the Board of Directors to carry out its duties.

Conflicts of Interest

Directors are expected to arrange their personal and business affairs so as to avoid conflicts of interest with the Company. Any director with a conflicting financial interest (as contemplated by Article 523 of the Belgian Companies Code) on any matter before the Board of Directors must bring it to the attention of both the statutory auditor and fellow directors, and take no part in any deliberations or voting related thereto. Section 1.4 of the Corporate Governance Charter sets out the procedure for transactions between Nyrstar and the directors which are not covered by the legal provisions on conflicts of interest. Section 3.2.4 of the Corporate Governance Charter contains a similar procedure for transactions between Nyrstar and members of the management committee (other than the Chief Executive Officer).

To the knowledge of the Company, there are, on the date of this report, no potential conflicts of interests between any duties to the Company's directors and their private interests and/or other duties, except that Mr. Cox is a member of the Supervisory Committee of Trafigura Group Pte. Ltd.

There are no outstanding loans granted by the Company to any of the persons mentioned in "*—Board of Directors and Management Committee—Board of Directors*" and in "*—Board of Directors and Management Committee—Management Committee*", nor are there any guarantees provided by the Company for the benefit of any of the persons mentioned in "*—Board of Directors and Management Committee—Board of Directors*" and in "*—Board of Directors and Management Committee—Management Committee*".

None of the persons mentioned in "*—Board of Directors and management Committee—Board of Directors*" and in "*—Board of Directors and Management Committee —Management Committee*" has a family relationship with any other of the persons mentioned in "*—Board of Directors and Management Committee— Board of Directors*" and in "*—Board of Directors and Management Committee—Management Committee*".

Dealing Code

With a view to preventing market abuse (insider dealing and market manipulation), the Board of Directors has established a dealing code. The dealing code describes the declaration and conduct obligations of directors, members of the management committee, certain other employees and certain other persons with respect to transactions in shares or other financial instruments of the Company. The dealing code sets limits on carrying out transactions in shares of the Company and allows dealing by the above-mentioned persons only during certain windows. The dealing code is attached to the Company's Corporate Governance Charter.

Disclosure Policy

As a Belgian listed company and with a view to ensuring investors in shares of the Company have available all information necessary to ensure the transparency, integrity and good functioning of the market, the Board of Directors has established an information disclosure policy. The information disclosure policy is aimed at ensuring that inside information of which the Company is aware is immediately disclosed to the public. In addition, the information disclosure policy is aimed at ensuring information that is disclosed is fair, precise and sincere, and will enable the holders of shares in the Company and the public to assess the influence of the information on the Company's position, business and results.

Internal Control and Risk Management

General

The Nyrstar Board of Directors is responsible for the assessment of the effectiveness of the Risk Management Framework and internal controls. The Group takes a proactive approach to risk management. The Board of Directors is responsible for ensuring that nature and extent of risks are identified on a timely basis with alignment to the Group's strategic objectives and activities.

The Audit Committee plays a key role in monitoring the effectiveness of the Risk Management Framework and is an important medium for bringing risks to the board's attention. If a critical risk or issue is identified by the board or management, it may be appropriate for all directors to be a part of the relevant risk management process, and as such the Board of Directors will convene a sub-committee comprised of a mix of board members and senior management. Each respective sub-committee further examines issues identified and reports back to the Board of Directors.

The Nyrstar Risk Management Framework requires regular evaluation of the effectiveness of internal controls to ensure the Group's risks are being adequately managed. The Risk Management Framework is designed to achieving the Group's objectives. Nyrstar acknowledges that risk is not just about losses and harm. Risk can have positive consequence too. Effective risk management enables Nyrstar to achieve an appropriate balance between realising opportunities while minimising adverse impacts.

This section gives an overview of the main features of the Company's internal control and risk management systems, in accordance with the Belgian Corporate Governance Code and the Belgian Companies Code.

Components of the Risk Management Framework

The Risk Management Framework is integrated in the management process and focuses on the following key principles.

The key elements of Risk Management Framework are:

1 Understanding the External and Internal environment

Understanding the internal and external business environment and the effect this has on our business strategy and plans. This informs Nyrstar's overall tolerance to risk.

2 Consistent Methods for Risk Identification and Analysis of Risks, Existing Controls and Control Effectiveness

Implementing systems and processes for the consistent identification and analysis of risks, existing controls and control effectiveness. Evaluating whether the level of risk being accepted is consistent with levels of risk acceptable to the Audit Committee.

3 Risk Treatment

Using innovative and creative thinking in responding to risks and taking action where it is determined that the Group is being exposed to unacceptable levels of risk.

4 Stakeholder Engagement and Communication

Involving all Nyrstar employees and relevant stakeholders in managing risks and communicating identified key risks and controls.

5 Monitoring and Review

Regularly monitoring and reviewing our risk management framework, our risks and control effectiveness.

The guideline for the Risk Management Framework has been written to comply with ISO 31000; 2009. Compliance with the guideline is mandatory within Nyrstar.

Critical Internal Controls

The following is a summary of Nyrstar's critical internal controls:

Organisational Design

There is a sound organizational structure with clear procedures, delegation and accountabilities for both the business side and the support and control functions, such as human resources, legal, finance, internal audit, etc.

The organizational structure is monitored on an ongoing basis, e.g. through benchmarking the organizational structure with industry standards and competitors. Responsibilities are delegated to business units, by business plans and accompanying budgets approved by management and the Board of Directors within set authorization levels.

Policies and Procedures

The Group has established internal policies and procedures to manage various risks across the Group. These policies and procedures are available on the Nyrstar intranet-site, and distributed for application across the whole Group. Every policy has an owner, who periodically reviews and updates if necessary.

Ethics

The Board of Directors has approved a Corporate Governance Charter and a Code of Business Conduct, including a framework for ethical decision making. All employees must perform their daily activities and their business objectives according to the strictest ethical standards and principles. The Code of Business Conduct is available on www.nyrstar.com and sets out principles how to conduct business and behave in respect of:

- Our People
- Our Communities and Environment
- Our Customers and Suppliers
- Our Competitors
- Our Shareholders
- Our Assets

The Board of Directors regularly monitors compliance with applicable policies and procedures of the Nyrstar Group.

Whistleblowing

Nyrstar also has a whistleblower procedure in place, allowing staff to confidentially raise concerns about any irregularities in financial reporting, possible fraudulent actions, bribery and other areas.

Quality Control

Nyrstar is ISO 9001 certified for the smelting and refining of zinc and zinc alloys, lead and lead alloys, silver, gold and other by-products. All of its major processes and the controls that they encompass are formalized and published on the Company's intranet.

Financial Reporting and Budget Control

Nyrstar applies a comprehensive Group standard for financial reporting. The standard is in accordance with applicable International Accounting Standards. These include International Financial Reporting Standards (IFRS) and the related interpretations issued by the International Accounting Standards Board (IASB) and the IFRS Interpretations Committee (IFRIC) as adopted by the European Union. The effectiveness and compliance with the Group standard for financial reporting is consistently reviewed and monitored by the Audit Committee.

In order to ensure adequate financial planning and follow up, a financial budgeting procedure describing the planning, quantification, the implementation and the review of the budget in alignment with forecasts, is closely followed. Nyrstar conducts Group wide budgeting process, which is centrally coordinated and consists of the following steps:

1) Group business strategy is updated and communicated within Nyrstar, which amongst other things outlines the strategic guidelines and objectives for the upcoming financial year.

2) Key inputs and assumptions for the budgeting process for the upcoming financial year are provided by relevant internal stakeholders (including expected production, capex, metal prices, foreign exchange and commercial terms) and uploaded into the centralised budgeting, planning and consolidation system.

3) The key inputs and assumptions for the budget then go through a rigorous process of validation by relevant internal stakeholders and senior management. The management committee and the board sign off on the final agreed budget.

4) The final budget is communicated to the different Nyrstar business units and departments.

5) Nyrstar will then bi-annually communicate to shareholders the Group's full actual financial results, supplemented by quarterly interim management statements, which will include selected key financial results.

Management Committees

Various management committees are established as a control to manage various risks Nyrstar is exposed to:

Corporate Governance Statement

TREASURY COMMITTEE

The treasury committee comprises the Chief Financial Officer, the Group Treasurer and the Group Controller. The role of the treasury committee is to recommend to the Chief Executive Officer and to the Board of Directors amendments to the treasury policy. This considers all treasury transactions being reviewed before they are recommended to the Chief Executive Officer for review and approval by the Board of Directors. Explicitly this includes preparations for the following Chief Executive Officer and Board of Directors approvals:

- to approve treasury strategies and activities, as recommended by the Group Treasurer, within the constraints of the policy;
- to periodically review treasury operations and activities, approve the use of new financial instrument types and techniques for managing financial exposures;
- to approve the list of authorized counterparties for foreign exchange and money market transactions;
- to approve the use of payment term extensions and cash discounts on commercial contracts that would go beyond standard business conditions; and
- to approve the list of bank relationships.

The treasury committee meets at least quarterly.

COMMODITY RISK MANAGEMENT COMMITTEE

The commodity risk management committee comprises the Chief Financial Officer, the Group Treasurer, the Group Controller and the Group Manager Financial Planning & Analysis. Nyrstar's commodity risk management committee establishes policies and procedures how Nyrstar manages its exposure to the commodity prices and foreign exchange rates. Nyrstar actively and systematically endeavors to minimize any impact on its income statement from metal price risk.

Information, Communication and Financial Reporting Systems

The Group's performance against plan is monitored internally and relevant action is taken throughout the year. This includes, weekly and monthly reporting of key performance indicators for the current period together with information on critical risk areas.

Comprehensive monthly board reports that include detailed consolidated management accounts for the period together with an executive summary from the Chief Financial Officer are prepared and circulated to the Board of Directors by the Company Secretary on a monthly basis.

Monitoring and Review

Management is responsible for evaluating existing controls and the control effectiveness and determines whether the level of risk being accepted is consistent with the level of risk approved by the Board of Directors. Management takes action where it is determined that the Group is being exposed to unacceptable levels of risk and actively encourages all Nyrstar employees to communicate freely risks and opportunities identified.

Internal audit is an important element in the overall process of evaluating the effectiveness of the Risk Management Framework and internal controls. The internal audits are based on risk based plans, approved by the Audit Committee. The internal audit findings are presented to the Audit Committee and management, identifying areas of improvement. Progress of implementation of the actions is monitored by the Audit Committee on a regular basis. The Group internal audit function is managed internally. The Audit Committee supervises the internal audit function.

The Board of Directors pays specific attention to the oversight of risk and internal controls. On a yearly basis, the Board of Directors reviews the effectiveness of the Group's risk management and internal controls. The Audit Committee assists the Board of Directors in this assessment. The Audit Committee also reviews the declarations relating to internal supervision and risk management included in the annual report of the Company. The Audit Committee reviews the specific arrangements to enable staff to express concerns in confidence about any irregularities in financial reporting and other areas e.g., whistleblower arrangements.

To support the protocols described above, both internal resources and external contractors are engaged to perform compliance checks, and reports are provided to the Audit Committee.

Other

The Group is committed to the ongoing review and improvement of its policies, systems and processes.

Shareholders

The Company has a wide shareholder base, mainly composed of institutional investors in the United Kingdom, the United States, Belgium and other European countries, but also comprising Belgian retail investors.

The table below provides an overview of shareholders based on notifications received by the Company (as at 31 December 2015) from such shareholders pursuant to applicable transparency disclosure rules.

Shareholder's Name	Shareholder's Address	Date of Notification	Number of Voting Rights	Shareholding
Urion Holdings (Malta) Ltd (1)	Leicester Court, Suite 2, Edgar Bernard Street, Gzira GZR1702, Malta	1 September 2015	68,090,869	20.02%
BlackRock	12 Throgmorton Avenue, London EC2N 2DL, United Kingdom	14 May 2015	10,772,165	3.17%
Umicore NV	Broekstraat 31, 1000 Brussels, Belgium	23 March 2011	10,503,712	3.09%
Dimensional Fund Advisors LP	6300 Bee Cave Road, Building One, Austin, Texas 78746, USA	29 April 2015	10,215,142	3%
			99,581,888	**29.28%**

(1) Urion Holdings (Malta) Ltd is an indirect subsidiary of Trafigura Group Pte Ltd. Since the notification of significant shareholding received by the Company at 1 September 2015, Urion Holdings (Malta) Ltd acquired additional shares in the Company via market purchases. According to the most recent information received by the Company, at 31 December 2015 Urion Holdings (Malta) Ltd 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 Holdings (Malta) Ltd represented 24.64% of the voting rights.

Share Capital and Shares

The current share capital of the Company amounts to EUR 97,192,929.19 and is fully paid-up. It is represented by 935,639,603 shares, each representing a fractional value of EUR 0.10 or one 935,639,603th of the share capital. The Company's shares do not have a nominal value.

The Company issued a 4.25% senior unsecured convertible bonds due 2018 (the "2018 Convertible Bonds") for an aggregate principal amount of EUR 120,000,000 on 17 September 2013. The possibility to convert the 2018 Convertible Bonds into new shares of the Company was approved by the extraordinary general shareholders' meeting of the Company held on 23 December 2013. To date no 2018 Convertible Bonds have been converted.

Form and Transferability of the Shares

The shares of the Company can take the form of registered shares and dematerialized shares. All the Company's shares are fully paid-up and are freely transferable.

Currency

The Company's shares do not have a nominal value, but reflect the same fraction of the Company's share capital, which is denominated in euro.

Voting Rights attached to the Shares

Each shareholder of the Company is entitled to one vote per share. Shareholders may vote by proxy, subject to the rules described in the Company's articles of association.

Voting rights can be mainly suspended in relation to shares:

- which are not fully paid up, notwithstanding the request thereto of the Board of Directors of the Company;
- to which more than one person is entitled, except in the event a single representative is appointed for the exercise of the voting right;
- which entitle their holder to voting rights above the threshold of 5%, 7.5%, 10%, 15%, 20% and any further multiple of 5% of the total number of voting rights attached to the outstanding financial instruments of the Company on the date of the relevant shareholders' meeting, in the event that the relevant shareholder has not notified the Company and the FSMA at least 20 days prior to the date of the shareholders' meeting in accordance with the applicable rules on disclosure of major shareholdings; and
- of which the voting right was suspended by a competent court or the FSMA.

Pursuant to the Belgian Companies Code, the voting rights attached to shares owned by the Company are suspended.

Dividends and Dividend Policy

All shares are entitled to an equal right to participate in the Company's profits (if any). Pursuant to the Belgian Companies Code, the shareholders can in principle decide on the distribution of profits with a simple majority vote at the occasion of the annual shareholders' meeting, based on the most recent statutory audited financial statements, prepared in accordance with the generally accepted accounting principles in Belgium and based on a (non-binding) proposal of the Company's Board of Directors. The Company's articles of association also authorise the Board of Directors to declare interim dividends subject to the terms and conditions of the Belgian Companies Code.

The Company's ability to distribute dividends is subject to availability of sufficient distributable profits as defined under Belgian law on the basis of the Company's statutory unconsolidated financial statements rather than its consolidated financial statements. In particular dividends can only be distributed if following the declaration and issuance of the dividends the amount of the Company's net assets on the date of the closing of the last financial year as follows from the statutory (non-consolidated) financial statements (i.e., summarized, the amount of the assets as shown in the balance sheet, decreased with provisions and liabilities, all as summarized in accordance with Belgian accounting rules), decreased with the non-amortized costs of incorporation and extension and the non-amortized costs for research and development, does not fall below the amount of the paid-up capital (or, if higher, the issued capital), increased with the amount of non-distributable reserves. In addition, prior to distributing dividends, 5% of the net profits must be allotted to a legal reserve, until the legal reserve amounts to 10% of the Company's share capital. The Company's legal reserve currently meets this requirement.

The Board of Directors have taken the prudent decision not to propose to shareholders a distribution for the financial year 2015. This reflects the Board's commitment to maintain a sustainable capital structure.

Information that has an Impact in Case of Public Takeover Bids

The Company provides the following information in accordance with Article 34 of the Royal Decree dated 14 November 2007:

(i) The share capital of the Company amounts to EUR 97,192,929.19 and is fully paid-up. It is represented by 935,639,603 shares, each representing a fractional value of EUR 0.10 or one 935,639,603th of the share capital. The Company's shares do not have a nominal value.

(ii) Other than the applicable Belgian legislation on the disclosure of significant shareholdings and the Company's articles of association, there are no restrictions on the transfer of shares.

(iii) There are no holders of any shares with special control rights.

(iv) The awards granted to employees under the Nyrstar Long Term Incentive Plan will vest upon determination by the Nomination and Remuneration Committee.

(v) Each shareholder of Nyrstar is entitled to one vote per share. Voting rights may be suspended as provided in the Company's articles of association and the applicable laws and articles.

(vi) There are no agreements between shareholders which are known by the Company and may result in restrictions on the transfer of securities and/or the exercise of voting rights.

(vii) The rules governing appointment and replacement of board members and amendment to articles of association are set out in the Company's articles of association and the Company's Corporate Governance Charter.

(viii) The powers of the Board of Directors, more specifically with regard to the power to issue or redeem shares are set out in the Company's articles of association. The Board of Directors was not granted the authorization to purchase its own shares "to avoid imminent and serious danger to the Company" (i.e., to defend against public takeover bids). The Company's articles of association of association do not provide for any other specific protective mechanisms against public takeover bids.

(ix) At the date of the report, the Company is a party to the following significant agreements which, upon a change of control of the Company or following a takeover bid can enter into force or, subject to certain conditions, as the case may be, can be amended, be terminated by the other parties thereto or give the other parties thereto (or beneficial holders with respect to bonds) a right to an accelerated repayment of outstanding debt obligations of the Company under such agreements:

- Nyrstar's Revolving Structured Commodity Trade Finance Credit Facility;
- 2019 High Yield Bond (Indenture)
- 5.375% senior unsecured fixed rate non-convertible bonds due 2016;
- 4.25% senior unsecured convertible bonds due 2018;
- The USD 150 million zinc prepayment arranged by Deutsche Bank AG dated 30 December 2015;
- The USD 125 million uncommitted facility agreement dated 25 May 2012 between Nyrstar Sales & Marketing AG and the Royal Bank of Scotland plc, Belgium Branch as amended from time to time;
- Nyrstar's committed EUR 100 million bilateral credit facility with KBC Bank;
- The USD 50 million uncommitted credit facility between Nyrstar Sales & Marketing AG and HSBC Trinkaus & Burkhardt AG;
- The USD 40 million framework agreement for credit products between Nyrstar Sales & Marketing AG and Credit Suisse AG;
- Nyrstar's silver prepay with Macquarie bank;
- Silver forward purchase agreement (Hydra);
- Common terms deed with the Treasurer of South Australia;
- Nyrstar's committed EUR 16 million bilateral credit facility with KBC Bank;
- Nyrstar's uncommitted EUR 1 million bilateral credit facility with The Royal Bank of Scotland NV; and
- Nyrstar's off-take agreement with the Glencore Group.

(x) The Chief Executive Officer is currently entitled to a 12-month salary payment in case his employment is terminated upon a change of control of the Company.

No takeover bid has been instigated by third parties in respect of the Company's equity during the previous financial year and the current financial year.

Annual General Meeting – 27 April 2016

The Annual General Meeting of Shareholders will take place in Brussels (Diamond Building, A. Reyerslaan 80, 1030 Brussels) on the last Wednesday of April, i.e. 27 April 2016 at 10.30 am. At this meeting shareholders will be asked to approve amongst others the following resolutions:

1. Reports on the statutory financial statements
2. Approval of the statutory financial statements
3. Reports on the consolidated financial statements
4. Consolidated financial statements
5. Discharge from liability of the Directors
6. Discharge from liability of the Statutory Auditor
7. Remuneration report

Other proposed resolutions may be added to the agenda.

Remuneration Report

Introduction

The Company prepares a remuneration report relating to the remuneration of directors and the members of the Management Committee. This remuneration report is part of the Corporate Governance Statement, which is a part of the annual report. The remuneration report will be submitted to the annual general shareholders' meeting on 27 April 2016 for approval.

Remuneration Policy

Nyrstar's remuneration policy is designed to:

- enable Nyrstar to attract and retain talented employees;
- promote continuous improvement in the business; and
- link remuneration and performance, motivating employees to deliver increased shareholder value through superior business results.

Nyrstar obtains independent advice from external professionals to ensure the remuneration structure represents industry best practice, and achieves the twin goals of retaining talented employees and meeting shareholder expectations.

The remuneration policy that has been determined in relation to the directors and members of the Management Committee is further described below.

Directors

General

Upon recommendation and proposal of the Nomination and Remuneration Committee, the Board of Directors determines the remuneration of the directors to be proposed to the general shareholders' meeting.

The proposed remuneration that the Board submits to the general shareholders' meeting is in principle benchmarked against the remuneration of similar positions in companies included in the Bel20® Index. The Bel20® Index is an index composed of the 20 companies with the highest free float market capitalization having shares trading on the continuous trading segment of the regulated market of Euronext Brussels. The remuneration is set to attract, retain and motivate directors who have the profile determined by the Nomination and Remuneration Committee.

Pursuant to Belgian law, the general shareholders' meeting approves the remuneration of the directors, including inter alia, each time as relevant, (i) in relation to the remuneration of executive and non-executive directors, the exemption from the rule that share based awards can only vest during a period of at least three years as of the grant of the awards, (ii) in relation to the remuneration of executive directors, the exemption from the rule that (unless the variable remuneration is less than a quarter of the annual remuneration) at least one quarter of the variable remuneration must be based on performance criteria that have been determined in advance and that can be measured objectively over a period of at least two years and that at least another quarter of the variable remuneration must be based on performance criteria that have been determined in advance and that can be measured objectively over a period of at least three years, and (iii) in relation to the remuneration of non-executive directors, any variable part of the remuneration, and (iv) any provision of service agreements to be entered into with executive directors providing for severance payments exceeding twelve months' remuneration (or, subject to a motivated opinion by the Nomination and Remuneration Committee, eighteen months' remuneration).

The directors of the Company (excluding the Chief Executive Officer) receive a fixed remuneration in consideration for their membership of the Board of Directors. In addition, the directors (excluding the Chief Executive Officer) receive fixed fees for their membership and/or chairmanship of any board committees. No attendance fees are paid. The Chief Executive Officer is also a member of the board but does not receive any additional remuneration in his capacity of board member.

Non-Executive Directors do not receive any performance-related remuneration, stock options or other share based remuneration, or pension benefits. The remuneration of Non-Executive Directors takes into account their general role as director, and specific roles as chairman, chairman or member of a board committee, as well as their relevant responsibilities and time commitment.

The current remuneration and compensation of Non-Executive Directors has not been increased since 2007. There are currently no plans to change the remuneration policy or remuneration of Non-Executive Directors. However, the Company regularly reviews the remuneration of Non-Executive Directors against market practice, and it is not excluded that this could result into changes to the remuneration policy or remuneration of the Non-Executive Directors during the next two financial years.

Remuneration and Compensation in 2015

During 2015 the following remuneration and compensation was paid to the directors (excluding the CEO):

CHAIRMAN:

- Annual fixed remuneration of EUR 200,000 per year
- No additional attendance fees

OTHER DIRECTORS (EXCLUDING THE CEO):

- Annual fixed remuneration of EUR 50,000 per year for membership of the Board of Directors
- Fixed fee of EUR 10,000 per year per board committee of which they are a member
- Fixed fee of EUR 20,000 per year per board committee of which they are the chairman
- No additional attendance fees

Based on the foregoing, the following gross remuneration was paid to the directors (excluding the CEO) in 2015:

	Remuneration (EUR)
Julien De Wilde	200,000
Carole Cable	65,361
Christopher Cox	– (1)
Oyvind Hushovd	80,000
Martyn Konig	– (1)
Ray Stewart	80,000
Karel Vinck	69,277.32

(1) The director was entiteled to receive EUR 70,000, but upon the director's request no payment was made in 2015.

Executive Management

General

The remuneration of the Chief Executive Officer and the other members of the Management Committee is based on recommendations made by the Nomination and Remuneration Committee. The Chief Executive Officer participates to the meetings of the Nomination and Remuneration Committee in an advisory capacity each time the remuneration of another member of the Management Committee is being discussed.

The remuneration is determined by the Board of Directors. As an exception to the foregoing rule, pursuant to Belgian law the general shareholders' meeting must approve, as relevant, (i) in relation to the remuneration of members of the Management Committee and other executives, an exemption from the rule that Share based awards can only vest during a period of at least three years as of the grant of the awards, (ii) in relation to the remuneration of members of the Management Committee and other executives, an exemption from

Remuneration Report

the rule that (unless the variable remuneration is less than a quarter of the annual remuneration) at least one quarter of the variable remuneration must be based on performance criteria that have been determined in advance and that can be measured objectively over a period of at least two years and that at least another quarter of the variable remuneration must be based on performance criteria that have been determined in advance and that can be measured objectively over a period of at least three years, and (iii) any provisions of service agreements to be entered into with members of the Management Committee and other executives providing (as the case may be) for severance payments exceeding twelve months' remuneration (or, subject to a motivated opinion by the Nomination and Remuneration Committee, eighteen months' remuneration).

An appropriate portion of the remuneration is linked to corporate and individual performance. The remuneration is set to attract, retain and motivate executive management who have the profile determined by the Nomination and Remuneration Committee. In previous years, approval by the general shareholders' meeting has been obtained in relation to the Share plans (see "—Description of Share plans") and the possibility to pay out entitlements under the Annual Incentive Plan (AIP).

The remuneration of the executive management consists of the following main remuneration components:

- annual base salary (fixed);
- participation in the Annual Incentive Plan (AIP) (bonus) (variable);
- participation in the Executive Long Term Incentive Plan (LTIP) (variable);
- participation in the Leveraged Employee Stock Ownership Plans (LESOPs); and
- pension benefits.

On 17 June 2015, the Board decided to suspend the LESOP plan in 2015 and not to make any new award under such plan in 2015. On 3 February 2016, the Board decided to terminate the LESOP plan and no longer to make any new award under such plan in 2016 and thereafter.

For performance year 2015, the target entitlement under the AIP amounted to 75% of the annual base salary for the Chief Executive Officer (150% of the annual base salary at maximum entitlement). For performance year 2015 the target entitlement under the AIP amounted to 60% for the other members of the Management Committee (120% of the annual base salary at maximum entitlement). There will be no delivery of AIP entitlement for the Company's Management Committee for performance year 2015.

The pension benefits of each Management Committee member continue to amount to 20% of fixed remuneration.

The remuneration package for the members of the Management Committee is not subject to a specific right of recovery or claw back in favour of the Company in case variable remuneration has been granted based on incorrect financial data.

In line with the Company's approach to remuneration setting, the base salary and overall remuneration packages for the Management Committee members are reviewed approximately every two years.

While there are currently no plans to change the remuneration policy for executives (except in relation to the suspension of the Leveraged Employee Stock Ownership Plans), executive remuneration was independently reviewed by two independent external advisors during 2015. In 2015, two new members were appointed to the Management Committee and two left.

The respective elements of the remuneration package are further described below.

Annual Base Salary

The annual base salary constitutes a fixed remuneration. The reference base salary structures are determined with the support of external market data and analysis of economic trends for the different countries. Included in this analysis are the base salaries for various job descriptions paid by a group of peer companies of Nyrstar in several countries. On the basis of this survey, a number of grades are determined. The midpoint for each grade is the 50% percentile to reflect an optimal alignment with the market.

Nyrstar's policy is to pay senior staff members at 100% of the midpoint for their grade, subject to continued above average performance. However, there is discretion to set the fixed remuneration between 80% and 120% of the midpoint, based on experience, job, location, industry demand, unique technical skills, performance, etc.

Annual Incentive Plan

The annual incentive is a variable part of the remuneration in function of individual performance below, at or above average standard during a given year. The terms and conditions are reflected in the Annual Incentive Plan (**AIP**), which is subject to revision on an annual basis.

The aims of the AIP are to attract and retain talented employees, to make a connection between performance and reward, to reward achievement in line with Nyrstar's financial success, to reward employees for adhering to the Nyrstar Way, and to reward employees in a similar manner to the Company's shareholders.

The AIP is designed around delivering and exceeding the Nyrstar annual plan and budget. The relevant performance year for eligibility under the AIP is 1 January to 31 December, and payments, if any, are usually made in March of the following year.

In order to be eligible under the AIP, the beneficiary must be employed on 31 December of the relevant performance year. The respective criteria and their relative weight to determine eligibility under the AIP are:

a. the achievement by Nyrstar of annual financial targets, which are determined and approved by the Board of Directors, in order to guarantee the self-funding nature of the plan; and

b. the achievement by the beneficiary of personal "stretch targets", which aim at achieving an individual performance over and above the normal requirement of his or her function.

The main key performance indicator is the Underlying EBITDA on consolidated level, supported by the operational performance of each segment and unit and the individual contribution. Every year the Board of Directors revises and approves the performance criteria both for Nyrstar on a group level and the members of the Management Committee.

The AIP performance criteria for the members of the Management Committee supports:

- the financial health of the company - Group Financials;
- the maintenance, development and performance of the operations, and
- the corporate values - "Nyrstar Way".

The incentive under the AIP only becomes available if Nyrstar meets the performance threshold as approved by the Board in the beginning of the performance year. In summary, the payment of the annual incentive is subject to overall acceptable personal behaviour, demonstrated commitment to the Nyrstar Way and personal job performance, as well as the company's ability to pay.

The eligibility under the AIP is assessed and determined by the nomination and remuneration committee, and any payment of the annual incentive is subject to final board approval.

For further information on the AIP and other share plans, please see "Description of share plans".

Remuneration Report

Pensions

The members of the Management Committee participate in a defined benefits pension scheme. The contributions by Nyrstar to the pension scheme amount to 20% of the annual base salary.

Other

The Management Committee members participate in a medical benefit plan that includes amongst other things private hospital and dental medical care. They also receive a representation allowance, housing assistance, a car allowance, and benefit from statutory accident and disease insurance.

Remuneration and Compensation in 2015

The following remuneration and compensation other than share based awards that are mentioned further was paid to the Chief Executive Officer and other members of the Management Committee in 2015:

	CEO (EUR)	Members of the Management Committee other than the CEO (on an aggregate basis) (EUR)
Base salary	837,133 (1)	1,871,326
AIP (2)	488,349	1,100,212
Pension benefits (3)	127,177	301,063
Other components of the remuneration (4)	383,665	960,701
Severance payment (5)	-	228,614
Total	**1,836,324**	**4,461,918**

(1) Heinz Eigner was in 2015 interim CEO for 7.5 months until Bill Scotting was appointed CEO on 17 August. Bill Scotting was CEO for 4.5 months.
(2) This amount relates to performance period from 1 January 2014 to 31 December 2014 paid to Roland Junck.
(3) The pension includes 20% of annual base salary as savings contributions and also risks contributions.
(4) Includes representation allowance, housing, car allowance, health insurance made in 2015.
(5) Bob Katsiouleris received a lump sum equivalent to six months base pay at the end of his employment with Nyrstar, as per contractual agreement.

Payments upon Termination

Each member of the Management Committee is entitled to a severance payment equivalent to twelve months of annual base salary in case of termination of his agreement by Nyrstar. In addition, the agreement with the chief executive officer provides that upon a change of control, his agreement with Nyrstar will be terminated. In that event, the chief executive officer is entitled to a severance payment equivalent to twelve months of annual base salary (inclusive of any contractual notice period). The same provision was also included in the agreement with the former chief executive officer. In 2015 two members of the Management Committee left the organisation, being Bob Katsiouleris and Heinz Eigner.

Bob Katsiouleris received a lump sum severance payment equivalent to six months' gross base salary in addition to a six months' notice period according to contractual agreement. Heinz Eigner signed an agreement including the contractual severance payment of 12 months gross base salary and pension contribution. In February 2016 the Board will evaluate whether these should remain as good leavers and remain participants in the LTIP and AIP share based planes on a prorated basis.

Indemnification and Insurance of Directors and Executive Management

As permitted by the Company's articles of association, the Company has entered into indemnification arrangements with the directors and relevant members of the Management Committee and has implemented directors' and officers' insurance coverage.

Description of Share Plans

In 2015 the Company had a Long Term Incentive Plan (LTIP) with a view to attracting, retaining and motivating the employees and executive management of the Company and its wholly owned subsidiaries.

In previous years Nyrstar also had a general employee share acquisition plan (ESAP), a Co-Investment Plan and a Leveraged Employee Stock Ownership Plan (LESOP). However, all shares granted under the ESAP vested and were settled in cash by 31 December 2011. No further ESAP Grants have been made. The Co-Investment Plan vested in July 2013 without meeting any of the performance conditions. As such, no awards were made to participants. No other co-investment plan was implemented. On 17 June 2015, the Board decided to suspend the LESOP plan in 2015 and not to make any new award under such plan in 2015. On 3 February 2016, the Board decided to terminate the LESOP plan and no longer make any new award under such plan in 2016 and thereafter.

The key terms of the LTIP are described below. For further information on the manner in which awards under the LTIP are treated in Nyrstar's consolidated financial statements, refer to note 33 to the audited consolidated financial statements for the financial year ended on 31 December 2015.

LTIP

General

Under the LTIP, the Executives selected by the Board of Directors may be granted conditional awards to receive ordinary shares in the Company at a future date ("**Executive Share Awards**") or their equivalent in cash ("**Executive Phantom Awards**") (Executive Share Awards and Executive Phantom Awards together referred to as "**Executive Awards**").

The terms of the LTIP may vary from country to country to take into account local tax and other regulations and requirements in the jurisdictions where eligible Executives are employed or resident.

The Nomination and Remuneration Committee makes recommendations to the Board of Directors in relation to the operation and administration of the LTIP.

Eligibility

The Board of Directors determines which Executives are eligible to participate in the LTIP (the "**Participating Executives**").

The value of the conditional Executive Awards under the LTIP varies, depending on the role, responsibility and seniority of the relevant Participating Executive. The maximum value of the conditional Executive Awards granted to any Participating Executive in any financial year of the Company will not exceed 150% of his or her base salary at the time of the grant.

Vesting

Executive Awards will vest over a three-year rolling performance period.

In the event of cessation of employment before the normal vesting due to certain "good leaver reasons", the Board of Directors may determine that a number of Executive Awards will vest, taking into account such factors as the Board of Directors determines, including the proportion of the performance period which has elapsed and the extent that performance conditions have been satisfied up to the date of leaving.

The Board of Directors determines the LTIP performance conditions and whether they have been met. The Board of Directors has set two performance conditions, which are weighted equally at 50%. For an Executive Award to vest, Nyrstar's annual share price performance is measured relative to the implied change in a notional share price that is based upon the historical performance of the price of zinc (first performance condition) and the MSCI World Metals and Mining Index (second performance condition). An equal number of Executive Awards is granted under each condition. Executive Awards are made to the extent that predetermined scaling thresholds for each of the performance conditions are met.

For the Executive Awards to vest under the grants made in 2013 (Grant 6), made in 2014 (Grant 7) and made in 2015 (Grant 8), the Nyrstar average share price for the 3 year performance period must outperform:

- The zinc price by 5% based on a linear regression analysis; and
- The MSCI world mining and metals index by 2% based on a linear regression analysis.

A volume weighted average out-performance is calculated for each year. These are averaged over the performance period and compared to the vesting schedule.

The LTIP rules provide for various circumstances in which unvested Executive Awards lapse, including failure to satisfy performance conditions.

Awards

Since April 2008, Grants have been made annually in accordance with the rules and conditions of the LTIP. Grants in place during 2015 are shown below:

	Grant 6	Grant 7	Grant 8
Effective grant date	30 June 2013	5 September 2014	30 June 2015
Performance period	1 January 2013 to 31 December 2015	1 January 2014 to 31 December 2016	1 January 2015 to 31 December 2017
Performance criteria	–zinc price 50% –MSCI 50% Executive remains in service to 31 December 2015	–zinc price 50% –MSCI 50% Executive remains in service to 31 December 2016	–zinc price 50% –MSCI 50% Executive remains in service to 31 December 2017
Vesting date	31 December 2015	31 December 2016	31 December 2017

During the period between the satisfaction of the performance condition and when the participating employee receives the relevant payment, the employee will be entitled to a payment equal to the cash equivalent of any dividends paid.

The 2012 Share awards under Grant 5 forfeited fully by 31 December 2014. Therefore no payment was due in 2015 to the participating employees of Grant 5.

Movement of LTIP Shares Awarded

The following table sets out the movement in the number of equity instruments granted during the specified periods in relation to the LTIP (including all participants):

	Grant 6	Grant 7	Grant 8	Total
Opening balance at 1 January 2015	2,826,537	5,859,665	-	8,686,202
Initial allocation at 30 June 2015	-	-	3,803,515	3,803,515
Dilutive impact / adjustment	-	-	-	-
Forfeiture	(1,022,216)	(1,649,628)	(521,796)	(3,193,640)
Additions	875,586	1,261,591	-	2,137,177
Closing balance at 31 December 2015	2,679,907	5,471,628	3,281,719	11,433,254

Adjustments to the LTIP

The annual general shareholders' meeting of the Company held on 27 April 2011 approved and ratified, as far as needed and applicable, in accordance with Article 556 of the Belgian Companies Code, any clauses or features included in the LTIP that (automatically or not) result in, or permit the Board of Directors (or a committee or certain members of the Board of Directors) to approve or allow an accelerated or immediate vesting or acquisition of awards made under the LTIP in the event of a public takeover bid or change of control over the Company, and any other clause or feature which in accordance with Article 556 of the Belgian Companies Code entails rights to third parties that have an impact on the Company's equity or give rise to a liability or obligation of the Company, whereby the exercise of such rights is dependent upon a public takeover bid on the Company's Shares or a change of the control over the Company.

Leveraged Employee Stock Ownership Plan (LESOP)

In 2013, the Board of Directors submitted to the general shareholders' meeting a proposal to provide a new remuneration component to certain senior managers, including the Management Committee, called a leveraged employee stock ownership plan (the "2013 LESOP"). The 2013 LESOP enabled participants to purchase Shares of the Company at a discount of 20%, following which the Shares were subject to a holding period of three years. For each Share purchased by a participant with his or her personal contribution, a financial institution would provide the participant with additional financing enabling him or her to purchase nine additional Shares at such discount. The number of Shares that a participant could purchase with his or her personal contribution under the 2013 LESOP was capped. With respect to the members of Nyrstar's Management Committee, the cap was set at 50,000 Shares for each member. At the end of the holding period, the participant will be required to transfer all Shares purchased under the 2013 LESOP to the financial institution and will receive in return a cash amount or a number of Shares of the Company, the value of which equals his or her personal contribution in the 2013 LESOP and a certain percentage of any increase in value of the Shares over the lifetime of the 2013 LESOP. The 2013 LESOP was approved by the general shareholder's meeting in April 2013. The first stage of the 2013 LESOP was implemented in December 2013.

On 30 April 2014, the Company's general shareholders' meeting approved and granted the Board of Directors the powers to establish an annual leveraged employee stock ownership plan for the years 2014, 2015 and 2016 (respectively the "2014 LESOP", the "2015 LESOP" and the "2016 LESOP"), whereby each LESOP (if established) must have the following features: (i) eligible participants can purchase Shares of the Company at a discount of 20%, whereby the Shares are subject to a holding period of three years, (ii) eligible participants can purchase such Shares with their own personal contributions, or alternatively, with a combination of personal contributions and an additional financing provided to them by a financial institution, whereby such leverage will however not exceed a one to nine ratio, (iii) the eligible participants include the members of the Nyrstar Management Committee, as well as other participants determined by the Board of Directors, and (iv) the number of Shares that an eligible participant can purchase with his or her personal contribution is capped, whereby such number is determined by the Board of Directors (however not exceeding 50,000, as the case may be, adjusted in case of a (reverse) stock split). The total number of Shares that can be purchased under each LESOP amounts to 6,000,000. The shareholders also approved that the Shares that would be acquired under a LESOP would be immediately acquired by the participants (without prejudice to the aforementioned holding period) (and not at the expiry of a three year period following the grant), and that the possibility to participate in a LESOP (if and when a LESOP is established) and the actual participation in a LESOP is not to be considered as "fixed remuneration" nor as "variable remuneration" (for purposes of the rule that (unless the variable remuneration is less than a quarter of the annual remuneration) at least one quarter of the variable remuneration must be based on performance criteria that have been determined in advance and that can be measured objectively over a period of at least two years and that at least another quarter of the variable remuneration must be based on performance criteria that have been determined in advance and that can be measured objectively over a period of at least three years). The first stage of the 2014 LESOP was implemented in June 2014.

In 2015, the Board of Directors decided to suspend the LESOP and not to make any new award under such plan in 2015. In 2016, the Board of Directors decided to terminate the plan and no longer to make any new awards under such plan in 2016 and thereafter.

Deferred Share Payments under the Annual Incentive Plan (AIP)

On 24 April 2013, the Company's general shareholders' meeting granted the Board of Directors the power to pay out entitlements to beneficiaries (including members of the Management Committee and directors, where applicable) under the AIP in relation to the performance by such beneficiaries during the years 2012, 2013 and 2014 in the form of shares of the Company instead of cash, subject to the following terms: (a) up to one third of the maximum AIP entitlement in relation to a performance year can be paid in the form of shares instead of cash; (b) the shares to be delivered as payment of an AIP entitlement are granted for no additional consideration payable by the beneficiary concerned; (c) the shares to be delivered as payment of an AIP entitlement in relation to a relevant performance year will be delivered in the second calendar year following the relevant performance year (i.e. early 2014 with respect to the AIP for performance year 2012, early 2015 with respect to the AIP for performance year 2013, and early 2016 with respect to the AIP for performance year 2014), rather than in the beginning of the first year following the respective performance year (which is the case if the entitlements are paid out in cash), and subject to the condition that the beneficiary is still employed by Nyrstar or its subsidiaries at that time. The shareholders also approved that the shares that are delivered as pay out of an entitlement under the AIP are definitively acquired by the beneficiary concerned at the moment on delivery (and not at the expiry of a three year period following the grant). Any shares allocation is dependent of the successful achievement of the AIP performance criteria defined and approved by the Board for each particular performance year as described under Annual Incentive Plan.

There will be no delivery of AIP entitlement for the Company's Management Committee for performance year 2015.

Directors' and Other Interests

Shares and share awards under the LTIP

The table below reflects the Share awards that during 2015 have been granted or delivered under the LTIP to the members of the Management Committee, and those that have expired:

		LTIP (as of 31 December 2015)		
Name	**Title**	Share awards delivered in 2015 under the LTIP of which the performance conditions have been met (1)	Share awards granted, but that expired in 2015 (2)	Share awards granted in 2015 or in prior years under LTIP of which the performance conditions have not been met (3)
Bill Scotting	Chief Executive Officer	–	–	444,811
Bob Katsiouleris (4)	SVP Commercial Operations	–	153,942	–
Christopher Eger	Chief Financial Officer	–	–	–
Heinz Eigner (5)	Chief Financial Officer	–	329,345	62,430
John Galassini	SVP Mining	–	–	153,236
Michael Morley	SVP Metals Processing	–	93,940	175,370
Russell Murphy (6)	Chief HR & SHE Officer	–	93,940	168,560

(1) These Share awards refer to the forfeiture of Grant 5 (LTIP 2012).
(2) Shares awards pertaining to the Grant 5 (LTIP 2012) forfeited completely. It also includes forfeitures under other grants related to end of employment.
(3) Vesting is subject to performance conditions.
(4) Bob Katsiouleris was employed by Nyrstar in January 2013 and was a member of the Nyrstar Management Committee from June 2013 to January 2015.
(5) Heinz Eigner was employed by Nyrstar in January 2007 and was a member of the Nyrstar Management Committee until December 2015.
(6) Russell Murphy was employed by Nyrstar since its inception and was a member of the Nyrstar Management Committee until January 2016.

Shares and Share Awards under the AIP

During 2015, the following Share awards had been granted under the AIP to the members of the Management Committee at that time:

		AIP (as of 31 December 2015)	
Name	**Title**	Share awards delivered in 2015 under the AIP of which the vesting conditions have been met (1)	Share awards awarded in 2015 under the AIP of which the vesting conditions have not yet been met (2)
Heinz Eigner (3)	Chief Financial Officer	20,964	79,329
Russell Murphy (4)	Chief HR & SHE Officer	18,868	71,397
Michael Morley	SVP Metals Processing	18,868	71,397
Bob Katsiouleris (5)	SVP Commercial Operations	13,231	49,916
John Galassini (6)	SVP Mining	–	–

(1) Relates to the 2013 AIP deferred Share component. Vesting is subject to the employee remaining employed until 31 December 2014. All Management Committee members have met the vesting condition. Shares were delivered in March 2015.
(2) Relates to the 2014 AIP deferred Share awards that were awarded in 2015. Vesting is subject to the employee remaining employed until 31 December 2015.
(3) Heinz Eigner was employed by Nyrstar in January 2007 and was a member of the Nyrstar Management Committee until December 2015.
(4) Russell Murphy was employed by Nyrstar since its inception and was a member of the Nyrstar Management Committee until January 2016.
(5) Bob Katsiouleris was employed by Nyrstar in January 2013 and was a member of the Nyrstar Management Committee from June 2013 to January 2015. He did not participate in the 2012 AIP.
(6) John Galassini joined the Nyrstar Management Committee in December 2014. He did not participate in the AIP 2014.

Shares and Share Awards under the LESOPs

During 2015, no Shares were purchased by participants under the LESOP plan, and on 17 June 2015, the Board decided to suspend the LESOP plan. Therefore no purchase was made in 2015 under this plan. The Board terminated the LESOP plan in 2016.

Total Shareholding

The following number of Shares are held by members of Nyrstar's Management Committee as of 31 December 2015:

Name	Title	Shares (1)
Bill Scotting	Chief Executive Officer	–
Christopher Eger	Chief Financial Officer	–
Russell Murphy	Chief HR & SHE Officer	1,265,813
Michael Morley	SVP Metals Processing	1,352,393

(1) Includes the 450,000 shares obtained as part of and held under the 2013 LESOP and the 450,000 shares obtained as part of and held under the 2014 LESOP by all members of the Nyrstar Management Committee at 31st December 2014.

Report of the Board of Directors ex Article 119 Company Code

Pursuant to Article 119 of the Company Code, the Board of Directors reports on the operations of the Nyrstar Group with respect to the financial year ended on 31 December 2015.

The information provided in this report is regulated information in accordance with Article 36 of the Royal Decree of 14 November 2007.

A free copy of the annual report of the Board of Directors on the statutory accounts of Nyrstar NV in accordance with Article 96 of the Belgian Company Code can be requested at the Company's registered office.

1. Comments to the Financial Statements

Nyrstar's consolidated financial statements as at and for the year ended 31 December 2015 comprise Nyrstar NV (the "Company") and its subsidiaries (together referred to as "Nyrstar" or the "Group" and individually as "Group entities") and the Group's interest in associates and jointly controlled entities.

The consolidated financial statements of Nyrstar were prepared in accordance with International Financial Reporting Standards as adopted by the European Union. These include International Financial Reporting Standards (IFRS) and the related interpretations issued by the International Accounting Standards Board (IASB) and the IFRS Interpretations Committee (IFRIC), effective at the reporting date and adopted by the European Union.

At the date of authorisation of the 31 December 2015 consolidated financial statements, the Company is of the opinion that, taking into account its available cash and cash equivalents (including undrawn committed facilities), the net proceeds from the intended rights offering (Note 38), an assumed zinc price of USD1,600 per tonne (consistent with current spot prices) and continued operation 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 the authorisation of the 31 December 2015 consolidated financial statements.

The Company has two principal financial covenants, that are linked to total consolidated tangible net worth and net debt to equity. Compliance with the covenants is particularly sensitive to movements in commodity prices and exchange rates as well as tangible and intangible asset impairments due to their effect on the Company's profit or loss for the year and hence on the Company's equity. Whilst the Company is in compliance with the covenants as at 31 December 2015, there is limited financial flexibility without including net proceeds from the intended rights offering. In the event the planned rights offering is not completed, or there is a significant deterioration in commodity prices, or if mining assets are sold significantly below carrying values or further impaired, there is a material uncertainty the Company will remain compliant with the financial covenants for the period of at least 12 months from the date of authorising the financial statements. In the event of a breach of covenants, the Company would need to request a waiver from the relevant lenders. In the absence of the Company being able to remedy the breach, the outstanding balances of the relevant liabilities would become due. As at 31 December 2015 the amount of liabilities subject to the covenants amounted to EUR 294.5 million. Additionally, a breach of the covenants may result in a cross default of other liabilities.

The Company has a significant amount of outstanding debt, of which EUR 415 million matures in May 2016. Significant further deterioration in commodity prices over the period of 12 months from the approval of the financial statements, would present a challenge for the Company to generate sufficient cash flows to continue to fund its operations. Should the zinc price decrease below USD 1,350 per tonne and applying the same assumptions noted above, the Company would be required to implement additional measures which include, changing its current business plans and strategy, reviewing currently scheduled investment programs and introducing further cost cutting programs. In addition, the Company is exploring additional funding options, including, but not limited to advanced payments for future delivery of commodities or accessing the bond markets. There is a risk the Company will be required to dispose some of its assets (in particular the mining assets) at prices below fair market value, and below current carrying values. Significant losses on the sale of the mining assets has the potential of resulting in a covenant breach.

Management acknowledges uncertainty remains over the ability of the Company to meet its funding requirements and requirements to repay its bonds in May 2016. However, as described above, Management expects the rights offering will be completed in February 2016 on the basis it is underwritten by Trafigura and Deutsche Bank and KBC Securities, and will enable the Company to have adequate resources to continue in operational existence for the foreseeable future. As such, the 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.

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

Please refer to the relevant pages in the 2015 annual report for the consolidated financial statements.

1.1 Overview of Activities and Finance Overview

The Metals Processing segment produced approximately 1,115,000 tonnes of zinc metal in 2015, above the top end of guidance, representing a 2% increase on 2014. The increase in zinc production year-over-year was driven by fewer planned maintenance shuts during 2015 and improved availability and utilisation of the roasting, leaching and cell house processes.

In 2015, Nyrstar's mines produced approximately 234kt of zinc in concentrate, a decrease of 16% compared to 2014 and was negatively impacted by the suspension of operations at Campo Morado at the beginning of the year, the suspension at Myra Falls from May 2015 and the suspension of operations at Middle Tennessee in December 2015.

Group underlying EBITDA in 2015 of EUR 256 million, represents an increase of EUR 19 million from 2014 (excluding the non-cash gain of EUR 43 million achieved on the settlement of the silver stream at Campo Morado with Silver Wheaton in 2014) due to strong Metals Processing performance supported by a stronger US dollar versus Euro and improved benchmark zinc treatment charge terms, largely offset by the effect of weaker commodity prices.

Prevent Harm is a core value of Nyrstar and we are committed to maintaining safe operations and to proactively managing risks including with respect to our people and the environment. Our Nyrstar and contractor employees had worked for 651 consecutive days without any fatalities. However, on 16 June 2015, a contractor at our Mochito mine in Honduras sustained fatal injuries in a work-related incident underground. This tragic event served as a stark reminder to all Nyrstar employees that fatality and serious injury prevention remains a daily top priority for the Company. Relative to other safety indicators, we significantly improved our Lost Time Injury (LTIR), Days Away, Restricted and Transfer (DART) and our Recordable Injury Rate (RIR) by 40%, 31% and 30% respectively in 2015.

No environmental events with material business consequences occurred during 2015.

1.2 Non-Financial Key-Performance Indicators

Production

	Financial year 2015	Financial year 2014
Mining production		
Zinc in concentrate ('000 tonnes)	234	278
Gold ('000 troy ounces)	16.1	52.1
Silver ('000 troy ounces)	2,724	5,106
Lead in concentrate ('000 tonnes)	13.0	19.2
Copper in concentrate ('000 tonnes)	6.5	11.3
Smelting production		
Zinc metal ('000 tonnes)	1,115	1,097
Lead metal ('000 tonnes)	185	178
Sulphuric acid ('000 tonnes, gross)	1,451	1,438
Silver (million troy ounces)	14.6	13.4
Gold ('000 troy ounces)	77.3	33.8

Nyrstar's mine production was below guidance for zinc in concentrate and lead in concentrate by 6kt and 2kt respectively, copper in concentrate production was slightly ahead of guidance and silver and gold production were both in line with guidance. Zinc in concentrate guidance was principally missed due to the suspension of production at the Middle Tennessee Mines in December 2015.

The Metals Processing segment produced approximately 1,115,000 tonnes of zinc metal in 2015, above the top end of the stated guidance of approximately 1.0 to 1.1 million tonnes.

Markets

The average zinc price decreased by 11% in 2015 to USD 1,928 per tonne compared to USD 2,164/t in 2014 and traded within a very wide range of USD 1,461 and USD 2,405. Zinc demand growth in 2015 was led by the developed world with the United States economy growing faster than many commentators had anticipated and European growth remaining robust despite the Greek financial crisis and tensions with Russia. China has dominated the economic landscape in H2 2015 with the bursting of its stock market bubble in August 2015 and reduced gross domestic product and industrial production. These events have led to a crisis of confidence amongst investors and negatively impacted the prices of all base metals. Global zinc consumption growth is estimated by Wood Mackenzie to have grown by 1.5% in 2015, its weakest annual growth since 2009. Sufficient supplies of concentrate and higher treatment charges have resulted in increased utilisation rates at smelters in 2015 with Wood Mackenzie forecasting that average smelter utilisation rates were 78% in China and 92% in the rest of the world. Over the medium term, the fundamental outlook for the zinc market remains strong with a continuing drawdown on refined metal stocks and expectations of tightening raw material supply.

The annual benchmark treatment charge for zinc concentrates in 2015 was settled at USD 245 per tonne of concentrate basis a zinc price of $2,000/t with a 9% escalator to $2,500/t, 8% to $3,000/t, 5% to $3,750/t and zero above that, and de-escalator of 3.3% to $1,500/t and zero below that. This represented an improvement from the previous year in favor of smelters of approximately 10%.

Strength in the US economy towards the end of 2014 and signs of weakening in Europe led to expectations that the US Federal Reserve would increase interest rates in 2015 whilst the European Central Bank would implement quantitative easing. During 2015, the European Central Bank implemented a policy of quantitative easing and in December 2015 the US Federal Reserve commenced a process of easing its monetary policy with its first interest rate increase since 2006. Both of these factors pressurised currencies globally relative to the US Dollar. In particular, the impact of these economic divergences caused the Euro to weaken relative to the US Dollar by 17% 2015. The Australian dollar has devalued by 7% during H2 2015 compared to H1 2015 in line with the weakness in commodity prices that have impacted the value of commodity exports from Australia.

Safety, Health and Environment

Metals Processing achieved its best safety performance ever in 2015. The number of cases with days lost or under restricted duties (DART) and number of cases requiring treatment (RIR) reduced by 23% and 19% respectively compared to 2014. Clarksville and the transformation project in Port Pirie closed 2015 lost time injury (LTI) free.

In the mining segment, Mining safety performance in 2015 was a record with the number of cases with days lost or under restricted duties (DART) and number of cases requiring treatment (RIR) reduced by 35% and 33% respectively compared to 2014. However, on 16 June 2015, a contractor at our Mochito mine in Honduras sustained fatal injuries in a work-related incident underground.

No environmental events with material business consequences occurred during 2015.

1.3 Operating Results, Financial Position and Cash Flows

Group gross profit for 2015 of EUR 1,336 million was up 3% on 2014, driven principally by the Metals Processing segment, which benefited from the strength of the US dollar versus Euro and improved benchmark zinc treatment charge terms. Both, Mining and Metals Processing segments, were impacted by the volatility in the commodity markets during the year, with an average zinc price of $2,134/t in H1-2015, declining by 19% in H2-2015 to $1,731/t. FY average prices were down year-on-year across all key metals for the Company. Average zinc, lead, silver and gold prices were down 11%, 15%, 18% and 8%, respectively.

Direct operating costs for 2015 of EUR 1,063 million were up EUR 14 million (1%) on 2014, due to the negative EUR 73 million translation effect on US Dollar and Swiss Franc denominated operating costs translated to Euro, with a significant offset from lower mining costs as a result of the suspension of operations at Campo Morado, Myra Falls and Middle Tennessee together with delivery of further sustainable cost saving measures within Metals Processing and at Corporate level.

The Group recorded a net financial expense of EUR 115 million in 2015, up 6% on prior year driven by higher funding requirements and an increased cost of finance with the issue of the high yield bond that was completed in September 2014 with a coupon of 8.5%.

Nyrstar recognised an income tax benefit for 2015 of EUR 245 million (2014: EUR 57 million) representing an effective tax rate of 36.2% (2014: 16.6%). The effective tax rate is impacted by the results of impairment testing undertaken in the period that include a change of the Swiss corporate law, mandatory as from 1 January 2015, which requires that investments in subsidiaries are tested on a standalone rather than on a portfolio basis. Further, the effective tax rate has been impacted by losses incurred by the Group for which no tax benefit has been recognised.

The Group recorded a net loss after tax of EUR 432 million for the year 2015, compared to a net loss of EUR 287 million in 2014, primarily as a result of the impairment charges related to the Mining segment assets in 2015 and impairment charge on the Talvivaara steaming agreement in 2014.

Capital expenditure was approximately EUR 419 million in 2015, representing an increase of EUR 124 million year-on-year which was entirely driven by the execution of value accretive projects in Metals Processing (the Port Pirie Redevelopment (+EUR 117 million) and the Metals Processing Growth Pipeline Projects (+EUR 29 million)) while sustaining capital expenditure continues to be tightly managed across both segments and decreased year-on-year by EUR 18 million.

1.4 Liquidity Position and Capital Resources

Cash flow from operating activities before working capital changes of EUR 235 million in 2015 was down 3% compared to EUR 243 million in 2014 and cash out-flow from changes in working capital and other balance sheet movements in 2015 of EUR (242) million was down 456% compared to an in-flow of EUR 68 million in 2014, resulting in total cash out-flow from operating activities for 2015 of EUR 7 million compared to EUR 311 million in-flow for 2014. The increase in net working capital levels was driven by a reduction in current deferred income year-on-year following amortisation of silver prepays, which were not renewed at the end of 2015. The impact of lower commodity prices on working capital levels was largely offset by the strength of the U.S. dollar against the Euro.

Net debt at the end of 2015 was EUR 761 million, representing a 74% increase from EUR 438 million at the end of 2014. Cash on hand at the end of 2015 was EUR 116 million compared to EUR 499 million at 2014. The high cash balance held at the end of 2014 was as a result of the comprehensive strategic financing executed in September 2014, which consisted of EUR 350 million of high yield notes and EUR 251.6 million rights offering. The draw down on the cash balance during 2015 was driven by the investment on the Port Pirie Redevelopment and Metals Processing growth pipeline projects together with EUR 73 million settlement of the remaining balance outstanding on 2015 maturing notes.

As at 31 December 2015 Nyrstar's EUR 400 million revolving structured commodity trade finance facility remained fully undrawn. The Group had cash on hand of EUR 116 million and ample committed undrawn liquidity headroom at the end of the year.

Report of the Board of Directors

2. Internal Control and Enterprise Risk Management

General

The Nyrstar Board of Directors is responsible for the assessment of the effectiveness of the Risk Management Framework and internal controls. The Group takes a proactive approach to risk management. The Board of Directors is responsible for ensuring that nature and extent of risks are identified on a timely basis with alignment to the Group's strategic objectives and activities.

The Audit Committee plays a key role in monitoring the effectiveness of the Risk Management Framework and is an important medium for bringing risks to the Board's attention. If a critical risk or issue is identified by the Board or management, it may be appropriate for all directors to be a part of the relevant risk management process, and as such the Board of Directors will convene a sub-committee comprised of a mix of Board Members and Senior Management. Each respective sub-committee further examines issues identified and reports back to the Board of Directors.

The Nyrstar Risk Management Framework requires regular evaluation of the effectiveness of internal controls to ensure the Group's risks are being adequately managed. The Risk Management Framework is designed to achieving the Group's objectives. Nyrstar acknowledges that risk is not just about losses and harm. Risk can have positive consequence too. Effective risk management enables Nyrstar to achieve an appropriate balance between realising opportunities while minimising adverse impacts.

This section gives an overview of the main features of the Company's internal control and risk management systems, in accordance with the Belgian Corporate Governance Code and the Belgian Companies Code.

Components of the Risk Management Framework

The Risk Management Framework is integrated in the management process and focuses on the following key principles.

The key elements of Risk Management Framework are:

1 Understanding the External and Internal Environment

Understanding the internal and external business environment and the effect this has on our business strategy and plans. This informs Nyrstar's overall tolerance to risk.

2 Consistent Methods for Risk Identification and Analysis of Risks, Existing Controls and Control Effectiveness

Implementing systems and processes for the consistent identification and analysis of risks, existing controls and control effectiveness. Evaluating whether the level of risk being accepted is consistent with levels of risk acceptable to the Audit Committee.

3 Risk Treatment

Using innovative and creative thinking in responding to risks and taking action where it is determined that the Group is being exposed to unacceptable levels of risk.

4 Stakeholder Engagement and Communication

Involving all Nyrstar employees and relevant stakeholders in managing risks and communicating identified key risks and controls.

5 Monitoring and Review

Regularly monitoring and reviewing our risk management framework, our risks and control effectiveness.

The guideline for the Risk Management Framework has been written to comply with ISO 31000; 2009. Compliance with the guideline is mandatory within Nyrstar.

Critical Internal Controls

The following is a summary of Nyrstar's critical internal controls:

Organisational Design

There is a sound organizational structure with clear procedures, delegation and accountabilities for both the business side and the support and control functions, such as human resources, legal, finance, internal audit, etc.

The organizational structure is monitored on an ongoing basis, e.g. through benchmarking the organizational structure with industry standards and competitors. Responsibilities are delegated to business units, by business plans and accompanying budgets approved by management and the Board of Directors within set authorization levels.

Policies and Procedures

The Group has established internal policies and procedures to manage various risks across the Group. These policies and procedures are available on the Nyrstar intranet-site, and distributed for application across the whole Group. Every policy has an owner, who periodically reviews and updates if necessary.

Ethics

The Board of Directors has approved a Corporate Governance Charter and a Code of Business Conduct, including a framework for ethical decision making. All employees must perform their daily activities and their business objectives according to the strictest ethical standards and principles. The Code of Business Conduct is available on www.nyrstar.com and sets out principles how to conduct business and behave in respect of:

- Our People
- Our Communities and Environment
- Our Customers and Suppliers
- Our Competitors
- Our Shareholders
- Our Assets

The Board of Directors regularly monitors compliance with applicable policies and procedures of the Nyrstar Group.

Whistleblowing

Nyrstar also has a whistleblower procedure in place, allowing staff to confidentially raise concerns about any irregularities in financial reporting, possible fraudulent actions, bribery and other areas.

Quality Control

Nyrstar is ISO 9001 certified for the smelting and refining of zinc and zinc alloys, lead and lead alloys, silver, gold and other by-products. All of its major processes and the controls that they encompass are formalized and published on the Company's intranet.

Financial Reporting and Budget Control

Nyrstar applies a comprehensive Group standard for financial reporting. The standard is in accordance with applicable International Accounting Standards. These include International Financial Reporting Standards (IFRS) and the related interpretations issued by the International Accounting Standards Board (IASB) and the IFRS Interpretations Committee (IFRIC) as adopted by the European Union. The effectiveness and compliance with the Group standard for financial reporting is consistently reviewed and monitored by the Audit Committee.

In order to ensure adequate financial planning and follow up, a financial budgeting procedure describing the planning, quantification, the implementation and the review of the budget in alignment with forecasts, is closely followed. Nyrstar conducts Group wide budgeting process, which is centrally coordinated and consists of the following steps:

1) Group business strategy is updated and communicated within Nyrstar, which amongst other things outlines the strategic guidelines and objectives for the upcoming financial year.

2) Key inputs and assumptions for the budgeting process for the upcoming financial year are provided by relevant internal stakeholders (including expected production, capex, metal prices, foreign exchange and commercial terms) and uploaded into the centralised budgeting, planning and consolidation system.

3) The key inputs and assumptions for the budget then go through a rigorous process of validation by relevant internal stakeholders and senior management. The Management Committee and the Board sign off on the final agreed budget.

4) The final budget is communicated to the different Nyrstar business units and departments.

5) Nyrstar will then bi-annually communicate to shareholders the Group's full actual financial results, supplemented by quarterly interim management statements, which will include selected key financial results.

Management Committees

Various management committees are established as a control to manage various risks Nyrstar is exposed to:

Treasury Committee

The Treasury Committee comprises the Chief Financial Officer, the Group Treasurer and the Group Controller. The role of the Treasury Committee is to recommend to the Chief Executive Officer and to the Board of Directors amendments to the treasury policy. This considers all treasury transactions being reviewed before they are recommended to the Chief Executive Officer for review and approval by the Board of Directors. Explicitly this includes preparations for the following Chief Executive Officer and Board of Directors approvals:

- to approve treasury strategies and activities, as recommended by the Group Treasurer, within the constraints of the policy;
- to periodically review treasury operations and activities, approve the use of new financial instrument types and techniques for managing financial exposures;
- to approve the list of authorized counterparties for foreign exchange and money market transactions;
- to approve the use of payment term extensions and cash discounts on commercial contracts that would go beyond standard business conditions; and
- to approve the list of bank relationships.

The treasury committee meets at least quarterly.

Commodity Risk Management Committee

The Commodity Risk Management Committee comprises of the Chief Financial Officer, the Group Treasurer, the Group Controller and the Group Manager Financial Planning & Analysis. Nyrstar's commodity risk management committee establishes policies and procedures how Nyrstar manages its exposure to the commodity prices and foreign exchange rates. Nyrstar actively and systematically endeavors to minimize any impact on its income statement from metal price risk.

Information, Communication and Financial Reporting Systems

The Group's performance against plan is monitored internally and relevant action is taken throughout the year. This includes, weekly and monthly reporting of key performance indicators for the current period together with information on critical risk areas.

Comprehensive monthly board reports that include detailed consolidated management accounts for the period together with an executive summary from the Chief Financial Officer are prepared and circulated to the Board of Directors by the Company Secretary on a monthly basis.

Monitoring and Review

Management is responsible for evaluating existing controls and the control effectiveness and determines whether the level of risk being accepted is consistent with the level of risk approved by the Board of Directors. Management takes action where it is determined that the Group is being exposed to unacceptable levels of risk and actively encourages all Nyrstar employees to communicate freely risks and opportunities identified.

Internal audit is an important element in the overall process of evaluating the effectiveness of the Risk Management Framework and internal controls. The internal audits are based on risk based plans, approved by the Audit Committee. The internal audit findings are presented to the Audit Committee and management, identifying areas of improvement. Progress of implementation of the actions is monitored by the Audit Committee on a regular basis. The Group internal audit function is managed internally. The Audit Committee supervises the internal audit function.

The Board of Directors pays specific attention to the oversight of risk and internal controls. On a yearly basis, the Board of Directors reviews the effectiveness of the Group's risk management and internal controls. The Audit Committee assists the Board of Directors in this assessment. The Audit Committee also reviews the declarations relating to internal supervision and risk management included in the annual report of the Company. The Audit Committee reviews the specific arrangements to enable staff to express concerns in confidence about any irregularities in financial reporting and other areas e.g., whistleblower arrangements.

To support the protocols described above, both internal resources and external contractors are engaged to perform compliance checks, and reports are provided to the Audit Committee.

Other

The Group is committed to the ongoing review and improvement of its policies, systems and processes.

Financial and Operational Risks

The principal risks and uncertainties, which Nyrstar faces, along with the impact and the procedures implemented to mitigate the risks, are detailed in the tables below:

FINANCIAL RISKS

Description	Impact	Mitigation
Commodity price risk		
Nyrstar's results are largely dependent on the market prices of commodities and raw materials, which are cyclical and volatile.	Profitability will vary with the volatility of metals prices.	Nyrstar engages in transactional hedging which means that it will undertake short-term hedging transactions to cover the timing risk between raw material purchases and sales of metal and to cover its exposure on fixed-price forward sales of metal to customers. From time to time, Nyrstar may also decide to enter into certain strategic metal price hedges to lock prices that are considered as favorable and providing price certainty to the Company's operations that may otherwise face difficulties related to their liquidity and profitability in a reasonably possible pricing decline.
Forward price risk		
Nyrstar is exposed to the shape of the forward price curve for underlying metal prices.	The volatility in the London Metal Exchange price creates differences between the average price we pay for the contained metal and the price we receive for it.	Nyrstar engages in transactional hedging which means that it will undertake short-term hedging transactions to cover the timing risk between raw material purchases and sales of metal and to cover its exposure on fixed-price forward sales of metal to customers. From time to time, Nyrstar may also decide to enter into certain strategic metal price hedges to lock prices that are considered as favorable and providing price certainty to the Company's operations that may otherwise face difficulties related to their liquidity and profitability in a reasonably possible pricing decline.
Foreign Currency Exchange rate risk		
Nyrstar is exposed to the effects of exchange rate fluctuations.	Movement of the U.S. Dollar, the Australian Dollar, Canadian Dollar, Swiss Franc, the Peruvian Sol, the Mexican Peso or other currencies in which Nyrstar's costs are denominated against the Euro could adversely affect Nyrstar's profitability and financial position.	Nyrstar has not entered and does not currently intend to enter into transactions that seek to hedge or mitigate its exposure to exchange rate fluctuations, other than short-term hedging transactions to cover the timing risk between concentrate purchases and sales of metal and to cover its exposure on fixed-price forward sales of metal to customers.
Interest rate risk & leverage risk		
Nyrstar is exposed to interest rate risk primarily on loans and borrowings. Nyrstar is exposed to risks inherent with higher leverage and compliance with debt covenants.	Changes in interest rates may impact primary loans and borrowings by changing the levels of required interest payments. Nyrstar's indebtedness increased significantly in 2011 in order to finance its expansion into mining and is now subject to risks inherent with higher leverage and compliance with debt covenants. Breaches in debt covenants will jeopardize the financing structure of Nyrstar.	Nyrstar's interest rate risk management policy is to limit the impact of adverse interest rate movements through the use of interest rate management tools. Debt covenants and required head room are monitored by Nyrstar on an on-going basis.
Credit risk		
Nyrstar is exposed to the risk of non-payment from any counterparty in relation to sales of goods and other transactions.	Group cash flows and income may be impacted by non-payment.	Nyrstar has determined a credit policy with credit limit requests, use of credit enhancements such as letters of credit, approval procedures, continuous monitoring of the credit exposure and dunning procedure in case of delays.
Liquidity risk		
Nyrstar requires a significant amount of cash to finance its debt, and fund its acquisitions, its capital investments and its growth strategy. Liquidity risk arises from the possibility that Nyrstar will not be able to meet its financial obligations as they fall due.	Liquidity is negatively impacted and this may have a material adverse effect on the funding of operations, capital investments, the growth strategy and the financial condition of the Company.	Liquidity risk is addressed by maintaining a sufficient degree of diversification of funding sources as determined by management, detailed, periodic cash flow forecasting and conservatively set limits on permanently to be available headroom liquidity as well as maintaining ongoing readiness to access financial markets within a short period of time.
Treatment charge (TC) risk		
Despite its further integration into mining, Nyrstar's results remain correlated to the levels of TCs that it charges zinc miners to refine their zinc concentrates and lead miners to refine their lead concentrates. TCs are cyclical in nature.	A decrease in TCs can be expected to have a material adverse effect on Nyrstar's business, results of operations and financial condition.	TCs are negotiated on an annual basis. The impact of TC levels is expected to further decrease in the future in line with the implementation of the SSR projects and the Port Pirie Redevelopment.

Energy price risk		
Nyrstar's operating sites, particularly its smelters, are energy intensive, with energy costs accounting for a significant part of its operating costs. Electricity in particular represents a very significant part of its production costs.	Increases in energy, particularly electricity, prices would significantly increase Nyrstar's costs and reduce its margins.	Nyrstar attempts to limit its exposure to short term energy price fluctuations through forward purchases, long term contracts and participation in energy purchasing consortia.

OPERATIONAL RISKS

Description	Impact	Mitigation
Operational risks		
In operating mines, smelters and other production facilities, Nyrstar is required to obtain and comply with licenses to operate. In addition Nyrstar is subject to many risks and hazards, some of which are out of its control, including: unusual or unexpected geological or climatic events; natural catastrophes, interruptions to power supplies; congestion at commodities transport terminals; industrial action or disputes; civil unrest, strikes, workforce limitations, technical failures, fires, explosions and other accidents; delays and other problems in major investment projects (such as the ramping-up of mining assets).	Nyrstar's business could be adversely affected if Nyrstar fails to obtain, maintain or renew necessary licenses and permits, or fails to comply with the terms of its licenses or permits. The impact of these risks could result in damage to, or destruction of, properties or processing or production facilities, may reduce or cause production to cease at those properties or production facilities. The risks may further result in personal injury or death, environmental damage, business interruption, monetary losses and possible legal litigation and liability. Negative publicity, including that generated by non- governmental bodies, may further harm Nyrstar's operations. Nyrstar may become subject to liability against which Nyrstar has not insured or cannot insure, including those in respect of past activities. Should Nyrstar suffer a major uninsured loss, future earnings could be materially adversely affected.	Nyrstar's process risk management system incorporating assessment of safety, environment, production and quality risks, which includes the identification of risk control measures, such as preventative maintenance, critical spares inventory and operational procedures. Corporate Social Responsibility and the Nyrstar Foundation projects enable Nyrstar to work closely with local communities to maintain a good relationship. Nyrstar currently has insurance coverage for its operating risks associated with its zinc and lead smelters and mining operations which includes all risk property damage (including certain aspects of business interruption), operational and product liability, marine stock and transit and directors' and officers' liability.
Supply risk		
Nyrstar is dependent on a limited number of suppliers for zinc and lead concentrate. Nyrstar is partially dependent on the supply of zinc and lead secondary feed materials. In addition Nyrstar's mining and smelting operations in developing or emerging countries are dependent on reliable energy supply.	A disruption in supply could have a material adverse effect on Nyrstar's production levels and financial results. Unreliable energy supply at any of the mining and smelting operations requires appropriate emergency supply or will result in significant ramp up costs after a major power outage.	Nyrstar management is taking steps to secure raw materials from other sources, increase its flexibility to treat varying qualities of raw material and secondary materials. Nyrstar is continuously monitoring the energy market worldwide. This includes also considering alternate energy supply, e.g. wind power at mine sides.
Environmental, health & safety risks		
Nyrstar operations are subject to stringent environmental and health laws and regulations, which are subject to change from time to time. Nyrstar's operations are also subject to climate change legislation.	If Nyrstar breaches such laws and regulations, it may incur fines or penalties, be required to curtail or cease operations, or be subject to significantly increased compliance costs or significant costs for rehabilitation or rectification works.	Safety is one of the core values of Nyrstar, and currently it is implementing common safety policies across all sites along with corresponding health and safety audits. Nyrstar pro-actively monitors changes to environmental, health and safety laws and regulations.

International operations risk		
Nyrstar's mining and smelting operations are located in jurisdictions, including developing countries and emerging markets that have varying political, economic, security and other risks. In addition Nyrstar is exposed to nationalism and tax risks by virtue of the international nature of its activities.	These risks include, amongst others, the destruction of property, injury to personnel and the cessation or curtailment of operations, war, terrorism, kidnappings, civil disturbances and activities of governments which limit or disrupt markets and restrict the movement of funds or suppliers. Political officials may be prone to corruption or bribery, which violates Company policy and adversely affects operations.	Nyrstar performs a thorough risk assessment on a country-by-country basis when considering its investment activities. In addition Nyrstar attempts to conduct its business and financial affairs focusing to minimize to the extent reasonably practicable the political, legal, regulatory and economic risks applicable to operations in the countries where Nyrstar operates.
Reserves and resource risk		
Nyrstar's future profitability and operating margins depend partly upon Nyrstar's ability to access mineral reserves that have geological characteristics enabling mining at competitive costs. This is done by either conducting successful exploration and development activities or by acquiring properties containing economically recoverable reserves.	Replacement reserves may not be available when required or, if available, may not be of a quality capable of being mined at costs comparable to existing mines.	Nyrstar utilises the services of appropriately qualified experts to ascertain and verify the quantum of reserves and resources including ore grade and other geological characteristics under relevant global standards for measurement of mineral resources.
Project execution risk		
Nyrstar's growth strategy relies in part on the implementation of the Port Pirie Redevelopment and SSR programme of projects.	Delay, technical issues or cost overruns in these projects could adversely impact the original business cases which justified these projects and impact Nyrstar's financial position.	These risks are being careful managed by a dedicated technical/project team in smelting (including external resources where needed). All investments leverage internal know how "off the shelf" technology or a different application of an existing technology.

3. Important Events which Occurred after the End of the Financial year

Please refer to Note 41 (subsequent events) in the IFRS Financial Statements.

4. Information regarding the Circumstances that could significantly affect the Development of the Group

No information regarding the circumstances that could significantly affect the development of the Company are to be mentioned. The principal risks and uncertainties facing the Group are covered in section 2 of this report.

5. Research and Development

The Group undertakes research and development through a number of activities at various production sites of the Group.

6. Financial Risks and Information regarding the use by the Company of Financial Instruments to the extent relevant for the evaluation of its Assets, Liabilities, Financial Position and Results

Please refer to Note 3 (Significant accounting policies), Note 5 (Financial risk management) and Note 34 (Financial instruments) in the IFRS Financial Statements.

7. Information provided in accordance with Article 624 of the Belgian Company Code

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

During 2015 the Group settled its LTIP Grants and Deferred Shares Awards. A total of 92,832 shares (2014: 204,152) were allocated to the employees as a part of this settlement.

In 2014 Nyrstar sold 2,500,000 shares to a financial institution and to the participants in relation with the LESOP (Note 32), for a cash consideration of EUR 4.9 million.

In September 2014 Nyrstar sold the subscription rights related of its treasury shares held at the time of the capital increase. The consideration received of EUR 7.7 million was recognised directly in accumulated losses.

Issued shares	**2015**	**2014**
Shares outstanding	327,473,863	327,381,031
Treasury shares	12,571,225	12,664,057
As at 31 Dec	**340,045,088**	**340,045,088**

Movement in shares outstanding	**2015**	**2014**
As at 1 Jan	327,381,031	154,684,113
Capital increase	-	170,022,544
Purchases of treasury shares	-	(29,778)
Sales of treasury shares	-	2,500,000
Employee share based payment plan	92,832	204,152
As at 31 Dec	**327,473,863**	**327,381,031**

Movement in treasury shares	**2015**	**2014**
As at 1 Jan	12,664,057	15,338,431
Purchases	-	29,778
Sales	-	(2,500,000)
Employee share based payment plan	(92,832)	(204,152)
As at 31 Dec	**12,571,225**	**12,664,057**

On 18 January 2016, Nyrstar's extraordinary general meeting approved the cancellation of all treasury shares. Following the cancellation the Company does not hold any treasury shares.

8. Information provided in accordance with Articles 523 and 524 of the Belgian Company Code

Directors are expected to arrange their personal and business affairs so as to avoid conflicts of interest with the Company. Any director with a conflicting financial interest (as contemplated by article 523 of the Belgian Company Code) on any matter before the Board of Directors must bring it to the attention of both the statutory auditor and fellow directors, and take no part in any deliberations or voting related thereto. Provision 1.4 of the corporate governance charter sets out the procedure for transactions between Nyrstar and the directors which are not covered by the legal provisions on conflicts of interest. Provision 3.2.4 of the corporate governance charter contains a similar procedure for transactions between Nyrstar and members of the management committee (other than the Chief Executive Officer).

The provisions of article 523 of the Belgian companies code have been complied with in relation to the key terms of the proposed indemnification agreement between the Company and Mr Cox and the proposed indemnification agreement between the Company and Mr Konig at the Board meeting on 17 June 2015.

An excerpt from such meeting is set out below:

Prior to the deliberation and approval of the indemnification agreements to be entered into between Mr Cox and the Company on the one hand and between Mr Konig and the Company on the other hand (the "Indemnification Agreements"), both Mr Cox and Mr Konig made the following statements, as far as necessary and applicable in accordance with Article 523 of the Belgian Company Code. Mr Cox and Mr Konig explained that pursuant to the Indemnification Agreements, in the event they were to incur a liability in the performance of each mandate as a director of the Company, they would benefit from an indemnification by the Company against the financial damages and other costs in connection with such liability. As a result, under Article 523 of the Belgian Company Code, they both have an interest of a financial nature that could be in conflict with the proposed approval by the Board of the Indemnification Agreements. Mr Cox and Mr Konig further stated that they believed that the terms of the proposed Indemnification Agreements are not unusual or uncustomary, especially within the context of listed companies, and that the Company's Statutory Auditors would be advised of the potential conflict of interest.

Subsequently, Mr Cox and Mr Konig both left the meeting at 10:30PM so as not to take part in the further deliberation and decision relating to the Indemnification Agreements to be entered into with them.

The remaining directors of the Board noted the declarations by Mr Cox and Mr Konig and subsequently, in accordance with Article 523 of the Belgian Company Code, proceeded with the deliberations on this declaration. The Board noted that the purpose of the Indemnification Agreements is to indemnify the directors against financial damages and other costs in connection with a liability that each would incur in the exercise of their mandate as a director of the Company. In order to attract and retain qualified individuals as director, the Board believed it is reasonable, prudent and necessary for the Company to contractually obligate itself to provide such indemnification. In addition, the Board noted the existence of indemnification agreements between publicly listed companies and their directors is consistent with market practice. Furthermore, the Board noted that pursuant to Article 21 of the Company's articles of association, the Board may enter into indemnification arrangements with the directors and take out directors and officers insurance coverage. The Board also noted that financial consequences would only accrue to the Company under the Indemnification agreement in the event that a claim was made against a director in relation to which the director was entitled to indemnification under the Indemnification Agreement and the claim was not otherwise insured. No such claim currently existed. In addition, the indemnification would not apply in certain instances, such as in the event of fraud or wilful misconduct by the director concerned, and to the extent the indemnification would apply to the payment of criminal fines. Accordingly the Board deemed the Indemnification Agreements to be in the interest of the Company.

Following discussion, the Board (with the exclusion of Mr Cox and Mr Konig) unanimously **RESOLVED** that:

(a) the Indemnification Agreements be **APPROVED**;

(b) the Company enter into, execute and deliver the Indemnification Agreement; and

(c) the Indemnification Agreement be executed and ratified, as far as necessary, on behalf of the Company by the signature of the Chairman.

To the knowledge of the Company, there are, on the date of this report, no potential conflicts of interests between any duties to the Company's directors and their private interests and/or other duties, except that Mr. Cox is a member of the Supervisory Committee of Trafigura Group Pte. Ltd.

There is no information regarding a conflict of interest in accordance with article 524 of the Belgian Company Code.

9. Audit Committee

The Audit Committee consists of four non-executive members of the Board, of which three are independent members of the Board of Directors and one is non-independent. The members of the Audit Committee have sufficient expertise in financial matters to discharge their functions. The Chairman of the Audit Committee is competent in accounting and auditing as evidenced by his previous roles as Chief Financial Officer of the Belgacom Group, Chief Financial Officer of Matav and Chief Financial Officer of Ameritech International.

10. Information that have an Impact in the Event of Public Takeovers Bids

The Company provides the following information in accordance with article 34 of the Royal Decree dated 14 November 2007:

(i) At the date of this report, the share capital of the Company amounts to EUR 34,004,508.88 and is fully paid-up. It is represented by 327,473,863 shares, each representing a fractional value of EUR 0.10 or one 327,473,863th of the share capital. The Company's shares do not have a nominal value.

(ii) Other than the applicable Belgian legislation on the disclosure of significant shareholdings and the Company's articles of association, there are no restrictions on the transfer of shares.

(iii) There are no holders of any shares with special control rights.

(iv) The awards granted to employees under the Nyrstar Long Term Incentive Plan (LTIP) will vest upon determination by the nomination and remuneration committee.

(v) Each shareholder of Nyrstar is entitled to one vote per share. Voting rights may be suspended as provided in the Company's articles of association and the applicable laws and articles.

(vi) There are no agreements between shareholders which are known by the Company and may result in restrictions on the transfer of securities and/or the exercise of voting rights.

(vii) The rules governing appointment and replacement of Board members and amendment to articles of association are set out in the Company's articles of association and the Company's corporate governance charter.

(viii) The powers of the Board of Directors, more specifically with regard to the power to issue or redeem shares are set out in the Company's articles of association. The Board of Directors was not granted the authorization to purchase its own shares "to avoid imminent and serious danger to the Company" (i.e., to defend against public takeover bids). The Company's articles of association of association do not provide for any other specific protective mechanisms against public takeover bids.

(ix) At the date of the report, the Company is a party to the following significant agreements which, upon a change of control of the Company or following a takeover bid can enter into force or, subject to certain conditions, as the case may be, can be amended, be terminated by the other parties thereto or give the other parties thereto (or beneficial holders with respect to bonds) a right to an accelerated repayment of outstanding debt obligations of the Company under such agreements:

- Nyrstar's Revolving Structured Commodity Trade Finance Credit Facility;
- 2019 High Yield Bond (Indenture);
- 5.375% senior unsecured fixed rate non-convertible bonds due 2016;
- 4.25% senior unsecured convertible bonds due 2018;
- The USD 150 million zinc prepayment arranged by Deutsche Bank AG dated 30 December 2015;
- The USD 125 million uncommitted facility agreement dated 25 May 2012 between Nyrstar Sales & Marketing AG and the Royal Bank of Scotland plc, Belgium Branch as amended from time to time;
- Nyrstar's committed EUR 100 million bilateral credit facility with KBC Bank;
- The USD 50 million uncommitted credit facility between Nyrstar Sales & Marketing AG and HSBC Trinkaus & Burkhardt AG;
- The USD 40 million framework agreement for credit products between Nyrstar Sales & Marketing AG and Credit Suisse AG;
- Nyrstar's silver prepay with Macquarie bank;
- Silver forward purchase agreement (Hydra);

- Common terms deed with the Treasurer of South Australia;
- Nyrstar's committed EUR 16 million bilateral credit facility with KBC Bank;
- Nyrstar's uncommitted EUR 1 million bilateral credit facility with The Royal Bank of Scotland NV; and
- Nyrstar's off-take agreement with the Glencore Group.

(x) The Chief Executive Officer is currently entitled to a 12-month salary payment in case his employment is terminated upon a change of control of the Company.

No takeover bid has been instigated by third parties in respect of the Company's equity during the previous financial year and the current financial year.

Done at Brussels on 3 February 2016.

On behalf of the Board of Directors,

Julien De Wilde	William A. Scotting
Director	Director

STATEMENT OF RESPONSIBILITY

STATEMENT OF RESPONSIBILITY

The undersigned, William A. Scotting, Chief Executive Officer and Christopher Eger, Chief Financial Officer, declare that, to the best of their knowledge, the consolidated financial statements for the year ended 31 December 2015, which has been prepared in accordance with the International Financial Reporting Standards as adopted by the European Union and with the legal requirements applicable in Belgium, give a true and fair view of the assets, liabilities, financial position and profit or loss of Nyrstar NV and the entities included in the consolidation, and that the consolidated management report includes a true and fair overview of the development and the performance of the business and of the position of Nyrstar NV, and the entities included in the consolidation, together with a description of the principal risks and uncertainties which they are exposed to.

Brussels, 3 February 2016

William A. Scotting	Christopher Eger
Chief Executive Officer	Chief Financial Officer

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Nyrstar Consolidated Financial Statements

31 December 2015

CONSOLIDATED INCOME STATEMENT

EUR million	Note	2015	2014
Revenue	7	**3,139.1**	**2,798.8**
Raw materials used		(1,725.5)	(1,410.7)
Freight expense		(77.9)	(95.4)
Gross profit		**1,335.7**	**1,292.7**
Other income	22	7.9	49.2
Employee benefits expense	10	(395.0)	(410.9)
Energy expenses		(263.9)	(277.2)
Stores and consumables used		(178.7)	(176.7)
Contracting and consulting expense		(150.5)	(137.7)
Other expense	13	(85.6)	(58.2)
Depreciation, depletion and amortisation	14,15,19	(251.3)	(257.4)
Result from operating activities before exceptional items		**18.6**	**23.8**
M&A related transaction expense	9	-	(0.2)
Restructuring expense	28	(15.9)	(5.3)
Impairment loss	16	(567.8)	(255.1)
Impairment reversal	16	3.8	-
Result from operating activities		**(561.3)**	**(236.8)**
Finance income	11	1.4	2.1
Finance expense	11	(116.8)	(113.9)
Net foreign exchange gain	11	0.1	4.2
Net finance expense		**(115.3)**	**(107.6)**
Share of loss of equity accounted investees	17	(0.1)	(0.4)
Gain on the disposal of equity accounted investees	17	-	1.0
Loss before income tax		**(676.7)**	**(343.8)**
Income tax benefit	12	244.8	57.2
Loss for the year		**(431.9)**	**(286.6)**
Attributable to:			
Equity holders of the parent		(431.9)	(286.6)
Non-controlling interest		-	-
Loss per share for loss attributable to the equity holders of the Company during the period (expressed in EUR per share)			
basic	33	(1.32)	(1.22)
diluted	33	(1.32)	(1.22)

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE LOSS

EUR million	Note	2015	2014
Loss for the year		**(431.9)**	**(286.6)**
Other comprehensive income			
Items that may be reclassified to profit:			
Foreign currency translation differences		63.3	106.0
Gains on cash flow hedges	20	34.7	18.4
Transfers to the income statement		0.5	0.7
Income tax expense	12	(10.1)	(3.8)
Change in fair value of investments in equity securities	18	0.9	0.7
Items that will not be reclassified to profit:			
Remeasurements of defined benefit plans	29	4.0	(10.6)
Income tax (expense) / benefit	12	(0.6)	2.5
Other comprehensive income for the year, net of tax		**92.7**	**113.9**
Total comprehensive loss for the year		**(339.2)**	**(172.7)**
Attributable to:			
Equity holders of the parent		(339.2)	(172.7)
Non-controlling interest		-	-
Total comprehensive loss for the year		**(339.2)**	**(172.7)**

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

EUR million	Note	as at 31 Dec 2015	as at 31 Dec 2014
Property, plant and equipment	14	1,607.8	1,917.3
Intangible assets	15	11.3	14.0
Investments in equity accounted investees	17	3.4	15.8
Investments in equity securities	18	20.9	28.2
Zinc purchase interest	19	-	-
Deferred income tax assets	12	349.3	181.5
Other financial assets	20	84.9	31.5
Other assets	22	3.8	2.5
Total non-current assets		**2,081.4**	**2,190.8**
Inventories	21	506.1	625.6
Trade and other receivables	23	218.1	201.4
Prepayments and deferred expenses		12.5	15.9
Current income tax assets		14.6	11.2
Other financial assets	20	60.0	39.6
Other assets	22	5.0	1.0
Cash and cash equivalents	24	116.2	498.5
Total current assets		**932.5**	**1,393.2**
Total assets		**3,013.9**	**3,584.0**

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

Consolidated Financial Statements

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

EUR million	Note	as at 31 Dec 2015	as at 31 Dec 2014
Share capital and share premium	25	1,892.0	1,892.7
Reserves	26	(9.2)	(120.3)
Accumulated losses		(1,239.2)	(817.1)
Total equity attributable to equity holders of the parent		**643.6**	**955.3**
Total equity		**643.6**	**955.3**
Loans and borrowings	27	460.3	862.2
Deferred income tax liabilities	12	87.2	158.0
Provisions	28	199.7	214.9
Employee benefits	29	84.4	86.8
Other financial liabilities	20	134.5	0.1
Deferred income	31	79.8	89.5
Total non-current liabilities		**1,045.9**	**1,411.5**
Trade and other payables	30	613.4	610.5
Current income tax liabilities		6.1	8.1
Loans and borrowings	27	417.0	74.6
Provisions	28	12.7	12.0
Employee benefits	29	43.8	58.4
Other financial liabilities	20	17.4	27.9
Deferred income	31	214.0	425.3
Other liabilities	22	-	0.4
Total current liabilities		**1,324.4**	**1,217.2**
Total liabilities		**2,370.3**	**2,628.7**
Total equity and liabilities		**3,013.9**	**3,584.0**

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

EUR million	Note	Share capital	Share premium	Reserves	Accumulated losses	Total amount attributable to shareholders	Non-controlling interest	Total equity
As at 1 Jan 2015		**960.9**	**931.8**	**(120.3)**	**(817.1)**	**955.3**	**-**	**955.3**
Loss for the year		-	-	-	(431.9)	(431.9)	-	(431.9)
Other comprehensive income		-	-	89.3	3.4	92.7	-	92.7
Total comprehensive loss		-	-	89.3	(428.5)	(339.2)	-	(339.2)
Capital decrease		-	(0.7)	-	-	(0.7)	-	(0.7)
Treasury shares		-	-	-	0.2	0.2	-	0.2
Issuance of perpetual instrument	26	-	-	21.8	-	21.8	-	21.8
Share-based payments		-	-	-	6.2	6.2	-	6.2
As at 31 Dec 2015		**960.9**	**931.1**	**(9.2)**	**(1,239.2)**	**643.6**	**-**	**643.6**

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

Consolidated Financial Statements

EUR million	Note	Share capital	Share premium	Reserves	Accumulated losses	Total amount attributable to shareholders	Non-controlling interest	Total equity
As at 1 Jan 2014		**1,297.6**	**352.1**	**(274.5)**	**(505.6)**	**869.6**	**-**	**869.6**
Loss for the year		-	-	-	(286.6)	(286.6)	-	(286.6)
Other comprehensive loss		-	-	122.0	(8.1)	113.9	-	113.9
Total comprehensive loss		-	-	122.0	(294.7)	(172.7)	-	(172.7)
Capital increase		17.0	226.0	-	-	243.0	-	243.0
Change in par value	25	(353.7)	353.7	26.4	(26.4)	-	-	-
Treasury shares		-	-	5.8	7.3	13.1	-	13.1
Share-based payments		-	-	-	2.3	2.3	-	2.3
As at 31 Dec 2014		**960.9**	**931.8**	**(120.3)**	**(817.1)**	**955.3**	**-**	**955.3**

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

Consolidated Financial Statements

CONSOLIDATED STATEMENT OF CASH FLOWS

EUR million	Note	2015	2014
Loss for the year		(431.9)	(286.6)
Adjustment for:			
Depreciation, depletion and amortisation	14,15,19	251.3	257.4
Income tax benefit	12	(244.8)	(57.2)
Net finance expense	11	115.3	107.6
Share of loss in equity accounted investees	17	0.1	0.4
Impairment loss (net)	16	564.0	255.1
Equity settled share based payment transactions		4.7	4.8
Other non-monetary items		(20.7)	(36.7)
Gain on disposal of equity accounted investees	17	-	(1.0)
Gain on sale of property, plant and equipment	14	(2.6)	(0.8)
Cash flow from operating activities before working capital changes		**235.4**	**243.0**
Change in inventories		180.8	(42.5)
Change in trade and other receivables		3.6	(7.6)
Change in prepayments and deferred expenses		(0.2)	4.2
Change in deferred income		(275.2)	164.7
Change in trade and other payables		(55.8)	62.7
Change in other assets and liabilities		(50.0)	(80.6)
Change in provisions and employee benefits		(32.0)	2.2
Income tax paid		(13.3)	(35.0)
Cash flow (used in) / from operating activities		**(6.7)**	**311.1**
Acquisition of property, plant and equipment	14	(400.9)	(272.6)
Acquisition of intangible assets	15	(0.5)	(2.9)
Proceeds from sale of property, plant and equipment		4.2	4.0
Proceeds from sale of intangible assets		2.4	1.3
Proceeds from sale of equity accounted investees	17	-	3.3
Interest received		1.2	2.0
Cash flow used in investing activities		**(393.6)**	**(264.9)**
Capital increase		-	243.0
Issue of perpetual instrument	26	21.8	-
Sale of own shares	25	-	12.6
Proceeds from borrowings		15.4	340.1
Repayment of borrowings		(81.3)	(371.2)
Proceeds from zinc prepayment	20	132.0	-
Interest paid		(101.4)	(101.8)
Cash flow (used in) / from financing activities		**(13.5)**	**122.7**
Net (decrease) / increase in cash held		**(413.8)**	**168.9**
Cash at the beginning of the year	24	498.5	292.3
Exchange fluctuations		31.5	37.3
Cash at the end of the year	24	**116.2**	**498.5**

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

Notes to the Consolidated Financial Statements

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1. Reporting entity

Nyrstar NV (the "Company") is an integrated mining and metals business, with market leading positions in zinc and lead, and growing positions in other base and precious metals. Nyrstar has mining, smelting, and other operations located in Europe, Australia, Canada, the United States and Latin America. Nyrstar is incorporated and domiciled in Belgium and has its corporate office in Switzerland. The address of the Company's registered office is Zinkstraat 1, 2490 Balen, Nyrstar is listed on NYSE Euronext Brussels under the symbol NYR. For further information please visit the Nyrstar website, www.nyrstar.com.

The consolidated financial statements of the Company as at and for the year ended 31 December 2015 comprise the Company and its subsidiaries (together referred to as "Nyrstar" or the "Group" and individually as "Group entities") and the Group's interest in associates and jointly controlled entities. The consolidated financial statements were authorised for issue by the board of directors of Nyrstar NV on 3 February 2016.

2. Basis of preparation

(a) Statement of compliance

The consolidated financial statements of Nyrstar are prepared in accordance with International Financial Reporting Standards as adopted by the European Union. These include International Financial Reporting Standards (IFRS) and the related interpretations issued by the International Accounting Standards Board (IASB), and the IFRS Interpretations Committee (IFRIC), effective at the reporting date and adopted by the European Union.

(b) Going concern

At the date of authorisation of the 31 December 2015 consolidated financial statements, the Company is of the opinion that, taking into account its available cash and cash equivalents (including undrawn committed facilities), the net proceeds from the intended rights offering (Note 38), an assumed zinc price of USD1,600 per tonne (consistent with current spot prices) and continued operation 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 the authorisation of the 31 December 2015 consolidated financial statements.

The Company has two principal financial covenants, that are linked to total consolidated tangible net worth and net debt to equity. Compliance with the covenants is particularly sensitive to movements in commodity prices and exchange rates as well as tangible and intangible asset impairments due to their effect on the Company's profit or loss for the year and hence on the Company's equity. Whilst the Company is in compliance with the covenants as at 31 December 2015, there is limited financial flexibility without including net proceeds from the intended rights offering. In the event the planned rights offering is not completed, or there is a significant deterioration in commodity prices, or if mining assets are sold significantly below carrying values or further impaired, there is a material uncertainty the Company will remain compliant with the financial covenants for the period of at least 12 months from the date of authorising the financial statements. In the event of a breach of covenants, the Company would need to request a waiver from the relevant lenders. In the absence of the Company being able to remedy the breach, the outstanding balances of the relevant liabilities would become due. As at 31 December 2015 the amount of liabilities subject to the covenants amounted to EUR 294.5 million. Additionally, a breach of the covenants may result in a cross default of other liabilities.

The Company has a significant amount of outstanding debt, of which EUR 415 million matures in May 2016. Significant further deterioration in commodity prices over the period of 12 months from the approval of the financial statements, would present a challenge for the Company to generate sufficient cash flows to continue to fund its operations. Should the zinc price decrease below USD 1,350 per tonne and applying the same assumptions noted above, the Company would be required to implement additional measures which include, changing its current business plans and strategy, reviewing currently scheduled investment programs and introducing further cost cutting programs. In addition, the Company is exploring additional funding options, including, but not limited to advanced payments for future delivery of commodities or accessing the bond markets. There is a risk the Company will be required to dispose some of its assets (in particular the mining assets) at prices below fair market value, and below current carrying values. Significant losses on the sale of the mining assets has the potential of resulting in a covenant breach.

Management acknowledges uncertainty remains over the ability of the Company to meet its funding requirements and requirements to repay its bonds in May 2016. However, as described above, Management expects the rights offering will be completed in February 2016 on the basis it is underwritten by Trafigura and Deutsche Bank and KBC Securities, and will enable the Company to have adequate resources to continue in operational existence for the foreseeable future. As such, the 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) Basis of measurement

The consolidated financial statements have been prepared under the historical cost basis except for derivative financial instruments (note 20), financial instruments at fair value through profit or loss (note 20), and available-for-sale financial assets (note 18).

(d) Functional and presentational currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the 'functional' currency). The consolidated financial statements are presented in EUR which is the Company's functional and presentation currency. All financial information has been rounded to the nearest hundred thousand EUR.

(e) Use of estimates and judgements

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgements in the process of applying Nyrstar's accounting policies. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. Critical accounting estimates and judgements are disclosed in note 4.

(f) Standards, amendments and interpretations

The following new and revised standards and interpretations, effective as of 1 January 2015, have been adopted in the preparation of the consolidated financial statements:

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

IFRIC 21 provides guidance on when to recognize a liability for a levy imposed by a government, both for levies that are accounted for in accordance with IAS 37 Provisions, Contingent Liabilities and Contingent Assets and those where the timing and amount of the levy is certain. The Interpretation identifies the obligating event for the recognition of a liability as the activity that triggers the payment of the levy in accordance with the relevant legislation. IFRIC 21 has been applied retrospectively and affected presentation only with no impact on the Group's reported financial position or performance.

Notes to the consolidated financial statements

Annual Improvements to IFRSs 2011 - 2013 Cycle

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

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

The adoption of the annual improvement 2011-2013 cycle did not have a material impact on the Group

The following new standards, amendments of standards and interpretations have been issued but are not effective for the financial year beginning 1 January 2015 and have not been early adopted:

New or revised standards

- IFRS 9 – Financial Instruments (as revised in 2014)
- IFRS 14 – Regulatory Deferral Accounts
- IFRS 15 – Revenue from Contracts with Customers
- IFRS 16 – Leases (issued on 13 January 2016)

The above new or revised standards are not yet endorsed for use in the European Union.

Amendments to existing standards and interpretations

- Amendments to IAS 1 – Disclosure Initiative
- Amendments to IAS 16 and IAS 38 – Clarification of Acceptable Methods of Depreciation and Amortisation
- Amendments to IAS 16 and IAS 41 – Agriculture: Bearer Plants
- Amendments to IAS 19 – Defined Benefit Plans: Employee Contributions
- Amendments to IAS 27 – Equity Method in Separate Financial Statements
- Amendments to IFRS 10 and IAS 28 – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
- Amendments to IFRS 10, IFRS 12 and IAS 28 – Investment Entities: Applying the Consolidation Exception
- Amendments to IFRS 11 – Accounting for Acquisitions of Interests in Joint Operations
- Annual Improvements to IFRSs 2010 - 2012 Cycle
- Annual Improvements to IFRSs 2012 - 2014 Cycle

The Amendments to IAS 19 and the Annual Improvements to IFRSs 2010 - 2012 Cycle were endorsed by the European Union effective for periods beginning on or after 1 February 2015. The Amendments to IFRS 10 and IAS 28 – Sale and Combination of Assets, and the Amendments to IFRS 10, IFRS 12 and IAS 28 – Investment Entities: Applying the Consolidation Exception, have not yet been endorsed for use in the European Union. All other amendments to existing standards and interpretations were endorsed by the European Union and effective for periods beginning on or after 1 January 2016. The Directors are currently evaluating the impact these new and revised standards may have on the financial statements of the Group.

3. Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements and have been applied consistently by the Group entities.

(a) Basis of consolidation

Subsidiaries

Subsidiaries are all entities over which the Group has control. The Group controls another entity, when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. When the company has less than a majority of the voting rights, it has power over another entity when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the other entity unilaterally. The Group considers all relevant facts and circumstances in assessing whether or not the Group's voting rights in the other entity are sufficient to give it power. The Group reassesses whether or not it controls another entity if facts and circumstances indicate that there are changes to one or more of the three elements of control. Subsidiaries are fully consolidated from the date on which control is transferred to the Group until the date that the control ceases.

Business Combinations

The purchase method of accounting is used to account for the acquisition of subsidiaries in these consolidated financial statements. The assets, liabilities and contingent liabilities of the acquired entity are measured at their fair values at the date of acquisition. Provisional fair values allocated at a reporting date are finalised within twelve months of the acquisition date. The cost of acquisition is measured as the fair value of assets transferred to, shares issued to or liabilities undertaken on behalf of the previous owners at the date of acquisition. Acquisition-related costs are expensed in the period in which the costs are incurred and the services received.

The excess of the cost of acquisition over Nyrstar's share of the fair value of the net assets of the entity acquired is recorded as goodwill. If Nyrstar's share in the fair value of the net assets exceeds the cost of acquisition, the excess is recognised immediately in the income statement.

Investments in associates and joint arrangements

Associates are those entities in which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies. Significant influence is presumed to exist when the Group holds between 20 and 50 percent of the voting power of another entity.

Joint arrangements are those arrangements of which the Group has joint control, established by contractual agreement and requiring unanimous consent for decisions about the relevant activities. Associates and joint ventures are accounted for using the equity method (equity accounted investees) and are initially recorded at cost. The Group's investment includes goodwill identified on acquisition, net of any accumulated impairment losses.

The consolidated financial statements include the Group's share of the income and expense and equity movements of equity accounted investees, after adjustments to align the accounting policies with those of the Group, from the date that significant influence or joint control commences until the date that significant influence or joint control ceases.

When the Group's share of losses exceeds its interest in an equity accounted investee, the carrying amount of that interest (including any long-term investments) is reduced to nil and the recognition of further losses is discontinued except to the extent that the Group has an obligation to or has made payments on behalf of the investee.

When a group entity undertakes its activities under joint operations, the Group as a joint operator recognises in relation to its interest in the joint operation: (a) its assets, including its share of any assets held jointly; (b) its liabilities, including its share of any liabilities incurred jointly; (c) its revenue from the sale of its share of the output arising from the joint operation; (d) its share of the revenue from the sale of the output by the joint operation; and (e) its expenses, including its share of any expenses incurred jointly. The accounting

treatment for the assets, liabilities, revenues and expenses are accounted for by the Group in accordance with its accounting policies and IFRSs applicable to the particular assets, liabilities, revenues and expenses.

Non-controlling interests

Non-controlling interests (NCI) in the net assets (excluding goodwill) of consolidated subsidiaries are identified separately from the Group's equity therein. NCI consist of the amount of those interests at the date of the original business combination (see below) and the NCI's share of changes in equity since the date of the combination.

Transactions eliminated on consolidation

The consolidated financial statements include the consolidated financial information of the Nyrstar Group entities. All intercompany balances and transactions with consolidated businesses have been eliminated. Unrealised gains and losses arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. The Group accounts for the elimination of the unrealised profits resulting from intercompany transactions between the mining and smelting businesses. These transactions relate to the sales from the mining to the smelting segment which have not been realised externally.

(b) Foreign currency

Foreign currency transactions

Foreign currency transactions are recognised during the period in the functional currency of each entity at exchange rates prevailing at the date of transaction. The date of a transaction is the date at which the transaction first qualifies for recognition. For practical reasons a rate that approximates the actual rate at the date of the transaction is used at some Group entities, for example, an average rate for the week or the month in which the transactions occur.

Monetary assets and liabilities denominated in foreign currencies are translated at the closing rate at the balance sheet date.

Gains and losses resulting from the settlement of foreign currency transactions, and from the translation of monetary assets and liabilities denominated in foreign currencies, are recognised in the income statement.

Foreign operations

The income statement and statement of financial position of each Nyrstar operation that has a functional currency different to EUR is translated into the presentation currency as follows:

- Assets and liabilities are translated at the closing exchange rate at the end of the financial period;
- Income and expense are translated at rates approximating the exchange rates ruling at the dates of the transactions; and
- All resulting exchange differences are recognised as a separate component of equity.

Exchange differences arising from the translation of the net investment in foreign operations are released into the income statement upon disposal.

(c) Financial instruments

Commodity hedging, via the use of metal futures, is undertaken to reduce the Group's exposure to fluctuations in commodity prices in relation to its unrecognised firm commitments arising from fixed price forward sales contracts.

Derivatives are initially recognised at their fair value on the date Nyrstar becomes a party to the contractual conditions of the instrument. The method of recognising the changes in fair value subsequent to initial recognition is dependent upon whether the derivative is designated as a hedging instrument, the nature of the underlying item being hedged and whether the arrangement qualifies for hedge accounting.

Hedge accounting requires the relationship between the hedging instrument and the underlying hedged item, as well as the risk management objective and strategy for undertaking the hedging transaction to be documented at the inception of the hedge. Furthermore, throughout the life of the hedge, the derivative is tested (with results documented) to determine if the hedge has been or will continue to be highly effective in offsetting changes in the fair value or cash flows associated with the underlying hedged item.

Fair value hedges

A hedge of the fair value of a recognised asset or liability or of a firm commitment is referred to as a fair value hedge. Changes in the fair value of derivatives that are designated and qualify as fair value hedges, are recorded in the income statement, together with changes in the fair value of the underlying hedged item attributable to the risk being hedged.

Cash flow hedges

A hedge of the cash flows to be received or paid relating to a recognised asset or liability or a highly probable forecast transaction is referred to as a cash flow hedge. The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised outside of the income statement, directly in other comprehensive income in the hedging reserve. Changes in the fair value of cash flow hedges relating to the ineffective portion are recorded in the income statement. Amounts accumulated in the hedging reserve are recycled through the income statement in the same period that the underlying hedged item is recorded in the income statement. When a hedge no longer meets the criteria for hedge accounting, and the underlying hedged transaction is no longer expected to occur, any cumulative gain or loss recognised in the hedging reserve is transferred to the income statement. When a hedge is sold or terminated, any gain or loss made on termination is only deferred in the hedging reserve where the underlying hedged transaction is still expected to occur.

Derivatives that do not qualify for hedge accounting

Certain derivative instruments do not qualify for hedge accounting. Changes in the fair value of any derivative instrument that does not qualify for hedge accounting are recognised immediately in the income statement. Where an embedded derivative is identified and the derivative's risks and characteristics are not considered to be closely related to the underlying host contract, the fair value of the derivative is recognised on the consolidated statement of financial position and changes in the fair value of the embedded derivative are recognised in the consolidated income statement.

Investments in equity securities

The classification of investments depends on the purpose for which the investments have been acquired. Management determines the classification of investments at initial recognition. These investments are classified as available-for-sale financial assets and are included in non-current assets unless the Group intends to dispose of the investment within 12 months of the balance sheet date.

The fair value of investments in equity securities is determined by reference to their quoted closing bid price at the reporting date. Any impairment charges are recognised in profit or loss, while other changes in fair value are recognised in other comprehensive income. When investments are sold, the accumulated fair value adjustments recognised in other comprehensive income are included in the income statement within 'gain/loss on sale of investments in equity securities'.

Other financial liabilities

Certain commodity prepayment agreements do not qualify for recognition under Nyrstar's normal purchase, sale or usage requirements and are accounted for as financial instruments. These agreements are classified as other financial liabilities and initially recognised at fair value, net of transaction costs incurred, and subsequently carried at amortised cost.

Notes to the consolidated financial statements

(d) Property, plant and equipment

Recognition and measurement

Items of property, plant and equipment are carried at cost less accumulated depreciation and impairment. The cost of self-constructed assets includes the cost of materials, direct labour, and an appropriate proportion of production overheads.

The cost of self-constructed assets and acquired assets include estimates of the costs of closure, dismantling and removing the assets and restoring the site on which they are located and the area disturbed. All items of property, plant and equipment, are depreciated on a straight-line and/or unit of production basis. Freehold land is not depreciated.

Once a mining project has been established as commercially viable, expenditure other than that on land, buildings, plant and equipment is capitalised under 'Mining properties and development' together with any previously capitalised expenditures reclassified from 'Exploration and evaluation (see note 3e).

Useful lives are based on the shorter of the useful life of the asset and the remaining life of the operation, in which the asset is being utilised. Depreciation rates, useful lives and residual values are reviewed regularly and reassessed in light of commercial and technological developments. Changes to the estimated residual values or useful lives are accounted for prospectively in the period in which they are identified.

Depreciation

Straight-line basis

The expected useful lives are the lesser of the life of the assets or as follows:

- Buildings: 40 years
- Plant and equipment: 3 - 25 years

Unit of production basis

- For mining properties and development assets and certain mining equipment, the economic benefits from the asset are consumed in a pattern which is linked to the production level. Such assets are depreciated on a unit of production basis. However, assets within mining operations for which production is not expected to fluctuate significantly from one year to another or which have a physical life shorter than the related mine are depreciated on a straight line basis as noted above.
- In applying the unit of production method, depreciation is normally calculated using the quantity of material extracted from the mine in the period as a percentage of the total quantity of material to be extracted in current and future periods based on proved and probable reserves and, for some mines, other mineral resources. Such non reserve material may be included in depreciation calculations in circumstances where there is a high degree of confidence in its economic extraction.

Where parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

Critical spare parts purchased for particular items of plant, are capitalised and depreciated on the same basis as the plant to which they relate.

Assets under construction

During the construction phase, assets under construction are classified as construction in progress within property, plant and equipment. Once commissioned these assets are reclassified to property, plant and equipment at which time they will commence being depreciated over their useful life.

Mineral properties and mine development costs

The costs of acquiring mineral reserves and mineral resources are capitalised on the statement of financial position as incurred. Capitalised costs representing mine development costs include costs incurred to bring the mining assets to a condition of being capable of operating as intended by management. Mineral reserves and in some instances mineral resources and capitalised mine development costs are depreciated from the commencement of production using generally the unit of production basis. They are written off if the property is abandoned.

Major cyclical maintenance expenditure

Group entities recognise, in the carrying amount of an item of plant and equipment, the incremental cost of replacing a component part of such an item when that cost is incurred if it is probable that the future economic benefits embodied within the item will flow to the Group entity, the cost incurred is significant in relation to the asset and the cost of the item can be measured reliably. Accordingly, major overhaul expenditure is capitalised and depreciated over the period in which benefits are expected to arise (typically three to four years). All other repairs and maintenance are charged to the consolidated income statement during the financial period in which the costs are incurred.

Exploration and evaluation assets

Exploration and evaluation expenditure relates to costs incurred on the exploration and evaluation of potential mineral reserves and resources and includes costs such as exploratory drilling and sample testing and the costs of pre-feasibility studies. Exploration and evaluation expenditure for each area of interest, other than that acquired from the purchase of another mining company, is capitalised as an asset provided that one of the following conditions is met:

- such costs are expected to be recouped in full through successful development and exploration of the area of interest or alternatively, by its sale; or
- exploration and evaluation activities in the area of interest have not yet reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in relation to the area are continuing, or are planned for the future.

Acquired mineral rights comprise identifiable exploration and evaluation assets including mineral reserves and mineral resources, which are acquired as part of a business combination and are recognized at fair value at date of acquisition. The acquired mineral rights are reclassified as "mine property and development" from commencement of development and amortised on a unit of production basis, when commercial production commences.

Capitalised exploration and evaluation assets are transferred to mine development assets once the work completed to date supports the future development of the property and such development receives appropriate approvals.

(e) Intangible assets

Other intangible assets

Software and related internal development costs are carried at historical cost, less accumulated amortisation and impairment losses. They are typically amortised over a period of five years.

CO2 emission rights/Carbon permits are carried at historical cost, less impairment losses: These intangibles are not amortised. The corresponding balance is recognised in provisions.

(f) Leased assets

Leases under which the Group assumes substantially all of the risks and benefits of ownership, are classified as finance leases, while other leases are classified as operating leases. Finance leases are capitalised with a lease asset and liability equal to the present value of the minimum lease payments or fair value, if lower, being recorded at the inception of the lease. Capitalised lease assets are amortised on a straight-line basis over the shorter of the useful life of the asset or the lease term. Each finance lease repayment is allocated between the liability and finance charges based on the effective interest rate implied in the lease contract.

Lease payments made under operating leases are recognised in the income statement over the accounting periods covered by the lease term.

Notes to the consolidated financial statements

(g) Inventories

Inventories of finished metals, concentrates and work in progress are valued at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expense. By-products inventory obtained as a result of the production process are valued at the lower of cost and net realisable value. Cost includes expenditure incurred in acquiring and bringing the stock to its existing condition and location and includes an appropriate allocation of fixed and variable overhead expense, including depreciation and amortisation. Stores of consumables and spares are valued at cost with allowance for obsolescence. Cost of purchase of all inventories is determined on a FIFO basis. In addition to purchase price, conversion costs are allocated to work-in-progress and finished goods. These conversion costs are based on the actual costs related to the completed production steps.

As the Company applies hedge accounting as referred in note 3c the hedged items of inventory are adjusted by the fair value movement with respect to the effective portion of the hedge. The fair value adjustment remains part of the carrying value of inventory and enters into the determination of earnings when the inventory is sold. This impact is compensated by the hedge derivatives which are also adjusted for fair value changes.

(h) Impairment

Financial assets

A financial asset that is not measured at fair value through profit or loss is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

An impairment loss in respect of a financial asset measured at amortised cost, is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the original effective interest rate. An impairment loss in respect of an available-for-sale financial asset is calculated by reference to its fair value.

Significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics.

All impairment losses are recognised in the income statement. An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognised. Impairment losses on available for sale equity investments are not reversed.

Non-financial assets

The carrying amounts of the Group's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill and intangible assets that have indefinite lives or that are not yet available for use, the recoverable amount is estimated annually.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit"). The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to cash-generating units or groups of cash generating units that are expected to benefit from the synergies of the combination.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its estimated recoverable amount. Impairment losses are recognised in the income statement. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (group of units) on a pro rata basis.

An impairment loss recognised in respect of goodwill cannot be reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(i) Employee benefits

Short term benefits

Liabilities for wages and salaries, including non-monetary benefits and annual leave are recognised in respect of employees' services up to the reporting date, calculated as undiscounted amounts based on remuneration wage and salary rates that the entity expects to pay at the reporting date including related on-costs, such as payroll tax.

Long-term employee benefits other than pension plans

A liability for long-term employee benefits is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of service provided by employees up to the balance sheet date. Consideration is given to expected future wage and salary levels including related on-costs, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national high quality corporate bonds with terms to maturity and currency that match the estimated future cash flows.

Defined contribution plans

Payments to defined contribution retirement plans are recognized as an expense when employees have rendered service entitling them to the contributions.

Defined benefit plans

The Group recognizes a net liability in respect of defined benefit superannuation or medical plans in the statement of financial position. The net liability is measured as the present value of the defined benefit obligation at the balance sheet date less the fair value of the plan assets belonging to the plans and represents the actual deficit or surplus in the Group's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans ("asset ceiling").

The present value of the defined benefit obligations is based on expected future payments that arise from membership of the fund to the balance sheet date. This obligation is calculated annually by independent actuaries using the projected unit credit method.
Expected future payments are discounted using market yields at the balance sheet date on high quality corporate bonds with terms to maturity and currency that match the estimated future cash flows. Any future taxes that are funded by the entity and are part of the provision of the defined benefit obligation are taken into account when measuring the net asset or liability.

Notes to the consolidated financial statements

Defined benefit costs are split into three categories:

- Service costs, past-service costs, gains and losses on curtailments and settlements,
- Net-interest cost or income,
- Remeasurement.

The Group presents the first component of defined benefit costs in the line item 'employee benefits expenses' and the second component in the line item 'finance expenses' in its consolidated income statement. Curtailments gains and losses are accounted for as past-service cost.

Remeasurement comprises of actuarial gains and losses on the defined benefit obligations, the effect of the asset ceiling (if applicable) and the return on plan assets (excluding interest income). These are recognized immediately in the statement of financial position with a charge or credit to Other Comprehensive Income (OCI) in the period in which they occur. Remeasurement recorded in other comprehensive income is not recycled. Those amounts recognized in other comprehensive income may be reclassified within equity. Past service costs are immediately recognized in profit or loss in the period of plan amendment and are not deferred anymore. Net-interest is calculated by applying the discount rate to the net defined benefit liability or asset.

Share-based payment compensation

The Group operates a leveraged employee stock ownership plan and an executive long-term incentive plan, which, at the Group's discretion, are equity-settled or cash-settled share-based compensation plans.

The fair value of equity instruments granted under the equity-settled plans are recognised as an employee benefit expense with a corresponding increase recognised in equity. The fair value is measured at the grant date and recognised over the period during which the eligible employees become entitled to the shares. The amount recognised as an employee benefit expense is the fair value multiplied by the number of equity instruments granted. At each balance sheet date, the amount recognised as an expense is adjusted to reflect the estimate of the number of equity instruments expected to vest, except where forfeiture is only due to the Company's share price not achieving the required target.

For cash-settled share-based payment transactions, the services received and the liability incurred are measured at the fair value of the liability at grant date. The initial measurement of the liability is recognised over the period that services are rendered. At each reporting date, and ultimately at settlement date, the fair value of the liability is remeasured with any changes in fair value recognised in the income statement for the period.

(j) Provisions

A provision is recognised if, as a result of a past event, when the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

Restoration, rehabilitation and decommissioning provision

Provision is recognised for estimated closure, restoration and environmental rehabilitation costs. These costs include the dismantling and demolition of infrastructure, removal of residual materials and remediation of disturbed areas in the financial year when the related environmental disturbance occurs. They are based on the estimated future costs using information available at each balance sheet date. The provision is discounted using a current market-based pre-tax discount rate and the unwinding of the discount is recognised as interest expense. When the provision is established, a corresponding asset is recognised, where it gives rise to a future benefit, and depreciated over future production from the operations to which it relates.

The provision is reviewed on an annual basis for changes to costs, legislation, discount rates or other changes that impact estimated costs or lives of the operations. The carrying value of the related asset (or the income statement when no related asset exists) is adjusted for changes in the provision resulting from changes in the estimated cash flows or discount rate. The adjusted carrying value of the asset is depreciated prospectively.

Restructuring provision

A constructive obligation for a restructuring arises only when two conditions are fulfilled: a) there is a formal business plan for the restructuring specifying the business or part of a business concerned, the principal locations affected, the location, function and approximate number of employees whose services will be terminated, the expenditure to be incurred and when the plan will be implemented, b) the entity has raised a valid expectation in those affected that it will carry out the plan either by starting to implement the plan or announcing its main feature to those affected by it. Restructuring provisions include only incremental costs associated directly with the restructuring.

Other provisions

Other provisions are recognised when the Group has a present obligation (legal or constructive), as a result of past events, and it is probable that an outflow of resources that can be reliably estimated will be required to settle the obligation. Where the effect is material, the provision is discounted to net present value using an appropriate current market-based pre-tax discount rate and the unwinding of the discount is included in finance costs.

(k) Compound financial instruments

Compound financial instruments issued by the Company comprise convertible bonds that can be converted to share capital at the option of the holder, and the number of shares to be issued is fixed.

The liability component of a compound financial instrument is recognized initially at the fair value of a similar liability that does not have an equity conversion option. The equity component is recognized initially as the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component, and is included in shareholders' equity, net of income tax effects. Any directly attributable transaction costs are allocated to the liability and equity components in proportion to their initial carrying amounts.

Subsequent to initial recognition, the liability component of a compound financial instrument is measured at amortised cost using the effective interest method. The equity component of a compound financial instrument is not remeasured subsequent to initial recognition.

(l) Revenue

Revenue associated with the sale of commodities is recognised when all significant risks and rewards of ownership of the asset sold are transferred to the customer, usually when insurance risk has passed to the customer and the commodity has been delivered to the shipping agent or the location designated by the customer. At this point Nyrstar retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the commodities and the costs incurred, or to be incurred, in respect of the sale can be reliably measured. Revenue is recognised, at fair value of the consideration receivable, to the extent that it is probable that economic benefits will flow to Nyrstar and the revenue can be reliably measured. Revenue is generally recognised based on incoterms ex-works (EXW) or carriage, insurance and freight (CIF). Revenues from the sale of by-products are also included in sales revenue. Revenue is stated on a gross basis, with freight included in gross profit as a deduction.

For certain commodities the sales price is determined provisionally at the date of sale, with the final price determined within mutually agreed quotation period and the quoted market price at that time. As a result, the invoice price on these sales are marked-to-market at balance sheet date based on the prevailing forward market prices for the relevant quotation period. This ensures that revenue is recorded at the fair value of consideration to be received. Such mark-to-market adjustments are recorded in sales revenue.

When Nyrstar's goods are swapped for goods that are of a similar nature and value, the swap is not regarded as a transaction that generates revenue. The outstanding balances related to these swaps are being recognised as other receivables and other payables until the swaps are fully settled. If any settlement in cash or cash equivalents occurs for value equalisation of such transactions, this settlement amount is recognised in raw materials used. When the goods swapped however are of a dissimilar nature or value from each other, the swap is regarded as a transaction that generates revenue.

(m) Finance income and expense

Finance income includes:

- Interest income on funds invested; and
- Dividend income.

Interest income is recognised as it accrues in the income statement using the effective interest rate method. Dividend income is recognised in the income statement on the date that the Group's right to receive payment is established.

Finance expenses include:

- Interest on short-term and long-term borrowings;
- Interest on other financial liabilities;
- Amortisation of discounts or premiums relating to borrowings;
- Amortisation of ancillary costs incurred in connection with the arrangement of borrowings;
- Finance lease charges; and
- The impact of the unwind of discount on long-term provisions for restoration, rehabilitation and decommissioning provision and workers' compensation
- Implied interest on metal prepayment agreements.

Finance expenses are calculated using the effective interest rate method. Finance expenses incurred for the construction of any qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Other finance expenses are expensed as incurred.

Net finance expenses represent finance expenses net of any interest received on funds invested. Interest income is recognised as it accrues using the effective interest method.

Foreign currency gains and losses are reported on a net basis.

(n) Income tax

Income tax expense comprises current and deferred income tax. Income tax expense is recognised in profit or loss except to the extent that it relates to items recognised in other comprehensive income or directly in equity, in which case it is recognised in other comprehensive income or equity.

Current income tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred income tax is recognised using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred income tax is not recognised for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit, and differences relating to investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future. In addition a deferred income tax liability is not recognised for taxable temporary differences arising on the initial recognition of goodwill. Deferred tax is measured on an undiscounted basis at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred income tax assets and liabilities are offset if there is a legally enforceable right to offset current income tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities but they intend to settle current income tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred income tax asset is recognised for all deductible temporary differences, carry forward of unused tax assets and unused tax losses to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred income tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Additional income taxes that arise from the distribution of dividends are recognised when the distribution is expected.

Mining taxes and royalties that have the characteristics of an income tax are treated and disclosed as current and deferred income taxes.

(o) Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits with an original maturity of three months or less. Bank overdrafts are repayable on demand and are shown within borrowings in current liabilities on the consolidated statement of financial position. For the purposes of the consolidated statement of balance sheet and cash flows, cash includes cash on hand and deposits at call which are readily convertible to cash and are subject to an insignificant risk of changes in value, net of any outstanding bank overdrafts which are recognised at their principal amounts.

(p) Trade and other payables

These amounts represent liabilities for goods and services provided to the Group entities prior to the end of the financial year which are unpaid. The amounts are unsecured and are typically paid within 30 days of recognition. These amounts are initially recognized at fair value and are subsequently carried at amortised cost.

(q) Deferred income

Deferred income consists of payments received by the Company in consideration for future physical deliveries of metal inventories and future physical deliveries of metals contained in concentrate at contracted prices. As deliveries are made, the Company recognises sales and decreases the deferred income on the basis of actual physical deliveries of the products. Revenue is recognised based on the nominal value of the future physical deliveries of metal to customers and the financing element to the advance payments is recognised in the Income Statement as interest expense applying the effective interest rate method.

(r) Trade receivables

Trade receivables represent amounts owing for goods and services supplied by the Group entities prior to the end of the financial period which remain unpaid. They arise from transactions in the normal operating activities of the Group.

Trade receivables are carried at amortised cost, less any impairment losses for doubtful debts. An impairment loss is recognised for trade receivables when collection of the full nominal amount is no longer certain.

(s) Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options are recognised as a deduction from equity, net of any tax effect(s).

(t) Earnings per share

Nyrstar presents basic and diluted earnings per share (EPS) for its ordinary shares. Basic EPS is calculated by dividing the profit for the period attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit for the period attributable to ordinary shareholders of the Company and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

Notes to the consolidated financial statements

(u) Segment reporting

Operating segments are components of the Group for which discrete financial information is available and is evaluated regularly by Nyrstar's Management Committee (NMC) in deciding how to allocate resources and assess performance. The NMC has been identified as the chief operating decision maker.

The segment information reported to the NMC is prepared in conformity with the accounting policies consistent with those described in these financial statements and presented in the format outlined in note 7.

Revenues, expenses and assets are allocated to the operating segments to the extent that items of revenue, expense and assets can be directly attributed or reasonably allocated to the operating segments. The interrelated segment costs have been allocated on a reasonable pro rata basis to the operating segments.

(v) Treasury shares

When Nyrstar reacquires its own equity instruments, the par value of treasury shares purchased is deducted from reserves. The difference between the par value of the treasury shares purchased and the amount of consideration paid, which includes directly attributable costs, is recognised as a deduction from accumulated losses. Reacquired shares are classified as treasury shares and may be acquired and held by the entity or by other members of the consolidated group. When treasury shares are sold or reissued subsequently, the amount received is recognised as an increase in equity, and the resulting gain or loss on the transaction is recognised in accumulated losses.

(w) Zinc purchase interests

Streaming agreements for the acquisition of zinc concentrates are presented on the statement of financial position as zinc purchase interests. The useful life is determined with reference to the number of metric tonnes to be delivered under the contract. The asset is depleted through the income statement using the unit-of-production method, as the asset is recovered with each metric ton of zinc delivered under the contract.

(x) Loans and Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs.

To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

(y) Borrowing costs

Borrowing costs are expensed as incurred unless they relate to qualifying assets. Qualifying assets are assets that take more than 12 months to commission. In these circumstances, borrowing costs are capitalised to the cost of the assets and depreciated over the useful life of the assets. Capitalisation is based on the period of time that is required to complete and prepare the asset for its intended use.

(z) Related party transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence and may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties. Related party transactions that are in the normal course of business and have commercial substance are measured at the exchange amount.

(aa) Reverse acquisition reserve

The reverse acquisition reserve recognised in Company's reserves was recognised during the formation of Nyrstar in 2007 when one of the legal acquirees was considered to be the accounting acquirer under the rules of IFRS 3. As one of the accounting acquirees was not a business under IFRS 3, a part of the transaction was outside the scope of IFRS 3. While the concepts of reverse acquisition accounting have been applied as required, their application has not resulted in the recognition of goodwill but instead in the recognition of a 'reverse acquisition reserve' on consolidation related to the capital transaction of the accounting acquiree.

(ab) Exceptional items

Exceptional items are those relating to restructuring expense, M&A related transaction expense and impairment of assets which the Group believes should be disclosed separately on the face of the consolidated income statement to assist in the understanding of the financial performance achieved by the Group.

4. Critical accounting estimates and judgements

Estimates and judgements used in developing and applying the accounting policies are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances. Nyrstar makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and underlying assumptions are reviewed on an ongoing basis.

The critical estimates and judgements that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are listed below.

Impairment of assets (note 14,15,16,19)

The recoverable amount of each cash-generating unit is determined as the higher of the asset's fair value less costs to sell and its value in use. These calculations require the use of estimates and assumptions such as discount rates, exchange rates, commodity prices, future capital requirements and future operating performance. For cash-generating units that comprise mining related assets, the estimates and assumptions also relate to the ore reserves and resources estimates (see above). For further information refer to note 16.

Recovery of deferred tax assets (note 12)

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable profits are available to utilise those temporary differences and losses, and the tax losses continue to be available having regard to the nature and timing of their origination and compliance with the relevant tax legislation associated with their recovery. In evaluating whether it is probable that taxable profits will be earned in future accounting periods, all available information is considered. The forecasts used in this evaluation are consistent with those prepared and used internally for business planning and impairment testing purposes.

Fair value

The Group has applied estimates and judgments in accounting for business combinations (note 8), revenue recognition, impairment testing (note 16), inventories (note 21), share-based payments (note 32) and for its financial assets and liabilities (note 20). Fair value measurements are estimated based on the amounts for which the assets and liabilities could be exchanged at the relevant transaction date or reporting period end, and are therefore not necessarily reflective of the likely cash flow upon actual settlements. Where fair value measurements cannot be derived from publicly available information, they are estimated using models and other valuation methods. To the extent possible, the assumptions and inputs used take into account externally verifiable inputs. However such information is by nature subject to uncertainty, particularly where comparable market based transactions rarely exist.

Determination of ore reserves and resources estimates

Estimated recoverable reserves and resources are used to determine the depreciation of mine production assets (note 14), in accounting for deferred costs (note 14) and in performing impairment testing (note 16). Estimates are prepared by appropriately qualified persons, but will be impacted by forecast commodity prices, exchange rates, production costs and recoveries amongst other factors. Changes in assumptions may impact the carrying value of assets and depreciation and impairment charges recorded in the income statement.

Restoration, rehabilitation and decommissioning provision (note 28)

Provision is recognised for estimated closure, restoration and environmental rehabilitation costs. These costs include the dismantling and demolition of infrastructure, removal of residual materials and remediation of disturbed areas in the financial year when the related environmental disturbance occurs. They are based on the estimated future costs using information available at each balance sheet date. The provision is discounted using a current market-based pre-tax discount rate and the unwinding of the discount is recognised as interest expense. The calculation of these provision estimates requires assumptions such as application of environmental legislation, plant closure dates, available technologies and engineering cost estimates. A change in any of the assumptions used may have a material impact on the carrying value of restoration provisions.

Retirement benefits (note 29)

The expected costs of providing pensions and post employment benefits under defined benefit arrangements relating to employee service during the period are determined based on financial and actuarial assumptions. Nyrstar makes these assumptions in respect to the expected costs in consultation with qualified actuaries. When actual experience differs to these estimates, actuarial gains and losses are recognized in other comprehensive income. Refer to note 29 for details on the key assumptions.

5. Financial risk management

(a) Overview

In the normal course of business, Nyrstar is exposed to credit risk, liquidity risk and market risk, i.e. fluctuations in commodity prices, exchange rates as well as interest rates, arising from its financial instruments. Listed below is information relating to Nyrstar's exposure to each of these risks and the Group's objectives, policies and processes for measuring and managing risk and measuring capital.

The board of directors has overall responsibility for the establishment and oversight of Nyrstar's risk management framework. Nyrstar's risk management policies are established to identify and analyse the risks faced by Nyrstar, to set appropriate risk limits and controls, and to monitor risks and adherence to limits.

The audit committee is responsible for overseeing how management monitors compliance with Nyrstar's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risk faced by Nyrstar. The audit committee is supported in its oversight role by the Group's internal audit function.

(b) Credit risk

Credit risk is the risk of non-payment from any counterparty in relation to sales of goods. In order to manage the credit exposure, Nyrstar has determined a credit policy with credit limit requests, approval procedures, continuous monitoring of the credit exposure and dunning procedure in case of delays.

Trade and other receivables

Nyrstar's exposure to credit risk is influenced mainly by the individual characteristics of each customer. Each new customer is analysed individually for creditworthiness before the standard terms and conditions are offered. Customers that fail to meet Nyrstar's benchmark creditworthiness may transact with Nyrstar only on a prepayment basis.

Nyrstar provides an allowance for trade and other receivables that represents its estimate of incurred losses in respect of trade and other receivables.

Guarantees

Nyrstar's policy is to provide financial guarantees only on behalf of wholly-owned subsidiaries. At 31 December 2015, no guarantees were outstanding to external customers (31 December 2014 : nil).

(c) Liquidity risk

Liquidity risk arises from the possibility that Nyrstar will not be able to meet its financial obligations as they fall due. Liquidity risk is being addressed by maintaining, what management considers to be, a sufficient degree of diversification of funding sources. These include committed and uncommitted short and medium term bank facilities as well as bonds (e.g. convertible bonds and fixed rate bonds).

Nyrstar is actively managing the liquidity risk in order to ensure that at all times it has access to sufficient cash resources at a cost in line with market conditions for companies with a similar credit standing. Liquidity risk is measured by comparing projected net debt levels against total amount of available committed facilities. These forecasts are being produced on a rolling basis and include cash flow forecasts of all operational subsidiaries. Also the average remaining life of the committed funding facilities is monitored, at least on a quarterly basis.

The financial covenants of the existing loan agreements are monitored as appropriate in order to ensure compliance. No breach of covenants has occurred during the year.

(d) Market risk

Market risk is the risk that changes in market prices will affect Nyrstar's income or the value of its investments in financial instruments. The objective of market risk management is to manage and control market exposures within acceptable parameters while optimising the return.

Commodity price risk

In the normal course of its business, Nyrstar is exposed to risk resulting from fluctuations in the market prices of commodities. Nyrstar currently engages primarily in transactional hedging which means that it undertakes short-term hedging transactions to cover the timing risk between raw material purchases and sales of metal and to cover its exposure on fixed-price forward sales of metal to customers. Transactional hedging arrangements are accounted for in the "Other Financial Assets" and the "Other Financial Liabilities" line items of the statement of financial position. Any gains or losses realised from hedging arrangements are recorded within operating result. Nyrstar generally does not undertake any structural or strategic hedging which means that its results are largely exposed to fluctuations in zinc, lead and other metal prices. Nyrstar reviews its hedging policy on a regular basis.

Foreign Currency Exchange Risk

Nyrstar's assets, earnings and cash flows are influenced by movements in exchange rates of several currencies, particularly the U.S. Dollar, the Euro, the Australian Dollar, the Canadian Dollar, the Peruvian Sol, the Chilean Peso, the Mexican Peso, the Honduran Lempira and the Swiss Franc. Nyrstar's reporting currency is the Euro, zinc, lead and other metals are sold throughout the world principally in U.S. Dollars, while Nyrstar's costs are primarily in Euros, Australian Dollars, Canadian Dollars, U.S. Dollars, Peruvian Sols, Chilean Pesos, Mexican Pesos, Honduran Lempiras and Swiss Francs. As a result, movement of the U.S. Dollar, the Australian Dollar, the Canadian Dollar, Peruvian Sol, Chilean Peso, Mexican Peso, Honduran Lempira, Swiss Franc or other currencies in which Nyrstar's costs are denominated against the Euro could adversely affect Nyrstar's profitability and financial position.

Nyrstar has not entered into transactions that seek to hedge or mitigate its exposure to exchange rate fluctuations, other than short-term hedging transactions to cover the timing risk between concentrate purchases and sales of metal and to cover its exposure on fixed-price forward sales of metal to customers.

(e) Interest rate risk

Nyrstar incurs interest rate risk primarily on loans and borrowings. This risk is limited as a result of the interest rate on borrowings such as convertible bond and fixed rate bond being fixed. Nyrstar's current borrowings are split between fixed rate and floating rate basis. All variable interest rate loans and borrowings have EURIBOR or LIBOR based interest rates. The interest rate and terms of repayment of Nyrstar's loans are disclosed in note 34f. Changes in interest rates may impact primary loans and borrowings by changing the levels of required interest payments.

Nyrstar's interest rate risk management policy is to limit the impact of adverse interest rate movements through the use of interest rate management tools. Interest rate risk is measured by maintaining a schedule of all financial assets, financial liabilities and interest rate hedging instruments. At current Nyrstar's interest rate exposure resulting from interest bearing borrowings is minimal due to the fact that the majority of its long term debt commitments are with fixed interest rate. Nyrstar has not entered into interest rate derivatives.

(f) Capital management

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and so to sustain future development of the business. The board of directors monitors the return on capital, which Nyrstar defines as profit after tax divided by total shareholders' equity, excluding non-controlling interests.

The board of directors also monitors the level of dividends to ordinary shareholders. Nyrstar's dividend policy is to ensure that whilst maintaining adequate cash flows for growth and the successful execution of its strategy, Nyrstar aims to maximize total shareholder return through a combination of share price appreciation and dividends. Pursuant to Belgian law, the calculation of amounts available for distribution to shareholders, as dividends or otherwise, must be determined on the basis of the Company's non-consolidated Belgian GAAP financial statements. In accordance with Belgian company law, the Company's articles of association also require that the Company allocate each year at least 5% of its annual net profits to its legal reserve, until the legal reserve equals at least 10% of the Company's share capital. As a consequence of these factors, there can be no assurance as to whether dividends or similar payments will be paid out in the future or, if they are paid, their amount.

The Company has established an Executive Long Term Incentive Plan (LTIP) with a view to attracting, retaining and motivating the employees and senior management of the Company and its wholly owned subsidiaries. The key terms of the LTIP are set out below in note 32, with vesting terms aligned to the Company's capital management policy.

Neither the Company nor any of its subsidiaries are subject to externally imposed capital requirements.

6. Exchange rates

The principal exchange rates used in the preparation of 2015 financial statements are (in EUR):

	Annual average		Year end	
	2015	2014	2015	2014
United States dollar	1.1095	1.3285	1.0887	1.2141
Australian dollar	1.4777	1.4719	1.4897	1.4829
Canadian dollar	1.4186	1.4661	1.5116	1.4063
Swiss franc	1.0679	1.2146	1.0835	1.2024

7. 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'.

'Underlying EBITDA' is a non-IFRS measure of earnings, which is used internally by management to access the underlying performance of Group's operations and is reported by Nyrstar to provide greater understanding of the underlying business performance of its operations. Underlying EBITDA excludes items related to restructuring expense, M&A related transaction expense, material income or expense arising from embedded derivatives recognized under IAS 39: 'Financial Instruments: Recognition and Measurement' and other items arising from events or transactions that management considers to be clearly distinct from the ordinary activities of Nyrstar.

The components of gross profit are non-IFRS measures which are used internally by management and are the following:

Mining's Payable/ free metal contribution is the metal price received for the payable component of the primary metal contained in concentrate before it is further processed by a smelter.

Metals Processing's Payable/free metal contribution is the value of the difference received between the amount of metal that is paid for in a concentrate and the total zinc recovered from the sale by a smelter.

Treatment charges are the fees charged for the processing of primary (concentrates) and secondary raw materials for the production of metal which is a positive gross profit element for the smelters and a deduction in the gross profit for mines.

Smelters' premiums is the premium charged on top of the base LME price for the sales of refined zinc and lead metals.

By-products are secondary products obtained in the course of producing zinc or lead and include primarily sulphuric acid, silver, gold, indium, copper and cadmium.

Other are other costs and revenues associated with smelting or mining operations that do not relate to the above categories.

The 'Metals processing' segment comprises of the Group's smelting operations. The 'Mining' segment comprises of the Group's mining operations and the zinc streaming agreement with the Talvivaara mine (Finland). 'Other & Eliminations' contains corporate activities as well as the eliminations of the intra-group transactions including any unrealised profits resulting from intercompany transactions.

In 2015 Nyrstar changed its internal allocation of certain operating costs to its operating segments. This changed the composition of the allocation of the direct operating costs between the segments. The related 2014 information was restated to provide comparable information for the period. The change did not impact the previously reported Underlying EBITDA by the segments.

Notes to the consolidated financial statements

For the twelve months ended 31 Dec 2015, EUR million	**Metals Processing**	**Mining**	**Other and eliminations**	**Total**
Revenue from external customers	3,090.3	48.8	-	3,139.1
Inter-segment revenue	0.7	297.7	(298.4)	-
Total segment revenue	**3,091.0**	**346.5**	**(298.4)**	**3,139.1**
Payable metal / free metal contribution	265.6	347.4	0.1	613.1
Treatment charges	459.9	(77.9)	-	382.0
Premiums	171.5	-	0.2	171.7
By-products	210.9	89.5	-	300.4
Other	(105.1)	(28.6)	2.2	(131.5)
Gross Profit	**1,002.8**	**330.4**	**2.5**	**1,335.7**
Employee expenses	(216.6)	(141.1)	(37.3)	(395.0)
Energy expenses	(232.7)*	(44.4)	(0.2)	(277.3)
Other expenses / income	(198.3)	(169.6)	(23.2)	(391.1)
Direct operating costs	**(647.6)**	**(355.1)**	**(60.7)**	**(1,063.4)**
Non-operating and other	(19.6)	(16.1)	19.8	(15.9)
Underlying EBITDA	**335.6**	**(40.8)**	**(38.4)**	**256.4**
Depreciation, depletion and amortisation				(251.3)
M&A related transaction expense				-
Restructuring expense				(15.9)
Impairment loss (net)				(564.0)
Embedded derivatives**				13.4
Net finance expense				(115.3)
Income tax benefit				244.8
Loss for the period				**(431.9)**
Capital expenditure	(321.9)	(92.4)	(4.7)	(419.0)

* Net of EUR 4.7 million recharge of energy costs to external parties

** Includes a one-off gain of EUR 15.7 million on initial recognition of the new electricity delivery agreement in Hobart representing a difference between the contractual price and the market price at the time of the execution of the agreement

For the twelve months ended 31 Dec 2014, EUR million	Metals Processing	Mining	Other and eliminations	Total
Revenue from external customers	2,718.0	80.8	-	2,798.8
Inter-segment revenue	0.7	464.7	(465.4)	-
Total segment revenue	**2,718.7**	**545.5**	**(465.4)**	**2,798.8**
Payable metal / free metal contribution	252.1	373.4	(1.9)	623.6
Treatment charges	367.4	(84.0)	0.6	284.0
Premiums	152.8	-	0.6	153.4
By-products	194.3	165.1	-	359.4
Other	(98.3)	(25.7)	(3.7)	(127.7)
Gross Profit	**868.3**	**428.8**	**(4.4)**	**1,292.7**
Employee expenses	(222.8)	(148.7)	(39.4)	(410.9)
Energy expenses	(226.5)*	(51.0)	(0.1)	(277.6)
Other expenses / income	(165.5)	(170.4)	(24.2)	(360.1)
Direct operating costs	**(614.8)**	**(370.1)**	**(63.7)**	**(1,048.6)**
Non-operating and other**	(14.2)	28.0	22.5	36.3
Underlying EBITDA	**239.3**	**86.7**	**(45.6)**	**280.4**
Depreciation, amortisation and depletion				(257.4)
M&A related transaction expense				(0.2)
Restructuring expense				(5.3)
Impairment loss				(255.1)
Embedded derivatives				0.4
Gain on the disposal of equity accounted investees				1.0
Net finance expense				(107.6)
Income tax benefit				57.2
Loss for the period				**(286.6)**
Capital expenditure	(180.0)	(107.9)	(6.1)	(294.0)

* Net of EUR 12.9 million refund of a portion of charges related to the Dutch power transmission tariff for the period 2000 to 2011.
** Including a gain of EUR 42.9 million from the settlement of the Campo Morado silver stream.

Geographical information

(a) Revenues from external customers

EUR million	2015	2014
Belgium	504.3	327.1
Rest of Europe	1,011.6	1,004.0
Americas	370.1	379.4
Australia	797.1	616.2
Asia	419.0	436.1
Other	37.0	36.0
Total	**3,139.1**	**2,798.8**

The revenue information above is based on the location (shipping address) of the customer.

Sales to each individual customer (group of customers under the common control) of the Group did not exceed 10% with the exception of sales to Glencore International plc, Umicore NV/SA and Noble Group Ltd, which accounted for 25.4% (2014: 24.9%), 10.0% (2014: 10.5%) and 13.5% (2014: 12.4%) respectively, of the total Group's sales, reported in the Metals Processing segment.

(b) Non-current assets

EUR million	31 Dec 2015	31 Dec 2014
Belgium	228.8	228.9
Rest of Europe	273.0	266.3
North America	379.3	438.0
Central America (incl Mexico)	84.8	481.1
South America	131.9	184.1
Australia	521.3	332.9
Total	**1,619.1**	**1,931.3**

Non-current assets for this purpose consist of property, plant and equipment, intangible assets and the zinc purchase interests.

8. Acquisition of business

There were no acquisitions for the twelve months ended 31 December 2015 and for the twelve months ended 31 December 2014.

9. M&A related transaction expense

Merger and acquisition (M&A) related expense include the acquisition and disposal related direct transaction costs (e.g. advisory, accounting, tax, legal or valuation fees paid to external parties). The M&A related transaction expense in the 2015 income statement amounts to nil (2014: EUR 0.2 million). In 2015 and 2014, there are no costs related to successfully completed acquisitions.

10. Employee benefits expense

EUR million	2015	2014
Wages and salaries	(353.1)	(369.8)
Compulsory social security contributions	(24.6)	(25.1)
Contributions to defined contribution plans	(4.4)	(5.0)
Expenses related to defined benefit plans	(8.3)	(6.3)
Equity and cash settled share based payment transactions, incl. social security	(4.6)	(4.7)
Total employee benefits expense	**(395.0)**	**(410.9)**

11. Finance income and expense

EUR million	2015	2014
Interest income	1.4	2.1
Total finance income	**1.4**	**2.1**
Interest expense	(84.6)	(86.3)
Unwind of discount in provisions	(11.6)	(12.0)
Other finance charges	(20.6)	(15.6)
Total finance expense	**(116.8)**	**(113.9)**
Net foreign exchange gain	**0.1**	**4.2**
Net finance expense	**(115.3)**	**(107.6)**

12. Income tax

(a) Income tax recognised in the income statement

EUR million	2015	2014
Current income tax benefit / (expense)	7.7	(25.1)
Deferred income tax benefit	237.1	82.3
Total income tax benefit	**244.8**	**57.2**

(b) Reconciliation of effective tax rate

The tax on the Group's profit before tax differs from the theoretical amount that would arise using the weighted average tax rate applicable to profits of the consolidated entities as follows:

EUR million	2015	2014
Loss before income tax	(676.7)	(343.8)
Tax at aggregated weighted average tax rate	234.5	103.3
Aggregated weighted average income tax rate	34.7%	30.0%
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Non-taxable / (non-deductible) amounts	130.6	(12.7)
Non-recognition of tax losses and temporary differences	(133.0)	(9.7)
Overprovision for previous years	18.3	1.1
Unrecoverable withholding tax	(0.9)	(4.2)
Net adjustment to deferred tax balances due to tax rate change in foreign jurisdiction	(3.9)	(19.6)
Foreign exchange differences	-	5.3
Other	(0.8)	(6.3)
Total income tax benefit	**244.8**	**57.2**
Effective income tax rate	36.2%	16.6%

The change in the aggregate weighted average income tax rate compared to the year ended 31 December 2014 is due to the variation in the weight of subsidiaries' profits.

Nyrstar recognised an income tax benefit for the year ended 31 December 2015 of EUR 244.8 million representing an effective income tax rate of 36.2% (for the year ended 31 December 2014: 16.6%). The tax rate is impacted by the results of impairment testing undertaken in the period that include a change of the Swiss corporate law, mandatory as from 1 January 2015, which requires that investments in subsidiaries are tested on a standalone rather than on a portfolio basis. Further, the effective tax rate has been impacted by losses incurred by the Group for which no tax benefit has been recognised.

(c) Income tax recognised directly in other comprehensive income

EUR million	2015	2014
Income tax expense recognised on cash flow hedges	(10.1)	(3.8)
Income tax (expense) / benefit recognised on defined benefits pension schemes	(0.6)	2.5
Total income tax recognised directly in other comprehensive income	**(10.7)**	**(1.3)**

(d) Recognised deferred income tax assets and liabilities

Deferred tax assets and liabilities consist of temporary differences attributable to:

EUR million	31 Dec 2015	31 Dec 2014
ASSETS:		
Employee benefits	25.0	27.0
Provisions	37.5	42.5
Property, plant and equipment	1.8	-
Tax losses carried forward	358.7	232.3
Other	0.5	11.3
Total	**423.5**	**313.1**
Set off of tax	(74.2)	(131.6)
Deferred tax assets	**349.3**	**181.5**
LIABILITIES:		
Embedded derivatives	(10.4)	-
Property, plant and equipment	(143.3)	(284.4)
Payables / receivables	(2.4)	(1.6)
Other	(5.3)	(3.6)
Total	**(161.4)**	**(289.6)**
Set off of tax	74.2	131.6
Deferred tax liabilities	**(87.2)**	**(158.0)**
Deferred tax - net	**262.1**	**23.5**

INCOME STATEMENT:		
Employee benefits	(1.4)	5.0
Provisions	(5.1)	2.9
Property, plant and equipment	138.9	(32.2)
Payables / receivables	(4.5)	(1.5)
Tax losses carried forward	122.9	97.1
Embedded derivatives	(0.3)	10.6
Other	(13.4)	0.4
Total	**237.1**	**82.3**
Reconciliation of deferred tax - net:		
As at 1 Jan	23.5	(53.6)
Deferred income tax benefit	237.1	82.3
Recognised in OCI	(10.7)	(1.3)
Provision for unrealized foreign exchange result	3.6	(3.9)
Currency translation effects	8.6	-
As at 31 Dec	**262.1**	**23.5**

EUR 354.6 million (31 December 2014: EUR 233.2 million) of the net deferred tax assets on tax losses carried forward arise in entities that have been loss making in 2015 and 2014. In evaluating whether it is probable that taxable profits will be earned in future accounting periods, all available evidence was considered. These forecasts are consistent with those prepared and used internally for business planning and impairment testing purposes. Following this evaluation, it was determined there would be sufficient taxable income generated to realise the benefit of the deferred tax assets. In particular, the deferred tax assets recognised by Swiss entities are expected to be recovered over a 7 years period, being the statutory limitation.

(e) Unrecognised deductible temporary differences and tax losses

EUR million	Net deductible temporary differences	Tax loss carry forward	Total Dec 31, 2015	Net deductible temporary differences	Tax loss carry forward	Total Dec 31, 2014
No expiration date	375.2	250.3	625.5	173.0	293.1	466.1
Expiration date within 4 years	-	20.6	20.6	-	-	-
Expiration date 4 to 7 years	-	-	-	-	-	-
Expiration date over 7 years	-	113.4	113.4	-	-	-
Total	**375.2**	**384.3**	**759.5**	**173.0**	**293.1**	**466.1**

(f) Unremitted earnings

As at 31 December 2015, positive unremitted earnings of EUR 1,127.7 million (31 December 2014: EUR 1,272.2 million) have been retained by subsidiaries and associates for reinvestment. No provision is made for income taxes that would be payable upon the distribution of such earnings.

(g) Tax audit

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. While the outcome of these proceedings is uncertain, Nyrstar believes it has a strong position and intends to vigorously defend itself in court. It has not recorded a provision in respect of these matters.

13. Other expense

EUR million	2015	2014
Stock movement conversion costs	(14.3)	2.3
Other tax expense	(12.9)	(12.2)
Travel expense	(5.4)	(8.7)
Operating lease	(16.2)	(15.7)
Insurance expense	(9.3)	(9.5)
Royalties	(3.9)	(6.5)
Communication expenses	(4.3)	(4.0)
IT costs	(1.7)	(2.1)
Memberships/subscriptions	(1.7)	(2.3)
Training	(2.0)	(2.4)
Other	(13.9)	2.9
Total other expenses	**(85.6)**	**(58.2)**

14. Property, plant and equipment

EUR million	Note	Land and buildings	Plant and equipment	Mining properties and development	Under construction	Cyclical maintenance and other	Total
Cost		197.3	1,800.8	1,207.4	404.3	166.7	3,776.5
Accumulated depreciation and impairment		(53.1)	(1,079.6)	(917.0)	-	(119.0)	(2,168.7)
Carrying amounts		**144.2**	**721.2**	**290.4**	**404.3**	**47.7**	**1,607.8**
As at 1 Jan 2015		140.8	804.5	738.2	161.2	72.6	1,917.3
Additions		3.6	33.4	7.3	369.0	2.5	415.8
Restoration provision adjustments	28	-	-	(4.2)	-	-	(4.2)
Transfers		8.1	48.3	53.1	(115.9)	8.5	2.1
Disposals		(0.4)	(1.2)	-	-	-	(1.6)
Depreciation expense		(8.4)	(147.6)	(61.2)	-	(27.9)	(245.1)
Impairment	16	(3.5)	(35.2)	(486.4)	(12.1)	(10.0)	(547.2)
Currency translation effects		4.0	19.0	43.6	2.1	2.0	70.7
As at 31 Dec 2015		**144.2**	**721.2**	**290.4**	**404.3**	**47.7**	**1,607.8**

EUR million	Note	Land and buildings	Plant and equipment	Mining properties and development	Under construction	Cyclical maintenance and other	Total
Cost		181.2	1,699.8	1,087.5	161.2	165.7	3,295.4
Accumulated depreciation and impairment		(40.4)	(895.3)	(349.3)	-	(93.1)	(1,378.1)
Carrying amounts		**140.8**	**804.5**	**738.2**	**161.2**	**72.6**	**1,917.3**
As at 1 Jan 2014		134.5	807.9	666.1	95.9	67.1	1,771.5
Additions		2.5	50.3	18.1	194.8	25.4	291.1
Restoration provision adjustments	28	-	-	(7.2)	-	-	(7.2)
Transfers		4.4	61.5	57.6	(140.1)	9.1	(7.5)
Disposals		(0.5)	(2.2)	-	(0.4)	(0.1)	(3.2)
Depreciation expense		(7.2)	(140.2)	(68.8)	-	(31.3)	(247.5)
Impairment	16	-	-	-	-	-	-
Currency translation effects		7.1	27.2	72.4	11.0	2.4	120.1
As at 31 Dec 2014		**140.8**	**804.5**	**738.2**	**161.2**	**72.6**	**1,917.3**

The carrying amount of property, plant and equipment accounted for as finance lease assets at 31 December 2015 is EUR 1.4 million and is classified as plant and equipment (2014: EUR 2.5 million). The carrying amount of exploration and evaluation expenditure at 31 December 2015 is EUR 8.0 million and is included in mining properties and development (2014: EUR 35.2 million). The additions (including transfers from under construction) to the carrying amount of the exploration and evaluation expenditure during 2015 were EUR 13.5 million (2014: EUR 15.2 million).

The total gains on sales of property, plant and equipment in the 2015 income statement amount to EUR 2.6 million (2014: EUR 0.8 million).

15. Intangible assets

EUR million	Note	Emission and carbon rights	Software and other	Total
Cost		1.4	42.4	43.8
Accumulated amortisation and impairment		-	(32.5)	(32.5)
Carrying amounts		**1.4**	**9.9**	**11.3**
As at 1 Jan 2015		1.4	12.6	14.0
Additions*		2.6	0.5	3.1
Transfers		(0.3)	2.4	2.1
Disposals		(2.4)	-	(2.4)
Amortisation expense		-	(6.2)	(6.2)
Impairment	16	-	(0.6)	(0.6)
Currency translation effects		0.1	1.2	1.3
As at 31 Dec 2015		**1.4**	**9.9**	**11.3**

* EUR 2.6 million relate to non-cash recognition of emission and carbon rights.

EUR million	Note	Emission and carbon rights	Software and other	Total
Cost		1.8	36.6	38.4
Accumulated amortisation and impairment		(0.4)	(24.0)	(24.4)
Carrying amounts		**1.4**	**12.6**	**14.0**
As at 1 Jan 2014		2.1	8.2	10.3
Additions*		1.8	1.8	3.6
Transfers		-	7.5	7.5
Disposals		(2.6)	-	(2.6)
Amortisation expense		-	(5.3)	(5.3)
Impairment	16	-	-	-
Currency translation effects		0.1	0.4	0.5
As at 31 Dec 2014		**1.4**	**12.6**	**14.0**

* EUR 0.7 million relate to non-cash recognition of emission and carbon rights.

16. Impairment

The carrying values of assets related to the Metals Processing and to the Mining segments at 31 December 2015 are EUR 1,162.8 million and EUR 532.7 million respectively. In the year ended 31 December 2015 Nyrstar recognised pre-tax net impairment losses of EUR 564.0 million (2014: EUR 255.1 million). The majority of the impairment losses relate to pre-tax impairment charges on Nyrstar's Mining assets of EUR 548.0 million (2014: EUR 245.9 million related to the impairment of the Zinc purchase interest). The remaining impairment charges relate to non-core operations of the Group of EUR 16.0 million (2014: EUR 0.7 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	Impairment (loss) / reversal	whereof PP&E and Intangible assets	whereof Investments	whereof Other
Campo Morado	(375.9)	(375.9)	-	-
El Mochito	(67.1)	(67.1)	-	-
El Toqui	(54.3)	(54.3)	-	-
Myra Falls	(34.7)	(34.7)	-	-
Middle Tennessee Mines	(10.1)	(10.1)	-	-
Langlois	(5.7)	(5.7)	-	-
Peruvian mines	(0.2)	-	-	(0.2)
Mining	**(548.0)**	**(547.8)**	**-**	**(0.2)**
Investments in equity accounted investees	(12.3)	-	(12.3)	-
Investments in equity securities	(6.9)	-	(6.9)	-
Other	3.2	-	-	3.2
Other non-core assets of the Group [1]	**(16.0)**	**-**	**(19.2)**	**3.2**
Total	**(564.0)**	**(547.8)**	**(19.2)**	**3.0**
		(note 15,16)	(note 18, 19)	

[1] Other non-core assets of the Group are not allocated to operating segments and are included in Other and eliminations in Note 7

Impairment testing for mining and metals processing operations

Recoverable values were determined in their functional currencies on the basis of fair value less cost to sell (FVLCS) for each operation. The FVLCS recoverable values for Mining operations were determined as the present value of the estimated future cash flows (expressed in real terms) expected to arise from the continued use of the assets (life of asset), including reasonable forecast expansion prospects and using assumptions that an independent market participant would take into account. These cash flows were discounted using a real after-tax discount rate that reflected current market assessments of the time value of money and the risks specific to the operation. The FVLCS measurement represents in its entirety Level 3 of the fair value hierarchy. Management projected the cash flows over the expected life of the mines, which varied from 8 to 19 years.

The key assumptions underlying the FVLCS 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 2022. The ranges of prices used are outlined in the table below showing the high and low prices over the period of assumed cash flows:

2015

	Low	High	Long term
Commodity prices (USD)			
Zinc (per tonne)	1,801	2,503	2,482
Lead (per tonne)	1,747	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	19	19
Foreign exchange rates (versus USD)			
Mexican Peso	17.10	17.10	17.10
Canadian Dollar	1.38	1.40	1.38
Honduran Lempira	22.90	23.69	23.69
Peruvian Nuevo Sol	3.50	3.93	3.93
Chilean Peso	721.58	765.76	765.76

2014

	Low	High	Long term
Commodity prices (USD)			
Zinc (per tonne)	2,515	3,130	2,697
Lead (per tonne)	2,301	2,422	2,264
Copper (per tonne)	6,434	6,859	7,043
Gold (per ounce)	1,248	1,363	1,410
Silver (per ounce)	19	23	23
Foreign exchange rates (versus USD)			
Mexican Peso	14.75	19.65	19.65
Canadian Dollar	1.16	1.17	1.17
Honduran Lempira	21.51	23.09	23.09
Peruvian Nuevo Sol	2.98	4.07	4.07
Chilean Peso	606.45	773.29	773.29

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 11% (2014: 5% to 11%) 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 2015	Discount rates 2014
Campo Morado	12.10%	8.50%
El Mochito	13.00%	11.80%
El Toqui	9.20%	8.60%
Langlois / Myra Falls	8.10%	7.30%
Middle Tenneessee Mines	7.80%	7.50%

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

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 48.3% of inferred resources in its valuation models.

The recoverable amounts of each CGU, for which an impairment was recognised during 2015 are outlined in the table below:

Cash generating unit		EUR million
Campo Morado	FVLCS	-
El Mochito	FVLCS	63
El Toqui	FVLCS	39
Myra Falls	FVLCS	74
Middle Tennessee Mines	FVLCS	62
Langlois	FVLCS	132

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 financial year ended 31 December 2015 (in EUR million):

Parameter	Variable	EUR million
Zinc price	+/- 5%	50 / (79)
Lead price	+/- 5%	3 / (9)
Copper price	+/- 5%	5 / (8)
Gold price	+/- 5%	8 / (14)
Silver price	+/- 5%	4 / (11)
Foreign exchange rates	+/- 5%	33 / (55)
Discount rate	+ 100bps	(17)
Utilisation of Inferred Resources	- 10%	(24)

Impairment charges related to mining operations

Based on the results of its impairment testing at 31 December 2015, the Group has recorded impairment losses related to its mining operations totalling EUR 548.0 million (2014: Nil). The main component of the impairment loss was the full write-down of the carrying value of the Campo Morado mine of EUR 375.9 million mainly 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. Additionally, the significant deterioration of the near term commodity price environment and impact of the adjustments to the most recent operational assumptions, related to the current care & maintenance at Myra Falls and Middle Tennessee Mines, led to the impairment write down recognised also on the Langlois, Myra Falls, El Toqui, El Mochito and Middle Tennessee mines.

Other non-core assets of the Group

In the year ended 31 December 2015 Nyrstar recognised impairment losses of EUR 19.8 million (2014: EUR 0.7 million) on Group's non-core assets. It included an impairment of EUR 12.3 million (2014: Nil) on its 22.0% (2014: 22.1%) investment in Ironbark Zinc Limited, primarily as a result of the application of the most recent commercial assumptions.

During 2015 Nyrstar recognised a reversal of impairment of EUR 3.8 million in relation to a partial repayment of the previously fully impaired loan facility up to a maximum amount of EUR 20 million that was made available to Talvivaara Sotkamo Limited ("Talvivaara"), a subsidiary of Talvivaara Mining Company Plc in 2014 (Note 19).

2014

On 12 March 2015, the Finnish State and Audley Capital Advisors LLP announced that a group of investors led by Audley Capital Advisors had signed a conditional agreement to acquire the assets of the operating company from the bankruptcy estate of Talvivaara. Accordingly, Nyrstar has reviewed the prospects of recovering its Zinc Streaming Agreement with Talvivaara and has decided to fully impair the value of the Zinc Streaming Agreement as at 31 December 2014 (note 19). The impairment charge amounts to EUR 245.9 million (net of tax EUR 196.8 million).

During 2014 Nyrstar made available to Talvivaara, a subsidiary of Talvivaara Mining Company Plc, a loan facility up to a maximum amount of EUR 20 million. Nyrstar shall make the facility available in several tranches with the amount of each advance calculated with reference to a corresponding delivery by Talvivaara of zinc in concentrate under the Agreement. On 6 November 2014, Talvivaara announced that it would enter into bankruptcy proceedings and therefore recovering the cash flows drawn under the facility was unlikely. As at 31 December 2014, Nyrstar recognised impairment losses of EUR 8.4 million equal to the full carrying value of the loan receivable under the facility.

In 2014 Nyrstar recognised impairment losses of EUR 0.7 million on Group's non-core assets. These impairment losses relate to investments in equity securities that have been valued at fair value with mark to market movements recognised in other comprehensive income ("OCI") for which market prices which indicated a significant decline in the market value of the investment.

17. Investments in equity accounted investees

EUR million	Ownership 2015 / 2014	31 Dec 2015	31 Dec 2014
Genesis Alloys (Ningbo) Ltd	0% / 0%	-	-
Foehl China Co. Ltd	0% / 0%	-	-
Ironbark Zinc Ltd [1]	22.0% / 22.1%	3.3	15.7
Other	49% / 49%	0.1	0.1
Total		**3.4**	**15.8**

[1] Impairment losses totalling EUR 12.3 million were recorded in connection with Ironbark Zinc Ltd during the year ended 31 December 2015, refer to Note 16.

In May 2014 Nyrstar sold its entire 50% share in Foehl China Co. Ltd., a Chinese company specialising in zinc die casting for cash proceeds of EUR 2.8 million resulting in a gain on disposal of EUR 0.6 million.

In October 2014 Nyrstar completed the sale of its entire 50% share in Genesis Alloys (Ningbo) Ltd., a Chinese company specialising in zinc alloy production for cash proceeds of USD 0.7 million (EUR 0.5 million) resulting in a gain on disposal of EUR 0.4 million.

Summary financial information for equity accounted investees, adjusted for the percentage ownership held by the Group, is as follows:

EUR million	Current assets	Non-current assets	Current liabilities	Non-current liabilities	Revenues	(Loss)
As at 31 Dec 2015	0.4	6.4	-	-	-	(0.1)
As at 31 Dec 2014	0.4	13.2	(0.1)	-	-	(0.4)

The fair value (based on the quoted bid prices in an active market, a Level 1 measurement) of Nyrstar's share of Ironbark Zinc Ltd as of 31 December 2015 is EUR 3.3 million (2014: 5.3 million).

18. Investments in equity securities

EUR million	31 Dec 2015	31 Dec 2014
Herencia Resources Ltd [1]	0.2	0.6
Qualified Environmental Trust	17.1	17.6
Exeltium SAS [1]	1.5	4.2
Other [1]	2.1	5.8
Total	**20.9**	**28.2**

[1] Impairment losses totalling EUR 6.9 million were recorded in connection with Herencia Resources Ltd., Exeltium SAS and other investments in equity securities during the year ended 31 December 2015 (2014: EUR 0.7 million), refer to note 16.

All investments in equity securities are measured at level 1 under the fair value measurements using quoted bid prices in an active market (refer to note 34g for further explanation), with the exception of Exeltium SAS, which is a private company and carried at cost.

19. Zinc purchase interest

2015

In August 2015 the Finnish State-owned Terrafame Mining acquired Talvivaara's mining business and assets. In November 2015 Nyrstar assigned all its rights, title, benefits and interest under the Talvivaara Zinc Streaming Agreement to Terrafame for a partial repayment of EUR 3.8 million related to the loan facility up to a maximum amount of EUR 20.0 million that was made available to Talvivaara in 2014 (Note 16).

2014

In February 2010, Nyrstar acquired 1.25 million tonnes of zinc in concentrate for USD 335 million (EUR 242.6 million) from Talvivaara Sotkamo Limited ("Operating Company"), a member of the Talvivaara Mining Company Plc group ("Talvivaara" or "Parent Company") to be delivered over a number of years (the "Zinc Streaming Agreement"). The Zinc Streaming Agreement is guaranteed by the Parent Company. As at 31 December 2014, 1.129 million tonnes of zinc in concentrate remained to be delivered to Nyrstar.

The asset was depleted through the income statement on the unit of production basis as the underlying tonnes were delivered to Nyrstar.

EUR million	2015	2014
As at 1 Jan	-	224.3
Depletion	-	(4.6)
Impairment	-	(245.9)
Currency translation effects	-	26.2
As at 31 Dec	**-**	**-**

The operations of the Operating Company were suspended in 2013 and during November 2014 the Operating Company announced that it had applied for bankruptcy under the Finnish Bankruptcy Act. Under the Finnish Bankruptcy Act the bankruptcy trustee (the "Trustee") can void the Zinc Streaming Agreement which would result in Nyrstar becoming a second ranked creditor to the Operating Company's estate. The Trustee is currently running a sales process to sell the assets of the Operating Company.

Due to the announcement referred to in note 16, at 31 December 2014 Nyrstar reassessed the recoverability of the Zinc Streaming Agreement and impaired its value to Nil.

20. Other financial assets and liabilities

EUR million	31 Dec 2015	31 Dec 2014
Embedded derivatives (b)	13.4	-
Restricted cash (c)	64.5	28.3
Held to maturity (d)	7.0	3.2
Total non-current financial assets	**84.9**	**31.5**
Commodity contracts - fair value hedges (a)	3.1	15.7
Commodity contracts - cash flow hedges (e)	23.2	8.0
Foreign exchange contracts - held for trading (a)	12.3	13.4
Foreign exchange contracts - cash flow hedge (f)	-	1.4
Embedded derivatives (b)	21.4	1.1
Total current financial assets	**60.0**	**39.6**
Zinc prepayment (g)	134.5	-
Embedded derivatives (b)	-	0.1
Total non-current financial liabilities	**134.5**	**0.1**
Commodity contracts - fair value hedges (a)	12.0	3.8
Foreign exchange contracts - held for trading (a)	5.3	23.9
Foreign exchange contracts - cash flow hedge (f)	0.1	-
Embedded derivatives (b)	-	0.2
Total current financial liabilities	**17.4**	**27.9**

Notes to the consolidated financial statements

(a) Instruments used by Nyrstar to manage exposure to currency and commodity price risk exposures

The fair value of derivatives (commodity contracts) hedging inventories and fixed forward sales contracts resulted in a net liability of EUR 8.9 million (31 December 2014: net asset of EUR 11.9 million) being recognised on the statement of financial position.

Carrying amounts of the hedged items of inventory as well as the firm commitments for fixed forward sales contracts are disclosed in note 21 and 22, respectively.

The fair value of foreign exchange derivatives that are commercially effective hedges but do not meet the strict IFRS hedge effectiveness criteria, are classified as held for trading and resulted in a net asset of EUR 7.0 million (31 December 2014 net liability: EUR 10.5 million).

The Group's exposure to currency and commodity risk related to other financial assets and liabilities is disclosed in note 34.

(b) Embedded derivatives

The change in fair value on the effective portion of the Group's embedded derivatives during the year ended 31 December 2015 with a pre-tax positive impact of EUR 19.9 million (31 December 2014: positive impact of EUR 3.7 million) was recognised in the cash flow hedge reserve whilst changes in fair value on the ineffective portion and amortisation of the swap's fair value at inception of EUR 13.4 million (31 December 2014: EUR 0.4 million) were recognised in the income statement within energy expense.

(c) Restricted cash

The restricted cash balance of EUR 64.5 million as at 31 December 2015 (31 December 2014: EUR 28.3 million) represents amounts placed on deposit to cover certain reclamation costs for the mining operations.

(d) Held to maturity

The held to maturity instrument is a government bond that is required to be maintained as a security deposit.

(e) Commodity contracts – cash flow hedges

The amount of EUR 23.2 million represents a remaining balance of the commodity contracts – cash flow hedges that were not settled at 31 December 2015. The fair value of the effective portion of commodity contracts - cash flow hedges at 31 December 2015 is a pre-tax gain of EUR 14.1 million (31 December 2014: 12.3 million). As the commodity contracts - cash flow hedges have been 100% hedge effective, the gain of EUR 14.1 million has been recognised in the cash flow hedge reserve.

(f) Foreign exchange contracts – cash flow hedges

The liability of EUR 0.1 million represents a remaining balance of the foreign exchange contracts – cash flow hedges that were not settled at 31 December 2015. The fair value of the effective portion of foreign exchange contracts - cash flow hedges at 31 December 2015 is a pre-tax gain of EUR 1.2 million (31 December 2014: EUR 3.0 million). As the foreign exchange contracts - cash flow hedges have been 100% hedge effective, the gain of EUR 1.2 million has been recognised in the cash flow hedge reserve.

(g) 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 risks and obligations of Nyrstar as to the SPV are fully described above except that in the event of Trafigura failing to take physical delivery of the zinc delivered by Nyrstar, the Company is required to, on a best efforts basis, find alternative buyers on behalf of the SPV. No financial risks arise to Nyrstar from this obligation.

The zinc metal deliveries are priced at the date of delivery based on prevailing market prices and have not been hedged by the Company thereby retaining full price exposure to zinc metal prices.

Directly attributable transaction costs have been deducted at initial recognition of the zinc prepayment and are amortised over the term of the zinc prepayment together with the interest of LIBOR plus a margin of 4.5%.

21. Inventories

EUR million	31 Dec 2015	31 Dec 2014
Raw materials	170.7	255.6
Work in progress	194.5	231.2
Finished goods	57.2	61.5
Stores and consumables	94.4	88.8
Fair value adjustment*	(10.7)	(11.5)
Total inventories	**506.1**	**625.6**

* As the Group applies hedge accounting as described in note 3g, the hedged items of inventories are adjusted for fair value movements.

22. Other assets and liabilities

EUR million	31 Dec 2015	31 Dec 2014
Deferred debt issuance cost - non-current (b)	3.2	1.8
Other - non-current	0.6	0.7
Total other non-current assets	**3.8**	**2.5**
Fair value of underlying hedged risk - current (a)	5.0	1.0
Total other current assets	**5.0**	**1.0**
Commodity delivery obligation - non-current (c)	-	0.4
Total other non-current liabilities	**-**	**0.4**

(a) Fair value of underlying hedged risk

The fair value of fixed forward sales contracts (the underlying hedged items) resulted in a net asset of EUR 5.0 million (2014: net asset of EUR 1.0 million), being offset by an amount of EUR 5.0 million (2014: EUR 1.0 million) representing the fair value of hedging derivatives on these fixed forward sales contracts and included in note 20 other financial assets and liabilities.

(b) Deferred debt issuance cost

Transaction cost of the SCTF credit facility (see note 27) not yet amortised of EUR 3.2 million (2014: EUR 1.8 million).

Notes to the consolidated financial statements

(c) Other liabilities

In 2011 Nyrstar acquired Farallon Mining Ltd., the owner of the Campo Morado mining operation in Mexico. In May 2008, Farallon entered into a contractual agreement with Silver Wheaton Corp. ("Silver Wheaton") to sell 75% of its silver production from the Campo Morado operation over the life of mine for an upfront payment of USD 80.0 million. Upon physical delivery of the silver, Silver Wheaton paid Nyrstar a fixed price payment per ounce of silver produced equal to the lesser of USD 3.90 and the spot price at the time of sale (subject to a 1% annual adjustment starting in the third year of silver production)

As a part of the purchase price allocation accounting for the Campo Morado acquisition, the obligation to deliver silver to Silver Wheaton was fair valued based on the present value of the forgone revenue resulting from the Silver Wheaton obligation as of the acquisition date. The obligation was depleted through the income statement using the unit-of-production method, as the mineral reserves related to the Silver Wheaton liability were mined and delivered under the contract. There was no amortisation of the Silver Wheaton liability in 2015. (2014: EUR 1.7 million).

In December 2014 Nyrstar reached an agreement with Silver Wheaton to settle the existing silver streaming agreement related to Campo Morado. Under the settlement, the streaming agreement delivery obligation was brought to an end on 31 December 2014. In return, Nyrstar agreed to make a payment of USD 25 million to Silver Wheaton by 31 January 2015 and will grant Silver Wheaton a five year right of first refusal on any silver streaming transaction in relation to a Nyrstar group property. In its 31 December 2014 consolidated financial statements, Nyrstar recognised a gain on settlement of the silver streaming agreement of EUR 42.9 million (USD 52.1 million). The gain has been recognised in other income.

23. Trade and other receivables

EUR million	31 Dec 2015	31 Dec 2014
Trade receivables	182.3	174.9
Less provision for receivables	(2.0)	(2.4)
Net trade receivables	**180.3**	**172.5**
Other receivables*	37.8	28.9
Total trade and other receivables	**218.1**	**201.4**

* During 2015 the Company entered into various commodity swaps ("swaps") to optimise sourcing of raw material supply to its smelters. The outstanding balances of the swaps that did not meet the revenue recognition criteria are recognised in Other receivables (EUR 25.0 million) and in Other payables (EUR 23.0 million).

The movement in the provision for receivables is detailed in the table below:

EUR million	2015	2014
As at 1 Jan	2.4	2.1
Payments	(0.7)	-
Additions / (reversals)	0.2	0.1
Currency translation effects	0.1	0.2
As at 31 Dec	**2.0**	**2.4**

The Group's exposure to currency and liquidity risk related to trade and other receivables is disclosed in note 34.

24. Cash and cash equivalents

EUR million	31 Dec 2015	31 Dec 2014
Cash at bank and on hand	79.5	398.0
Short-term bank deposits	36.7	100.5
Total cash and cash equivalents	**116.2**	**498.5**

Cash at bank and on hand and short-term deposits earned a combined weighted average interest rate of 0.7% for calendar year 2015 (2014: 0.6% per annum).

The Group's exposure to interest rate risk and a sensitivity analysis for financial assets and liabilities are disclosed in note 34.

25. Capital

Share capital and share premium

In September 2014 Nyrstar issued 170,022,544 new shares as the result of the completion of a capital increase in the amount of EUR 251.6 million within the framework of a rights offering which was approved by the extraordinary general shareholders' meeting of 4 December 2014. The associated costs of the capital increase amounted to EUR 8.6 million.

As at 31 December 2015 the number of issued ordinary shares is 340,045,088 (31 December 2014: 340,045,088) with a par value of EUR 0.10 (2014: EUR 0.10). The reduction in par value is due to decisions taken at the extraordinary shareholders' meeting on 20 August 2014 to reduce the Company's share capital through an allocation of the amount of the share capital reduction to the share premium account. The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All shares rank equally with regard to the Company's residual assets.

Apart from the issued share capital, Nyrstar NV has outstanding convertible bonds issued in 2013 in an aggregate principal amount of EUR 120.0 million. Based on a conversion price of EUR 3.71 per share, if all convertible bonds are converted, a maximum of 32,345,013 new shares are to be issued.

Distribution to shareholders (capital decrease)

The Board of Directors has decided not to propose to shareholders a distribution for the financial year 2015 and 2014.

Issued shares	2015	2014
Shares outstanding	327,473,863	327,381,031
Treasury shares	12,571,225	12,664,057
As at 31 Dec	**340,045,088**	**340,045,088**

Movement in shares outstanding	2015	2014
As at 1 Jan	327,381,031	154,684,113
Capital increase	-	170,022,544
Purchases of treasury shares	-	(29,778)
Sales of treasury shares	-	2,500,000
Employee shared based payment plan	92,832	204,152
As at 31 Dec	**327,473,863**	**327,381,031**

Notes to the consolidated financial statements

Movement in treasury shares	Note	2015	2014
As at 1 Jan		12,664,057	15,338,431
Purchases	26	-	29,778
Sales	26	-	(2,500,000)
Employee shared based payment plan	32	(92,832)	(204,152)
As at 31 Dec		**12,571,225**	**12,664,057**

At 18 January 2016 Nyrstar's extraordinary general meeting approved cancellation of all outstanding treasury shares. Following the cancellation Nyrstar does not hold any treasury shares.

Disclosure of the shareholders' structure

The Group's major shareholders (holding greater than 3% of the Group's outstanding shares) based on notifications of significant shareholdings available as at 31 December 2015 were:

Shareholder's name	Shareholder's address	Date of notification	Number of voting rights	in %
Urion Holdings (Malta) Ltd*	Leicester Court, Suite 2, Edgar Bernard Str., Gzira, Malta	1 Sep 2015	68,090,869.0	20.02%
BlackRock Group	33 King William Street, London EC4R 9AS, UK	14 May 2015	10,772,165.0	3.17%
Umicore S.A. / N.V.	Broekstraat 31, 1000 Brussels, Belgium	23 Mar 2011	10,503,712.0	3.09%
Dimensional Fund Advisors LP	6300 Bee Cave Road, Building One, Austin, Texas, 78746, USA	29 Apr 2015	10,215,142.0	3.00%
Total			**99,581,888.0**	**29.28%**

* Since the notification of significant shareholding received by the Company at 1 September 2015, Urion Holdings (Malta) Ltd acquired additional shares in the Company via market purchases. According to the most recent information received by the Company, at 31 December 2015 Urion Holdings (Malta) Ltd 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 Holdings (Malta) Ltd represented 24.64% of the voting rights.

The Group's major shareholders (holding greater than 3% of the Group's outstanding shares) based on notifications of significant shareholdings available as at 31 December 2014 were:

Shareholder's name	Shareholder's address	Date of notification	Number of voting rights	in %
Urion Holdings (Malta) Ltd	Leicester Court, Suite 2, Edgar Bernard Str., Gzira, Malta	12 Nov 2014	52,035,694.0	15.30%
Umicore S.A. / N.V.	Broekstraat 31, 1000 Brussels, Belgium	23 Mar 2011	10,503,712.0	3.09%
Total			**62,539,406.0**	**18.39%**

26. Reserves

Reconciliation of movement in 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 2015	**(1.2)**	**85.5**	**(265.4)**	**34.4**	**24.5**	**-**	**1.9**	**(120.3)**
Gains on cash flow hedges	-	-	-	25.1	-	-	-	25.1
Foreign currency translation differences	-	63.3	-	-	-	-	-	63.3
Issue of perpetual instrument	-	-	-	-	-	21.8	-	21.8
Change in fair value of investments in equity securities	-	-	-	-	-	-	0.9	0.9
As at 31 Dec 2015	**(1.2)**	**148.8**	**(265.4)**	**59.5**	**24.5**	**21.8**	**2.8**	**(9.2)**

EUR million	Treasury shares	Translation reserves	Reverse acquisition reserve	Cash flow hedge reserve	Convertible bond	Perpetual instrument	Investments reserve	Total
As at 1 Jan 2014	**(33.4)**	**(20.5)**	**(265.4)**	**19.1**	**24.5**	**-**	**1.2**	**(274.5)**
Gains on cash flow hedges	-	-	-	15.3	-	-	-	15.3
Foreign currency translation differences	-	106.0	-	-	-	-	-	106.0
Change in fair value of investments in equity securities	-	-	-	-	-	-	0.7	0.7
(Acquisition) / distribution of treasury shares	5.8	-	-	-	-	-	-	5.8
As at 31 Dec 2014	**(1.2)**	**85.5**	**(265.4)**	**34.4**	**24.5**	**-**	**1.9**	**(120.3)**

Treasury shares

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

During 2015 the Group settled its LTIP Grants and Deferred Shares Awards. A total of 92,832 shares (2014: 204,152) were allocated to the employees as a part of this settlement.

In 2014 Nyrstar sold 2,500,000 shares to a financial institution and to the participants in relation with the LESOP (note 32), for a cash consideration of EUR 4.9 million.

In September 2014 Nyrstar sold the subscription rights related of its treasury shares held at the time of the capital increase. The consideration received of EUR 7.7 million was recognised directly in accumulated losses.

Perpetual instrument

In November and December 2015, Nyrstar issued the first tranche of perpetual instruments (the "Instruments") related to the Nyrstar Port Pirie ("NPP") redevelopment. Remaining tranches will be issued throughout 2016 until the NPP redevelopment project is commissioned. Each tranche matches the actual monthly spend relating to the redevelopment project, up to a total amount of AUD 291 million. At 31 December 2015 the Instruments bear floating effective interest rate of 5.4%

The Instruments are perpetual, direct, deferrable, cumulative (if deferred) unconditional subordinated and unsecured. The Instrument has been treated as an equity instrument by the Company as its redemption including any accumulated distributions are at the sole discretion of the Company. No distributions were made in 2015.

Whilst the Instruments are outstanding and there are beneficiaries to the agreements, NPP is subject to forms of economic compulsion to make the intended payments on the Instruments. This includes prohibiting NPP (or its subsidiaries) from making a dividend.

The Company estimates that it will make future distributions from excess operating cash flows to reduce the amount of the Instruments outstanding between 2017 and 2021.

27. 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. For more information about the Group's exposure to interest rate, foreign currency and liquidity risks see note 34.

EUR million	as at 31 Dec 2015	as at 31 Dec 2014
Convertible bonds	109.4	106.0
Fixed rate bonds	338.4	751.3
SCTF Credit Facility	-	-
Unsecured bank loans	11.6	3.0
Finance lease liabilities	0.9	1.9
Total non-current loans and borrowings	**460.3**	**862.2**
Fixed rate bonds	414.9	72.6
Unsecured bank loans	1.6	-
Finance lease liabilities	0.5	2.0
Total current loans and borrowings	**417.0**	**74.6**
Total loans and borrowings	**877.3**	**936.8**

Convertible bonds

In September 2013 Nyrstar issued an EUR 120 million 4.25% convertible bonds listed on the Frankfurt Open Market (Freiverkehr), due September 2018.

The bonds are convertible at the option of the holder, at any time from 31 December 2013 until 15 September 2018 (ten days prior to final maturity date being 25 September 2018), or if the bonds are called by the Group for redemption prior to the final maturity date, until the seventh day before the date fixed for redemption. The conversion price as at 31 December 2015 is EUR 3.71 per share.

The bonds consist of a liability component and an equity component. The fair values of the liability component (EUR 102.3 million) and the equity component (EUR 15.7 million) were determined, using the residual method, at issuance of the bonds. The liability component is measured at amortised cost at an effective interest rate of 8.03% per annum.

The bonds have been issued at 100% of their principal amount and have a coupon of 4.25% per annum, payable semi-annually in arrears.

In July 2014 Nyrstar repaid its EUR 120 million 7% convertible bonds listed on the Luxembourg Stock Exchange's Euro MTF market, due July 2014.

The bonds were convertible at the option of the holder, at any time from 1 September 2009 until 1 July 2014 (ten days prior to final maturity date being 10 July 2014), or if the bonds were called by the Group for redemption prior to the final maturity date, until the seventh day before the date fixed for redemption. The conversion price as at 31 December 2013 was EUR 5.63 per share.

The bonds consisted of a liability component and an equity component. At 31 December 2013 the fair values of the liability component (EUR 108.7 million) and the equity component (EUR 8.8 million) were determined, using the residual method, at issuance of the bonds. The liability component were measured at amortised cost at an effective interest rate of 9.09% per annum.

The bonds were issued at 100% of their principal amount and had a coupon of 7% per annum, payable semi-annually in arrears.

In 2015 and 2014 no convertible bonds were converted in ordinary shares of the company.

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 have been deducted at initial recognition and are amortized over the term of the credit facility. Transaction cost not yet amortized at the balance sheet date amount to EUR 3.2 million (31 December 2014: EUR 1.8 million). These costs are disclosed under other assets (see note 22). In 2015 the costs of the previous SCTF credit facility were written off at the time of renewal, leading to finance charges of EUR 1.5 million.

Borrowings under this facility are secured by Nyrstar's inventories and receivables. In addition to standard representations, warranties and undertakings, including restrictions on mergers and disposals of assets, the facility provides for financial covenants which are linked to total consolidated tangible net worth and net debt to equity.

Fixed rate bonds

In April 2015 Nyrstar repaid its EUR 225 million 5.5% fixed rate bonds, due April 2015.

In September 2014, the Company issued an EUR 350 million 8.5% Senior Notes listed on the Luxembourg Stock Exchange's Euro MTF market, due in 2019. The 2019 Notes were priced at 98.018%.

At 31 December 2015, the Company has two outstanding fixed rate bonds; 5.375% fixed rate bond with an original face value of EUR 525 million (maturity: April 2016) and 8.5% fixed rate bond with original face value of EUR 350 million (maturity: September 2019). Directly attributable transaction costs have been deducted at initial recognition and are amortised over the term of the bonds.

In 2014, Nyrstar bought back own bonds, through a public tender offering, with a face value of EUR 147.4 million for the 5.5% bond and EUR 100.0 million for the 5.375% bond for total cash consideration of EUR 253.4 million.

Terms and debt repayment schedule

Terms and conditions of outstanding loans were as follows:

EUR million	Currency	Nominal interest rate	Year of maturity	31 Dec 2015 Face value	31 Dec 2015 Carrying amount	31 Dec 2014 Face value	31 Dec 2014 Carrying amount
Fixed rate bonds	EUR	5.50%	2015	-	-	72.6	72.6
Fixed rate bonds	EUR	5.40%	2016	415.0	414.9	415.0	414.7
Convertible bonds*	EUR	4.25%	2018	120.0	109.4	120.0	106.0
Fixed rate bonds	EUR	8.50%	2019	350.0	338.4	350.0	336.6
Total interest bearing liabilities				**885.0**	**862.7**	**957.6**	**929.9**

* The Company may, at any time on or after 16 October 2016, redeem the convertible bonds together with accrued but unpaid interest, if on not less than 20 out 30 days consecutive dealing days, the volume weighted average price of the shares exceeds 130% of the conversion price.

Finance leases

EUR million	31 Dec 2015	31 Dec 2014
Within 1 year	0.5	2.0
Between 2 and 5 years	1.0	2.0
Total undiscounted minimum lease payments	**1.5**	**4.0**
Less: amounts representing finance lease charges	0.1	0.1
Present value of minimum lease payments	**1.4**	**3.9**

28. Provisions

EUR million	Note	Restoration, rehabilitation and decommissioning	Restructuring	Other	Total
As at 1 Jan 2015		186.3	2.4	38.2	226.9
Payments		(10.1)	(4.0)	(3.4)	(17.5)
Additions / (reversals)		2.7	3.5	(14.8)	(8.6)
PPE asset adjustment	14	(4.2)	-	-	(4.2)
Transfers		(0.3)	-	-	(0.3)
Unwind of discount	11	11.4	-	0.2	11.6
Currency translation effects		3.5	-	1.0	4.5
As at 31 Dec 2015		**189.3**	**1.9**	**21.2**	**212.4**
Whereof current		6.1	1.9	4.7	12.7
Whereof non-current		183.2	-	16.5	199.7

EUR million	Note	Restoration, rehabilitation and decommissioning	Restructuring	Other	Total
As at 1 Jan 2014		188.2	5.2	32.3	225.7
Payments		(14.4)	(4.9)	(3.6)	(22.9)
Additions / (reversals)		(3.7)	2.0	6.3	4.6
PPE asset adjustment	14	(7.2)	-	-	(7.2)
Transfers		(0.2)	-	-	(0.2)
Unwind of discount	11	11.8	-	0.2	12.0
Currency translation effects		11.8	0.1	3.0	14.9
As at 31 Dec 2014		**186.3**	**2.4**	**38.2**	**226.9**
Whereof current		5.2	2.4	4.4	12.0
Whereof non-current		181.1	-	33.8	214.9

Restoration, rehabilitation and decommissioning

Restoration, rehabilitation and decommissioning work on the projects provided for is estimated to occur progressively over the next 115 years, of which the majority will be used within the next 15 years. The provision is discounted using a current market based pre-tax discount rate and the unwinding of the discount is included in interest expense. Refer to note 4 for a discussion of the significant estimations and assumptions applied in the measurement of this provision.

Restructuring

In 2015 Nyrstar incurred restructuring costs of EUR 15.9 million (2014: EUR 5.3 million). The remaining provision of EUR 1.9 million (31 December 2014: EUR 2.4 million) is mainly related to the implementation of the restructuring measures that are expected to be finalised during 2016.

Other

Other provisions primarily relate to workers compensation benefits, legal claims and other liabilities. The current portion of these costs is expected to be utilised in the next 12 months and the non-current portion of these costs is expected to be utilised over a weighted average life of 2 years (2014: 2 years). The estimates may vary as a result of changes in cost estimates and timing of the costs to be incurred.

29. Employee benefits

EUR million	31 Dec 2015	31 Dec 2014
Long service leave	2.8	2.6
Retirement plans	73.7	72.9
Other	7.9	11.3
Total non-current employee provisions	**84.4**	**86.8**
Annual leave and long service leave	24.2	26.4
Other	19.6	32.0
Total current employee provisions	**43.8**	**58.4**
Total employee provisions	**128.2**	**145.2**

Notes to the consolidated financial statements

Retirement and post-retirement plans

Nyrstar participates in a number of superannuation and retirement benefit plans. The plans provide benefits on retirement, disablement, death, retrenchment or withdrawal from service, the principal types of benefits being lump sum defined benefits and lump sum defined contribution benefits.

Defined contribution plans

The Group is required to contribute a specified percentage of payroll costs to the retirement benefit schemes to fund the benefits. The only responsibility of the Group is to make the specified contributions.

Employees of Nyrstar Budel BV are members of a multi-employer Metal and Electricity industry defined benefit pension plan (PME). PME are unable to provide the necessary information for defined benefit accounting to be applied and consequently the PME plan has been accounted for as a defined contribution plan. The entity's obligations are limited to the payment of the contributions required according to the funding plan of the PME and cannot held liable for any deficits or contributions from other participating companies.

The total expense for defined contribution plans recognised in the consolidated income statement is EUR 4.4 million.

Defined benefit plans

The Group sponsors defined benefit plans as described below. All defined benefit plans are externally funded, either through a collective insurance contract or through a self-administered pension fund legally separated from the entity. All plans comply with local regulatory frameworks and minimum funding requirements and have been reviewed as at 31 December 2015. Furthermore the Group is responsible for the administration and governance of the defined benefit plans in Belgium, Switzerland, the US and Canada. The plan assets do not include direct investments in the Group's own financial instruments nor in property occupied by or used by the companies of the Group.

The defined benefit plans also include the so-called cash balance plans. The cash balance plans, sponsored by the Belgian and Swiss entities, account for about 28% of the total defined benefit obligation value as at 31 December 2015 (2014: 13%) and are valued on the basis of the Projected Unit Credit Method.

Due to a change of legislation in Belgium, enacted in December 2015, certain Belgian pension plans, which were previously accounted for as defined contribution plans ("Belgium DC Plans"), are now considered defined benefit plans under the requirements of IAS 19 and have been accounted and disclosed accordingly at 31 December 2015. For these plan legislation requires a minimum rate of return, currently 3.25% on employer contributions and 3.75% on employee contributions. The latter, which apply as an average over the employees' entire career, may be modified by Royal Decree in which case the new rate(s) apply to both the accumulated past contributions and the future contributions as from the date of modification onwards. The plans are funded through group insurances.

The defined benefit plans expose the sponsoring company to actuarial risks such as investment risk, interest rate risk, salary risk, inflation risk and longevity risk. The medical benefit plans are further exposed to medical cost inflation risk. The possible impact of changes in these risks has been illustrated by a sensitivity analysis which is further detailed below.

Death in service and disability risks are in most countries insured with an external (re)insurance company.

Based on geographical location of the sponsoring entities, the recognised retirement benefit obligations as at 31 December 2015 can be split as follows:

EUR million	31 Dec 2015	Average duration
Euro zone:	(22.2)	9.7 years
Nyrstar Budel BV Excedent Pension Plan		
Nyrstar Belgium SA/NV: Staff Old Defined Benefit plan funded through pension fund, Staff Cash Balance Plan, Staff Complementary Savings Plan, Staff Insured Old Defined Benefit plan, Staff "appointements continués", Salaried Employees Old Defined Benefit Plan, Salaried Employees "appointements continués"		
Nyrstar NV: Staff Cash Balance Plan, Staff Complementary Savings Plan		
Nyrstar France Régime d'Indemnités de Fin de Carrière and Régime du Mutuelle		
Nyrstar France Mutuelle (medical benefit plan)		
USA:	(29.2)	13.7 years
Nyrstar Clarksville Inc: Hourly Employees' Pension Plan, Salaried Employees' Retirement Plan, Pension Plan for Bargaining Unit Employees, NCI/JCZ Pension Plan for Bargaining Unit Employees, Supplemental Executive Retirement Plan		
Nyrstar Clarksville Inc. Post Retirement Medical Benefit and Life Insurance Plan (medical benefit plan)		
Canada:	(14.2)	11.3 years
Nyrstar Myra Falls Ltd.: Hourly-Paid Employees' Pension Plan, Thirty-Year Retirement Supplement and Voluntary Early retirement Allowance		
Nyrstar Myra Falls Ltd.: Non-Pension post-retirement benefits plan (medical benefit plan)		
Switzerland:	(8.1)	20.0 years
Nyrstar Sales & Marketing AG: Pension Plan Staff and Pension Plan Staff NMC funded through the Helvetia Group Foundation		
Nyrstar Finance International AG: Pension Plan funded through the Helvetia Group Foundation		
Total	**(73.7)**	**11.8 years**

The total value of the medical benefit plans, included in the retirement benefit obligations is EUR 32.4 million (2014: EUR 29.4 million).

The amounts recognised on the statement of financial position have been determined as follows:

EUR million	31 Dec 2015	31 Dec 2014
Present value of funded obligations	167.6	145.9
Present value of unfunded obligations	43.6	42.8
Total present value of obligations	**211.2**	**188.7**
Fair value of plan assets	(137.6)	(115.9)
Total deficit	**73.6**	**72.8**
Limitation on recognition of surplus due to asset ceiling	0.1	0.1
Total recognised retirement benefit obligations	**73.7**	**72.9**

Plan assets comprise:

EUR million	31 Dec 2015	31 Dec 2014
Cash	1.9	1.7
Equity instruments	47.4	48.9
Debt instruments	35.0	33.3
Other assets	53.3	32.0
Total plan assets	**137.6**	**115.9**

Mutual funds consist of equity funds, fixed-income funds and mixed investments funds including both equity and debt instruments. All assets, except for the insurance contracts have quoted prices in active markets. The fair value of the insurance contracts corresponds either to the present value of the secured future benefits (Netherlands) or to the capitalized value of the paid contributions at the contractually guaranteed insurance rate (other countries).

The changes in the present value of the defined benefit obligations are as follows:

EUR million	31 Dec 2015	31 Dec 2014
Defined benefit obligations at start of period	188.7	155.5
Current service cost	8.3	6.6
Interest cost	5.2	5.9
Remeasurement (gains)/losses:		
Actuarial (gains)/losses arising from changes in demographic assumptions	6.3	0.8
Actuarial (gains)/losses arising from changes in financial assumptions	(10.4)	24.5
Actuarial (gains)/losses arising from changes in experience	(2.2)	(4.7)
Actuarial (gains)/losses due to exchange rate movements	3.5	8.9
Contributions paid into the plans by participants	1.2	1.2
Benefits paid by the plans	(8.7)	(9.3)
Past service cost (including plan amendment or curtailment)	(0.1)	(0.4)
Admin expenses, taxes and social securities	(0.6)	(0.3)
Inclusion of Belgian DC Plans	20.0	-
Defined benefit obligations at end of period	**211.2**	**188.7**

During 2015 there were no curtailments nor settlements.

The changes in the present value of plan assets are as follows:

EUR million	31 Dec 2015	31 Dec 2014
Fair value of plan assets at start of period	115.9	97.1
Interest Income	3.2	3.8
Remeasurement gains/(losses):		
Return on plan assets excluding interest income recognised in net interest expense	(2.3)	9.4
Actuarial gains/(losses) due to exchange rate movements	1.1	5.2
Contribution paid into the plans by employer	6.0	6.8
Contribution paid into the plans by participants	1.3	1.2
Benefits paid by the plans	(7.0)	(7.3)
Admin expenses, taxes and social securities	(0.6)	(0.3)
Inclusion of Belgian DC Plans	20.0	-
Fair value of plan assets at end of period	**137.6**	**115.9**

The expense recognised in the income statement is as follows:

EUR million	31 Dec 2015	31 Dec 2014
Service cost:		
Current service cost, including admin fees, taxes and social securities	(8.3)	(6.6)
Past service cost	0.1	0.4
Net interest expense	(1.8)	(2.1)
Components of defined benefit costs included in income statement	**(10.0)**	**(8.3)**
Remeasurement on the net defined benefit liability:		
The return on plan assets (excluding amounts included in net interest expense)	(2.3)	9.4
Actuarial gains and (losses) arising from changes in demographic assumptions	(6.3)	(0.8)
Actuarial gains and (losses) arising from changes in financial assumptions	10.4	(24.5)
Actuarial gains and (losses) arising from experience adjustments	2.2	4.7
Adjustments for restrictions on the defined benefit asset	-	0.3
Actuarial gains/(losses) due to exchange rate movements	-	0.3
Components of defined benefit costs recorded in OCI	**4.0**	**(10.6)**
Total of components of defined benefit cost	**(6.0)**	**(18.9)**

Principal actuarial assumptions

The principal actuarial assumptions used at the reporting date are as follows:

EUR million	31 Dec 2015	31 Dec 2014
Discount rate (range; weighted average in %)	0.4 - 4.1; 3.0	0.6 - 3.8; 2.7
Expected future salary increases (range; weighted average in %)	1.25 - 2.5; 2.0	1.5 - 2.5; 2.3
Expected inflation rate (range; weighted average in %)	2.0; 2.0	2.0; 2.0
Initial trend rate (range; weighted average in %)	1.8 - 7.0; 6.0	2.0 - 7.5; 6.1
Ultimate trend rate (range; weighted average in %)	1.8 - 5.0; 4.6	2.0 - 6.0; 4.5
Years until ultimate is reached	0 - 4; 3.4	0 - 5; 3.7

Multiple discount rates have been used in accordance with the regions as indicated in the table above. The discount rates have been determined by reference to high quality corporate bonds with a similar duration as the weighted average duration of the concerned plans for the EURO zone, USA and Canada. As there is no deep market for AA corporate bonds with the required term in Switzerland, discount rates have been determined by reference to government bond rates.

Future salary increase assumptions reflect the Groups' expectations and HR policy for the next few years.

A single inflation rate assumption of 2% (2014: 2%) has been used for the EURO zone corresponding to the target inflation rate of the European Central Bank.

The medical cost trend rate assumptions have been determined based on industry standards and survey data with consideration for actual plan experience.

Mortality assumptions are based on the latest available standard mortality tables for the individual countries concerned. These tables imply expected future lifetimes (in years) for employees aged 65 as at the 31 December 2015 of 18 to 24 for males (2014: 18 to 24) and 21 to 28 (2014: 21 to 28) for females. The assumptions for each country are reviewed each year and are adjusted where necessary to reflect changes in fund experience and actuarial recommendations. If applicable, the longevity risk is covered by using appropriate prospective mortality rates.

Sensitivity analysis

The significant actuarial assumptions for the determination of the defined benefit obligation have been discussed earlier in this note. The table below shows the sensitivity analysis on the effect on the defined benefit obligation of reasonable positive changes in the most significant actuarial assumptions used. Note that the sensitivity analysis is done per assumption (where the other significant assumptions were held constant):

EUR million	31 Dec 2015
Discount rate -0.5%	14.4
Discount rate +0.5%	(12.9)
Expected future salary increase - 0.5%	(0.8)
Expected future salary increase + 0.5%	1.1
Expected inflation rate - 0.25%	(0.7)
Expected inflation rate + 0.25%	0.7
Medical cost trend rate -1.0%	(5.1)
Medical cost trend rate +1.0%	6.7
Life expectancy - 1 year	4.6
Life expectancy + 1 year	(4.6)

Expected contributions 2016

The Group expects to make EUR 7.2 million contributions to post-employment defined benefit plans for the year ending 31 December 2016.

30. Trade and other payables

EUR million	31 Dec 2015	31 Dec 2014
Trade payables	542.5	536.8
Other payables*	70.9	73.7
Total trade and other payables	**613.4**	**610.5**

*During 2015 the Company entered into various commodity swaps ("swaps") to optimise sourcing of raw material supply to its smelters. The outstanding balances of the swaps that did not meet the revenue recognition criteria are recognised in Other receivables (EUR 25.0 million) and in Other payables (EUR 23.0 million).

The Group's exposure to currency and liquidity risk related to trade and other payables is disclosed in note 34.

31. Deferred income

EUR million	31 Dec 2015	31 Dec 2014
Current	214.0	425.3
Non-current	79.8	89.5
Total deferred income	**293.8**	**514.8**

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.

During the twelve months ended 31 December 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 31 December 2015, 12.2 million oz of silver have been delivered. The remaining 0.8 million oz will be delivered between January 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 December 2014 Nyrstar entered into silver prepay agreements, under which Nyrstar received approximately USD 124.6 million (EUR 102.7 million) prepayment and agreed to physically deliver 9.4 million oz of silver in equal instalments over a six month period ending June 2015. The silver prepayments are amortised into revenue as the underlying silver is physically delivered. As at 31 December 2015, the agreed tonnage of silver was fully delivered.

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 2.9 million (2014: EUR 1.8 million) has been included in other financial liabilities and the portion of deferred income related to the silver prepay agreement of EUR 2.9 million (2014: EUR 1.8 million) effectively offsets in the income statement.

32. Share-based payments

EUR million	2015	2014
Share based payment expenses, including social security	(4.6)	(4.7)

The Company has established an Executive Long Term Incentive Plan (LTIP), a Leveraged Employee Stock Ownership Plan (LESOP) and a Deferred Share Award Plan (together referred to as the "Plans") with a view to attracting, retaining and motivating the employees and senior management of the Company and its wholly owned subsidiaries. The key terms of each Plan are disclosed below:

Long Term Incentive Plan

LTIP Grants 4 to 8 were granted between 2011 and 2015 in accordance with the rules and conditions of the Executive Long Term Incentive Plan (LTIP). The table below summarises the details of the grants.

	Grant 4	Grant 5	Grant 6	Grant 7	Grant 8
Number of instruments granted at the grant date	1,149,398	2,261,628	2,270,961	5,121,113	3,803,515
Effective grant date	30 Jun 2011	30 Jun 2012	30 Jun 2013	5 Sep 2014	30 Jun 15
Performance period	1 Jan 2011 to 31 Dec 2013	1 Jan 2012 to 31 Dec 2014	1 Jan 2013 to 31 Dec 2015	1 Jan 2014 to 31 Dec 2016	1 Jan 2015 to 31 Dec 2017
Vesting date	31 Dec 2013	31 Dec 2014	31 Dec 2015	31 Dec 2016	31 Dec 2017
Settlement (b)	Share	Share	Share	Share	Share
Fair value at grant date (EUR per share) *	6.23	1.01	1.37	0.44	2.78

* the fair value is the weighted average fair value for both performance measures: price of Zinc and MSCI as explained below

(a) Performance criteria

To ensure that the LTIP is aligned with maximizing shareholder returns, the board has set two performance conditions, which are weighted equally. For both performance conditions an equal number of awards has been granted. For an award to vest, Nyrstar's annual share price performance is measured relative to the implied change in a notional share price that is based upon the historical performance of the price of zinc and the MSCI World Metals and Mining Index.

Shares are awarded to eligible employees to the extent that predetermined scaling thresholds for each of the performance conditions are met and that the employee remains in service to vesting date of the respective grant.

(b) Settlement

The board has the discretion to settle Grant 5, Grant 6, Grant 7 and Grant 8 award in shares or cash. However it intends to settle all plans in shares. As such, all LTIP plans are treated as equity settled share based payments.

The significant inputs into the valuation model for the LTIP plans granted in 2015 and 2014 are:

	2015	2014
Dividend yield	0.0%	0.0%
Expected volatility - Nyrstar share price	41.0%	45.0%
Expected volatility - zinc price	19.0%	19.0%
Expected volatility - MSCI metals and mining index	17.0%	18.0%
Risk free interest rate	1.9%	1.6%
Share price at grant date (in EUR)	3.21	2.44
Expected forfeiture rate	0.0%	0.0%
Valuation model used	Monte Carlo	Monte Carlo

The expected volatilities are based on the historic volatility during the period prior to the grant date (that is equivalent to the expected life of the award, subject to historical data remaining relevant). The performance conditions are both market-related and were accounted for in calculating the fair value of the awards.

The following table sets out the movements in the number of equity instruments granted during the period in relation to the LTIP plans:

	Grant 4	Grant 5	Grant 6	Grant 7	Grant 8	Total
As at 1 Jan 2015	-	-	2,826,537	5,859,665	-	**8,686,202**
Initial allocation 30 Jun 2015	-	-	-	-	3,803,515	**3,803,515**
Forfeitures	-	-	(1,022,216)	(1,649,628)	(521,796)	**(3,193,640)**
Additions	-	-	875,586	1,261,591	-	**2,137,177**
Expired	-	-	-	-	-	**-**
Settlements	-	-	-	-	-	**-**
As at 31 Dec 2015	**-**	**-**	**2,679,907**	**5,471,628**	**3,281,719**	**11,433,254**

	Grant 4	Grant 5	Grant 6	Grant 7	Total
As at 1 Jan 2014	1,019,930	1,903,273	2,111,346	-	**5,034,549**
Initial allocation 5 Sep 2014	-	-	-	5,121,113	**5,121,113**
Dilutive impact / adjustment	-	553,380	669,321	1,364,350	**2,587,051**
Forfeitures	-	(2,626,335)	(421,558)	(625,798)	**(3,673,691)**
Additions	-	169,682	467,428	-	**637,110**
Expired	(944,359)	-	-	-	**(944,359)**
Settlements	(75,571)	-	-	-	**(75,571)**
As at 31 Dec 2014	**-**	**-**	**2,826,537**	**5,859,665**	**8,686,202**

In 2014 LTIP Grant 4 was settled in cash and LTIP Grant 5 forfeited.

In 2015 and 2014, certain employees who joined Nyrstar during the year received LTIP awards under Grants 5, 6 and 7. The fair value of these rights amounted to EUR 0.9 million for 2015 (2014: EUR 0.7 million). There have been no changes to the terms and conditions of the grants.

Leveraged Employee Stock Ownership Plan (LESOP)

On 17 June 2015 the Board decided to suspend the LESOP plan and to not continue it in 2015.

In 2013, the Board submitted to the general shareholder`s meeting a proposal to provide a new remuneration component to certain senior managers, including the management committee, called a LESOP. The LESOP would enable participants to purchase shares of the Company at a discount of 20%, following which the shares would be subject to a holding period of three years. For each share purchased by a participant with their personal contribution, a financial institution would provide the participant with additional financing enabling them to purchase nine additional shares at such discount. The number of shares that a participant could purchase with their personal contribution under the LESOP is capped. With respect to the members of the Nyrstar Management Committee, the cap is set at 50,000 shares for each member. At the end of the holding period, the participant will be required to transfer all shares purchased to the financial institution and will receive in return a cash amount or a number of shares of the Company, the value of which equals their personal contribution in the LESOP and a certain percentage of any increase in value of the shares over the lifetime of the LESOP.

The 2013 LESOP was approved by the general shareholder`s meeting in April 2013. The first stage of the 2013 LESOP was implemented in December 2013.

3,065,000 shares were granted, with an effective accounting grant date of 21 December 2013. The shares vested immediately at grant date. The fair value at the grant date per share was EUR 0.10, resulting in the total fair value of EUR 0.3 million fully recognized in the financial year ended 31 December 2013.

On 30 April 2014, the Company's general shareholders' meeting approved and granted the board of directors the powers to establish an annual leveraged employee stock ownership plan for the years 2014, 2015 and 2016 (respectively the "2014 LESOP", the "2015 LESOP" and the "2016 LESOP"), whereby each LESOP (if established) must have the following features:

(i) eligible participants can purchase Shares of the Company at a discount of 20%, whereby the Shares are subject to a holding period of three years,

(ii) eligible participants can purchase such Shares with their own personal contributions, or alternatively, with a combination of personal contributions and an additional financing provided to them by a financial institution, whereby such leverage will however not exceed a one to nine ratio,

(iii) the eligible participants include the members of the Nyrstar management committee, as well as other participants determined by the board of directors, and

(iv) the number of Shares that an eligible participant can purchase with his or her personal contribution is capped, whereby such number is determined by the board of directors (however not exceeding 50,000, as the case may be, adjusted in case of a (reverse) stock split).

The total number of Shares that can be purchased under each LESOP amounts to 6,000,000.

The first stage of the 2014 LESOP was implemented in June 2014. 3,750,000 shares were granted, with an effective accounting grant date of 15 June 2014. 2,500,000 shares vested immediately at grant date. The fair value at the grant date per share was EUR 0.11, resulting in the total fair value of EUR 0.3 million fully recognized in the financial year ended 31 December 2014.

The significant inputs into the valuation model for the LESOP plan granted in 2014 were:

	2014
Dividend yield	3.0%
Risk free interest rate	0.5%
Credit spread for a private individual	5.0%
Interest rate for borrowing securities	0.5%
Share price at grant date (in EUR)	2.15
Valuation model used	Monte Carlo

The following table sets out the movements in the number of equity instruments granted during the period in relation to the LESOP plans:

	2015	2014
As at 1 Jan	1,250,000	-
Initial allocation	-	3,750,000
Settlements	-	(2,500,000)
As at 31 Dec	**1,250,000**	**1,250,000**

Deferred Share Awards or Phantom Awards - annual incentive plan (AIP)

On 24 April 2013, the Company's general shareholders' meeting granted the board of directors the power to pay out entitlements to beneficiaries (including members of the management committee and directors, where applicable) under the AIP in relation to the performance by such beneficiaries during the years 2012, 2013 and 2014 in the form of Shares of the Company instead of cash, subject to the following terms:

(a) up to one third of the maximum AIP entitlement in relation to a performance year can be paid in the form of Shares instead of cash;

(b) the Shares to be delivered as payment of an AIP entitlement are granted for no additional consideration payable by the beneficiary concerned;

(c) the Shares to be delivered as payment of an AIP entitlement in relation to a relevant performance year will be delivered in the second calendar year following the relevant performance year (i.e. early 2014 with respect to the AIP for performance year 2012, early 2015 with respect to the AIP for performance year 2013, and early 2016 with respect to the AIP for performance year 2014), rather than in the beginning of the first year following the respective performance year (which is the case if the entitlements are paid out in cash), and subject to the condition that the beneficiary is still employed by Nyrstar or its subsidiaries at that time.

The shareholders also approved that the Shares that are delivered as pay out of an entitlement under the AIP are acquired by the beneficiary concerned at the moment of delivery (and not at the expiry of a three year period following the grant).

The fair value of the service received in return for these Awards for financial year 2015 amounts to EUR 0.6 million (2014: EUR 0.7 million).

33. Loss per share

(a) Basic loss per share

The basic loss per share is calculated as follows:

EUR million	2015	2014
Loss attributable to ordinary shareholders (basic)	(431.9)	(286.6)
Weighted average number of ordinary shares (basic, in million)	327.4	234.6
Loss per share (basic, in EUR)	**(1.32)**	**(1.22)**

(b) Diluted loss per share

As the Group incurred a loss for the twelve months ended 31 December 2015, the diluted loss per share EUR 1.32 equals the basic loss per share (EUR 1.22 for the twelve months ended 31 December 2014). The convertible bonds have been anti-dilutive for 2015 and 2014.

34. Financial instruments

In the normal course of business, Nyrstar is exposed to fluctuations in commodity prices and exchange rates, interest rate risk, credit risk and liquidity risk. In accordance with Nyrstar's risk management policies, derivative financial instruments are used to hedge exposures to commodity prices and exchange fluctuations, but may not be entered into for speculative purposes.

(a) Credit risk

(i) Exposure to credit risk

Credit risk represents the loss that would be recognised if the counterparties to financial instruments fail to perform as contracted. The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

EUR million	31 Dec 2015	31 Dec 2014
Trade and other receivables	218.1	201.4
Cash and cash equivalents	116.2	498.5
Commodity contracts used for hedging: assets	26.3	23.7
Embedded derivatives: assets	34.8	1.1
Foreign exchange contracts used for hedging: assets	-	1.4
Foreign exchange contracts used for trading: assets	12.3	13.4
Restricted cash	64.5	28.3
Held to maturity	7.0	3.2
Total	**479.2**	**771.0**

The maximum exposure to credit risk for trade and other receivables at the reporting date by geographic region was:

EUR million	31 Dec 2015	31 Dec 2014
Euro-zone countries	68.9	76.0
Asia	57.8	44.0
United States	16.4	11.9
Other European countries	41.9	27.4
Other regions	33.1	42.1
Total	**218.1**	**201.4**

The maximum exposure to credit risk for trade and other receivables at the reporting date by type of customer was:

EUR million	31 Dec 2015	31 Dec 2014
Wholesale customers	195.9	166.4
End-user customers	22.2	35.0
Total	**218.1**	**201.4**

(ii) Ageing analysis

Trade and other receivables including ageing of trade and other receivables which are past due but not impaired at the reporting date was:

EUR million	31 Dec 2015	31 Dec 2014
Not past due	184.0	162.6
Past due 0-30 days	25.1	31.2
Past due 31-120 days	8.7	7.0
Past due 121 days – one year	0.1	0.1
More than one year	0.2	0.5
Total	**218.1**	**201.4**

Credit risk in trade receivables is also managed in the following ways:

- The Company has a duty to exercise reasonable care and prudence in granting credit to and withholding credit from existing and potential customers. The Company takes all reasonable steps and uses its best endeavours to minimize any losses arising from bad debts. The Company's Credit Risk Management Policy describes the structure and systems put in place in order to efficiently and effectively manage the risks related to the credit granted to business partners.
- Payment terms can vary from 0 to 90 days, after the month of delivery. Payment terms are dependent on whether the sale is a cash sale or a sale with an attached letter of credit stating the payment terms.

- A risk assessment is undertaken before granting customers a credit limit. Where no credit limit is granted sales have to be covered by other securities (i.e. bank guarantee, parent guarantee) and/or by documentary collection.
- If sales are covered by a letter of credit, this will in principle be irrevocable, confirmed with approved financial institutions.

(iii) Banks and financial institutions

For banks and financial institutions, only independently rated parties with a minimum rating of 'A' are accepted.

(b) Liquidity risk management

The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements:

EUR million	Carrying amount	Contractual cash flows	6 months or less	6 - 12 months	1 - 2 years	2 - 5 years	5 years or more
Finance lease liabilities	(1.4)	(1.4)	(0.3)	(0.4)	(0.2)	(0.5)	-
Loans and borrowings	(875.9)	(1,067.3)	(467.1)	(19.0)	(37.0)	(541.0)	(3.2)
Trade and other payables	(613.4)	(613.4)	(600.0)	(4.8)	(5.4)	(1.0)	(2.2)
Zinc prepayment	(134.5)	(139.4)	(0.4)	(0.4)	(69.5)	(69.1)	-
Commodity contracts - fair value hedges	(12.0)	(12.0)	(12.0)	-	-	-	-
Foreign exchange contracts - held for trading	(5.3)	(5.3)	(5.3)	-	-	-	-
Foreign exchange contracts - cash flow hedges	(0.1)	(0.1)	(0.1)	-	-	-	-
Total, 31 Dec 2015	**(1,642.6)**	**(1,838.9)**	**(1,085.2)**	**(24.6)**	**(112.1)**	**(611.6)**	**(5.4)**

EUR million	Carrying amount	Contractual cash flows	6 months or less	6 - 12 months	1 - 2 years	2 - 5 years	5 years or more
Finance lease liabilities	(3.9)	(3.9)	(1.6)	(0.6)	(0.6)	(0.6)	(0.5)
Loans and borrowings	(932.9)	(1,212.9)	(122.2)	(45.6)	(472.7)	(569.4)	(3.0)
Trade and other payables	(610.5)	(610.6)	(603.4)	(2.6)	(1.4)	(1.0)	(2.2)
Commodity contracts - fair value hedges	(3.8)	(3.8)	(3.8)	-	-	-	-
Foreign exchange contracts - held for trading	(23.9)	(23.9)	(23.9)	-	-	-	-
Embedded derivatives	(0.3)	(0.3)	(0.2)	(0.1)	-	-	-
Total, 31 Dec 2014	**(1,575.3)**	**(1,855.4)**	**(755.1)**	**(48.9)**	**(474.7)**	**(571.0)**	**(5.7)**

(c) Currency risk

Exposure to currency risk

The Group's exposure to foreign currency risk was as follows based on notional amounts:

EUR million	EUR	USD	AUD	CAD	Other	Total
Trade and other receivables	57.5	147.4	7.1	2.0	4.1	218.1
Loans and borrowings	(876.2)	-	-	-	(1.1)	(877.3)
Zinc prepayment	-	(134.5)	-	-	-	(134.5)
Trade and other payables	(171.0)	(313.6)	(99.8)	(8.2)	(20.8)	(613.4)
Gross balance sheet exposure	**(989.7)**	**(300.7)**	**(92.7)**	**(6.2)**	**(17.8)**	**(1,407.1)**
Foreign exchange contracts	46.7	177.4	(149.1)	(73.0)	4.9	6.9
Commodity contracts	-	14.3	-	-	-	14.3
Net exposure, 31 Dec 2015	**(943.0)**	**(109.0)**	**(241.8)**	**(79.2)**	**(12.9)**	**(1,385.9)**

EUR million	EUR	USD	AUD	CAD	Other	Total
Trade and other receivables	91.7	78.7	13.8	5.7	11.5	201.4
Loans and borrowings	(933.3)	-	(1.1)	-	(2.4)	(936.8)
Trade and other payables	(174.9)	(319.6)	(72.9)	(16.2)	(26.9)	(610.5)
Gross balance sheet exposure	**(1,016.5)**	**(240.9)**	**(60.2)**	**(10.5)**	**(17.8)**	**(1,345.9)**
Foreign exchange contracts	524.6	(284.9)	(117.9)	(125.1)	(5.8)	(9.1)
Commodity contracts	-	19.9	-	-	-	19.9
Net exposure, 31 Dec 2014	**(491.9)**	**(505.9)**	**(178.1)**	**(135.6)**	**(23.6)**	**(1,335.1)**

Sensitivity analysis

Nyrstar's results are significantly affected by changes in foreign exchange rates. Sensitivities to variations in foreign exchange rates are depicted in the following table, which sets out the estimated impact on Nyrstar's full year results and equity (in EUR million).

Parameter	Full year 2015 annual average rate	Full year 2014 annual average rate	Variable	2015	2014
EUR / USD	1.110	1.329	+ / - 10%	(101) / 123	(107) / 130
EUR / AUD	1.478	1.472	+ / - 10%	23 / (28)	23 / (28)
EUR / CHF	1.068	1.215	+ / - 10%	4 / (5)	4 / (5)

The above sensitivities were calculated by modelling Nyrstar's 2015 and 2014 underlying operating performance. Exchange rates are based on an average value observed during that period and are varied in isolation to determine the impact on Nyrstar's full year results and equity.

(d) Commodity price risk management

Nyrstar is exposed to commodity price volatility on commodity sales and raw materials purchased. Nyrstar may enter into zinc, lead and silver futures and swap contracts to hedge certain forward fixed price sales to customers in order to achieve the relevant metal price at the date that the transaction is settled. Nyrstar may enter into zinc, lead and silver futures and swap contracts to more closely align the time at which the price for externally sourced concentrate purchases is set to the time at which the price for the sale of metal produced from that concentrate is set. These instruments are referred to as 'metal at risk' hedges and the terms of these contracts are normally between one and three months.

The following table sets out a summary of the notional value of derivative contracts hedging commodity price risks at 31 December 2015.

EUR million	Average price in USD	6 months or less	6 - 12 months	12 - 18 months	more than 18 months	Total
Zinc	per tonne					
Contracts purchased	1,703	(76.5)	(26.4)	-	-	(102.9)
Contracts sold	1,614	116.4	1.3	-	-	117.7
Net position		**39.9**	**(25.1)**	**-**	**-**	**14.8**
Lead	per tonne					
Contracts purchased	1,754	(11.6)	-	-	-	(11.6)
Contracts sold	1,669	57.2	-	-	-	57.2
Net position		**45.6**	**-**	**-**	**-**	**45.6**
Silver	per ounce					
Contracts purchased	13.9	(9.4)	-	-	-	(9.4)
Contracts sold	14.1	77.5	-	-	-	77.5
Net position		**68.1**	**-**	**-**	**-**	**68.1**
Gold	per ounce					
Contracts purchased	1,017.1	(4.6)	-	-	-	(4.6)
Contracts sold	1,090.9	31.3	-	-	-	31.3
Net position		**26.7**	**-**	**-**	**-**	**26.7**
Copper	per tonne					
Contracts purchased	-	-	-	-	-	-
Contracts sold	4,587	0.8	-	-	-	0.8
Net position		**0.8**	**-**	**-**	**-**	**0.8**

The following table sets out a summary of the notional value of derivative contracts hedging commodity price risks at 31 December 2014.

EUR million	Average price in USD	6 months or less	6 - 12 months	12 - 18 months	more than 18 months	Total
Zinc	per tonne					
Contracts purchased	2,202.0	(67.7)	(13.2)	-	-	(80.9)
Contracts sold	2,234.0	142.7	0.5	-	-	143.2
Net position		**75.0**	**(12.7)**	**-**	**-**	**62.3**
Lead	per tonne					
Contracts purchased	1,878.0	(6.8)	-	-	-	(6.8)
Contracts sold	2,015.0	69.3	-	-	-	69.3
Net position		**62.5**	**-**	**-**	**-**	**62.5**
Silver	per ounce					
Contracts purchased	-	-	-	-	-	-
Contracts sold	16.5	88.5	-	-	-	88.5
Net position		**88.5**	**-**	**-**	**-**	**88.5**
Gold	per ounce					
Contracts purchased	1,193.9	(0.5)	-	-	-	(0.5)
Contracts sold	1,194.3	2.5	-	-	-	2.5
Net position		**2.0**	**-**	**-**	**-**	**2.0**
Copper	per tonne					
Contracts purchased	-	-	-	-	-	-
Contracts sold	6,669	14.7	-	-	-	14.7
Net position		**14.7**	**-**	**-**	**-**	**14.7**

Sensitivity analysis

Nyrstar's results are significantly affected by changes in metal prices and treatment charges (TC). Sensitivities to variations in metal prices and treatment charges are depicted in the following table, which sets out the estimated impact on Nyrstar's full year results and equity (in EUR million).

Parameter	Full year 2015 annual average price	Full year 2014 annual average price	Variable	2015	2014
Zinc price	$1,928	$2,164	+ / - 10%	82 / (70)	76 / (72)
Lead price	$1,784	$2,096	+ / - 10%	3 / (3)	4 / (4)
Silver price	$15.7	$19.1	+ / - 10%	4 /(4)	8 /(8)
Zinc TC	$245	$223	+ / - 10%	30 / (30)	26 / (26)
Lead TC	$193	$195	+ / - 10%	5 / (5)	4 / (4)

The above sensitivities were calculated by modelling Nyrstar's 2015 and 2014 underlying operating performance. Metal prices are based on an average value observed during that period and are varied in isolation to determine the impact on Nyrstar's full year results and equity.

(e) Financial Instruments by category

EUR million	Loans and receivables	Fair value through profit and loss	Held to maturity	Available for sale	Derivatives used for hedging	At amortised costs	Total
Derivative financial instruments	-	15.4	-	-	58.0	-	73.4
Trade and other receivables excl prepayments	218.1	-	-	-	-	-	218.1
Cash and cash equivalents	116.2	-	-	-	-	-	116.2
Restricted cash	64.5	-	-	-	-	-	64.5
Held to maturity	-	-	7.0	-	-	-	7.0
Investments in equity securities	-	-	-	20.9	-	-	20.9
Borrowings excl finance lease liabilities	-	-	-	-	-	(875.9)	(875.9)
Finance lease liabilities	-	-	-	-	-	(1.4)	(1.4)
Derivative financial instruments	-	(17.3)	-	-	(0.1)	-	(17.4)
Zinc prepayment	-	-	-	-	-	(134.5)	(134.5)
Trade and other payables	-	-	-	-	-	(613.4)	(613.4)
Net position, 31 Dec 2015	**398.8**	**(1.9)**	**7.0**	**20.9**	**57.9**	**(1,625.2)**	**(1,142.5)**

EUR million	Loans and receivables	Fair value through profit and loss	Held to maturity	Available for sale	Derivatives used for hedging	At amortised costs	Total
Derivative financial instruments	-	29.1	-	-	10.5	-	39.6
Trade and other receivables excl prepayments	201.4	-	-	-	-	-	201.4
Cash and cash equivalents	498.5	-	-	-	-	-	498.5
Restricted cash	28.3	-	-	-	-	-	28.3
Held to maturity	-	-	3.2	-	-	-	3.2
Investments in equity securities	-	-	-	28.2	-	-	28.2
Borrowings excl finance lease liabilities	-	-	-	-	-	(932.9)	(932.9)
Finance lease liabilities	-	-	-	-	-	(3.9)	(3.9)
Derivative financial instruments	-	(27.7)	-	-	(0.3)	-	(28.0)
Trade and other payables	-	-	-	-	-	(610.5)	(610.5)
Net position, 31 Dec 2014	**728.2**	**1.4**	**3.2**	**28.2**	**10.2**	**(1,547.3)**	**(776.1)**

Nyrstar Hobart has entered into two electricity fixed price contracts, in the form of swaps, to reduce its exposure to the electricity price risk to which it is exposed. The contracts end in 2017 and 2020 respectively. The swaps have been designated as qualifying cash flow hedges.

(f) Interest rate risk management

Nyrstar's exposure to interest rate risk and along with sensitivity analysis on a change of 100 basis points in interest rates at balance date on interest bearing assets and liabilities is set out below:

	31 Dec 2015			Sensitivity analysis, in 100 bp			
	Interest rate			Income statement		Equity	
EUR million	Floating	Fixed	Total	increase	decrease	increase	decrease
Financial assets:							
Cash and cash equivalents	116.2	-	**116.2**	1.2	(0.4)	1.2	(0.4)
Restricted cash	-	64.5	**64.5**	-	-	-	-
Held to maturity	-	7.0	**7.0**	-	-	-	-
Financial liabilities:							
Loan facility	-	(13.2)	**(13.2)**	-	-	-	-
Borrowings - fixed rate bonds	-	(753.3)	**(753.3)**	-	-	-	-
Borrowings - convertible bonds	-	(109.4)	**(109.4)**	-	-	-	-
Zinc prepayment	(134.5)	-	**(134.5)**	-	-	-	-
Finance lease liabilities	-	(1.4)	**(1.4)**	-	-	-	-
Net interest bearing financial assets / (liabilities)	**(18.3)**	**(805.8)**	**(824.1)**	**1.2**	**(0.4)**	**1.2**	**(0.4)**

	31 Dec 2014			Sensitivity analysis, in 100 bp			
	Interest rate			Income statement		Equity	
EUR million	Floating	Fixed	Total	increase	decrease	increase	decrease
Financial assets:							
Cash and cash equivalents	498.5	-	**498.5**	5.0	(1.2)	5.0	(1.2)
Restricted cash	-	28.3	**28.3**	-	-	-	-
Held to maturity	-	3.2	**3.2**	-	-	-	-
Financial liabilities:							
Loan facility	-	(3.0)	**(3.0)**	-	-	-	-
Borrowings - fixed rate bonds	-	(823.9)	**(823.9)**	-	-	-	-
Borrowings - convertible bonds	-	(106.0)	**(106.0)**	-	-	-	-
Finance lease liabilities	-	(3.9)	**(3.9)**	-	-	-	-
Net interest bearing financial assets / (liabilities)	**498.5**	**(905.3)**	**(406.8)**	**5.0**	**(1.2)**	**5.0**	**(1.2)**

Sensitivity calculations are based on closing cash balances. No negative interest rates are assumed.

(g) Fair value of financial assets and financial liabilities

The carrying amount of all financial assets and liabilities recognised at amortised cost on the consolidated statement of financial position approximate their fair value, with the exception of the fixed rate bonds of EUR 753.3 million (2014: EUR 823.9 million) and the convertible bonds of EUR 109.4 million (2014: EUR 106.0 million), with fair values based on quoted prices in active markets (Level 1 measurement), of EUR 687.9 million (2014: EUR 843.0 million), and EUR 96.1 million (2014: EUR 125.0 million) respectively.

The following table presents the fair value measurements by level of the following fair value measurement hierarchy for derivatives:

- quoted prices in active markets for identical assets or liabilities (level 1);
- inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly (level 2); and
- inputs for the asset or liability that are not based on observable market data (level 3).

EUR million	Valuation technique (s) and key input (s)	Level 1	Level 2	Level 3	Total as at 31 Dec 2015
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 hedge	b	-	(0.1)	-	(0.1)
Total		**-**	**(17.4)**	**-**	**(17.4)**

EUR million	Valuation technique (s) and key input (s)	Level 1	Level 2	Level 3	Total as at 31 Dec 2014
Commodity contracts – fair value hedges	a	-	15.7	-	15.7
Commodity contracts – cash flow hedges	a	-	8.0	-	8.0
Foreign exchange contracts – held for trading	b	-	13.4	-	13.4
Foreign exchange contracts – cash flow hedge	b	-	1.4	-	1.4
Embedded derivative	c	-	1.1	-	1.1
Total		**-**	**39.6**	**-**	**39.6**
Commodity contracts – fair value hedges	a	-	(3.8)	-	(3.8)
Foreign exchange contracts – held for trading	b	-	(23.9)	-	(23.9)
Embedded derivative	c	-	(0.3)	-	(0.3)
Total		**-**	**(28.0)**	**-**	**(28.0)**

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

35. 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	31 Dec 2015	31 Dec 2014
Within one year	104.0	116.8
Between one and five years	-	1.0
Total	**104.0**	**117.8**

36. Operating leases

The value of commitments in relation to operating leases contracted for but not recognised as liabilities at the reporting date are set out in the table below.

EUR million	31 Dec 2015	31 Dec 2014
Within one year	4.5	4.6
Between one and five years	9.1	10.9
More than five years	0.1	0.9
Total	**13.7**	**16.4**

Notes to the consolidated financial statements

37. Contingencies

Legal actions

Although Nyrstar is the subject of a number of claims and legal, governmental and arbitration proceedings incidental to the normal conduct of its business, neither the Company nor any of its subsidiaries is or has been involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Company is aware) during the year ended 31 December 2015 which may have or has had significant effects on the financial position or profitability of the Company and its subsidiaries, taken as a whole.

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 at 31 December 2015. Nyrstar has filed a legal defense contesting OEFA's findings and Nyrstar's assessment is that material monetary 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.

The sanction process initiated by the Peruvian Water Authority (ANA) in 2014, relating to instances of non-compliance with flow limits established in the effluent discharge permit for Contonga, was terminated by the regulator during 2015 without fines or regulatory penalties for Nyrstar.

38. Related parties

(a) 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)

(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.

At the annual general shareholders' meeting of the Company that was held on 29 April 2015, Mr. Christopher Cox and Mr. Martyn Konig were elected as respectively non-executive non-independent director and non-executive independent director of the Company at the proposal of Urion.

On 9 November 2015, the Company announced that it had entered into several agreements with Trafigura, consisting notably of:

- an agreement with Trafigura, pursuant to which Trafigura (through its subsidiary, Urion) agreed, subject to certain conditions, to subscribe for shares in the intended rights offering ("Offering") that is expected to be launched in 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%, with the balance to be underwritten (conditional upon the commitment of Trafigura and certain other conditions) by Deutsche Bank AG and KBC Securities NV. The Company shall pay to Trafigura a commission of EUR 5.0 million. The Commission shall be payable by the Company on the earlier of the closing date of the Offering and termination of this commitment;

- several commercial agreements (see Trafigura Commercial Agreements below); and
- a Relationship Agreement governing Nyrstar's relationship with Trafigura (see Trafigura Relationship Agreement below).

On 16 December 2015 the European Commission approved Trafigura's shareholding in the Company under the EU Merger Control Regulation (Regulation 139/2004).

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 (Note 20)), 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 10-30% of Nyrstar's feedbook 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.

Trafigura Relationship Agreement

In connection with Trafigura's commitment to support the Offering, on 9 November 2015 the Company also 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.
- After completion of the Offering, 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.
- After completion of the Offering, 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. It may also be terminated by Trafigura if the Offering is not completed by 27 April 2016 other than due to failure by Urion to comply with its obligations under the Shareholder Commitment Agreement.

Transactions with related parties

Trafigura become 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 28 August 2015 to 31 December 2015.

EUR million	Transaction values for the year ended 31 December 2015	2014
Sale of goods and services		
Trafigura Beheer B.V.	-	-
Subsidiaries & associates of Trafigura Beheer B.V.	24.5	-
Purchase of goods		
Trafigura Beheer B.V.	-	-
Subsidiaries & associates of Trafigura Beheer B.V.	26.3	-
Amounts owed by*		
Trafigura Beheer B.V.	-	-
Subsidiaries & associates of Trafigura Beheer B.V.	47.3	-
Amounts owed to*		
Trafigura Beheer B.V.	-	-
Subsidiaries & associates of Trafigura Beheer B.V.	94.3	-

*Includes the balances of the commodity swaps (Note 23 and 30)

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

In December 2015 Trafigura also become 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 (Note 20).

(b) Key management compensation

Board of directors

EUR million	2015	2014
Salaries and other compensation	0.5	0.5

Nyrstar Management Committee

EUR million	2015	2014
Salaries and other compensation	5.9	7.0
Pension benefits	0.4	0.6
Share based payments	0.8	2.5

Share based payments reflect the cost to the Group related to share based awards granted to the members of the NMC. These costs do not represent actual monetary or non-monetary benefits received by the members of the NMC.

Notes to the consolidated financial statements

39. Audit and non-audit services by the Company's statutory auditor

During the period, the auditor received fees for audit and audit related services provided to the Group as follows:

EUR thousand	2015	2014
Audit services	99.0	92.0
Audit related services	95.6	228.9
Tax services	8.9	20.4
Total Deloitte Bedrijfsrevisoren	**203.5**	**341.3**
Audit services	1,185.5	879.7
Audit related services	-	-
Tax services	33.6	73.9
Non-audit services	-	-
Total other offices in the Deloitte network	**1,219.1**	**953.6**

40. Group entities

The holding company and major subsidiaries included in the Group's consolidated financial statements are:

Entity	Belgian company number	Country of incorporation	Ownership 31 Dec 2015	Ownership 31 Dec 2014
Nyrstar NV	RPR 0888.728.945	Belgium	Holding entity	Holding entity
Nyrstar Australia Pty Ltd		Australia	100%	100%
Nyrstar Hobart Pty Ltd		Australia	100%	100%
Nyrstar Port Pirie Pty Ltd		Australia	100%	100%
Nyrstar Trading GmbH		Austria	100%	100%
Nyrstar Resources (Barbados) Ltd		Barbados	100%	100%
Nyrstar Belgium NV	RPR 0865.131.221	Belgium	100%	100%
Breakwater Resources Ltd		Canada	100%	100%
Canzinco Ltd		Canada	100%	100%
Nyrstar Mining Ltd		Canada	100%	100%
Nyrstar Canada (Holdings) Ltd		Canada	100%	100%
Nyrstar Myra Falls Ltd		Canada	100%	100%
Sociedad Contractual Minera El Toqui		Chile	100%	100%
GM-Metal SAS		France	100%	100%
Nyrstar France SAS		France	100%	100%
Nyrstar France Trading SAS		France	100%	100%
Nyrstar Germany GmbH		Germany	100%	100%
Nyrstar Hoyanger AS		Norway	100%	100%
American Pacific Honduras SA de CV		Honduras	100%	100%
Servicios de Logistica de Centroamerica SA de CV		Honduras	100%	100%
Nyrstar Campo Morado SA de CV		Mexico	100%	100%
Nyrtrade Mexico SA de CV		Mexico	100%	100%
Nyrstar Budel BV		The Netherlands	100%	100%
Nyrstar International BV		The Netherlands	100%	100%
Nyrstar Netherlands (Holdings) BV		The Netherlands	100%	100%
Nyrstar Coricancha S.A.		Peru	100%	100%

Nyrstar Ancash S.A.	Peru	100%	100%
Nyrstar Peru S.A.	Peru	100%	100%
Nytrade Perú SA	Peru	100%	100%
Nyrstar Spain & Portugal S.L.	Spain	100%	100%
Nyrstar Finance International AG	Switzerland	100%	100%
Nyrstar Sales & Marketing AG	Switzerland	100%	100%
Breakwater Tunisia SA	Tunisia	100%	100%
Nyrstar Clarksville Inc	United States	100%	100%
Nyrstar Holdings Inc	United States	100%	100%
Nyrstar IDB LLC	United States	100%	100%
Nyrstar Tennessee Mines - Gordonsville LLC	United States	100%	100%
Nyrstar Tennessee Mines - Strawberry Plains LLC	United States	100%	100%
Nyrstar US Inc	United States	100%	100%
Nyrstar US Trading Inc	United States	100%	100%

41. Subsequent events

At 18 January 2016 the Company's extraordinary general shareholders' meeting ("EGM") approved a proposal to permit a rights offering. The planned rights offering consists of a capital increase in cash with a maximum amount of EUR 275 million (including issue premium), with statutory preferential subscription rights for the existing shareholders of the Company to subscribe for the new shares. The same EGM also approved the cancellation of the treasury shares disclosed in Note 25.

At 7 January 2016 the Company announced the formal launch of the sale process for all or the majority of its mining assets. The sale process is expected to require a period of several months and may or may not result in a sale of all or the majority of Nyrstar's mining assets.

With the exception of the events stated above, there have been no material reportable events subsequent to 31 December 2015.

Statutory auditor's report on the consolidated financial statements

Deloitte.

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Nyrstar NV

**Statutory auditor's report
to the shareholders' meeting on the
consolidated financial statements
for the year ended 31 December 2015**

The original text of this report is in Dutch

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Nyrstar NV

Statutory auditor's report to the shareholders' meeting on the consolidated financial statements for the year ended 31 December 2015

To the shareholders

As required by law, we report to you in the context of our appointment as the company's statutory auditor. This report includes our report on the consolidated financial statements together with our report on other legal and regulatory requirements. These consolidated financial statements comprise the consolidated statement of financial position as at 31 December 2015, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, as well as the summary of significant accounting policies and other explanatory notes.

Report on the consolidated financial statements – Unqualified opinion

We have audited the consolidated financial statements of Nyrstar NV ("the company") and its subsidiaries (jointly "the group"), prepared in accordance with International Financial Reporting Standards as adopted by the European Union and with the legal and regulatory requirements applicable in Belgium. The consolidated statement of financial position shows total assets of 3,013.9 million EUR and the consolidated income statement shows a consolidated loss (group share) for the year then ended of 431.9 million EUR.

Board of directors' responsibility for the preparation of the consolidated financial statements

The board of directors is responsible for the preparation and fair presentation of consolidated financial statements in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union and with the legal and regulatory requirements applicable in Belgium, and for such internal control as the board of directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Statutory auditor's responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing (ISA). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the statutory auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the statutory auditor considers internal control relevant to the group's preparation and fair presentation of consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the board of directors, as well as evaluating the overall presentation of the consolidated financial statements. We have obtained from the group's officials and the board of directors the explanations and information necessary for performing our audit.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Statutory auditor's report on the consolidated financial statements

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Unqualified opinion

In our opinion, the consolidated financial statements of Nyrstar NV give a true and fair view of the group's net equity and financial position as of 31 December 2015, and of its results and its cash flows for the year then ended, in accordance with International Financial Reporting Standards as adopted by the European Union and with the legal and regulatory requirements applicable in Belgium.

Emphasis of Matter

Without qualifying our opinion, we draw attention to note 2b in the financial statements concerning the company's ability to continue as a going concern. The circumstances described in note 2b indicate the existence of material uncertainties which may cast significant doubt about the company's ability to continue as a going concern. 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.

Report on other legal and regulatory requirements

The board of directors is responsible for the preparation and the content of the directors' report on the consolidated financial statements.

As part of our mandate and in accordance with the Belgian standard complementary to the International Standards on Auditing applicable in Belgium, our responsibility is to verify, in all material respects, compliance with certain legal and regulatory requirements. On this basis, we make the following additional statement, which does not modify the scope of our opinion on the consolidated financial statements:

- The directors' report on the consolidated financial statements includes the information required by law, is consistent with the consolidated financial statements and is free from material inconsistencies with the information that we became aware of during the performance of our mandate.

Diegem, 3 February 2016

The statutory auditor

DELOITTE Bedrijfsrevisoren / Reviseurs d'Entreprises
BV o.v.v.e. CVBA / SC s.f.d. SCRL
Represented by Gert Vanhees

Nyrstar NV Statutory auditor's report on the consolidated financial statements for the year ended 31 December 2015

Nyrstar NV summarised (non-consolidated) financial statements as at 31 December 2015

The annual accounts prepared under Belgian GAAP are presented below in summarized form. In accordance with the Belgian Company Code, the annual accounts of Nyrstar NV together with the management report and the statutory auditor's report will be deposited with the National Bank of Belgium.
These documents may also be obtained on request from: Nyrstar NV, Zinkstraat 1, B- 2490 Balen (Belgium).
The statutory auditor, Deloitte Bedrijfsrevisoren BV o.v.v.e. CVBA, represented by Gert Vanhees has expressed an unqualified opinion on the annual statutory accounts of Nyrstar NV.

Balance sheet

EUR thousands	As at 31 December 2015	As at 31 December 2014
ASSETS		
Non-current assets	**1,503,394**	**2,439,286**
Formation expenses	6,639	9,515
Property, plant and equipment	3	2
Financial assets	1,496,752	2,429,769
Current assets	**429,540**	**980,639**
Receivables > 1 year	400,000	405,375
Receivables < 1 year	2,445	389,253
Current investments	20,076	112,106
Cash	1,647	3,236
Accrued income	5,372	70,669
Total assets	**1,932,934**	**3,419,925**
LIABILITIES		
Shareholders' equity	**1,273,617**	**2,436,064**
Issued share capital	34,005	34,005
Share premium	2,143,411	2,143,411
Legal reserve	16,257	16,257
Undistributable reserves	20,076	37,106
Distributable reserves	17,029	-
Retained earnings	(957,161)	205,285
Provisions for risks and charges	**7,900**	**3,482**
Liabilities	**651,417**	**980,379**
Non-current Liabilities	110,531	622,156
Current Liabilities	540,886	358,223
Total equity and liabilities	**1,932,934**	**3,419,925**

Income Statement

EUR thousands	As at 31 December 2015	As at 31 December 2014
Operating income	9,526	10,415
Operating charges	(21,452)	(13,308)
Operating result	**(11,926)**	**(2,893)**
Financial income	22,133	58,407
Financial charges	(66,742)	(50,813)
Ordinary result before taxes	**(56,535)**	**4,701**
Extraordinary income	-	387
Extraordinary charges	(1,114,813)	-
Income taxes	8,902	(3,496)
Net result	**(1,162,446)**	**1,592**
Result allocation		
Retained earnings from prior year	205,285	205,367
Addition to the legal reserves	-	-
Addition to the other reserves	-	1,674
Profit/loss to be carried forward	(957,161)	205,285

Glossary of key industry terms

Alloy Metal containing several components.

Backwardation Market condition where price of a forward or futures contract is trading below the expected spot price

Base Metal Non precious metal, usually refers to copper, lead, and zinc.

Blast furnace A tall shaft furnace used to smelt sinter and produce crude lead bullion and a slag.

Bullion Crude metal that contains impurities; needs to be refined to make market quality metal.

Cadmium A soft bluish white ductile malleable toxic bivalent metallic element; occurs in association with zinc ores.

CAGR Compound Annual Growth Rate.

Calcine Product of roasting zinc sulphide concentrates; mainly zinc oxide, also with silica and iron compounds, lead compounds, minor elements and residual combined sulphur.

Casting Manufacturing method in which a molten metal is poured into a mould to form an object of the desired shape; typically ingots or blocks (jumbos)

Cathode Negatively charged electrode in electrolysis; in zinc and cadmium electrolysis, the cathode is a flat sheet of aluminum.

Cell house The location in the production process where zinc metal is electrolytically plated onto aluminum cathodes.

CGG Continuous Galvanizing Grade zinc; contains alloying agents such as aluminum. lead and selenium in specific qualities desired by customers; used in continuous strip galvanizing plants.

Cobalt A hard, lustrous, silver-grey metal.

Coke Product made by devolatilization of coal in the absence of air at high temperature.

Commodity grade metal Nyrstar produces two types of commodity grade metal, see CGG and SHG

Concentrate Material produced from metalliferous ore by mineral processing or beneficiation; commonly based on sulphides of zinc, lead and copper; in a concentrate, the abundance of a specific mineral is higher than in the ore.

Contango Market condition where price of a forward or futures contract is trading above the expected spot price

Continuous galvanizing A system for providing a continuous supply of material to be galvanised.

DART A non-financial performance indicator used in Health & Safety to record and report the number of cases with days lost or under restricted duties.

Die casting A process for producing parts in large quantities, by injecting molten metal under pressure into a steel die.

Divestment A divestment is the reduction of an asset or several assets for financial objectives or sale of an existing business by a company.

dmt Dry metric tonne.

doré Unrefined gold and silver bullion bars, usually consisting of approximately 90% precious metals, which are to be further refined to almost pure metal.

Electrolysis The process by which metals (here zinc, cadmium, and copper) are 'won' or deposited from solution onto a cathode by the passage of an electric current through the solution between anode and cathode.

Electrolyte Solution containing metals (here zinc, cadmium, copper and silver) circulating in an electrolysis cell.

Electrolytic smelting Smelting that roasts and then leaches concentrates to produce a zinc bearing solution. Zinc is subsequently recovered from the solution using electro winning and then melted and cast into slabs.

Electrowinning The process of removing metal from a metal bearing solution by passing an electric current through the solution.

EPA Environment Protection Authority of a state, provincial or federal government.

Flotation A method of mineral concentration, usually of sulphide ores, by which valuable mineral particles adhere to froth bubbles for collection as a concentrate; waste particles remain in the slurry for eventual disposal as a tailing.

Fuming, fume A process for recovering of zinc and lead from molten lead blast furnace slag by injecting coal; the metals are removed as vapors in the gas stream, and are deoxidised to form a fume that is collected.

Galvanizing Process of coating steel sheet or fabricated products with a thin layer of zinc for corrosion protection.

Germanium A brittle grey crystalline element that is a semiconducting metalloid (resembling silicon).

Grade Quantity of metal per unit weight of host rock.

Greenhouse gases Gaseous components of the atmosphere that contribute to the greenhouse effect.

Grinding Size reduction to relatively fine particles.

Glossary of key industry terms

Gypsum Calcium sulphate, hydrated.

Indium A rare, soft silvery metallic element.

JORC Code The 2004 Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves as published by the Joint Ore Reserves Committee of the Australasian Institute of Mining and Metallurgy, Australian Institute of Geoscientists and Minerals Council of Australia.

kt Thousand tonnes.

lb Pound.

LBMA London Billion Market Association

Leaching A process using a chemical solution to dissolve solid matters.

Life-of-mine Number of years that an operation is planning to mine and treat ore, taken from the current mine plan.

LME London Metal Exchange.

Lost time injury rate (LTR) Twelve month rolling averages of the number of lost time injuries per million hours worked, and include all employees and contractors across all operations.

NI 43-101 The Canadian Securities Administrators National Instrument 43-101 Standards of Disclosure for Mineral Projects.

Ore Mineral bearing rock.

Oxidation The process by which minerals are altered by the addition of oxygen in the crystal structures.

Oxide washing Process to remove halides from zinc secondaries.

Recordable environmental incident An event at any operation (including Nyrstar's joint ventures) requiring reporting to a relevant environmental authority relating to non-compliance with license conditions. Statistics are correct as of the date an accident is reported, but may be subject to adjustment based on subsequent internal audit or regulatory review.

Recordable injuries Any injury requiring medical treatment beyond first aid.

Recordable injury rate (RIR) Twelve month rolling averages of the number of recordable injuries per million hours worked, and include all employees and contractors across all operations.

Refining Charge or RC An annually negotiated fee that may be linked to metal prices, paid by the miner or seller of precious metals to a smelter as a concession on the cost of the metal concentrate or secondary feed materials that the smelter purchases.

Rights Offering An offering of common stock to investors who currently hold shares which entitle them to buy subsequent issues at a discount from the offering price.

RLE process Roast Leach Electrowin; technology used for the production of zinc and which combines the roasting, leaching and electrowinning processes. See also definition of each individual process.

Roaster In zinc production, a fluid-bed furnace used to oxidise zinc sulphide concentrates; operates typically at 930-970°C; air injected through the furnace bottom 'fluidises' the bed of fine combusting solids.

Roasting The process of burning concentrates in a furnace to convert the contained metals into a more readily recovered form.

Secondaries See: Secondary feed materials.

Secondary feed materials Byproducts of industrial processes such as smelting and refining that are then available for further treatment/recycling. It also includes scrap from metal machining processes and from end-of-life materials.

SHFE Shanghai Futures Exchange

SHG Special High Grade Zinc; minimum 99.995% zinc; premium quality, used by die casters; traded on the LME; attracts a price margin over lower grades.

Slag Mixture of oxides produced in molten form in a furnace at high temperature. Smelting Chemical reduction of a metal from its ore by fusion.

Sulphides Minerals consisting of a chemical combination of sulphur with metals.

t Metric tonne.

t oz Troy ounce

Tailings Material rejected from a treatment plant after the recoverable valuable minerals have been extracted.

Treatment Charge or TC An annually negotiated fee that may be linked to metal prices, paid by the miner or seller to a smelter as a concession on the cost of the metal concentrate or secondary materials that the smelter purchases.

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