Annual Report 2014

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Nyrstar is an integrated mining and metals business with market-leading positions in zinc and lead and growing positions in other base and precious metals: essential resources that are fuelling the rapid urbanisation and industrialisation of our changing world.

Nyrstar has mining, smelting and other operations located in the Americas, Australia and Europe, and employs approximately 6,500 people.

2014 Highlights Key Figures

280 € million
UNDERLYING EBITDA

+60 %
METALS PROCESSING SEGMENT EBITDA

+13 %
AVERAGE ZINC PRICE (2,164 USD/T)

438 € million
NET DEBT
(34% REDUCTION YOY)

FINANCIAL CALENDAR

05 February 2015	2014 Full Year Results
29 April 2015	Annual General Meeting
29 April 2015	2015 First Interim Management Statement
23 July 2015	2015 Half Year Results
22 October 2015	2015 Second Interim Management Statement

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

Key figures 2014

MINING PRODUCTION	2014	2013
Zinc in concentrate ('000 tonnes)[1]	278	271
Gold ('000 troy ounces)	52.1	75.2
Silver ('000 troy ounces)[2]	5,106	4,746
Copper in concentrate ('000 tonnes)	11.3	12.9
METALS PROCESSING PRODUCTION		
Zinc metal ('000 tonnes)	1,097	1,088
Lead metal ('000 tonnes)	178	179
MARKET		
Average LME zinc price (USD/t)	2,164	1,909
Average exchange rate (EUR/USD)	1.33	1.33
KEY FINANCIAL DATA (EUR million)		
Group Revenues	2,799	2,824
EBITDA[3]	**280**	**185**
Mining EBITDA	87	78
Metals Processing EBITDA[3]	239	149
Other & Eliminations EBITDA[3]	(46)	(43)

KEY FINANCIAL DATA	2014	2013
Loss for the period	(287)	(195)
Basic EPS (EUR)	(1.22)	(0.98)
Capital Expenditure (CAPEX)	294	200
CASH FLOW AND NET DEBT		
Net operating cash flow	311	299
Net debt/(cash), end of period	438	670
Gearing[4]	27.5%	43.5%
NON-FINANCIAL KPI's		
RIFR	13.0	11.4
LTIFR	4.0	4.0

[1] Own mines production
[2] Until 31 December 2014, 75% of the payable silver produced by Campo Morado was subject to a streaming agreement with Silver Wheaton Corporation whereby USD 4.02/oz was payable.
[3] All references to EBITDA in the Annual Report 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.
[4] Gearing: net debt to net debt plus equity at end of period.

KEY SHARE FACTS

FOR THE YEAR ENDED 31 DECEMBER	2014	2013
Market capitalisation	996,332,108	EUR 392,752,077
Ordinary shares	340,045,088	170,022,544
Treasury shares	12,664,057	15,338,429
Free float	90%	85%
Gross capital distribution	EUR 0	EUR 0
Closing share price	EUR 2.93	EUR 1.79
Intra day high	EUR 3.05	EUR 3.73
Intra day low	EUR 1.70	EUR 1.56
Average daily number of shares	1,087,484	803,181

Chairman & CEO Statement

During 2014 we put a number of key components in place to enable us to further pursue our stated mission of capturing the maximum value inherent in mineral resources and to continue our transformation journey towards an integrated mining and metals business.

Group underlying EBITDA of EUR 280 million, including an uplift of EUR 43 million from the settlement of the Campo Morado silver stream with Silver Wheaton, increased 51% from 2013. This EBITDA improvement was also driven by a strengthening of the zinc price (up 13% year on year) which was partially offset by a sharp decrease in precious metal prices, gold and silver down year on year by 10% and 20% respectively; a significant depreciation of the Euro against the US dollar in the final quarter of 2014 and lower direct operating costs in the metals processing segment which were assisted by lower energy costs and a depreciation of the Australian dollar.

The Metals Processing segment EBITDA was up 60% on 2013 at EUR 239 million. This was driven by positive macro impacts versus 2013, higher zinc treatment charges and premium income and lower operating costs. Operational performance across our Metals Processing segment was strong with zinc metal production of 1,097,000 tonnes at the top end of guidance.

Excluding the EUR 43 million gain on the settlement of the silver stream at Campo Morado, Mining segment EBITDA was down 44% on 2013 due to lower precious metals prices, operational challenges at a number of sites and a reduction in the campaigning of gold at El Toqui during the second half, as well as the lack of strategic hedging benefits that were realised in 2013. We remain keenly focused on improving the performance of the mining segment and the newly appointed Senior Vice President of Mining will focus on developing plans to deliver consistent production and cost improvement. There were however a number of promising developments in 2014, with full year own mine zinc in concentrate production of 278 thousand tonnes (up 3% on 2013).

Strategy

We remain confident in and committed to our strategy, underpinned by our strong belief in the positive fundamentals of the zinc market.

Our industrial footprint provides a unique step change opportunity to fundamentally transform our business: from a pure-play zinc smelting company into an integrated mining and metals business.

As part of this ongoing transformation, a number of important milestones have been achieved in 2014, including the approval and commencement of the Port Pirie Redevelopment and further progress across the various Metal Processing growth projects which we explore further in the Strategy section of this report.

The completion of our Comprehensive Strategic Financing initiative in the second half of 2014 has ensured that Nyrstar has a strong balance sheet to fund the growth capital required to pursue the Port Pirie Redevelopment and the Metal Processing growth projects.

With the successful execution of the Comprehensive Strategic Financing, our net debt position at the end of 2014 was further reduced to EUR 438 million, down 35% year over year and cash on hand was EUR 499 million. The Company also has ample undrawn committed funding headroom and an improved debt maturity profile.

The last quarter of 2014 saw some changes in the senior leadership team in line with Nyrstar entering a new phase of focused execution: in November, Roland Junck stepped down as CEO and departed the company. Our Chief Financial Officer, Heinz Eigner, assumed the position of Acting CEO. The Board of Directors expect to communicate on the appointment of a permanent CEO at the time of the Annual General Meeting scheduled on 29 April 2015. In December, we appointed John Galassini as our new Senior Vice President Mining with a focus on delivering accountability, discipline and a results driven mentality in the mining segment. With his leadership, we will drive fundamental mining principles to deliver improved safety performance, consistent metals production and cost improvement.

"2015 will be a year of focus on the execution and delivery of the initiatives and targets outlined to the market."

HEINZ EIGNER
ACTING CEO AND CFO

Our Employees & Stakeholders

Thanks to our committed work force of approximately 6,500 people, we have made significant progress on achieving our strategic goals. Our performance is the result of their dedication day-in and day-out, which is supported by our corporate values, The Nyrstar Way.

Our commitment to the health and safety of our employees, contractors and communities remains as strong as ever. During 2014, the Mining segment increased its focus on improving its reporting culture for safety incidents and near misses, while Metals Processing safety statistics in 2014 were at record low levels.

On behalf of the Board of Directors, we would like to express our thanks to our employees around the world.

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

Outlook and Priorities for 2015

Looking ahead, 2015 will be a year of focus on the execution and delivery of the initiatives and targets outlined to the market which we do in an environment of favourable zinc fundamentals and further supported by a strong US dollar.

HEINZ EIGNER
ACTING CEO AND CFO

JULIEN DE WILDE
CHAIRMAN OF THE BOARD OF DIRECTORS

Nyrstar Board of Directors

Oyvind Hushovd, Non-Executive Director; Carole Cable, Non-Executive Director; Julien De Wilde, Chairman; Karel Vinck, Non-Executive Director; Ray Stewart, Non-Executive Director (from right to left).

The Nyrstar Management Committee ('NMC')

Heinz Eigner,
Acting Chief Executive Officer
& Chief Financial Officer

Michael Morley,
Senior Vice President Metals Processing
& Chief Development Officer

Russell Murphy,
Chief Human Resources, Safety
& Environmental Officer

John Galassini,
Senior Vice President Mining

Strategy

Nyrstar's stated strategy remains clear and on track: to capture the maximum value inherent in mineral resources. Our integrated business model, comprising of the Mining and Metals Processing segments enables us to implement feedback from the market directly into our operations.

Port Pirie redevelopment,
Australia

Strategy

Nyrstar's strategy remains clear and on track: to capture the maximum value inherent in mineral resources. Our integrated business model, comprising the Mining and Metals Processing segments and our commercial team embedded into our operations enables us to combine our deep market insight with our own mines and efficient Metals Processing capabilities. This allows for increased commercial synergy throughout our integrated network and we can better position our products to end-users in order to maximise value.

During 2014, Nyrstar achieved a number of strategically significant milestones on its journey of transformation. These included, amongst others:

- The Comprehensive Strategic Financing (CSF) initiative that was completed in H2 2014
- The Port Pirie Redevelopment, which continues on track and on budget
- Significant progress on the Metals Processing Growth Pipeline projects
- Organisational changes in the Mining segment herald the start of a mining performance improvement programme
- Delivery of our Project Lean sustainable cost reduction target of EUR 75 million over the last two years

The Comprehensive Strategic Financing (CSF) launched in September 2014 was aimed at strengthening the Company's financial flexibility and ability to maximise long-term growth opportunities. The CSF involved a EUR 251.6 million rights offering through the issuance of new ordinary shares with (non-statutory) preferential subscription rights for existing shareholders, an offering of EUR 350 million 8.5% senior notes to institutional investors, and a tender offer which repurchased EUR 147.4 million of the outstanding 2015 retail bonds and EUR 100 million of the outstanding 2016 retail bonds. In addition, the funds raised are to be used to fund capital expenditures required for Nyrstar's continued transformation through capital projects comprising the Metals Growth Pipeline and the Port Pirie Redevelopment; and to reduce net debt (towards a targeted Net Debt / EBITDA ratio of 2.5x).

The CSF also extended our debt maturity profile, established access for the Company to a new capital market and attracted new shareholders who believe in our strategy and the positive market fundamentals for zinc.

Port Pirie Redevelopment:

Significant progress continued to be made with construction, procurement and contracting, as well as engineering work.

Construction of site permanent facilities commenced with the mobilisation of contractors. The construction of a new heavy vehicle wash-down facility was completed whilst the existing facility has been demolished. Construction is nearing completion on the new maintenance workshop and demolition of the existing workshop has commenced. Certain tie-in works were completed during the site's planned shut in Q4 2014 including on the TSL furnace feed system and gas network. The first stage in the construction of the worker accommodation camp which will house up to 100 people was completed and officially opened. Deep foundation piling activities have also commenced and are proceeding well.

With respect to procurement and contracting activities, a number of key supply contracts were awarded including agreements for the furnace; furnace waste heat boiler; evaporative cooling tower; electro static precipitator; coal grinding plant; furnace fans; coal injection plant; de-mineralised water plant; heat exchangers; conveyor systems; and high voltage electrical system design and supply. An agreement for the operations of the temporary accommodation camp was entered into and commenced. The important long term agreement for the supply, construction, operation of the oxygen plant and the supply of gas was entered into with Air Liquide and design work is underway.

Approximately 75% of the engineering work for the project was completed at the end of 2014. This includes 3D model development, equipment and structural details and key hazard studies and reviews in the furnace and acid plant areas. Engineering documentation is progressively being completed to support the construction activities underway.

Work continues to progress during Q1 2015 with a number of key milestones expected to be achieved in construction, procurement and engineering work. The final stage of the temporary accommodation camp is expected to be completed; with piling for the new TSL furnace in the area of the old maintenance workshop and also in the new acid plant area commencing; the construction area for the oxygen plant will be handed over to Air Liquide. Operations will commence in the new maintenance workshop and at the new heavy vehicle wash-down facility. A significant number of additional contracts are expected to be awarded including those for the offshore module fabrication, plant control system, low voltage electrical system distribution, major construction crane services, and the main structural, mechanical and piping site construction contract. The majority of the engineering work for the project is expected to be completed over the course of H1 2015.

Capital expenditure guidance for 2015 is EUR 200 - 220 million with a significant proportion of this spend contracted in Australian dollars.[1] Overall, capital costs for the project remain, as guided, at AUD 514 million and work on site progresses on schedule and on budget for commissioning during 2016.

Other Metals Processing Growth Projects:

Nyrstar continued to progress the broader Metals Processing Growth Pipeline of projects across the segment. These projects were identified during the Smelting Strategic Review, a comprehensive review on the operating and business model of the Metals Processing footprint aimed at increasing Nyrstar's ability to capture the maximum value from feed materials.

[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 1.45

The Metals Process Growth Projects can be categorised under three categories of investment:

1. deconstraining smelters (zinc and lead) to allow the treatment of more complex and higher value feed materials;
2. additional fuming capacity to enable more efficient processing of smelter residues and capturing of minor metals value; and
3. expanding capacity to produce a wider portfolio of valuable minor metals products.

The various projects are at different stages in their project life cycle. Subject to final internal approvals, it is currently expected that implementation phases will be staggered throughout 2015 and 2016, with the completion of the full portfolio by 2017. The total capital expenditure for the entire portfolio of projects is currently estimated at EUR 265 million with no single investment exceeding EUR 50 million.

Progress continues to be made in projects spanning all three categories as outlined below:

1. DECONSTRAINING

The focus during 2014 was to progress with projects that will enable the treatment of increased cadmium and zinc smelting residue volumes following the introduction of a more complex feed book with the closure of the Century mine in Australia (currently expected during the Q3 2015). At the Hobart and Budel zinc smelters, key projects moved into implementation phase with orders being placed for long lead time items and plant demolition works commencing. Work on both sites is progressing on schedule for commissioning during H2 2015. At both sites, comprehensive operational readiness plans involving multi-disciplinary teams across each site and the segment (including technical and commercial resources) are in place and being implemented.

Other deconstraining projects progressed as scheduled including the installation of oxygen enrichment in roasting to allow increased throughput of copper in feed (test campaign successfully completed in roaster F4 at the Balen zinc smelter during H2 2014); and increasing the silica constraint in concentrates to allow increased indium throughput and recovery at the Auby zinc smelter which moved into implementation phase with completion scheduled for H2 2015.

At Port Pirie, the feasibility phase of the potential expansion of silver doré capacity was completed and the business case is currently under review. The potential expansion of cadmium capacity at Port Pirie continued through feasibility phase in 2014.

In 2015, demolition and plant modifications at Hobart and Budel are continuing as planned with respect to projects to enable the treatment of increased cadmium and zinc smelting residue volumes. Further test campaigns with respect to oxygen enrichment in roasting will be conducted in order to improve grain size constraints to allow the processing of finer grained concentrates (expected with a more complex feed book) and avoid roaster instability that would otherwise arise. Plant modification works at the Auby zinc smelter are scheduled to commence in order to improve the silica constraint in concentrates to allow increased indium throughput and recovery and at Port Pirie, the proposed expansion of cadmium capacity will progress to development phase. Further, projects to expand capacity to treat increased levels of arsenic, antimony and selenium will commence feasibility with these projects scheduled for completion in Q4 2016. Subject to the business case review, the potential expansion of silver doré capacity will proceed to development during Q1 2015.

2. FUMING CAPACITY

Work continued on the redevelopment of the Hoyanger (Norway) fumer (acquired in December 2013). These works will enable the facility to treat residues from Nyrstar's European zinc smelting network and have included modifications on the furnace and its cooling system, a sulfur dioxide scrubber and new bag house filter.

Nyrstar is continuing to progress with options for additional fuming capacity in Europe, with final feasibility studies in the process of being finalised and constructive discussions ongoing with certain governments with respect to the provision of potential funding support.

3. MINOR METALS

Following the closure of the Port Pirie zinc plant in July 2014, certain materials handling and process modifications were successfully commissioned at Hobart and Auby to enable the treatment of zinc fumes (oxides) produced at Port Pirie. Shipments of Port Pirie fumes to Hobart and also Auby were received and successfully processed.

Implementation works with respect to the expansion of indium metal production at Auby were commenced during Q4 2014 and are progressing on schedule and are expected to be completed during H2 2015. Other minor metals projects progressed on schedule.

The feasibility study to construct a reclamation and de-watering plant at the Clarksville zinc smelter to recover historical (impounded) residues and to treat future residues for subsequent fuming was completed and is currently under review and is expected to move to development phase in 2015.

Certain projects related to the processing of fumes and the recovery of a minor metal concentrate for further processing (in addition to the recovery of zinc and lead) will progress in feasibility phase.

Capital expenditure guidance for Metals Processing Growth Projects in 2015 is EUR 70 - 90 million.

MINING PERFORMANCE

Our Mining business meanwhile performed below our own expectations in 2014 and was additionally impacted by lower precious metal prices and the increased treatment charges that the mines had to pay to the smelters.

However, with the reorganisation of the Mining segment leadership that began in December 2014 we put in place the first key element in our mining performance improvement programme to address the ongoing issues in the segment. Mining performance is a key priority for the whole business.

Six strategic elements have been identified to lead the mining business to capacity assurance and performance improvement:

1. Establishment of a performance culture within the workforce
2. Reorganisation and re-alignment of mining leadership team into North and South America to give even greater focus and attention to respective sites in the two regions
3. Embedding business improvement practices into our operational processes, including optimising mine development rates and plant throughput
4. Focus on resource conversion and expansion into proven and probable reserves at the sites that have those opportunities.
5. Targeted exploration to grow the resource and reserve and to optimise our life of mine plans
6. Build on our stakeholder engagement at government and community level

In 2014 we implemented new non-negotiable standards called the Mining Golden Rules whereby we have strict rules that cannot be compromised. We also commenced a compliance program to Nyrstar technical standards. This allows the segment to monitor progress on sites and understand their current gaps to address risks. With this positive progress achieved in 2014, safety will continue to be a core strategic focus in 2015.

Across our business we ran "Project Lean" - an initiative that started in 2012 and ended during 2014 to deliver efficient and effective operations through sustainable cost reductions and efficiency gains.

The context was a challenging economic climate and a decline in metal prices requiring effective cost management. The Project Lean scope covered corporate offices, mining operations and smelting operations with the objective to deliver substantial and sustainable reduction of operating costs.

We are now well positioned for 2015 thanks to all the key strategic achievements outlined above.

In 2015 we will increase our focus on the execution of our transformational strategy and delivery on our commitments.

- Promote a culture of **accountability, transparency and results focus**
- Demonstrate **tangible improvement in operational performance** of mining assets
- Align support functions closer with operating businesses, realise synergies and **become more efficient**
- Build on and sustain the **positive momentum** of the Port Pirie Redevelopment Project
- Deliver on the Metals Processing Growth Pipeline projects by lifting smelting constraints, building additional fuming capacity and expanding minor metals capacity
- Continue to provide **visible leadership** on safety and environmental performance
- Continue to focus on **balance sheet strength** and leverage, which will be impacted by the anticipated growth capex spend
- Capitalise on the supportive zinc fundamentals and the strengthening USD

Comprehensive Strategic Financing (CSF)

In September 2014, Nyrstar launched a Comprehensive Strategic Financing (CSF) aimed at strengthening its financial flexibility and ability to maximise long-term growth opportunities. The initiative resulted in the Company's business plans being fully funded and provided proceeds to reduce Net Debt towards our medium-term leverage target (net debt/EBITDA ratio of 2.5x). It also extended our debt maturity profile, established access for the Company to a new capital market, and attracted new shareholders who believe in the positive market fundamentals and support our strategy.

ca. €350 million Debut international Notes Offering + ca. €250 million Rights Offering ≈ ca. €600 million Targeted Capital Raise

The financing was the culmination of an extensive review by Nyrstar of a range of available funding options and involved the following elements:

- The Rights Offering - a capital increase through the issuance of new ordinary shares with (non-statutory) preferential subscription rights for existing shareholders
- The Notes Offering - an international rated notes offering to institutional investors
- A Tender Offering for Nyrstar's outstanding retail bonds which was financed through part of the proceeds of the Rights Offering and Notes Offering.

Specifically, the Comprehensive Strategic Financing comprised the following three transactions:

1. An offering of 170,022,544 new shares at a subscription price of €1.48 per new share, or EUR 251.6 million in total, with (non-statutory) preference rights for the existing shareholders of the Company at a ratio of 1 new Share for 1 Right.
2. An offering of EUR 350 million of 8.5 % rated senior unsecured notes, due in 2019, to institutional investors in the international bond market. The notes were issued at an issue price of 98.018% on 12 September 2014.
3. A voluntary conditional public tender offer in cash for the purchase of any-and-all of the outstanding 2015 retail bonds and up to EUR 100 million of the outstanding 2016 retail bonds. An aggregate amount of EUR 147,700,000 of the Company's fixed rate bonds due 9 April 2015 were tendered in the Offer and accepted. Due to the number of 2016 bonds tendered being more than the number intended to be purchased, Offers were accepted on a pro rata basis resulting in an aggregate amount of EUR 99,936,000 being purchased.

Nyrstar believes that this series of transactions gives the Company an optimal capital structure to maximise our long-term growth potential and to support our continued transformation through the Port Pirie Redevelopment and the Metals Processing Growth Pipeline which was the result of the Smelting Strategic Review ("SSR") completed in 2013.

The Port Pirie Redevelopment represents an important step in achieving Nyrstar's stated mission to capture the maximum value inherent in mineral resources and aims at converting Nyrstar's Port Pirie smelter into an advanced metal recovery and refining facility. The proceeds from the Rights and Notes Offerings will be used to fund Nyrstar's direct contribution of ca. EUR 68 million[1]. The balance of the investment for the Port Pirie Redevelopment comes from two sources: firstly, ca. EUR 79 million raised from the forward sale of a portion of the future incremental silver production from Port Pirie once redeveloped. This forward sale transaction closed in October 2014. The second component will be covered by ca. EUR 191 million[2] that is expected to be raised via a special purpose vehicle that will use financing that will benefit from an AAA-credit rated guarantee from EFIC[3].

As explained above a further portion of funds raised by CSF has been allocated to the Metals Processing Growth Pipeline. The Growth Pipeline is a sequence of around 25 projects with total capital expenditure currently estimated at EUR 265 million with no single investment exceeding EUR 50 million.

The Pipeline will enable us to capture the maximum value from feed materials through three categories of projects: deconstraining, fuming capacity and minor metals.

Good progress was made across 2014 on the Growth Pipeline projects including a number of key milestones. At Budel and Hobart, we progressed with the work to prepare for the treatment of more complex and higher value concentrates, the Hoyanger fumer got reconfigured to treat smelter residues and we commenced projects for minor metal recovery, including expansion of the existing indium refining capacity as well as expanding fuming capacity in Europe.

[1] Nyrstar's contribution under the terms of the binding agreement among Nyrstar, Australia's Export Finance and Insurance Corporation and the Treasurer of South Australia (for and on behalf of the State of South Australia) (the "Implementation Deed") is AUD 102,750,000.

[2] Project Level Financing under the Implementation Deed is AUD 291,250,000.

[3] EFIC: Australia's Export Finance and Insurance Corporation. Creditors will loan funds to a special purpose vehicle ("SPV"), and the SPV will use those funds to subscribe for perpetual securities in Nyrstar Port Pirie Pty Ltd. The perpetual securities receive IFRS equity accounting treatment.

Year In Review

6 February 2014
Nyrstar announces 2013 Full Year Results and reports structural progress towards delivering Nyrstar's strategic mission.

30 April 2014
Nyrstar reports a solid operational performance across all business segments at the end of the first quarter.

16 May 2014
Nyrstar announces the signing of a binding agreement for the final funding and support package the redevelopment of the Port Pirie smelter with the South Australian State Government and EFIC, Australia's export credit agency, committing the company to completing the transformation project.

24 July 2014
Nyrstar announces Half Year 2014 results reporting Group EBITDA of EUR 110 million (up 26% on H1 2013) and gross profit of EUR 637 million (up 2% on H1 2013).

1 September 2014
Nyrstar launches its Comprehensive Strategic Financing programme to continue with the implementation of its stated strategy, consisting of a Rights Offering to existing shareholders which amounted to ca. EUR 250 million and a EUR 350 million Notes Offering to institutional investors.

30 September 2014
Nyrstar announces the completion of the Rights Offering with the Company's share capital increasing by 170,022,544 shares.

1 October 2014
Nyrstar successfully completes Tender Offering for EUR 247 million of outstanding 2015 and 2016 bonds.

9 October 2014
Nyrstar completes forward sale of silver output from redeveloped Port Pirie for ca. AUD 120 million

23 October 2014
Nyrstar announces solid operational performance in Q3 2014 with zinc market metal production up 4% year-on-year and 1% quarter-on-quarter.

26 November 2014
Nyrstar announces CEO transition and appoints Heinz Eigner as Acting CEO.

5 December 2014
Nyrstar appoints Senior Vice President Mining, John Galassini, to lead its mining operations and join the Nyrstar Management Committee ('NMC').

Mining Operations

In 2014, the Mining segment performance was negatively impacted by operational challenges at a number of sites including a temporary suspension of operations at Campo Morado due to an illegal blockade, unusually severe weather conditions in parts of North America, as well as by the deterioration of copper, silver and gold metal prices. Excluding the EUR 43 million EBITDA contribution from the silver stream settlement at Campo Morado, the segment's underlying EBITDA was 44% lower than in 2013.

East-Tennessee Mine,
USA

Mining Operations

Mining gross profit for the year of EUR 429 million was down 4% on 2013, largely due to lower precious metals prices as well as an increase in zinc treatment charges.

Payable zinc metal contribution increased 11% due to the benefit of higher average zinc metal prices and marginally higher volumes of zinc in concentrate produced. Treatment charge expenses increased 11% in line with the increase of the benchmark treatment charge per tonne of concentrate and the impact of the higher annual average zinc price through the treatment charge escalators. By-products income was 5% lower than in 2013 with lower copper and precious metals prices and reduced gold production. For 2013 other gross profit included the benefit from strategic zinc metal price hedges, whereas in 2014 the market did not provide for a similar opportunity.

Key figures

	2014	2013
MINING PRODUCTION		
Zinc in concentrate ('000 tonnes)	278	271
Gold ('000 troy ounces)	52.1	75.2
Silver ('000 troy ounces) [1]	5,106	4,746
Copper in concentrate ('000 tonnes)	11.3	12.9

[1] Until 31 December 2014, 75% of the payable silver produced by Campo Morado was subject to a streaming agreement with Silver Wheaton Corporation whereby USD 4.02/oz was payable.

The Mining segment experienced a number of operational challenges during the year which negatively impacted production and operating costs. Average direct operating cost in USD per tonne of ore milled was 3% higher than 2013, due to reduced ore throughput resulting from operational issues at a number of sites. Equipment failures at the Tennessee Mines led to higher equipment maintenance costs, whilst Myra Falls was increasingly forced to rely on its diesel generators for electricity supply due to severe drought conditions reducing the site's ability to generate cheaper hydro-electric power.

Capital expenditure spend in the Mining segment was 11% higher than in 2013 with a 13% reduction in sustaining capital offset by a 38% increase in spend on exploration, development and growth capital projects. Brownfield exploration capex spend increased by 6% in 2014 with a focus on near term ore definition.

Full year zinc in concentrate production from own mines was 278 thousand tonnes (up 3% on 2013), however fell short of market guidance. Lead in concentrate production exceeded the upper end of guidance, copper in concentrate production was slightly below guidance and silver production at 8% above 2013 was in line with guidance. Gold production of 52,100 troy ounces was significantly down (31%) compared to 2013 and below guidance with the decision in H2 2014 to suspend gold pillar extraction at El Toqui in response to unstable ground conditions and a depressed gold price.

Despite the challenges outlined above, there were a number of promising developments in the second half of the year such as the commencement of mining from the Port Royal chimney at El Mochito; the successful trials and plant re-configuration at Campo Morado which is expected to allow for the production of three clean concentrates products later in 2015 and production at the Tennessee Mines returning to sustainable levels in the final quarter of 2014.

The segment increased its focus on improving its reporting culture for safety incidents and near misses in 2014. This improvement in reporting is visible in the RIR increasing by 22% and the severity of LTIs increasing by 17% compared to 2013.

Key steps and focus areas to address mining segment performance:

ESTABLISHING A PERFORMANCE CULTURE

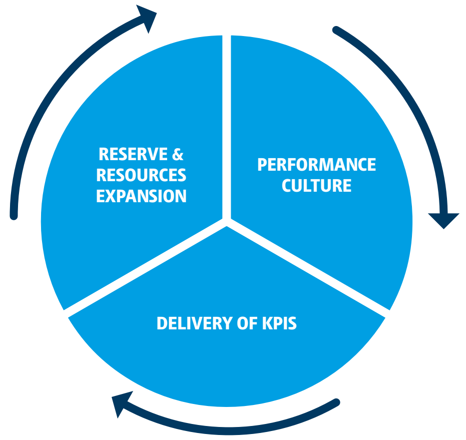
- Increase accountability and recognition of performance
- Work collaboratively to identify and deliver best practices across our operations
- Instill a sense of urgency and discipline
- Do what we say we will do

TARGETING AND DELIVERY OF KEY PERFORMANCE INDICATORS

- Target competitive industry metrics (e.g. cost/tonne ore)
- Mine plan review, optimisation and execution
- Quality product delivery to our customers

IMPLEMENTING THE RIGHT STRUCTURE, FOCUS AND ROLES

- Reorganisation of mining segment into two geographical divisions (North America and Latin America);
- Development of Business Improvement and Technical Service function to support regions



EMBEDDING BUSINESS IMPROVEMENT INTO OUR PROCESS

- Increasing development rates and plant throughput
- Effective asset management (e.g. increased average time between maintenance w/o failure)

BUILDING ON OUR STAKEHOLDER ENGAGEMENT

- Strengthened Government dialogue
- Delivery on community commitments

FOCUSED ON RESOURCE CONVERSION AND EXPANSION

- Conversion of Measured &Indicated resources to Proven and Probable
- Targeted exploration to grow the resource and reserve base and optimise mine plans

SAFETY, HEALTH AND ENVIRONMENT TO REMAIN KEY FOCUS: ZERO HARM

Looking ahead to 2015, safety continues to be a core focus for the mining business. Key programmes for safety will continue with an emphasis on fatality prevention and a strong commitment to addressing our recordable injury rate (RIR) and our lost time injury rate (LTIR).

In addition, there will be six key focus areas in 2015 to address the segment's performance:

1. Establishment of a performance focused culture
2. Implementation of the right organisational structure
3. Targeting and delivery of key performance indicators
4. Embedding business improvement practices into our processes
5. Building on our stakeholder engagement
6. Increase emphasis on expansion and conversion of mine resources to reserves

In December 2014, John Galassini was appointed Senior Vice President Mining as part of our commitment to make the segment a key priority for improvement.

We are confident with a new mining leadership team in place that we bring more focus to this part of the Nyrstar business and are therefore well positioned to execute the mining performance improvement programme. Our focus is continuing to foster a culture of safety excellence and environmental stewardship. We will strive to deliver consistent production and cost improvement through a disciplined application of mine operation fundamentals, supported by an organisation built upon teamwork, talent, accountability and a strong sense of urgency.

Metals Processing

The Metals Processing segment delivered an underlying EBITDA result of EUR 239 million in 2014, an increase of 60% compared to 2013 mainly driven by increased premium and zinc treatment charge income, increased zinc metal production (at the top end of guidance) and higher zinc prices. By-product income declined mainly driven by lower gold, silver and copper prices coupled with lower production volumes at Port Pirie which were offset in part by increased indium metal sales from Auby.

Port Pirie,
Australia

Metals Processing

Operating costs benefited from an ongoing focus on cost savings measures, the continued weakening of the AUD against the EUR and synergies following the announced closure of the zinc metal production plant at Port Pirie in mid-July 2014. A significant reduction in energy expenses was predominantly driven by lower rates in Europe and the receipt of energy rebates comprising of refunds of historical overcharges from the electricity grid operator in the Netherlands and Emissions Trading Scheme rebates in Belgium relating to 2013. As a result, the DOC per tonne of zinc and lead metal produced improved by 13% year-on-year.

Key figures

EUR million unless otherwise indicated	2014	2013
Treatment charges	367	337
Free metal contribution	252	244
Premiums	153	127
By-Products	194	215
Other	(98)	(111)
Gross Profit	868	813

Key figures

	2014	2013
METALS PROCESSING PRODUCTION		
Zinc metal ('000 tonnes)	1,097	1,088
Lead metal ('000 tonnes)	178	179
OTHER PRODUCTS		
Copper cathode ('000 tonnes)	4	4
Silver (million troy ounces)	13.4	17.9
Gold ('000 troy ounces)	33	66
Indium metal (tonnes)	43	33
Sulphuric acid ('000 tonnes)	1,438	1,389

A new safety record was also achieved for the segment with LTIR (Lost Time Injury Rate) LTISR (Lost Time Injury Severity Rate) and DART (the number of days lost or under restricted duties) at the lowest levels since Nyrstar's inception.

The performance of the Metals Processing segment in 2014 was a positive start to the business' three-year transformation journey, centered on capturing the maximum value inherent in feed material and unlocking untapped value within the company's existing asset portfolio.

Metals Processing smelting network contributes to record production levels

Auby - achieved a new production record in both zinc metal and indium production. Planned maintenance shuts of the roaster and the indium plant were carried out during H2 2014 leading to lower indium production in H2 2014, in line with management expectations.

Balen/Overpelt - zinc metal production was 4% higher than FY 2013 at 262,000 tonnes. The planned maintenance shut of the F4 roaster and acid plant in Q2 2014 was completed on time and on budget. H2 2014 was 4% lower compared to H1 2014, mainly due to two national strikes in Q4 2014 but also due to a number of unplanned roaster shuts during Q3 2014.

Budel - achieved a new production record up 5% from 2013 with 290,000 tonnes of zinc metal. Operational improvements across all departments lead to a continuation of annual production increases since 2010.

Clarksville - improved production by 4% in 2014 compared to 2013. Unplanned maintenance works combined with severe winter weather impacted cathode production in Q1, although this was offset by a drawdown of zinc cathode inventory from 2013. A planned roaster shut in Q3 2014 was completed ahead of time. A failure of a melting furnace during Q3 2014, resulted in approximately 3,700 tonnes of additional cathode inventory at year end. The site continued to produce a germanium leach product although performance was slightly impacted by supply shortfalls of Middle Tennessee concentrates.

Hobart - produced approximately 252,000 tonnes of zinc metal in 2014, 7% less compared to 2013. The reduction was mainly due to the planned maintenance shut of roaster 5 and the acid plant in Q2 2014. An unexpected delay of Century concentrate shipments in early 2014, led to a calcine shortage prior to the planned shut which further impacted production. During Q3 2014, Hobart successfully started consumption of Port Pirie zinc oxides (fumes).

Port Pirie - Lead market metal production was in line with 2013 production levels. Production rates significantly improved in 2014, but were offset by a major planned maintenance shut of the blast furnace in Q4 2014 and a shorter unplanned shut in Q2 2014. During 2014 the blast furnace was offline for a total of 48 days, compared to 21 days in 2013. Due to a failure of a furnace jacket two weeks prior to the planned shut of the blast furnace in Q4, the duration of the shut was extended by an additional two weeks. This extended shut enabled the site to complete a number of important maintenance activities and for the redevelopment team to complete important tie-in works, including work on the blast furnace feed system enabling the site to run feed from either the sinter plant or the top submerged lance (TSL) furnace during commissioning and ramp-up. Zinc metal production of approximately 13,000 tonnes in 2014 was in line with management expectations, following the announced closure of the zinc metal production plant in July 2014. Gold and silver production were mainly impacted by lower consumption of precious metals bearing concentrates in 2014.

TOP SUBMERGED LANCE (TSL) FURNACE

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Positive Safety and Environment results

Metals Processing safety results in 2014 were at a record low with LTIR (Lost Time Injury Rate) reduced by 37% LTISR (Lost Time Injury Severity Rate) decreased by 38% and DART (the number of days lost or under restricted duties) reduced by 23% in FY 2014, compared to 2014.

There were no major environmental incidents recorded, continuing a strong performance from 2013. Increased discipline at Port Pirie resulted in significant improvements to lead in air emissions with performance reduced by 40% at the critical monitoring station (Port Pirie West).

Port Pirie Transformation Progress

Following the announcement in May 2014 that Nyrstar and the South Australian Government had reached a funding and support package to proceed with the AUD 514 million redevelopment of the Port Pirie Smelter to an advanced multi-metals processing and recovering facility, momentum regarding the project has continued to build and a number of significant milestones have been achieved. Work on site is progressing on budget and remains scheduled for commissioning in 2016.

Substantial progress has been made regarding the awarding of major contracts for the project, resulting in work commencing in key areas. Nyrstar and construction management contractor teams have been mobilised to site, a programme of piling work has begun, new roadway and lay down areas have been constructed, temporary change houses have been installed, demolition work and the construction of a new workshop is underway and oxygen plant construction work has commenced.

The redevelopment of Port Pirie is a critical enabler of the Metals Processing segment and broader business transformation directly aligned to Nyrstar's mission to capture the maximum value inherent in feed material and unlock untapped value from within its existing portfolio of assets. The investment in Port Pirie allows Nyrstar to extract increased value from high margin metal bearing feed materials. Additionally, investment in proven state of the art technology will deliver step change reductions in airborne metal, dust and sulphur dioxide emissions resulting in significant reductions in community blood lead levels. In parallel, Nyrstar and the South Australian Government have agreed to further improve the community health through the establishment of a new Targeted Lead Abatement Program (TLAP).

Metals Processing Growth Pipeline On Track

Nyrstar continued to progress the broader pipeline of growth projects across the Metals Processing segment. This sequence of ca. 25 projects was identified during the Smelting Strategic Review, a comprehensive strategic review undertaken by Nyrstar of the operating and business model of the Metals Processing footprint aimed at increasing Nyrstar's ability to capture the maximum value from feed materials. Total capex for the growth pipeline is ca. EUR 265 million with no single investment exceeding EUR 50 million.

The Metals Process Growth Projects can be categorised under three categories of investment:

1. **deconstraining** smelters (zinc and lead) to allow the treatment of more complex and higher value material;
2. additional **fuming capacity** to enable more efficient processing of smelter residues and capturing of minor metals value; and
3. **expanding capacity** to produce a wider portfolio of valuable minor metals products.

1. DECONSTRAINING

The focus during 2014 was to progress with projects that will enable the treatment of increased cadmium and zinc smelting residue volumes following the introduction of a more complex feed book with the closure of the Century mine in Australia (currently expected during the Q3 2015). At the Hobart and Budel zinc smelters, key projects moved into implementation phase with orders being placed for long lead time items and plant demolition works commencing. Work on both sites is progressing on schedule for commissioning during H2 2015. At both sites, comprehensive operational readiness plans involving multi-disciplinary teams across each site and the segment (including technical and commercial resources) are in place and being implemented.

Other deconstraining projects progressed as scheduled including the installation of oxygen enrichment in roasting to allow increased throughput of copper in feed (test campaign successfully completed in roaster F4 at the Balen zinc smelter during H2 2014); and increasing the silica constraint in concentrates to allow increased indium throughput and recovery at the Auby zinc smelter which moved into implementation phase with completion scheduled for H2 2015.

At Port Pirie, the feasibility phase of the potential expansion of silver doré capacity was completed and the business case is currently under review. The potential expansion of cadmium capacity at Port Pirie continued through feasibility phase in 2014.

In 2015, demolition and plant modifications at Hobart and Budel are continuing as planned with respect to projects to enable the treatment of increased cadmium and zinc smelting residue volumes. Further test campaigns with respect to oxygen enrichment in roasting will be conducted in order to increase grain size constraints to allow the processing of finer grained concentrates (expected with a more complex feed book) and avoid roaster instability that would otherwise arise. Plant modification works at the Auby zinc smelter are scheduled to commence in order to increase the silica constraint in concentrates to allow increased indium throughput and recovery and at Port Pirie, the proposed expansion of cadmium capacity will progress to development phase. Further, projects to expand capacity to treat increased levels of arsenic, antimony and selenium will commence feasibility with these projects scheduled for completion in Q4 2016. Subject to the business case review, the potential expansion of silver doré capacity will proceed to development during Q1 2015.

3D SNAPSHOT OF PORT PIRIE REDEVELOPMENT ON COMPLETION

2. FUMING CAPACITY

Work continued on the redevelopment of the Hoyanger (Norway) fumer (acquired in December 2013). These works will enable the facility to treat residues from Nyrstar's European zinc smelting network and have included a modified furnace and furnace cooling system, a sulfur dioxide scrubber and new bag house filter. Works were substantially completed by the end of 2014 but delays over the Christmas/New Year period meant commissioning occurred during January 2015. The site is now treating the residue from the Budel zinc smelter and is progressively ramping up to full capacity.

Nyrstar is continuing to progress with options for additional fuming capacity in Europe, with final feasibility studies in the process of being finalised and constructive discussions ongoing with certain governments with respect to the provision of potential funding support.

3. MINOR METALS

Following the closure of the Port Pirie zinc plant in July 2014, certain materials handling and process modifications were successfully commissioned at Hobart and Auby to enable the treatment of zinc fumes (oxides) produced at Port Pirie. Shipments of Port Pirie fumes to Hobart (and also Auby) were received and processed.

Implementation works with respect to the expansion of indium metal production at Auby were commenced during Q4 2014 and are progressing on schedule and are expected to be completed during H2 2015. Other minor metals projects progressed on schedule.

The feasibility study to construct a reclamation and de-watering plant at the Clarksville zinc smelter to recover historical (impounded) residues and to treat future residues for subsequent fuming was completed and is currently under review and is expected to move to development phase in 2015.

Nyrstar expects the implementation phases for the growth project pipeline to be staggered through 2015 and 2016 with ramp up of the full portfolio by early 2017, subject to internal approval processes.

Sustainability

The metals that we mine and produce are vital, in so many different ways, to the development of society and the quality of our lives. They are needed for us to communicate, to grow food, to build our homes and transport systems and, in the right doses, for a healthy diet. Zinc, Nyrstar's primary product, is essential to nature's eco-systems and for human health, greatly increases the durability of other materials such as steel, and can be recycled ad infinitum. These characteristics all position zinc as a material of choice for a more sustainable society.

Megaforces such as water scarcity, climate change, population growth and declining natural resources are redefining the way companies do business and is elevating sustainability from a tactical to strategic priority. At Nyrstar, we are taking action to embed sustainability into our values, strategies and day-to-day decision making. We believe this will help us create a more profitable, efficient and resilient company. We recognise that much remains to be done and that fully embracing and integrating sustainability into our processes will take time. As we continue our journey into 2015, we will be focusing on more clearly articulating our sustainability context, risks and responses and the way sustainability investments can bring value to our organisation.

PHOTO BY MICHAEL ELKAN. COURTESY UBC SCIENCE.

The Earth Sciences Building at the University of British Columbia, constructed with support from Nyrstar, contains zinc and other metals essential to a sustainable society.

Nyrstar's Material Sustainability Issues

In determining our material sustainability issues we consider the impact that a potential issue has on our business, the level of concern expressed by our key stakeholders about the issue, and the application of our core business values and objectives. Our assessment is arrived at through a mix of in-house analysis, expert input and on-going consultations with key stakeholder groups.

Given the scope and nature of our operations, the list of material sustainability issues is not a short one. Furthermore, the significance of the different issues can vary considerably – both at the aggregate level as well as between regions, countries and site operations. The full range of Nyrstar's material sustainability issues is addressed in our annual Sustainability Report. The Management Report also provides information on 2014 sustainability performance in relation to a set of non-financial key performance indicators. The Sustainability Report can be downloaded from our website: http://www.nyrstar.com/sustainability

For the purposes of the Annual Report we have selected and focused on those issues that we assess to have the biggest potential to materially affect the financial performance and Value of the company and are, therefore, of particular interest to our shareholders and investors. These are:

- Our people;
- Workforce health and safety;
- Environment, including
  - o Water;
  - o Energy and climate change;
  - o Biodiversity and land management;
  - o Material stewardship; and
- Community engagement and livelihoods.

Our People

People are the foundation of our success and our ability to attract and nurture talent is fundamental to achieving our vision of becoming a leading mining and metals business. To this end, we foster the development of a culture where everyone has the opportunity to reach their full potential and where people are treated fairly. We work to promote a non-discriminatory and equitable workplace that is attractive to our employees and that enables us to attract the best people.

At the end of 2014, we employed 6,611 people. Of these, 1,228 were located in Australia, 1,497 in Europe and 3,886 in the Americas.

VALUES

Our approach to people management is founded on The Nyrstar Way which establishes the behaviours we expect from all Nyrstar employees. Through the principles of The Nyrstar Way we are committed to open and honest relationships and we aim to be consistent, fair and transparent in our dealings with our employees. We believe that The Nyrstar Way and the behaviours associated with it will not only support delivery of our key strategies, but also create a culture that attracts and retains talented employees.

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 recognise and respect the right of all employees to choose to belong to a union and seek to bargain collectively. We seek to ensure equitable treatment of all employees and contractors. We do not tolerate any form of discrimination, harassment, intimidation, inhuman treatment, forced labour or child labour in the Nyrstar workplace. We have policies, management systems, training programmes and assurance processes to ensure these commitments are understood and respected. We are strong believers in the power and advantages of a diverse workforce both in terms of ethnicity and gender. We are working hard to improve gender balance at all levels of the organisation. Finally, but not least, we are highly committed to, and active in, providing a safe and healthy work environment (please refer to the section about Safety on the next page for further detail).

PEOPLE DEVELOPMENT

The aim of our people development programmes are to help our employees build their experience, competencies, and skills so that they can realise their potential and be highly effective operators, managers and leaders of Nyrstar's business. The programmes apply to all levels of staff and include both technical capabilities and management skills.

Staff in leadership positions plays a particularly important role in shaping the management culture of Nyrstar and the success of our business. In order to equip our mining segment leaders with the skills and capabilities required to sustain and grow our operations, a Leadership Development Programme was initiated in 2014. While focused on the development of fundamental leadership skills, the programme also promotes a performance focused culture based on a shared language and common set of operating principles. The programme is aimed at front line and mid-level leaders at our mining operations. Introduced in October 2014, it is expected that over 500 leaders will have completed the programme by the end of 2015.

TALENT MANAGEMENT

The identification and development of high performance internal talent is a key part of our people strategies. With the ever changing business landscape facing our industry, we need high quality senior management professionals ready to navigate these changes now and in the future. To position ourselves for sustainable long term success, Nyrstar must place the right people in the right roles at the right time.

During 2014 we launched a Senior Leader Development Programme aimed at identifying and nurturing high potential leaders amongst senior corporate managers (at management levels below the Executive Committee). The programme is part of a wider strategy to formalise internal succession planning processes across the business. The first round of implementation involves 30 participants who each receive individual development plans, coaching and training in order to prepare for and succeed in future senior level roles.

PERFORMANCE MANAGEMENT

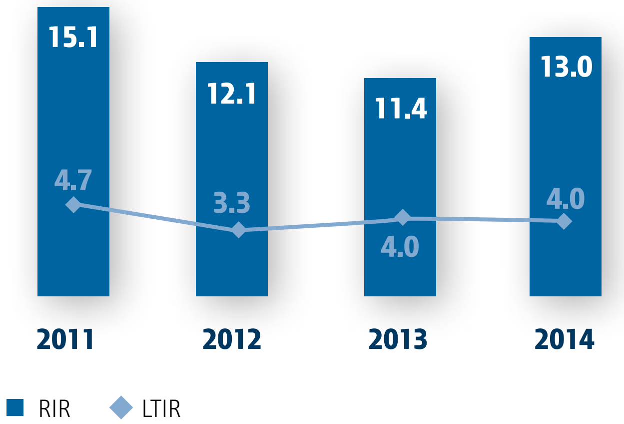
Our Group-wide reward and remuneration systems provide for consistent and transparent assessment of performance across all sites and functions. They also support a performance-driven culture by clearly connecting performance to reward and by aligning the priorities of the individual to those of the organisation. Demonstration of the behaviours promoted by The Nyrstar Way is evaluated as part of our annual performance review process and is a key component of our annual incentive plan.

Workforce Health & Safety

We aim to provide a work environment where all hazards are effectively identified and controlled, and where each employee takes responsibility for their own safety and that of their colleagues. We believe that every work-related illness and injury is preventable and our goal is to achieve world class health and safety performance across all our mines and smelters by 2016.

We are pleased to report that no employees lost their lives or were seriously injured while working for Nyrstar in 2014. Our lost time injury frequency rate (LTIR) remained flat at 4.0 and our recordable injury frequency rate (RIR) increased from 11.4 in 2013 to 13.0 in 2014, both indicators reflecting a challenging year in our Mining segment. The Metals Processing segment closed the year with the lowest LTIR and Days Away from Work, Restricted Work or Transfer (DART) since Nyrstar was founded at 2.7 and 7.1 respectively.

NYRSTAR LTIR AND RIR 2011-2014



Lost Time Injury Rate (LTIR) and Recordable Injury Rate (RIR) are 12 month rolling averages of the number of lost time injuries and recordable injuries (respectively) per million hours worked, and include all employees and contractors directly and non directly supervised by Nyrstar at all operations. Prior period data can change to account for the reclassification of incidents following the period end date.

FATALITY PREVENTION

Under our overall aspiration of operating with zero harm, our highest priority and focus is to prevent loss of life and serious injuries. As part of this focus, in 2013 we launched the Nyrstar Life Saving Rules which prescribe non-negotiable requirements in relation to a set of key risks relevant to our operations. In 2014, this initiative was further expanded and developed into a comprehensive fatality prevention programme referred to as The Zero Program. The programme encompasses a series of activities including identification and review of critical incident scenarios, first line supervisor leadership training, audit and self-assessments and further embedding of the Life Saving Rules. In the Mining Segment, the programme was complemented by a set of Golden Rules focusing on fatal risks of particular relevance for the mining operations.

OCCUPATIONAL HEALTH

Occupational health risks facing our employees arise from the physical and chemical hazards inherent in our work environment including: metals such as lead, cadmium, mercury and arsenic; diesel particulates; noise; heat; acidic solutions; acid mist; and toxic gases such as sulphur dioxide, hydrogen sulphide and chlorine. Occupational health is managed through a series of standards, procedures and assurance mechanisms established at Group level.

Myra Falls Captain Robert Brown competing in the annual Mine Rescue Competition in British Columbia

Mine Rescue

Having trained and equipped mine rescue teams is critical to our operations' ability to respond to underground emergencies. In 2014, all our mine rescue teams participated in rescue exercises or competitions in their regions. For the third time in the last five years, Myra Falls won the annual Mine Rescue Competition for underground mines in British Columbia.

Port Pirie, **Australia**

A major focus for the business continues to be the reduction of workplace noise. Workplace noise is the cause of hearing loss, creates physical and psychological stress, and contributes to accidents by making it difficult to communicate. In 2014, the Hearing Conversation Programme in the Metals Processing segment was significantly improved through the introduction of a number of industry best practices. For example, this included provision of custom-moulded ear plugs, completion of personal exposure measurements for all positions, and yearly audiogram tests for all employees exposed to noise levels above 85dB(A) . In addition, a research programme regarding otoacoustic emission measurements was initiated in collaboration with the University of Ghent.

ESTABLISHING A CULTURE OF SAFETY

We recognise that superior safety performance does not only require strong systems and risk management but also a positive culture in which everyone is committed to their own safety and the safety of their colleagues. In the Mining segment, the Leadership Development Programme introduced in 2014 provides a key vehicle for strengthening our safety leadership throughout the operations. While it was too early for the results of the programme to become evident already in our 2014 data, its continued rollout and implementation in 2015 is expected to have a positive impact on the safety performance at each site. In the Metals Processing segment, behavioural safety initiatives commenced in 2012 were further progressed through a safety intervention programme. As part of this programme, more than 3,000 unsafe conditions were identified and corrected across our zinc smelters in 2014. The programme was a key contributing factor in the zinc smelters achieving their best ever RIR performance at 6.8 in 2014.

Environment

Key contextual factors influencing Nyrstar's environmental priorities include intensified regulatory pressure, declining availability of natural resources, increasing costs of energy and water, and growing environmental awareness amongst communities, investors and other parties. In consideration of these factors, some of the most important environmental risks facing our operations relate to water, climate change, biodiversity and land management, and material stewardship. These risks are discussed below and further details are available in our Sustainability Report.

Our approach to continuously improving our environmental performance and reducing our environmental risks is built around several core components. This includes constant attention to operational excellence, rigorous risk assessment and management, the integration of environmental considerations into core business and operational decision processes, effective management standards and systems, leadership and competencies, good measurement and performance tracking, and engagement with key stakeholders. We also devote financial resources to the installation of environmental abatement technology such as water treatment plants and air emission control equipment.

WATER

Water is a key input to our operations. To varying degrees, our mines and smelters require significant quantities of water to operate. As an increasingly scarce resource in many parts of the world, we seek to minimise our net consumption of water by implementing water-efficiency initiatives and by improving our water recycling rates. We also invest considerable time and resources into ensuring that the water we discharge back to the environment, including after our mines are closed and are in care and maintenance, is not polluted.

In 2014 we launched a corporate initiative involving the development of integrated water management plans at all our mines. The process of developing the plans follows a step-wise approach, key to which is the development of site-wide water balances that identify all inputs, uses and discharges of water. The initiative is supported by a water management standard and various templates, tools and reference guides. The plan development work stretches across 2014 and 2015 and is underpinned by interim targets and measures tracked through the sites' balanced business plans.

ENERGY AND CLIMATE CHANGE

Our mining and smelting sites require large amounts of energy to operate. We rely on energy to power mining equipment and vehicles, to process ores and concentrates, and to transport raw materials and products across large distances. While renewable and low-carbon energy sources (e.g. hydro and nuclear) are part of our energy mix, a significant portion of the energy we consume originates from fossil fuel sources. Hence, carbon risks associated with greenhouse gas emission regulations and increasing energy costs are material to our business. Several of our sites operate in jurisdictions in which legislation to reduce and monitor greenhouse gases are enforced or considered.

Given the energy intensive nature of our metals processing business, achieving continuous improvement in energy efficiency is a top priority for our operations and all smelters have formal energy efficiency programmes. Examples of energy efficiency initiatives implemented in 2014 included installation of more efficient air compressors and lighting at Clarksville and current efficiency improvement projects at Budel.

Over the long term, our operations also face climate change risks associated with physical impacts such as extreme weather events and availability of water. Working together with governments, communities and non-governmental organisations we strive to understand how these changes may affect us and to devise appropriate response and adaptation strategies.

BIODIVERSITY AND LAND MANAGEMENT

We are committed to minimising the environmental footprint of our activities, protecting sensitive habitats and conserving biodiversity values and landscape functions in the locations where we operate. Baseline biodiversity studies are routinely completed prior to the development of new land or activities and management plans are put in place to protect sensitive areas and species. Many of our sites also have established processes for ongoing monitoring of environmental effects both within and outside the footprint of the operations.

Mining and metals processing operations require large areas of land. We understand that our use of the land is temporary and work proactively to minimise the disturbance caused by our activities. This also involves a commitment to progressively rehabilitate land that is no longer needed for production purposes and to fully reclaim areas after operations have been concluded. To support this commitment, all our mines are required to develop, implement and maintain closure plans that outline intended post-closure land uses, key closure concepts and estimated closure costs. The closure plans help to ensure that rehabilitation aspects are considered in operational planning and that sufficient funds are allocated for closure and post-closure monitoring.

Nyrstar also has a portfolio of non-operational legacy sites, inherited through acquisitions, that require additional rehabilitation works in order to be fully closed. We recognise that an important part of maintaining our social license to operate depends on our track record of addressing and mitigating the environmental impacts of our legacy sites, regardless of their ownership history. To this end, we work diligently to rehabilitate and restore the land to make it available for other uses.

Stakeholder consultation and engagement form an integral part of all our biodiversity and land management activities. By engaging with local communities, land owners and other parties we seek to balance our needs with those of other users and to obtain consensus on preferred closure and land management strategies.

MATERIAL STEWARDSHIP

The metals that we produce play a central role in the development and improvement of our society and are used in many vital products and services, from vehicles and buildings to mobile phones and agricultural fertilisers. By focusing on material stewardship we seek to extract and process our commodities in a responsible and efficient manner and to promote the sustainable use and disposal of our products.


La Soledad tailing dam at the El Mochito mine in Honduras.

Preventing Major Environmental Harm

Failure of any one of Nyrstar's tailing dams could have catastrophic consequences for the environment, downstream communities and our company. As such, maintaining the safety and integrity of our tailing dams is a moral and business priority of the utmost importance. In order to assure and monitor the safety of our dams, a Nyrstar Dam Safety Review Committee was established in 2013. As a first order of business, a round of third party dam safety reviews was conducted across all major tailing facilities in 2014. The results of the reviews have been shared with executive management and improvement actions identified through reviews are underway.


Effluent treatment plant at the Overpelt site in Belgium.

Investing in Water Treatment Technology

Applying the latest technology, Nyrstar is continuously seeking to reduce its reliance and impact on natural resources and to stay abreast with the expectations of its stakeholders. In 2014, we commenced a €20 million project involving the installation of groundwater remediation and effluent treatment technology at the Balen smelter in Belgium. The equipment allows contaminated groundwater to be used for processing purposes, thereby reducing the site's demand for freshwater supplies. At Hoyanger, the rebuild of the plant included the installation of improved abatement equipment for both effluent and emissions to air. The new equipment will improve the operational stability of the process and significantly reduce the environmental footprint of the site.

In line with our strategic mission to capture the maximum value inherent in mineral resources, we are investing in technology that allows us to maximise the extraction of valuable metals from our feed materials, by-products and residue materials. By taking advantage of by-product synergies we are able to decrease the amount of materials disposed as waste and to reduce the need for virgin-source materials. Central to this strategy is the redevelopment of Port Pirie into an advanced metals recovery and refining facility as well as a number of other growth projects identified as a result of our recently completed Smelting Strategic Review.

We recognise that our material stewardship responsibilities go beyond the extraction and production activities that we directly manage and also concern the safe and sustainable use and disposal of our products. Since our metals are sold in a global market place, we believe that our product stewardship obligations are best addressed in cooperation with other stakeholders such as industry organisations, governments and academic institutions. In 2014, we held memberships in several key industry associations which engage actively on product stewardship and sustainability issues including the International Zinc Association (IZA), the International Lead Association (ILA), Eurometaux and the Mining Association of Canada (MAC).

All our products have material safety data sheets that provide information on product composition, hazards to human health and the environment, appropriate handling and storage, and emergency response. Many of our products are also subject to the European Union's regulation on the Registration, Evaluation and Authorisation of Chemicals (REACH). All Nyrstar products and substances have been registered and evaluations have been commenced for some substances. Nyrstar is a member of the REACH consortia for zinc, lead, cadmium and indium allowing us to share costs and information for substance registration and evaluation with other producers.

Community Engagement and Livelihoods

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. We understand that this is not just about meeting regulatory requirements but about creating shared value for our host communities and other stakeholders. To do this we must understand their concerns, needs and aspirations and consider these in our decisions and day-to-day operations.

Our aim is to be a welcome and valued member of the communities in which we operate. We accomplish this by engaging with our stakeholders to understand and respond to their expectations, building long term relationships founded on trust and honesty, and by respecting fundamental human rights wherever we operate.

ENGAGEMENT

The Nyrstar Way establishes the behaviours that we must model in our dealings with local communities and other key stakeholders. By managing our business in line with the values and principles enshrined in the Nyrstar Way, we commit to Keeping Our Word, Preventing Harm, Being Open and Honest and Creating Value. This applies to all employees and contractors working for Nyrstar.

Our Safety, Health, Environment and Community (SHEC) Management Framework sets out the processes for stakeholder engagement, communication and consultation that must be implemented at all Nyrstar sites. Site application of these processes focus on understanding and addressing the social risks that may affect Nyrstar's operations and the communities in which we operate. As per the Framework, all sites have stakeholder engagement plans that are regularly revised to reflect the current social context, risks and needs of the individual sites.

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

COMMUNITY DEVELOPMENT

We strive to add value to the countries and communities in which we work. Particular emphasis is placed on identifying and taking advantage of the opportunities presented to our operations for enhancing local capability and delivering socio-economic benefits. Many of our community programmes are undertaken in partnership with local governments, civil society organisations and community groups.

In the past year, our community programmes supported initiatives related to children's health, educational opportunities, habitat & wildlife protection, cultural and sporting events. Financial contributions for community support, sponsorships and donations in 2014 totalled €3.0 million, representing a 6% increase over the €2.9 million contributed in 2013. In our Mining segment, the community programmes brought positive impacts to more than 30 communities touching the lives of approximately 55,000 people. Many of these programmes had a particular focus on women and youth.

HUMAN RIGHTS

We respect and promote fundamental human rights in all locations where we operate. Our approach to human rights is founded in The Nyrstar Way and our Code of Business Conduct. The Framework for Ethical Decision Making included in the Code of Business Conduct helps to ensure that human rights are considered in key business processes such as risk assessments, procurement and contractor management and in our dealings with employees, communities and other stakeholders. We recognise that respecting human rights also requires us to work with contractors and suppliers to ensure that they hold themselves to the same human rights standards that we hold ourselves accountable to.

Port Pirie Targeted Lead Abatement Program

The reduction of community lead exposure and children's blood lead levels is a critical priority for Nyrstar Port Pirie and one of the principal drivers for the Redevelopment project. As an outcome of the Port Pirie Redevelopment project agreement and the continuation of community lead exposure reduction programs implemented by Nyrstar since 2006, the Targeted Lead Abatement Program (TLAP) was launched in 2014 with the aim of delivering further reductions in blood lead levels amongst children living in Port Pirie. In particular, TLAP is focused on identifying and evaluating community lead exposure reduction strategies and assessing which interventions will have the greatest impact on reducing children's blood lead levels. TLAP is managed as a partnership between Nyrstar and the South Australian Government and involves a number of public agencies and stakeholders. Nyrstar has committed up to AUD 3 million per annum for up to 10 years with an additional AUD 5 million contribution to accelerate the objectives of TLAP. More information is available on the TLAP website: www.tlap.com.au.

Facts & figures 2014

Management Report

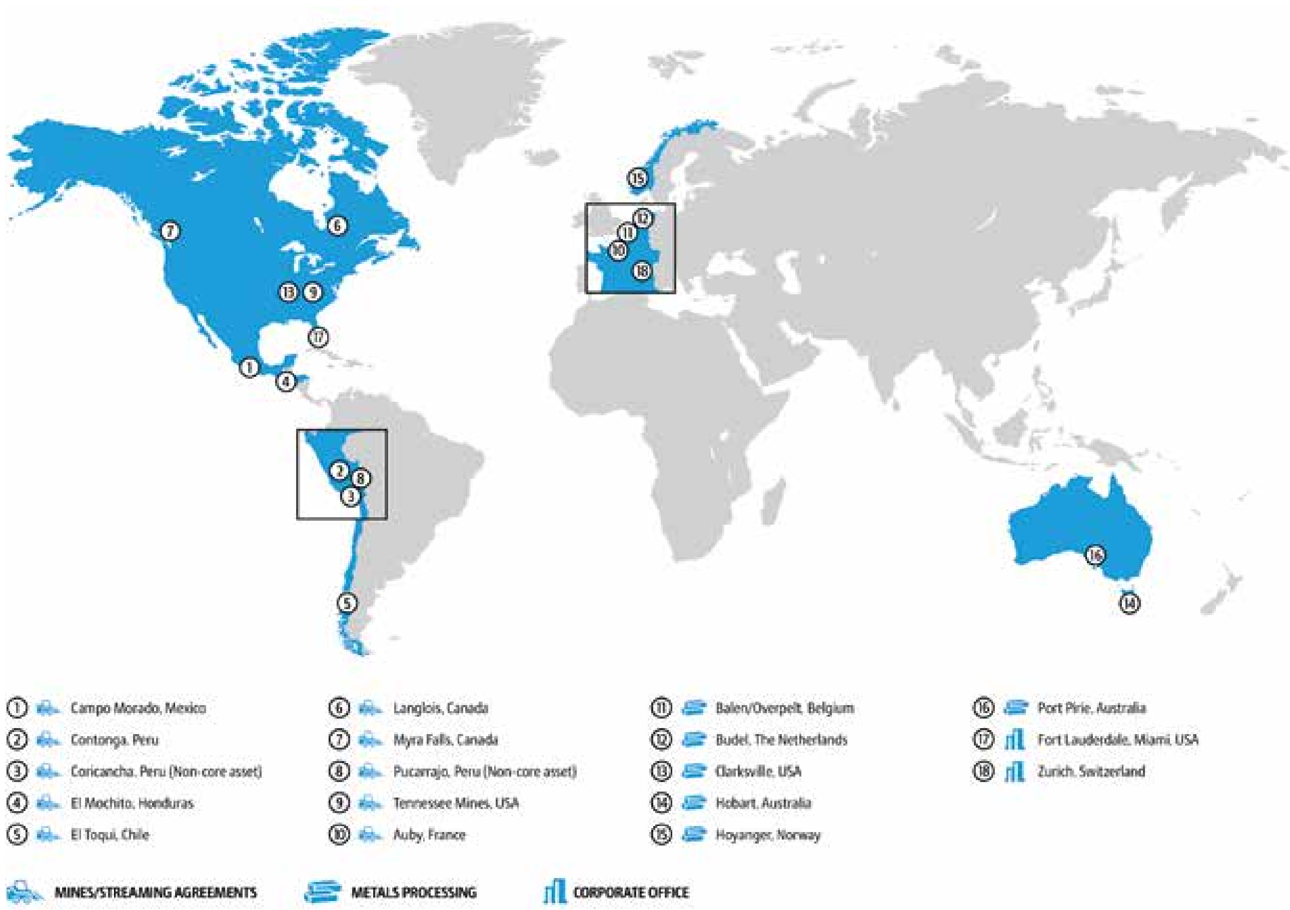
nyrstar

Nyrstar is an integrated mining and metals business, with market leading positions in zinc and lead, and growing positions in other base and precious metals: essential resources that are fuelling the rapid urbanisation and industrialisation of our changing world.

Nyrstar has nine mines, five smelters, one metals refining facility and one fumer with operations in Australia, the Americas and Europe, and employs approximately 6,500 people. Nyrstar is incorporated in Belgium and has its corporate office in Switzerland. Nyrstar is listed on Euronext Brussels under the symbol NYR.

Management Report

Locations



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, over 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 strategy remains clear and on track: to capture the maximum value inherent in mineral resources. Our integrated business model, comprising the Mining and Metals Processing segments and our commercial team embedded into our operations enables us to combine our deep market insight with our own mines and efficient Metals Processing capabilities. This allows for increased commercial synergy throughout our integrated network and we can better position our products to end-users in order to maximise value.

During 2014, Nyrstar achieved a number of strategically significant milestones on its journey of transformation. These included, amongst others:

- The Comprehensive Strategic Financing (CSF) initiative that was completed in H2 2014
- The Port Pirie Redevelopment, which continues on track and on budget
- Significant progress on the Metals Processing Growth Pipeline projects
- Organisational changes in the Mining segment herald the start of a mining performance improvement programme
- Delivery of our Project Lean sustainable cost reduction target of EUR 75 million over the last two years

The Comprehensive Strategic Financing (CSF) launched in September 2014 was aimed at strengthening the Company's financial flexibility and ability to maximise long-term growth opportunities. The CSF involved a EUR 251.6 million rights offering through the issuance of new ordinary shares with (non-statutory) preferential subscription rights for existing shareholders, an offering of EUR 350 million 8.5% senior notes to institutional investors, and a tender offer which repurchased EUR 147.4 million of the outstanding 2015 retail bonds and EUR 100 million of the outstanding 2016 retail bonds. In addition, the funds raised are to be used to fund capital expenditures required for Nyrstar's continued transformation through capital projects comprising the Metals Processing Growth Pipeline and the Port Pirie Redevelopment; and to reduce net debt (towards a targeted Net Debt / EBITDA ratio of 2.5x).

The CSF also extended our debt maturity profile, established access for the Company to a new capital market and attracted new shareholders who believe in our strategy and the positive market fundamentals for zinc.

Port Pirie Redevelopment:

Significant progress continued to be made with construction, procurement and contracting, as well as engineering work.

Construction of site permanent facilities commenced with the mobilisation of contractors. The construction of a new heavy vehicle wash-down facility was completed whilst the existing facility has been demolished. Construction is nearing completion on the new maintenance workshop and demolition of the existing workshop has commenced. Certain tie-in works were completed during the site's planned shut in Q4 2014 including on the TSL furnace feed system and gas supply network. The fi stage in the construction of the worker accommodation camp which will house up to 100 people was completed and officially opened. Deep foundation piling activities have also commenced and are proceeding well.

With respect to procurement and contracting activities, a number of key supply contracts were awarded including agreements for the furnace; furnace waste heat boiler; evaporative cooling tower; electro static precipitator; coal grinding plant; furnace fans; coal injection plant; de-mineralised water plant; heat exchangers; conveyor systems; and high voltage electrical system design and supply. An agreement for the operations of the temporary accommodation camp was entered into and commenced. The important long term agreement for the supply, construction, operation of the oxygen plant and the supply of gas was entered into with Air Liquide and design work is underway.

Approximately 75% of the engineering work for the project was completed at the end of 2014. This includes 3D model development, equipment and structural details and key hazard studies and reviews in the furnace and acid plant areas. Engineering documentation is progressively being completed to support the construction activities underway.

Work continues to progress during Q1 2015 with a number of key milestones expected to be achieved in construction, procurement and engineering work. The final stage of the temporary accommodation camp is expected to be completed; with piling for the new TSL furnace in the area of the old maintenance workshop and also in the new acid plant area commencing; the construction area for the oxygen plant will be handed over to Air Liquide. Operations will commence in the new maintenance workshop and at the new heavy vehicle wash-down facility. A significant number of additional contracts are expected to be awarded including those for the offshore module fabrication, plant control system, low voltage electrical system distribution, major construction crane services, and the main structural, mechanical and piping site construction contract. The majority of the engineering work for the project is expected to be completed over the course of H1 2015.

Capital expenditure guidance for 2015 is EUR 200 - 220 million with a significant proportion of this spend contracted in Australian dollars[1]. Overall, capital costs for the project remain, as guided, at AUD 514 million and work on site progresses on schedule and on budget for commissioning during 2016.

[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 1.45

Other Metals Processing Growth Projects:

Nyrstar continued to progress the broader Metals Processing Growth Pipeline of projects across the segment. These projects were identified during the Smelting Strategic Review, a comprehensive review on the operating and business model of the Metals Processing footprint aimed at increasing Nyrstar's ability to capture the maximum value from feed materials.

The Metals Process Growth Projects can be categorised under three categories of investment:

1. deconstraining smelters (zinc and lead) to allow the treatment of more complex and higher value feed materials;

2. additional fuming capacity to enable more efficient processing of smelter residues and capturing of minor metals value; and

3. expanding capacity to produce a wider portfolio of valuable minor metals products.

The various projects are at different stages in their project life cycle. Subject to final internal approvals, it is currently expected that implementation phases will be staggered throughout 2015 and 2016, with the completion of the full portfolio by 2017. The total capital expenditure for the entire portfolio of projects is currently estimated at EUR 265 million with no single investment exceeding EUR 50 million.

Progress continues to be made in projects spanning all three categories as outlined below:

1. Deconstraining

The focus during 2014 was to progress with projects that will enable the treatment of increased cadmium and zinc smelting residue volumes following the introduction of a more complex feed book with the closure of the Century mine in Australia (currently expected during the Q3 2015). At the Hobart and Budel zinc smelters, key projects moved into implementation phase with orders being placed for long lead time items and plant demolition works commencing. Work on both sites is progressing on schedule for commissioning during H2 2015. At both sites, comprehensive operational readiness plans involving multi-disciplinary teams across each site and the segment (including technical and commercial resources) are in place and being implemented.

Other deconstraining projects progressed as scheduled including the installation of oxygen enrichment in roasting to allow increased throughput of copper in feed (test campaign successfully completed in roaster F4 at the Balen zinc smelter during H2 2014); and increasing the silica constraint in concentrates to allow increased indium throughput and recovery at the Auby zinc smelter which moved into implementation phase with completion scheduled for H2 2015.

At Port Pirie, the feasibility phase of the potential expansion of silver doré capacity was completed and the business case is currently under review. The potential expansion of cadmium capacity at Port Pirie continued through the feasibility phase in 2014.

In 2015, demolition and plant modifications at Hobart and Budel are continuing as planned with respect to projects to enable the treatment of increased cadmium and zinc smelting residue volumes. Further test campaigns with respect to oxygen enrichment in roasting will be conducted in order to improve grain size constraints to allow the processing of finer grained concentrates (expected with a more complex feed book) and avoid roaster instability that would otherwise arise. Plant modification works at the Auby zinc smelter are scheduled to commence in order to improve the silica constraint in concentrates to allow increased indium throughput and recovery and at Port Pirie, the proposed expansion of cadmium capacity will progress to development phase. Further, projects to expand capacity to treat increased levels of arsenic, antimony and selenium will commence feasibility with these projects scheduled for completion in Q4 2016. Subject to the business case review, the potential expansion of silver doré capacity will proceed to development during Q1 2015.

2. Fuming capacity

Work continued on the redevelopment of the Hoyanger (Norway) fumer (acquired in December 2013). These works will enable the facility to treat residues from Nyrstar's European zinc smelting network and have included modifications on the furnace and its cooling system, a sulfur dioxide scrubber and new bag house filter.

Nyrstar is continuing to progress with options for additional fuming capacity in Europe, with final feasibility studies in the process of being finalised and constructive discussions ongoing with certain governments with respect to the provision of potential funding support.

3. Minor metals

Following the closure of the Port Pirie zinc plant in July 2014, certain materials handling and process modifications were successfully commissioned at Hobart and Auby to enable the treatment of zinc fumes (oxides) produced at Port Pirie. Shipments of Port Pirie fumes to Hobart and also Auby were received and successfully processed.

Implementation works with respect to the expansion of indium metal production at Auby were commenced during Q4 2014 and are progressing on schedule and are expected to be completed during H2 2015. Other minor metals projects progressed on schedule.

The feasibility study to construct a reclamation and de-watering plant at the Clarksville zinc smelter to recover historical (impounded) residues and to treat future residues for subsequent fuming was completed and is currently under review and is expected to move to development phase in 2015.

Certain projects related to the processing of fumes and the recovery of a minor metal concentrate for further processing (in addition to the recovery of zinc and lead) will progress in feasibility phase.

Capital expenditure guidance for Metals Processing Growth Projects in 2015 is EUR 70 - 90 million.

Mining Business Performance

Our Mining business meanwhile performed below our own expectations in 2014 and was additionally impacted by lower precious metal prices and the increased treatment charges that the mines had to pay to the smelters.

However, with the reorganisation of the Mining segment leadership that began in December 2014 we put in place the first key element in our mining performance improvement programme to address the ongoing issues in the segment. Mining performance is a key priority for the whole business.

Six strategic elements have been identified to lead the mining business to capacity assurance and performance improvement:

1. Establishment of a performance culture within the workforce
2. Reorganisation and re-alignment of mining leadership team into North and South America to give even greater focus and attention to respective sites in the two regions
3. Embedding business improvement practices into our operational processes, including optimising mine development rates and plant throughput
4. Focus on resource conversion and expansion into proven and probable reserves at the sites that have those opportunities.
5. Targeted exploration to grow the resource and reserve base and to optimise our life of mine plans
6. Build on our stakeholder engagement at government and community level

In 2014 we implemented new non-negotiable standards called the Mining Golden Rules whereby we have strict rules that cannot be compromised. We also commenced a compliance program to Nyrstar technical standards. This allows the segment to monitor progress on sites and understand their current gaps to address risks. With this positive progress achieved in 2014, safety will continue to be a core strategic focus in 2015.

Progress On Project Lean

Across our business we ran "Project Lean" - an initiative that started in 2012 and ended during 2014 to deliver efficient and effective operations through sustainable cost reductions and efficiency gains

The context was a challenging economic climate and a decline in metal prices requiring effective cost management. The Project Lean scope covered corporate offices, mining operations and smelting operations with the objective to deliver substantial and sustainable reduction of operating costs.

We are now well positioned for 2015 thanks to all the key strategic achievements outlined above.

Outlook For 2015

In 2015 we will increase our focus on the execution of our transformational strategy and delivery on our commitments

- Promote a culture of **accountability, transparency and results focus**
- Demonstrate **tangible improvement in operational performance** of mining assets
- Align support functions closer with operating businesses, realise synergies and **become more efficient**
- Build on and sustain the **positive momentum** of the Port Pirie Redevelopment Project
- Deliver on the Metals Processing Growth Pipeline projects by lifting smelting constraints, building additional fuming capacity and expanding minor metals capacity
- Continue to provide **visible leadership** on safety and environmental performance
- Continue to focus on **balance sheet strength** and leverage, which will be impacted by the anticipated growth capex spend
- Capitalise on the **supportive zinc fundamentals and the strengthening USD**

SHARES

Share price development

The Nyrstar share price increased by 63% in 2014, compared to a 14% decrease in the MSCI World Metals and Mining Index, over the same period, and a 13% increase in the average annual zinc price.

The average traded daily volume was approximately 1,087,484 shares in 2014 compared to 803,181[1] in 2013, an increase of 35%.

Share Capital

Nyrstar ordinary shares have been admitted to trading on Euronext® Brussels (symbol NYR BB) since 29 October 2007. As at 31 December 2014, the registered share capital amounted to EUR 34,004,508.88 represented by 340,045,088 ordinary shares with a par value of EUR 0.10. The Company's shares do not have a nominal value.

Convertible Bonds

As at 31 December 2014, 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 is currently EUR 3.71 per share. There are currently EUR 120 million of senior unsecured convertible 2018 bonds outstanding and, if all of the bonds were to be converted into new ordinary shares at the above conversion price, 32,345,013 new ordinary shares would be issued. The bonds are listed and admitted to trading on the Frankfurt Stock Exchange's Open Market segment.

[1] The comparative average traded daily volume for 2013 have been restated to retroactively reflect the impact of the September 2014 rights issue.

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 2014, 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:

As at 31 December 2014	Share %
Urion Holdings (Malta) Ltd	15.30%
Nyrstar NV	3.72%
Umicore NV	3.09%

Shareholder profile

Nyrstar's shareholder base primarily consists of institutional investors in the UK, Belgium, France, the US and other European countries, as well as retail investors.

Retail shareholders represent approximately 34% of the Nyrstar shareholder base. Of institutional shareholders, the primary regions are Belgium (31%), United States (24%), Norway (12%) and UK (8%). The majority of institutional investors are either long-term growth investors or value investors.

SOURCE: NASDAQ SHAREHOLDER IDENTIFICATION REPORT COMMISSIONED BY NYRSTAR IN DECEMBER 2014

KEY SHARE FACTS

For the year-ended 31 December	2014	2013
Number of issued ordinary shares	340,045,088	170,022,544
Number of treasury shares	12,664,057	15,338,431
Market capitalisation (as at 31/12)	996,332,108	392,752,077
Earnings/(Loss) per Share (12 months to 31/12)	(0.38)	(0.98)[1]
For the year-ended 31 December	2014	2013
Gross Capital Distribution (proposed)	0	0
Share price (closing as at 31/12)	2.93	1.79[1]
Year high (intra-day)	3.05	3.73[1]
Year low (intra-day)	1.70	1.56[1]
Average volume traded shares per day (12 months to 31/12)	1,087,484	803,181[1]
Free float (as at 31/12)	90%	85%
Free float Velocity (full year)	128%	112%

SOURCE: EURONEXT

[1] The comparative EPS, closing share price, average/high/low traded daily volume for 2013, have been restated to retroactively reflect the impact of the September 2014 rights issue.

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 2014:

ABN Amro	Deutsche Bank	Macquarie
Bank De Groof	Exane BNP Paribas	Morgan Stanley
Bank of America Merrill Lynch	Goldman Sachs	Petercam
BMO	ING	RBC
Citi	KBC Securities	Société Générale

Proposed Distribution

The Board of Directors has decided not to propose to shareholders a distribution for the financial year 2014, reflecting its commitment to support the opportunities identified by the company's growth plans.

OPERATIONAL REVIEW

- The Mining segment achieved full year guidance for silver, while zinc, copper and gold production were behind guidance; lead in concentrate production exceeded the upper end of guidance
- The Metals Processing segment produced approximately 1,097,000 tonnes of zinc metal in 2014, at the top end of full year guidance

KEY FIGURES

	FY 2014	FY 2013
Mining Production		
Zinc in concentrate ('000 tonnes)[1]	278	271
Gold ('000 troy ounces)	52.1	75.2
Silver ('000 troy ounces)[2]	5,106	4,746
Copper in concentrate ('000 tonnes)	11.3	12.9
Metals Processing Production		
Zinc metal ('000 tonnes)	1,097	1,088
Lead metal ('000 tonnes)	178	179

OPERATIONS REVIEW: MINING

In 2014, Nyrstar's own mines produced 278,000 tonnes of zinc in concentrate, an increase of 3% compared to 2013. Zinc in concentrate production was below guidance, lead in concentrate production exceeded the upper end of guidance, copper in concentrate production was slightly behind guidance and silver production was in line with guidance and higher (8%) than in 2013. Gold production of 52,100 troy ounces was significantly down (31%) compared to 2013 and below guidance with the decision in H2 2014 to suspend gold pillar extraction at El Toqui in response to a depressed gold price and unstable ground conditions.

Ore throughput at Campo Morado in 2014 was strong despite the illegal blockade of the mine entrance which caused a temporary suspension to operations in the final quarter. Ore grades declined compared with 2013 as the G9 ore body was exhausted, impacting production for all metals. Metallurgical testing on the resource which consists of highly complex refractory ore bodies has been completed and plant modifications to optimise the metal recoveries are in progress. The plant modifications are expected to result in the production of copper concentrate, zinc concentrate and lead concentrate and ensure higher payment terms for the concentrates as they will have less penalties and higher payables than the previous two concentrates.

The Contonga mine continued to deliver a strong performance, increasing its throughput to maximum levels permitted by its operating license and offsetting a minor decline in zinc ore grade whilst maintaining production volumes of zinc, lead and copper and increasing silver production compared to 2013.

El Mochito mine achieved increased production for all metals compared to 2013 with a higher head grade. These increases were achieved through the development of new high grade chimney mining areas using the Alimak mining method. Development of these areas was completed in H1 2014 and the ore was processed in H2 2014. This complemented a consistent performance from existing ore bodies which use a standard room and pillar mining method.

[1] Own mines production.
[2] Until 31 December 2014, 75% of the payable silver produced by Campo Morado was subject to a streaming agreement with Silver Wheaton Corporation whereby USD 4.02/oz was payable.

Management report

El Toqui mine achieved record zinc production, 61% higher than 2013. This improved result was largely due to improved surface facilities which enabled higher processing rates and enhanced metal recoveries. There was also a change of focus away from gold campaigns due a review of gold pillar extraction methods in poor ground conditions and the depressed gold price in H2 2014. Lead and silver volumes exceeded 2013 production by 50% and 121% respectively.

At the Langlois mine, zinc in concentrate production for 2014 increased by 6% year-on-year. Improved cycle times from steady state underground operations resulted in 11% higher mill throughput despite slightly lower ore grades. Production of copper, silver and gold was in line with 2013.

Myra Falls, despite temporary interruptions due to power availability caused by a severe drought followed by flooding in Q4 2014, had a solid performance in 2014 across all metals. The mine recorded zinc in concentrate volumes in line with 2013, a 43% increase in silver and a 33% increase in gold ounces produced. Focus continued to remain on the long term sustainability of production from the mine with the development of future ore zones in the western sector of the mine and improvements to the productivity and utilisation of underground equipment during 2014.

The Tennessee mines reported an 8% reduction in zinc in concentrate production in 2014 compared to 2013. Average zinc mill head grades were below 2013 and ore volumes processed were impacted by equipment failures at the surface facilities as well as mine cycle times in underground operations. Management has taken actions to address the issues resulting in improved performance.

Talvivaara

During 2014 Nyrstar made available to Talvivaara Sotkamo Limited ("Talvivaara"), a subsidiary of Talvivaara Mining Company Plc, a loan facility up to a maximum amount of EUR 20 million. Nyrstar made 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.

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 Sotkamo Limited ("Operating Company"). 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. The impairment charge amounts to EUR 245.9 million (net of tax EUR 196.8 million).

'000 tonnes unless otherwise indicated	FY 2014	FY 2013	% Change
Total ore milled	6,888	6,960	(1%)
Total zinc concentrate	550	511	8%
Total lead concentrate	33.0	24.3	36%
Total copper concentrate	60.6	68.3	(11%)
Zinc in Concentrate			
Campo Morado	22	25	(12%)
Contonga	13	13	0%
El Mochito	30	25	20%
El Toqui	37	23	61%
Langlois	38	36	6%
Myra Falls	27	27	0%
East Tennessee	63	71	(11%)
Middle Tennessee	47	50	(6%)
Tennessee Mines	111	121	(8%)
Own Mines Total	**278**	**271**	**3%**
Talvivaara Stream	24	14	71%
Total	**302**	**285**	**6%**
Lead in concentrate			
Contonga	0.4	0.3	33%
El Mochito	15.5	11.6	34%
El Toqui	1.8	1.2	50%
Myra Falls	1.5	0.9	67%
Total	**19.2**	**14.2**	**35%**
Copper in concentrate			
Campo Morado	3.9	4.9	(20%)
Contonga	3.1	2.6	19%
Langlois	2.0	2.0	0%
Myra Falls	2.3	3.3	(30%)
Total	**11.3**	**12.9**	**(12%)**
Gold ('000 troy oz)			
Campo Morado	5.7	11.7	(51%)
El Toqui	20.3	41.3	(51%)
Langlois	2.0	1.8	11%
Myra Falls	23.6	17.8	33%
Total[1]	**52.1**	**75.2**	**(31%)**
Silver ('000 troy oz)			
Campo Morado	902	1,156	(22%)
Contonga	368	306	20%
El Mochito	1,827	1,637	12%
El Toqui	313	141	122%
Langlois	518	524	(1%)
Myra Falls	1,173	818	43%
Total[2]	**5,106**	**4,746**	**8%**

[1] Total includes Coricancha gold production
[2] Total includes Coricancha silver production

Management report

Mining Production Guidance

The guidance below reflects Nyrstar's current expectations for 2015 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 2015, if it is expected that there will be material changes to the above guidance.

Production guidance for 2015 across Nyrstar's portfolio of mining assets is as per the table below.

Segment	Metal in concentrate	Production guidance
Mining	Zinc[1]	280,000 – 310,000 tonnes
	Lead	15,000 – 18,000 tonnes
	Copper	12,000 – 14,000 tonnes
	Silver	4,450,000 – 5,100,000 troy ounces
	Gold	35,000 – 45,000 troy ounces

OPERATIONS REVIEW: METALS PROCESSING

The Metals Processing segment produced approximately 1,097,000 tonnes of zinc metal in 2014, at the top end of full year guidance.

Auby - achieved a new production record in both zinc metal and indium production. Planned maintenance shuts of the roaster and the indium plant were carried out during H2 2014 leading to lower indium production in H2 2014, in line with management expectations.

Balen/Overpelt - zinc metal production was 4% higher than FY 2013 at 262,000 tonnes. The planned maintenance shut of the F4 roaster and acid plant in Q2 2014 was completed on time and on budget. H2 2014 was 4% lower compared to H1 2014, mainly due to two national strikes in Q4 2014 but also due to a number of unplanned roaster shuts during Q3 2014.

Budel - achieved a new production record up 5% from 2013 with 290,000 tonnes of zinc metal. Operational improvements across all departments lead to a continuation of annual production increases since 2010.

Clarksville - improved production by 4% in 2014 compared to 2013. A planned roaster shut in Q3 2014 was completed ahead of time. A failure of a melting furnace during Q3 2014, resulted in approximately 3,700 tonnes of additional cathode inventory at year end. The site continued to produce a germanium leach product although performance was slightly impacted by supply shortfalls of Middle Tennessee concentrates.

Hobart - produced approximately 252,000 tonnes of zinc metal in 2014, 7% less compared to 2013. The reduction was mainly due to the planned maintenance shut of roaster 5 and acid plant in Q2 2014. An unexpected delay of Century concentrate shipments in early 2014, led to a calcine shortage prior to the planned shut which further impacted production. During Q3 2014, Hobart successfully started consumption of Port Pirie zinc oxides (fumes).

Port Pirie - Lead market metal production was in line with 2013 production levels. Production rates significantly improved in 2014, but were offset by a major planned maintenance shut of the blast furnace in Q4 2014 and a shorter unplanned shut in Q2 2014. During 2014 the blast furnace was offline for a total of 48 days, compared to 21 days in 2013. Due to a failure of a furnace jacket two weeks prior to the planned shut of the blast furnace in Q4, the duration of the shut was extended by an additional two weeks. This extended shut enabled the site to complete a number of important maintenance activities and for the redevelopment team to complete important tie-in works, including work on the blast furnace feed system enabling the site to run feed from either the sinter plant or the top submerged lance (TSL) furnace during commissioning and ramp-up. Zinc metal production of approximately 13,000 tonnes in 2014 was in line with management expectations, following the announced closure of the zinc metal production plant in July 2014. Gold and silver production were mainly impacted by lower consumption of precious metals bearing concentrates in 2014.

[1] Own mines production

Operations Review: Metals Processing

	FY 2014	FY 2013	% Change
Zinc metal ('000 tonnes)			
Auby	171	152	13%
Balen/Overpelt	262	252	4%
Budel	290	275	5%
Clarksville	110	106	4%
Hobart	252	272	(7%)
Port Pirie	13	30	(57%)
Total	**1,097**	**1,088**	**1%**
Lead metal ('000 tonnes)			
Port Pirie	178	179	(1%)

	FY 2014	FY 2013	% Change
Other products			
Copper cathode ('000 tonnes)	4	4	-
Silver (million troy ounces)	13.4	17.9	(25%)
Gold ('000 troy ounces)	33	66	(50%)
Indium metal (tonnes)	43	33	30%
Sulphuric acid ('000 tonnes)	1,438	1,389	4%

Metals Processing Production Guidance and Planned Maintenance Shuts

Nyrstar expects to produce 1.0 – 1.1 million tonnes of zinc metal in 2015. 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 2015 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, will 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 2015 production, which has been taken into account when determining zinc metal guidance for 2015, is listed in the table below.

2015 Metals Processing planned shuts

Smelter & production step impacted	Timing and duration	Estimated impact
Balen – roaster F5	Q2: 1 week	nil
Balen – roaster F4	Q3: 7 weeks	nil
Budel – roaster	Q2: 2 weeks	nil
Port Pirie – slag fumer	Q4: 7 weeks	3,000 tonnes of zinc contained in zinc fume

Market review

Average prices[1]	FY 2014	FY 2013	% Change
Exchange rate (EUR/USD)	1.33	1.33	0%
Zinc price (USD/tonne, cash settlement)	2,164	1,909	13%
Lead price (USD/tonne, cash settlement)	2,096	2,141	(2%)
Copper price (USD/tonne, cash settlement)	6,862	7,322	(6%)
Silver price (USD/t.oz, LBMA daily fix)	19.08	23.79	(20%)
Gold price (USD/t.oz, LBMA PM fix)	1,266	1,410	(10%)

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 U.S. Dollars, while the costs of Nyrstar are primarily in Euros, Australian Dollars U.S. 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. 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 nearly 11% during H2 2014.

Zinc

The average zinc price increased by 13% in 2014 to USD 2,164 per tonne compared to USD 1,909/t in 2013 traded within a wide range of USD1,942 and USD 2,420. Zinc demand growth in 2014 was led by both China and the developed world with the United States economy growing faster than many commentators had anticipated. Global zinc consumption growth in the developing world and the developed world is estimated by Wood Mackenzie to have grown by 5.1% and 2.8% respectively in 2014[2]. Sufficient supplies of concentrate, higher treatment charges and higher zinc prices have resulted in increased utilisation rates at smelters in 2014 with Wood Mackenzie forecasting that average smelter utilisation rates were 76% in China and 90% 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.

Lead

Lead prices trended sideways during 2014, averaging USD 2,096 per tonne, a 2% decline over 2013. Demand at the global level remained robust, growing at an estimated 3.9%, 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. This should be partially offset by rising secondary supply, which will be encouraged by rising prices.

[1] Zinc, lead and copper prices are averages of LME daily cash settlement prices. Silver/Gold price is average of LBMA daily fixing / PM fixing, respectively.
[2] Wood Mackenzie – Global zinc long-term outlook Q4 2014 – published in December 2014.

Copper

The average copper price in 2014 was USD 6,862 per tonne, a 6% decline compared to USD 7,322 per tonne in 2013. The International Copper Study Group expects the world mine production to grow by around 3% in 2014 to 18.6 million tonnes, pointing to a mine supply surplus that will feed through to a modest refined surplus of about 307,000 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 2014 with the average gold price and silver price down 10% and 20% respectively. Global silver demand declined by 7% over the course of the year, though it is expected to recover in 2015, particularly on the back of coin & bar demand.

Sulphuric Acid

The price of sulphuric acid at the beginning of 2014 was globally under pressure due to reduced demand from fertiliser markets. In the second half of 2014 demand strengthened and subsequently drove prices upwards. Nyrstar realised an average price in H1 2014 of USD 42 per tonne and in H2 2014 an average of USD 48 per tonne. Nyrstar anticipates that the H2 2014 price level should be sustainable during H1 2015 on the back of stable demand and anticipated sulphur price increases.

Zinc Concentrates

The annual benchmark treatment charge for zinc concentrates in 2014 was settled at USD 223 per tonne of concentrate with an 8.5% escalator and de-escalator of 3%. This represented an improvement from the previous year in favor of smelters. Throughout the first half of the year the elimination of the arbitrage encouraged smelters in China to treat domestic material over imported material, which decreased the demand for imported concentrates and along with an increase in the price of zinc subsequently led to increases in spot treatment charges. The spot market for zinc concentrate imported into China began the year in the range of $130 to $140 per tonne of concentrate and progressively weakened. Towards the end of 2014, an accumulation of zinc concentrate stocks in China resulted in a well-supplied market, placing import treatment charges into China in the range of $200 to $215 per tonne of concentrate. European spot treatment charges reached levels well above the 2014 realised benchmark with reported treatment charges of $275 per tonne of concentrate and above.

Lead Concentrates

The annual treatment charge terms for high silver lead concentrates in 2014 were concluded at $197.50 per tonne of concentrate with a silver refining charge of $1.50 per troy ounce. Annual treatment charges for low silver lead concentrates were considered to be concluded within the range of $170 to $180 per tonne of concentrate. The spot market for low silver lead concentrates began the year with treatment charges close to $130, and towards the end of 2014 reached levels around $160 per tonne of concentrate. The year was marked by the closure of the La Oroya smelter in Peru, which constituted a considerable consumer of high silver lead concentrates. Other major events that had an effect on the market for lead concentrates during 2014 consisted of the reported cessation of the brief production at Karachipampa, the delay of the Zellidja smelter restart and the market availability of Missouri concentrates.

FINANCIAL REVIEW

Group gross profit for the year of EUR 1,293 million was up 3% on 2013, driven principally by the Metals Processing segment, which benefited from higher zinc treatment charge and premium income and close to record production volumes. Both segments benefited from higher zinc prices, which were up 13% year-on-year, however this was offset in part by lower by-product income due to lower precious metals prices, with annual average silver and gold prices falling 20% and 10% respectively.

Direct operating costs for the year of EUR 1,049 million were down 6% on 2013, with the improvement driven by a number of factors including an ongoing focus on cost savings measures, benefit of Project Lean driven sustainable cost reductions, savings realised following the announced closure of the zinc metal production plant at Port Pirie from July 2014 and significantly lower European energy costs, which also benefited from rebates received from the electricity grid operator in the Netherlands as compensation for being incorrectly overcharged in previous periods and Emissions Trading Scheme rebates in Belgium relating to 2013.

Group underlying EBITDA in 2014 of EUR 280 million, supported by improved macro-economic conditions and benefiting from the settlement of the Campo Morado silver steam with Silver Wheaton, which contributed an underlying EBITDA uplift EUR 43 million. The 2014 result was up 51% on 2013 with underlying EBITDA of EUR 185 million.

Underlying adjustments for the year of EUR (4) million, compared to EUR (30) million in 2013, reflecting an improvement of EUR 26 million year on year as a result of lower restructuring expenses down from EUR 19 million in 2013 to EUR 5 million in 2014; EUR 0.4 million of P&L gain on the embedded derivative in the Hobart smelter energy contract for 2014 compared to a loss of EUR (9) million in 2013.

Depreciation, depletion and amortisation expense for the year of EUR 257 million was up 17% year on year due to increase in depreciation charges in the Metals Process segment of EUR 37 million comprising mainly of the effect of an increase in asset carrying values at the Balen and Port Pirie smelters following reversal of impairments in 2013.

Impairment losses of EUR (255) million were recognised in 2014, comprising an impairment charge of EUR (245.9) million on the Talvivaara Zinc Streaming Agreement net of tax EUR (196.8) million, approximately EUR (8) million relating to the carrying value of a loan receivable provided to Talvivaara Sotkamo Limited and approximately EUR (1) million relating to write down on non-core assets.

Net finance expense for 2014 of EUR 108 million was up 9% on prior year driven by higher inventory funding requirements.

Income tax benefit for 2014 of EUR 57 million representing an effective tax rate of 16.6%, compared to an income tax expense of EUR (11) million in 2013 representing an effective tax rate of (6.0)%. The tax rate is impacted by the losses incurred by the Group for the year ended 31 December 2014 for which no tax benefit has been recognised and the change of tax rates in Chile, Mexico and Peru.

Loss after tax result in 2014 of EUR (287) million, compared to a net loss of EUR (195) million in 2013. The net loss for 2014 includes a net of tax EUR (196.8) million impairment charge, recognised on the Talvivaara Zinc Streaming Agreement.

Total equity on the balance sheet as at 31 December 2014 of EUR 955 million increased by EUR 85 million over the year, as a result of the rights offering of EUR 243 million (net of transaction costs), a foreign exchange gain of EUR 109 million recognised in the foreign currency translation reserves driven primarily by the strengthening of the USD versus EUR at the end of 2014, which together with a EUR 18 million gain on equity accounted cash flow hedges more than offset the net loss after tax result for 2014.

Capital expenditure was approximately EUR 294 million in 2014, representing an increase of 47% from 2013 (EUR 200 million) driven primarily by the Port Pirie Redevelopment. Sustaining capital expenditure continues to be tightly managed across the segments as growth capex spend starts to ramp-up.

Cash flow from operating activities before working capital changes of EUR 243 million was up 96% compared to EUR 124 million for 2013 and cash flow from changes in working capital and other balance sheet movements in 2014 of EUR 68 million was down 61% compared to EUR 175 million in 2013, resulting in total cash flow from operating activities for the year of EUR 311 million compared to EUR 299 million for 2013.

Net debt of EUR 438 million representing a 35% reduction from EUR 670 million at the end of 2013, assisted by cash inflows from the Comprehensive Strategic Financing, which consisted of EUR 350 million of 8.5% rated senior unsecured notes due 2019, a EUR 251.6 million rights offering, repurchase of approximately two thirds of the outstanding EUR 220 million 5.5% fixed rate bonds due in April 2015 and EUR 100 million of the outstanding EUR 515 million 5.375% fixed rate bonds due in May 2016.

As at 31 December 2014 Nyrstar's EUR 400 million revolving structured commodity trade finance facility remained fully undrawn. Cash on hand was EUR 499 million with ample committed undrawn liquidity headroom at the end of the year.

KEY DATA

EUR million unless otherwise indicated	FY 2014	FY 2013	% Change
Income Statement Summary			
Revenue	2,799	2,824	(1)%
Gross Profit	1,293	1,251	3%
Direct operating costs	(1,049)	(1,113)	(6%)
Non-operating and other	36	46	(22%)
Metal Processing EBITDA	239	149	60%
Mining EBITDA	87	78	12%
Other & Eliminations EBITDA	(46)	(43)	7%
EBITDA[1]	280	185	51%
Underlying adjustments	(4)	(30)	(87%)
Depreciation, depletion and amortisation	(257)	(220)	17%
Impairment loss / Impairment reversal	(255)	(20)	(1275%)
Net finance expense	(108)	(99)	9%
Income tax benefit	(57)	(11)	(518%)
Profit/(loss) for the period	(287)	(195)	(54%)
Basic EPS (EUR)	(1.22)	(0.98)	125%
Capex	294	200	47%
Cash Flow and Net Debt			
Cash flow from operating activities	311	299	4%
Net debt, end of period	438	670	(35%)
Net Debt to EBITDA ratio	1.6	3.6	(56%)
Gearing[2]	27.5%	43.5%	
Metals Processing Production			
Zinc metal ('000 tonnes)	1,097	1,088	1%
Lead metal ('000 tonnes)	178	179	(1%)

[1] All references to EBITDA in the Annual Report 2014 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] Gearing is calculated as net debt to net debt plus equity at end of period

	FY 2014	FY 2013	% Change
Mining Production			
Zinc in concentrate ('000 tonnes)[1]	278	271	3%
Lead in concentrate ('000 tonnes)	19.2	14.2	35%
Gold ('000 troy ounces)	52.1	75.2	(31%)
Silver ('000 troy ounces)[2]	5,106	4,746	8%
Copper in concentrate ('000 tonnes)	11.3	12.9	(12%)
Market[3]			
Zinc price (USD/t)	2,164	1,909	13%
Lead price (USD/t)	2,096	2,141	(2%)
Silver price (USD/t.oz)	19	24	(20%)
Gold price (USD/t.oz)	1,266	1,410	(10%)
Average exchange rate (EUR/USD)	1.33	1.33	0%

MINING

The Mining segment was adversely affected by the deterioration of copper, silver and gold metal prices during the year, the temporary suspension of Campo Morado operations from an illegal blockade in Q4 2014 and equipment failures at surface facilities in the Tennessee mines. Excluding the EUR 43 million positive impact of the Campo Morado silver stream settlement, the Mining segment underlying EBITDA in 2014 was 44% lower than in 2013.

MINING

EUR million unless otherwise indicated	FY 2014	FY 2013	% Change
Treatment charges	(84)	(76)	10%
Payable metal contribution	373	335	11%
By-Products	165	173	5%
Other	(26)	13	100%
Underlying Gross Profit	**429**	**445**	**4%**
Employee expenses	(141)	(140)	1%
Energy expenses	(51)	(49)	4%
Other expenses	(168)	(169)	56%
Underlying Operating Costs	**(360)**	**(358)**	**0.5%**
Non-Operating and Other[4]	17	(9)	2%
Underlying EBITDA	**87**	**78**	**12%**

Gross profit for the Mining segment was EUR 429 million in 2014, 4% below 2013. Payable metal contribution increased 11% with marginally higher volumes of zinc in concentrate produced and a positive impact of higher average zinc metal prices. The Mining treatment charge expense increased 11% in line with a higher treatment charge benchmark per tonne of concentrate and the impact of the higher annual average zinc price through the treatment charge escalator. Contributions to gross profit from by-products were 5% lower than 2013 with reduced precious metals prices and lower gold production. For 2013 other gross profit included the benefit from strategic zinc metal price hedges, whereas in 2014 the market did not provide for a similar opportunity.

[1] Own mines production
[2] Until 31 December 2014, 75% of the payable silver produced by Campo Morado was subject to a streaming agreement with Silver Wheaton whereby $4.02/oz was payable.
[3] Zinc, lead and copper prices are averages of LME daily cash settlement prices. Silver/Gold price is average of LBMA daily fixing / PM fixing, respectively
[4] 2014 includes EUR 43 million from the settlement of the silver stream with Silver Wheaton at Campo Morado.

The average Mining segment direct operating cost in USD per tonne of ore milled for was 3% higher than 2013 due to reduced ore throughput resulting from operational challenges at a number of sites.

DOC USD/tonne ore milled	FY 2014	FY 2013	% Change
Campo Morado	87	100	(13%)
Contonga	73	71	3%
El Mochito	70	65	8%
El Toqui	83	83	0%
Langlois	110	133	(17%)
Myra Falls	163	137	19%
Tennessee Mines	43	38	13%
Average DOC/tonne ore milled	**69**	**67**	**3%**

At the Myra Falls mine the direct operating cost per tonne of ore milled deteriorated in H2 2014 due to a severe drought which reduced the site's ability to generate hydroelectric power and resulted in increased diesel generator costs. This also negatively impacted throughput with insufficient power stability for consistent mill processing. At the end of 2014, the production at Myra Falls was impacted by unseasonably high rainfall which caused localised flooding at the mine.

The Tennessee mines experienced higher equipment maintenance costs to address equipment failures, and also incurred mining cycle delays which resulted in lower ore milled.

The Campo Morado mine maintained consistent production for the majority of 2014 despite a temporary blockade in Q4 2014. This resulted in a higher ore throughput compared to 2013 which was impacted by a two month suspension of operations as a result of the cancellation of the site's explosives permit due to an administrative issue.

The Langlois mine processed 11% more ore tonnage compared to 2013 while continuing to lower operating costs (17% reduction compared to 2013).

METALS PROCESSING

The Metals Processing segment delivered an underlying EBITDA result of EUR 239 million in 2014, an increase of 60% compared to 2013. This increase was driven by a 7% increase in gross profit and a 12% reduction in direct operating costs.

Higher gross profit was mainly driven by higher premium income (up 20%) and higher zinc treatment charge income (up 9% due to the combined impact of a higher benchmark treatment charge[1] in 2014 compared to 2013 and the escalator benefit of a higher zinc price which appreciated 13% in 2014 compared to 2013 average). Free metal increased 3% due to higher zinc metal production and improved zinc prices. By-product income declined by 10% compared to 2013 mainly driven by lower gold, silver and copper prices coupled with lower production volumes at Port Pirie due to a major planned maintenance shut of the blast furnace in Q4 2014 and a shorter unplanned shut in Q2 2014, and the consumption of lower volumes of precious metals bearing concentrates. This was offset in part by increased indium metal sales from Auby. Other gross profit elements improved by 12%, attributable mainly to lower freight costs relative to 2013 and a contribution from the Hoyanger fumer which was acquired in December 2013.

Operating costs benefited from an ongoing focus on cost savings measures, the continued weakening of the AUD against the EUR and synergies following the announced closure of the zinc metal production plant at Port Pirie in mid-July 2014. A significant reduction in energy expenses (down 17%) was predominantly driven by lower rates in Europe (mainly in Budel and Balen) and the receipt of EUR 18 million in energy rebates comprising of refunds of historical overcharges from the electricity grid operator in the Netherlands and

[1] USD 223 per dry metric tonne at a basis price of USD 2,000 per tonne in 2014, compared to a benchmark treatment charge of USD 210.50 per dry metric tonne at the same basis price in 2013

Emissions Trading Scheme rebates in Belgium relating to 2013. As a result of these factors, the DOC per tonne of zinc and lead metal produced (EUR 466) improved by 13% year-on-year.

EUR million unless otherwise indicated	FY 2014	FY 2013	% Change
Treatment charges	367	337	9%
Free metal contribution	252	244	3%
Premiums	153	127	20%
By-Products	194	215	(10%)
Other	(98)	(111)	12%
Gross Profit	**868**	**813**	**7%**
Employee expenses	(208)	(207)	0%
Energy expenses	(227)	(272)	(17%)
Other expenses /income	(160)	(197)	(19%)
Direct Operating Costs	**(595)**	**(676)**	**(12%)**
Non-operating and other[1]	(34)	12	(383%)
EBITDA	**239**	**149**	**60%**

OTHER & ELIMINATIONS

Underlying EBITDA in the Other and Eliminations segment was EUR (46) million in 2014, representing a 7% increase compared to 2013.

CAPITAL EXPENDITURE

Capital expenditure was approximately EUR 294 million in 2014, representing an increase of 47% from 2013 (EUR 200 million) driven primarily by the Port Pirie Redevelopment. Sustaining capital expenditure continues to be tightly managed across the segments as growth capex spend starts to ramp-up.

Overall capital expenditure in the mining segment was 11% higher than in 2013 with a 13% reduction in sustaining capital offset by a 38% increase in exploration and development and growth capital projects. Brownfield exploration capex increased by 6% in 2014 with a focus on near term ore definition. The Campo Morado mine initiated a capital project for plant modifications to maximise metal recoveries from the complex refractory orebodies and enable three separate concentrate streams. It is expected that Campo Morado will produce three separate concentrates with higher aggregate payables during the course of 2015. The Myra Falls mine increased development and infrastructure in the western sector of the mine to provide access to future ore zones.

Capital expenditure in the Metals Processing Segment was up 88% compared to 2013 mainly driven by the previously announced investment program. Port Pirie Redevelopment capex (EUR 60 million) was in line with guidance (EUR 60 – 70 million) and other growth capital (EUR 21 million, Metals Processing Growth pipeline investments) was also in line with guidance (EUR 20 – 30 million). Sustaining

[1] 2013 includes EUR 45 million termination fee that compensated Nyrstar for agreeing to end the European component of its commodity grade metal off-take agreement with Glencore

capital (EUR 99 million) was higher in 2014 due to a number of major planned maintenance shuts (especially during Q4 2014) and certain unplanned shuts impacting spend against a guidance of EUR 75 – 80 million.

In addition, approximately EUR 6 million was invested at other operations and corporate offices.

Capital expenditure guidance in 2015 is as follows:

Segment	Category	EUR million
Mining	Sustaining and compliance	50 – 55
	Exploration and Development	50 – 55
	Growth	10 - 15
	Total	**110 – 125**
Metals Processing	Sustaining and compliance	90 – 95
	Waste Water Treatment Plant (Balen)	10 - 15
	Growth	70 - 90
	Port Pirie Redevelopment	200 - 220
	Total	**370 - 420**
Group	**Total**	**480 - 545**

Port Pirie Redevelopment 2015 - 2016	EUR million
Capital expenditure	
2015	200 – 220
2016	60 – 80
Funding via	
Silver Prepay (completed 2014)	ca. (80)
Perpetual Notes	ca. (200)
Net cash effect	**0 - (20)**

The majority of the planned Port Pirie Redevelopment capex is to be spent in 2015 (EUR 200 to 220 million) with the remaining EUR 60 – 80 million in 2016.

CASH FLOW AND NET DEBT

Cash flow from operating activities before working capital changes of EUR 243 million was up 96% compared to EUR 124 million for 2013 and cash flow from changes in working capital and other balance sheet movements in 2014 of EUR 68 million was down 61% compared to EUR 175 million in 2013, resulting in total cash flow from operating activities for the year of EUR 311 million compared to EUR 299 million for 2013.

Net debt of EUR 438 million representing a 35% reduction from EUR 670 million at the end of 2013, assisted by cash inflows from the Comprehensive Strategic Financing, which consisted of EUR 350 million of 8.5% rated senior unsecured notes due 2019, a EUR 251.6 million rights offering, repurchase of approximately two thirds of the outstanding EUR 220 million 5.5% fixed rate bonds due in April 2015 and EUR 100 million of the outstanding EUR 515 million 5.375% fixed rate bonds due in May 2016.

TAXATION

Nyrstar recognised an income tax benefit for 2014 of EUR 57 million representing an effective tax rate of 16.6%, compared to an income tax expense of EUR (11) million in 2013 representing an effective tax rate of (6.0)%. The tax rate is impacted by losses incurred by the Group for the year ended 31 December 2014 for which no tax benefit has been recognised and the change of tax rates in Chile, Mexico and Peru.

OTHER SIGNIFICANT EVENTS IN 2014

Comprehensive Strategic Financing

In September 2014, Nyrstar launched a Comprehensive Strategic Financing (CSF) aimed at strengthening its financial flexibility and ability to maximise long-term growth opportunities.

The initiative resulted in the Company's business plans being fully funded and provided proceeds to reduce Net Debt towards our medium-term leverage target of 2.5 times. It also extended our debt maturity profile, established access for the Company to a new capital market, and attracted new shareholders who believe in the positive market fundamentals and support our strategy.

The financing was the culmination of an extensive review by Nyrstar of a range of available funding options and involved the following elements:

- The Rights Offering - a capital increase through the issuance of new ordinary shares with (non-statutory) preferential subscription rights for existing shareholders
- The Notes Offering - an international rated notes offering to institutional investors
- A Tender Offering for Nyrstar's outstanding retail bonds which was financed through part of the proceeds of the Rights Offering and the Notes Offering.

Campo Morado

Production at the Campo Morado operation in Mexico 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 thereafter due to contractors and unionised mine workers being subjected to systematic intimidation.

As a consequence of these issues, operations have been unable to return to full production and it is expected that production for Q1 2015 will be negatively impacted.

Talvivaara

During 2014 Nyrstar made available to Talvivaara Sotkamo Limited ("Talvivaara"), a subsidiary of Talvivaara Mining Company Plc, a loan facility up to a maximum amount of EUR 20 million. Nyrstar made 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.

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 Sotkamo Limited ("Operating Company"). 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. The impairment charge amounts to EUR 245.9 million (net of tax EUR 196.8 million).

Proposed distribution

The Board of Directors has decided not to propose to shareholders a distribution for the financial year 2014, reflecting its commitment to support the opportunities identified by the company's growth plans.

SENSITIVITIES

Nyrstar's results were significantly affected during the course of 2014 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 based on the actual results and production profile for the year ending 31 December 2014.

12 months ended 31 December 2014

Parameter	Full Year 2014 Annual Average price/rate	Variable	Annualised estimated EBITDA impact in EUR million
Zinc price	$2,164/t	+/- 10%	+76/(72)
Lead price	$2,096/t	+/- 10%	+4/(4)
Silver Price	$19.08/oz	+/- 10%	+8/(8)
Gold Price	$1,266/oz	+/- 10%	+6/(6)
EUR: USD	1.329	+/- 10%	(107)/+130
EUR: AUD	1.472	+/- 10%	+23/(28)
EUR: CHF	1.215	+/- 10%	+4/(5)
Zinc TC	$223/dmt	+/- 10%	+26/(26)
Lead TC	$195/dmt	+/- 10%	+4/(4)

The above sensitivities were calculated by modelling Nyrstar's 2014 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 2014 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 are assessed against established objectives.

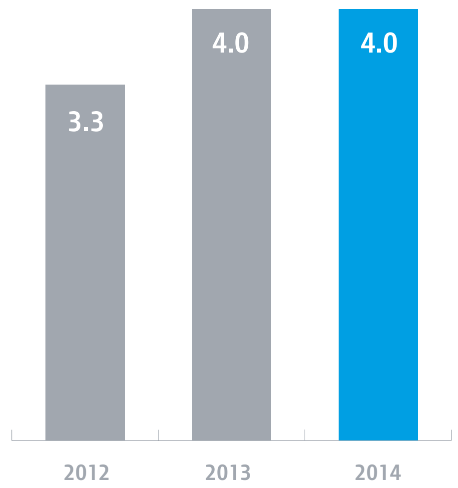
The non-financial KPIs measure performance in relation to the sustainability issues that are assessed to have the biggest potential to materially affect the financial performance and value of the company. They relate to workforce health and safety, our people, environmental incidents, energy and climate change, water, emission of metals, and community engagement and livelihoods.

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.

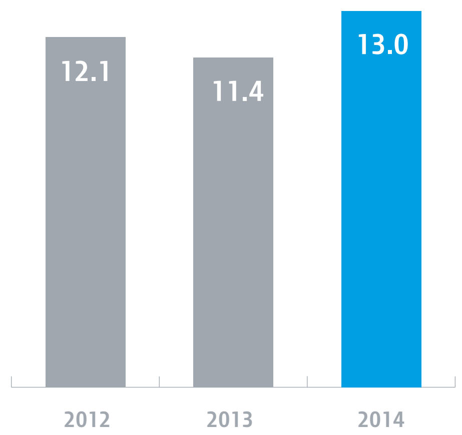
The SHEC Framework establishes requirements for reporting of sustainability data and information to Group. The data is consolidated and reviewed quarterly and progress is reported to the Nyrstar Management Committee and other senior management. In addition, a sub-set of the non-financial KPIs are reported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

Workforce Health and Safety

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



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



No employees lost their lives or sustained permanently disabling injuries while working for Nyrstar in 2014.

Our lost time injury frequency rate (LTIR) remained flat at 4.0 and our recordable injury frequency rate (RIR) increased from 11.4 in 2013 to 13.0 in 2014. While both indicators reflect a challenging year in our Mining segment, they are also associated with more rigorous reporting. It should also be noted that although the total number of recordable injuries increased, the severity of the reported injuries was reduced in both the Mining and Metals Processing segments. Metals Processing closed the year with the lowest LTIR since Nyrstar was founded at 2.7.

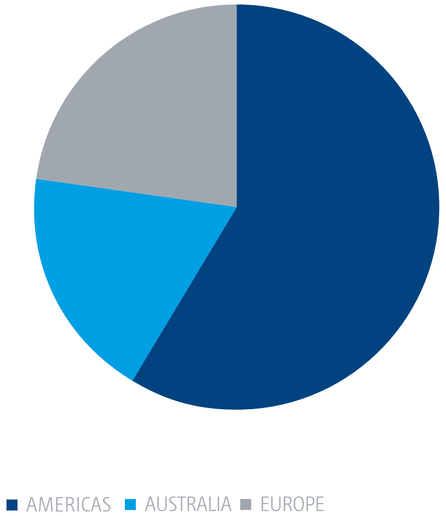
In 2014 we started the reporting of Days Away from Work, Restricted Work or Transfer (DART) at all sites. This measure will be added to the set of non-financial KPIs in 2015. A DART of 9.0 was achieved in 2014.

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

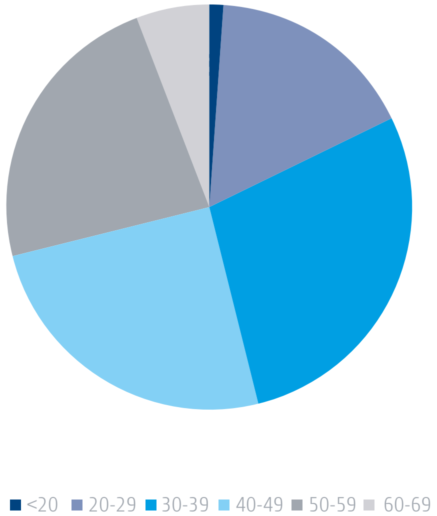
[1] Data subject to external assurance by ERM CVS. Please refer to Nyrstar's 2014 sustainability report for more information.

Our People

Global Workforce Geographical Distribution
(year end data)



Global Workforce by Age Group
(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.

The size and composition of our workforce remained similar to 2013. At the end of 2014, we employed 6,611 people representing a minor increase relative to the 6,599 employees working for us at the end of 2013. As for the mining and metals industry in general, most of our employees (93%) are male and more than half (3,636 employees) of the workforce is covered by collective bargain agreements. Our global workforce is distributed across Australia, Europe and the Americas.

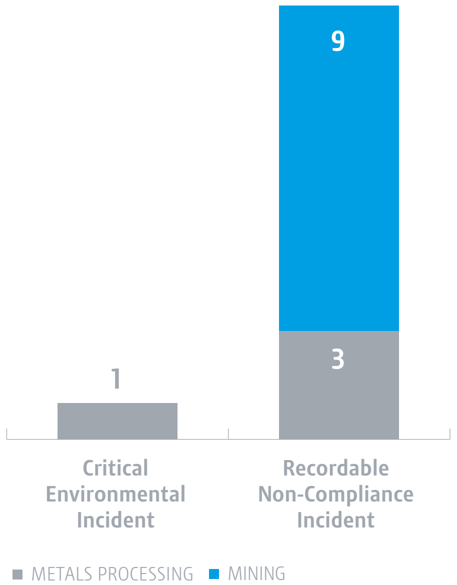
Additional People related KPIs are being explored for measurement of our performance in 2015.

Environmental Incidents

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 areas, plants or animals 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 a non-compliance event for which fines or more significant legal actions are incurred or can be expected to be incurred. As these metrics were introduced in 2014 the incident performance for the year is not directly comparable to prior year results.

While no environmental events with material business consequences occurred during the year, one CEI and 12 Recordable Non-Compliances were documented. The CEI related to a spill of tailings at the El Toqui mine. In addition, eight environmental fines totaling US$110,000 were paid during the year. This compares to the seven environmental fines totaling approximately US$383,000 paid in 2013.

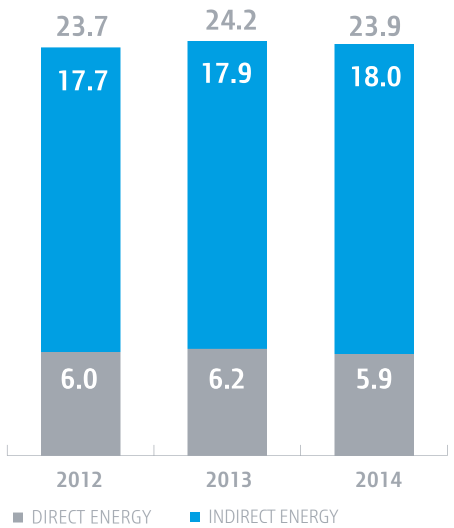
2014 Environmental Incidents[1]



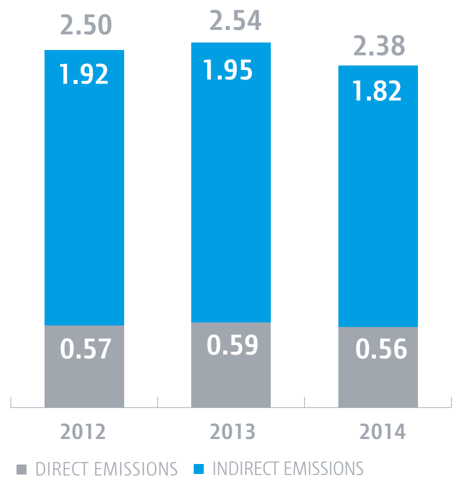
[1] Data subject to external assurance by ERM CVS. Please refer to Nyrstar's 2014 sustainability report for more information.

Energy and Climate Change

Energy Usage[1]
(petajoules)



Greenhouse Gas Emissions[1]
(CO_2-e milliontonnes)



Energy use is measured in petajoules (PJ) and includes both purchased electricity (indirect energy) and energy from combustion of fuels (direct energy). In 2014 we consumed a total of 23.9 PJ of energy which was similar to the consumption for 2012 and 2013. Energy consumption at our zinc smelters, representing the largest users of energy in the Group, generally varied with production volumes with increases seen at the European sites and a reduction at Hobart. Closure of the zinc metal production plant at Port Pirie contributed to a significant reduction in the site's electricity consumption from July onwards.

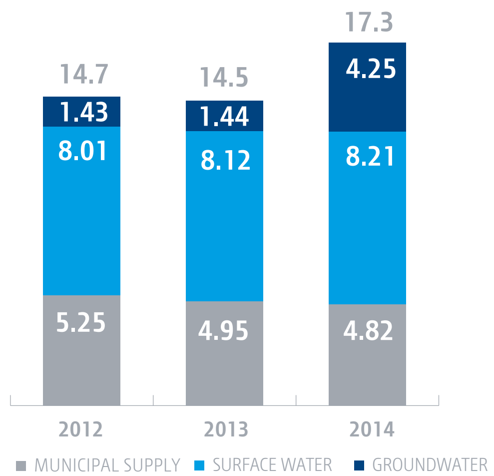
Our greenhouse gas (GHG) emissions are measured as carbon dioxide equivalent tonnes (CO_2-e t). In 2014, total direct and indirect GHG emissions generated by our operations fell by 6% to 2.38 million tonnes of CO_2-e. The reductions were primarily associated with changes in the energy mix of the electricity sourced by Hobart and Auby. Consistent with these reductions, the greenhouse gas emission intensity of our smelters (measured as tonnes of CO_2-e per tonne of metal produced) improved by 7% relative to 2013.

Water

We measure fresh water used for process purposes, as supplied by local utilities or abstracted from surface or groundwater resources. Fresh water consumption in 2014 totaled 17.3 million m^3 which compares to the 14.5 million m^3 reported for 2013. The significant year-on-year increase is driven by the inclusion of water use data from the El Mochito mine which had previously been excluded from our Group reporting due to a lack of reliable data.

Reporting processes for tracking of recycled water and water discharges are being introduced in 2015 and data for these indicators will be included in future year external reporting.

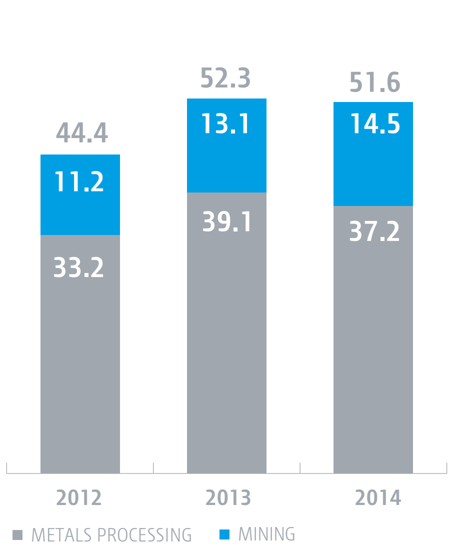
Freshwater Use by Source[1]
(million m^3)



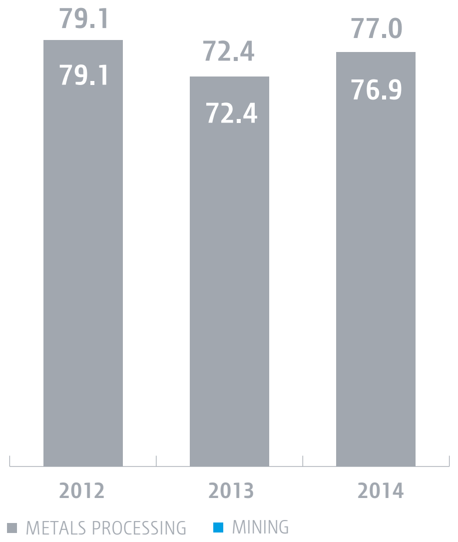
[1] Data subject to external assurance by ERM CVS. Please refer to Nyrstar's 2014 sustainability report for more information.

Emissions of Metals to Air and Water

Discharge of Metals to Water[1]
(tonnes of Zn, Pb and Cd)



Emissions of Metals to Air[1]
(tonnes of Zn, Pb and Cd)



We measure the quantities of metals emitted to air and water via licensed emission points. Metal emissions are calculated and reported as a sum of zinc, lead and cadmium.

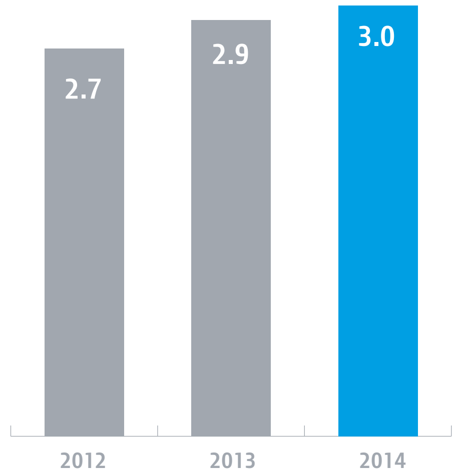
2014 discharges of metals to water remained relatively similar to 2013 levels for the company as a whole although fluctuations in zinc loading were observed for the two segments. In Metals Processing, Hobart recorded a 35% reduction in zinc discharged to the Derwent Estuary resulting from improved process control in the site's effluent treatment plant. Within the Mining segment, increases in zinc discharges to water were seen at Myra Falls owing to high effluent volumes and reduced functionality of the site's effluent treatment system in the fourth quarter.

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 emissions of zinc, lead and cadmium increased by approximately 6% over the 2013 performance, primarily due to higher zinc emissions at Balen, Budel and Clarksville.

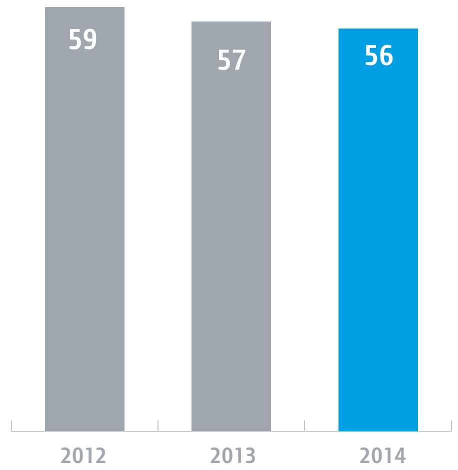
[1] Data subject to external assurance by ERM CVS. Please refer to Nyrstar's 2014 sustainability report for more information.

Community Engagement and Livelihoods

Community Financial Contributions
(€ 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 2014 totaled €3 million, representing a 6% increase over the €2.9 million contributed in 2013.

All Nyrstar operations have established processes for recording community feedback, whether positive or negative. In 2014, a total of 56 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 2014 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 2014 dated 4 February 2015 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 4 February 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 2014:

Name	Principal function within the Company	Nature of directorship	Start of Term	End of Term
Julien De Wilde[(1)]	Chairman	Non-Executive, Independent	2007	2018
Roland Junck[(2)]	CEO, Director	Executive	2007 (2009 CEO)	2015
Karel Vinck	Director	Non-Executive, Independent	2007	2015
Ray Stewart	Director	Non-Executive, Independent	2007	2018
Oyvind Hushovd	Director	Non-Executive, Independent	2009	2016
Carole Cable	Director	Non-Executive, Independent	2013	2017

(1) ACTED THROUGH DE WILDE J. MANAGEMENT BVBA UNTIL 30 JUNE 2014, SINCE 1 JULY 2014 ACTING IN PERSON

(2) RESIGNED ON 30 NOVEMBER 2014

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 safety, health and environment committee. He obtained an engineering degree from the Catholic University of Leuven, Belgium.

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 and the nomination and remuneration committees. 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.

Ray Stewart, Non-Executive Director, is Chief Financial and Administration Officer of Belgacom Group NV. He is also a director of bpost 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 Masters of Business Administration in Finance from Indiana University.

Oyvind Hushovd, Non-Executive Director, currently serves on the boards of several companies, including, amongst others, Ivanhoe Mines Ltd. Formerly 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 safety, health and environment 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.

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 Safety, Health and Environment 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.

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

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

Management committee

Following the resignation of Roland Junck as Chief Executive Officer, as at 31 December 2014, the Company's management committee consists of five members, as further set forth hereinafter:

Name	Title
Heinz Eigner	Acting Chief Executive Officer(1) and Chief Financial Officer
Russell Murphy	Chief HR & SHE Officer
Michael Morley	Senior Vice President, Metals Processing and Chief Development Officer
John Galassini (3)	Senior Vice President, Mining
Bob Katsiouleris(2)	Senior Vice President, Marketing, Sourcing and Sales

(1) HEINZ EIGNER WAS APPOINTED ACTING CHIEF EXECUTIVE OFFICER ON 26 NOVEMBER 2014 PENDING THE APPOINTMENT OF A NEW CHIEF EXECUTIVE OFFICER

(2) LEFT THE COMPANY ON 16 JANUARY 2015

(3) APPOINTED 5 DECEMBER 2014

Heinz Eigner, Acting Chief Executive Officer since November 2014 and Chief Financial Officer since August 2007. Prior to Nyrstar he was at Umicore where he joined in 2002 as Vice-President Business Group Controller, automotive catalysts, and became Vice-President Business Group Controller, zinc specialties, in 2006. From 1987 until 2002 he worked for Honeywell, where he occupied several positions in Germany, Switzerland and the United States of America. He holds a degree in Betriebswirtschaftslehre as Diplom- Kaufmann, from Justus von Liebig Universität, Giessen, Germany.

Russell Murphy, Chief HR & SHE Officer, was appointed in August 2007. Before the creation of Nyrstar he was at Zinifex since 1979, where he moved from mining operations to training and on to HR management. He was the Group Human Resources Manager, Australian operations, from 2002 and Acting General Manager Human Resources since 2006. He holds a Graduate Diploma in Business Management from Charles Sturt University, Australia.

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 and is responsible for leading Nyrstar's global mining operations. 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 with responsibility for Kinross' operations in North America. His most recent leadership role was as Chief Operating Officer of US-based Sunshine Silver Mines Corporation, a privately-held silver mining and refining company.

The business address of the management committee is Tessinerplatz 7, 8002 Zurich, Switzerland.

Corporate Governance Statement

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	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	Eurostar Suez-Tractebel Umicore Vlaamse Raad voor Wetenschapsbeleid Beheersmaatschappij Antwerpen Mobiel NV
Ray Stewart	bpost NV The United Fund for Belgium Belgacom NV	N/A
Oyvind Hushovd	Ivanhoe Mines Sørlaminering Røo-Invest Lydia AS	LionOre Western Oil Sands Nickel Mountain AB Cameco Corporation Inmet Mining Corporation Libra Group

Name	Current	Past
Carole Cable	Women in Mining UK	N/A
Heinz Eigner	N/A	N/A
Russell Murphy	N/A	N/A
Michael Morley	N/A	N/A
John Galassini	College of Engineering of the New Mexico State University	Different mandates at Kinross Gold subsidiaries

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 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 analyze 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).

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 and secretarial, tax, information technology, corporate development, investor relations and communications.

Pursuant to the Belgian Companies Code and 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.

The necessary efforts are made by the Company to ensure that by 1 January 2017, at least one third of the members of the board are of the opposite gender. The Chairman is in contact with potential female candidates to be appointed to the Company's board at the next general shareholders' meeting.

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.

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.

During 2014, thirteen board meetings 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 safety, health and environment 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 and Oyvind Hushovd. In line with the Belgian Code on Corporate Governance which requires that a majority of the members of the audit committee are independent, the current members are all independent directors.

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 current role as Chief Financial Officer of the Belgacom Group and his previous roles as Chief Financial Officer in Matav and 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.

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 2014, 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 Director. 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 and Karel Vinck. 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 2014, four 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 and Carole Cable.

The role of the health, safety, environment and community committee is to assist the board of directors in respect of health, safety, environmental 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 2014, three health, safety, environment and community committee meetings were held.

Activity report and attendance at board and committee meetings during 2014

Name	Board meeting attended	Audit	Nomination and remuneration	Safety, health and environment
Julien De Wilde	13 of 13	N/A	4 of 4	3 of 3
Roland Junck(1)	11 of 13	N/A	N/A	N/A
Karel Vinck	12 of 13	4 of 4	4 of 4	N/A
Ray Stewart	12 of 13	4 of 4	4 of 4	N/A
Oyvind Hushovd	13 of 13	4 of 4	N/A	3 of 3
Carole Cable	12 of 13	N/A	N/A	3 of 3

(1) RESIGNED ON 30 NOVEMBER 2014

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, 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.

Corporate Governance Statement

- Not having served for more than three terms as a Non-Executive Director of the board, 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 organization 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.
- Not holding (directly or via one or more company 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 company 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, 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, 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. Furthermore, in considering a director's independence, the criteria set out in the Belgian Code on Corporate Governance will also be taken into consideration. The board of directors is of the view that the current independent directors comply with each of the relevant criteria of the Belgian Companies Code and Belgian Code on Corporate Governance. The board of directors will disclose in its annual report which directors it considers to be independent directors. An independent director who ceases to satisfy the requirements of independence must immediately inform the board of directors.

According to the Company's board of directors, Julien De Wilde, Karel Vinck, Ray Stewart, Oyvind Hushovd and Carole Cable are independent 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.

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 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 safety, health and environment 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. 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 the Belgian Companies Code have been complied with in relation to the changes to the performance criteria of the Long Term Incentive Plan effective 6 February 2013 to the extent applicable to the (former) Chief Executive Officer.

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:

Corporate Governance Statement

- 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 formalised 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 authorised 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 minimise 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.

Corporate Governance Statement

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 the shareholders that filed a notification with the Company pursuant to applicable transparency disclosure rules, up to the date of this report. In addition, the Company holds a number of shares as treasury stock.

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	12 November 2014	52,035,694	15.30%
Nyrstar NV	Zinkstraat 1, 2490 Balen, Belgium	31 December 2014	12,664,057	3.72%
Umicore NV	Broekstraat 31, 1000 Brussels, Belgium	23 March 2011	10,503,712	3.09%
			75,203,463	22.11%

(1) URION HOLDINGS (MALTA) LTD IS A SUBSIDIARY OF TRAFIGURA B.V.

Share capital and shares

On the date of this report, the share capital of the Company amounts to EUR 34,004,508.80 and is fully paid-up. It is represented by 340,045,088 shares, each representing a fractional value of EUR 0.10 or one 340,045,088th 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.

As of the date of this report, the Company owns 12,664,057 of its own shares. These shares are held as treasury stock, with suspended dividend rights, for potential delivery to eligible employees to satisfy the Company's outstanding obligations under share based incentive plans for personnel and management under the LTIP and the LESOP.

Form and transferability of the shares

The shares of the Company can take the form of registered shares and dematerialised 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., summarised, the amount of the assets as shown in the balance sheet, decreased with provisions and liabilities, all as summarised in accordance with Belgian accounting rules), decreased with the non-amortised costs of incorporation and extension and the non-amortised 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 2014. 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 34,004,508.80 and is fully paid-up. It is represented by 340,045,088 shares, each representing a fractional value of EUR 0.10 or one 340,045,088th 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.

Corporate Governance Statement

(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 do not provide for any other specific protective mechanisms against public takeover bids.

(ix) 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;
- 5.5% senior unsecured fixed rate non-convertible bonds due 2015;
- 5.375% senior unsecured fixed rate non-convertible bonds due 2016;
- 4.25% senior unsecured convertible bonds due 2018;
- Nyrstar's uncommitted credit facility with HSBC Trinkaus & Burkhardt AG;
- 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;
- The USD 40 million framework agreement for credit products between Nyrstar Sales & Marketing AG and Credit Suisse AG;
- Nyrstar's committed EUR 100 million bilateral credit facility with KBC Bank;
- Nyrstar's silver prepay with Merrill Lynch International;
- Nyrstar's silver prepay with JPMorgan Chase Bank;
- Nyrstar's off-take agreement with the Glencore Group;
- Nyrstar's streaming agreement with Talvivaara Sotkamo Limited;
- High-Yield Bonds; and
- Silver Pre-Pay Guarantee.

(x) The Acting 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 – 29 April 2015

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. 29 April 2015 at 10.30 am. At this meeting shareholders will be asked to approve 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
8. Appointment of the Statutory Auditor
9. Proposals regarding the nomination of new Directors

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 29 April 2015 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 NYSE Euronext Brussels. The remuneration is set to attract, retain and motivate directors who have the profile determined by the nomination and remuneration committee.

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 approval of 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 executive directors, the approval of an 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, the approval of any variable part of the 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 we will review the remuneration of non-executive directors over the next two financial years against market practice.

Remuneration and compensation in 2014

During 2014 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 2014:

	Remuneration (EUR)
Julien De Wilde[1]	200,000
Karel Vinck	80,000
Ray Stewart	80,000
Oyvind Hushovd	80,000
Carole Cable	60,000

(1) Acted Through De Wilde J. Management Bvba Until 30 June 2014, Since 1 July 2014 Acting In Person

Executive management

General

The remuneration of the Chief Executive Officer and the members of the management committee is based on recommendations made by the nomination and remuneration committee. The Chief Executive Officer participates in the meetings of the nomination and remuneration committee in an advisory capacity each time the remuneration of another executive is being discussed.

The remuneration is determined by the board of directors. As an exception to the foregoing rule, the general shareholders' meeting must approve, as relevant, (i) in relation to the remuneration of management committee, the approval of 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 executive directors and members of the management committee, the approval of an 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) the approval of provisions of service agreements to be entered into with executive directors, 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 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) in the form of deferred shares of the Company instead of cash (see below).

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 Share Ownership Plan (LESOP)
- Pension benefits

For performance year 2014, the target entitlement under the AIP amounts to 75% of the annual base salary for the Chief Executive Officer (150% of the annual base salary at maximum entitlement). For performance year 2014 the target entitlement under the AIP amounts to 60% for the other members of the management committee (120% of the annual base salary at maximum entitlement). One third of the maximum AIP entitlement for the Nyrstar Management Committee will be delivered in shares that are deferred for 12 months.

The pension benefits of each management committee member continue to amount to 20% of fixed remuneration.

In addition to the foregoing, the board of directors has the discretion to grant spot bonuses to staff members, including members of the management committee, in exceptional circumstances.

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 Nyrstar in case variable remuneration has been granted based on incorrect financial data.

In line with our approach to remuneration setting, the base salary and overall remuneration packages for Nyrstar Management Committee members are reviewed approximately every two years. While there are currently no plans to change the remuneration policy for executives, executive remuneration was independently reviewed by two independent external advisors in December 2013. In 2014 two new members were appointed to the Nyrstar Management Committee and two left. The last review occurred in 2014.

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

Annual base salary

The annual base salary constitutes a fixed remuneration. The base salary is determined on the basis of a survey by an external expert of market trends and 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 75% percentile: 75% of the companies within the peer group pay less than the midpoint, and 25% of the companies within the peer group pay more.

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 the beneficiary of personal "stretch targets", which aim at achieving a performance by the beneficiary over and above the normal requirement of his or her function (25%); and

b. the achievement by Nyrstar of annual financial targets, which are determined by the board of directors (75%).

The maximum incentive under the AIP only becomes available if Nyrstar has an outstanding financial and operational result. In any event, 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".

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 2014

The following remuneration and compensation was paid to the Chief Executive Officer and other members of the management committee in 2014:

	CEO (EUR)	Members of the management committee other than the CEO (on an aggregate basis) (EUR)
Base salary	788,668 (1)	2,037,052
AIP (2)	458,833	984,682
Pension benefits (3)	166,457	456,250
Severance payment (4)	860,366	
Other components of the remuneration (5)	321,812	1,377,829
Total	**2,596,136**	**4,855,813**

(1) This Amount Relates To 11 Months Period From 1 January 2014 To 30 November 2014.
(2) This Amount Relates To Performance Period From 1 January 2013 To 31 December 2013.
(3) The Pension Includes 20% Of Annual Base Salary As Savings Contributions And Also Risks Contributions.
(4) As Per Contractual Agreement.
(5) Includes Representation Allowance, Housing, Car Allowance, Health Insurance Made In 2014.

Remuneration report

Payments upon termination

In 2014 each member of the management committee was 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).

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 2014 the Company had a Long Term Incentive Plan (LTIP) and a Leveraged Employee Stock Ownership Plan (LESOP) 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) and a Co-Investment Plan. 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. In 2014 the Co-Investment Plan was not implemented.

Additionally, at the end of 2014, the Company settled an outstanding entitlement of the former CEO by the means of treasury shares.

The key terms of the LTIP and LESOP (together referred to as the "**Plans**") are described below. For further information on the manner in which awards under the Plans 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 2014.

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. 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 2014 Grant, 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 2014 are shown below:

	Grant 4	Grant 5	Grant 6	Grant 7
	Grant 4 share awards were delivered in the course of 2014	Grant 5 share awards lapsed by 31st December 2014 due to failure to satisfy performance conditions		
Effective grant date	30 June 2011	30 June 2012	30 June 2013	5 September 2014
Performance period	1 January 2011 to 31 December 2013	1 January 2012 to 31 December 2014	1 January 2013 to 31 December 2015	1 January 2014 to 31 December 2016
Performance criteria	–zinc price 50% –MSCI 50% Executive remains in service to 31 December 2013	–zinc price 50% –MSCI 50% Executive remains in service to 31 December 2014	–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
Vesting date	31 December 2013	31 December 2014	31 December 2015	31 December 2016

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 2011 Share awards under Grant 4 were delivered in the course of 2014. Grant 4 was settled in cash.

Remuneration report

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 2	Grant 3	Grant 4	Grant 5	Grant 6	Grant 7	Total
Opening balance 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)**
Closing balance at 31 Dec 2014	**-**	**-**	**-**	**-**	**2,826,537**	**5,859,665**	**8,686,202**

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 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 LESOP was implemented in December 2013.

In 2014 the 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", and each a "LESOP"), whereby a 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 general shareholders' meeting furthermore approves (i) to the extent required in the context of Article 520ter of the Belgian Company Code, that the shares that would be acquired under a LESOP are immediately acquired by the participants (without prejudice to the aforementioned holding period) and (ii) 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 Article 520ter, Article 524bis and Article 525 of the Belgian Company Code.

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 of delivery (and not at the expiry of a three year period following the grant).

Directors' and other interests

Shares and share awards under the LTIP

During 2014, the following share awards had been granted or delivered under the LTIP to the members of the management committee:

		LTIP	
Name	Title	Share Awards delivered in 2014 under the LTIP which the performance conditions have been met (1)	Share Awards granted in 2014 or in prior years under LTIP of which the performance conditions have not been met (2)
Roland Junck (3)	Chief Executive Officer	7,615	486,084
Greg McMillan (4)	Chief Operating Officer	3,655	-
Heinz Eigner	Chief Financial Officer	3,082	457,162
Russell Murphy	Chief HR & SHE Officer	2,867	411,446
Michael Morley	SVP Metals Processing and Chief Development Officer	2,867	411,446
Bob Katsiouleris (5)	SVP Marketing, Sourcing & Sales	1,644	398,613
Graham Buttenshaw (6)	SVP Mining	1,669	74,066

(1) These shares refer to the delivery of Grant 4 (LTIP 2011). The settlement was made in cash and not in shares.
(2) Vesting is subject to performance conditions.
(3) In 2014, Roland Junck was part of the management committee, and left as a "good leaver" under the rules of the LTIP. Share awards have been pro-rated based on a departure date of 30 November 2014.
(4) The employment of Greg McMillan ended on 31 December 2013.
(5) Bob Katsiouleris was employed by Nyrstar in January 2013 and joined the Nyrstar management committee in June 2013.
(6) Graham Buttenshaw was employed by Nyrstar in March 2012 and was a member of the Nyrstar management committee from June 2013 to July 2014.

Remuneration report

Shares and share awards under the AIP

During 2014, the following share awards had been granted under the AIP to the members of the management committee:

		AIP	
Name	Title	Share awards delivered in 2014 under the AIP in which the vesting conditions have been met (1)	Share awards granted in 2014 under the AIP in which the vesting conditions have been met but shares have been not yet delivered (2)
Roland Junck (3)	Chief Executive Officer	48,812	-
Greg McMillan (4)	Chief Operating Officer	23,841	-
Heinz Eigner	Chief Financial Officer	20,553	26,718
Russell Murphy	Chief HR & SHE Officer	18,497	24,047
Michael Morley	SVP Metals Processing and Chief Development Officer	18,497	24,047
Bob Katsiouleris (5)	SVP Marketing, Sourcing & Sales	-	17,829
Graham Buttenshaw (6)	SVP Mining	7,955	-

(1) Relates to the 2012 AIP deferred Share component. Vesting is subject to the employee remaining employed until 31 December 2013. All management committee members have met the vesting condition. Shares were delivered in March 2014 and December 2014.
(2) Relates to the 2013 AIP deferred Share component. Vesting is subject to the employee remaining employed until 31 December 2014. For the management committee members who have met the vesting condition the Shares will be delivered in March 2015. The number of shares has been adjusted after rights issue.
(3) In 2014, Roland Junck was a part of the management committee and left at 30 November 2014.
(4) The employment of Greg McMillan ended on 31 December 2013.
(5) Bob Katsiouleris was employed by Nyrstar in January 2013 and joined the Nyrstar management committee in June 2013 and as such did not participate in the 2012 AIP.
(6) Graham Buttenshaw was employed by Nyrstar in March 2012 and was a member of the Nyrstar management committee from June 2013 to July 2014.

Shares and share awards under the LESOPs

During 2013, the following shares were purchased by participants under the 2013 LESOP by members of the management committee:

		LESOP 2013	
Name	Title	Executive personal contribution	Additional shares provided by external financing arrangement
Roland Junck	Chief Executive Officer	50,000	450,000
Heinz Eigner	Chief Financial Officer	50,000	450,000
Russell Murphy	Chief HR & SHE Officer	50,000	450,000
Michael Morley	SVP Metals Processing and Chief Development Officer	50,000	450,000
Graham Buttenshaw (1)	SVP Mining	-	-
Bob Katsiouleris	SVP Marketing, Sourcing & Sales	50,000	450,000

(1) Graham Buttenshaw was employed by Nyrstar in March 2012 and was a member of the Nyrstar management committee from June 2013 to July 2014. In 2014 Graham Buttenshaw joined the 2013 LESOP. Nyrstar reserved 50,000 shares to represent his personal contribution in cash..

During 2014, the following shares were purchased by participants under the 2014 LESOP by members of the management committee:

		LESOP	
		2014	
Title	Title	Executive personal contribution	Additional Shares provided by external financing arrangement
Roland Junck	Chief Executive Officer	50,000	450,000
Heinz Eigner	Chief Financial Officer	50,000	450,000
Russell Murphy	Chief HR & SHE Officer	50,000	450,000
Michael Morley	SVP Metals Processing and Chief Development Officer	50,000	450,000
Graham Buttenshaw (1)	SVP Mining	-	-
Bob Katsiouleris (2)	SVP Marketing, Sourcing & Sales	50,000	450,000

(1) Graham Buttenshaw was employed by Nyrstar in March 2012 and was a member of the Nyrstar management committee from June 2013 to July 2014. In 2014 Graham Buttenshaw joined the 2014 LESOP Nyrstar reserved 50,000 shares to represent his personal contribution in cash.
(2) Bob Katsiouleris received a loan from Nyrstar Sales & Marketing AG, a subsidiary of the Company, in an amount of € 97,510, to be repaid over a three year period, to purchase (by way of personal contribution) 50,000 Shares under the 2014 LESOP. In case of termination of employment with Nyrstar any outstanding amount is redeemed at termination date.

Total Shareholding

The following number of shares were held by members of Nyrstar's management committee at the end of 2014:

Name	Title	Shares (1)
Heinz Eigner	Chief Financial Officer	1,450,000
Russell Murphy	Chief HR & SHE Officer	1,241,766
Michael Morley	SVP Metals Processing and Chief Development Officer	1,328,346
Bob Katsiouleris	SVP Marketing, Sourcing & Sales	1,000,000

(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 2014.

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 2014 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. The consolidated financial statements have been prepared on a going concern basis.

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 2014 annual report for the consolidated financial statements.

1.1 Overview of activities and finance overview

The Metals Processing segment produced approximately 1,097,000 tonnes of zinc metal in 2014, at the top end of full year guidance. Compared to 2013 (1,088,000 tonnes), production in 2014 increased by 1%.

In 2014, Nyrstar's own mines produced 278,000 tonnes of zinc in concentrate, an increase of 3% compared to 2013. Zinc in concentrate production fell short of guidance and was impacted by operational challenges. Gold production of 52,100 troy ounces was significantly down (31%) compared to 2013 and below guidance with no targeted campaigning of gold in H2 2014 in response to a depressed gold price.

Supported by improved macroeconomic conditions, the Company delivered a result from operational activities before exceptional items of EUR 23.8 million in 2014, compared to a negative 45.6 million in 2013, an improvement of 152% year-on-year. The Group generated revenue for 2014 amounting to EUR 2,798.8 million, an insignificant decrease of 1% compared to 2013, and recorded a net loss after tax of EUR 286.6 million in 2014 (2013: net loss after tax of EUR 195.4 million).

In H2 2014, Nyrstar completed its Comprehensive Strategic Financing, which consisted of EUR 350 million of 8.5% rated senior unsecured notes due 2019, a EUR 251.6 million rights offering, repurchase of approximately two thirds of the outstanding EUR 220 million 5.5% fixed rate bonds due in April 2015 and EUR 100 million of the outstanding EUR 515 million 5.375% fixed rate bonds due in May 2016.

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. We are pleased to report that no employees lost their lives or were seriously injured while working for Nyrstar in 2014. Our lost time injury frequency rate (LTIR) remained flat at 4.0 in 2014 and our recordable injury frequency rate (RIR) increased from 11.4 in 2013 to 13.0 in 2014, both indicators reflecting a challenging year in our Mining segment. (LTR and

RIR are 12 month rolling averages of the number of lost time injuries and recordable injuries (respectively) per million hours worked, and include all employees and contractors directly supervised by Nyrstar at all operations).

1.2 Non-financial key-performance indicators

Production

	Financial year 2014	Financial year 2013
Mining production		
Zinc in concentrate ('000 tonnes)*	278	271
Gold in concentrate ('000 troy ounces)	52.1	75.2
Silver in concentrate ('000 troy ounces)	5,106	4,746
Lead in concentrate ('000 tonnes)	19.2	14.2
Copper in concentrate ('000 tonnes)	11.3	12.9
Smelting production		
Zinc metal ('000 tonnes)	1,097	1,088
Lead metal ('000 tonnes)	178	179
Sulphuric acid ('000 tonnes, gross)	1,438	1,389
Silver (million troy ounces)	13.4	17.9
Gold ('000 troy ounces)	33	66

*Own mines production

Nyrstar's own mines produced 278,000 tonnes of zinc in concentrate, an increase of 3% compared to 2013. Zinc in concentrate production was below guidance, lead in concentrate production exceeded the upper end of guidance, copper in concentrate production was slightly behind guidance and silver production was in line with guidance and higher (8%) than in 2013. Gold production of 52,100 troy ounces was significantly down (31%) compared to 2013 and below guidance with the decision in H2 2014 to suspend gold pillar extraction at El Toqui in response to a depressed gold price and unstable ground conditions.

The Metals Processing segment produced approximately 1,097,000 tonnes of zinc metal in 2014, at the top end of the stated guidance of approximately 1.0 to 1.1 million tonnes.

Markets

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 U.S. Dollars, while the costs of Nyrstar are primarily in Euros, Australian Dollars and Swiss Francs.

The average zinc price increased by 13% in 2014 to USD 2,164 per tonne compared to USD 1,909/t in 2013, while the average copper, silver and gold price declined by 6%, 20% and 10% respectively. Nyrstar's earnings also remain materially sensitive to changes in the zinc treatment charge. The 2014 zinc benchmark treatment charge settled above the 2013 terms, resulting in a benchmark TC of USD 223 per dry metric tonne (dmt) in 2014, a USD 11 increase on 2013, which had a positive impact on group EBITDA.

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. 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 nearly 10% during H2 2014.

Report of the Board of Directors

Safety, health and environment

While we aspire to operate with zero harm, our main priority is to prevent loss of life and serious injuries. As part of this focus, in 2013 we launched the Nyrstar Life Saving Rules which prescribe non-negotiable requirements in relation to a set of key risks relevant to our operations. In 2014, this initiative was further expanded and developed into a comprehensive critical Incident prevention program referred to as The Zero Program. The program encompasses a series of activities including identification and review of critical incident scenarios, first line supervisor leadership training, audit and self-assessments and further embedding of the Life Saving Rules. In the Mining Segment, the program was complemented by a set of Golden Rules focusing on fatal risks of particular relevance for the mining operations.

The Metals Processing segment closed the year with the lowest LTIR and DART since Nyrstar was founded at 2.7 and 7.1 respectively. In terms of severity, the Lost Time Injury Severity rate (LTISR) decreased by 49% to 83 in 2014, compared to 160 in 2013 and by 44% compared to 148 in 2012.

In the mining segment, no permanent disabling injuries have been reported, however LTIR and RIR both increased in 2014, as consequence of a much better reporting discipline and recordkeeping across the segment. For the second consecutive year Myra Falls won the Ryan Award which recognised their safety performance across British Columbia (BC) in 2013. They also won the 2014 Annual Rescue Competition across BC mining companies.

No environmental events with material business consequences occurred during 2014. A program of third party dam safety reviews was completed across all major tailing storage facilities. Potential and confirmed dam safety issues identified through the reviews are in the process of being addressed. At Port Pirie, strengthened operational and environmental controls contributed to significantly improved emission results for lead in air. The average lead in air results achieved for 2014 equaled the best results on record.

1.3 Operating results, financial position and cash flows

In 2014 the gross profit was EUR 1,293 million, up 3% year-on-year, driven principally by the Metals Processing segment, which benefited from higher zinc treatment charge and premium income and close to record production volumes. Both segments benefited from higher zinc prices, however this was offset in part by lower precious metals prices.

Compared to 2014, employee benefits expense increased by 5% to EUR 410.9 million, energy expenses decreased by 16% to EUR 277.6 million, including benefit from rebates received from electricity grid operator in the Netherlands and Belgium as compensation for being incorrectly overcharged in previous periods and Emissions Trading Scheme rebates in Belgium relating to 2013.

The Group recorded a net financial expense of EUR 107.6 million in 2014, up 9% on prior year driven by higher inventory funding requirements.

Nyrstar recognised an income tax benefit for 2014 of EUR 57 million representing an effective tax rate of 16.6%, compared to an income tax expense of EUR (11) million in 2013 representing an effective tax rate of (6.0)%. The tax rate is impacted by losses incurred by the Group for the year ended 31 December 2014 for which no tax benefit has been recognised and the change of tax rates in Chile, Mexico and Peru.

The Group recorded a net loss after tax of EUR 286.6 million for the year 2014, compared to a net loss of EUR 195.4 million in 2013. The net loss for 2014 includes EUR 245.9 million of impairment loss recognised on the Talvivaara Zinc Streaming Agreement.

Capital expenditure was approximately EUR 294 million in 2014, representing an increase of 47% from 2013 (EUR 200 million) as a result of commencing the Port Pirie Redevelopment. Sustaining capital expenditure continues to be tightly managed across the segments as growth capex spend starts to ramp-up.

1.4 Liquidity position and capital resources

Cash flow from operations before working capital changes of EUR 243 million was up 96% compared to EUR 124 million for 2013 and cash flow from changes in working capital and other balance sheet movements in 2014 of EUR 68 million was down 61% compared to EUR 175 million in 2013, resulting in total cash flow from operating activities for the year of EUR 311 million compared to EUR 299 million for 2013.

Net debt of EUR 438 million at the end of 2014 was a 35% reduction from EUR 670 million at the end of 2013, assisted by cash inflows from the Comprehensive Strategic Financing, which consisted of EUR 350 million of 8.5% rated senior unsecured notes due 2019, a EUR 251.6 million rights offering, repurchase of approximately two thirds of the outstanding EUR 220 million 5.5% fixed rate bonds due in April 2015 and EUR 100 million of the outstanding EUR 515 million 5.375% fixed rate bonds due in May 2016.

As at 31 December 2014 Nyrstar's EUR 400 million revolving structured commodity trade finance facility remained fully undrawn. The Group had cash on hand of EUR 499 million and ample committed undrawn liquidity headroom at the end of the year.

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 formalised 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 authorised 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 minimise the 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 jeopardise 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 minimise 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

The Company has determined that the developments related to the Zinc Streaming Agreement as described in note 16 and note 19 in the IFRS Financial Statements, represent an adjusting subsequent event under IAS 10: "Events after the reporting period" and materially impact the recoverable value of the Zinc Streaming Agreement as at 31 December 2014. To enhance the relevance of information contained in the consolidated financial statements the Company has amended and has reissued its 31 December 2014 consolidated financial statements and Report of the board of Directors ex article 119 Company Code to reflect the non-cash impairment of the Company's Zinc Streaming Agreement. The amended version replaces the version issued on February 5, 2015.

As a result of the amendment, the previously reported loss for the year of EUR 89.8 million has increased to EUR 286.6 million and total equity has decreased from EUR 1,155.1 million to EUR 955.3 million.

In addition to the above mentioned amendment of the consolidated financial statements please refer to note 42 (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 2014 the Group held a total of 12,664,057 of the Company's shares (31 December 2013: 15,338,431).

In 2014 Nyrstar sold 2,500,000 shares (2013: 3,065,000) to a financial institution and the participants in relation with the LESOP (note 33), for a cash consideration of EUR 4.9 million (2013: EUR 5.3 million).

During 2014 the Group settled its LTIP Grants and Deferred Shares Awards. A total of 204,152 shares (2013: 487,927) were allocated to the employees as a part of this settlement.

At 23 September 2014, the Group acquired from the market 29,778 shares in Nyrstar for an amount of EUR 2.14 per share, for a total consideration of EUR 0.1 million.

Issued shares	2014	2013
Shares outstanding	327,381,031	154,684,113
Treasury shares	12,664,057	15,338,431
As at 31 Dec	**340,045,088**	**170,022,544**

Movement in shares outstanding	2014	2013
As at 1 Jan	154,684,113	162,676,718
Capital increase	170,022,544	-
Purchases of treasury shares	(29,778)	(13,245,757)
Sales relating to LESOP	2,500,000	4,765,225
Transfer relating to LTIP	204,152	487,927
As at 31 Dec	**327,381,031**	**154,684,113**

Movement in treasury shares	2014	2013
As at 1 Jan	15,338,431	7,345,826
Purchases	29,778	13,245,757
Sales relating to LESOP	(2,500,000)	(4,765,225)
Transfer relating to LTIP	(204,152)	(487,927)
As at 31 Dec	**12,664,057**	**15,338,431**

8. Audit committee

The audit committee consists of three non-executive members of the board, all of which are independent members. 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 current role as Chief Financial Officer of the Belgacom Group and his previous roles as Chief Financial Officer in Matav and Ameritech International.

9. 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) The share capital of the Company amounts to EUR 34,004,508.88 and is fully paid-up. It is represented by 340,045,088 shares, each representing a fractional value of EUR 0.10 or one 340,045,088th 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) 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;
- 5.5% senior unsecured fixed rate non-convertible bonds due 2015;
- 5.375% senior unsecured fixed rate non-convertible bonds due 2016;
- 4.25% senior unsecured convertible bonds due 2018;
- Nyrstar's uncommitted credit facility with HSBC Trinkaus & Burkhardt AG;
- 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;
- The USD 40 million framework agreement for credit products between Nyrstar Sales & Marketing AG and Credit Suisse AG;
- Nyrstar's committed EUR 100 million bilateral credit facility with KBC Bank;
- Nyrstar's silver prepay with Merrill Lynch International;
- Nyrstar's silver prepay with JPMorgan Chase Bank;
- Nyrstar's off-take agreement with the Glencore Group;
- Nyrstar's streaming agreement with Talvivaara Sotkamo Limited;
- High-Yield Bonds; and
- Silver Pre-Pay Guarantee

(x) The Acting 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 25 March 2015.

On behalf of the board of directors,

Julien De Wilde	Ray Stewart
Director	Director

STATEMENT OF RESPONSIBILITY

STATEMENT OF RESPONSIBILITY

The undersigned, Heinz Eigner, Acting Chief Executive Officer & Chief Financial Officer, declares that, to the best of his knowledge, the consolidated financial statements for the year ended 31 December 2014, 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, 25 March 2015

Heinz Eigner

Acting Chief Executive Officer & Chief Financial Officer

Report of the Board of Directors

Nyrstar Consolidated Financial Statements

31 December 2014

CONSOLIDATED INCOME STATEMENT

EUR million	Note	2014	2013
Revenue	7	**2,798.8**	**2,823.5**
Raw materials used		(1,410.7)	(1,486.6)
Freight expense		(95.4)	(85.7)
Gross profit		**1,292.7**	**1,251.2**
Other income	22,26	49.2	53.1
Employee benefits expense	10	(410.9)	(391.3)
Energy expenses		(277.2)	(329.8)
Stores and consumables used		(176.7)	(179.7)
Contracting and consulting expense		(137.7)	(165.7)
Other expense	13	(58.2)	(63.3)
Depreciation, depletion and amortisation	14,15,19	(257.4)	(220.1)
Result from operating activities before exceptional items		**23.8**	**(45.6)**
M&A related transaction expense	9	(0.2)	(1.7)
Restructuring expense	28	(5.3)	(18.5)
Impairment loss	16	(255.1)	(227.5)
Impairment reversal	16	-	207.4
Result from operating activities		**(236.8)**	**(85.9)**
Finance income	11	2.1	0.9
Finance expense	11	(113.9)	(99.5)
Net foreign exchange gain / (loss)	11	4.2	(0.6)
Net finance expense		**(107.6)**	**(99.2)**
Share of (loss) / profit of equity accounted investees	17	(0.4)	0.8
Gain on the disposal of equity accounted investees	17	1.0	-
Loss before income tax		**(343.8)**	**(184.3)**
Income tax benefit / (expense)	12	57.2	(11.1)
Loss for the year		**(286.6)**	**(195.4)**
Attributable to:			
Equity holders of the parent		(286.6)	(195.4)
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	(1.22)	(0.98)
diluted	33	(1.22)	(0.98)

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE LOSS

EUR million	Note	2014	2013
Loss for the year		**(286.6)**	**(195.4)**
Other comprehensive income			
Items that may be reclassified to profit:			
Foreign currency translation differences		106.0	(90.0)
Gains on cash flow hedges	20	18.4	16.2
Transfers to the income statement		0.7	7.5
Income tax expense	12	(3.8)	(4.3)
Change in fair value of investments in equity securities	18	0.7	(8.8)
Transfers to the income statement		-	12.9
Items that will not be reclassified to profit:			
Remeasurements of defined benefit plans	29	(10.6)	9.2
Income tax benefit / (expense)	12	2.5	(3.1)
Other comprehensive income / (loss) for the year, net of tax		**113.9**	**(60.4)**
Total comprehensive loss for the year		**(172.7)**	**(255.8)**
Attributable to:			
Equity holders of the parent		(172.7)	(255.8)
Non-controlling interest		-	-
Total comprehensive loss for the year		**(172.7)**	**(255.8)**

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

EUR million	Note	as at 31 Dec 2014	as at 31 Dec 2013
Property, plant and equipment	14	1,917.3	1,771.5
Intangible assets	15	14.0	10.3
Investments in equity accounted investees	17	15.8	18.6
Investments in equity securities	18	28.2	27.5
Zinc purchase interest	19	-	224.3
Deferred income tax assets	12	181.5	120.6
Other financial assets	20	31.5	10.4
Other assets	22	2.5	3.2
Total non-current assets		**2,190.8**	**2,186.4**
Inventories	21	625.6	515.6
Trade and other receivables	23	201.4	174.9
Prepayments and deferred expenses		15.9	17.5
Current income tax assets		11.2	6.5
Other financial assets	20	39.6	26.6
Other assets	22	1.0	-
Cash and cash equivalents	24	498.5	292.3
Total current assets		**1,393.2**	**1,033.4**
Total assets		**3,584.0**	**3,219.8**

Consolidated Financial Statements

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

EUR million	Note	as at 31 Dec 2014	as at 31 Dec 2013
Share capital and share premium	25	1,892.7	1,649.7
Reserves	26	(120.3)	(274.5)
Accumulated losses		(817.1)	(505.6)
Total equity attributable to equity holders of the parent		**955.3**	**869.6**
Total equity		**955.3**	**869.6**
Loans and borrowings	27	862.2	839.9
Deferred income tax liabilities	12	158.0	174.2
Provisions	28	214.9	208.6
Employee benefits	29	86.8	71.0
Other financial liabilities	20	0.1	3.9
Deferred income	31	89.5	-
Other liabilities	22	-	55.6
Total non-current liabilities		**1,411.5**	**1,353.2**
Trade and other payables	30	610.5	486.0
Current income tax liabilities		8.1	17.1
Loans and borrowings	27	74.6	121.9
Provisions	28	12.0	17.1
Employee benefits	29	58.4	33.1
Other financial liabilities	20	27.9	20.8
Deferred income	31	425.3	294.7
Other liabilities	22	0.4	6.3
Total current liabilities		**1,217.2**	**997.0**
Total liabilities		**2,628.7**	**2,350.2**
Total equity and liabilities		**3,584.0**	**3,219.8**

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 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 income		-	-	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

EUR million	Note	Share capital	Share premium	Reserves	Accumulated losses	Total amount attributable to shareholders	Non-controlling interest	Total equity
As at 1 Jan 2013		**1,324.8**	**352.1**	**(207.5)**	**(307.6)**	**1,161.8**	**-**	**1,161.8**
Loss for the year		-	-	-	(195.4)	(195.4)	-	(195.4)
Other comprehensive loss		-	-	(66.5)	6.1	(60.4)	-	(60.4)
Total comprehensive loss		-	-	(66.5)	(189.3)	(255.8)	-	(255.8)
Change in par value	25	-	-	3.2	(3.2)	-	-	-
Treasury shares		-	-	(19.4)	(10.2)	(29.6)	-	(29.6)
Convertible bond		-	-	15.7	-	15.7	-	15.7
Distribution to shareholders (capital decrease)	25	(27.2)	-	-	-	(27.2)	-	(27.2)
Share-based payments		-	-	-	4.7	4.7	-	4.7
As at 31 Dec 2013		**1,297.6**	**352.1**	**(274.5)**	**(505.6)**	**869.6**	**-**	**869.6**

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

Consolidated Financial Statements

CONSOLIDATED STATEMENT OF CASH FLOWS

EUR million	Note	2014	2013
Loss for the year		(286.6)	(195.4)
Adjustment for:			
Depreciation, depletion and amortisation	14,15,19	257.4	220.1
Income tax (benefit) / expense	12	(57.2)	11.1
Net finance expense	11	107.6	99.2
Share of loss / (profit) in equity accounted investees	17	0.4	(0.8)
Impairment loss (net)	16	255.1	20.1
Equity settled share based payment transactions		4.8	5.3
Other non-monetary items		(36.7)	(33.1)
Gain on disposal of equity accounted investees	17	(1.0)	-
Gain on sale of property, plant and equipment	14	(0.8)	(2.1)
Cash flow from operating activities before working capital changes		**243.0**	**124.4**
Change in inventories		(42.5)	198.5
Change in trade and other receivables		(7.6)	38.5
Change in prepayments and deferred expenses		4.2	(5.5)
Change in deferred income		164.7	88.8
Change in trade and other payables		62.7	(151.6)
Change in other assets and liabilities		(80.6)	65.6
Change in provisions and employee benefits		2.2	(28.5)
Income tax paid		(35.0)	(31.3)
Cash flow from operating activities		**311.1**	**298.9**
Acquisition of property, plant and equipment	14	(272.6)	(192.2)
Acquisition of intangible assets	15	(2.9)	(1.1)
Proceeds from sale of property, plant and equipment		4.0	3.6
Proceeds from sale of intangible assets		1.3	0.1
Acquisition of subsidiary, net of cash acquired	8	-	(2.8)
Acquisition of investment in equity securities		-	(0.2)
Distribution from equity accounted investees		-	0.5
Proceeds from sale of equity accounted investees	17	3.3	-
Interest received		2.0	1.0
Cash flow used in investing activities		**(264.9)**	**(191.1)**
Capital increase		243.0	-
Sale of own shares	25	12.6	11.7
Proceeds from borrowings		340.1	122.1
Repayment of borrowings		(371.2)	(17.1)
Interest paid		(101.8)	(84.0)
Distribution to shareholders	25	-	(24.0)
Cash flow from financing activities		**122.7**	**8.7**
Net increase in cash held		**168.9**	**116.5**
Cash at the beginning of the year	24	292.3	188.1
Exchange fluctuations		37.3	(12.2)
Cash at the end of the year	24	**498.5**	**292.3**

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, China, 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 2014 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 25 March 2015.

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. The consolidated financial statements have been prepared on a going concern basis.

(b) 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).

(c) 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.

(d) 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.

(e) Standards, amendments and interpretations

The following new and revised standards and interpretations, effective as of 1 January 2014, have been adopted in the preparation of the consolidated financial statements:

IFRS 10, IFRS 11, IFRS 12, IAS 27 and IAS 28 (the "Consolidation Standards")

IFRS 10 provides a single basis for consolidation with a new definition of control based on having the power to direct the relevant activities of the investee. IFRS 11 impacts the accounting for joint arrangements, defined as investments or arrangements which are subject to joint control through contractually agreed sharing of control between two or more parties. A joint arrangement is classified as either a joint operation or a joint venture, and the option to proportionately consolidate joint ventures has been removed requiring them to be accounted for under the equity method whilst joint operations are accounted for using the proportionate consolidation method. IFRS 12 is a new disclosure standard and is applicable to entities that have interests in subsidiaries, joint arrangements, associates and/or unconsolidated structured entities. There were no changes in the accounting previously applied to the Nyrstar subsidiaries and investments as a result of the adoption of the Consolidation Standards. The adoption of the Consolidation Standards required retrospective application.

IFRS 10, 12 and IAS 27 Investment Entities – Amendment to IFRS 10, 12 and IAS 27

The amendments to IFRS 10 define an investment entity and introduce an exception from the requirement to consolidate subsidiaries for an investment entity. In terms of the exception, an investment entity is required to measure its interests in subsidiaries at fair value through profit or loss. The exception does not apply to subsidiaries of investment entities that provide services that relate to the investment entity's investment activities. Consequential amendments to IFRS 12 and IAS 27 have been made to introduce new disclosure requirements for investment entities. The amendments have been applied retrospectively and did not impact the Group.

IAS 32 Offsetting Financial Assets and Financial Liabilities – Amendment to IAS 32

The amendments to IAS 32 clarify the requirements relating to the offset of financial assets and liabilities. Specifically, the amendments clarify the meaning of "currently has a legally enforceable right to set-off" and "simultaneous realisation and settlement". The amendments have been applied retrospectively and did not have a material impact on the Group.

IAS 36 Recoverable Amount Disclosures for Non-Financial Assets – Amendment to IAS 36

The amendments to IAS 36 remove the requirement to disclose the recoverable amount of a cash-generating unit (CGU) to which goodwill or other intangible assets with indefinite useful lives had been allocated when there has been no impairment or reversal of impairment of the related CGU. Furthermore, the amendments introduce additional disclosure requirements applicable to when the recoverable amount of an asset or a CGU is measured at fair value less costs of disposal. These new disclosures include the fair value hierarchy, key assumptions and valuation techniques used which are in line with the disclosure required by IFRS 13 Fair Value Measurements. Other than the additional disclosures, the application of amendments to IAS 36 did not impact the amounts recognised in the consolidated financial statements (see note 16).

IAS 39 Novation of Derivatives and Continuation of Hedge Accounting – Amendment to IAS 39

The amendments to IAS 39 provide relief from the requirement to discontinue hedge accounting when a derivative designated as a hedging instrument is novated under certain circumstances. The amendments also clarify that any change to the fair value of the derivative designated as a hedging instrument arising from the novation should be included in the assessment and measurement of hedge effectiveness. The amendments have been applied retrospectively. As the Group does not have any derivatives that are subject to novation, the application of these amendments has had no impact on the disclosures or on the amounts recognised in the Group's consolidated financial statements.

The following new standards, amendments of standards and interpretations have been issued but are not effective for the financial year beginning 1 January 2014 and have not been early adopted:

New standards

- IFRS 9 – Financial Instruments (as revised in 2014)
- IFRS 14 - Regulatory Deferral Accounts
- IFRS 15 – Revenue from Contracts with Customers

Notes to the consolidated financial statements

Amendments to existing standards and interpretations

- Amendments to IFRS 10 and IAS 28 - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
- Amendments to IFRS 11 – Accounting for Acquisitions of Interests in Joint Operations
- 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 27 - Equity Method in Separate Financial Statements
- Annual Improvements to IFRSs 2010 - 2012 Cycle
- Annual Improvements to IFRSs 2011 - 2013 Cycle
- Annual Improvements to IFRSs 2012 - 2014 Cycle
- IFRIC 21 Levies

IFRIC 21 was endorsed by the European Union on 13 June 2014 and effective for periods beginning on or after 17 June 2014. The other new standards, amendments to existing standards and interpretations noted above have not yet been endorsed by the European Union. 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'.

(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.

Notes to the consolidated financial statements

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 recognised 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

Goodwill

Goodwill is recognised in business combinations and is measured as the excess of the aggregate consideration paid, the acquired non-controlling interest and the fair value of any pre-existing ownership interest in the acquiree less the acquisition-date fair values of the identifiable assets acquired and the liabilities assumed. Identifiable assets include those acquired mineral reserves and resources that can be reliably measured.

Goodwill is carried at cost less any accumulated impairment losses. Goodwill in respect of associates and joint ventures is presented in the statement of financial position on the line "Investments in equity accounted investees", together with the investment itself and tested for impairment as part of the overall balance.

Goodwill is allocated to the cash-generating unit (CGU) to which it belongs. CGU is the smallest group of assets that includes the asset and generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. Based on Nyrstar's operating model each mining complex and each smelting site has been identified as a separate CGU as there is an active market for zinc and other metal concentrates produced by each mining complex as well as zinc and other metal products manufactured at Nyrstar's smelting sites.

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.

CO_2 emission rights/Carbon permits are carried at historical cost, less impairment losses: These intangibles are not amortised.

(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.

(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.

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(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 recognised as an expense when employees have rendered service entitling them to the contributions.

Defined benefit plans

The Group recognises 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.

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 recognised 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 recognised in other comprehensive income may be reclassified within equity. Past service costs are immediately recognised 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 recognised initially at the fair value of a similar liability that does not have an equity conversion option. The equity component is recognised 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 and realisation expense 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. If any settlement in cash or cash equivalents occurs for value equalisation of such transactions, this settlement amount is recognised in cost of goods sold. 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 costs include:

• Interest on short-term and long-term borrowings;

• 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.

Finance costs are calculated using the effective interest rate method. Finance costs 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 costs are expensed as incurred.

Notes to the consolidated financial statements

Net finance costs represent finance costs 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 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 recognised 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.

(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.

(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

Notes to the consolidated financial statements

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) 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) 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.

Fair value

The Group has applied estimates and judgments in accounting for business combinations (note 8), revenue recognition, 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 recognised in other comprehensive income. Refer to note 29 for details on the key assumptions.

Impairment of assets (note 14,15,16)

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.

Recovery of zinc purchase interest (note 16)

Due to recent developments regarding the financial situation of Talvivaara Mining Company plc, Nyrstar's counterparty in respect of its zinc purchase interest, critical judgments are required in assessing the recoverability of the zinc purchase interest. These judgments are outlined in note 16.

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.

Notes to the consolidated financial statements

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 and investments.

Guarantees

Nyrstar's policy is to provide financial guarantees only on behalf of wholly-owned subsidiaries. At 31 December 2014, no guarantees were outstanding to external customers (31 December 2013 : 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 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.

(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 maximise 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.

Notes to the consolidated financial statements

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 2014 financial statements are (in EUR):

	Annual average		Year end	
	2014	**2013**	**2014**	**2013**
United States dollar	1.3285	1.3281	1.2141	1.3791
Australian dollar	1.4719	1.3777	1.4829	1.5423
Canadian dollar	1.4661	1.3684	1.4063	1.4671
Swiss franc	1.2146	1.2311	1.2024	1.2276

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 recognised 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.

Smelting'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 Contribution 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.

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	(207.7)	(140.9)	(62.3)	(410.9)
Energy expenses	(226.5)*	(51.0)	(0.1)	(277.6)
Other expenses / income	(160.4)	(167.6)	(32.1)	(360.1)
Direct operating costs	**(594.6)**	**(359.5)**	**(94.5)**	**(1,048.6)**
Non-operating and other**	(34.4)	17.4	53.3	36.3
Underlying EBITDA	**239.3**	**86.7**	**(45.6)**	**280.4**
Depreciation, depletion and amortisation				(257.4)
M&A related transaction expense				(0.2)
Restructuring expense				(5.3)
Impairment loss (net)				(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.

For the twelve months ended 31 Dec 2013, EUR million	Metals Processing	Mining	Other and eliminations	Total
Revenue from external customers	2,740.5	83.0	-	2,823.5
Inter-segment revenue	(49.1)	387.9	(338.8)	-
Total segment revenue	**2,691.4**	**470.9**	**(338.8)**	**2,823.5**
Payable metal / free metal contribution	244.3	335.3	1.1	580.7
Treatment charges	337.0	(76.1)	-	260.9
Premiums	127.2	-	0.1	127.3
By-products	215.3	172.6	-	387.9
Other	(110.8)	13.1	(7.9)	(105.6)
Gross Profit	**813.0**	**444.9**	**(6.7)**	**1,251.2**
Employee expenses	(207.1)	(139.8)	(44.4)	(391.3)
Energy expenses	(271.6)	(48.7)	(0.2)	(320.5)
Other expenses / income	(197.2)	(169.4)	(34.5)	(401.1)
Direct operating costs	**(675.9)**	**(357.9)**	**(79.1)**	**(1,112.9)**
Non-operating and other	11.8	(8.7)	43.2	46.3
Underlying EBITDA	**148.9**	**78.3**	**(42.6)**	**184.6**
Depreciation, depletion and amortisation				(220.1)
M&A related transaction expense				(1.7)
Restructuring expense				(18.5)
Impairment loss				(20.1)
Embedded derivatives				(9.3)
Net finance expense				(99.2)
Income tax benefit				(11.1)
Loss for the period				**(195.4)**
Capital expenditure	(95.7)	(96.6)	(7.1)	(199.4)

Geographical information

(a) Revenues from external customers

EUR million	2014	2013
Belgium	327.1	183.0
Rest of Europe	1,004.0	1,072.5
Americas	379.4	370.0
Australia	616.2	799.5
Asia	436.1	373.3
Other	36.0	25.2
Total	**2,798.8**	**2,823.5**

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 24.9% (2013: 38.1%), 10.5% (2013: 9.3%) and 12.4% (2013: 0.0%) respectively, of the total Group's sales, reported in the Metals Processing segment.

(b) Non-current assets

EUR million	2014	2013
Belgium	228.9	239.6
Rest of Europe	266.3	492.4
North America	438.0	417.8
Central America (incl Mexico)	481.1	428.5
South America	184.1	167.8
Australia	332.9	260.0
Total	**1,931.3**	**2,006.1**

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 2014.

2013

Acquisition of subsidiary: ERAS Metal AS

On 4 December 2013, Nyrstar acquired 100% interest in ERAS Metal AS ("Eras"), the owner of a fuming plant in Hoyanger, Norway. In line with Nyrstar's strategy, the acquisition of Eras provides the opportunity to process alternate valuable feed materials such as Nyrstar smelters' residues and ponds.

As at 31 December 2013, the accounting for the acquisition was done on a provisional basis due to the timing of the acquisition. In 2014, the acquisition accounting was completed within the one year measurement period as follows:

Notes to the consolidated financial statements

EUR million	Provisional fair values on acquisition as previously reported	Fair value adjustments	Fair values on acquisition
Property, plant and equipment	7.3	0.2	7.5
Inventories	1.0	-	1.0
Trade receivables	0.6	-	0.6
Cash and cash equivalents	0.1	-	0.1
Provisions	(1.5)	-	(1.5)
Loans and borrowings	(1.8)	-	(1.8)
Trade and other payables	(2.8)	-	(2.8)
Net identifiable assets and liabilities	**2.9**	**0.2**	**3.1**
Consideration paid, satisfied in cash	2.9	0.2	3.1
Cash acquired	0.1	-	0.1
Net cash outflow	**2.8**	**0.2**	**3.0**

The amounts of revenue and profit since the acquisition date included in the consolidated income statement for the reporting period ended 31 December 2013 was EUR 0.2 million and EUR (0.2) million respectively. If the acquisition had occurred on 1 January 2013, management estimates that consolidated revenue and the consolidated profit for the year ended 31 Dec 2013 would have been EUR 9.2 million higher and EUR 3.2 million lower respectively.

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 2014 income statement amounts to EUR 0.2 million (2013: EUR 1.7 million). In 2014, there are no costs related to successfully completed acquisitions (2013: EUR 0.5 million) see Note 8.

10. Employee benefits expense

EUR million	2014	2013
Wages and salaries	(369.8)	(349.9)
Compulsory social security contributions	(25.1)	(23.9)
Contributions to defined contribution plans	(5.0)	(4.6)
Expenses related to defined benefit plans	(6.3)	(7.7)
Equity and cash settled share based payment transactions, incl. social security	(4.7)	(5.2)
Total employee benefits expense	**(410.9)**	**(391.3)**

11. Finance income and expense

EUR million	2014	2013
Interest income	2.1	0.9
Total finance income	**2.1**	**0.9**
Interest expense	(86.3)	(67.4)
Unwind of discount in provisions	(12.0)	(11.0)
Other finance charges	(15.6)	(21.1)
Total finance expense	**(113.9)**	**(99.5)**
Net foreign exchange gain / (loss)	**4.2**	**(0.6)**
Net finance expense	**(107.6)**	**(99.2)**

12. Income tax

(a) Income tax recognised in the income statement

EUR million	2014	2013
Current income tax expense	(25.1)	(18.7)
Deferred income tax benefit	82.3	7.6
Total income tax benefit / (expense)	**57.2**	**(11.1)**

(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	2014	2013
Loss before income tax	(343.8)	(184.3)
Tax at aggregated weighted average tax rate	103.3	46.1
Aggregated weighted average income tax rate	30.0%	25.0%
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Non-deductible amounts	(12.7)	(48.5)
(Non-recognition) / recognition of tax losses and temporary differences	(9.7)	6.2
Overprovision for previous years	1.1	0.9
Unrecoverable withholding tax	(4.2)	(6.1)
Net adjustment to deferred tax balances due to tax rate change in foreign jurisdiction	(19.6)	(3.4)
Foreign exchange differences	5.3	(2.1)
Other	(6.3)	(4.2)
Total income tax benefit / (expense)	**57.2**	**(11.1)**
Effective income tax rate	16.6%	-6.0%

The change in the aggregate weighted average income tax rate compared to the year ended 31 December 2013 is due to the variation in the weight of subsidiaries' profits.

Notes to the consolidated financial statements

Nyrstar recognised an income tax benefit for the year ended 31 December 2014 of EUR 57.2 million representing an effective income tax rate of 16.6% (for the year ended 31 December 2013: -6.0%). The tax rate is impacted by losses incurred by the Group for the year ended 31 December 2014 for which no tax benefit has been recognised and the change of tax rates in Chile, Mexico and Peru.

(c) Income tax recognised directly in other comprehensive income

EUR million	2014	2013
Income tax (expense) recognised on cash flow hedges	(3.8)	(4.3)
Income tax benefit / (expense) recognised on defined benefits pension schemes	2.5	(3.1)
Total income tax recognised directly in other comprehensive income	**(1.3)**	**(7.4)**

(d) Recognised deferred income tax assets and liabilities

Deferred tax assets and liabilities consist of temporary differences attributable to:

EUR million	31 Dec 2014	31 Dec 2013
ASSETS:		
Employee benefits	27.0	19.6
Provisions	42.5	39.7
Property, plant and equipment	-	6.0
Payables / receivables	-	7.5
Tax losses carried forward	232.3	135.3
Other	11.3	8.6
Total	**313.1**	**216.7**
Set off of tax	(131.6)	(96.1)
Deferred tax assets	**181.5**	**120.6**
LIABILITIES:		
Embedded derivatives	-	(6.8)
Property, plant and equipment	(284.4)	(258.0)
Payables / receivables	(1.6)	(3.7)
Other	(3.6)	(1.8)
Total	**(289.6)**	**(270.3)**
Set off of tax	131.6	96.1
Deferred tax liabilities	**(158.0)**	**(174.2)**
Deferred tax - net	**(23.5)**	**(53.6)**
INCOME STATEMENT:		
Employee benefits	5.0	(8.4)
Provisions	2.9	6.5
Property, plant and equipment	(32.2)	(62.1)
Payables / receivables	(1.5)	(4.4)
Tax losses carried forward	97.1	68.6
Embedded derivatives	10.6	2.9
Other	0.4	4.5
Total	**82.3**	**7.6**
Reconciliation of deferred tax - net:		
As at 1 Jan	(53.6)	(65.5)
Deferred income tax benefit	82.3	7.6
Recognised in OCI	(1.3)	(7.4)
Provision for unrealised fx result	(3.9)	15.7
Currency translation effects	-	(4.0)
As at 31 Dec	**23.5**	**(53.6)**

EUR 233.2 million (31 December 2013: EUR 66.0 million) of the net deferred tax assets on tax losses carried forward arise in entities that have been loss making in 2014 and 2013. 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.

(e) Unrecognised deductible temporary differences and tax losses

EUR million	Net deductible temporary differences	Tax loss carry forward	Total Dec 31, 2014	Net deductible temporary differences	Tax loss carry forward	Total Dec 31, 2013
No expiration date	173.0	293.1	466.1	164.0	281.9	445.9
Total	**173.0**	**293.1**	**466.1**	**164.0**	**281.9**	**445.9**

(f) Unremitted earnings

As at 31 December 2014, unremitted earnings of EUR 502.3 million (31 December 2013: EUR 540.0 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 and penalties. 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 in Belgium, Nyrstar Belgium NV has challenged an assessment by the tax administration relating to the non-deductibility of interest expenses incurred in the year ended 31 December 2012. Nyrstar has a substantial defence and any material tax charge, including late interest and penalties, are unlikely to be incurred.

13. Other expense

EUR million	2014	2013
Stock movement conversion costs	2.3	3.9
Other tax expense	(12.2)	(8.5)
Travel expense	(8.7)	(9.8)
Operating lease	(15.7)	(14.0)
Insurance expense	(9.5)	(8.2)
Royalties	(6.5)	(7.0)
Communication expenses	(4.0)	(4.5)
IT costs	(2.1)	(1.3)
Memberships/subscriptions	(2.3)	(1.7)
Training	(2.4)	(1.7)
Other	2.9	(10.5)
Total other expenses	**(58.2)**	**(63.3)**

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		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**

EUR million	Note	Land and buildings	Plant and equipment	Mining properties and development	Under construction	Cyclical maintenance and other	Total
Cost		152.4	1,525.9	916.2	95.9	162.2	2,852.6
Accumulated depreciation and impairment		(17.9)	(718.0)	(250.1)	-	(95.1)	(1,081.1)
Carrying amounts		**134.5**	**807.9**	**666.1**	**95.9**	**67.1**	**1,771.5**
As at 1 Jan 2013		151.7	707.9	727.4	82.2	61.0	1,730.2
Acquired in business combination		-	7.3	-	-	-	7.3
Additions		2.2	46.0	16.0	115.2	18.7	198.1
Restoration provision adjustments	28	-	-	21.7	-	-	21.7
Transfers		(20.4)	34.5	58.6	(96.7)	18.1	(5.9)
Disposals		(0.3)	(1.2)	-	-	-	(1.5)
Depreciation expense		(12.0)	(112.3)	(60.1)	-	(27.6)	(212.0)
Impairment	16	20.8	166.1	(57.4)	4.6	(0.3)	133.8
Currency translation effects		(7.5)	(40.4)	(40.1)	(9.4)	(2.8)	(100.2)
As at 31 Dec 2013		**134.5**	**807.9**	**666.1**	**95.9**	**67.1**	**1,771.5**

The carrying amount of property, plant and equipment accounted for as finance lease assets at 31 December 2014 is EUR 2.5 million and is classified as plant and equipment (2013: EUR 1.9 million). The carrying amount of exploration and evaluation expenditure at 31 December 2014 is EUR 35.2 million and is included in mining properties and development (2013: EUR 22.2 million). The additions to the carrying amount of the exploration and evaluation expenditure during 2014 were EUR 15.2 million (2013: EUR 8.4 million).

The total gains on sales of property, plant and equipment in the 2014 income statement amount to EUR 0.8 million (2013: EUR 2.1 million).

15. Intangible assets

EUR million	Note	Goodwill	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.

EUR million	Note	Goodwill	Emission and carbon rights	Software and other	Total
Cost		-	2.5	26.5	29.0
Accumulated amortisation and impairment		-	(0.4)	(18.3)	(18.7)
Carrying amounts		**-**	**2.1**	**8.2**	**10.3**
As at 1 Jan 2013		124.9	1.1	7.4	133.4
Additions*		-	23.3	0.8	24.1
Transfers		-	-	5.9	5.9
Disposals		-	(21.7)	-	(21.7)
Amortisation expense		-	-	(5.3)	(5.3)
Impairment	16	(118.2)	-	(0.4)	(118.6)
Currency translation effects		(6.7)	(0.6)	(0.2)	(7.5)
As at 31 Dec 2013		**-**	**2.1**	**8.2**	**10.3**

* EUR 22.8 million relate to non-cash recognition of emission and carbon rights.

In 2013 Nyrstar impaired EUR 118.2 million (100%) of its goodwill.

16. Impairment

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 Sotkamo Limited ("Operating Company"). 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 Sotkamo Limited ("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 has 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.

2013

Impairment loss

In 2013 Nyrstar recognised pre-tax impairment charges on Nyrstar's Mining assets of EUR 202.6 million, impairment reversals related to Nyrstar's Metals Processing assets of EUR 207.4 million and impairment charges on non-core operations of the Group of EUR 24.9 million resulting in a net impairment loss of EUR 20.1 million.

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

in EUR million		whereof			
	Impairment (loss) / reversal	Property, plant and equipment	Goodwill	Investments	Other
Peruvian mines	(74.7)	(51.8)	(12.1)	-	(10.8)
Campo Morado	(89.8)	(21.8)	(68.0)	-	-
Langlois	(19.2)	-	(19.2)	-	-
Myra Falls	(7.6)	-	(7.6)	-	-
El Toqui	(6.5)	-	(6.5)	-	-
El Mochito	(4.8)	-	(4.8)	-	-
Mining	**(202.6)**	**(73.6)**	**(118.2)**	**-**	**(10.8)**
Port Pirie	58.5	58.5	-	-	-
Balen	148.9	148.9	-	-	-
Metals processing	**207.4**	**207.4**	**-**	**-**	**-**
Investments in equity accounted investees	(12.0)	-	-	(10.6)	(1.4)
Investments in equity securities	(12.9)	-	-	(12.9)	-
Other non-core assets of the Group [1]	**(24.9)**	**-**	**-**	**(23.5)**	**(1.4)**
Total	**(20.1)**	**133.8**	**(118.2)**	**(23.5)**	**(12.2)**
		(note 14)	(note 15)	(note 17, 18)	

[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 on the basis of fair value less cost to sell (FVLCS) for each operation. The FVLCS recoverable values for Mining and Metals Processing 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 a Level 3 of the fair value hierarchy. Management projected the cash flows over the expected life of the mines, which varied from 6 to 13 years. For the smelters 18 years of cash flow forecasts were projected with a terminal value included in year 19, with growth rate of 1% included in the determination of the terminal value.

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

Commodity price and foreign exchange rate forecasts were developed based on externally available forecasts by market commentators. The prices used in the impairment assessment varied in accordance with the year the sale was expected to occur with long term prices starting in 2020. The ranges of prices used are outlined in the table below:

	Low	High	Long term
Commodity prices (USD)			
Zinc (per tonne)	2,100	2,960	2,640
Lead (per tonne)	2,180	2,390	2,180
Copper (per tonne)	6,500	6,970	6,970
Gold (per ounce)	1,330	1,400	1,400
Silver (per ounce)	22.50	24.20	24.20
Foreign exchange rates (versus Euro)			
United States dollar	1.23	1.30	1.26
Australian dollar	1.46	1.58	1.58

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 7% to 13% 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 allocated goodwill and/or impairment charges/reversals are outlined in the table below:

	Discount rate
Peruvian mines	9.30%
Campo Morado	8.50%
El Toqui	8.00%
El Mochito	11.20%
Myra Falls	7.80%
Langlois	7.80%
Port Pirie	10.00%
Balen	5.30%

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

Impairment charges related to mining operations

Based on the results of its impairment testing at 31 December 2013, the Group has recorded impairment losses related to its mining operations totalling EUR 202.6 million. The key events which led to the declines in the recoverable values of the mining operations and associated impairment losses were primarily the introduction of the Mexican mining tax at Campo Morado, suspension of the operations at Corricancha and Puccarajo in Peru without current plans to fully restart these operations and the impacts of lower precious metal prices. The impairment tests resulted in the full impairment of Nyrstar's previously recognised goodwill.

Reversal of impairment at Balen and Port Pirie

In 2013 Nyrstar prepared recoverable value estimates for all Metals Processing assets. As a result of these recoverable value estimates, Nyrstar reversed impairment charges previously recognised in the year ended 31 December 2008 in connection with the Balen Smelter (EUR 148.9 million) and the Port Pirie Smelter (EUR 58.5 million). In each case, the impairment reversal was after adjusting for accumulated amortisation which would have been recorded had the 2008 impairments not been recorded.

The reversal of impairment at the Balen Smelter was driven by the continuous, sustained improvements in operating results at the Balen Smelter since 2008 particularly in relation to zinc recovery rates and energy costs which combined with the favourable zinc price outlook provide objective evidence that the recoverable amounts of the assets in Balen exceed their carrying value after reversal of the 2008 impairment charge. The reversal of impairment at the Port Pirie Smelter is due to the planned Port Pirie Transformation Project, a capital expansion plan which will significantly change the nature of the operating capabilities of the Port Pirie Smelter from a primary lead smelter to a world class, multi-metals recovery facility increasing the cash generating ability of Port Pirie. The recoverable value estimate for Port Pirie incorporates all capital expenditure associated with the project and the discount rate applied includes a premium for construction risks. Based on the results of the impairment testing the recoverable amounts of the assets in Port Pirie exceed their carrying value after reversal of the 2008 impairment charge.

Other non-core assets of the Group

In 2013 Nyrstar recognised impairment losses of EUR 24.9 million on Group's non-core assets. The majority of these impairment losses relate to investments in equity securities that has 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 (EUR 12.9 million) and investments in equity accounted investees estimated under FVLCS using discounted cash flow models (EUR 10.6 million).

17. Investments in equity accounted investees

EUR million	Ownership 2014 / 2013	31 Dec 2014	31 Dec 2013
Genesis Alloys (Ningbo) Ltd [1]	0% / 50%	-	-
Foehl China Co. Ltd [1]	0% / 50%	-	2.0
Ironbark Zinc Ltd	22.1% / 26.5%	15.7	16.5
Other	49% / 49%	0.1	0.1
Total		**15.8**	**18.6**

[1] Impairment losses totalling EUR 10.6 million were recorded in connection with Genesis Alloys (Ningbo) Ltd. and Foehl China Co. Ltd during the year ended 31 December 2013, 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) / profit
As at 31 Dec 2014	1.7	59.9	(0.4)	-	0.2	(0.4)
As at 31 Dec 2013	6.4	65.3	(0.9)	(0.2)	17.6	0.8

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 2014 is EUR 5.3 million (2013: 3.8 million).

18. Investments in equity securities

EUR million	31 Dec 2014	31 Dec 2013
Herencia Resources Ltd [1]	0.6	1.2
Qualified Environmental Trust	17.6	16.3
Exeltium SAS	4.2	4.2
Other [1]	5.8	5.8
Total	**28.2**	**27.5**

[1] Impairment losses totalling EUR 0.7 million were recorded in connection with Herencia Resources Ltd. and other investments in equity securities during the year ended 31 December 2014 (2013: EUR 12.9 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

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 (2013: 1.154 million tonnes) 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	2014	2013
As at 1 Jan	224.3	237.2
Depletion	(4.6)	(2.8)
Impairment	(245.9)	-
Currency translation effects	26.2	(10.1)
As at 31 Dec	**-**	**224.3**

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 in note 16, at 31 December 2014 Nyrstar reassessed the recoverability of the Zinc Streaming Agreement and impaired its value to Nil.

Notes to the consolidated financial statements

20. Other financial assets and liabilities

EUR million	31 Dec 2014	31 Dec 2013
Restricted cash (c)	28.3	7.6
Held to maturity (d)	3.2	2.8
Total non-current financial assets	**31.5**	**10.4**
Commodity contracts - fair value hedges (a)	15.7	9.1
Commodity contracts - cash flow hedges (e)	8.0	4.8
Foreign exchange contracts - held for trading (a)	13.4	11.5
Foreign exchange contracts - cash flow hedge (f)	1.4	-
Embedded derivatives (b)	1.1	1.2
Total current financial assets	**39.6**	**26.6**
Embedded derivatives (b)	0.1	3.9
Total non-current financial liabilities	**0.1**	**3.9**
Commodity contracts - fair value hedges (a)	3.8	14.4
Foreign exchange contracts - held for trading (a)	23.9	6.0
Embedded derivatives (b)	0.2	0.4
Total current financial liabilities	**27.9**	**20.8**

(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 asset of EUR 11.9 million (31 December 2013: net liability of EUR 5.3 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 liability of EUR 10.5 million (31 December 2013 net asset: EUR 5.5 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 2014 with a pre-tax positive impact of EUR 3.7 million (31 December 2013: negative impact of EUR 9.0 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 0.4 million (31 December 2013: EUR 9.3 million) were recognised in the income statement within energy expense.

(c) Restricted cash

The restricted cash balance of EUR 28.3 million as at 31 December 2014 (31 December 2013: EUR 7.6 million) represents amounts placed on deposit to cover certain reclamation costs.

(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 8.0 million represents a remaining balance of the commodity contracts – cash flow hedges that were not settled at 31 December 2014. The fair value of the effective portion of commodity contracts - cash flow hedges at 31 December 2014 is a pre-tax gain of EUR 12.3 million (31 December 2013: 32.7 million). As the commodity contracts - cash flow hedges have been 100% hedge effective, the gain of EUR 12.3 million has been recognised in the cash flow hedge reserve.

(f) Foreign exchange contracts – cash flow hedges

The amount of EUR 1.4 million represents a remaining balance of the foreign exchange contracts – cash flow hedges that were not settled at 31 December 2014. The fair value of the effective portion of foreign exchange contracts - cash flow hedges at 31 December 2014 is a pre-tax gain of EUR 3.0 million (31 December 2013: nil). As the foreign exchange contracts - cash flow hedges have been 100% hedge effective, the gain of EUR 3.0 million has been recognised in the cash flow hedge reserve.

21. Inventories

EUR million	31 Dec 2014	31 Dec 2013
Raw materials	255.6	183.4
Work in progress	231.2	219.8
Finished goods	61.5	38.5
Stores and consumables	88.8	73.9
Fair value adjustment*	(11.5)	-
Total inventories	**625.6**	**515.6**

* As the Group applies hedge accounting as described in note 3g, the hedged items of inventories are adjusted for fair value movements.

Notes to the consolidated financial statements

22. Other assets and liabilities

EUR million	31 Dec 2014	31 Dec 2013
Deferred debt issuance cost - non-current [b]	1.8	2.6
Other - non-current	0.7	0.6
Total other non-current assets	**2.5**	**3.2**
Fair value of underlying hedged risk - current [a]	1.0	-
Total other current assets	**1.0**	**-**
Commodity delivery obligation - non-current [c]	-	55.6
Total other non-current liabilities	**-**	**55.6**
Fair value of underlying hedged risk - current [a]	-	3.9
Commodity delivery obligation - current [c]	0.4	2.4
Total other current liabilities	**0.4**	**6.3**

(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 1.0 million (2013: net liability of EUR 3.9 million), being offset by an amount of EUR 1.0 million (2013: 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 1.8 million (2013: EUR 2.6 million).

(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. The amortisation of the Silver Wheaton liability in 2014 amounts to EUR 1.7 million (2013: EUR 2.6 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 2014	31 Dec 2013
Trade receivables	174.9	163.6
Less provision for receivables	(2.4)	(2.1)
Net trade receivables	**172.5**	**161.5**
Other receivables	28.9	13.4
Total trade and other receivables	**201.4**	**174.9**

The movement in the provision for receivables is detailed in the table below:

EUR million	2014	2013
As at 1 Jan	2.1	2.5
Payments	-	(0.1)
Additions / (reversals)	0.1	(0.3)
Currency translation effects	0.2	-
As at 31 Dec	**2.4**	**2.1**

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 2014	31 Dec 2013
Cash at bank and on hand	398.0	101.6
Short-term bank deposits	100.5	190.7
Total cash and cash equivalents	**498.5**	**292.3**

EUR 2.5 million of the cash and cash equivalents balance was restricted at 31 December 2013. This cash was released to Nyrstar on 21 January 2014.

Cash at bank and on hand and short-term deposits earned a combined weighted average interest rate of 0.6% for calendar year 2014 (2013: 0.1% 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 2014 the number of issued ordinary shares is 340,045,088 (31 December 2013: 170,022,544) with a par value of EUR 0.10 (2013: EUR 2.18). 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 2014 and 2013, reflecting its commitment to support the opportunities identified by the company's growth plans.

The extraordinary shareholders' meeting on 23 May 2013 approved a distribution of EUR 0.16 per share, amounting to a total distribution of EUR 27.2 million (net of treasury shares EUR 24.0 million) The distribution was structured as a capital reduction with reimbursement of paid-up capital.

Issued shares	2014	2013
Shares outstanding	327,381,031	154,684,113
Treasury shares	12,664,057	15,338,431
As at 31 Dec	**340,045,088**	**170,022,544**

Movement in shares outstanding	2014	2013
As at 1 Jan	154,684,113	162,676,718
Capital increase	170,022,544	-
Purchases of treasury shares	(29,778)	(13,245,757)
Sales of treasury shares	2,500,000	4,765,225
Employee shared based payment plan	204,152	487,927
As at 31 Dec	**327,381,031**	**154,684,113**

Movement in treasury shares	Note	2014	2013
As at 1 Jan		15,338,431	7,345,826
Purchases	26	29,778	13,245,757
Sales	26	(2,500,000)	(4,765,225)
Employee shared based payment plan	32	(204,152)	(487,927)
As at 31 Dec		**12,664,057**	**15,338,431**

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 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%**

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 2013 were:

Shareholder's name	Shareholder's address	Date of notification	Number of voting rights	in %
BlackRock Group	33 King William Street, London EC4R 9AS, UK	13 Dec 2012	6,505,459.0	3.83%
Umicore S.A. / N.V.	Broekstraat 31, 1000 Brussels, Belgium	23 Mar 2011	5,251,856.0	3.09%
Total			**11,757,315.0**	**6.92%**

26. Reserves

Reconciliation of movement in reserves

EUR million	Treasury shares	Translation reserves	Reverse acquisition reserve	Cash flow hedge reserve	Convertible bond	Investments reserve	Total
As at 1 Jan 2014	**(33.4)**	**(20.5)**	**(265.4)**	**19.1**	**24.5**	**1.2**	**(274.5)**
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
Change in par value (note 25)	26.4	-	-	-	-	-	26.4
(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)**

EUR million	Treasury shares	Translation reserves	Reverse acquisition reserve	Cash flow hedge reserve	Convertible bond	Investments reserve	Total
As at 1 Jan 2013	**(17.2)**	**69.5**	**(265.4)**	**(0.3)**	**8.8**	**(2.9)**	**(207.5)**
Gains on cash flow hedges	-	-	-	19.4	-	-	19.4
Foreign currency translation differences	-	(90.0)	-	-	-	-	(90.0)
Change in fair value of investments in equity securities	-	-	-	-	-	4.1	4.1
Change in par value	3.2	-	-	-	-	-	3.2
(Acquisition) / distribution of treasury shares	(19.4)	-	-	-	-	-	(19.4)
Convertible bond	-	-	-	-	15.7	-	15.7
As at 31 Dec 2013	**(33.4)**	**(20.5)**	**(265.4)**	**19.1**	**24.5**	**1.2**	**(274.5)**

Notes to the consolidated financial statements

Treasury shares

The treasury shares reserve comprises the par value of the Company's share held by the Group. As at 31 December 2014, the Group held a total of 12,664,057 of the Company's shares (31 December 2013: 15,338,431).

In 2014 Nyrstar sold 2,500,000 shares (2013: 3,065,000) to a financial institution and to the participants in relation with the LESOP (note 32), for a cash consideration of EUR 4.9 million (2013: EUR 5.3 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.

During 2014 the Group settled its LTIP Grants and Deferred Shares Awards. A total of 204,152 shares (2013: 487,927) were allocated to the employees as a part of this settlement.

At 16 April 2013, the Group acquired off-market, Glencore International AG's ("Glencore") entire 7.79% shareholding (13,245,757 shares) in Nyrstar for EUR 3.39 per share, for a total consideration of EUR 44.9 million. Furthermore Glencore agreed to compensate Nyrstar with a termination fee of EUR 44.9 million in relation to ending its Commodity Grade Off-take agreement by 31 December 2013 for the sale and marketing of commodity grade zinc metal produced by Nyrstar, within the European Union. The termination fee has been recognised in other income.

At 1 October 2013 Nyrstar entered a strategic offtake and marketing agreement with Noble Resources UK Limited ("Noble") to market and sell a significant portion of commodity grade zinc metal produced at its European smelters. Noble agreed to acquire from Nyrstar's treasury shareholding 1,700,225 common shares in Nyrstar, representing 1% of total shares for a price of EUR 3.76 per share, for a total cash consideration of EUR 6.4 million.

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 2014	as at 31 Dec 2013
Convertible bonds	106.0	102.9
Fixed rate bonds	751.3	734.2
SCTF Credit Facility	-	-
Unsecured bank loans	3.0	1.8
Finance lease liabilities	1.9	1.0
Total non-current loans and borrowings	**862.2**	**839.9**
Convertible bonds	-	118.5
Fixed rate bonds	72.6	-
Unsecured bank loans	-	2.5
Finance lease liabilities	2.0	0.9
Total current loans and borrowings	**74.6**	**121.9**
Total loans and borrowings	**936.8**	**961.8**

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 2014 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 5.91 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 2014 and 2013 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 mid of November 2012 and has a maturity of four years (with run-off period during the fourth year leading to a maturity of 16 November 2016). 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 1.85%.

Directly attributable transaction costs have been deducted at initial recognition and are amortised over the term of the credit facility. Transaction cost not yet amortised at the balance sheet date amount to EUR 1.8 million (31 December 2013: EUR 2.6 million). These costs are disclosed under other assets (see note 22). In 2012 the costs of the previous SCTF credit facility were written off at the time of renewal, leading to finance charges of EUR 3.0 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 certain balance sheet ratios.

Fixed rate bonds

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 2014, the Company has three outstanding fixed rate bonds; 5.5% fixed rate bond with an original face value of EUR 225 million (maturity: April 2015), 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.

In 2013, Nyrstar bought back own bonds with a face value of EUR 5 million for the 5.5% bond and EUR 10 million for the 5.375% bond for total cash consideration of EUR 14.6 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 2014 Face value	31 Dec 2014 Carrying amount	31 Dec 2013 Face value	31 Dec 2013 Carrying amount
Convertible bonds*	EUR	7.00%	2014	-	-	119.9	118.5
Fixed rate bonds	EUR	5.50%	2015	72.6	72.6	220.0	219.9
Fixed rate bonds	EUR	5.40%	2016	415.0	414.7	515.0	514.3
Convertible bonds**	EUR	4.25%	2018	120.0	106.0	120.0	102.9
Fixed rate bonds	EUR	8.50%	2019	350.0	336.6	-	-
Total interest bearing liabilities				**957.6**	**929.9**	**974.9**	**955.6**

* The Company may, at any time on or after 10 July 2012, 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 150% of the conversion price.

** 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.

EUR million	Finance leases 31 Dec 2014	31 Dec 2013
Within 1 year	2.0	0.9
Between 2 and 5 years	2.0	1.1
Total undiscounted minimum lease payments	**4.0**	**2.0**
Less: amounts representing finance lease charges	0.1	0.1
Present value of minimum lease payments	**3.9**	**1.9**

28. Provisions

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

EUR million	Note	Restoration, rehabilitation and decommissioning	Restructuring	Other	Total
As at 1 Jan 2013		179.5	5.1	50.2	234.8
Acquired in business combination		1.5	-	-	1.5
Payments		(13.0)	(7.2)	(5.2)	(25.4)
Additions / (reversals)		0.9	7.6	(10.6)	(2.1)
PPE asset adjustment	14	21.7	-	-	21.7
Transfers		(0.2)	-	0.1	(0.1)
Unwind of discount	11	10.8	-	0.2	11.0
Currency translation effects		(13.0)	(0.3)	(2.4)	(15.7)
As at 31 Dec 2013		**188.2**	**5.2**	**32.3**	**225.7**
Whereof current		7.7	5.2	4.2	17.1
Whereof non-current		180.5	-	28.1	208.6

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 2014 Nyrstar incurred restructuring costs of EUR 5.3 million (2013: EUR 18.5 million). The remaining provision of EUR 2.4 million (31 December 2013: EUR 5.2 million) is mainly related to the implementation of the restructuring measures that are expected to be finalised during 2015.

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 (2013: 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 2014	31 Dec 2013
Long service leave	2.6	2.3
Retirement plans	72.9	58.8
Other	11.3	9.9
Total non-current employee provisions	**86.8**	**71.0**
Annual leave and long service leave	26.4	29.3
Other	32.0	3.8
Total current employee provisions	**58.4**	**33.1**
Total employee provisions	**145.2**	**104.1**

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, with the exception of Belgium where 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. Although those plans, which are funded through group insurances, strictly speaking qualify as defined benefit plans they are basically accounted for as defined contribution plans. This approach is justified considering the IASB has not yet determined an appropriate accounting policy for such contribution-based plans as well as the uncertainty with respect to the future evolution of the minimum guaranteed rates of return in Belgium. It should be noted that the company will recognise a net liability in case there is a positive differences between the minimum guaranteed reserves and the accumulated assets at the balance sheet date. As at 31 December 2014, no liability was recognised in the balance sheet for the Belgian defined contribution plans since the minimum guaranteed reserves were 100% covered by actual accumulated reserves with the insurance company. The contribution to these plans amount to EUR 0.7 million and accumulated assets amount to EUR 10.7 million.

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 5.0 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 2014. 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 13% of the total defined benefit obligation value as at 31 December 2014 (2013: 13%) and are valued on the basis of the Projected Unit Credit Method.

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 2014 can be split as follows:

EUR million	31 Dec 2014	Average duration
Euro zone:	(28.6)	11.2 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:	(21.6)	14.1 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:	(15.8)	11.5 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:	(6.9)	18.7 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	**(72.9)**	**12.6 years**

The total value of the medical benefit plans, included in the retirement benefit obligations is EUR 29.4 million (2013: EUR 24.8 million).

The amounts recognised on the statement of financial position have been determined as follows:

EUR million	31 Dec 2014	31 Dec 2013
Present value of funded obligations	145.9	117.3
Present value of unfunded obligations	42.8	38.2
Total present value of obligations	**188.7**	**155.5**
Fair value of plan assets	(115.9)	(97.1)
Total deficit	**72.8**	**58.4**
Limitation on recognition of surplus due to asset ceiling	0.1	0.4
Total recognised retirement benefit obligations	**72.9**	**58.8**

Plan assets comprise:

EUR million	31 Dec1 2014	31 Dec 2013
Cash	1.7	2.9
Equity instruments	48.9	38.7
Debt instruments	33.3	30.5
Other assets	32.0	25.0
Total plan assets	**115.9**	**97.1**

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 capitalised 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 2014	31 Dec 2013
Defined benefit obligations at start of period	155.5	164.0
Current service cost	6.6	6.9
Interest cost	5.9	5.4
Remeasurement (gains)/losses:		
Actuarial (gains)/losses arising from changes in demographic assumptions	0.8	3.3
Actuarial (gains)/losses arising from changes in financial assumptions	24.5	(8.0)
Actuarial (gains)/losses arising from changes in experience	(4.7)	(1.0)
Actuarial (gains)/losses due to exchange rate movements	8.9	(7.9)
Contributions paid into the plans by participants	1.2	1.2
Benefits paid by the plans	(9.3)	(8.7)
Past service cost (including plan amendment or curtailment)	(0.4)	0.8
Admin expenses, taxes and social securities	(0.3)	(0.5)
Defined benefit obligations at end of period	**188.7**	**155.5**

During 2014 there were no curtailments nor settlements. The reported past service cost is mainly the result of a decrease of the pension amount and increase of the pension age in the Netherlands due to a plan amendment in 2014.

The changes in the present value of plan assets are as follows:

EUR million	31 Dec 2014	31 Dec 2013
Fair value of plan assets at start of period	97.1	91.4
Interest Income	3.8	3.1
Remeasurement gains/(losses):		
Return on plan assets excluding interest income recognised in net interest expense	9.4	3.0
Actuarial gains/(losses) due to exchange rate movements	5.2	(5.0)
Contribution paid into the plans by employer	6.8	10.4
Contribution paid into the plans by participants	1.2	1.2
Benefits paid by the plans	(7.3)	(6.5)
Admin expenses, taxes and social securities	(0.3)	(0.5)
Fair value of plan assets at end of period	**115.9**	**97.1**

The expense recognised in the income statement is as follows:

EUR million	31 Dec 2014	31 Dec 2013
Service cost:		
Current service cost, including admin fees, taxes and social securities	(6.6)	(6.9)
Past service cost	0.4	(0.8)
Net interest expense	(2.1)	(2.3)
Components of defined benefit costs included in income statement	**(8.3)**	**(10.0)**
Remeasurement on the net defined benefit liability:		
The return on plan assets (excluding amounts included in net interest expense)	9.4	3.0
Actuarial gains and (losses) arising from changes in demographic assumptions	(0.8)	(3.3)
Actuarial gains and (losses) arising from changes in financial assumptions	(24.5)	8.0
Actuarial gains and (losses) arising from experience adjustments	4.7	1.0
Adjustments for restrictions on the defined benefit asset	0.3	(0.2)
Actuarial gains/(losses) due to exchange rate movements	0.3	0.7
Components of defined benefit costs recorded in OCI	**(10.6)**	**9.2**
Total of components of defined benefit cost	**(18.9)**	**(0.8)**

Principal actuarial assumptions

The principal actuarial assumptions used at the reporting date are as follows:

EUR million	31 Dec 2014	31 Dec 2013
Discount rate (range; weighted average in %)	0.6 - 3.8; 2.7	1.3 - 4.7; 3.8
Expected future salary increases (range; weighted average in %)	1.5 - 2.5; 2.3	1.5 - 2.5; 2.3
Expected inflation rate (range; weighted average in %)	2.0; 2.0	2.0 - 2.3; 2.1
Initial trend rate (range; weighted average in %)	2.0 - 7.5; 6.1	2.0 - 8.0; 5.5
Ultimate trend rate (range; weighted average in %)	2.0 - 6.0; 4.5	2.0 - 5.0; 3.8
Years until ultimate is reached	0 - 5; 3,7	0 - 6; 3.3

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% (2013: 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 2014 of 18 to 24 for males (2013: 18 to 24) and 21 to 28 (2013: 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 2014
Discount rate -0.5%	13.5
Discount rate +0.5%	(12.2)
Expected future salary increase - 0.5%	(1.0)
Expected future salary increase + 0.5%	1.0
Expected inflation rate - 0.5%	(0.4)
Expected inflation rate + 0.5%	0.4
Medical cost trend rate -1.0%	(4.2)
Medical cost trend rate +1.0%	5.4
Life expectancy - 1 year	5.2
Life expectancy + 1 year	(5.2)

Expected contributions 2015

The Group expects to make EUR 6.4 million contributions to post-employment defined benefit plans for the year ending 31 December 2015.

30. Trade and other payables

EUR million	31 Dec 2014	31 Dec 2013
Trade payables	536.8	435.6
Other payables	73.7	50.4
Total trade and other payables	**610.5**	**486.0**

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 2014	31 Dec 2013
Current	425.3	294.7
Non-current	89.5	-
Total deferred income	**514.8**	**294.7**

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

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

In December 2014 Nyrstar entered into silver prepay agreements, under which Nyrstar received approximately USD 124.6 million (EUR 102.7 million) prepayment and agreed to physically deliver 9.4 million oz of silver in equal instalments over a six month period ending June 2015. The silver prepayments are amortised into revenue as the underlying silver is physically delivered. As at 31 December 2014, no silver has been delivered.

In June 2013, Nyrstar entered into a silver prepay agreement, under which Nyrstar received a USD 195.8 million (EUR 148.1 million) prepayment and agreed to physically deliver 8.75 million oz of silver in equal instalments over a ten month period ended March 2014. The silver prepayment was amortised into revenue as the underlying silver was physically delivered. As at 31 December 2013, 6.1 million oz of silver have been delivered.

In December 2013, Nyrstar entered into another silver prepay agreement, under which Nyrstar received a USD 50 million (EUR 36.3 million) prepayment and agreed to physically deliver 3.3 million oz of silver in equal instalments over a six month period ended June 2014. The silver prepayment was amortised into revenue as the underlying silver was physically delivered. As at 31 December 2013, no silver has been 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 1.8 million (2013: EUR 5.9 million) has been included in other financial liabilities and the portion of deferred income related to the silver prepay agreement of EUR 1.8 million (2013: EUR 5.9 million) effectively offsets in the income statement.

32. Share-based payments

EUR million	2014	2013
Share based payment expenses, including social security	(4.7)	(5.2)

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. In previous years Nyrstar also had a Co-Investment Plan. The key terms of each Plan are disclosed below:

Notes to the consolidated financial statements

Long Term Incentive Plan

LTIP Grants 4 to 7 were granted between 2011 and 2014 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 2	Grant 3	Grant 4	Grant 5	Grant 6	Grant 7
Number of instruments granted at the grant date	2,003,351	604,407	1,149,398	2,261,628	2,270,961	5,121,113
Effective grant date	30 Jun 2009	30 Jun 2010	30 Jun 2011	30 Jun 2012	30 Jun 2013	5 Sep 2014
Performance period	1 Jan 2009 to 31 Dec 2011	1 Jan 2010 to 31 Dec 2012	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
Vesting date	31 Dec 2011	31 Dec 2012	31 Dec 2013	31 Dec 2014	31 Dec 2015	31 Dec 2016
Settlement (b)	Share	Share	Share	Share	Share	Share
Fair value at grant date (EUR per share) *	2.78	4.25	6.23	1.01	1.37	0.44

* 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 4, Grant 5, Grant 6 and Grant 7 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 2014 and 2013 are:

	2014	2013
Dividend yield	0.0%	3.0%
Expected volatility - Nyrstar share price	45.0%	47.0%
Expected volatility - zinc price	19.0%	24.0%
Expected volatility - MSCI metals and mining index	18.0%	22.0%
Risk free interest rate	1.6%	1.3%
Share price at grant date (in EUR)	2.44	3.30
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 2	Grant 3	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**

	Grant 2	Grant 3	Grant 4	Grant 5	Grant 6	Total
As at 1 Jan 2013	88,871	770,960	1,053,901	2,104,239	-	4,017,971
Initial allocation 30 Jun 2013	-	-	-	-	2,270,961	2,270,961
Forfeitures	-	-	(148,144)	(525,715)	(229,174)	(903,033)
Additions	11,668	4,448	114,173	324,749	69,559	524,597
Expired	-	(388,020)	-	-	-	(388,020)
Settlements	(100,539)	(387,388)	-	-	-	(487,927)
As at 31 Dec 2013	**-**	**-**	**1,019,930**	**1,903,273**	**2,111,346**	**5,034,549**

In 2014 LTIP Grant 4 was settled in cash, whereas in 2013 LTIP Grant 2 and 3 were settled in shares.

In 2014 and 2013, certain employees who joined Nyrstar during the year received LTIP awards under Grants 5 and 6. The fair value of these rights amounted to EUR 0.7 million for 2014 (2013: EUR 0.6 million). There have been no changes to the terms and conditions of the grants.

Modifications to LTIP Grants 3, 4 and 5

No modifications were made to any Plan during 2014.

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

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

Management Committee Co-Investment Plan

A co-investment plan for the members of the NMC was approved by the annual general shareholders' meeting held on 28 April 2010. The effective accounting grant date was 5 May 2010 and the conditions were assessed from the grant date till 15 July 2013, which was the vesting date. For each Nyrstar share that a member of the NMC purchased between 30 April 2010 and 28 June 2010, Nyrstar granted the respective participant on the vesting date, a number of additional Nyrstar shares provided that (a) the participant was still employed by Nyrstar on the vesting date and (b) the participant was still holding the co-investment shares on the vesting date. During the period between 30 April 2010 and 28 June 2010 the members of the NMC purchased 190,000 co-investment shares.

In line with the resolution of the annual general shareholders meeting held at 27 April 2011 the Co-investment Plan has reflected the impact of the March 2011 rights issue by the Company. It was also agreed that additional 95,510 shares of the Company subscribed for by the respective participants in the Co-Investment Plan are considered "Co-investment Shares" for purposes of the Co-Investment Plan. At 30 June 2011 an additional participant has purchased 25,000 shares as participation in the Co-investment plan. The terms and conditions of this participation were consistent with the terms and conditions of the previous Co-investment Plan participations.

The number of matching shares was determined at three measurement dates, i.e. (a) 1 July 2011 (Measurement Date 1), (b) 1 July 2012 (Measurement Date 2) and (c) 1 July 2013 (Measurement Date 3). The number of Matching Shares was the product of the total number of the Co-Investment Shares of the respective Participant and the multiplier determined at the measurement dates. The multiplier was set between zero (lowest multiplier) and four (the highest multiplier) in conjunction with pre-set price points, i.e. pre-set average closing prices of Nyrstar shares during any given full calendar week in the measurement periods (refer to Corporate Governance statement for further details).

The weighted average fair value at the grant dates per share was EUR 14.52.

Movement of Co-Investment Shares:

	2014	2013
As at 1 Jan	-	348,000
Additions	-	-
Expired	-	(261,992)
Forfeitures	-	(86,008)
As at 31 Dec	**-**	**-**

No further Co-Investment shares have been granted in 2012, 2013 or 2014. None of these Co-investment shares vested at the vesting date 15 July 2013, as the performance conditions were not met. No shares out of this plan have therefore been delivered to participants. The fair value of services received in return for the shares qualifying under the co-investment plan is based on the fair value of the awards granted which for financial year 2014 amounts to EUR nil (2013: EUR nil).

Leveraged Employee Stock Ownership Plan (LESOP)

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 recognised 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 recognised in the financial year ended 31 December 2014.

The significant inputs into the valuation model for the LESOP plan granted are:

	2014	2013
Dividend yield	3.0%	3.0%
Risk free interest rate	0.5%	0.5%
Credit spread for a private individual	5.0%	5.0%
Interest rate for borrowing securities	0.5%	0.5%
Share price at grant date (in EUR)	2.44	2.15
Valuation model used	Monte Carlo	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:

	2014	2013
As at 1 Jan	-	-
Initial allocation	3,750,000	3,065,000
Settlements	(2,500,000)	(3,065,000)
As at 31 Dec	**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 2014 amounts to EUR 0.7 million (2013: EUR 0.6 million).

33. Loss per share

(a) Basic loss per share

The basic loss per share is calculated as follows:

EUR million	2014	2013
Loss attributable to ordinary shareholders (basic)	(286.6)	(195.4)
Weighted average number of ordinary shares (basic, in million) [1]	234.6	198.8
Loss per share (basic, in EUR)	**(1.22)**	**(0.98)**

[1)] In relation to the rights offering, the comparative earnings per share for 31 December 2013 have been restated to retroactively reflect the impact of the September 2014 rights issue. As the rights issue was offered at a discount (EUR 1.48) to market value (EUR 2.68), the weighted average number of shares outstanding for 31 December 2014 and 31 December 2013 were adjusted in accordance with IAS 33 Earnings per Share. The adjustment resulted in an increase in the weighted average shares outstanding, both basic and diluted, in 2014 and 2013 of approximately 29 %. Further details of the rights issue and international offering are disclosed in Note 25 Capital.

(b) Diluted loss per share

As the Group incurred a loss for the twelve months ended 31 December 2014, the diluted loss per share EUR 1.22 equals the basic loss per share (EUR 0.98 for the twelve months ended 31 December 2013). The convertible bonds have been anti-dilutive for 2014 and 2013.

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 2014	31 Dec 2013
Trade and other receivables	201.4	174.9
Cash and cash equivalents	498.5	292.3
Commodity contracts used for hedging: assets	23.7	13.9
Embedded derivatives: assets	1.1	1.2
Foreign exchange contracts used for hedging: assets	1.4	-
Foreign exchange contracts used for trading: assets	13.4	11.5
Restricted cash	28.3	7.6
Held to maturity	3.2	2.8
Total	**771.0**	**504.2**

The maximum exposure to credit risk for trade and other receivables at the reporting date by geographic region was:

EUR million	31 Dec 2014	31 Dec 2013
Euro-zone countries	76.0	58.6
Asia	44.0	38.5
United States	11.9	9.4
Other European countries	27.4	23.3
Other regions	42.1	45.1
Total	**201.4**	**174.9**

The maximum exposure to credit risk for trade and other receivables at the reporting date by type of customer was:

EUR million	31 Dec 2014	31 Dec 2013
Wholesale customers	166.4	159.3
End-user customers	35.0	15.6
Total	**201.4**	**174.9**

(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 2014	31 Dec 2013
Not past due	162.6	144.6
Past due 0-30 days	31.2	18.8
Past due 31-120 days	7.0	8.3
Past due 121 days – one year	0.1	2.5
More than one year	0.5	0.7
Total	**201.4**	**174.9**

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 minimise 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:

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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)**

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	(1.9)	(1.9)	(0.4)	(0.5)	(0.8)	(0.2)	-
Loans and borrowings	(959.9)	(1,122.4)	(49.8)	(126.6)	(267.5)	(678.5)	-
Trade and other payables	(486.0)	(485.9)	(480.4)	(3.4)	(1.1)	(1.0)	-
Commodity contracts – fair value hedges	(14.4)	(14.4)	(14.4)	-	-	-	-
Foreign exchange contracts – held for trading	(6.0)	(6.0)	(6.0)	-	-	-	-
Embedded derivatives	(4.3)	(4.3)	(0.2)	(0.2)	(1.7)	(2.2)	-
Total, 31 Dec 2013	**(1,472.5)**	**(1,634.9)**	**(551.2)**	**(130.7)**	**(271.1)**	**(681.9)**	**-**

(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	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)**

EUR million	EUR	USD	AUD	CAD	Other	Total
Trade and other receivables	62.7	85.6	5.6	1.3	19.7	174.9
Loans and borrowings	(956.2)	(2.6)	(1.2)	-	(1.8)	(961.8)
Trade and other payables	(157.8)	(172.9)	(64.6)	(11.1)	(79.6)	(486.0)
Gross balance sheet exposure	**(1,051.3)**	**(89.9)**	**(60.2)**	**(9.8)**	**(61.7)**	**(1,272.9)**
Foreign exchange contracts	412.3	(302.8)	110.7	(213.5)	(1.2)	5.5
Commodity contracts	-	(0.5)	-	-	-	(0.5)
Net exposure, 31 Dec 2013	**(639.0)**	**(393.2)**	**50.5**	**(223.3)**	**(62.9)**	**(1,267.9)**

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 2014 annual average rate	Full year 2013 annual average rate	Variable	2014	2013
EUR / USD	1.329	1.328	+ / - 10%	(107) / 130	(103) / 125
EUR / AUD	1.472	1.378	+ / - 10%	23 / (28)	25 / (31)
EUR / CHF	1.215	1.231	+ / - 10%	4 / (5)	4 / (5)

The above sensitivities were calculated by modelling Nyrstar's 2014 and 2013 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 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	(67.7)	(13.2)	-	-	(80.9)
Contracts sold	2,234	142.7	0.5	-	-	143.2
Net position		**75.0**	**(12.7)**	**-**	**-**	**62.3**
Lead	per tonne					
Contracts purchased	1,878	(6.8)	-	-	-	(6.8)
Contracts sold	2,015	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**

The following table sets out a summary of the notional value of derivative contracts hedging commodity price risks at 31 December 2013.

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	1,962.0	(81.7)	(9.0)	-	-	(90.7)
Contracts sold	1,916.0	76.5	0.6	-	-	77.1
Net position		**(5.2)**	**(8.4)**	**-**	**-**	**(13.6)**
Lead	per tonne					
Contracts purchased	2,252.0	(0.3)	-	-	-	(0.3)
Contracts sold	2,110.0	65.4	-	-	-	65.4
Net position		**65.1**	**-**	**-**	**-**	**65.1**
Silver	per ounce					
Contracts purchased	19.6	(8.0)	-	-	-	(8.0)
Contracts sold	20.6	96.7	-	-	-	96.7
Net position		**88.7**	**-**	**-**	**-**	**88.7**
Gold	per ounce					
Contracts purchased	1,204.6	(0.8)	-	-	-	(0.8)
Contracts sold	1,252.3	4.9	-	-	-	4.9
Net position		**4.1**	**-**	**-**	**-**	**4.1**
Copper	per tonne					
Contracts purchased	-	-	-	-	-	-
Contracts sold	7,208	2.9	-	-	-	2.9
Net position		**2.9**	**-**	**-**	**-**	**2.9**

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 2014 annual average price	Full year 2013 annual average price	Variable	2014	2013
Zinc price	$2,164	$1,909	+ / - 10%	76 / (72)	57 / (53)
Lead price	$2,096	$2,141	+ / - 10%	4 / (4)	4 / (4)
Silver price	$19.1	$23.8	+ / - 10%	8 /(8)	9 / (9)
Zinc TC	$223	$211	+ / - 10%	26 / (26)	23 / (23)
Lead TC	$195	$213	+ / - 10%	4 / (4)	4 / (4)

The above sensitivities were calculated by modelling Nyrstar's 2014 and 2013 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	-	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)**

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	-	20.6	-	-	6.0	-	26.6
Trade and other receivables excl prepayments	174.9	-	-	-	-	-	174.9
Cash and cash equivalents	292.3	-	-	-	-	-	292.3
Restricted cash	7.6	-	-	-	-	-	7.6
Held to maturity	-	-	2.8	-	-	-	2.8
Investments in equity securities	-	-	-	27.5	-	-	27.5
Borrowings excl finance lease liabilities	-	-	-	-	-	(959.9)	(959.9)
Finance lease liabilities	-	-	-	-	-	(1.9)	(1.9)
Derivative financial instruments	-	(20.4)	-	-	(4.3)	-	(24.7)
Trade and other payables	-	-	-	-	-	(486.0)	(486.0)
Net position, 31 Dec 2013	**474.8**	**0.2**	**2.8**	**27.5**	**1.7**	**(1,447.8)**	**(940.8)**

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 2015 and 2017 respectively. The 2017 swaps have been designated as qualifying cash flow hedges.

Notes to the consolidated financial statements

(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 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)**

	31 Dec 2013			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	292.3	-	**292.3**	2.9	(0.3)	2.9	(0.3)
Restricted cash	-	7.6	**7.6**	-	-	-	-
Held to maturity	-	2.8	**2.8**	-	-	-	-
Financial liabilities:							
Loan facility	-	(4.3)	**(4.3)**	-	-	-	-
Borrowings - fixed rate bonds	-	(734.2)	**(734.2)**	-	-	-	-
Borrowings - convertible bonds	-	(221.4)	**(221.4)**	-	-	-	-
Finance lease liabilities	-	(1.9)	**(1.9)**	-	-	-	-
Net interest bearing financial assets / (liabilities)	**292.3**	**(951.4)**	**(659.1)**	**2.9**	**(0.3)**	**2.9**	**(0.3)**

Sensitivity caluclations 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 823.9 million (2013: EUR 734.2 million) and the convertible bonds of EUR 106.0 million (2013: EUR 221.4 million), with fair values based on quoted prices in active markets (Level 1 measurement), of EUR 843.0 million (2013: EUR 672.6 million), and EUR 125.0 million (2013: EUR 211.4 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 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)**

EUR million	Valuation technique (s) and key input (s)	Level 1	Level 2	Level 3	Total as at 31 Dec 2013
Commodity contracts – fair value hedges	a	-	9.1	-	9.1
Commodity contracts – cash flow hedges	a	-	4.8	-	4.8
Foreign exchange contracts – held for trading	b	-	11.5	-	11.5
Embedded derivative	c	-	1.2	-	1.2
Total		**-**	**26.6**	**-**	**26.6**
Commodity contracts – fair value hedges	a	-	(14.4)	-	(14.4)
Foreign exchange contracts – held for trading	b	-	(6.0)	-	(6.0)
Embedded derivative	c	-	(4.3)	-	(4.3)
Total		**-**	**(24.7)**	**-**	**(24.7)**

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

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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 2014	31 Dec 2013
Within one year	116.8	14.2
Between one and five years	1.0	-
More than five years	-	-
Total	**117.8**	**14.2**

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 2014	31 Dec 2013
Within one year	4.6	4.7
Between one and five years	10.9	12.1
More than five years	0.9	2.6
Total	**16.4**	**19.4**

37. Contingencies

Legal actions

No environmental incidents with material business consequences occurred in 2014. Regulatory processes associated with actual and alleged non-compliances with environmental regulations were, however, initiated at Nyrstar's Peruvian operations. While the outcomes of the proceedings are currently unknown, the potential for site-specific consequences of a significant nature cannot be excluded. The proceedings include:

At Contonga, the National Water Authority (ANA) initiated sanction processes related to instances of non-compliance with water discharge limits established in the site's effluent permit. Engineering solutions to return the site to compliance are being developed in parallel with efforts to modify the permitted effluent discharge limits. Penalties allowed for under Peruvian legislation include fines or withdrawal of the permit; however on the basis of the actions currently being taken Nyrstar's assessment is that material regulatory penalties are unlikely to be incurred.

At Coricancha, the environmental regulator (OEFA) initiated a sanction process related to alleged instances of non-compliance identified during an inspection in April 2013. Nyrstar has filed a legal defence contesting OEFA's findings and Nyrstar's assessment is that material regulatory penalties are unlikely to be incurred.

Addition to the above Nyrstar is the subject of a number of claims and legal proceedings incidental to the normal conduct of its business. Management does not believe that such claims and proceedings are likely, on aggregate, to have a material adverse effect on the financial condition of Nyrstar.

38. Related parties

(a) Transactions with related parties

No transactions with related parties occurred in the years ended 31 December 2014 and 2013.

(b) Key management compensation

Board of directors

EUR million	2014	2013
Salaries and other compensation	0.5	0.5

Nyrstar Management Committee

EUR million	2014	2013
Salaries and other compensation	7.0	6.5
Pension benefits	0.6	0.7
Share based payments	2.5	2.6

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.

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	2014	2013
Audit services	92.0	102.0
Audit related services	228.9	35.6
Tax services	20.4	61.5
Total Deloitte Bedrijfsrevisoren	**341.3**	**199.1**
Audit services	879.7	824.4
Audit related services	-	35.1
Tax services	73.9	69.2
Non-audit services	-	-
Total other offices in the Deloitte network	**953.6**	**928.7**

Notes to the consolidated financial statements

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 2014	Ownership 31 Dec 2013
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%
Nyrstar Finance International NV	RPR 0889.716.167	Belgium	100%	100%
Nyrstar Sales & Marketing NV	RPR 0811.219.314	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%	-
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%	-
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. Amendment of previously issued 31 December 2014 consolidated financial statements

These consolidated financial statements have been authorised for issue by the board of directors of Nyrstar NV on 25 March 2015 and replace the Company's consolidated financial statements previously issued on 5 February 2015.

The Company has determined that the developments related to the Zinc Streaming Agreement as described in note 16 and note 19 represent an adjusting subsequent event under IAS 10: "Events after the reporting period" and materially impact the recoverable value of the Zinc Streaming Agreement as at 31 December 2014. To enhance the relevance of information contained in the consolidated financial statements the Company has amended and has reissued its 31 December 2014 consolidated financial statements to reflect the non-cash impairment of the Company's Zinc Streaming Agreement.

As a result of the amendment, the original reported loss for the year of EUR 89.8 million has increased to EUR 286.6 million and original total equity has decreased from EUR 1,155.1 million to EUR 955.3 million.

The table below summarises the changes in the consolidated income statement between the original and reissued consolidated financial statements:

EUR million	**2014**	**2014**
	Original	**Reissued**
Impairment loss	(9.2)	(255.1)
Result from operating activities	**9.1**	**(236.8)**
Loss before income tax	**(97.8)**	**(343.8)**
Income tax benefit / (expense)	8.1	57.2
Loss for the year	**(89.8)**	**(286.6)**
Attributable to:		
Equity holders of the parent	(89.8)	(286.6)
Loss per share for loss attributable to the equity holders of the Company during the period (expressed in EUR per share)		
basic	0.38	1.22
diluted	0.38	1.22

42. Subsequent events

With the exception of the event disclosed in note 16 and note 19, there have been no material reportable events subsequent to 31 December 2014.

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 2014**

The original text of this report is in Dutch

Deloitte Bedrijfsrevisoren / Reviseurs d'Entreprises
Burgerlijke vennootschap onder de vorm van een coöperatieve vennootschap met beperkte aansprakelijkheid /
Société civile sous forme d'une société coopérative à responsabilité limitée
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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 2014

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 2014, the consolidated income statement, the consolidated statement of comprehensive loss, 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 3,584.0 million EUR and the consolidated income statement shows a consolidated loss (group share) for the year then ended of 286.6 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 the 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

Deloitte.

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 2014, 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

This report replaces our statutory auditor's report of 4 February 2015 following an amendment of the issued consolidated financial statements by the board of directors as described in note 41 to the consolidated financial statements.

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, 25 March 2015

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 2014

Nyrstar NV summarised (non-consolidated) financial statements as at 31 December 2014

The annual accounts prepared under Belgian GAAP are presented below in summarised 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 2014	As at 31 December 2013
ASSETS		
Non-current assets	**2,439,286**	**2,182,107**
Formation expenses	9,515	3,435
Property, plant and equipment	2	5
Financial assets	2,429,769	2,178,667
Current assets	**980,639**	**1,088,696**
Receivables > 1 year	405,375	742,767
Receivables < 1 year	389,253	259,182
Current investments	112,106	35,432
Cash	3,236	-
Accrued income	70,669	51,096
Total assets	**3,419,925**	**3,270,803**
LIABILITIES		
Shareholders' equity	**2,436,064**	**2,182,838**
Issued share capital	34,005	370,649
Share premium	2,143,411	1,555,133
Legal reserve	16,257	16,257
Undistributable reserves	37,106	35,432
Retained earnings	205,285	205,367
Provisions for risks and charges	**3,482**	**3,302**
Liabilities	**980,379**	**1,084,663**
Non-current Liabilities	622,156	838,982
Current Liabilities	358,223	245,681
Total equity and liabilities	**3,419,925**	**3,270,803**

Income Statement

EUR thousands	As at 31 December 2014	As at 31 December 2013
Operating income	10,415	9,341
Operating charges	(13,308)	(14,718)
Operating result	**(2,893)**	**(5,377)**
Financial income	58,407	135,954
Financial charges	(50,813)	(85,542)
Ordinary result before taxes	**4,701**	**45,035**
Extraordinary income	387	-
Income taxes	(3,496)	(3,360)
Net result	**1,592**	**41,675**
Result allocation		
Retained earnings from prior year	205,367	168,224
Addition to the legal reserves	-	2,083
Addition to the other reserves	1,674	2,449
Profit/loss to be carried forward	205,285	205,367

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.

Die casting A process for producing parts in large quantities, by injecting molten metal under pressure into a steel die.

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.

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.

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.

Notes

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ANNUAL REPORT

An interactive version of this report
is available on the Nyrstar website:
www.nyrstar.com
Dit rapport is ook beschikbaar
in het Nederlands.
Ce rapport est aussi disponible en français.

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