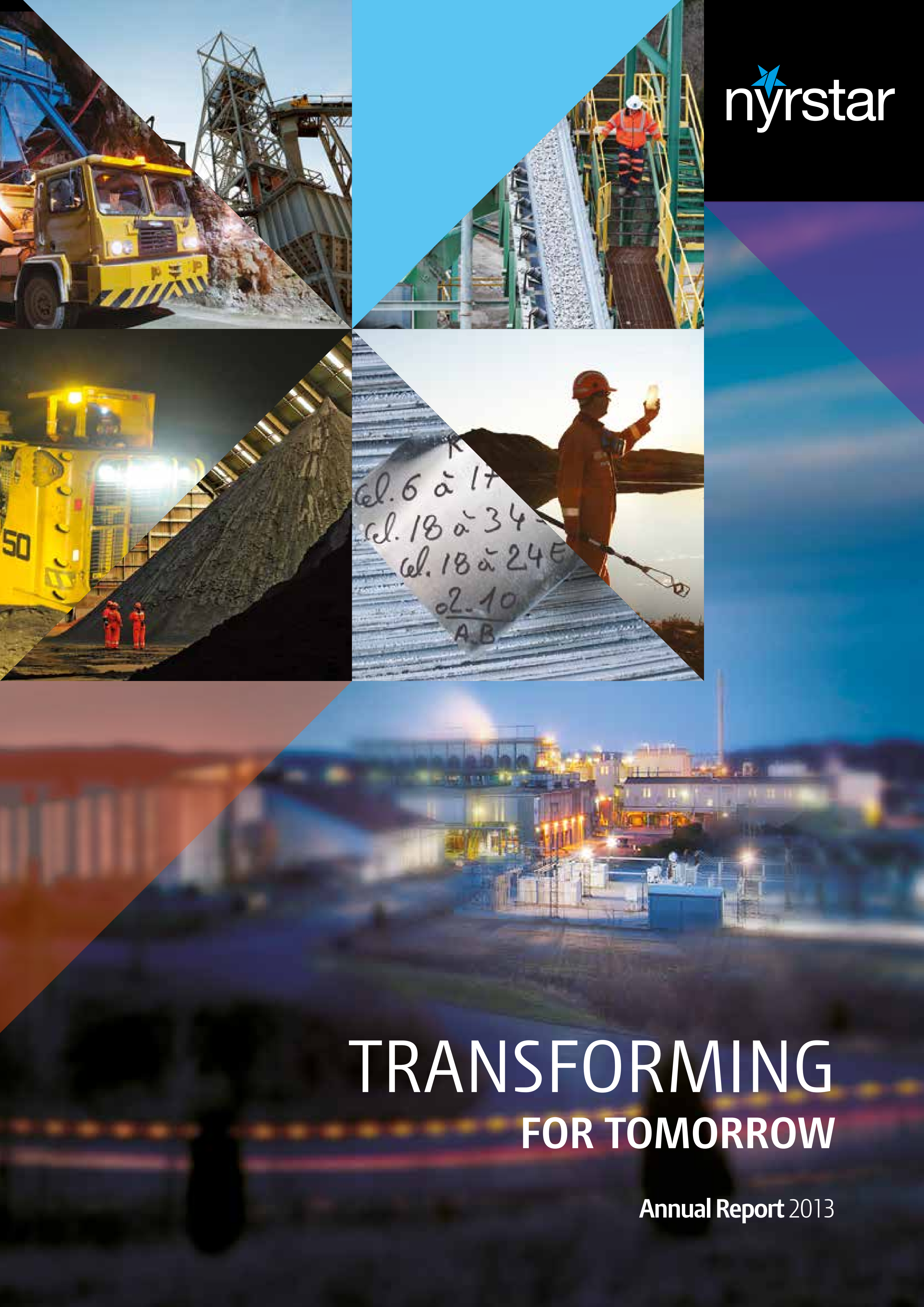


nyrstar

TRANSFORMING
FOR TOMORROW

Annual Report 2013

“Transforming our business to meet the challenges of tomorrow.”

ROLAND JUNCK, CEO

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, China and Europe, and employs approximately 6,600 people.

Discover the 2013 production and financial details on:

www.nyrstar.Annual-Report.be/2013

ANNUAL REPORT 2013

KEY FIGURES 2013

MINING PRODUCTION	2013	2012	2011
Zinc in concentrate ('000 tonnes)*	285	312	207
Gold ('000 troy ounces)	75.2	94.6	49.9
Silver ('000 troy ounces) [1]	4,746	5,517	3,673
Copper in concentrate ('000 tonnes)	12.9	13.0	7.7
METALS PROCESSING PRODUCTION[2]			
Zinc metal ('000 tonnes)	1,088	1,084	1,125
Lead metal ('000 tonnes)	179	158	195
MARKET			
Average LME zinc price (USD/t)	1,909	1,946	2,191
Average exchange rate (EUR/USD)	1.33	1.28	1.39
KEY FINANCIAL DATA (EUR million)			
Group Revenues	2,824	3,070	3,348
EBITDA [3]	**185**	**221**	**265**
Mining EBITDA	78	129	72
Metals Processing EBITDA [3]	149	135	235
Other & Eliminations EBITDA [3]	(43)	(43)	(42)

KEY FINANCIAL DATA	2013	2012	2011
Results from operating activities before exceptional items	(46)	(6)	122
Loss for the period	(195)	(96)	36
EBITDA/t [6]	135	158	199
Mining EBITDA/t [4]	274	413	348
Metals Processing EBITDA/t [5]	118	109	209
Underlying EPS (EUR) [7]	(0.83)	(0.44)	0.38
Basic EPS (EUR)	(1.27)	(0.57)	0.24
Capital Expenditure (CAPEX)	200	248	229
CASH FLOW AND NET DEBT			
Net operating cash flow	299	362	121
Net debt/(cash), end of period	670	681	718
Gearing [8]	43.5%	37.0%	35%

*Numbers include Talvivaara zinc in concentrate production figures.

2013 HIGHLIGHTS FIGURES

299€ million

NET OPERATING CASH FLOW

million 200€

DISCIPLINED CAPEX CONTROL, AT THE LOW END OF GUIDANCE (DOWN 19% ON 2012)

43€ million

cost savings with a total target of EUR 75 million through Group wide review of operating costs.

KEY SHARE FACTS

FOR THE YEAR ENDED 31 DECEMBER	2013	2012	2011
Market capitalisation	EUR 392,752,077	EUR 764,081,313	EUR 1,037,137,518
Ordinary shares	170,022,544	170,022,544	170,022,544
Treasury shares	15,338,429	7,345,826	9,413,138
Free float	85%	85%	85%
Gross capital distribution	EUR 0	EUR 0.16	EUR 0.16
Underlying EPS (12 months to 31/12)	EUR (0.83)	EUR (0.55)	EUR 0.38
Closing share price	EUR 2.31	EUR 4.49	EUR 6.10
Intra day high	EUR 4.72 (14/01/2013)	EUR 7.74 (08/02/12)	EUR 10.62 (13/01/11)
Intra day low	EUR 2.03 (19/11/2013)	EUR 3.24 (26/07/12)	EUR 5.51 (23/11/11 and 25/11/11)
Average daily number of shares 2013	624, 569	1,036,883	993,666

FINANCIAL CALENDAR

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

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

[1] 75% of the silver produced by Campo Morado is subject to a streaming agreement with Silver Wheaton Corporation whereby USD 3.90/oz is payable. In 2013, Campo Morado produced approximately 1,156,000 troy ounces of silver.
[2] Includes production from Metals Processing segment only. Zinc production at Föhl, Galva 45 & Genesis.
[3] All references to EBITDA in the table above 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. Underlying EPS does not consider the tax effect on underlying adjustments. 2012 group underlying EBITDA restated (previously EUR 220 million) due to Nyrstar adopting international accounting standard IAS 19R (see notes to the Interim Condensed Consolidated Financial Statements for the period ended 31 December 2013).
[4] Mining segment underlying EBITDA per tonne of zinc in concentrate produced.
[5] Metals Processing segment underlying EBITDA per tonne of zinc metal produced.
[6] Group underlying EBITDA per tonne of zinc in concentrate and zinc metal produced
[7] Underlying measures exclude exceptional items related to restructuring measures, impairment of assets, material income or expenses arising from embedded derivatives recognised under IAS 39 and other items arising from events or transactions clearly distinct from the ordinary activities of Nyrstar. Underlying EPS does not consider tax effect on underlying adjustments.
[8] Gearing: net debt to net debt plus equity at end of period.

average Zinc price
1,909 USD/t
DOWN 2% ON 2012

million
185€
UNDERLYING EBITDA
(2012: -16%)

Net debt
670€ million
AT THE END OF 2013

CHAIRMAN AND CEO STATEMENT

During 2013, despite a challenging year, we continued our transformation into an integrated mining and metals business to meet the challenges of tomorrow. Our Group underlying EBITDA of EUR 185 million decreased 16% from 2012. This decline was partly driven by tough macroeconomic headwinds and markedly weaker commodity prices, particularly copper, gold and silver prices, and also company-specific challenges. However, particularly from the second half of the year onwards, we note solid underlying performance, especially in cash generation, cost control and management of capital expenditure.

FINANCIAL OVERVIEW

Mining segment EBITDA was down 40% on 2012 at EUR 78 million, adversely impacted by lower commodity prices, operational challenges during the first half and significantly reduced deliveries from Talvivaara. We remain keenly focused on improving the performance of our Mining segment. During the second half of 2013, we commenced an asset level Mining Strategic Review aimed at identifying opportunities to make a step-change improvement in the Mining segment's operational and financial performance.

Metals Processing EBITDA was up 10% on 2012 at EUR 149 million. This was driven by higher realised premiums and the recognition of a EUR 45 million termination fee received from Glencore that compensated Nyrstar for agreeing to end the European component of its commodity grade metal off-take contract, partially offset by lower average acid prices.

We continue to seek sustainable cost reductions across our entire business through Project Lean. We achieved costs savings at the end of 2013 of EUR 43 million and are confident of achieving our targeted cost savings of EUR 75 million by the end of 2014. Net debt at the end of 2013 was EUR 670 million, down 11% on the first half of 2013 and we have committed undrawn liquidity headroom and cash on hand of EUR 721 million at the end of 2013. The Metals Processing segment generated strong cash flows at the end of 2013 driven by our effective management of working capital and capital expenditure. During 2013 we successfully refinanced the EUR 120 million bond maturing in 2014 with new EUR 120 million convertible bonds due 2018.

As a result of our disciplined approach, capital expenditure in 2013 was significantly down on the prior year at EUR 200 million and at the bottom end of our 2013 guidance.

SEGMENT OPERATIONAL PERFORMANCE

Our operational performance was impacted by a number of planned maintenance shuts across our Metals Processing segment and, disappointingly, operational events across our Mining segment. Most notably, the Mining segment was affected by a two-month suspension of mining operations at Campo Morado due to a licensing issue. Whilst own mine zinc in concentrate production in the second half of 2013 was down marginally on the first half of 2013, this largely reflected the focus on gold at El Toqui. Full year own zinc in concentrate production was 271,000 tonnes (in line with our 2013 guidance, although down 4% on 2012). Lead in concentrate production was marginally down on our guidance whilst the production of other metals (copper, gold and silver) was in line with guidance. Deliveries of zinc in concentrate from Talvivaara of 14,000 tonnes in 2013 were significantly down on 2012 (30, 000 tonnes). Talvivaara's liquidity position weakened further in H2 2013 and Nyrstar is now actively participating with a number of stakeholders in Talvivaara's corporate reorganisation process which commenced in Q4 2013.

Our Metals Processing segment had a strong year, with a new half-yearly record in zinc metal production in the second half of 2013. As a result, zinc metal production was at the top end of our 2013 guidance (and in line with 2012). Production of other metals in Metals Processing (lead, copper, silver, gold and indium) was broadly in line with the first half of 2013 and above 2012 performance.

STRATEGY

Nyrstar achieved a number of important strategic milestones during 2013. We continued to progress the proposed redevelopment of the Port Pirie smelter into an advanced poly-metallic processing and recovery facility, providing an opportunity to strengthen and further diversify Group earnings. Following the in-principle funding and support agreement reached in December 2012 with the Australian Federal and South Australian Governments, we signed an implementation agreement with the Australian Federal Government's Export Finance and Insurance Corporation, providing a framework and timetable for this important component of the funding package. We progressed the final investment case, including detailed engineering studies and the completion of the pre-feasibility study. We continue to work with

the Australian Federal and South Australian Governments and are now working through the final feasibility study. We expect to make an announcement in early 2014.

In addition, following the completion of a thorough strategic review of our smelting business during 2013, we have developed and externally validated a transformation blueprint of approximately 25 projects aimed at capturing non-realised value in Nyrstar-controlled feed material. Nyrstar completed its first investment in the transformation, and first project within the blueprint, in Q4 2013 with the acquisition of ERAS Metal (now Nyrstar Hoyanger).

In H2 2013, Nyrstar successfully concluded negotiations for a strategic offtake and marketing partnership with the Noble Group for 200,000 tonnes per annum of commodity grade zinc metal. In parallel with the partnership in Europe with Noble, we have also established a strong Marketing, Sourcing & Sales group, which will actively position Nyrstar within key markets.

OUR PEOPLE

We have made significant progress in our long term strategic repositioning which is supported by a strong and dedicated workforce of approximately 6,600 people. Our performance remains the result of their commitment and dedication for the business which is underpinned by our corporate culture, the Nyrstar Way. On behalf of the Board of Directors, we would like to sincerely thank all of our employees worldwide.

The health and safety of our employees, contractors and communities is a core element of our company values. Incident rates in the Metals Processing segment remain at record low levels and there have been substantial improvements in the Mining segment as a result of a strong safety focus at the mines. Our environmental performance, based on our recordable incidents rates, improved by more than 34% in 2013.

OUR STAKEHOLDERS

We would like to thank all of our shareholders, customers, suppliers and the communities around our sites for their continued support and trust in Nyrstar and our ongoing transformation.

Given our strong commitment to support the opportunities identified by the Company's growth strategy, our Board of Directors has decided not to propose to shareholders a distribution for the full year 2013.

LOOKING FORWARD

Looking ahead, we recognise that 2014 is an important year for Nyrstar and while there are early signs of improving conditions across the markets in which we operate, we are conscious of the need for a prudent and disciplined approach to managing the business to ensure that it is sustainable for the long term. With this in mind, we continue to actively progress the Port Pirie redevelopment and the initiatives identified following the outcome of the Smelting Strategic Review, supported by a more advanced Marketing, Sourcing & Sales strategy and look forward to the results of the Mining Strategic Review. We continue to execute the Group's strategy and remain convinced that our unique industrial footprint, ownership of raw materials and commercial focus provide a unique opportunity to generate value to our shareholders.

JULIEN DE WILDE
CHAIRMAN OF THE BOARD OF DIRECTORS

ROLAND JUNCK
CHIEF EXECUTIVE OFFICER

NYRSTAR BOARD OF DIRECTORS

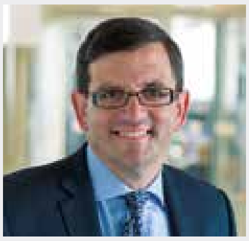
Oyvind Hushovd, *Non-Executive Director*; Carole Cable, *Non-Executive Director*; Julien De Wilde, *Chairman*; Karel Vinck, *Non-Executive Director*; Ray Stewart, *Non-Executive Director*; Roland Junck, *Chief Executive Officer*.

THE NYRSTAR MANAGEMENT COMMITTEE ('NMC')

Michael Morley, *Senior Vice President Metals Processing & Chief Development Officer*; Bob Katsiouleris, *Senior Vice President Marketing, Sourcing & Sales*; Heinz Eigner, *Chief Financial Officer*; Roland Junck, *Chief Executive Officer*; Graham Buttenshaw, *Senior Vice President Mining*; Russell Murphy, *Chief Human Resources, Safety & Environment Officer.*

New Members of the NMC

Graham Buttenshaw,
Senior Vice President
- Mining



Bob Katsiouleris,
Senior Vice President
- Marketing, Sourcing
& Sales

Graham Buttenshaw assumed responsibility for leading the Company's global mining operations. Since joining Nyrstar in 2012, he has built up a strong new mining leadership team, based out of our mining head office in Ft. Lauderdale, Florida (USA) with the responsibility of managing our 12 operating mines at eight sites in six countries across the Americas. Prior to Nyrstar, Mr. Buttenshaw amassed extensive global mining experience working both within global mining houses such as BHP Billiton and in global mining contractors such as Redpath and Henry Walker Eltin. Previously he was Vice President South America at Redpath Limited, a global mining contractor.

Bob Katsiouleris assumed responsibility for the Company's raw materials strategy, marketing and sales of finished products and trading. Prior to joining Nyrstar in January 2013, Mr. Katsiouleris was the Chief Commercial Officer for Rio Tinto Minerals and brings more than 20 years of experience in industrial minerals and metals sales, marketing, operations, processing, finance and purchasing.

New Members of the Nyrstar Management Committee 'NMC'

"Through our Nyrstar2020 vision to be the leading integrated mining and metals business, we have grown significantly over the past five years from a pure smelting business with six operating sites to an integrated mining and metals business with sixteen operating sites and a global commercial function. We have reached a point in the strategic journey of the Company where it was important for our continued growth that we created direct lines of sight within the management committee for each of our three core value drivers namely: Mining, Metals Processing and Marketing, Sourcing & Sales. I am happy to welcome Graham Buttenshaw and Bob Katsiouleris to the NMC to lead our Mining and Marketing, Sourcing & Sales segments, respectively."

ROLAND JUNCK
CHIEF EXECUTIVE OFFICER

STRATEGY
INTO ACTION

NYRSTAR TENNESSEE MINES, USA

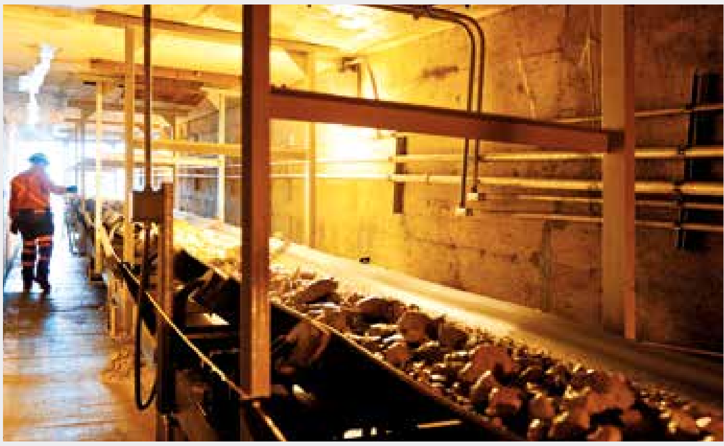
NYRSTAR OPERATING MODEL AND STRATEGY

Nyrstar's industrial footprint of mining and smelting assets provides a unique opportunity to capture non-realised value and deliver on our strategic mission to capture the maximum value inherent in mineral resources. In 2013, we transformed our business into three core value-driving segments: Mining, Metals Processing, and Marketing, Sourcing & Sales to be better aligned with the Company's growing metals and mining business. This new structure will streamline both mining and metals processing activities and allow for increased commercial synergies throughout our integrated network.

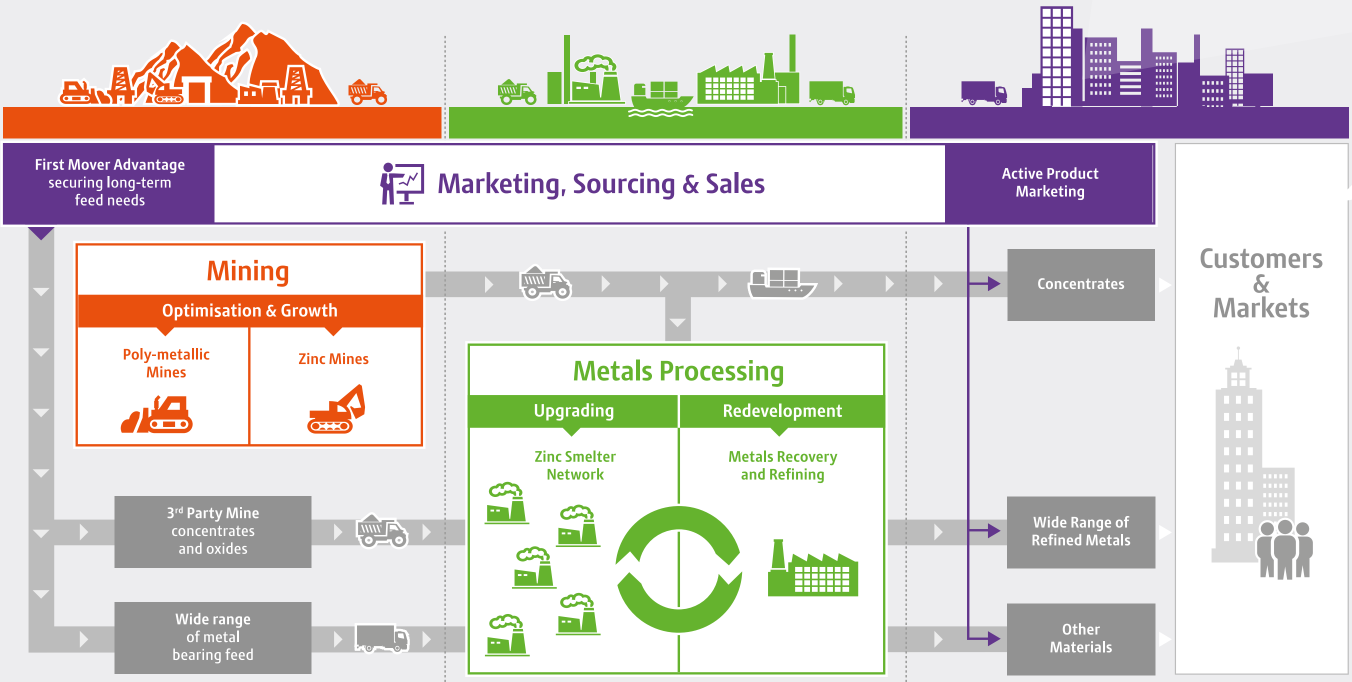
Alongside the organisational changes, several initiatives were launched in 2013 to position Nyrstar for a long-term sustainable future. We progressed the final investment case in 2013 for the redevelopment of Port Pirie into an advanced metals recovery and refining facility which will further diversify Group earnings. Building on the Port Pirie redevelopment, Nyrstar launched a strategic review of its zinc smelting (Smelting Strategic Review) operations, which led to the development of a transformation blueprint of approximately 25 projects to capture un-realised value from residue materials.

We also commenced an asset level Mining Strategic Review to improve the Mining segment's operational and financial performance. This is being undertaken in two phases: firstly, a preliminary turnaround phase to ensure that all assets are delivering to their full potential; and secondly, a more strategic phase which will link specifically to the Smelting Strategic Review programme to maximise the advantages that both programmes can deliver.

Finally, in 2013 we created a new Marketing, Sourcing & Sales team to support the implementation of the offtake and marketing agreement with Noble, the European zinc metal plan and the overall global commercial strategy.



Nyrstar Operating Model



Looking Forward to 2014

Entering 2014, we will leverage the synergies built by our new organisational structure to stabilise and transform our operations, to build lasting and sustainable results. We will:

- Provide visible leadership to safety and environmental performance
- Deliver planned increases in mining production
- Continue to actively work with other stakeholders on Talvivaara
- Drive cost and capital discipline across the Group
- Achieve key milestones for Mining Strategic Review, Smelting Strategic Review and Port Pirie Redevelopment to deliver sustainable shareholder value
- Execute defined commercial strategy, aligned to Nyrstar's integrated business and operating model which develops and captures maximum value
- Leverage and grow the capabilities of the Nyrstar leadership group to deliver commitments.

For further information please visit:

http://www.nyrstar.com/about/Pages/Strategy.aspx

STRATEGY INTO ACTION

In 2013, Nyrstar continued to execute on Nyrstar2020, a strategic initiative aimed at positioning the company for a long-term sustainable future as the leading integrated mining and metals business. To help us deliver on our strategy we introduced Strategy into Action into our business. Strategy into Action is a disciplined approach to embedding our strategy into every part of the business and is now in its third year of implementation. Through this process, Nyrstar has built a robust annual planning process that distributes ownership and responsibility for Group strategy across each segment and site operation in a transparent and measurable way. Each year we critically review strategic plans and priorities to ensure we adequately respond to the current operating environment enabling us to deliver on our strategic mission. Our 2013 strategic priorities addressed four key pillars:

Living the Nyrstar Way

Shaping our unique culture through seven distinctive values that define how we work

Deliver Sustainable Growth

Growth through further acquisitions and the optimisation of existing assets

Unlocking Untapped Value

Continually challenging the way we think about and work on our assets, products and processes in order to release hidden value

Achieve Excellence in Everything we do

Market-driven business with an unrelenting focus on continuous improvement across all of our operations and functions

Strategy Into Action in 2014

Responding to the current operating environment our 2014 strategic priorities focus on the following three pillars:

Keep our Word

Develop and deliver realistic plans that meet stakeholder needs.

The main strategic goals of this pillar are to ensure that our three segments and corporate centre deliver on their commitments whilst ensuring world class safety and environmental performance.

Transform for Tomorrow

Execute strategic initiatives to develop in the future.

The main strategic goals of this pillar are to ensure we focus on innovation and technology across our business; develop opportunities for growth to generate value; build a market oriented business and lastly, ensure that we build and sustain an organisation that supports collaboration.

Unleash our Potential

Enhance our capabilities by investing in our people and processes.

Lastly, this pillar is fundamental to ensuring our business can deliver on pillar one and two. This pillar focuses on developing the potential of our people, processes and culture, to ensure we have an environment that fosters growth and transformation.

Our 2014 strategic plans place a strong emphasis on our commitment to delivering our plans, to transforming our business and to creating value for our stakeholders while recognising that our people, processes, and values as defined by the Nyrstar Way are key to our success in 2014 and beyond.

"Strategy into Action plays an important role in ensuring we have robust plans in place to deliver on our promises across our business. The initiative is not only an effective way of planning, but also of keeping employees informed of what we need to achieve and ensuring we maintain our focus on execution throughout the year. It is equally disciplined and flexible, allowing our plans and focus areas to evolve over time to respond to new market developments and business needs."

MICHAEL MORLEY
SVP METALS PROCESSING & CHIEF DEVELOPMENT OFFICER

YEAR IN REVIEW

January - March

Nyrstar enters strategic hedging arrangements with respect to zinc, gold and silver prices

Capitalizing on the volatility of the metal markets, Nyrstar entered into a number of short term strategic hedges in 2013. In Q1, Nyrstar entered into short-term strategic hedging arrangements for 20kt tonnes per month of zinc. Strategic hedges with respect to silver (1.6m toz) and gold (36k toz) were also carried out through the year. The total cost for entering into these hedging arrangements was approximately USD 7 million resulting in an EBITDA contribution of EUR 36.4 million.

16 april

Termination of European Zinc Offtake Agreement

Nyrstar reached a settlement with Glencore compensating Nyrstar for agreeing to end the existing European Off-take Agreement for the sale and marketing of commodity grade zinc metal.

24 april

Nyrstar Foundation 2012 Winner

Nyrstar Foundation awarded the 2012-2013 'Education' grant to 'MyMachine 1+1=3'. A project that targets children who want to develop their own dream machine. MyMachine aims to leverage its unique methodology to promote creativity and entrepreneurship in education in developing countries.

07 may

Keynote speech

Speaking about the way Nyrstar approached the commercial side of our business, Bob Katsiouleris, Senior Vice President for Marketing, Sourcing & Sales, gave the keynote speech at the Metal Bulletin Zinc and its Markets Conference in Amsterdam.

23 may

Port Pirie Redevelopment

Nyrstar reached an important milestone in the funding package for the proposed transformation of the Port Pirie smelter in Australia into an advanced metals recovery centre. The Company signed an implementation agreement with the Australian Export Finance and Insurance Corporation that provides a framework and timetable for this component of the funding package.

24 june

New organisational structure

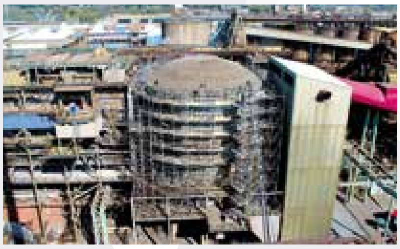
Nyrstar created three distinct business segments: Mining, Metals Processing and Marketing, Sourcing & Sales, ensuring that the organisational structure is better aligned with the Company's long-term strategy defined by Nyrstar 2020.

11 july

Balen smelter turnaround

The Balen smelter successfully completed a massive 11-week roaster turnaround, required approximately once every 30 years. The project involved work across operations in Europe to stockpile calcine in order to minimise disruptions in production. Work was completed within budget and on-time, without any safety or environmental incidents, and met all quality requirements.

Watch the Nyrstar Balen turnaround 2013 video on Youtube



23 july
CSR program awarded

Nyrstar El Mochito won, for the fifth consecutive year in a row, a Honduran National Award for being a socially responsible company. The award was granted by FUNHDARSE, the Honduran Foundation for Corporate Social Responsibility, and recognises outstanding work in the fields of Corporate Social Responsibility and Community Relations.

31 august
Tailings upgrade completed

After 15 years and a total investment of just under USD 30 million, Myra Falls completed the seismic upgrade of its old Tailings Disposal Facility (TDF) and is preparing it for closure and reclamation.

17 september
Successful Bond offering

Nyrstar successfully issued EUR 120 million of convertible bonds with institutional investors.

19 september
Global Nyrstar safety campaign

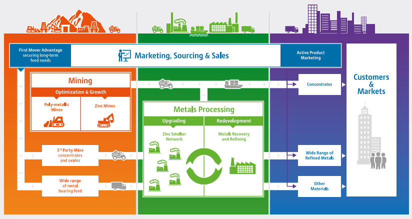
The safety and health of our employees is of utmost importance to Nyrstar. In September, Nyrstar launched a safety communications campaign called Life Saving Rules, further strengthening our safety commitment to our employees worldwide.

1 october
Off-take and marketing agreement

Nyrstar entered a strategic off-take and marketing agreement with Noble Group to market and sell a significant portion of commodity grade zinc metal produced at its European smelters. For Nyrstar, the agreement represents a major step forward in delivering a new global commercial strategy.

29 october
Nyrstar strategy update

Nyrstar presented the completed Smelting Strategic Review and the pre-feasibility study of the proposed Port Pirie Redevelopment. The SSR has identified an attractive portfolio of investments in multi-metals recovery and an overall Metals Processing Transformation blueprint that provides a unique and compelling business case. The pre-feasibility study has confirmed the technical and environmental capability of the lead smelter transformation into an advanced metals recovery and refining facility.



1 november
Acquisition Eras

Nyrstar acquired ERAS Metal (now Nyrstar Hoyanger), a fuming plant in Hoyanger, Norway. The plant operates a fumer which produces zinc oxides from processing electric arc furnace dust. The acquisition of ERAS is the first investment and project within Nyrstar's Smelting Strategic Review blueprint. Nyrstar intends to upgrade the plant to process residues from our smelters which are currently sold to third parties.

More on www.nyrstar2013.be

MINING

LANGLOIS,
CANADA

MINING

Key figures

	2013	2012
MINING PRODUCTION		
Zinc in concentrate ('000 tonnes)[2]	285	312
Gold ('000 troy ounces)	75.2	94.6
Silver ('000 troy ounces)[1]	4,746	5,517
Copper in concentrate ('000 tonnes)	12.9	13.0

[1] 75% of the silver produced by Campo Morado is subject to a streaming agreement with Silver Wheaton Corporation whereby USD 3.90/oz is payable. In 2013, Campo Morado produced approximately 1,156,000 troy ounces of silver.

[2] Includes Talvivaara zinc in concentrate production.

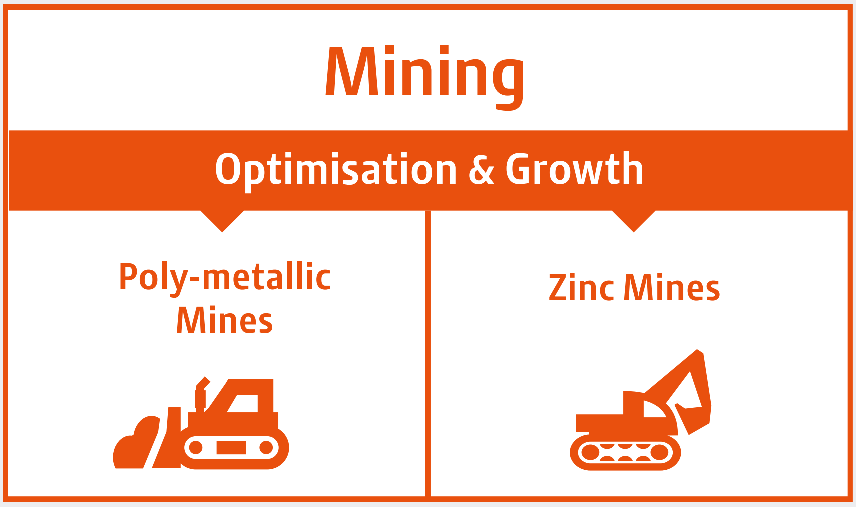
OWN MINING PRODUCTION OF
271kt
OF ZINC IN CONCENTRATE

MINING EBITDA OF
78€ MILLION
IN 2013

Following the implementation of structural changes to our management team in 2013, we appointed Graham Buttenshaw as Senior Vice President, Mining to lead the newly created Mining segment, which consists of 12 operating mines at eight sites across six countries in the Americas.

Mining segment EBITDA was down 40% on 2012 at EUR 78 million, being adversely impacted by lower commodity prices (principally gold and silver prices), operational challenges during the first half of 2013 and significantly-reduced deliveries from Talvivaara. Actions were implemented in the second half to refocus the performance of the segment and deliver a sustainable and profitable business result within the wider footprint of the integrated business base model.

In 2013, the volume of zinc in concentrate produced at Nyrstar's own mines (excluding deliveries under the Talvivaara zinc stream) was 271, 000 tonnes, achieving the 2013 guidance of 265,000 to 280,000 tonnes although down 4% on 2012. The decline in production was principally driven by the two-month suspension of operations at the Campo Morado mine in Mexico due to a licensing issue. Total zinc in concentrate was down 9% on 2012 as a result of fewer deliveries of zinc concentrate from Talvivaara under the zinc streaming agreement. Lead in concentrate production was below guidance and lower than 2012 production largely due to a deliberate production trade-off at Contonga whereby lower lead production was replaced by higher-value copper. Copper



in concentrate production was in line with 2013 guidance, only marginally lower than the prior year production, despite being affected by the suspension at Campo Morado.

Silver production was in line with management's guidance of 4.7 to 4.9 million troy ounces; however, it was lower than 2012 production by 14%, with the shortfall coming from the suspension at Campo Morado and from Coricancha where operations were placed on care and maintenance in H2 2013.

Gold production of 75,200 troy ounces marginally exceeded guidance of 65,000 to 75,000 troy ounces. El Toqui contributed strongly to Nyrstar's doubling of gold production in H2 2013 compared to H1 2013; however, the suspension at Campo Morado and halted operations at Coricancha reduced 2013 production by 21% compared with 2012.

In the Mining segment, Myra Falls won the British Columbia John T. Ryan Award in recognition of their 2012 safety performance. A 'back to basics' plan was initiated across all mines with an objective of building the foundations of strong health & safety management systems and cultures.

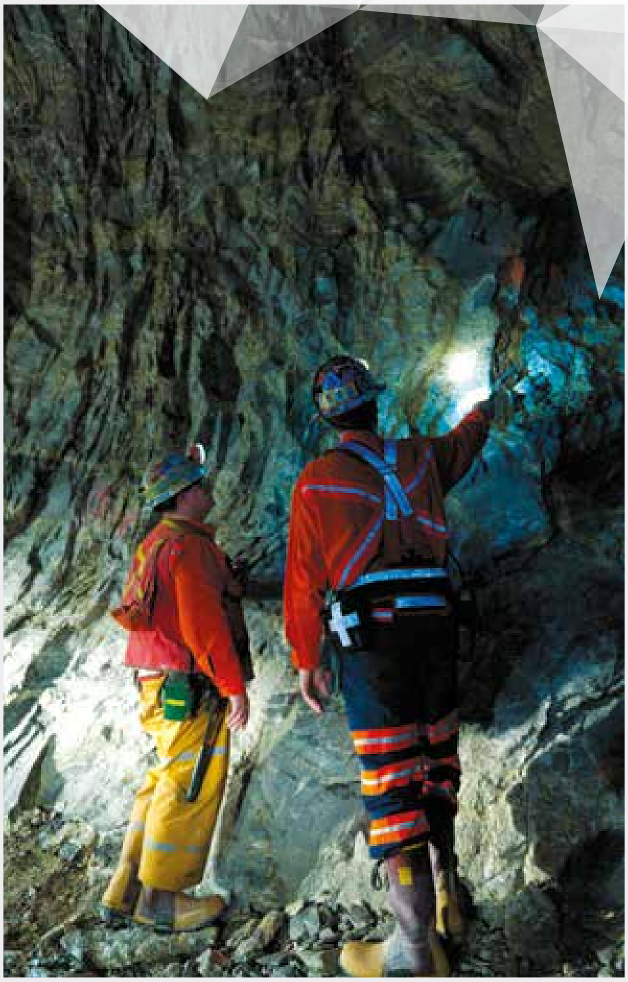
A total of 24 Recordable Environmental Incidents[3] were reported in 2013 in the Mining segment, representing a significant decrease relative to the 32 incidents recorded in 2012.

Production Guidance for 2014

across Nyrstar's portfolio of mining assets is as follows:

METAL IN CONCENTRATE	PRODUCTION GUIDANCE
Zinc (own mines) *	280,000 – 310,000 tonnes
Lead	15,000 – 18,000 tonnes
Copper	12,000 – 14,000 tonnes
Silver **	4,750,000 – 5,250,000 troy ounces
Gold	65,000 – 70,000 troy ounces

[3] A Recordable Environmental Incident is defined as an environmental event requiring notification to the relevant regulatory authority and that also constitutes a non-compliance with regulatory requirements.
* Excluding zinc deliveries under the Talvivaara Streaming Agreement.
** 75% of the silver produced by Campo Morado is subject to a streaming agreement with Silver Wheaton Corporation whereby only USD 3.90/oz is payable.



"Throughout 2013, our Mining segment did not perform to our expectations due to operational and administrative challenges across a number of our sites. These issues served as the principal drivers for restructuring the business mid-year in order to provide mining-specific leadership to our operations. The Mining team used the second half of 2013 to begin a segment wide re-evaluation and optimisation of our current assets as a precursor to a more strategic review, which will be implemented in 2014. Entering 2014 with a resourced and focused leadership team, integrated within the wider Nyrstar footprint and coupled with operating assets that are better-prepared and focused on the prevailing market conditions, positions us well for a successful year and a sustainable future."

GRAHAM BUTTENSHAW
SVP, MINING

COMMUNICATIONS AND TEAMWORK BOLSTER GERMANIUM VALUE FROM THE TENNESSEE MINES

In 2013, communication and teamwork between Nyrstar Tennessee Mines and the Clarksville smelter resulted in improved processing and recovery of germanium and gallium from Middle Tennessee Mines. With a thorough understanding of the smelter's needs, Middle Tennessee Mines commissioned a regrind processing circuit to deliver more finely ground concentrates to the smelter. As a result, Clarksville is now able to produce an upgraded and more valuable product. with higher germanium and gallium content.

Mining Segment Delivers on Project Lean

During 2013, Nyrstar continued to deliver solid progress against Project Lean, our programme to realise sustainable cost reductions. In the Mining Segment, we achieved further employee and contractor headcount reductions via rationalisation and insourcing of mining contractors and shift system optimisation, with the total number to date exceeding 1,500 FTEs.

Capital Expenditure

Sustaining and Compliance	EUR 40 – 45 million
Exploration, Development and Growth	EUR 65 – 75 million
TOTAL	EUR 105 – 120 million

TENNESSEE MINES DELIVERED IMPROVED PERFORMANCE PRODUCING

121kt

ZINC IN CONCENTRATE

UP 11% ON 2012

For further information please visit:

http://www.nyrstar.com/operations/pages/mining.aspx


METALS
PROCESSING
OVERPELT,
BELGIUM

METALS PROCESSING

Metals Processing EBITDA was up 10% on 2012 at EUR 149 million. This was driven by higher realised premiums and the recognition of the EUR 45 million termination fee from Glencore that compensated Nyrstar for agreeing to end the European component of its commodity grade metal off-take contract, partially offset by lower acid prices. The Metals Processing segment generated strong cash flows driven by effective management of working capital and capital expenditure.

Our operational performance in H1 2013 was impacted by a number of planned maintenance shuts. Despite this, the metals processing segment had a very strong operational year, with a new half-yearly record in zinc metal production in H2 2013. As a result zinc metal production of 1,088,000 tonnes was at top end of our guidance (and in line with 2012). Production of other metals in Metals Processing (lead, copper, silver, gold and indium) was broadly in line with H1 2013 and above 2012 performance.

The health and safety performance variance across the Metals Processing segment reduced significantly as a consequence of a strong health and safety network and exchange of practices between the sites. Auby operated without a lost time injury for an 18 month period. The number of cases involving restricted works or lost time injuries (DART) was below 5 at 4.8 at the end of the year. A corporate health and safety audit was completed across the smelters as part of our Assurance Program.

Key figures

EUR million unless otherwise indicated	2013	2012
Treatment charges	337	338
Free metal contribution	244	242
Premiums	127	115
By-Products	215	221
Other	(111)	(64)

1088 tonnes

OF ZINC METAL
PRODUCED IN 2013

A total of 10 Recordable Environmental Incidents[2] were reported in 2013 in the Metals Processing segment, representing a significant decrease relative to the 22 incidents recorded in 2012. The improved incident record is attributed to strengthened environmental regulatory compliance processes and to the effectiveness of improvement actions implemented in response to events experienced in 2012.

Production Guidance for 2014

Nyrstar expects to produce 1.0 – 1.1 million tonnes of zinc metal in 2014. 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.

Key figures

	2013	2012
METALS PROCESSING PRODUCTION[1]		
Zinc metal ('000 tonnes)	1,088	1,084
Lead metal ('000 tonnes)	179	158
OTHER PRODUCTS		
Copper cathode ('000 tonnes)	4	3
Silver (million troy ounces)	17.9	13.8
Gold ('000 troy ounces)	66	56
Indium metal (tonnes)	33	13
Sulphuric acid ('000 tonnes)	1,389	1,388

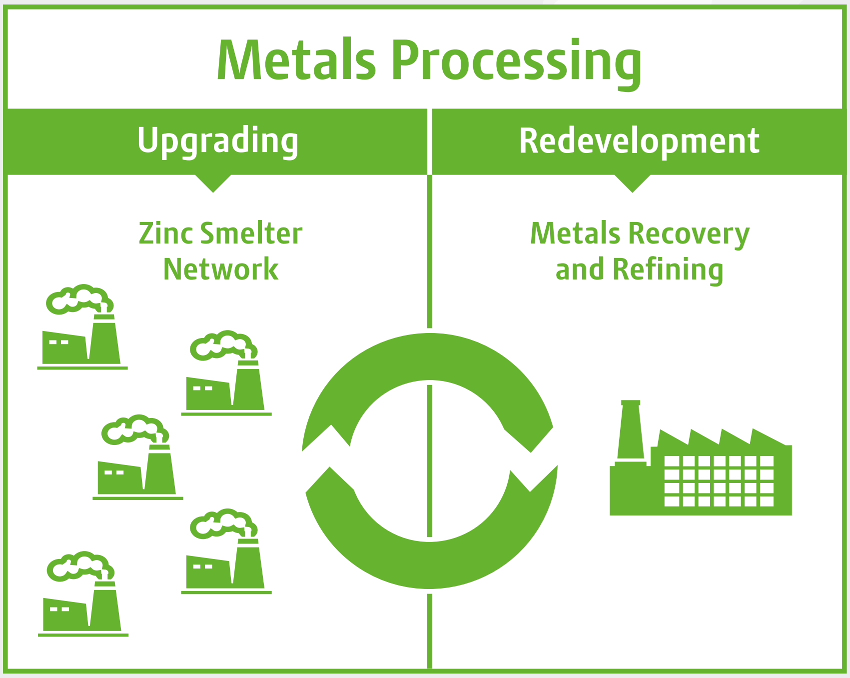
METALS PROCESSING **EBITDA**

149€ million

IN 2013
UP 10% ON 2012.

[1] Includes production from Metals Processing segment only. Zinc production at Föhl, Galva 45 & Genesis.

[2] A Recordable Environmental Incident is defined as an environmental event requiring notification to the relevant regulatory authority and that also constitutes a non-compliance with regulatory requirements.



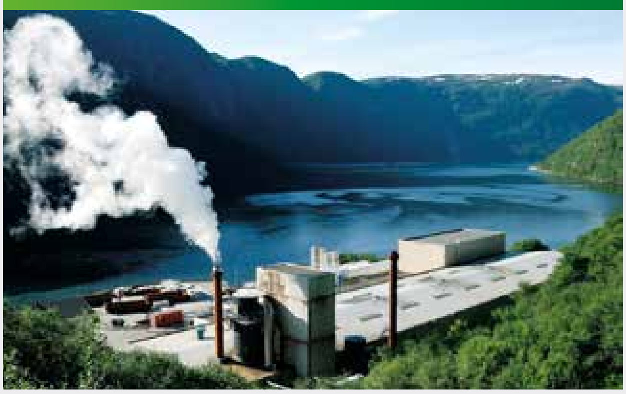
SMELTING STRATEGIC REVIEW

Leveraging the proposed Port Pirie redevelopment and following the completion of a thorough strategic review of our zinc smelting business, in October 2013, we announced that Nyrstar had developed and externally validated a transformation blueprint of approximately 25 projects aimed at capturing un-realised value in Nyrstar-controlled feed material. Nyrstar completed its first investment in the transformation and first project within the blueprint, in Q4 2013 with the acquisition of ERAS Metal (now Nyrstar Hoyanger). Nyrstar expects the sequencing of additional investments to continue in 2014 and the completion of the full transformation by early 2017.

Where appropriate, Nyrstar may pursue these investments over a longer period in a manner whereby returns generated by earlier investments could fund subsequent investments. Such a timeline could result in investments starting in 2014 and the completion of the full transformation by late 2019.

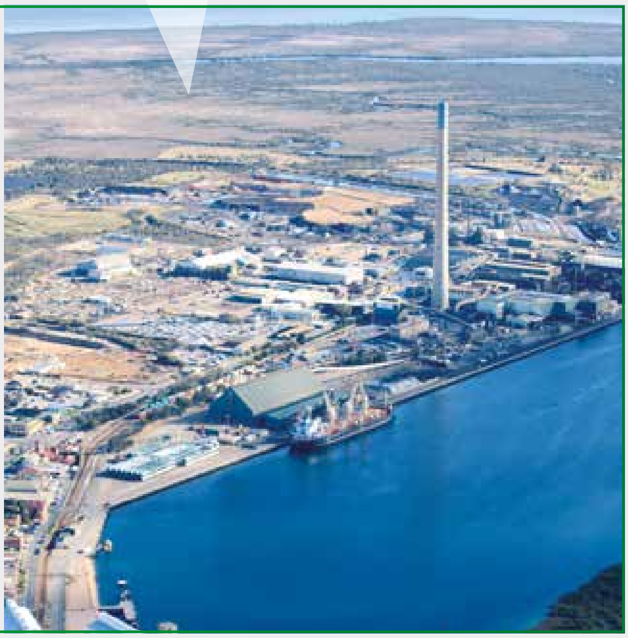
NYRSTAR HOYANGER

Nyrstar's first investment into the blueprint was the acquisition of ERAS Metal (now Nyrstar Hoyanger) for approximately EUR 5 million. The plant operates a fumer which currently produces zinc oxides from processing electric arc furnace dust, a feed from the steel industry. Over the course of 2014, invest approximately an additional EUR 2 million, to upgrade the plant to process residues from Nyrstar smelters' which are currently sold to third parties.



PORT PIRIE REDEVELOPMENT

In 2013, we continued to actively progress the proposed redevelopment of the Port Pirie smelter into an advanced poly-metallic processing and recovery facility. Following the in-principle agreement reached in December 2012, we signed an implementation agreement with the Australian Export Finance and Insurance Corporate in May 2013, providing a framework and timetable for this important component of the funding package for the redevelopment. We progressed the final investment case, including detailed engineering studies and the completion of the pre-feasibility study. Nyrstar is now working through the final feasibility study and will provide an update during the course of Q1 2014.



INSIGHTS BEHIND THE SMELTING STRATEGIC REVIEW

The Smelting Strategic Review team started their work in late 2012 in order to identify opportunities to sustainably improve the profitability of our Metals Processing segment. The team systematically challenged how we view and operate our metals processing network and explored opportunities to fundamentally transform the segment's operating and business model. Led by a dedicated project team of internal and external multi-disciplinary professionals, thousands of scenarios were modelled using different technologies, feed mixes, macroeconomic parameters and capacities to arrive at a final transformation blueprint.

With investments into technical modifications and in optimising our metals processing network, we will be positioned to capture untapped value in our unique asset footprint of zinc mines, poly-metallic mines, zinc smelters and a lead smelter.

The blueprint projects are categorised under three main areas: de-bottlenecking smelters, building fuming capacity and minor metals extraction. The transformation, and its focus on these three main areas, will help us build flexibility within our system and take advantage of market opportunities.

For further information please visit:

http://www.portpirietransformation.com/index.php/news

MARKETING, SOURCING AND SALES

MARKETING, SOURCING & SALES

In 2013, we established a Marketing, Sourcing & Sales segment responsible for building a new commercial strategy. The strategy consists of working with the Mining and Metals Processing segments to create, secure and maintain first mover advantage in obtaining the feed-stock and inputs to produce products that are marketed using our deep market insight and sold at above industry returns.

In October, we entered into a strategic offtake and marketing agreement with the Noble Group ("Noble") representing a major step in executing our new global commercial strategy. The agreement with Noble is to market and sell 200,000 tonnes per annum of commodity grade zinc metal (special high grade and continuous galvanising grade) produced at our European smelters.

The agreement follows a structured process undertaken by Nyrstar in Q2 and Q3 2013 to determine the most suitable channel(s) to market and sell commodity grade zinc metal produced at our European smelters. This was triggered by the end of the European component of the Commodity Grade Off-take Agreement with Glencore Xstrata. During the process Nyrstar determined that the best way to market our European commodity grade zinc metal is through a multi-channel approach. As a result, the newly formed Marketing, Sourcing & Sales segment is directly selling, marketing and financing the remaining 160,000 tonnes (approximately) of commodity grade zinc metal produced in Europe with a number of market participants.

For Nyrstar, the agreement represents a first step in executing a European zinc metal plan aimed at actively marketing Nyrstar's products to increase optionality in terms of customers, product mix and geography. By leveraging Noble's market-leading supply chain expertise and trading capabilities, and utilising Nyrstar's industrial assets and European zinc market insights, we will be flexible and responsive to changing end-user requirements.

"The strategic off-take and marketing agreement with Noble is an exciting commercial opportunity and represents a major step in executing Nyrstar's new global commercial strategy. The agreement with Noble is much more than a traditional off-take. It is an active marketing agreement, by which Noble and Nyrstar will target markets where there is real demand for Nyrstar's products. We believe our new global commercial strategy, of which our agreement with Noble is central, will deliver strategic and financial benefit to Nyrstar moving forward."

BOB KATSIOULERIS,
SVP MARKETING, SOURCING & SALES

2013 Key Achievements

2013 was a year of transformation for Nyrstar's commercial strategy.

- To support the implementation of the new commercial strategy, Nyrstar has made a number of senior level appointments to Marketing, Sourcing & Sales to build its capabilities and market insight.
- Nyrstar introduced a new strategic marketing function to the organisation to define the commercial strategy and direction. They are also responsible for creating value for the business based on supply and demand fundamentals, market competitive intelligence, segmentation and optionality.
- Nyrstar entered into a strategic offtake and marketing agreement for some of its European commodity grade metal with Noble Group starting January 2014.

200k tonnes

EUROPEAN OFFTAKE
AND STRATEGIC MARKETING
WITH NOBLE GROUP

- Discussions on direct sales, marketing and financing opportunities continue with a number of market participants for remaining European volumes, as Nyrstar believes the best way to market its product is through a multi-channel approach. This could include placing commodity grade zinc metal and other products in offshore markets, a route which was tested during Q3 2013.
- Nyrstar entered tenders for concentrates for the first time and held key contract negotiations with a number of suppliers.

Building on progress made in 2013, the new commercial strategy will deliver innovative and sustainable commercial solutions to Nyrstar, drawing on the strengths of our market insights and our global reach.

MARKET OVERVIEW

A challenging trading environment driven by tough macroeconomic headwinds and subdued base metal prices.

Key figures

Average prices	FY 2013	FY 2012	% Change
Exchange rate (EUR/USD)	1.33	1.28	4%
Zinc price (USD/tonne, cash settlement)	1,909	1,946	(2)%
Lead price (USD/tonne, cash settlement)	2,141	2,061	4%
Copper price (USD/tonne, cash settlement)	7,322	7,950	(8)%
Silver price (USD/t.oz, LBMA AM fix)	23.79	31.15	(24)%
Gold price (USD/t.oz, LBMA AM fix)	1,410	1,662	(15)%

Note: Zinc, lead and copper prices are averages of LME daily cash settlement prices.
Silver and gold prices are averages of LBMA AM daily fixing prices.

Despite improving global growth in 2013, the trading environment was challenging with subdued base metals prices. With the exception of brief rallies in early and late 2013, sideways trading conditions were the main feature for base metals during 2013. The improving global economic conditions and a strengthening dollar index accounted for significant depreciations for precious metals during 2013.

EXCHANGE RATE

The Euro strengthened against the US Dollar by almost 4% although punctuated by brief periods of weakness when concerns regarding European Sovereign debt emerged. Whilst this development has been negative from an EBITDA perspective this has had the effect of rebalancing Europe from excessive reliance on exports towards consumption-led growth which has led to a pick-up in European industrial demand.

BASE METAL SUMMARY

A recovery of developed world economic growth created headwinds for base metals as investment flows shifted from base metals in favour of equities and the dollar index strengthened. Additionally, the government transition and slowing growth of the Chinese economy resulted in lukewarm sentiment towards industrial metals and, as such, price ranges were largely range-bound throughout most of the year.

ZINC

The average zinc price declined by 2% in 2013 to USD 1,909/t per tonne compared to USD 1,946/t in 2012. Whilst zinc prices remained range-bound throughout most of the year, key end use sectors for zinc continued to grow at a healthy pace with global consumption growth estimated to have grown by 4% in 2013 according to Wood Mackenzie. Zinc supply was impacted by a curtailment of smelting production outside of China and strong import demand into the Chinese market induced by a favourable arbitrage throughout most of the year. This translated into increasing global premiums throughout most of the year. Zinc staged a rally in December, aided in part by an announcement that the Century zinc mine would close earlier than previously announced.

LEAD

The average lead price increased modestly during 2013, appreciating by almost 4%. End-use demand continued to grow at a healthy pace on a global basis, although softened from 4.9% growth in 2012 to an estimated 3.6% in 2013, according to Wood Mackenzie. The outlook is more positive with 2014 consumption growth expected to rise to 4.6%. The medium-term outlook is characterised by supply-side shortages, tougher environmental regulation and refined market deficits which is supportive of higher prices.

COPPER

The average copper price in 2013 was USD 7,322/t an 8% decline compared to USD 7,950/t in 2012. It is estimated by Wood Mackenzie that global copper consumption, which includes direct use of scrap, will have increased by 5.6% in 2013, a significant improvement compared to almost flat consumption growth in 2012. This resulted in significant tightness in the refined copper market in 2013. Whilst the copper concentrate market is understood to be in a surplus, copper mine production continues to face setbacks and disruptions and this continues to support prices.

GOLD & SILVER

Increasing confidence regarding global growth as well as stronger United States dollar index created downward pressure to precious metals with the average gold price 15% lower in 2013. Average silver prices depreciated by approximately 24% in 2013 from 2012 as industrial demand for silver weakened.

SULPHURIC ACID

In 2013, prices achieved by Nyrstar on sales of sulphuric acid, which are predominantly based on contracts rather than the spot market, declined significantly from an average of USD 80 per tonne in H1 2013 to an average of USD 40 per tonne in H2 2013. The sulphuric acid market suffered as sulphur prices fell, largely due to constrained fertiliser demand in India and China. Nyrstar expects that the sulphuric acid market will remain challenged throughout 2014 with prices expected to be lower than those experienced in H2 2013.

CORPORATE RESPONSIBILITY

PORT PIRIE,
AUSTRALIA

OUR APPROACH TO SUSTAINABILITY

At Nyrstar, we are committed to responsible and sustainable business practices and recognise that this is a prerequisite for the success of our company. The Nyrstar Way encourages us to prevent harm, create value and maintain open and honest relationships with our stakeholders and this provides the foundation of our organisational culture.

To succeed in delivering value to our shareholders, we must balance economic, environmental and social objectives in managing our business. This balance is evident in the Strategy into Action (SIA) process which involves the development of annual Balanced Business Plans (BBPs). All BBPs, whether developed at Group, Segment or Site level, include targets for safety, health, environment, community and other sustainability areas. The integrated and balanced nature of the BBP process ensures that sustainability objectives and initiatives receive the same attention as other core business areas and are subject to regular reviews by the Nyrstar senior leadership team.

In 2013, we continued the development and implementation of our Group Safety, Health, Environment and Community (SHEC) Framework 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. While promoting consistency, the Framework is designed to give operational management the necessary latitude to adapt their implementation strategies to local context, requirements and needs. During the past year, we also launched a new Group Standard for risk management and conducted risk workshops across a majority of our sites.

Sustainability Report

Nyrstar publishes a separate Sustainability Report that presents our sustainability performance during the past year. This year marks the sixth year that we report externally on sustainability matters. The Sustainability Report can be downloaded from our website: http://www.nyrstar.com/sustainability

"Sustainability is central to our ability to execute on our Nyrstar2020 vision. By focusing on sustainability we create value for our stakeholders, enhance our reputation, and discover innovative and efficient ways of running our business. It is a source of competitive advantage and helps us secure our social license to operate."

RUSSELL MURPHY
CHIEF HUMAN RESOURCES, SAFETY & ENVIRONMENT OFFICER

37%
REDUCTION IN RECORDABLE ENVIRONMENTAL INCIDENTS

AUBY REDUCED RECORDABLE INJURY FREQUENCY RATE BY
50%

2.9€
COMMUNITY INVESTMENT
9% INCREASE FROM 2012

SAFETY AND HEALTH

We aim to provide a work environment where all hazards are effectively identified and controlled, and where each employee takes responsibility for their 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.

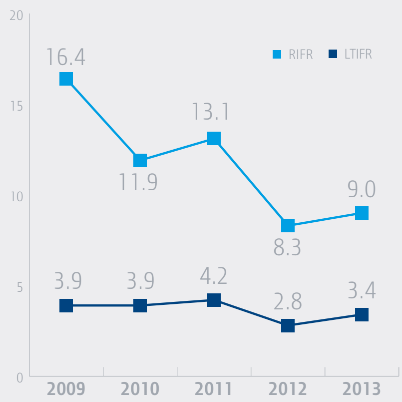
As our company has transitioned from a pure smelting operation into an integrated metals and mining business, we have refined our safety management priorities and programmes accordingly. As our mines typically have less developed safety cultures than our smelters, the focus of some of our safety initiatives has shifted towards the management of key risks and the day-to-day hazards inherit in our workplace. 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.

We also launched a communications campaign on Mobile Equipment Safety in order to raise the awareness concerning the hazards of working in areas with mobile equipment. In the Mining Segment, mine rescue training was completed at all mines and new mine rescue equipment was acquired to a standardised level across the sites.

Tragically, despite our continued safety efforts, two Nyrstar employees were fatally injured in March and September 2013 while working at the Campo Morado and Contonga mines, respectively. Risk scenarios were conducted across all mines to prevent the recurrence of similar situations.

Our 2013 Total Recordable Injury Frequency Rate (RIFR) remained relatively flat at 9.0 compared to 8.3 in 2012. This confirmed the significant reduction (37%) achieved in 2012. After a 50% reduction in 2012, the 2013 Lost Time Injury Frequency Rate (LTIFR) increased by 20% to 3.4 compared to 2.8 in 2012.

Injury Rates (Per Million Hours Worked)



Improving Safety Performance at the Auby Smelter

In 2013, our Auby smelter achieved a 50% reduction in their recordable injury frequency rate compared to 2012, and operated for 18 months without a single lost time injury.

In August 2012, the Auby smelter faced a turning point. Prior to August, Auby suffered one lost time injury every two months and more than one recordable injury a month. At this time, we met for two days with the full extended Leadership Team and reflected on the causes of this high incident rate. We realised that we had pockets of good achievements; however they were neither systematic nor standardised across the different teams and departments. As a result of this meeting, we developed an action plan. Unlike previous ones, this plan was not to introduce more tools or programs. We took a new approach and implemented a solution to standardise and effectively integrate safety practices into everything we are doing, at all levels of the organisation. We institutionalised safety into the way we work.

As a result of this program we have seen a significant decrease in lost time injuries across the smelter. We are proud of our achievements, but do not take our efforts for granted. A focus on safety must be sustained and constant in the long run. We worked hard in 2013 to achieve measurable progress and will continue to strengthen our performance moving forward.

ENERGY AND ENVIRONMENT

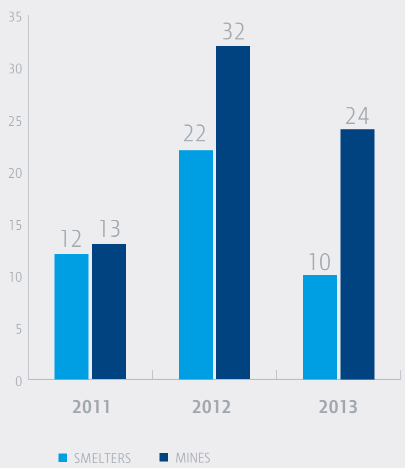
Mining and metals operations unavoidably affect the environment and minimising environmental impacts represents one of the principal challenges for our industry.

Recognising the importance of environmental performance to our business success, we take the management of environmental risks very seriously and responsible environmental stewardship is integrated into our business planning, management systems and day-to-day operational decision making.

In 2013, we continued the implementation of our environmental performance standards which set out our expectations with respect to the management of key environmental risks. We also saw a substantial improvement in the number of Recordable Environmental Incidents, decreasing from 54 incidents in 2012 to 34 incidents in 2013. Recordable Environmental Incidents is our key measure for regulatory compliance and is defined as a non-compliance event that requires notification to the environmental authorities.

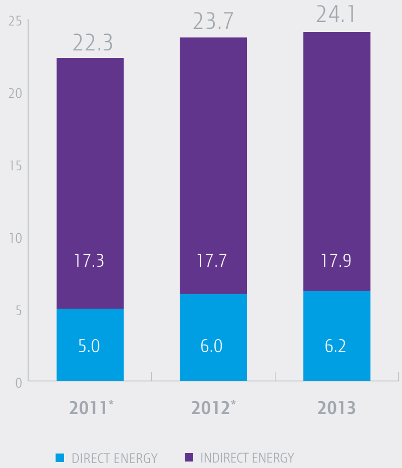
Our energy and greenhouse gas performance remained relatively unchanged in 2013 compared to the year before. In 2013, we consumed a total of 24.1 petajoules (PJ) of energy and emitted 2.54 million tonnes of greenhouse gases (measured as carbon dioxide equivalent tonnes). In both cases, this represented an increase of 2% compared to 2012. 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 programs.

Recordable Environmental Incidents[1]



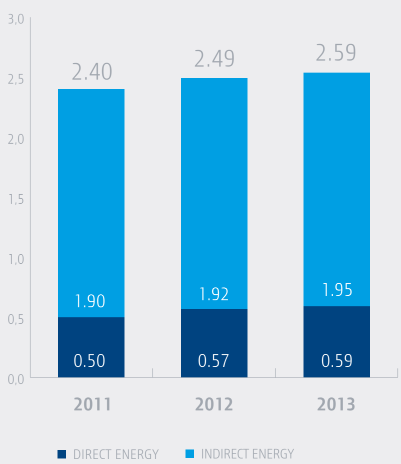
Energy usage[2]

(Petajoules)



Greenhouse Gas Emissions[2]

(CO_2-e million tonnes)



[1] 2012 and 2013 data includes all Nyrstar mines and smelters; 2011 data includes all smelters and Tennessee Mines.

[2] 2012 and 2013 data includes all Nyrstar mines and smelters; 2011 data includes all smelters, Tennessee Mines and Campo Morado.

Stormwater Recycling at Hobart

The majority of the process water used at the Hobart smelter is supplied by Tasmania's water corporation, TasWater. More than three million m³ of potable water was sourced from the TasWater supply in 2012, representing almost 10% of the total Derwent River extraction for potable supply to Southern Tasmania. In order to lessen Nyrstar's reliance on this water source while also reducing impacts on the Derwent Estuary, several stormwater recycling programs are underway at the Nyrstar Hobart plant.

The site already captures its own stormwater, which is treated in the site's effluent treatment plant before flowing into the Derwent Estuary. In order to use this water in the production process, further stormwater storage, treatment and distribution installations are being added on site. This project, which is planned to be fully implemented in 2014, is expected to replace up to 32% of the fresh water currently used in the smelter's production processes. The project is jointly funded by Nyrstar and by a AUD 2.64 million grant from the Australian Government's Stormwater Harvesting and Reuse program.

In August 2013, Nyrstar also welcomed the first flow of recycled stormwater from the Glenorchy City Council. In its first phase, this project is expected to deliver the site 1.5 million litres of recycled water daily which is used for the site's steam boiler and cooling tower systems. A total of 106 million litres of recycled stormwater was supplied to the site in 2013, contributing to a total reduction in fresh water use of 250 million litres (relative to 2012). The Council stormwater recycling plant is expected to be further expanded in coming years with the hope of increasing the amount of recycled stormwater supplied to Nyrstar.

The stormwater recycling projects underway in Hobart help to minimise the amount of drinking water used for industrial purposes and to reduce stormwater impacts on the Derwent Estuary.

SOCIAL RESPONSIBILITY

At Nyrstar, we recognise that we cannot operate in isolation and our success is intrinsically linked to the way we engage with our communities, regulators, suppliers, customers and other key stakeholders.

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.

Our mine and smelter sites undertake local community activities in line with their established stakeholder engagement plans. In 2013, we engaged external specialists to work closely with our Latin American sites. The focus of this collaboration was to strengthen the community engagement capabilities of our site personnel and to develop regional standards for community management. The work also included the development of 5-year Community Engagement Plans for each of the Latin American operations.

Financial contributions for community support, sponsorships and donations in 2013 totalled €2.9 million, representing a 9% increase over the €2.65 million contributed in 2012. This included CAD 0.25 million in line with our commitment to Investment Canada as part of the acquisition of the Myra Falls and Langlois mines in 2011.

The Nyrstar Foundation

The Nyrstar Foundation was established in 2010 as part of Nyrstar's CSR program. In April 2013, the Foundation announced its second annual social idea competition winner for innovation by a Belgian individual, company or organisation relating to Education. The winner of the €25,000 grant was the MyMachine 1+1=3 project. MyMachine aims to leverage its unique methodology to promote creativity and entrepreneurship in education in developing countries. The project is a cross-border cooperation between schools and organisations in Flanders, Belgium and in developing countries bringing together children, students and organisations around the world to learn from and inspire each other. Dreams and entrepreneurship, creativity and cross-pollination - that's what it's all about! More information on the Nyrstar Foundation can be found on the website www.nyrstarfoundation.org.

THE NYRSTAR EXCELLENCE AWARDS

The Nyrstar Excellence Awards were launched in 2010 to promote and reward a culture of excellence within our business. Each year, Nyrstar presents awards to acknowledge exceptional performance and achievement of individuals or teams from each of our operating sites. The Excellence Awards are an important component of the Nyrstar2020 strategy which has a strong emphasis on delivering excellence. The framework and recognition criterion from the Excellence Awards this year is based on our 2013 Group Strategy which is underpinned by our values, The Nyrstar Way.

IN NOVEMBER 2013, WE AWARDED FIVE TEAMS IN THE FOLLOWING CATEGORIES:

Living the Nyrstar Way

Building a Strong Safety Culture

Nyrstar Myra Falls achieved over 590 days without a lost-time injury (LTI) and the complete year of 2012 with no LTI. Due to a number of ongoing initiatives to strengthen the safety culture and performance at site, we were recognised by a national Canadian honour for our excellent safety performance.

Unlocking Untapped Value

Leach Purification Process Improvement

A team of dedicated employees in the leach/purification department at Nyrstar Clarksville developed an innovative approach to improving the process. Through a number of implemented technical solutions, the team contributed to increased performance of our Leach purification process.

"This year we had the privilege of awarding the Nyrstar Excellence Awards to five teams from across our business. Each one of the teams was awarded for their innovative approaches to managing business challenges, from working together regionally to minimise shut-down impacts at one of our European smelters, to recognition of outstanding safety performance. Each of these winners represents the very best of Nyrstar contributing to the long-term sustainability of our business."

ROLAND JUNCK
CHIEF EXECUTIVE OFFICER

Achieve Excellence in Everything we do

European Regional Calcine Management

Nyrstar Balen planned a once-in-30 year overhaul of the large roaster F5 requiring calcine stockpiling to minimise production disturbances. Working regionally Nyrstar Auby, Balen/Overpelt and Budel developed a plan together to generate, store and transport sufficient calcine to Balen to limit impact to production during the overhaul.

Deliver Sustainable Growth

Energy Lobbying Success

Nyrstar Balen has been recognised for successfully working with local authorities to reduce Nyrstar's exposure to increasing energy costs, ensuring our smelter can run as efficiently as possible.

Outstanding Achievement Award

Tennessee Turnaround

Nyrstar Tennessee Mines - through a combination of leadership changes, cost awareness efforts and production stability initiatives- achieved an unprecedented turnaround, marking a remarkable paradigm shift from underperformance to positive and sustainable financial contributions for the organisation. The turnaround drove waste and inefficiencies out of the business to unlock the value inherent in our mineral resources.

www.nyrstar.com

nyrstar

THE NYRSTAR ANNUAL REPORT ON THE WEB

Nyrstar
on the web

www.nyrstar.Annual-Report.be/2013

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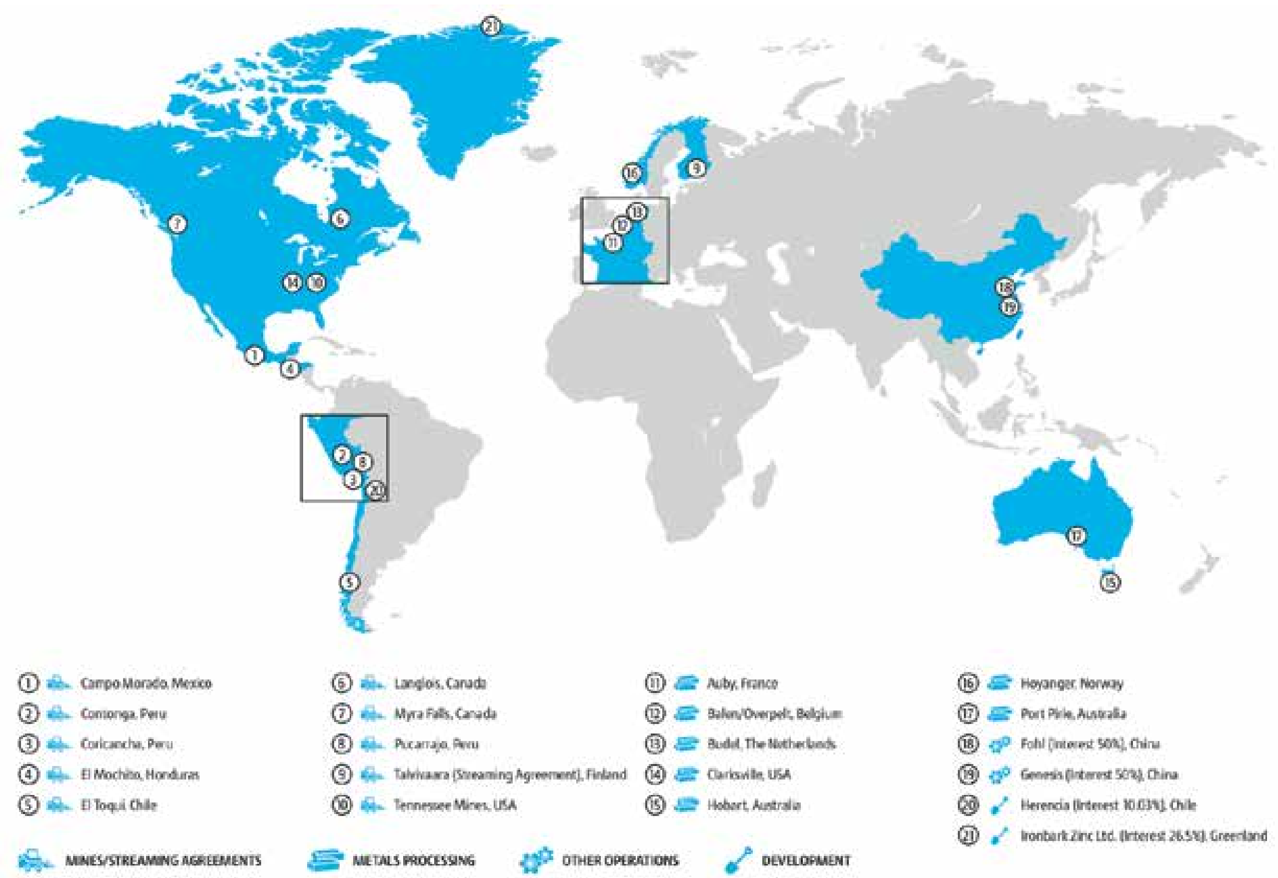
FACTS & FIGURES 2013

MANAGEMENT REPORT

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 mining, six smelting, and other operations located in Australia, the Americas, China and Europe, and employs approximately 6,600 people. Nyrstar is incorporated in Belgium and has its corporate office in Switzerland. Nyrstar is listed on NYSE Euronext Brussels under the symbol NYR.

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 special high grade zinc (SHG), zinc galvanizing 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 and electronics, and consumer products. This makes it an essential and highly sought-after resource, particularly in a changing world.

Lead

We have a market-leading position in lead. We produce lead 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 lead acid battery. This continues to play an important part in the starter mechanism for automobiles. The remaining 20% goes towards such end-uses as underwater cable sheathing, glassware, solder and roof sheeting.

Copper

We produce copper concentrates 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 dore 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 dore and as a by-product from the zinc refining process into various leach products.

STRATEGY INTO ACTION

Delivering on Strategy into Action

- Reorganisation of the company into three distinct segments: Mining, Metals Processing (formerly the Smelting segment) and Marketing, Sourcing & Sales
- Commenced asset level Mining Strategic Review, focused on identifying opportunities to make a step change improvement in the Mining segment's operational performance; not envisaged to be capital consumptive
- Started implementing recommendations of Smelting Strategic Review and continued to make significant progress on the proposed Port Pirie Redevelopment
- Established a strong Marketing, Sourcing & Sales team to actively support Nyrstar's commercial strategy
- Entered into a strategic off-take and marketing agreement with the Noble Group

The Nyrstar2020 vision is to be the leading integrated mining and metals business. Nyrstar's mission is to capture the maximum value inherent in mineral resources through deep market insight and unique processing capabilities, generating superior returns for our shareholders. Our vision and mission define our long term direction and priorities, focusing our efforts on the milestones and strategic goals that drive success.

Strategy Into Action 2013

In 2013, Nyrstar continued to execute on Nyrstar2020, a strategic initiative aimed at positioning the company for a long-term sustainable future as the leading integrated mining and metals business. Strategy into Action is a disciplined approach to embedding our strategy into every part of the business and is now in its third year of implementation. Through this process, Nyrstar has built a robust annual planning process that distributes ownership and responsibility for Group strategy across each segment and site operation in a transparent and measurable way. Each year we critically review strategic plans and priorities to ensure we adequately respond to the current operating environment enabling us to deliver on our strategic mission. Our 2013 strategic priorities addressed four key pillars:

Living the Nyrstar Way
Shaping our unique culture through seven distinctive values that define how we work.
Unlocking Untapped Value
Nyrstar believes that our current processes are not capturing full value. This value can only be unlocked by continually challenging the way Nyrstar thinks about and works on its products and processes.
Deliver Sustainable Growth
Sustainable growth means that Nyrstar will seek growth by leveraging its existing mining and smelting footprint and through further value-accretive acquisitions.
Achieve Excellence in Everything We Do
Nyrstar is a market-driven business with an unrelenting focus on continuous improvement across all operations and functions.

Strategy into Action 2014

Responding to the current operating environment, our 2014 strategic priorities focus on the following three new pillars:

KEEP OUR WORD

Develop and deliver realistic plans that meet stakeholder needs.

The main strategic goals of this pillar are to ensure that our three segments and corporate centre deliver on their commitments whilst ensuring world class safety and environmental performance.

TRANSFORM FOR TOMORROW

Execute strategic initiatives to develop in the future.

The main strategic goals of this pillar are to ensure we focus on innovation and technology across our business; develop opportunities for growth to generate value; build a market-oriented business and lastly, ensure that we build and sustain an organisation that supports collaboration.

UNLEASH OUR POTENTIAL

Enhance our capabilities by investing in our people and processes.

Lastly, this pillar is fundamental to ensuring our business can deliver on pillar one and two. This pillar focuses on developing the potential of our people, processes and culture, to ensure we have an environment that fosters growth and transformation.

Our 2014 strategic plans place a strong emphasis on our commitment to deliver our plans, to transform our business and to create value for our stakeholders while recognising that our people, processes, and values as defined by the Nyrstar Way are key to our success in 2014 and beyond.

NYRSTAR OPERATING MODEL AND STRATEGY

Nyrstar's industrial footprint of mining and smelting assets provides a unique opportunity to capture non-realised value and deliver on our strategic mission to capture the maximum value inherent in mineral resources. In 2013, we transformed our business into three core value-driving segments: Mining, Metals Processing, and Marketing, Sourcing & Sales to be better aligned with the Company's growing metals and mining business. This new structure will streamline both mining and metals processing activities and allow for increased commercial synergies throughout our integrated network.

Alongside the organisational changes, several initiatives were launched in 2013 to position Nyrstar for a long-term sustainable future. We continued to progress the proposed redevelopment of the Port Pirie smelter into an advanced poly-metallic processing and recovery facility which will further diversify group earnings.

Port Pirie Redevelopment

As previously disclosed in December 2012, Nyrstar reached an in-principle agreement to redevelop the Port Pirie smelter into an advanced poly-metallic processing and recovery facility, providing an opportunity to strengthen and further diversify group earnings. Nyrstar progressed the final investment case in 2013, including detailed engineering studies and the completion of the pre-feasibility study. Nyrstar is now working through the final feasibility study and will provide an update during the course of Q1 2014.

Building on the Port Pirie redevelopment planning, Nyrstar launched a strategic review of its zinc smelting (Smelting Strategic Review) operations which led to the development of a transformation blueprint of approximately 25 projects to capture non-realised value from residue materials.

Smelting Strategic Review

Following the completion of a thorough strategic review of its zinc smelting business during 2013, Nyrstar has developed and externally validated a transformation blueprint of approximately 25 projects aimed at capturing non-realised value in Nyrstar-controlled feed material. Nyrstar completed its first investment in the transformation, and first project within the blueprint, in Q4 2013 with the acquisition of ERAS Metal (now Nyrstar Hoyanger). Nyrstar expects the sequencing of additional investments to continue in 2014 and the completion of the full transformation by early 2017. Where appropriate, Nyrstar may pursue these investments over a longer period in a manner whereby returns generated by earlier investments could fund subsequent investments. Such a timeline could result in investments starting in 2014 and the completion of the full transformation by late 2019.

We also commenced an asset level Mining Strategic Review to improve the Mining segment's operational and financial performance. This is being undertaken in two phases: firstly, a preliminary turnaround phase to ensure that all assets are delivering to their full potential; and secondly, a more strategic phase which will link specifically to the Smelting Strategic Review programme to maximise the advantages that both programmes can deliver.

Mining Strategic Review

In the second half of 2013, following the formation of the three business segments, Nyrstar initiated a strategic review of its global mining assets. The review is being undertaken in two phases: firstly, a preliminary turnaround phase to ensure that all assets are delivering to their full potential; and secondly, a more strategic phase which will link specifically to the Smelting Strategic Review programme to maximise the advantages that both programmes can deliver to the group. The first phase will continue throughout 2014 to ensure that the optimisations are sustainable and embedded, whilst the second phase will commence in the second half of the year to ensure that the Mining Segment is fully prepared for the smelting strategic programme outcomes. The programmes are operational in nature and are not envisaged to be capital consumptive.

Finally, in 2013 we created a new Marketing, Sourcing & Sales team to support the implementation of the offtake and marketing agreement with Noble, the European zinc metal plan and the overall global commercial strategy.

Marketing, Sourcing & Sales

Nyrstar's commercial strategy consists of working with the Mining and Metals Processing segments to create, secure and maintain first mover advantage in obtaining the feedstock and inputs to produce products that are marketed using our deep market insight and sold at above industry returns. Throughout the year a number of senior level appointments have been made to the new Marketing, Sourcing & Sales segment to support the implementation of the offtake and marketing agreement with Noble, the European zinc metal plan and the overall global commercial strategy.

The strategy is executed through four interlinked pillars. The raw materials team is responsible for sourcing the Nyrstar smelter feeds and for actively marketing and trading concentrates. The products team consists of marketing and sales functions. Marketing makes decisive decisions as to where, when and to whom products are to be sold so as to deliver the greatest impact on returns by segmenting the metals markets into strategic profit pools. The opportunities identified by marketing are then executed by sales. These two pillars are supported by two cross functional teams. The supply chain team enables Nyrstar to maintain optimal working capital levels of raw materials and metals allowing continuous production at Nyrstar's operations whilst minimising inventory costs. The optionality and hedging team closely follows market trends to exploit optionality in the metals market and to actively manage metals prices quotation periods to maximise returns. The strategy also involves looking for non-traditional markets to place Nyrstar-branded products. An example of this is the direct sale of commodity grade zinc into the Chinese market that was completed by Nyrstar for the first time in Q3 2013.

Looking ahead, we recognise that 2014 is an important year for Nyrstar and while there are early signs of improving conditions across the markets in which we operate, we are conscious of the need for a prudent and disciplined approach to managing the business to ensure it is sustainable for the long term. With this in mind, we continue to actively progress the Port Pirie redevelopment and the initiatives identified following the outcome of the Smelting Strategic Review, supported by a more advanced Marketing, Sourcing & Sales strategy, and look forward to results of the Mining Strategic Review. We continue to execute the Group strategy and remain convinced that our unique industrial footprint, ownership of raw materials and commercial focus provide a unique opportunity to generate value for our shareholders.

SHARES

Share price development

The Nyrstar share price declined by 50% in 2013, compared to a 14% increase in the MSCI World Metals and Mining Index, over the same period, and a 2% decline in the average annual zinc price.

The average traded daily volume was approximately 623,509 shares in 2013 compared to 1,036,883 in 2012, a decrease of 40%. Reflecting the Board's confidence in the Company's financial strength and the medium to long-term prospects for the markets in which it operates, it has proposed to the shareholders a gross distribution of EUR 0.16 per share, and to structure the distribution as a capital reduction.

Share Capital

Nyrstar ordinary shares have been admitted to trading on NYSE Euronext® Brussels (symbol NYR BB) since 29 October 2007. As at 31 December 2013, the registered capital amounted to EUR 370,649,145.92 represented by 170,022,544 ordinary shares without nominal value.

Convertible Bonds

As at 31 December 2013, the Company had on issue EUR 120 million of senior unsecured convertible bonds, due 2014, and EUR 120 million of senior unsecured convertible bonds, due 2018.

The bonds due 2014 were issued in July 2009 at 100 per cent of their principal amount (EUR 50,000 per bond) and have a coupon of 7% per annum. The conversion price is currently EUR 5.91 per share. There are currently EUR 119.9 million of senior unsecured 2014 convertible bonds outstanding and, if all of the bonds were to be converted into new ordinary shares at the above conversion price, approximately 20,287,648 new ordinary shares would be issued. The bonds are listed on the official list of the Luxembourg Stock Exchange and admitted to trading on the Luxembourg Stock Exchange's Euro MTF Market.

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 4.9780 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, approximately 24,106,066 new ordinary shares would be issued. The bonds are listed on the Open Market (Freiverkehr) segment of the Frankfurt Stock Exchange and admitted to trading on the Frankfurt Stock Exchange.

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 2013, 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 2013	Share %
Nyrstar NV	9.02%
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 Belgian retail investors.

Belgian retail shareholders represent approximately 40% of the Nyrstar shareholder base. Of institutional shareholders, the primary regions are Belgium (33%), United States (18%), and UK (13%). The majority of institutional investors are either long-term growth investors or value investors

SOURCE: THOMSON REUTERS SHAREHOLDER IDENTIFICATION REPORT COMMISSIONED BY NYRSTAR IN SEPTEMBER 2013

KEY SHARE FACTS

For the year ended 31 December	2013	2012
Number of issued ordinary shares	170,022,544	170,022,544
Number of treasury shares	15,338,431	7,345,826
Market capitalisation (as at 31/12)	EUR 392,752,077	EUR 764,081,313
Underlying Earnings per Share (12 months to 31/12)	EUR (0.83)	EUR (0.55)
Gross Capital Distribution (proposed)	EUR 0	EUR 0.16
Share price (closing price as at 31/12)	EUR 2.31	EUR 4.49
Year high (intra-day)	EUR 4.72 (14/01/2013)	7.74 (08/02/12)
Year low (intra-day)	EUR 2.03 (19/11/2013)	3.24 (25/07/12)
Average volume traded shares per day (12 months to 31/12)	624,569	1,036,883
Free float (as at 31/12)	85%	85%
Free float Velocity (full year)	112%	185%

SOURCE: EURONEXT

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 impactof 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 2013:

ABN Amro	Goldman Sachs	Petercam
Bank DeGroof	HSBC	Rabobank
Bank of America Merrill Lynch	ING	RBC
Citi	KBC Securities	Societe Generale
Deutsche Bank	Macquarie	
Exane BNP Paribas	Morgan Stanley	

Proposed Distribution

The Board of Directors has decided not to propose to shareholders a distribution for the financial year 2013, reflecting its commitment to support the opportunities identified by the company's growth plans.

OPERATIONAL REVIEW

Mining and Metals Processing segments production in line with guidance

- Mining segment achieved full year guidance for all metals (excluding lead); although down on 2012 due to operational challenges.
- Metals Processing production in H2 2013 set a new half-year record. As a result, zinc metal production of approximately 1,088kt was at the top end of full year guidance

KEY FIGURES

	2013	2012
Mining Production		
Zinc in concentrate ('000 tonnes)	285	312
Gold ('000 troy ounces)	75.2	94.6
Silver ('000 troy ounces)[1]	4,746	5,517
Copper in concentrate ('000 tonnes)	12.9	13.0
Metals Processing Production[2]		
Zinc metal ('000 tonnes)	1,088	1,084
Lead metal ('000 tonnes)	179	158

OPERATIONS REVIEW: MINING

In 2013, the volume of zinc in concentrate produced at Nyrstar's own mines (excluding deliveries under the Talvivaara zinc stream) was approximately 271,000 tonnes, achieving the full-year guidance of 265,000 to 280,000 tonnes, although down 4% on 2012. The decline in production was primarily due to a two month suspension of mining operations at the Campo Morado mine due to a licensing issue. Total zinc in concentrate was down 9% on 2012 as a result of fewer deliveries of zinc concentrate from Talvivaara under the zinc streaming agreement. Lead in concentrate production was below guidance and lower than 2012 production largely owing to a production trade-off at the Contonga mine with lower lead being compensated by higher copper. Copper in concentrate production was in line with 2013 guidance and 2012 production, despite being affected by the suspension at Campo Morado.Silver production was in line with 2013 guidance of 4.7 to 4.9 million troy ounces.; however, it was lower than 2012 production by 14%, with the shortfall coming from the suspension at Campo Morado and from Coricancha where operations were halted in H2 2013. Gold production of 75,200 troy ounces marginally exceeded the guidance of 65,000 to 75,000 troy ounces. El Toqui contributed strongly to Nyrstar's doubling of gold production in H2 2013 compared to H1 2013; however, the suspension at Campo Morado and halted operations at Coricancha reduced 2013 production by 21% compared with 2012.

1 75% of the silver produced by Campo Morado is subject to a streaming agreement with Silver Wheaton Corporation whereby USD 3.90/oz is payable. In 2013, Campo Morado produced approximately 1,156,000 troy ounces of silver.

2 Includes production from Metals Processing segment only. Zinc production at Föhl, Galva 45 & Genesis.

At the Campo Morado mine, 2013 production of all metals was impacted by the temporary suspension of mining activities in the first quarter of the year as a result of the cancellation of the site's explosives permit due to an administrative issue. The situation was resolved and extensive mill and mobile fleet maintenance work during the shutdown allowed for uninterrupted operations in H2 2013 resulting in higher volumes of all metals in concentrate compared to H1 2013, despite a decline in the head grades for all metals.

The Contonga mine was temporarily affected by a two week period of industrial action during H1 2013 which resulted in lower volumes of ore milled. During 2013, the site mined in the lower levels of the deposit which contain higher copper grades but lower lead and silver. H2 2013 metal production was in line with H1 2013 except for lead which declined and copper which increased, consistent with management's redirection of the mine plan to the lower areas of the deposit.

During H2 2013, management at Coricancha reassessed the site's operating model which had been adapted in H1 2013 to treat historic failings. As a result of the sustained lower precious metal price environment, the mine's operations were halted and management is assessing the options for the site while maintaining a reduced workforce performing maintenance and compliance activities.

The El Mochito mine delivered a consistent performance in 2013 resulting in a full year 2013 result largely in line with 2012 for all metals. Head grades have declined while the next higher grade resources are developed for future extraction.This was compensated, however, by a 4% increase in the volume of ore milled during 2013.

El Toqui mine focused on zinc and lead during H1 2013 and recovery of high gold grade pillars during H2 2013, resulting in substantially higher gold production than in H1 2013. Zinc, lead and silver metal volumes for 2013 exceeded the 2012 production. Overall 2013 gold metal produced, however, was 21% below 2012 due to a lower head grade.

At Langlois mine, zinc in concentrate production for 2013 was 8% below 2012, due to issues in H1 2013 with transitioning development areas to production areas and resourcing and training challenges which delayed the ability to mine consistently from four mining zones. Site management achieved a 13% increase in ore milled volumes in H2 2013 compared to H1 2013. Copper, silver and gold metal production for 2013 was largely in line with 2012.

In 2013, the Myra Falls mine produced 41% more silver and 31% more gold than in 2012 as a result of increased average mill head grades. Zinc, lead and copper contained in concentrate were below 2012 as grades have declined while the site develops, as per the mine plan, into future higher grade ore deposits. Volumes in H2 2013 were higher for all metals (due to higher grades) compared to H1 2013.

The Tennessee mines delivered 11% more zinc in concentrate in 2013 compared to 2012 through 8% higher ore volumes processed at both East and Middle Tennessee sites as well as an increase in the average zinc mill head grade and recovery. At East Tennessee, the 16% increase in production volume was also due to an 8% rise in the zinc mill head grade and in turn a higher average mill recovery. At Middle Tennessee, there was a 5% deterioration in the average zinc mill head grade from 2012 to 2013.The higher ore milled volume made up for this, however, to give an overall 4% increase in zinc in concentrate production.

Deliveries of zinc in concentrate from Talvivaara under the zinc streaming agreement were down by more than 50% in 2013 compared to 2012 due to operational and liquidity issues at the Talvivaara mine, as stated in Talvivaara's communication on 15 November 2013 regarding its application for corporate reorganisation. Talvivaara's production in 2013 continued to be impacted by the prolonged effect of excess water on older ore heaps.

Mining

'000 tonnes unless otherwise indicated	2013	2012
Total ore milled	6,960	6,924
Total zinc concentrate	511	564
Total lead concentrate	24.3	28.6
Total copper concentrate	68.3	72.5
Zinc in Concentrate		
Campo Morado	25	40
Contonga	13	15
Coricancha	1	2
El Mochito	25	26
El Toqui	23	20
Langlois	36	39
Myra Falls	27	32
East Tennessee	71	61
Middle Tennessee	50	48
Tennessee Mines	121	109
Own Mine Total	**271**	282
Talvivaara Stream	14	30
Total	**285**	312
Lead in concentrate		
Contonga	0.3	1.5
Coricancha	0.2	0.8
El Mochito	11.6	12.4
El Toqui	1.2	0.4
Myra Falls	0.9	1.1
Total	**14.2**	16.2
Copper in concentrate		
Campo Morado	4.9	5.6
Contonga	2.6	1.5
Coricancha	0.1	0.2
Langlois	2.0	2.0
Myra Falls	3.3	3.8
Total	**12.9**	13.0

'000 tonnes unless otherwise indicated	2013	2012
Gold ('000 troy oz)		
Campo Morado	11.7	15.9
Coricancha	2.6	11.5
El Toqui	41.3	51.6
Langlois	1.8	2.0
Myra Falls	17.8	13.6
Total	**75.2**	94.6
Silver ('000 troy oz)		
Campo Morado	1,156	1,728
Contonga	306	450
Coricancha	164	491
El Mochito	1,637	1,627
El Toqui	141	113
Langlois	524	528
Myra Falls	818	580
Total	**4,746**	5,517

Production Guidance

The guidance below reflects Nyrstar's current expectation for 2014 production. Importantly, Nyrstar's strategy is to focus on maximising 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 2014, if it is expected that there will be material changes to the above guidance.

Production guidance for 2014 across Nyrstar's portfolio of mining assets is as follows:

Metal in concentrate	Production Guidance
Zinc (own mines) *	280,000 – 310,000 tonnes
Lead	15,000 – 18,000 tonnes
Copper	12,000 – 14,000 tonnes
Silver **	4,750,000 – 5,250,000 troy ounces
Gold	65,000 – 70,000 troy ounces

* Excluding zinc deliveries under the Talvivaara Streaming Agreement.
** 75% of the silver produced by Campo Morado is subject to a streaming agreement with Silver Wheaton Corporation whereby only USD 3.90/oz is payable

OPERATIONS REVIEW: METALS PROCESSING

The Metals Processing segment produced approximately 1,088,000 tonnes of zinc metal in 2013, at the top end of full year guidance. Whilst production in H1 2013 was impacted by a number of planned maintenance shuts, production in H2 2013 was a new half-year record with approximately 569,000 tonnes, a 10% increase on H1 2013 (519,000 tonnes).

The Auby smelter carried out two maintenance shuts of its zinc plant in H1 2013, restricting zinc metal production to approximately 69,000 tonnes compared to 83,000 tonnes in H2 2013. Indium metal production increased substantially to approximately 33 tonnes in 2013 (13 tonnes in 2012).

The Balen/Overpelt smelter delivered a major planned maintenance shut of its roaster and acid plant and cell-house on time and to budget during H1 2013. As a result, zinc metal production in H2 2013 of approximately 132,000 was 10% higher than in H1 2013 (120,000 tonnes).

The Budel smelter delivered another strong performance in 2013 producing 275,000 tonnes of zinc metal production, up 7% on 2012. The higher production in H2 2013 was mainly driven by improvements in the electrolysis process.

At Clarksville, zinc metal production in H2 2013 was 16% higher compared to H1 2013, primarily due to the planned maintenance shut of the smelter's roaster and acid plant during H1 2013. The site continued to produce a germanium leach product (germanium is used in fibre-optics and semi-conductors) by processing germanium contained in Middle Tennessee Mine zinc concentrate, following first production in 2012.

Operations Review: Metals Processing	**2013**	**2012**
Zinc metal ('000 tonnes)		
Auby	152	161
Balen/Overpelt	252	250
Budel	275	257
Clarksville	106	114
Hobart	272	272
Port Pirie	30	31
Total	**1,088**	1,084
Lead metal ('000 tonnes)		
Port Pirie	179	158
Other products		
Copper cathode ('000 tonnes)	4	3
Silver (million troy ounces)	17.9	13.8
Gold ('000 troy ounces)	66	56
Indium metal (tonnes)	33	13
Sulphuric acid ('000 tonnes)	1,389	1,388

Production at the Hobart smelter was 7% higher in H2 2013 compared to H1 2013. The first half of 2013 was impacted by record regional temperatures in Q1 2013, which constrained electrolysis throughput due to power reductions and a planned maintenance shutdown of one of the roasters. Zinc metal production was in line with the 2012 result.

Lead metal production at the Port Pirie smelter in 2013 increased to 179,000 tonnes, compared to 158,000 tonnes in 2012 which was impacted by an unplanned shut of the blast furnace. Similarly the production of other metals was also higher in 2013 with copper, silver and gold production up 33%, 29% and 18% respectively on 2012. In July 2013, the sinter and blast furnace were shut for approximately one week to carry out repair work. The shut was successfully executed, with an estimated impact on lead production of 6,000 tonnes and smaller impacts on zinc, copper, silver and gold production. The Port Pirie smelter's planned maintenance shut of its slag fumer, which was originally scheduled for Q4 2013, has been deferred to Q1 2014. The shut is expected to impact zinc metal production by approximately 600 tonnes.

Production Guidance and Planned Shuts

Nyrstar expects to produce 1.0 – 1.1 million tonnes of zinc metal in 2014. 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 2014 there are a number of major scheduled and budgeted 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. In addition, the scheduled shuts 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 to the shut and managing the shut in a timely and effective manner. The estimated impact of these shuts on 2014 production, which has been taken into account when determining zinc metal guidance for 2014, is listed below:

2014 Metals Processing planned shuts

Smelter & production step impacted	Timing and duration	Estimated impact
Port Pirie – slag fumer	Q1: 3 weeks	nil – 1,000 tonnes zinc metal
Balen – roaster F4	Q2: 3 weeks	nil
Hobart – roaster 5	Q2: 3 weeks	6,000 tonnes zinc metal
Clarksville - roaster and acid plant	Q3: 1 - 2 weeks	nil – 1,000 tonnes zinc metal
Balen – roaster F5	Q4: 1 – 2 weeks	nil
Auby – roaster	Q4: 2 weeks	nil
Port Pirie – lead plant	Q4: 3 weeks	nil – 500 tonnes

OPERATIONS REVIEW: MARKETING, SOURCING AND SALES

In April 2013, Nyrstar reached a settlement agreement with Glencore to terminate the commodity grade off-take agreement for European zinc metal produced by Nyrstar. The termination of the agreement is part of the remedy package agreed by the European Commission in relation to Glencore's merger with Xstrata Plc which was completed in May 2013. As part of this process, Nyrstar undertook a structured process to determine the most suitable channel(s) to market and sell commodity grade zinc metal produced at its European smelters.

On 1 October 2013, Nyrstar announced that it has entered a strategic off-take and marketing agreement with Noble Group to market and sell a significant portion of commodity grade zinc metal produced at its European smelters. The agreement is valid for 200,000 tonnes per annum of commodity grade zinc metal.

The remaining volume of European zinc metals (approximately 150,000 tonnes) not marketed via the off-take and marketing agreement with Noble is, as of 1 January 2014, actively marketed and sold by Nyrstar in both traditional and non-traditional markets.

The sale of commodity grade zinc and lead produced by Nyrstar's smelters outside of Europe (Clarksville, Hobart and Port Pirie) will continue, as before, under the off-take agreement with Glencore Xstrata.

MARKET REVIEW

A challenging trading environment driven by tough macroeconomic headwinds and subdued base metal prices.

- With the exception of brief rallies in early and late 2013, sideways trading conditions was the main feature for base metals during 2013
- Improving global economic conditions and a strengthening dollar accounted for significant depreciations for precious metals during 2013
- Zinc price averaged USD 1,909/t, down 2% on 2012 (USD 1,946/t) and average lead prices for the year increased by just under 4%, whilst precious metals saw more severe price depreciations with 15% and 23% declines in the average gold and silver prices respectively
- 2013 zinc benchmark treatment charge (TC) significantly above 2012 terms, with the benchmark TC increasing by around 11%
- Smelting cost base improved due to weakness of the Australian Dollar, averaging 0.73 against the Euro (compared to 0.81 in 2012) but overall result mitigated by strengthening Eurodollar which averaged 1.33 compared to 1.28 in 2012.

Average prices[7]	**2013**	**2012**
Exchange rate (EUR/USD)	1.33	1.28
Zinc price (USD/tonne, cash settlement)	1,909	1,946
Lead price (USD/tonne, cash settlement)	2,141	2,061
Copper price (USD/tonne, cash settlement)	7,322	7,950
Silver price (USD/t.oz, LBMA AM fix)	23.79	31.15
Gold price (USD/t.oz, LBMA AM fix)	1,410	1,662

Exchange rate

The Euro strengthened against the US Dollar by almost 4%, although punctuated by brief periods of weakness when concerns regarding European Sovereign debt emerged. Whilst this development has been negative from an EBITDA perspective, this has had the effect of rebalancing Europe from excessive reliance on exports towards consumption-led growth which has led to a pick-up in European industrial demand.

Base Metal Summary

A recovery of developed world economic growth created headwinds for base metals as investment flows shifted from base metals in favour of equities, and the dollar index strengthened. Additionally, the government transition and slowing growth of the Chinese economy resulted in lukewarm sentiment towards industrial metals and, as such, price ranges were largely range-bound throughout most of the year.

[7] Zinc, lead and copper prices are averages of LME daily cash settlement prices. Silver and gold prices are averages of LBMA AM daily fixing prices.

MANAGEMENT REPORT

Zinc

The average zinc price declined by 2% in 2013 to USD 1,909/t compared to USD 1,946/t in 2012. Whilst zinc prices remained range-bound throughout most of the year, key end-use sectors for zinc continued to grow at a healthy pace with global consumption growth estimated to have grown by 4% in 2013, according to Wood Mackenzie. Zinc supply was impacted by a curtailment of smelting production outside of China and strong import demand into the Chinese market induced by favourable arbitrage throughout most of the year. This translated into increasing global premiums throughout most of the year. Zinc staged a rally in December, aided in part by an announcement that the Century zinc mine would close earlier than previously announced.

Lead

The average lead price increased modestly during 2013, appreciating by almost 4%. End-use demand continued to grow at a healthy pace on a global basis, although softened from 4.9% growth in 2012 to an estimated 3.6% in 2013, according to Wood Mackenzie. The outlook is more positive with 2014 consumption growth expected to rise to 4.6%. The medium-term outlook is characterised by supply-side shortages, tougher environmental regulation, and refined market deficits which is supportive of higher prices.

Copper

The average copper price in 2013 was USD 7,322/t an 8% decline compared to USD 7,950/t in 2012. It is estimated by Wood Mackenzie that global copper consumption, which includes direct use of scrap, will have increased by 5.6% in 2013, a significant improvement compared to almost flat consumption growth in 2012. This resulted in significant tightness in the refined copper market in 2013. While the copper concentrate market is understood to be in a surplus, copper mine production continues to face setbacks and disruptions and this continues to support prices.

Gold & Silver

Increasing confidence regarding global growth as well a stronger United States dollar index created downward pressure to precious metals with the average gold price 15% lower in 2013. Average silver prices depreciated by approximately 24% in 2013 from 2012 as industrial demand for silver weakened.

Sulphuric Acid

In 2013, prices achieved by Nyrstar on sales of sulphuric acid, which are predominantly based on contracts rather than the spot market, declined significantly from an average of USD 80 per tonne in H1 2013 to an average of USD 40 per tonne in H2 2013. The sulphuric acid market suffered from increased competition as sulphur prices fell, largely due to constrained fertiliser demand in India and China. Nyrstar expects that the sulphuric acid market will remain challenged throughout 2014 with prices expected to be lower than those experienced in H2 2013.

FINANCIAL REVIEW

Group underlying EBITDA of EUR 185 million down 16% on 2012 (EUR 221 million)

- Metals Processing EUR 149 million, driven by higher realised premiums and the recognition of the EUR 45 million termination fee from Glencore, partially offset by lower acid prices
- Mining EBITDA EUR 78 million, adversely impacted by lower copper, silver and gold prices, operational challenges during H1 2013 and significant reduction in deliveries from Talvivaara during H2 2013
- Delivered significant cost savings through Project Lean, EUR 43 million by end of 2013; on track to deliver target of EUR 75 million by end of 2014
- Strategic hedges for zinc, gold and silver partially offset challenging metal price environment

PAT of EUR (195) million impacted by impairments and impairment reversals

- Impairment of EUR 194 million (after tax) related to write-downs at a number of mining operations
- Reversal of EUR 139 million (after tax) historic (2008) impairments of Balen and Port Pirie smelters due to improvements in the valuation of these two assets driven by a reduction in energy costs and a more favourable metal price outlook compared to 2008
- Significant improvement of PAT in H2 2013 versus H1 2013 prior to impact of impairments and impairment reversals
- No impairment on Talvivaara zinc streaming agreement in 2013: Nyrstar actively involved in Talvivaara's corporate reorganisation process
- The Board of Directors has decided not to propose to shareholders a distribution for the full year 2013, reflecting its commitment to support the opportunities identified by the company's growth plans

Solid financial position and significant committed undrawn liquidity headroom and cash on hand

- Net debt of EUR 670 million (EUR 756 million at the end of H1 2013)
- Committed undrawn liquidity headroom and cash on hand of 721 million at end of 2013
- Successfully refinanced the EUR 120 million bonds maturing in 2014 with new EUR 120 million convertible bonds due 2018 with attractive terms
- Significant reduction in capital expenditure through disciplined approach resulting in capital expenditure of EUR 200 million, 19% down on 2012, and at the low end of full year guidance

Group underlying EBITDA in 2013 was EUR 185 million compared to EUR 221 million in 2012. This decline was driven in part by downward movements in commodity prices, especially silver copper and gold, which declined on an annual average basis by 24%, 8% and 15% respectively. Year over year annual average zinc price also declined by 2% in US dollar terms and by 5% in Euro terms due to the appreciation of the Euro against the US dollar. In addition, lower production volumes in the Mining segment contributed to the underlying EBITDA decline.

Operational events, such as the previously announced two month suspension at Campo Morado during H1, operational challenges at Myra Falls and Middle Tennessee mines, as well as lower zinc concentrate deliveries from Talvivaara all had an unfavourable impact on Group earnings for the year. Additionally, the 2012 result benefited from a EUR 24 million contribution from the recovery, processing and sale of silver bearing material at the Port Pirie smelter.

Partially offsetting the challenging price environment and operational events of 2013, was the benefit from short term strategic hedging of zinc, gold and silver prices, which resulted in an EBITDA contribution of EUR 36.4 million (see strategic hedging of metal prices section below) and also recognition of the EUR 45 million termination fee Nyrstar received for ending the European component of Nyrstar's commodity grade off-take agreement with Glencore.

Benchmark treatment charges for 2013 settled at USD 212 per dry metric tonne, basis USD 2,000, which was USD 21 above 2012 terms. The 2013 net treatment charge income at Group level of EUR 261 million represents an increase by EUR 23 million over 2012, largely driven by lower treatment charge expense in the Mining segment due to lower production volumes in 2013. In the Metals Processing segment, treatment charge income remained flat year over year as a result of higher treatment charge income from benchmark contracts being offset by purchases of more complex materials, which delivered greater free metal and by-product value, outside frame contracts.

The loss after tax result in 2013 of EUR (195) million, compared to a loss of EUR (96) million in 2012, was impacted by the lower Group underlying EBITDA result (down EUR 35 million from 2012), the income tax charge for 2013 of EUR 11 million (up EUR 26 million from the 2012 income tax benefit of EUR 15 million), as a result of tax affecting impairment reversal gains in the Metals Processing segment, and net finance expenses of EUR 99 million for 2013 (up EUR 6 million from 2012), due to the increase in other finance charges, which include the costs of executing the short term strategic metal price hedging. Depreciation, depletion and amortisation (D,D&A) charges increased marginally by EUR 2 million for the year. (The 2012 result benefited from disposal of equity-accounted investees of EUR 27 million).

The 2013 result includes a net non-cash impairment charge before tax of EUR 20 million (2012: EUR 18 million), comprising a charge of EUR 203 million on Nyrstar's Mining assets, a charge of EUR 25 million on non-core equity- accounted investees and securities and partial impairment reversals related to Nyrstar's Metal Processing assets for a gain of EUR 207 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.

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.

KEY FINANCIAL DATA

EUR Million unless otherwise indicated	**2013**	**2012**
Revenue	2,824	3,070
EBITDA[4]	185	221
Mining EBITDA [4]	78	129
Metals Processing EBITDA [4]	149	135
Other & Eliminations EBITDA [4]	(43)	(44)
Results from operating activities before exceptional items	46	6
Loss for the period	195	96
EBITDA/t [3]	135	158
Mining EBITDA/t [4]	274	413
Metals Processing EBITDA/t [3]	118	109
Underlying EPS (EUR) [8]	0.83	0.44
Basic EPS (EUR)	1.27	0.57
Capital Expenditure	200	248
Cash Flow and Net Debt		
Net operating cash flow	299	362
Net debt/(cash), end of period	670	681
Gearing [9]	43.5%	36.9%

[4] All references to EBITDA in the table above 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. Underlying EPS does not consider the tax effect on underlying adjustments. 2012 group underlying EBITDA restated (previously EUR 220 million) due to Nyrstar adopting international accounting standard IAS 19R (see notes to the Interim Condensed Consolidated Financial Statements for the period ended 31 December 2013)

[5] Mining segment underlying EBITDA per tonne of zinc in concentrate produced

[6] Metals Processing segment underlying EBITDA per tonne of zinc metal produced

[7] Group underlying EBITDA per tonne of zinc in concentrate and zinc metal produced

[8] Underlying measures exclude exceptional items related to restructuring measures, impairment of assets, material income or expenses arising from embedded derivatives recognised under IAS 39 and other items arising from events or transactions clearly distinct from the ordinary activities of Nyrstar. Underlying EPS does not consider tax effect on underlying adjustments

[9] Gearing: net debt to net debt plus equity at end of period

MINING

The Mining segment's underlying EBITDA in 2013 was down 40% compared to 2012, adversely affected by the deterioration in copper, silver and gold metal prices, as well as the unplanned suspension of operations at the Campo Morado mine for two months in Q1 2013, the halting of operations at the Coricancha mine in H2 2013 (predominantly due to lower precious metals prices) and a substantial reduction in deliveries under the Talvivaara zinc streaming agreement.

MINING

EUR million unless otherwise indicated	2013	2012
Treatment charges	(76)	(100)
Payable metal contribution	335	403
By-Products	173	226
Other	13	(20)
Underlying Gross Profit	**445**	509
Employee expenses	(140)	(135)
Energy expenses	(49)	(47)
Other expenses	(178)	(198)
Underlying Operating Costs	**(367)**	(380)
Underlying EBITDA	**78**	129
Underlying EBITDA/t	**274**	413

Underlying gross profit for the Mining segment was EUR 445 million in 2013, 13% below 2012. The Mining treatment charge expense reduced by 24% to EUR 76 million, driven by the lower volume of zinc concentrate produced. Payable metal contribution declined 17% in line with the lower volume of zinc in concentrate produced and therefore sold. Contributions to gross profit from by-products, representing around 40% of the total, declined by 23% in 2013 due to the significant downward trend in copper, silver and gold metal prices, as well as operational events. The two month suspension at Campo Morado impacted copper, silver and gold volumes, while the halt of operations at Coricancha significantly reduced the contribution to precious metals revenue. Other Mining gross profit was EUR 13 million and included gains from the 2013 strategic metal price hedges.

Revenue was also affected by mark-to-market price adjustments. These accounting adjustments require Nyrstar to revalue open sales invoices as at 31 December 2013 to the prices at that date. At 31 December 2013, open sales invoices included approximately 9,200 tonnes of payable zinc in concentrate, 160 tonnes of payable lead in concentrate, 2,100 tonnes of payable copper in concentrate, 300,000 troy ounces of payable silver and 7,000 troy ounces of payable gold.

The average zinc C1 cash cost for Nyrstar's zinc mines (including the Talvivaara zinc stream) was USD 1,515 per tonne of payable zinc in 2013, a deterioration of 26% compared to 2012 (USD 1,199). The same factors which adversely impacted mining gross profit, namely lower copper, silver and gold prices which significantly reduced by-product prices and operational events, also adversely impacted the average zinc C1 cash cost.[10] In addition, negative impacts on payable zinc volumes were in the lower cost mines (Talvivaara and Campo Morado), therefore increasing the weighting towards the higher cost North American mines such as Langlois and Tennessee and hence increasing the zinc C1 cash cost.

[10] C1 cash costs are defined by Brook Hunt as: the costs of mining, milling and concentrating, on-site administration and general expenses, property and production royalties not related to revenues or profits, metal concentrate treatment charges, and freight and marketing costs less the net value of by-product credits.

DOC USD/tonne ore milled	2013	2012
Campo Morado	100	81
Contonga	71	85
El Mochito	65	59
El Toqui	83	73
Langlois	133	116
Myra Falls	137	115
Tennessee Mines	38	42
Average DOC/tonne ore milled	**67**	**68**

The average Mining segment direct operating cost in USD per tonne of ore milled for 2013 (excluding Talvivaara) was 1% below 2012 despite a significant increase at Campo Morado resulting from the two month suspension of mining operations in H1 2013. The halt of operations at Coricancha impacted the cost per tonne milled, as fixed care and maintenance costs continued to be incurred in H2 2013. (Coricancha figures are excluded from the above table due to the lack of ore milled.)

Campo Morado, after bearing fixed costs for two months during H1 2013 without processing ore, achieved a 38% reduction in DOC / tonne milled through a focus on productivity and cost reduction.

At the Contonga mine, management reduced operating costs per tonne milled by 16% in 2013 through an aggressive cost reduction effort. The Tennessee mines DOC / tonne milled improved by 10% from 2012 to 2013 through a combination of higher productivity and targeted cost reduction.

DOC per tonne milled at El Mochito, El Toqui and Myra Falls increased in H2 2013 as a result of one-off labour payments.

The Langlois mine, after low ore milled volumes in H1 2013 due to previously mentioned operational challenges, increased ore milled and reduced operating costs in H2 2013 giving an overall improvement of 21% half on half.

Nyrstar will publish its reserves and resources statement for the Mining segment at the same time as the first interim management statement on 30 April 2014.

METALS PROCESSING

The Metals Processing segment delivered an underlying EBITDA result of EUR 149 million in 2013, an increase of 10% compared to 2012 (EUR 135 million). The increase was primarily due to higher realised premiums compared to 2012 and the recognition of the EUR 45 million termination fee (included in Other expenses and income) that compensated Nyrstar for agreeing to end the European component of its commodity grade metal off-take agreement with Glencore, partially offset by lower acid prices.

EUR million unless otherwise indicated	2013	2012
Treatment charges	337	338
Free metal contribution	244	242
Premiums	127	115
By-Products	215	221
Other	(111)	(64)
Underlying Gross Profit	**813**	**852**
Employee expenses	(207)	(218)
Energy expenses [11]	(272)	(275)
Other expenses and income [12]	(185)	(224)
Underlying Operating Costs	**(664)**	**(717)**
Underlying EBITDA	**149**	**135**
Underlying EBITDA/t [13]	**118**	**109**
Underlying Cost/t [14]	**524**	**577**

The 2012 result also benefited from the contribution from the identification, recovery and sale of silver-bearing material at the Port Pirie smelter (contribution to underlying EBITDA in 2012 of EUR 24 million, included in Other).

Underlying gross profit decreased 5% to EUR 813 million in 2013, compared to EUR 852 million in 2012. Gross profit was negatively impacted by the stronger EUR which, on a year average basis, appreciated 3.4% against the USD in 2013 compared to 2012.

Treatment charge income from zinc and lead was relatively flat at EUR 337 million in 2013, compared to EUR 338 million in 2012. Whilst the 2013 zinc benchmark TC settled at USD 212 per dry metric tonne, basis USD 2,000 (USD 21 above 2012 terms), the concentrate mix consumed during 2013 included a higher proportion of more complex materials purchased outside frame contracts. Higher treatment charge income from benchmark contracts was therefore offset by more purchases outside frame contracts. As a result, total treatment charge income was in line with 2012.

Free metal contribution of EUR 244 million was in line with 2012 as similar production levels of zinc metal and higher lead production volumes were offset by slightly lower zinc prices.

Despite the depressed macro-economic conditions in 2013, realised premiums on commodity grade and specialty alloy zinc and lead products increased compared to 2012. This resulted in gross profit earned on premiums of EUR 127 million, an increase of 10% compared to 2012 (EUR 115 million).

[11] Energy expenses do not include the net gain / (loss) on the Hobart smelter embedded energy derivatives
[12] In H1 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.
[13] Calculated based on Segmental underlying EBITDA result and total production of Zinc Market Metal and Lead Market Metal.
[14] Calculated based on total segmental direct operating costs, income and total production of Zinc Market Metal and Lead Market Metal.

The contribution of by-product gross profit in 2013 was EUR 215 million, a decrease of 3% from EUR 221 million in 2012. The decline was driven by a combination of declining metal prices for copper, gold and silver as well as a decline in acid prices, which were partially offset by higher production volumes of copper, gold, silver and indium compared to 2012.

Other gross profit was EUR (111) million, an increase of 73% compared to 2012. The increase is mainly driven by higher freight costs and the contribution in 2012 of EUR 24 million of silver-bearing material at the Port Pirie smelter.

The Metals Processing cost per tonne (of zinc and lead metal) of EUR 524 improved by 9% on 2012 (EUR 577). This was largely driven by the recognition of the EUR 45 million termination (included in Other expenses and income) and a weakening of the AUD against the EUR during 2013. Approximately 40% of Metals Processing costs are denominated in Australian dollars, therefore the weakening of the AUD against the Euro in 2013 had some positive impact on total Metals Processing cost performance in Euro terms.

OTHER & ELIMINATIONS

Underlying EBITDA in the Other and Eliminations segment was EUR (43) million in 2013, comprising the elimination of unrealised inter segment profits (for material consumed internally by the Metals Processing segment), a net gain of EUR 0.8 million from non-core operations and other group costs. This result is in line with previous years.

CAPITAL EXPENDITURE

Capital expenditure was approximately EUR 200 million in 2013, a decrease of 19% from 2012 (EUR 248 million). Expenditure in 2013 was at the very low end of the full year guidance of EUR 200 – 230 million.

Expenditure in the Mining segment of EUR 97 million in 2013 represents a substantial reduction of 25% from 2012. Sustaining and compliance spend in 2013 was reduced to approximately EUR 52 million, 7% reduction on 2012, due to improved capital management across the Mining segment. EUR 42 million was spent on exploration and development, 39% down on the previous half and EUR 3 million on growth spend.

Capital expenditure in the Metals Processing segment in 2013 of EUR 96 million was down 15% from 2012 (EUR 113 million). This comprised approximately EUR 75 million of expenditure on sustaining, compliance and shutdowns, which included spend on a number of successful planned maintenance shuts across the smelters. EUR 17 million was spent on organic growth projects which include the final investment case for the transformation of Port Pirie, increasing indium metal capacity at Auby and the successful completion of the electrolysis de-bottlenecking project at Auby.

In addition, approximately EUR 7 million was invested at other operations and corporate offices.

Capital expenditure guidance in 2014 is as follows:

Segment	Category	EUR million
Mining	Sustaining and compliance	40 – 45
	Exploration and Development	
	and Growth	65 – 75
	Total	**105 – 120**
Metals Processing	Sustaining and compliance	75 – 80
	Growth	15 – 40
	Port Pirie Redevelopment	75 – 85
	Total	**160 – 215**
Group	**Total**	**265 – 335**

MANAGEMENT REPORT

CASH FLOW AND NET DEBT

In 2013, cash flows from operating activities generated an inflow of EUR 299 million, which comprised a EUR 124 million cash inflow from operating activities before working capital changes.

Cash outflows from investing activities in 2013 of EUR 191 million mainly relates to capital expenditure. Following successful placement of senior, unsecured convertible bonds, due in 2018 for a principal amount of EUR 120 million, cash inflows from financing activities in 2013 amounted to EUR 9 million, compared to an outflow of EUR 133 million in 2012. As of 31 December 2013, the full amount of Nyrstar's revolving structured commodity trade finance facility remained undrawn (also fully undrawn as of 31 December 2012).

Net debt at 31 December 2013 was EUR 670 million (31 December 2012: EUR 681 million), with a gearing level of 43.5%[15] at the end of December 2013 compared to 36.9% at the end of December 2012.

TAXATION

Nyrstar recognised an income tax expense for the year ended 31 December 2013 of EUR 11.1 million representing an effective income tax rate of -6.0% (for the year ended 31 December 2012: 13.3%). The tax rate is impacted by non-deductible amounts related to the impairments incurred by the Group, recognition of previously unrecognised tax losses and temporary differences and unrecoverable withholding tax.

OTHER SIGNIFICANT EVENTS IN 2013

Capital distribution

On 7 February 2013, the Board of Directors proposed to distribute to the shareholders a (gross) amount of EUR 0.16 per share, and to structure the distribution as a capital reduction with reimbursement of paid-up capital. The proposal was submitted to an extraordinary general shareholders' meeting at the time of the annual general shareholders' meeting on 24 April 2013. The quorum requirement for deliberation and voting on the agenda items of the extraordinary general meeting was not met. As such, a second extraordinary general meeting was held on 23 May 2013 and the proposal was approved. As the distribution is structured as a capital reduction with reimbursement of paid-up capital, the payment was subject to the special statutory creditor protection procedure set out in Article 613 of the Belgian Company Code. On 13 June 2013, the approval of the capital distribution was published in the Belgian Official Gazette. The ex-dividend date was 9 August 2013, with the payment date of 14 August 2013.

Talvivaara

As a result of ongoing financial and operational challenges at the Talvivaara's Sotkamo mine throughout 2013, deliveries of zinc in concentrate from Talvivaara during H2 2013 were significantly down on H1 2013 (30kt in H1 2013 to 14kt in H2).

Talvivaara's liquidity position weakened further in H2 2013 and the company commenced a corporate reorganisation process of the Talvivaara Mining Company Plc on 29 November 2013, and commenced corporate reorganisation of the Talvivaara Sotkamo Ltd on 17 December 2013. Nyrstar is now actively participating with a number of interested parties in Talvivaara's corporate reorganisation process.

Considerable uncertainties exist as to the outcome of Talvivaara's reorganisation process.We also have ongoing concern regarding the performance of Talvivaara under the zinc streaming agreement obligations. It is currently not possible for Nyrstar to estimate the most likely outcome of the reorganisation and its impact on the carrying value of the agreement.

[15] Gearing: net debt to net debt plus equity at end of period.

MANAGEMENT REPORT

Settlement with Glencore on Commodity Grade Off-take Agreement and shareholding

On 16 April, Nyrstar announced that it has reached a negotiated settlement with Glencore (now GlencoreXstrata) in relation to its Commodity Grade Off-take Agreement for the sale and marketing of commodity grade zinc metal produced by Nyrstar within the European Union, and Glencore's 7.79% shareholding in Nyrstar. This followed the requirement for Glencore to end these aspects of its relationship with Nyrstar as part of the remedy package agreed by the European Commission in relation to Glencore's merger with Xstrata. Under the settlement, by 31 December 2013 Nyrstar will cease to sell to Glencore commodity grade zinc metal produced at Nyrstar's smelters located within the European Union (Auby, Balen/Overpelt and Budel). With respect to the above, Glencore agreed to pay Nyrstar a termination fee of EUR 44.9 million. The sale of commodity grade zinc and lead produced from Nyrstar's smelters outside the European Union (Clarksville, Hobart and Port Pirie) will continue as before under the Off-take Agreement. Glencore also agreed to sell to Nyrstar Glencore's entire shareholding of 7.79% of common shares for EUR 3.39 per share (a discount of approximately 10% to the 5-day volumeweighted average price, and 5% to the closing share price, of Nyrstar shares on 15 April 2013), for a total cash consideration of EUR 44.9 million. Nyrstar continues to hold the acquired shares as treasury stock and will look to place the shares with suitable investors over time.

Strategic hedging of metal prices

As announced in our 2013 first Interim Management Statement, during Q1 2013 Nyrstar entered into short-term strategic hedging arrangements with respect to zinc prices. The hedges, which relate to Q2, Q3 and Q4 2013, are for 20,000 tonnes of zinc metal per month. The hedges in Q2 2013 guaranteed Nyrstar a zinc price between USD 2,100/t and USD 2,200/t for 60,000 tonnes of metal. The hedges for Q3 and Q4 2013 guarantee Nyrstar a zinc price between USD 2,100/t and USD 2,200/t for 120,000 tonnes of metal and, if the price exceeds USD 2,400/t, Nyrstar would have exposure to the upside benefit.

The total cost for entering into these hedging arrangements was approximately USD 7 million, which is included under finance expenses.

Subsequently, in June, Nyrstar entered into strategic hedges with respect to gold and silver prices for H2 2013. The hedges for Q3 2013 were for approximately 1 million troy ounces of silver and 19,000 troy ounces of gold production and guarantee Nyrstar a silver and gold price of USD 22.41 per troy ounce and USD 1,383 per troy ounce respectively. The hedges for Q4 2013, for approximately 0.6 million troy ounces of silver and 17,000 troy ounces of gold production, guarantee the same prices as the Q3 hedge and, in addition, if the silver and gold prices exceed USD 25 per troy ounce and USD 1,500 per troy ounce, respectively, Nyrstar would have had exposure to the upside benefit.

The rationale for entering into such short term arrangements was to improve the profitability of the business by, for example, providing targeted financial support for Nyrstar's assets or to take advantage of price conditions in the market. Nyrstar has implemented a comprehensive governance structure to ensure hedging arrangements, with respect to zinc and other metal prices, are compliant with a robust risk-reward framework and all decisions to enter or exit from a hedge position are taken by a Metal Price Risk Committee.

Successful issue of EUR 120 million of convertible bonds, due 2018

On 17 September 2013, Nyrstar successfully placed senior, unsecured convertible bonds, due 2018, for a principal amount of EUR 120 million. The Bonds were issued at 100% of their principal amount and have a coupon of 4.25% per annum, payable semi-annually in equal installments in arrears. The conversion price is EUR 4.9780 per share and is set at a premium of 35.0 per cent to the reference share price of EUR 3.6874, being the volume-weighted average price of the Company's ordinary shares on Euronext Brussels from launch to pricing.

The Bonds were placed through an accelerated book-build placement with institutional investors outside the United States in accordance with Regulation S under the Securities Act only and are listed on the Open Market (Freiverkehr) segment of the Frankfurt Stock Exchange.

European strategic marketing agreement for commodity grade zinc metal with Noble and Noble acquires a 1% shareholding in Nyrstar

On 1 October 2013, Nyrstar entered an off-take and strategic marketing agreement with Noble Group to market and sell 200,000 tonnes per annum of commodity grade zinc metal (special high grade and continuous galvanising grade) produced at its European smelters. The agreement has a term of four years and commenced on 1 January 2014, under which Nyrstar will receive market price plus a benchmark premium per tonne of zinc metal, with a profit sharing mechanism for any upside. For Nyrstar, the agreement represents a first step in executing a European zinc metal plan aimed at actively marketing Nyrstar's product to increase optionality in terms of customers, product mix and geography which is expected to deliver improved margins.

The agreement follows a structured process undertaken by Nyrstar in Q2 and Q3 2013 to determine the most suitable channel(s) to market and sell commodity grade zinc metal produced at its European smelters. This was triggered by the termination of the European component of the Commodity Grade Off-take Agreement with Glencore Xstrata. During the process, Nyrstar determined that the best way to market its European commodity grade zinc metal is through a multi-channel approach and, therefore, the newly formed Marketing, Sourcing & Sales segment is directly selling, marketing and financing the remaining 160,000 tonnes (approximately) of commodity grade zinc metal produced in Europe with a number of market participants.

Noble also 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 (a premium of 5% to the 3-day volume-weighted average price of Nyrstar shares on 27 September 2013), for a total cash consideration of EUR 6.4 million.

Proposed distribution

The Board of Directors has decided not to propose to shareholders a distribution for the financial year 2013, reflecting its commitment to support the opportunities identified by the company's growth plans.

SENSITIVITIES

Nyrstar's results continued to be significantly affected during the course of 2013 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 2013.

12 months ended 31 December 2013

Parameter	**Variable**	**Annualised estimated EBITDA**
		impact in EUR million
Zinc Price	+/- USD 100/t	+28 / -28
Lead Price	+/- USD 100/t	+2 / -2
Copper Price	+/- USD 500/t	+6 / -6
Silver Price	+/- USD 1/toz	+4 / -4
Gold Price	+/- USD 100/toz	+6 / -6
USD / EUR	+/- EUR 0.01	+18 / -18
AUD / EUR	-/+ EUR 0.01	-3 / +3
Zinc treatment charge	+/- USD 25/dmt [16]	+28 / -28
Lead treatment charge	+/- USD 25/dmt	+5 / -5

[16] dmt = dry metric tonne of concentrate

The above sensitivities were calculated by modelling Nyrstar's 2013 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.

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

SAFETY, HEALTH, ENVIRONMENT, WORKFORCE AND SOCIETY

Workforce

At Nyrstar, we believe that people are the foundation of our success. We foster the development and application of programmes that enable our people to reach their full potential for the mutual benefit of the individuals and the organisation. Recruiting and retaining talented people is a top priority for the company.

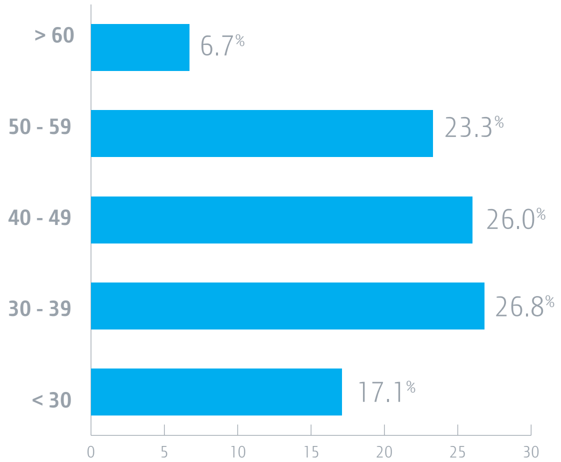
Global Workforce by Geographical Location

(year-end data)

Location	2013	2012
Australia	1,236	1,233
Europe	1,487	1,453
Americas	3,876	4,284
Total	**6,599**	6,970

Global Workforce by Age Group

(at 2013 year-end)



Our approach to people management starts with The Nyrstar Way which establishes the behaviours we expect from all Nyrstar employees. Through the Nyrstar Way we are committed to open and honest relationships with our employees, 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 people. 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.

Having the right people with the right skills is critical to our success. In 2013, we undertook a focused recruitment program in Spain to attract qualified mining professionals for our operations in South America. In addition to our recruitment efforts, we also have several people development programs to support our staff's continued education and professional development. Some of these programs are discussed in further detail below.

Support for fundamental human rights is an integral part of how we operate. We are committed to respecting our employees' rights in line with the International Labour Organisation's Declaration of Fundamental Human Rights at Work. In line with this commitment, we recognise and respect the right of freedom of association by our employees. We have a number of operations where we have a mix of collective and individually-regulated employment agreements. This does not affect the rights of employees to choose to belong to trade unions, however. In 2013, approximately 60% of our workforce was covered by Collective Agreements. Over 98% of our employees are engaged on a full-time basis., however the same standard terms and conditions of employment apply to both full and part time employees. In terms of industrial action, the Contonga mine experienced a two week strike during the first half of 2013. No other significant industrial action occurred in 2013.

Safety & Health

Prevent Harm is a core value of Nyrstar and we are committed to maintaining safe operations and to proactively managing risks including those with respect to our people and the environment. During 2013, Nyrstar's Recordable Injury Rate (RIR) remained almost flat at 9.0 compared to 8.3 in 2012, this confirmed the significant reduction (37%) achieved in 2012. After a 50% reduction in 2012, the 2013 Lost Time Injury Rate (LTIR) increased by 20% to 3.4 compared to 2.8 in 2012.

Tragically, despite Nyrstar's strong focus on safety, two Nyrstar employees were fatally injured in March and September 2013 while working at the Campo Morado and Contonga mines respectively. Risk scenarios were conducted across all mines to prevent the recurrence of similar situations. We recognise that people are fallible, and even the best will make errors (mistakes, lapses or slips). As a result, Nyrstar's Hobart Smelter piloted a Human Performance Programme which integrates new beliefs, thoughts, actions and tools into our already existing Health & Safety management system. The programme, which has been well-received by the management team and workforce, focuses on developing competencies and skills to enable our employees to recognise, predict and prevent error-likely situations.

In the Metals Processing segment, Auby operated without a lost time injury for an 18 month period. The performance variance across the smelters reduced significantly as a consequence of a strong health and safety network and exchange of practices between the sites. The number of cases involving restricted works or lost time injuries (DART) was below 5 at 4.8 at the end of the year. A corporate Health and Safety Audit was completed across the smelters as part of our Assurance Program. In the Mining sector, Myra Falls won the Ryan Award, which recognizes Safety performance across British Columbia. A back-to-basics plan was initiated across all mines with an objective of building the foundations of a strong Health & Safety management system and culture.

Lost Time Injury Frequency Rate

(Per million hours worked)

Location	2013	2012*	2011
Smelters – Australia	3.1	1.9	2.9
Smelters – Americas	1.4	4.7	2.7
Smelters – Europe	2.5	1.8	2.5
Mines – North America	3.5	3.1	7.1
Mines- South America	4.0	3.2	5.0
Total	**3.4**	2.8	4.2

* Restated data

Recordable Injury Frequency Rate

(Per million hours worked)

Location	2013	2012*
Smelters – Australia	6.3	5.0
Smelters – Americas	14.2	11.0
Smelters – Europe	7.1	6.6
Mines – North America	15.2	19.2
Mines- South America	8.1	6.5
Total	**9.0**	8.3

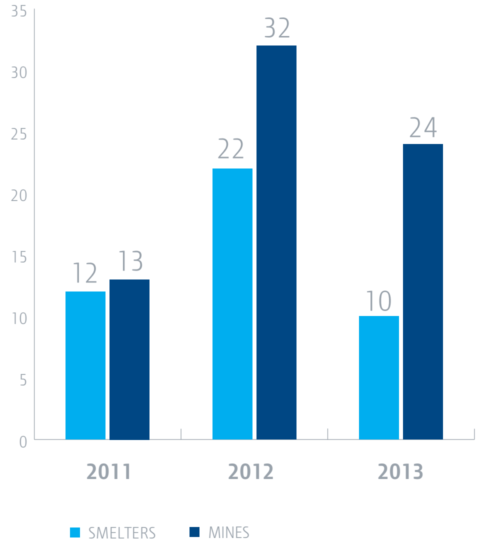
Environment

Mining and metals operations unavoidably affect the environment, and minimising environmental impacts represents one of the principal challenges for our industry. Similar to our peers, the environmental risks demanding our greatest attention relate to energy and climate change, water, air emissions and waste. Recognising the importance of environmental performance to our business success, we take the management of these risks very seriously and responsible environmental stewardship is integrated into our business planning, management systems and day-to-day operational decision making.

All Nyrstar sites are required to implement environmental management systems (EMSs) in alignment with the Nyrstar SHEC Management Elements.The EMSs help to drive continuous improvement in environmental performance by ensuring environmental impacts are understood, controlled and subject to regular monitoring and review. The systems implemented at Nyrstar's smelters are also certified to the ISO 14001 environmental management system standard.

Our key measure for regulatory compliance is Recordable Environmental Incidents, defined as a non-compliance event that requires notification to the environmental authorities. A total of 34 Recordable Environmental Incidents were documented in 2013, representing a significant (37%) improvement over the 54 incidents recorded in 2012. The improved compliance record is attributed to strengthened regulatory compliance processes and to the effectiveness of improvement actions implemented in response to events experienced in 2012.

Recordable Environmental Incidents[1]



[1] 2012 and 2013 data includes all Nyrstar mines and smelters; 2011 data includes all smelters and Tennessee Mines.

Society

The Nyrstar Way establishes the behaviours we must display in our dealings with local communities and other key stakeholders. By living the Nyrstar Way, we commit to Keeping Our Word, Preventing Harm, Being Open and Honest, and Creating Value. These commitments reflect the way we do business and are expected to be embraced by all Nyrstar employees.

Our SHEC Management Framework sets out the processes for stakeholder engagement, communication and consultation that must be implemented at all Nyrstar sites. Site implementation of these processes focuses on understanding and addressing the social risks that may affect Nyrstar's operations and the communities in which we operate. Particular emphasis is placed on identifying and taking advantage of the opportunities presented to our operations for enhancing local capacity and delivering socio-economic benefits.

As the majority of Nyrstar's engagement with communities and other stakeholders occur at a site level, considerable attention is given to making sure our local management teams and community development specialists have the required social awareness and competence. In 2013, we engaged external specialists to work very closely with our Latin American sites. The focus of this collaboration was to strengthen the community management capabilities of our personnel and to develop action plans for improving our community management processes and programs.

Nyrstar Sustainability Report 2013

Nyrstar publishes a separate Sustainability Report that presents our sustainability performance during the past year. 2013 marks the sixth that we report externally on sustainability matters. The Sustainability Report can be downloaded from our website: http://www.nyrstar.com/sustainability/.

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 2013 dated 5 February 2014 in accordance with article 96 of the Belgian Company 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 unless explained otherwise in the corporate governance charter or in this corporate governance statement.

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 18 March 2008, 11 December 2009, 24 February 2010, 26 July 2011, and the current version was approved by the board of directors on 5 February 2014.

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

While Nyrstar conducts its business within the framework of applicable professional standards, laws, regulations and internal policies, it also acknowledges that these standards, laws, regulations and policies do not govern all types of behaviour. As a result, 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).

CORPORATE GOVERNANCE STATEMENT

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 2013:

Name	Principal function within the Company	Nature of directorship	Start of Term	End of Term
Julien De Wilde(1)	Chairman	Non-Executive, Independent	2007	2014
Roland Junck	CEO, Director	Executive	2007 (2009 CEO)	2015
Peter Mansell(2)	Director	Non-Executive, Independent	2007	2013
Karel Vinck	Director	Non-Executive, Independent	2007	2015
Ray Stewart	Director	Non-Executive, Independent	2007	2014
Oyvind Hushovd	Director	Non-Executive, Independent	2009	2016
Carole Cable	Director	Non-Executive, Independent	2013	2017

(1) ACTING THROUGH DE WILDE J. MANAGEMENT BVBA
(2) MANDATE EXPIRED ON 24 APRIL 2013

De Wilde J. Management BVBA, represented by Julien De Wilde, Chairman, was appointed Chairman in August 2007. He is also Chairman of Agfa-Gevaert NV and a director of several Belgian listed companies, amongst others Telenet Group Holding NV. 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.

Roland Junck, Chief Executive Officer, was appointed Chief Executive Officer in February 2009 after 16 months as a Non-Executive Director on the Company's board of directors. He is also director of several European companies including Agfa-Gevaert NV. He was the former Chief Executive Officer of Arcelor Mittal. Prior to this role he was a member of the group management board of Arcelor, Aceralia and Arbed. He graduated from the Federal Polytechnic in Zurich and has a Masters of Business Administration from Sacred Heart University of Luxembourg.

Karel Vinck, Non-Executive Director, is 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 committee. He holds a Master's degree in Electrical and Mechanical Engineering from the Catholic University of Leuven, Belgium and a Master of Business Administration from Cornell University, United States.

Ray Stewart, Non-Executive Director, is Chief Financial and Administration Officer of Belgacom Group 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.

CORPORATE GOVERNANCE STATEMENT

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

As at 31 December 2013, the Company's management committee consists of six members (including the CEO), as further set forth hereinafter:

Name	Title
Roland Junck	Chief Executive Officer
Heinz Eigner	Chief Financial Officer
Russell Murphy	Chief HR & SHE Officer
Michael Morley	Senior Vice President, Metals Processing and Chief Development Officer
Graham Buttenshaw	Senior Vice President, Mining
Bob Katsiouleris	Senior Vice President, Marketing, Sourcing & Sales

Roland Junck is the Chief Executive Officer of the Company. See his biography above under "—Board of directors".

Heinz Eigner, Chief Financial Officer, was appointed in 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-University degree as Diplom- Kaufmann, 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).

Graham Buttenshaw, Senior Vice President, Mining, is responsible for leading Nyrstar's global mining operations. He has over 30 years' experience in the global mining industry working in countries such as Australia, Peru and Ghana in a number of senior roles with global mining houses such as Billiton and global mining contractors such as Redpath. He holds a B.Sc (Eng) with first class honours from Royal School of Mines, London and completed the AMP at Harvard Business School.

Bob Katsiouleris, Senior Vice President, Marketing, Sourcing & Sales, is responsible for Nyrstar's raw materials strategy, marketing and sales of finished products and trading. Prior to joining Nyrstar in January 2013, he was the Chief Commercial Officer for Rio Tinto Minerals with more than 20 years of experience in industrial minerals and metals sales, marketing, operations, processing, finance and purchasing. He holds a Bachelor of Mining and Metallurgical Engineering from McGill University in Montreal, Canada, and a Masters in Business Administration from Pepperdine University in Los Angeles. He is a member of the Order of Engineers of Quebec.

The business address of Mr Buttenshaw is 350 East Las Olas Boulevard, Suite 800, Fort Lauderdale, FL 33301, USA. The business address of the other members of the management committee is Tessinerplatz 7, 8002 Zurich, Switzerland.

General information on directors and management committee

No director or member of the management committee has:

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

(b) except in the case of compulsory liquidations, at any time in the previous five years, been associated with any bankruptcy, receivership or liquidation of any entity in which such person acted in the capacity of a member of an administrative, management or supervisory body or senior manager nor:

- been declared bankrupt or has entered into an individual voluntary arrangement to surrender his or her estate;
- 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;
- 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;
- been a partner in a partnership at the time of, or within twelve months preceding, a receivership of any assets of such partnership; or
- had any of his or her assets subject to receivership; or
- 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(1)	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	The United Fund for Belgium Belgacom NV	
Oyvind Hushovd	Ivanhoe Mines Sørlaminering Røo-Invest Lydia AS	LionOre Western Oil Sands Nickel Mountain AB Cameco Corporation Inmet Mining Corporation Libra Group
Carole Cable	Brunswick Group Women in Mining UK	N/A
Roland Junck	Agfa-Gevaert NV Samhwa Steel SA	Arcelor China Holding S.à r.l. Arcelor Mittal Aceralia Arbed Talvivaara Mining Company plc Interseroh SE
Heinz Eigner	N/A	N/A
Russell Murphy	N/A	N/A
Michael Morley	N/A	N/A
Graham Buttenshaw	N/A	N/A
Bob Katsiouleris	N/A	Rio Tinto Minerals Asia Pte Ltd Rio Tinto Malaysia Sdn. Bhd. U.S. Borax Inc. Talc de Luzenac

(1) ACTING THROUGH DE WILDE J. MANAGEMENT BVBA

Role of board of directors

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 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 authorized to carry out all actions that are considered necessary or useful to achieve the Company's vision. The board of directors has all powers except those reserved to the shareholders' meeting by law or the Company's articles of association.

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 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 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. At the special shareholders' meeting on 23 December 2013, Ms Carole Cable was appointed to the board of directors.

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 2013, eleven 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 2013, four audit committee meetings were held.

Nomination and remuneration committee

The nomination and remuneration committee consists of at least three directors. All members of the nomination and remuneration committee are Non-Executive Directors, with 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.

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, starting as from the annual general shareholders' meeting held in 2012, 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 2013, three nomination and remuneration committee meetings were held.

Safety, health and environment committee

The safety, health and environment committee consists of at least three directors. All members of the safety, health and environment committee are Non-Executive Directors, with at least one independent director. The safety, health and environment 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 safety, health and environment committee are Oyvind Hushovd (Chairman), Julien De Wilde and Carole Cable.

The role of the safety, health and environment committee is to assist the board of directors in respect of safety, health and environmental matters. In particular, its role is to ensure that the Company adopts and maintains appropriate safety, health and environment policies and procedures, as well as effective safety, health and environment internal control and risk management systems, and to make appropriate recommendations to the board of directors.

In principle, the safety, health and environment committee meets as frequently as necessary for the efficiency of the operation of the committee, but at least twice a year.

During 2013, three safety, health and environment committee meetings were held.

Activity report and attendance at board and committee meetings during 2013

Name	Board meeting attended	Audit	Nomination and remuneration	Safety, health and environment
Julien De Wilde(1)	11 of 11	N/A	3 of 3	3 of 3
Roland Junck	11 of 11	N/A	N/A	N/A
Peter Mansell(2)	2 of 11	N/A	1 of 3	1 of 3
Karel Vinck	10 of 11	4 of 4	3 of 3	N/A
Ray Stewart	11 of 11	4 of 4	3 of 3	N/A
Oyvind Hushovd	11 of 11	4 of 4	N/A	3 of 3

(1) ACTING THROUGH DE WILDE J. MANAGEMENT BVBA
(2) MANDATE EXPIRED ON 24 APRIL 2013

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 summarized 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.
- 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 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, De Wilde J. Management BVBA, represented by 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 assess how the board and its committees operate, check that important issues are effectively prepared and discussed, evaluate each director's contribution and constructive involvement, and assess the present composition of the board and its committees against the desired composition. This evaluation 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.

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 members of the management committee, as detailed above in "—Board of directors and management committee—Management committee".

Chief Executive Officer

The CEO 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 CEO 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 disclosures 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 CEO.

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

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

Dealing code

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

Disclosure policy

As a Belgian listed company and with a view to ensuring investors in shares of the Company have available all information necessary to ensure the transparency, integrity and good functioning of the market, the board of directors has established an information disclosure policy. The information disclosure policy is aimed at ensuring that inside information of which 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 Company and the public to assess the influence of the information on 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 guidline 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 the strictest ethical standards and principles. The Code of Business Conduct is available on www.nyrstar.com and sets out principles how to conduct business and behave in respect of:

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

The board of directors regularly monitors compliance with applicable policies and procedures of the Nyrstar Group.

WHISTLEBLOWING

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

QUALITY CONTROL

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

FINANCIAL REPORTING AND BUDGET CONTROL

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

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

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

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

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

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

The treasury committee meets at least quarterly.

COMMODITY RISK MANAGEMENT COMMITTEE

Nyrstar's commodity risk management committee establishes policies and procedures how Nyrstar manages its exposure to the commodity prices and foreign exchange rates. Nyrstar actively and systematically endeavors to minimize any impact on its income statement from metal price changes and foreign exchange movements.

Information, communication and financial reporting systems

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

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

Monitoring and review

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

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

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

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

Other

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

Shareholders

The Company has a wide shareholder base, mainly composed of institutional investors outside of Belgium, but also comprising Belgian retail and institutional 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
Nyrstar NV	Zinkstraat 1, 2490 Balen, Belgium	15 January 2014	15,338,431	9.02%
Umicore NV	Broekstraat 31, 1000 Brussels, Belgium	23 March 2011	5,251,856	3.09%
			20,590,287	**12.11%**

Share capital and shares

On the date of this report, the share capital of the Company amounts to EUR 370,649,145.92 and is fully paid-up. It is represented by 170,022,544 shares, each representing a fractional value of EUR 2.18 or one 170,022,544th of the share capital. The Company's shares do not have a nominal value.

The Company issued a 7% senior unsecured convertible bonds due 2014 (the "2014 Convertible Bonds") for an aggregate principal amount of EUR 120,000,000 on 2 July 2009. The possibility to convert the 2014 Convertible Bonds into new shares of the Company was approved by the extraordinary general shareholders' meeting of the Company held on 25 August 2009. In 2011 an aggregate principal amount of EUR 100,000 of the 2014 Convertible Bonds have been converted.

The Company also 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 15,338,431 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.

CORPORATE GOVERNANCE STATEMENT

Form and transferability of the shares

The shares of the Company can take the form of registered shares or dematerialized shares. All the Company's shares are fully paid-up and 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 3%, 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.

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 financial statements (i.e., summarized, the amount of the assets as shown in the balance sheet, decreased with provisions and liabilities, all as summarized in accordance with Belgian accounting rules), decreased with the non-amortized costs of incorporation and extension and the non-amortized costs for research and development, does not fall below the amount of the paid-up capital (or, if higher, the issued capital), increased with the amount of non-distributable reserves. In addition, prior to distributing dividends, 5% of the net profits must be allotted to a legal reserve, until the legal reserve amounts to 10% of the Company's share capital.

The Company's 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.

The Board of Directors have taken the prudent decision not to propose to shareholders a distribution for the financial year 2013. This reflects the Board's commitment to maintain a sustainable capital structure.

Information that have 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 370,649,145.92 and is fully paid-up. It is represented by 170,022,544 shares, each representing a fractional value of EUR 2.18 or one 170,022,544th 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, the Co-Investment Plan and the Leveraged Employee Stock Ownership Plan will vest upon determination by the nomination and remuneration committee.

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

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

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

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

(ix) 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;
- 7% senior unsecured convertible bonds due 2014;
- 5.5% senior unsecured fixed rate non-convertible bonds due 2015;
- 5.3% senior unsecured fixed rate non-convertible bonds due 2016;
- 4.25% senior unsecured convertible bonds due 2018;
- Nyrstar's committed EUR 50 million bilateral credit facility with ING Bank;
- 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; and
- Nyrstar's streaming agreement with Talvivaara Sotkamo Limited.

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

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

CORPORATE GOVERNANCE STATEMENT

Annual General Meeting – 30 April 2014

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. 30 April 2014 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. Approval of the remuneration report
8. Re-appointment of directors
9. Approval of a Leveraged Employee Stock Ownership Plan (LESOP)

Extraordinary General Meetings

On 30 April 2014, the Annual General Meeting may be shortly suspended in order to be continued as an Extraordinary General Meeting before a Notary Public. If at such meeting the quorum for the Extraordinary General Meeting is not reached, a second Extraordinary General Meeting may be convened on 19 May 2014 at 11 am at Diamond Building, A. Reyerslaan 80, 1030 Brussels, or at such other place as will be indicated at that place at that time.

CORPORATE GOVERNANCE STATEMENT

REMUNERATION REPORT

Introduction

The Company prepares a remuneration report relating to the remuneration of directors and the members of the management committee. The remuneration report will be submitted to the annual general shareholders' meeting on 30 April 2014 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 Chairman of the board of directors and 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.

REMUNERATION REPORT

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 2013

During 2013 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 2013:

	Remuneration (EUR)
Julien De Wilde(1)	200,000
Peter Mansell(2)	26,666
Karel Vinck	80,000
Ray Stewart	80,000
Oyvind Hushovd	75,000

(1) ACTING THROUGH DE WILDE J. MANAGEMENT BVBA

(2) MANDATE EXPIRED ON 24 APRIL 2013

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 CEO 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).

REMUNERATION REPORT

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.

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 2013, 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 2013 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. In 2013 no spot bonuses were granted.

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 2 years. The last review occurred in 2011.

While there are currently no plans to change the remuneration policy for executives for the two financial years to come, executive remuneration was independently reviewed by two independent external advisors in December 2013 with any change not applicable until 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 mid point, 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:

- 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%);
- 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 behavior, 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 2013

The following remuneration and compensation was paid to the Chief Executive Officer and other members of the management committee in 2013:

	CEO (EUR)	**Members of the management committee other than the CEO**
		(on an aggregate basis) (EUR)(4)
Base salary	853,410	2,090,959
AIP(1)	597,387	996,064
Pension benefits(2)	164,634	485,418
Other components of the remuneration(3)	372,150	1,631,177
Total	**1,987,581**	**5,203,618**

(1) THIS AMOUNT RELATES TO PERFORMANCE PERIOD FROM 1 JANUARY 2012 TO 31 DECEMBER 2012.
(2) THE PENSION INCLUDES 20% OF ANNUAL BASE SALARY AS SAVINGS CONTRIBUTIONS AND ALSO RISKS CONTRIBUTIONS.
(3) INCLUDES REPRESENTATION ALLOWANCE, HOUSING, CAR ALLOWANCE, HEALTH INSURANCE AND A ONE OFF SEVERANCE PAYMENT MADE IN 2013.
(4) INCLUDES 2 ADDITIONAL NMC MEMBERS THAT JOINED 1 JULY 2013 – SVP MINING AND SVP MARKETING, SOURCING AND SALES

Payments upon termination

In 2013 each member of the management committee (including the Chief Executive Officer) 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 2013 the Company had a Long Term Incentive Plan (LTIP), a Leveraged Employee Stock Ownership Plan (LESOP) and a Co-Investment Plan with a view to attracting, retaining and motivating the employees and executive management of the Company and its wholly owned subsidiaries.

The Co-Investment Plan vested in July 2013 without meeting any of the performance conditions. As such, no awards were made to participants. It is currently not anticipated to implement another Co-Investment Plan. The key terms of the LTIP, LESOP and Co-Investment Plan (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 2013.

LTIP

General

Under the LTIP, senior executives of Nyrstar (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 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 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 Awards to vest under the 2013 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
- The MSCI world mining and metals index by 2% based on a linear regression analysis

REMUNERATION REPORT

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 2013 are shown below:

	Grant 3	Grant 4	Grant 5	Grant 6
	Grant 3 share awards were delivered in the course of 2013			
Effective grant date	30 June 2010	30 June 2011	30 June 2012	30 June 2013
Performance period	1 January 2010 to 31 December 2012	1 January 2011 to 31 December 2013	1 January 2012 to 31 December 2014	1 January 2013 to 31 December 2015
Performance criteria	–zinc price 50% –MSCI 50% Executive remains in service to 31 December 2012	–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
Vesting date	31 December 2012	31 December 2013	31 December 2014	31 December 2015

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.

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:

	Grant 2	Grant 3	Grant 4	Grant 5	Grant 6	Total
Opening balance at 1 January 2013	88,871	770,960	1,053,901	2,104,239	-	**4,017,971**
Initial allocation at 30 June 2013	-	-	-		2,270,961	**2,270,961**
(Forfeitures)/Additions		(383,572)	(33,971)	(200,966)	(159,615)	**(778,124)**
Settlements	88,871	(387,388)	-	-	-	**(476,259)**
Closing balance at 31 December 2013	**-**	**-**	**1,019,930**	**1,903,273**	**2,111,346**	**5,034,549**

	Grant 2	Grant 3	Grant 4	Grant 5	Total
Opening balance at 1 January 2012	2,764,817	823,243	1,196,168	-	**4,784,228**
Initial allocation at 30 June 2012	-	-	-	2,261,628	**2,261,628**
(Forfeitures)/Additions		(52,283)	(142,267)	(157,389)	**(351,939)**
Settlements	2,675,946	-	-	-	**(2,675,946)**
Closing balance at 31 December 2012	**88,871**	**770,960**	**1,053,901**	**2,104,239**	**4,017,971**

Co-Investment Plan

General

The annual general shareholders' meeting of the Company held on 28 April 2010 approved the Co-Investment Plan. Under the Co-Investment Plan, for each ordinary Share in the Company that a member of the management committee (including the Chief Executive Officer) (the "Participant") purchased between 30 April 2010 and 28 June 2010 (a "Co-investment Share"), the Company would grant (for no consideration) the respective Participant on the Vesting Date, a number of additional ordinary shares in the Company (the "Matching Shares") provided that (a) the Participant would still be employed by Nyrstar (unless the board of directors qualifies his departure prior to such date as a "good leaver situation" (ill health resulting in the incapacity to perform professional activities for a period of more than twelve months, voluntary resignation, retirement or any similar event which the Nomination and Remuneration Committee may qualify as being a "good leaver situation" on the Vesting Date) and (b) the Participant would still holds the Co-investment Shares on the Vesting Date.

Eligibility

The persons eligible to participate in the Co-Investment Plan were the members of the management committee (including the Chief Executive Officer) and the Group General Managers.

Vesting

The vesting date of the Co-investment Plan was 15 July 2013.

These were the main features of the Co-investment Plan, as described in the Nyrstar's annual report 2012:

The Co-Investment Plan has three measurement dates, i.e. 1 July 2011 ("**Measurement Date 1**"), 1 July 2012 ("**Measurement Date 2**") and 1 July 2013 ("**Measurement Date 3**").

The number of Matching Shares is the product of (a) the highest of Multiple A, Multiple B and Multiple C and (b) the total number of the Co-Investment Shares which the respective Participant has continuously held as of 28 June 2010 up to and including the vesting date.

The initial thresholds were adjusted to take into account the economic impact of the Company's rights offering that closed in March 2011. Reference is also made to note 33 to the audited consolidated financial statements for the financial year ended on 31 December 2012.

"**Multiple A**" will be equal to:

- zero, if the highest average closing price of an ordinary share of the Company during any given period of five consecutive trading days between 1 July 2010 and 1 July 2011 has been less than EUR 16.70;
- four, if the highest average closing price of an ordinary share of the Company during any given period of five consecutive trading days between 1 July 2010 and 1 July 2011 has been equal to or higher than EUR 25.06; or
- a number between two and four, to be determined on a straight line basis, if the highest average closing price of an ordinary share of the Company during any given period of five consecutive trading days between 1 July 2010 and 1 July 2011 has been between EUR 16.70 and EUR 25.06, whereby factor two coincides with the EUR 16.70 threshold and factor four coincides with the EUR 25.06 threshold.

"**Multiple B**" will be equal to:

- zero, if the highest average closing price of an ordinary share of the Company during any given period of five consecutive trading days between 1 July 2011 and 1 July 2012 has been less than EUR 16.70;

- four, if the highest average closing price of an ordinary share of the Company during any given period of five consecutive trading days between 1 July 2011 and 1 July 2012 has been equal to or higher than EUR 25.06; or
- a number between two and four, to be determined on a straight line basis, if the highest average closing price of an ordinary share of the Company during any given period of five consecutive trading days between 1 July 2011 and 1 July 2012 has been between EUR 16.70 and EUR 25.06, whereby factor two coincides with the EUR 16.70 threshold and factor four coincides with the EUR 25.06 threshold.

"**Multiple C**" will be equal to:

- zero, if the highest average closing price of an ordinary share of the Company during any given period of five consecutive trading days between 1 July 2012 and 1 July 2013 has been less than EUR 16.70,
- four, if the highest average closing price of an ordinary share of the Company during any given period of five consecutive trading days between 1 July 2012 and 1 July 2013 has been equal to or higher than EUR 25.06, or
- a number between two and four, to be determined on a straight line basis, if the average closing price of an ordinary share of the Company during any given period of five consecutive trading days between 1 July 2012 and 1 July 2013 has been between EUR 16.70 and EUR 25.06, whereby factor two coincides with the EUR 16.70 threshold and factor four coincides with the EUR 25.06 threshold.

The Matching Shares will consist of ordinary shares of the Company which the Company intends to redeem in accordance with the respective statutory powers granted to the board of directors. If the Company is unable to deliver the respective Matching Shares to a Participant, the Company will be able to settle its respective obligations by granting such Participant a cash amount equal to the product of the number of Matching Shares to be delivered to such Participant and the average closing price of the ordinary shares of the Company during the twenty trading days preceding the vesting date.

The underlying philosophy of the vesting is to provide a long-term component to the remuneration package of the management committee members, while at the same time aligning their interests with those of the Company and its shareholders, by requiring a personal investment by the members of the management committee and at the same time linking this remuneration component to the long-term evolution of price of the Company's shares.

Awards

Subject to the vesting conditions, the number of Co-investment Shares of a Participant was capped as follows:

- with respect to the Chief Executive Officer, the maximum number of Co-investment Shares is equal to 50,000; and
- with respect to the each of the four current members of the management committee, the maximum number of Co-investment Shares is equal to 35,000.

The members of the management committee purchased a total number of 190,000 shares as participation in the Co-Investment Plan.

In line with the above general principles, the board of directors further determined and elaborated the rules of the Co-Investment Plan. The board of directors also administers the Co-Investment Plan.

In the context of the Co-Investment Plan, in addition to this conditional right to receive shares, Nyrstar granted each Participant an unconditional cash bonus, the net amount of which – to be calculated for each respective Participant separately – will be equal to the product of (a) the number of Co-investment Shares of the Participant and (b) the difference between the average purchase price paid by the Participant for his respective Co-investment Shares and EUR 10.00.

Adjustments to the Plans

The annual general shareholders' meeting of the Company held on 27 April 2011 granted the board of directors of the Company the power to amend and restate the Co-Investment Plan in order to reflect the consequences and amendments that may be required in the context of certain corporate actions engaged by the Company. In the context of the Company's rights offering that closed in March 2011, the following amendments to the Co-Investment Plan were made:

- the shares of the Company subscribed by the Participants in the Co-Investment Plan in the Company's rights offering that closed in March 2011 on the basis of the preference rights of their existing Co-investment Shares are also considered as Co-Investment Shares for purposes of the Co-Investment Plan. As a consequence, an additional 133,000 shares subscribed for by the participants in the Co-Investment Plan are considered "Co-investment Shares" for purposes of the Co-Investment Plan;
- the list of Participants in the Co-Investment Plan can be extended beyond the Chief Executive Officer and the four other members of the Company's management committee to include other managers of the Company and its subsidiaries;
- the objective performance based targets (determined by the board of directors and relating to the stock exchange price of the Shares of the Company during the term of the Co-Investment Plan) that need to be achieved in order for the Matching Shares to vest can be adjusted in order to take into account the economic impact of the Company's rights offering that closed in March 2011. Reference is made to note 31 to the audited consolidated financial statements for the financial year ended on 31 December 2011; and
- the general vesting date under the Co-Investment Plan can be shorter than three years.

In addition, 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 Company Code, any clauses or features included in the Plans 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 such Plans 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 Company Code entail 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.

Vesting of the Plan

The Co-Investment Plan vested on 15 July 2013. None of the performance conditions were met. Accordingly, no awards were made to any of the participants.

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 2013 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 2013 LESOP and a certain percentage of any increase in value of the shares over the lifetime of the 2013 LESOP. The 2013 LESOP was approved by the general shareholder`s meeting in April 2013. The first stage of the 2013 LESOP was implemented in December 2013.

In 2014, the Board of Directors considers providing a LESOP, with the same terms and conditions as the 2013 LESOP, on an annually recurring basis. The Board of Directors intends to submit the recurring LESOP to the general shareholder`s meeting of the Company in accordance with the requirements as set forth in the Belgian Company Code and the Company`s corporate governance charter.

Directors' and other interests

Shares and Share awards - LTIP

During 2013 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 2013 under the LTIP in which the performance conditions have been met**	**Share Awards granted in 2013 or in prior years under the LTIP of which the performance conditions have not been met[1]**
Roland Junck	Chief Executive Officer	36,108	564,099
Greg McMillan[2]	Chief Operating Officer	23,144	114,876
Heinz Eigner	Chief Financial Officer	18,936	235,737
Russell Murphy	Chief HR & SHE Officer	17,523	213,495
Michael Morley	SVP Metals Processing and Chief Development Officer	16,751	213,495
Bob Katsiouleris[3]	SVP Marketing, Sourcing & Sales		154,289
Graham Buttenshaw[4]	SVP Mining	6,779	168,131
Erling Sorensen[5]		3,048	

Notes:
(1) Vesting is subject to performance conditions.
(2) The employment of Greg McMillan ended 31 December 2013
(3) Bob Katsiouleris was employed by Nyrstar in January 2013 and joined the Nyrstar Management Committee in June 2013
(4) Graham Buttenshaw was employed by Nyrstar in March 2012 and joined the Nyrstar Management Committee in June 2013
(5) Erling Sorensen was in 2010 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 June 2010. Effective 31 December 2013, there are no further awards due

REMUNERATION REPORT

Shares and Share awards – AIP

During 2013 the following share awards had been granted under the AIP to the members of the management committee:

		AIP	
Name	Title	Share Awards delivered in 2013 under the AIP in which the vesting conditions have been met	Share Awards granted in in prior years under the AIP of which the performance conditions have been met but shares not yet delivered[1]
Roland Junck	Chief Executive Officer		48,812
Greg McMillan[2]	Chief Operating Officer		23,841
Heinz Eigner	Chief Financial Officer		20,553
Russell Murphy	Chief HR & SHE Officer		18,497
Michael Morley	SVP Metals Processing and Chief Development Officer		18,497
Bob Katsiouleris[3]	SVP Marketing, Sourcing & Sales		
Graham Buttenshaw[4]	SVP Mining		7,955

Notes:
(1) Relates to the 2012 AIP deferred share component. Vesting is subject to the employee remaining employed until 31 December 2013. All NMC members have meet the vesting condition. Shares to be delivered in March 2014.
(2) The employment of Greg McMillan ended 31 December 2013.
(3) 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.
(4) Graham Buttenshaw was employed by Nyrstar in March 2012 and joined the Nyrstar Management Committee in June 2013.

Shares and Share awards – LESOP

During 2013 the following share awards had been purchased by participants under the LESOP by members of the management committee:

Name	Title	LESOP 2013	
		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
Bob Katsiouleris	SVP Marketing, Sourcing & Sales	50,000	450,000

The following number of shares were held by members of the management committee as at 31 December 2013:

Name	Title	Shares held [1]
Roland Junck	Chief Executive Officer	632,710
Heinz Eigner	Chief Financial Officer	843,085
Russell Murphy	Chief HR & SHE Officer	686,766
Michael Morley	SVP Metals Processing and Chief Development Officer	755,346
Bob Katsiouleris	SVP Marketing, Sourcing & Sales	500,000
Graham Buttenshaw	SVP Mining	

[1] Includes the 450,000 shares obtained as part of and held under the 2013 LESOP.

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 2013.

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 2013 comprise Nyrstar NV (the "Company") and its subsidiaries (together referred to as the "Group" and individually as "Group entities") and the Group's interest in associates and jointly controlled entities.

The 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), the Standard Interpretations Committee (SIC) 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.

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

1.1 Overview of activities and finance overview

In 2013 the volume of zinc in concentrate produced at Nyrstar's own mines (excluding deliveries under the Talvivaara zinc stream) was approximately 271,000 tonnes, achieving the revised guidance of 265,000 to 280,000 tonnes and representing a 4% decline compared to 2012. The decline in production was primarily due to a two month suspension of mining operations at the Campo Morado mine.

Production of all other metals in the mining segment, with the exception of lead, was in line with revised guidance. The Metals Processing segment produced approximately 1,088,000 tonnes of zinc metal in 2013. Production in H2 2013 was a new half yearly record with approximately 569,000 tonnes, a 10% increase on H1 2013 (519,000 tonnes). Production in H1 2013 was impacted by a number of planned maintenance shuts across the smelters, all of which were announced in Nyrstar's Full Year 2012 results release. Production was at the top end of the full year guidance for 2013 of 1 to 1.1 million tonnes of zinc metal.

Due to declines in the metal price and reduced production levels the Company delivered a result from operational activities before exceptional items in 2013 of EUR (45.6) million (compared to EUR (5.5) million in 2012). The Group generated revenue for the year 2013 amounting to EUR 2,823.5million, a decrease of 8% compared to 2012, and recorded a net loss after tax of EUR 195.4 million in 2013 (2012: net loss after tax of EUR 96.5 million).

REPORT OF THE BOARD OF DIRECTORS

Despite the Group's continued focus on improving safety and health two Nyrstar employees were fatally injured in March and September 2013 while working at the Campo Morado and Contonga mines respectively. The Lost Time Injury Rate (LTR) increased by approximately 20% and the Recordable Injury Rate (RIR) remained relatively flat. (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 at all operations).

1.2 Non-financial key-performance indicators

Production

	Financial year 2013	Financial year 2012
Mining production		
Zinc in concentrate ('000 tonnes)	285	312
Gold in concentrate ('000 troy ounces)	75.2	94.6
Silver in concentrate ('000 troy ounces)	4,746	5,517
Lead in concentrate ('000 tonnes)	14.2	16.2
Copper in concentrate ('000 tonnes)	12.9	13.0
Smelting production		
Zinc metal ('000 tonnes)	1,088	1,084
Lead metal ('000 tonnes)	179	158
Sulphuric acid ('000 tonnes, gross)	1,389	1,388
Silver (million troy ounces)	17.9	13.8
Gold ('000 troy ounces)	66	56

Mining segment production was impacted by lower volumes delivered under the Talvivaara zinc streaming agreement and the suspension of operations at the Campo Morado mine in H1 2013. Zinc in concentrate production of 285kt in 2013, was 9% lower than in 2012, with own mine production (excluding deliveries under the Talvivaara zinc stream) down 4%, while lead (12%), copper (1%), silver (14%) and gold (21%) were also down on 2012. Revised production guidance was achieved for all metals, except for lead which was below guidance and lower than 2012 production largely owing to a production trade off at the Contonga mine with lower lead being compensated by higher copper.

The smelting segment produced approximately 1,088,000 tonnes of zinc metal in 2013, at the top end of the stated guidance of approximately 1.0 to 1.1 million tonnes. Production in H2 2013 was a new half yearly record with approximately 569,000 tonnes, a 10% increase on H1 2013 (519,000 tonnes).

Markets

Nyrstar's earnings are highly sensitive to changes in the zinc price, and as the Mining segment's production of other metals has increased, the sensitivity to changes in the lead, copper and silver price has also increased. The average zinc price was 2% lower in 2013 compared to 2012, averaging USD 1,909/t in 2013 compared to USD 1,946/t in 2012, while the average copper, silver and gold price declined by 8%, 24% and 15% respectively. Nyrstar's earnings also remain materially sensitive to changes in the zinc treatment charge. The 2013 zinc benchmark treatment charge settled above the 2012 terms, resulting in a benchmark TC of USD 212 per dry metric tonne (dmt) in 2013, a USD 21 increase on 2012, which had a positive impact on group EBITDA.

The Euro strengthened against the US Dollar by almost 4% although punctuated by brief periods of weakness when concerns regarding European Sovereign debt emerged. Whilst this development has been negative from an EBITDA perspective this has had the effect of rebalancing Europe from excessive reliance on exports towards consumption-led growth which has led to a pick-up in European industrial demand.

Safety, health and environment

Nyrstar's Recordable Injury Rate (RIR) remained almost flat at 9.0 compared to 8.2 in 2012, this confirmed the significant reduction (37%) achieved in 2012. After a 50% reduction in 2012, the 2013 Lost Time Injury Rate (LTIR) increased by 20% to 3.4 compared to 2.5 in 2012.

Tragically, despite Nyrstar's strong focus on safety, two Nyrstar employees were fatally injured in March and September 2013 while working at the Campo Morado and Contonga mines respectively. Risk scenarios were conducted across all mines to prevent the recurrence of similar situations.

In the Metals Processing sector, Auby operated without a lost time injury for an 18 month period. The performance variance across the smelters reduced significantly as a consequence of a strong health and safety network and exchange of practices between the sites. The number of cases involving restricted works or lost time injuries (DART) was below 5 at 4.8 at the end of the year. As part of our Assurance Program, a Corporate Health and Safety Audit was completed across the smelters. In the Mining sector, Myra Falls won the Ryan Award, which recognizes Safety performance across British Columbia. A back to basics plan was initiated across all mines with an objective of building the foundations of a strong Health & Safety management system and culture.

A total of 34 Recordable Environmental Incidents were reported in 2013, representing a significant decrease relative to the 54 incidents recorded in 2012. The improved incident record is attributed to strengthened environmental regulatory compliance processes and to the effectiveness of improvement actions implemented in response to events experienced in 2012.

1.3 Operating results, financial position and cash flows

The Group recorded a net loss after tax of EUR 195.4 million for the year 2013. The Group generated revenue for the year 2013 amounting to EUR 2,823.5 million, a decrease of 8% compared to 2012 due primarily to lower commodity prices and lower production in the Mining segment. Gross profit decreased by 8% to EUR 1,251.2 million in 2013 due to decreasing profitability in the mining segment following reduced levels of production in H1 2013.

Compared to 2012, employee benefits expense reduced by 5% to EUR 391.3 million, energy expenses remained flat at EUR 329.8 million. Approximately 40% of Metals Processing costs are denominated in Australian dollars, therefore the weakening of the AUD against the Euro in 2013 had some positive impact on total Metals Processing cost performance in Euro terms and consequently Group operating costs.

The 2013 result includes a net non-cash impairment charge of EUR 20.1 million (2012: EUR 18.2 million). This includes a non-cash impairment charge of EUR 227.5 million and a non-cash impairment reversal of EUR 207.4 million both recognised based on a detailed impairment assessment undertaken by the Group. EUR 118.2 million of the impairment charge relates to the impairment of goodwill recognised on the previous acquisitions of mining assets. The impairment reversal relates to the impairment charges recognised on the group's Port Pirie and Balen smelting assets in 2008.

The Group recorded a net financial expense of EUR 99.2 million in 2013, compared to EUR 93.4 million in 2012. This increase was mainly influenced by higher interest charges on external debt financing (EUR 67.4 million in 2013 compared to EUR 65.6 million in 2012), a lower level of unwind of discount in provisions (EUR 11.0 million in 2013 compared to EUR 15.7 million in 2012), increased other finance charges (EUR 21.1 million in 2013 compared to EUR 12.4 million in 2012) and a net foreign exchange loss in 2013 (EUR 0.6 million loss in 2013 compared to a EUR 0.9 million loss in 2012).

Nyrstar recognised an income tax expense of EUR 11.1 million in 2013 compared to a tax benefit of EUR 14.8 million in 2012. The effective tax rate was approximately (6)% in 2013 compared to 13% in 2012.

The Company capital expenditure in 2013 decreased by approximately 19% to EUR 199.4 million.

1.4 Liquidity position and capital resources

In 2013 cash flows from operating activities generated an inflow of EUR 298.9 million, which comprised a EUR 124.4 million cash inflow from operating activities before working capital changes.

Cash outflows from investing activities in 2013 of EUR 191.1 million mainly relates to capital expenditure. Following successful placement of senior, unsecured convertible bonds, due 2018 for a principal amount of EUR 120 million, cash inflows from financing activities in 2013 amounted to EUR 8.7 million, compared to an outflow of EUR 133.4 million in 2012. As of 31 December 2013, the full amount of Nyrstar's revolving structured commodity trade finance facility remained undrawn (also fully undrawn as of 31 December 2012).

Net debt at 31 December 2013 was EUR 670 million (31 December 2012: EUR 681 million), with a gearing level of 43.5% at the end of December 2013 compared to 37% at the end of December 2012.

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 the strictest ethical standards and principles. The Code of Business Conduct is available on www.nyrstar.com and sets out principles how to conduct business and behave in respect of:

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

The board of directors regularly monitors compliance with applicable policies and procedures of the Nyrstar Group.

WHISTLEBLOWING

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

QUALITY CONTROL

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

REPORT OF THE BOARD OF DIRECTORS

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 (BPC).
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 revenue and cost actual 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 of the Chief Financial Officer, the Group Treasurer and the Group Controller. The role of the treasury committee is to recommend to the CEO and to the board of directors amendments to the treasury policy. This considers all treasury transactions being reviewed before they are recommended to the CEO for review and approval by the board of directors. Explicitly this includes preparations for the following CEO and board of directors approvals:

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

The treasury committee meets at least quarterly.

COMMODITY RISK MANAGEMENT COMMITTEE

Nyrstar's commodity risk management committee establishes policies and procedures how Nyrstar manages its exposure to the commodity prices and foreign exchange rates. Nyrstar actively and systematically endeavors to minimize any impact on its income statement from metal price changes and foreign exchange movements.

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.

FINANCIAL RISKS CONTINUED

Description	Impact	Mitigation
Interest rate risk & leverage risk Nyrstar is exposed to interest rate risk primarily on loans and borrowings. Nyrstar is exposed to risks inherent with higher leverage and compliance with debt covenants.	Changes in interest rates may impact primary loans and borrowings by changing the levels of required interest payments. Nyrstar's indebtedness increased significantly in 2011 in order to finance its expansion into mining and is now subject to risks inherent with higher leverage and compliance with debt covenants. Breaches in debt covenants will jeopardize the financing structure of Nyrstar.	Nyrstar's interest rate risk management policy is to limit the impact of adverse interest rate movements through the use of interest rate management tools. Debt covenants and required head room are monitored by Nyrstar on an on-going basis.
Credit risk Nyrstar is exposed to the risk of non-payment from any counterparty in relation to sales of goods and other transactions.	Group cash flows and income may be impacted by non-payment.	Nyrstar has determined a credit policy with credit limit requests, use of credit enhancements such as letters of credit, approval procedures, continuous monitoring of the credit exposure and dunning procedure in case of delays.
Liquidity risk Nyrstar requires a significant amount of cash to finance its debt, and fund its acquisitions, its capital investments and its growth strategy. Liquidity risk arises from the possibility that Nyrstar will not be able to meet its financial obligations as they fall due.	Liquidity is negatively impacted and this may have a material adverse effect on the funding of operations, capital investments, the growth strategy and the financial condition of the Company.	Liquidity risk is addressed by maintaining a sufficient degree of diversification of funding sources as determined by management, detailed, periodic cash flow forecasting and conservatively set limits on permanently to be available headroom liquidity as well as maintaining ongoing readiness to access financial markets within a short period of time.
Treatment charge (TC) risk Despite its further integration into mining, Nyrstar's results remain correlated to the levels of TCs that it charges zinc miners to refine their zinc concentrates and lead miners to refine their lead concentrates. TCs are cyclical in nature.	A decrease in TCs can be expected to have a material adverse effect on Nyrstar's business, results of operations and financial condition.	TCs are negotiated on an annual basis. The impact of TC levels is expected to further decrease in the future in line with Nyrstar's implementation of its strategy of selectively integrating its smelting business by expanding into mining.
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.
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.

REPORT OF THE BOARD OF DIRECTORS

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. These steps include Nyrstar's vertical integration into mining, its entry into off-take agreements with new mines that are due to commence production over the next several years, and its continuation of existing supply contracts. Nyrstar is continuously monitoring the energy market worldwide. This includes also considering alternate energy supply, e.g. wind power at mine sites.
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.

REPORT OF THE BOARD OF DIRECTORS

Description	Impact	Mitigation
International operations risk Nyrstar's mining and smelting operations are located in jurisdictions, including developing countries and emerging markets that have varying political, economic, security and other risks. In addition Nyrstar is exposed to nationalism and tax risks by virtue of the international nature of its activities.	These risks include, amongst others, the destruction of property, injury to personnel and the cessation or curtailment of operations, war, terrorism, kidnappings, civil disturbances and activities of governments which limit or disrupt markets and restrict the movement of funds or suppliers. Political officials may be prone to corruption or bribery, which violates Company policy and adversely affects operations.	Nyrstar performs a thorough risk assessment on a country-by-country basis when considering its investment activities. In addition Nyrstar attempts to conduct its business and financial affairs focusing to minimize to the extent reasonably practicable the political, legal, regulatory and economic risks applicable to operations in the countries where Nyrstar operates.
Reserves and resource risk Nyrstar's future profitability and operating margins depend partly upon Nyrstar's ability to access mineral reserves that have geological characteristics enabling mining at competitive costs. This is done by either conducting successful exploration and development activities or by acquiring properties containing economically recoverable reserves.	Replacement reserves may not be available when required or, if available, may not be of a quality capable of being mined at costs comparable to existing mines.	Nyrstar utilises the services of appropriately qualified experts to ascertain and verify the quantum of reserves and resources including ore grade and other geological characteristics under relevant global standards for measurement of mineral resources.
Strategic risk Nyrstar's growth strategy relies in part on acquisitions, mergers and strategic alliances, which involve risks.	Recent and future acquisitions, mergers or strategic alliances may affect Nyrstar's financial condition. In addition, the integration of acquired businesses involves several risks.	Nyrstar focuses on selectively pursuing opportunities in mining, favouring mines that support its smelting assets and where it has expertise and proven capabilities. Nyrstar carries out a due diligence review prior to doing acquisition as well as post acquisition reviews after or during integration of the acquired assets.

3. Important events which occurred after the end of the financial year

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, except for the circumstances described in Note 20 of the Consolidated Financial Statements for the year ended 31 December 2013.

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 35 (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 2013 the Group held a total of 15,338,431 of the Company's shares (31 December 2012: 7,345,826).

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 in the consolidation.

At 1 October 2013 Nyrstar Sales & Marketing AG entered a strategic offtake and marketing agreement with Noble Group 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.

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

During 2013 the Group settled its LTIP Grant 2 and 3. A total of 487,927 shares (2012: 2,067,312) were allocated to the employees as a part of this settlement.

Issued shares	2013	2012
Shares outstanding	154,684,113	162,676,718
Treasury shares	15,338,431	7,345,826
As at 31 Dec	**170,022,544**	170,022,544

Movement in shares outstanding	2013	2012
As at 1 Jan	162,676,718	160,609,406
Purchases of treasury shares	(13,245,757)	-
Sales of treasury shares	4,765,225	-
Employee shared based payment plan	487,927	2,067,312
As at 31 Dec	**154,684,113**	162,676,718

Movement in treasury shares	2013	2012
As at 1 Jan	7,345,826	9,413,138
Purchases	13,245,757	-
Sales	(4,765,225)	
Employee shared based payment plan	(487,927)	(2,067,312)
As at 31 Dec	15,338,431	7,345,826

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

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

The provisions of Article 523 of the Belgian Companies Code have been complied with in relation to the changes made to the performance conditions under the LTIP applicable to Mr Junck effective 6 February 2013 at the board meeting dated 5 February 2014 as set out below:

Prior to the deliberation and approval of the changes to LTIP performance conditions, i.e., for LTIP Grant 3, the exclusion of the 2012 performance year from the regression when determining the average LTIP achievement due the significant disconnect between the correlation of the zinc price and the share price in 2012 and, for the current and future grants, the change to the hurdle rates from 1 January 2013 from 5% to 2% with regard to the MSCI Metals & Mining Index (together the "**LTIP Performance Condition Changes**"), Mr Junck explained that pursuant to the LTIP Performance Condition Changes effective 6 February 2013 he has an interest of a financial nature that could be in conflict with the proposed approval by the Board of the LTIP Performance Condition Changes under Article 523 of the Belgian Company Code. Mr Junck explained that following the changes to the performance conditions for LTIP Grant 3 he was awarded 36,107 shares instead of zero shares and such shares were delivered in March 2013. Mr Junck further stated that the impact to successive grants is not known.

Mr Junck further stated that he believed that the proposed LTIP Performance Condition Changes are not unusual or uncustomary, especially within the context of listed companies in the global resource market. Mr Junck also stated that the Company's Statutory Auditor were advised of the potential conflict of interest.

Subsequently, Mr Junck left the meeting of the Board so as not to take part in the further deliberation and decision relating to the LTIP Performance Condition Changes to be entered into with him.

The remaining directors of the Board noted Mr Junck's declaration and subsequently, in accordance with Article 523 of the Belgian Company Code, proceeded with the deliberations on this declaration. The Board noted that the purpose of the LTIP Performance Condition Changes is to ensure the LTIP remains attractive to executives with an aim to ensure continued competitiveness within the global resources market. In order to attract and retain qualified individuals, the Board believed it is reasonable and necessary for the Company to reward and retain executive talent and therefore approve the LTIP Performance Condition Changes to avoid negative impact on the average LTIP achievement for LTIP Grant 3 following a significant disconnect between the correlation of the zinc price and the share price in 2012 and to align the hurdle rates as of 1 January 2013 for current and future grants from 5% to 2% with regard to the MSCI Metals & Mining Index. In addition, the Board noted the LTIP Performance Condition Changes are consistent with market practice as evidenced by the objective data. Accordingly the Board deemed the LTIP Performance Condition Changes to be therefore in the interest of the Company.

Following discussion, the Board (with the exclusion of Mr Junck) **RESOLVED** that the LTIP Performance Condition Changes be **APPROVED**.

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

9. Audit committee

The audit committee consists of 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.

10. Information that have an impact in the event of public takeovers bids

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

(i) The share capital of the Company amounts to EUR 370,649,145.92 and is fully paid-up. It is represented by 170,022,544 shares, each representing a fractional value of EUR 2.18 or one 170,022,544th 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), the Co-Investment Plan and the Leveraged Employee Stock Ownership Plan will vest upon determination by the nomination and remuneration committee.

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

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

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

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

(ix) 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;
- 7% senior unsecured convertible bonds due 2014;
- 5.5% senior unsecured fixed rate non-convertible bonds due 2015;
- 5.3% senior unsecured fixed rate non-convertible bonds due 2016;
- 4.25% senior unsecured convertible bonds due 2018;
- Nyrstar's committed EUR 50 million bilateral credit facility with ING Bank;
- 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; and
- Nyrstar's streaming agreement with Talvivaara Sotkamo Limited.

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

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

Done at Brussels on 5 February 2014.

On behalf of the board of directors,

De Wilde J. Management bvba
represented by its permanent
representative Mr Julien De Wilde
Director

Roland Junck
Director

REPORT OF THE BOARD OF DIRECTORS

STATEMENT OF RESPONSIBILITY

STATEMENT OF RESPONSIBILITY

The undersigned, Roland Junck, Chief Executive Officer and Heinz Eigner, Chief Financial Officer, declare that, to the best of their knowledge, the consolidated financial statements for the year ended 31 December 2013, 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, 5 February 2014

Roland Junck
Chief Executive Officer

Heinz Eigner
Chief Financial Officer

CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2013

CONSOLIDATED INCOME STATEMENT

EUR million	Note	2013	2012*
Revenue	7	**2,823.5**	**3,069.8**
Raw materials used		(1,486.6)	(1,627.3)
Freight expense		(85.7)	(86.2)
Gross profit		**1,251.2**	**1,356.3**
Other income	27	53.1	25.3
Employee benefits expense	11	(391.3)	(408.7)
Energy expenses		(329.8)	(332.1)
Stores and consumables used		(179.7)	(194.8)
Contracting and consulting expense		(165.7)	(170.8)
Other expense	14	(63.3)	(62.3)
Depreciation, amortisation and depletion	15,16,20	(220.1)	(218.4)
Result from operating activities before exceptional items		**(45.6)**	**(5.5)**
M&A related transaction expense	10	(1.7)	(2.6)
Restructuring expense	29	(18.5)	(16.9)
Impairment loss	17	(227.5)	(18.2)
Impairment reversal	17	207.4	-
Loss on the disposal of subsidiaries	9	-	(0.1)
Result from operating activities		**(85.9)**	**(43.3)**
Finance income	12	0.9	1.2
Finance expense	12	(99.5)	(93.7)
Net foreign exchange loss	12	(0.6)	(0.9)
Net finance expense		**(99.2)**	**(93.4)**
Share of profit / (loss) of equity accounted investees	18	0.8	(1.3)
Gain on the disposal of equity accounted investees	18	-	26.7
Loss before income tax		**(184.3)**	**(111.3)**
Income tax (expense) / benefit	13	(11.1)	14.8
Loss for the year		**(195.4)**	**(96.5)**
ATTRIBUTABLE TO:			
Equity holders of the parent		(195.4)	(93.6)
Non-controlling interest		-	(2.9)
Loss per share for loss attributable to the equity holders of the Company during the period (expressed in EUR per share)			
basic	34	(1.27)	(0.58)
diluted	34	(1.27)	(0.58)

* Certain amounts shown here do not correspond to the annual consolidated financial statements as at 31 December 2012 and reflect the adoption of new and revised standards as detailed in Note 2.

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE LOSS

EUR million	Note	2013	2012*
Loss for the year		**(195.4)**	**(96.5)**
Other comprehensive income			
Items that may be reclassified to profit:			
Foreign currency translation differences		(90.0)	(11.2)
Transfers to the income statement		-	(13.2)
Gains / (losses) on cash flow hedges	21	16.2	(10.9)
Transfers to the income statement		7.5	3.7
Income tax expense	13	(4.3)	-
Change in fair value of investments in equity securities	19	(8.8)	(4.9)
Transfers to the income statement		12.9	-
Reclassification of reverse acquisition reserve		-	7.6
Items that will not be reclassified to profit:			
Remeasurements of defined benefit plans	30	9.2	(12.7)
Income tax (expense) / benefit	13	(3.1)	4.2
Other comprehensive loss for the year, net of tax		(60.4)	(37.4)
Total comprehensive loss for the year		**(255.8)**	**(133.9)**
ATTRIBUTABLE TO:			
Equity holders of the parent		(255.8)	(131.0)
Non-controlling interest		-	(2.9)
Total comprehensive loss for the year		**(255.8)**	**(133.9)**

*Certain amounts shown here do not correspond to the annual consolidated financial statements as at 31 December 2012 and reflect the adoption of new and revised standards as detailed in Note 2.
The accompanying notes are an integral part of these consolidated financial statements.

CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

EUR million	Note	as at 31 Dec 2013	as at 31 Dec 2012*
Property, plant and equipment	15	1,771.5	1,730.2
Intangible assets	16	10.3	133.4
Investments in equity accounted investees	18	18.6	29.0
Investments in equity securities	19	27.5	37.9
Zinc purchase interest	20	224.3	237.2
Deferred income tax assets	13	120.6	77.0
Other financial assets	21	10.4	25.1
Other assets	23	3.2	3.9
Total non-current assets		**2,186.4**	**2,273.7**
Inventories	22	515.6	747.1
Trade and other receivables	24	174.9	221.1
Prepayments		17.5	14.4
Current income tax assets		6.5	6.2
Other financial assets	21	26.6	47.0
Other assets	23	-	4.0
Cash and cash equivalents	25	292.3	188.1
Total current assets		**1,033.4**	**1,227.9**
Total assets		**3,219.8**	**3,501.6**

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

EUR million	Note	as at 31 Dec 2013	as at 31 Dec 2012*
Share capital and share premium	26	1,649.7	1,676.9
Reserves	27	(274.5)	(207.5)
Accumulated losses		(505.6)	(307.6)
Total equity attributable to equity holders of the parent		**869.6**	**1,161.8**
Total equity		**869.6**	**1,161.8**
Loans and borrowings	28	839.9	867.2
Deferred income tax liabilities	13	174.2	142.5
Provisions	29	208.6	210.5
Employee benefits	30	71.0	84.4
Other financial liabilities	21	3.9	2.1
Other liabilities	23	55.6	59.3
Total non-current liabilities		**1,353.2**	**1,366.0**
Trade and other payables	31	486.0	641.2
Current income tax liabilities		17.1	16.8
Loans and borrowings	28	121.9	1.3
Provisions	29	17.1	24.3
Employee benefits	30	33.1	53.5
Other financial liabilities	21	20.8	11.3
Deferred income	32	294.7	218.6
Other liabilities	23	6.3	6.8
Total current liabilities		**997.0**	**973.8**
Total liabilities		**2,350.2**	**2,339.8**
Total equity and liabilities		**3,219.8**	**3,501.6**

* Certain amounts shown here do not correspond to the annual consolidated financial statements as at 31 December 2012 and reflect the adoption of new and revised standards as detailed in Note 2.
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 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) /income		-	-	(66.5)	6.1	(60.4)	-	(60.4)
Total comprehensive loss		-	-	(66.5)	(189.3)	(255.8)	-	(255.8)
Change in par value	26	-	-	3.2	(3.2)	-	-	-
Treasury shares		-	-	(19.4)	(10.2)	(29.6)	-	(29.6)
Issuance of convertible bond	28	-	-	15.7	-	15.7	-	15.7
Distribution to shareholders (capital decrease)	26	(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**

EUR million	Note	Share capital	Share premium	Reserves	Accumulated losses	Total amount attributable to shareholders	Non-controlling interest	Total equity
As at 1 Jan 2012*		1,352.0	352.1	(184.9)	(204.2)	1,315.0	4.3	1,319.3
Loss for the year		-	-	-	(93.6)	(93.6)	(2.9)	(96.5)
Other comprehensive loss		-	-	(28.9)	(8.5)	(37.4)	-	(37.4)
Total comprehensive loss		-	-	(28.9)	(102.1)	(131.0)	(2.9)	(133.9)
Change in par value	26	-	-	1.2	(1.2)	-	-	-
Treasury shares		-	-	5.1	(3.9)	1.2	-	1.2
Net movement in non-controlling interests as result of disposal of subsidiaries	9	-	-	-	-	-	(1.4)	(1.4)
Distribution to shareholders (capital decrease)	26	(27.2)	-	-	-	(27.2)	-	(27.2)
Share-based payments		-	-	-	3.8	3.8	-	3.8
As at 31 Dec 2012*		**1,324.8**	**352.1**	**(207.5)**	**(307.6)**	**1,161.8**	**-**	**1,161.8**

* Certain amounts shown here do not correspond to the annual consolidated financial statements as at 31 December 2012 and reflect the adoption of new and revised standards as detailed in Note 2.
The accompanying notes are an integral part of these consolidated financial statements.

CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF CASH FLOWS

EUR million	Note	2013	2012*
Loss for the year		(195.4)	(96.5)
ADJUSTMENT FOR:			
Depreciation, amortisation and depletion	15,16,20	220.1	218.4
Income tax expense / (benefit)	13	11.1	(14.8)
Net finance expense	12	99.2	93.4
Share of (profit) / loss in equity accounted investees	18	(0.8)	1.3
Impairment loss (net)	17	20.1	18.2
Equity settled share based payment transactions		5.3	6.1
Other non-monetary items		(33.1)	6.7
Loss on the disposal of subsidiaries	9	-	0.1
Gain on disposal of equity accounted investees	18	-	(26.7)
Gain on sale of property, plant and equipment	15	(2.1)	(6.4)
Cash flow from operating activities before working capital changes		**124.4**	**199.8**
Change in inventories		198.5	(199.0)
Change in trade and other receivables		38.5	80.6
Change in prepayments		(5.5)	8.2
Change in deferred income		88.8	98.8
Change in trade and other payables		(151.6)	238.2
Change in other assets and liabilities		65.6	3.0
Change in provisions and employee benefits		(28.5)	(21.3)
Income tax paid		(31.3)	(46.9)
Cash flow from operating activities		**298.9**	**361.4**
Acquisition of property, plant and equipment	15	(192.2)	(246.1)
Acquisition of intangible assets	16	(1.1)	(1.7)
Proceeds from sale of property, plant and equipment		3.6	8.3
Proceeds from sale of intangible assets		0.1	1.3
Acquisition of subsidiary, net of cash acquired	8	(2.8)	-
Acquisition of investment in equity securities		(0.2)	(9.9)
Payments of loans to equity accounted investees	21	-	(2.7)
Distribution from equity accounted investees		0.5	0.7
Proceeds from sale of subsidiary	9	-	2.2
Proceeds from sale of equity accounted investees	18	-	32.4
Interest received		1.0	1.5
Cash flow used in investing activities		**(191.1)**	**(214.0)**
Sale of own shares	26	11.7	-
Proceeds from borrowings		122.1	8.2
Repayment of borrowings		(17.1)	(42.4)
Interest paid		(84.0)	(73.1)
Distribution to shareholders	26	(24.0)	(26.1)
Cash flow from / (used in) financing activities		**8.7**	**(133.4)**
Net increase in cash held		**116.5**	**14.0**
Cash at the beginning of the year	25	188.1	177.4
Exchange fluctuations		(12.2)	(3.3)
Cash at the end of the year	25	**292.3**	**188.1**

* Certain amounts shown here do not correspond to the annual consolidated financial statements as at 31 December 2012 and reflect the adoption of new and revised standards as detailed in Note 2.
The accompanying notes are an integral part of these consolidated financial statements.

CONSOLIDATED FINANCIAL STATEMENTS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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 2013 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 5 February 2014.

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 21), financial instruments at fair value through profit or loss (note 21), and available-for-sale financial assets (note 19).

(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 2013, have been adopted in the preparation of the consolidated financial statements:

IAS 1 Presentation of Items of Other Comprehensive Income (Amendment)

IAS 19 Employee Benefits (Revised 2011) (IAS 19R)

IFRS 7 Disclosures – Offsetting Financial Assets and Financial Liabilities (Amendment)

IFRS 13 Fair Value Measurement

IAS 32 Tax effects of distributions to holders of equity instruments (Amendment)

IAS 36 Recoverable Amount Disclosures for Non-Financial Assets (Amendment)

The adoption of the amendment to IAS 1 Presentation of Financial Statements and revised standard IAS 19 (2011) Employee Benefits require restatement of previous financial statements. The nature and impact is described below:

IAS 1 Presentation of Items of Other Comprehensive Income – Amendment to IAS 1

The amendments to IAS 1 introduce a grouping of items presented in other comprehensive income (OCI). Items that may be reclassified to profit or loss at a future point in time now have to be presented separately from items that will never be reclassified. The amendment has been applied retrospectively and affected presentation only with no impact on the Group's reported financial position or performance.

IAS 19 Employee Benefits (Revised 2011) (IAS 19R)

IAS 19R includes a number of amendments to the accounting for defined benefit plans, including expected returns on plan assets are no longer recognised in profit or loss, instead there is a requirement to recognise interest expense on the net defined benefit liability in profit or loss, calculated using the market based discount rate used to measure the defined benefit obligation and; unvested past service costs are now recognised in profit or loss at the earlier of when the plan amendment occurs or when the related restructuring or termination costs are recognised. Other amendments include new disclosures, such as, quantitative sensitivity disclosures, will be included in the annual consolidated financial statements.

In case of the Group, the transition to IAS 19R had an impact on the net defined benefit plan obligations due to the difference in accounting for interest on plan assets and unvested past service costs. The effect of the adoption of IAS 19R is explained in note 30.

IFRS 7 Disclosures — Offsetting Financial Assets and Financial Liabilities- Amendment to IFRS 7

The amendments to IFRS 7 impact the disclosure requirements in IFRS 7 Financial Instruments. The amendment requires additional information about all recognised financial instruments that are set off in accordance with IAS 32 Financial Instruments: Presentation. Furthermore it also require disclosure of information about recognised financial instruments subject to enforceable master netting arrangements and similar agreements even if they are not set off under IAS 32. Refer to note 35 for these disclosures.

IFRS 13 Fair Value Measurement

The new standard IFRS 13 Fair Values Measurement establishes a single source of guidance under IFRS for all fair value measurements. IFRS 13 does not change when an entity is required to use fair value, but rather provides guidance on how to measure fair value under IFRS when fair value is required or permitted. IFRS 13 also requires enhanced disclosures on fair values. Adoption of IFRS 13 did not have a material impact on the fair value measurements carried out by the Group but resulted in additional disclosures in note 35.

IAS 32 Financial Instruments: Presentation

The adoption of the amendment to IAS 32 Financial Instruments: Presentation did not impact the Group.

IAS 36 Recoverable Amount Disclosures for Non-Financial Assets (Amendment)

The amendments to IAS 36 clarify the circumstances in which the recoverable amount of assets or cash-generating units are required to be disclosed, clarify the disclosures required and introduce a requirement to disclose the discount rate used in determining impairment (or reversals) where recoverable amount (based on fair value less cost to sell) is determined using a present value technique. Other than the additional disclosures, the application of amendments to IFRS 36 did not impact the amounts recognised in the consolidated financial statements (see note 17).

The following new standards, amendments of standards and interpretations have been issued but are not effective for the financial year beginning 1 January 2013 and have not been early adopted:

New or revised standards

- IAS 27 Separate Financial Statements
- IAS 28 Investments in Associates and Joint Ventures
- IFRS 9 Financial Instruments
- IFRS 10 Consolidated Financial Statements
- IFRS 11 Joint Arrangements
- IFRS 12 Disclosure of Interests in Other Entities

Amendments to existing standards and interpretations

- Offsetting Financial Assets and Financial Liabilities (Amendments to IAS 32)
- Defined Benefit Plans: Employee Contributions (Amendments to IAS 19)
- Novation of Derivatives and Continuation of Hedge Accounting (Amendments to IAS 39)
- IFRIC 21 Levies

Based on the Group's current structure, the adoption of IAS 27and 28 and IFRS 10, 11 and 12 are not anticipated to have a material impact on the Group. The Group is currently assessing the impact of IFRS 9 on the consolidated financial statements and related disclosures.

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 the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. 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 jointly controlled entities

Associates are those entities in which the Group has significant influence but not control over the financial and operational policies. Significant influence is presumed to exist when the Group holds between 20 and 50 percent of the voting power of another entity. Joint ventures are those entities over whose activities the Group has joint control, established by contractual agreement and requiring unanimous consent for strategic financial and operating decisions. Associates and jointly controlled entities 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.

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.

Where parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

Critical spare parts purchased for particular items of plant, are capitalised and depreciated on the same basis as the plant to which they relate.

Assets under construction

During the construction phase, assets under construction are classified as construction in progress within property, plant and equipment. Once commissioned these assets are reclassified to property, plant and equipment at which time they will commence being depreciated over their useful life.

Mineral properties and mine development costs

The costs of acquiring mineral reserves and mineral resources are capitalised on the statement of financial position as incurred. Capitalised costs representing mine development costs include costs incurred to bring the mining assets to a condition of being capable of operating as intended by management. Mineral reserves and in some instances mineral resources and capitalised mine development costs are depreciated from the commencement of production using generally the unit of production basis They are written off if the property is abandoned.

Major cyclical maintenance expenditure

Group entities recognise, in the carrying amount of an item of plant and equipment, the incremental cost of replacing a component part of such an item when that cost is incurred if it is probable that the future economic benefits embodied within the item will flow to the Group entity, the cost incurred is significant in relation to the asset and the cost of the item can be measured reliably. Accordingly, major overhaul expenditure is capitalised and depreciated over the period in which benefits are expected to arise (typically three to four years). All other repairs and maintenance are charged to the consolidated income statement during the financial period in which the costs are incurred.

Exploration and evaluation assets

Exploration and evaluation expenditure relates to costs incurred on the exploration and evaluation of potential mineral reserves and resources and includes costs such as exploratory drilling and sample testing and the costs of pre-feasibility studies. Exploration and evaluation expenditure for each area of interest, other than that acquired from the purchase of another mining company, is capitalised as an asset provided that one of the following conditions is met:

- such costs are expected to be recouped in full through successful development and exploration of the area of interest or alternatively, by its sale; or
- exploration and evaluation activities in the area of interest have not yet reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in relation to the area are continuing, or are planned for the future.

Acquired mineral rights comprise identifiable exploration and evaluation assets including mineral reserves and mineral resources, which are acquired as part of a business combination and are recognized at fair value at date of acquisition. The acquired mineral rights are reclassified as "mine property and development" from commencement of development and amortised on a unit of production basis, when commercial production commences.

Capitalised exploration and evaluation assets are transferred to mine development assets once the work completed to date supports the future development of the property and such development receives appropriate approvals.

(e) Intangible assets

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.

(h) Impairment

Financial assets

A financial asset that is not measured at fair value through profit or loss is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

An impairment loss in respect of a financial asset measured at amortised cost, is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the original effective interest rate. An impairment loss in respect of an available-for-sale financial asset is calculated by reference to its fair value.

Significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics.

All impairment losses are recognised in the income statement. An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognised. Impairment losses on available for sale equity investments are not reversed.

Non-financial assets

The carrying amounts of the Group's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill and intangible assets that have indefinite lives or that are not yet available for use, the recoverable amount is estimated annually.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit"). The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to cash-generating units or groups of cash generating units that are expected to benefit from the synergies of the combination.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its estimated recoverable amount. Impairment losses are recognised in the income statement. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (group of units) on a pro rata basis.

An impairment loss recognised in respect of goodwill cannot be reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(i) Employee benefits

Short term benefits

Liabilities for wages and salaries, including non-monetary benefits and annual leave are recognised in respect of employees' services up to the reporting date, calculated as undiscounted amounts based on remuneration wage and salary rates that the entity expects to pay at the reporting date including related on-costs, such as payroll tax.

Long-term employee benefits other than pension plans

A liability for long-term employee benefits is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of service provided by employees up to the balance sheet date. Consideration is given to expected future wage and salary levels including related on-costs, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national high quality corporate bonds with terms to maturity and currency that match the estimated future cash flows.

Defined contribution plans

Payments to defined contribution retirement plans are recognized as an expense when employees have rendered service entitling them to the contributions.

Defined benefit plans

The Group recognizes a net liability in respect of defined benefit superannuation or medical plans in the statement of financial position. The net liability is measured as the present value of the defined benefit obligation at the balance sheet date less the fair value of the plan assets belonging to the plans and represents the actual deficit or surplus in the Group's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans ("asset ceiling").

The present value of the defined benefit obligations is based on expected future payments that arise from membership of the fund to the balance sheet date. This obligation is calculated annually by independent actuaries using the projected unit credit method. Expected future payments are discounted using market yields at the balance sheet date on high quality corporate bonds with terms to maturity and currency that match the estimated future cash flows. Any future taxes that are funded by the entity and are part of the provision of the defined benefit obligation are taken into account when measuring the net asset or liability.

Defined benefit costs are split into three categories:

- Service costs, past-service costs, gains and losses on curtailments and settlements,
- Net-interest cost or income,
- Remeasurement.

The Group presents the first component of defined benefit costs in the line item 'employee benefits expenses' and the second component in the line item 'finance expenses' in its consolidated income statement. Curtailments gains and losses are accounted for as past-service cost.

Remeasurement comprises of actuarial gains and losses on the defined benefit obligations, the effect of the asset ceiling (if applicable) and the return on plan assets (excluding interest income). These are recognized immediately in the statement of financial position with a charge or credit to Other Comprehensive Income (OCI) in the period in which they occur. Remeasurement recorded in other comprehensive income is not recycled. Those amounts recognized in other comprehensive income may be reclassified within equity. Past service costs are immediately recognized in profit or loss in the period of plan amendment and are not deferred anymore. Net-interest is calculated by applying the discount rate to the net defined benefit liability or asset.

Share-based payment compensation

The Group operates a leveraged employee stock ownership plan, an executive long-term incentive plan and a co-investment plan, which, at the Group's discretion, are equity-settled or cash-settled share-based compensation plans.

The fair value of equity instruments granted under the equity-settled plans are recognised as an employee benefit expense with a corresponding increase recognised in equity. The fair value is measured at the grant date and recognised over the period during which the eligible employees become entitled to the shares. The amount recognised as an employee benefit expense is the fair value multiplied by the number of equity instruments granted. At each balance sheet date, the amount recognised as an expense is adjusted to reflect the estimate of the number of equity instruments expected to vest, except where forfeiture is only due to the Company's share price not achieving the required target.

For cash-settled share-based payment transactions, the services received and the liability incurred are measured at the fair value of the liability at grant date. The initial measurement of the liability is recognised over the period that services are rendered. At each reporting date, and ultimately at settlement date, the fair value of the liability is remeasured with any changes in fair value recognised in the income statement for the period.

(j) Provisions

A provision is recognised if, as a result of a past event, when the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

Restoration, rehabilitation and decommissioning provision

Provision is recognised for estimated closure, restoration and environmental rehabilitation costs. These costs include the dismantling and demolition of infrastructure, removal of residual materials and remediation of disturbed areas in the financial year when the related environmental disturbance occurs. They are based on the estimated future costs using information available at each balance sheet date. The provision is discounted using a current market-based pre-tax discount rate and the unwinding of the discount is recognised as interest expense. When the provision is established, a corresponding asset is recognised, where it gives rise to a future benefit, and depreciated over future production from the operations to which it relates.

The provision is reviewed on an annual basis for changes to costs, legislation, discount rates or other changes that impact estimated costs or lives of the operations. The carrying value of the related asset (or the income statement when no related asset exists) is adjusted for changes in the provision resulting from changes in the estimated cash flows or discount rate. The adjusted carrying value of the asset is depreciated prospectively.

Restructuring provision

A constructive obligation for a restructuring arises only when two conditions are fulfilled: a) there is a formal business plan for the restructuring specifying the business or part of a business concerned, the principal locations affected, the location, function and approximate number of employees whose services will be terminated, the expenditure to be incurred and when the plan will be implemented, b) the entity has raised a valid expectation in those affected that it will carry out the plan either by starting to implement the plan or announcing its main feature to those affected by it. Restructuring provisions include only incremental costs associated directly with the restructuring.

Other provisions

Other provisions are recognised when the Group has a present obligation (legal or constructive), as a result of past events, and it is probable that an outflow of resources that can be reliably estimated will be required to settle the obligation. Where the effect is material, the provision is discounted to net present value using an appropriate current market-based pre-tax discount rate and the unwinding of the discount is included in finance costs.

(k) Compound financial instruments

Compound financial instruments issued by the Company comprise convertible bonds that can be converted to share capital at the option of the holder, and the number of shares to be issued is fixed.

The liability component of a compound financial instrument is recognized initially at the fair value of a similar liability that does not have an equity conversion option. The equity component is recognized initially as the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component, and is included in shareholders' equity, net of income tax effects. Any directly attributable transaction costs are allocated to the liability and equity components in proportion to their initial carrying amounts.

Subsequent to initial recognition, the liability component of a compound financial instrument is measured at amortised cost using the effective interest method. The equity component of a compound financial instrument is not remeasured subsequent to initial recognition.

(l) Revenue

Revenue associated with the sale of commodities is recognised when all significant risks and rewards of ownership of the asset sold are transferred to the customer, usually when insurance risk has passed to the customer and the commodity has been delivered to the shipping agent or the location designated by the customer. At this point Nyrstar retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the commodities and the costs incurred, or to be incurred, in respect of the sale can be reliably measured. Revenue is recognised, at fair value of the consideration receivable, to the extent that it is probable that economic benefits will flow to Nyrstar and the revenue can be reliably measured. Revenue is generally recognised based on incoterms ex-works (EXW) or carriage, insurance and freight (CIF). Revenues from the sale of by-products are also included in sales revenue. Revenue is stated on a gross basis, with freight 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.

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 recognized at fair value and are subsequently carried at amortised cost.

(q) Deferred income

Deferred income consists of payments received by the Company in consideration for future physical deliveries of metal inventories and future physical deliveries of metals contained in concentrate at contracted prices. As deliveries are made, the Company recognises sales and decreases the deferred income on the basis of actual physical deliveries of the products.

(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 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) 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 22), share-based payments (note 33) and for its financial assets and liabilities (note 21). 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 15), in accounting for deferred costs (note 15) and in performing impairment testing (note 17). 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 29)

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 30)

The expected costs of providing pensions and post employment benefits under defined benefit arrangements relating to employee service during the period are determined based on financial and actuarial assumptions. Nyrstar makes these assumptions in respect to the expected costs in consultation with qualified actuaries. When actual experience differs to these estimates, actuarial gains and losses are recognized in other comprehensive income. Refer to note 30 for details on the key assumptions.

Impairment of assets (note 15,16,17)

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 17.

Recovery of deferred tax assets (note 13)

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 20)

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 20.

5. Financial risk management

(a) Overview

In the normal course of business, Nyrstar is exposed to credit risk, liquidity risk and market risk, i.e. fluctuations in commodity prices, exchange rates as well as interest rates, arising from its financial instruments. Listed below is information relating to Nyrstar's exposure to each of these risks and the Group's objectives, policies and processes for measuring and managing risk and measuring capital.

The board of directors has overall responsibility for the establishment and oversight of Nyrstar's risk management framework. Nyrstar's risk management policies are established to identify and analyse the risks faced by Nyrstar, to set appropriate risk limits and controls, and to monitor risks and adherence to limits.

The audit committee is responsible for overseeing how management monitors compliance with Nyrstar's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risk faced by Nyrstar. The audit committee is supported in its oversight role by the Group's internal audit function.

(b) Credit risk

Credit risk is the risk of non-payment from any counterparty in relation to sales of goods. In order to manage the credit exposure, Nyrstar has determined a credit policy with credit limit requests, approval procedures, continuous monitoring of the credit exposure and dunning procedure in case of delays.

Trade and other receivables

Nyrstar's exposure to credit risk is influenced mainly by the individual characteristics of each customer. Each new customer is analysed individually for creditworthiness before the standard terms and conditions are offered. Customers that fail to meet Nyrstar's benchmark creditworthiness may transact with Nyrstar only on a prepayment basis.

Nyrstar provides an allowance for trade and other receivables that represents its estimate of incurred losses in respect of trade and other receivables and investments.

Guarantees

Nyrstar's policy is to provide financial guarantees only on behalf of wholly-owned subsidiaries. At 31 December 2013, no guarantees were outstanding to external customers (31 December 2012 : 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 35f. Changes in interest rates may impact primary loans and borrowings by changing the levels of required interest payments.

Nyrstar's interest rate risk management policy is to limit the impact of adverse interest rate movements through the use of interest rate management tools. Interest rate risk is measured by maintaining a schedule of all financial assets, financial liabilities and interest rate hedging instruments. At current Nyrstar's interest rate exposure resulting from interest bearing borrowings is minimal due to the fact that the majority of its long term debt commitments are with fixed interest rate. Nyrstar has not entered into interest rate derivatives.

(f) Capital management

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and so to sustain future development of the business. The board of directors monitors the return on capital, which Nyrstar defines as profit after tax divided by total shareholders' equity, excluding non-controlling interests.

The board of directors also monitors the level of dividends to ordinary shareholders. Nyrstar's dividend policy is to ensure that whilst maintaining adequate cash flows for growth and the successful execution of its strategy, Nyrstar aims to maximize total shareholder return through a combination of share price appreciation and dividends. Pursuant to Belgian law, the calculation of amounts available for distribution to shareholders, as dividends or otherwise, must be determined on the basis of the Company's non-consolidated Belgian GAAP financial statements. In accordance with Belgian company law, the Company's articles of association also require that the Company allocate each year at least 5% of its annual net profits to its legal reserve, until the legal reserve equals at least 10% of the Company's share capital. As a consequence of these factors, there can be no assurance as to whether dividends or similar payments will be paid out in the future or, if they are paid, their amount.

The Company has established an Executive Long Term Incentive Plan (LTIP) with a view to attracting, retaining and motivating the employees and senior management of the Company and its wholly owned subsidiaries. The key terms of the LTIP are set out below in note 33, with vesting terms aligned to the Company's capital management policy.

Neither the Company nor any of its subsidiaries are subject to externally imposed capital requirements.

6. Exchange rates

The principal exchange rates used in the preparation of 2013 financial statements are (in EUR):

	Annual average		Year end	
	2013	2012	**2013**	2012
United States dollar	1.3281	1.2848	1.3791	1.3194
Australian dollar	1.3777	1.2407	1.5423	1.2712
Canadian dollar	1.3684	1.2842	1.4671	1.3137
Swiss franc	1.2311	1.2053	1.2276	1.2072

7. Segment reporting

The Group's operating segments (Metals Processing and Mining) reflect the approach of the Nyrstar Management Committee (NMC) towards evaluating the financial performance and allocating resources to the Group's operations. The NMC has been identified as the chief operating decision making group. The NMC assesses the performance of the operating segments based on a measure of 'Underlying EBITDA'.

'Underlying EBITDA' is a non-IFRS measure of earnings, which is used internally by management to access the underlying performance of Group's operations and is reported by Nyrstar to provide greater understanding of the underlying business performance of its operations. Underlying EBITDA excludes items related to restructuring expense, M&A related transaction expense, material income or expense arising from embedded derivatives recognized under IAS 39: 'Financial Instruments: Recognition and Measurement' and other items arising from events or transactions that management considers to be clearly distinct from the ordinary activities of Nyrstar.

The components of gross profit are non-IFRS measures which are used internally by management and are the following:

Mining's Payable/ free metal contribution is the metal price received for the payable component of the primary metal contained in concentrate before it is further processed by a smelter.

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 Galva 45 (France), 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 2013, EUR million	Mining	Metals Processing	Other and eliminations	Total
Revenue from external customers	83.0	2,740.5	-	2,823.5
Inter-segment revenue	387.9	(49.1)	(338.8)	-
Total segment revenue	**470.9**	**2,691.4**	**(338.8)**	**2,823.5**
Payable metal / free metal contribution	335.3	244.3	1.1	580.7
Treatment charges	(76.1)	337.0	-	260.9
Premiums	-	127.2	0.1	127.3
By-products	172.6	215.3	-	387.9
Other	13.1	(110.8)	(7.9)	(105.6)
Gross Profit	**444.9**	**813.0**	**(6.7)**	**1,251.2**
Employee expenses	(139.8)	(207.1)	(44.4)	(391.3)
Energy expenses	(48.7)	(271.6)	(0.2)	(320.5)
Other expenses / income	(169.4)	(197.2)	(34.5)	(401.1)
Direct operating costs	**(357.9)**	**(675.9)**	**(79.1)**	**(1,112.9)**
Non-operating and other	(8.7)	11.8	43.2	46.3
Underlying EBITDA	**78.3**	**148.9**	**(42.6)**	**184.6**
Depreciation, amortisation and depletion				(220.1)
M&A related transaction expense				(1.7)
Restructuring expense				(18.5)
Impairment loss (net)				(20.1)
Embedded derivatives				(9.3)
Net finance expense				(99.2)
Income tax expense				(11.1)
Loss for the period				**(195.4)**
Capital expenditure	(96.6)	(95.7)	(7.1)	(199.4)

For the twelve months ended 31 Dec 2012, EUR million	Mining	Metals Processing	Other and eliminations	Total
Revenue from external customers	400.3	2,683.7	(14.2)	3,069.8
Inter-segment revenue	80.9	-	(80.9)	-
Total segment revenue	**481.2**	**2,683.7**	**(95.1)**	**3,069.8**
Payable metal / free metal contribution	403.0	242.1	-	645.1
Treatment charges	(100.2)	338.5	-	238.3
Premiums	-	115.2	-	115.2
By-products	226.1	220.9	-	447.0
Other	(20.2)	(64.3)	(4.8)	(89.3)
Gross Profit	**508.7**	**852.4**	**(4.8)**	**1,356.3**
Employee expenses	(134.3)	(217.4)	(57.0)	(408.7)
Energy expenses	(47.5)	(274.8)	(0.9)	(323.2)
Other expenses / income	(198.6)	(191.6)	(35.5)	(425.7)
Direct operating costs	**(380.4)**	**(683.8)**	**(93.4)**	**(1,157.6)**
Non-operating and other	0.6	(32.6)	53.8	21.8
Underlying EBITDA	**128.9**	**136.0**	**(44.4)**	**220.5**
Depreciation, amortisation and depletion				(218.4)
M&A related transaction expense				(2.6)
Restructuring expense				(16.9)
Impairment loss				(18.2)
Embedded derivatives				(8.9)
Loss on disposal of subsidiaries				(0.1)
Gain on the disposal of equity accounted investees				26.7
Net finance expense				(93.4)
Income tax benefit				14.8
Loss for the period				**(96.5)**
Capital expenditure	(129.9)	(112.5)	(5.4)	(247.8)

Geographical information

(a) Revenues from external customers

EUR million	2013	2012
Belgium	183.0	297.4
Rest of Europe	1,072.5	1,260.7
Americas	370.0	291.1
Australia	799.5	916.7
Asia	373.3	287.7
Other	25.2	16.2
Total	**2,823.5**	**3,069.8**

The revenue information above is based on the location (shipping address) of the customer.

Sales to each individual customer (group of customers under the common control) of the Group did not exceed 10% with the exception of sales to Glencore International plc and Umicore NV/SA, which accounted for 38.1% (2012: 44.4%) and 9.3% (2012: 11.5%) respectively, of the total Group's sales, reported in the Metals Processing segment.

(b) Non-current assets

EUR million	31 Dec 2013	31 Dec 2012
Belgium	239.6	84.4
Rest of Europe	492.4	505.9
North America	417.8	479.8
Central America (incl. Mexico)	428.5	543.2
South America	167.8	257.7
Australia	260.0	229.8
Total	**2,006.1**	**2,100.8**

Non-current assets for this purpose consist of property, plant and equipment, intangible assets and the zinc purchase interests.

8. Acquisition of business

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 acquistion. The acquisiton had the following effect on the Group's assets and liabilities on acquisition date:

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

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 respectively EUR 3.2 million lower.

9. Disposal of subsidiaries

On 9 October 2012 Nyrstar sold its entire 66% share in Galva 45 SA, a French company specialising in galvanizing manufactured steel parts for cash proceeds of EUR 2.2 million resulting in a loss of EUR 0.1 million.

10. 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 2013 income statement amounts to EUR 1.7 million (2012: EUR 2.6 million). In 2013, EUR 0.5 million related to successfully completed acquisitions, see Note 8 (2012: nil).

11. Employee benefits expense

EUR million	2013	2012
Wages and salaries	(349.9)	(363.4)
Compulsory social security contributions	(23.9)	(26.4)
Contributions to defined contribution plans	(4.6)	(4.6)
Expenses related to defined benefit plans	(7.7)	(8.1)
Equity and cash settled share based payment transactions, incl. social security	(5.2)	(6.2)
Total employee benefits expense	**(391.3)**	**(408.7)**

12. Finance income and expense

EUR million	2013	2012
Interest income	0.9	1.2
Total finance income	**0.9**	**1.2**
Interest expense	(67.4)	(65.6)
Unwind of discount in provisions	(11.0)	(15.7)
Other finance charges	(21.1)	(12.4)
Total finance expense	**(99.5)**	**(93.7)**
Net foreign exchange loss	**(0.6)**	**(0.9)**
Net finance expense	**(99.2)**	**(93.4)**

13. Income tax

(a) Income tax recognised in the income statement

EUR million	2013	2012
Current income tax expense	(18.7)	(35.0)
Deferred income tax benefit	7.6	49.8
Total income tax (expense) / benefit	**(11.1)**	**14.8**

(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	2013	2012
Loss before income tax	(184.3)	(111.3)
Tax at aggregated weighted average tax rate	46.1	25.9
Aggregated weighted average income tax rate	25.0%	23.3%
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Non-deductible amounts	(48.5)	(4.2)
Recognition / (non-recognition) of tax losses and temporary differences	6.2	(10.0)
Overprovision for previous years	0.9	9.4
Unrecoverable withholding tax	(6.1)	(5.7)
Net adjustment to deferred tax balances due to tax rate change in foreign jurisdiction	(3.4)	(0.5)
Share of income tax of equity accounted investees	-	0.1
Foreign exchange differences	(2.1)	1.0
Other	(4.2)	(1.2)
Total income tax (expense) / benefit	**(11.1)**	**14.8**
Effective income tax rate	-6.0%	13.3%

The change in the aggregate weighted average income tax rate compared to the year ended 31 December 2012 is due to the variation in the weight of subsidiaries' profits.

Nyrstar recognised an income tax expense for the year ended 31 December 2013 of EUR 11.1 million representing an effective income tax rate of -6.0% (for the year ended 31 December 2012: 13.3%). The tax rate is impacted by non deductible amounts related to the impairments incurred by the Group, recognition of previously unrecognised tax losses and temporary differences and unrecoverable withholding tax.

(c) Income tax recognised directly in other comprehensive income

EUR million	2013	2012
Income tax (expense) recognised on cash flow hedges	(4.3)	-
Income tax (expense) / benefit recognised on defined benefits pension schemes	(3.1)	4.2
Total income tax recognised directly in other comprehensive income	**(7.4)**	**4.2**

(d) Recognised deferred income tax assets and liabilities

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

EUR million	31 Dec 2013	31 Dec 2012
ASSETS:		
Employee benefits	19.6	31.3
Provisions	39.7	33.4
Property, plant and equipment	6.0	36.1
Payables / receivables	7.5	10.6
Tax losses carried forward	135.3	68.4
Other	8.6	4.6
Total	**216.7**	**184.4**
Set off of tax	(96.1)	(107.4)
Deferred tax assets	**120.6**	**77.0**
LIABILITIES:		
Embedded derivatives	(6.8)	(5.3)
Property, plant and equipment	(258.0)	(224.5)
Payables / receivables	(3.7)	(18.0)
Other	(1.8)	(2.1)
Total	**(270.3)**	**(249.9)**
Set off of tax	96.1	107.4
Deferred tax liabilities	**(174.2)**	**(142.5)**
Deferred tax - net	**(53.6)**	**(65.5)**
INCOME STATEMENT:		
Employee benefits	(8.4)	(2.3)
Provisions	6.5	(6.5)
Property, plant and equipment	(62.1)	19.3
Payables / receivables	(4.4)	(0.7)
Tax losses carried forward	68.6	34.1
Embedded derivatives	2.9	3.6
Other	4.5	2.3
Total	**7.6**	**49.8**
Reconciliation of deferred tax - net:		
As at 1 Jan	(65.5)	(127.4)
Deferred income tax benefit	7.6	49.8
Recognised in OCI	(7.4)	4.2
Change in consolidation scope	-	1.6
Provision for unrealized fx result	15.7	(0.3)
Currency translation effects	(4.0)	6.6
As at 31 Dec	**(53.6)**	**(65.5)**

EUR 66.0 million (31 December 2012: EUR 36.2 million) of the net deferred tax assets on tax losses carried forward arise in entities that have been loss making in 2013 and 2012. 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, 2013	Net deductible temporary differences	Tax loss carry forward	Total Dec 31, 2012
No expiration date	164.0	281.9	445.9	185.3	247.1	432.4
Expiration date within 4 years	-	-	-	-	-	-
Expiration date 4 to 7 years	-	-	-	-	179.2	179.2
Expiration date over 7 years	-	-	-	-	-	-
Total	**164.0**	**281.9**	**445.9**	**185.3**	**426.3**	**611.6**

(f) Unremitted earnings

As at 31 December 2013, unremitted earnings of EUR 540.0 million (31 December 2012: EUR 393.0 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. The final outcome of tax examinations may result in a materially different outcome compared to the recorded tax liabilities and contingencies.

14. Other expense

EUR million	2013	2012
Stock movement conversion costs	3.9	8.0
Other tax expense	(8.5)	(9.9)
Travel expense	(9.8)	(12.1)
Operating lease	(14.0)	(12.3)
Insurance expense	(8.2)	(8.2)
Royalties	(7.0)	(7.0)
Communication expenses	(4.5)	(4.2)
IT costs	(1.3)	(1.9)
Memberships/subscriptions	(1.7)	(2.3)
Training	(1.7)	(2.1)
Other	(10.5)	(10.3)
Total other expenses	**(63.3)**	**(62.3)**

15. 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		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	29	-	-	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	17	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**

EUR million	Note	Land and buildings	Plant and equipment	Mining properties and development	Under construction	Cyclical maintenance and other	Total
Cost		207.8	1,763.1	1,055.2	82.2	173.2	3,281.5
Accumulated depreciation and impairment		(56.1)	(1,055.2)	(327.8)	-	(112.2)	(1,551.3)
Carrying amounts		**151.7**	**707.9**	**727.4**	**82.2**	**61.0**	**1,730.2**
As at 1 Jan 2012		124.1	707.6	689.4	145.3	59.3	1,725.7
Disposal of subsidiaries		-	(3.9)	-	(0.1)	(0.1)	(4.1)
Additions		14.7	72.0	50.2	78.9	30.3	246.1
Restoration provision adjustments	29	-	-	(5.0)	-	-	(5.0)
Transfers		37.4	44.1	63.7	(141.0)	(4.2)	(0.0)
Disposals		(1.1)	(0.6)	(0.1)	-	(0.1)	(1.9)
Depreciation expense		(14.7)	(106.1)	(62.8)	-	(23.7)	(207.3)
Impairment	17	(7.2)	(1.1)	-	-	-	(8.3)
Currency translation effects		(1.5)	(4.1)	(8.0)	(0.9)	(0.5)	(15.0)
As at 31 Dec 2012		**151.7**	**707.9**	**727.4**	**82.2**	**61.0**	**1,730.2**

The carrying amount of property, plant and equipment accounted for as finance lease assets at 31 December 2013 is EUR 1.9 million and is classified as plant and equipment (2012: EUR 3.2 million). The carrying amount of exploration and evaluation expenditure at 31 December 2013 is EUR 22.2 million and is included in mining properties and development (2012: EUR 14.3 million). The additions to the carrying amount of the exploration and evaluation expenditure during 2013 were EUR 8.4 million (2012: EUR 9.9 million).

The total gains on sales of property, plant and equipment in the 2013 income statement amount to EUR 2.1 million (2012: EUR 6.4 million).

16. Intangible assets

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	17	(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.

EUR million	Note	Goodwill	Emission and carbon rights	Software and other	Total
Cost		124.9	4.0	20.2	149.1
Accumulated amortisation and impairment		-	(2.9)	(12.8)	(15.7)
Carrying amounts		**124.9**	**1.1**	**7.4**	**133.4**
As at 1 Jan 2012		127.6	0.6	10.4	138.6
Additions*		-	26.7	1.4	28.1
Disposals		-	(26.5)	-	(26.5)
Amortisation expense		-	(0.3)	(4.7)	(5.0)
Currency translation effects		(2.7)	0.6	0.3	(1.8)
As at 31 Dec 2012		**124.9**	**1.1**	**7.4**	**133.4**

* EUR 26.4 million relate to non-cash recognition of emission and carbon rights.

Goodwill was allocated to the following cash generating units. As outlined in Note 17, Nyrstar impaired EUR 118.2 million (100%) of its goodwill during the year ended 31 December 2013 (2012: EUR Nil).

EUR million	31 Dec 2013	31 Dec 2012
Peruvian mines	-	12.1
Campo Morado	-	71.1
El Toqui	-	6.8
El Mochito	-	5.0
Myra Falls	-	8.5
Langlois	-	21.4
Total Goodwill	**-**	**124.9**

17. Impairment

Impairment loss

In 2013 Nyrstar recognised pre-tax impairment charges on Nyrstar's Mining assets of EUR 202.6 million (2012: EUR Nil), impairment reversals related to Nyrstar's Metals Processing assets of EUR 207.4 million (2012: EUR Nil) and impairment charges on non-core operations of the Group of EUR 24.9 million (2012: EUR18.2 million) resulting in a net impairment loss of EUR 20.1 million (2012: EUR: 18.2 million).

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

in EUR million		whereof			
	Impairment (loss) / reversal	Property, plant and equipment	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 15)	(note 16)	(note 18, 19)	

[1] Other non-core assets of the Group are not allocated to operating segments and are included in Other and eliminations in Note 7

Impairment testing for mining and metals processing operations

Recoverable values were determined 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 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).

18. Investments in equity accounted investees

EUR million	Ownership	31 Dec 2013	31 Dec 2012
Genesis Alloys (Ningbo) Ltd[1]	50.00%	-	1.1
Foehl China Co. Ltd[1]	50.00%	2.0	11.0
Ironbark Zinc Ltd	26.50%	16.5	16.8
Other	49.00%	0.1	0.1
Total		**18.6**	**29.0**

[1] Impairment losses totaling 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 (2012: EUR Nil), refer to note 17.

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	Profit / (loss)
As at 31 Dec 2013	6.4	65.3	(0.9)	(0.2)	17.6	0.8
As at 31 Dec 2012	10.5	102.9	(2.4)	(0.2)	22.7	(1.3)

In 2012, the joint venture between Nyrstar and SimsMM (ARA joint venture) sold Australian Refined Alloys' secondary lead producing facility in Sydney, Australia (ARA Sydney) to companies associated with Renewed Metal Technologies Pty Ltd for a total sale price of EUR 60 million (AUD 80 million) plus working capital. Nyrstar's share of the sales proceeds was EUR 32.4 million, including a working capital adjustment, with a gain on the sale of EUR 26.7 million. Nyrstar continues to operate the former ARA's production facility in Melbourne under the name of Simstar Joint Venture with Sims Metal Management Limited.

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 2013 is EUR 3.8 million (2012: 10.8 million).

In 2012 the Group has provided a guarantee of CNY 20 million (EUR 2.4 million) in favour of KBC in China, who provided a credit facility to Genesis Alloys (Ningbo) Ltd. There is no outstanding guarantee at 31 December 2013.

19. Investments in equity securities

EUR million	31 Dec 2013	31 Dec 2012
Herencia Resources Ltd[1]	1.2	1.4
Qualified Environmental Trust	16.3	18.1
Exeltium SAS	4.2	4.2
Other[1]	5.8	14.2
Total	**27.5**	**37.9**

[1] Impairment losses totaling EUR 12.9 million were recorded in connection with Henencia Resources Ltd. and other investments in equity securities during the year ended 31 December 2013 (2012: EUR Nil), refer to note 17.

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 35g for further explanation), with the exception of Exeltium SAS, which is a private company and carried at cost.

20. 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 (a member of the Talvivaara Mining Company Plc group "Talvivaara") to be delivered over a number of years (the "Agreement"). As at 31 December 2013, 1.03 million tonnes (2012 – 1.17 million tonnes) remain to be delivered to Nyrstar.

The asset is depleted through the income statement on the unit of production basis as the underlying tonnes are delivered to Nyrstar.

EUR million	2013	2012
As at 1 Jan	237.2	249.2
Depletion	(2.8)	(6.1)
Currency translation effects	(10.1)	(5.9)
As at 31 Dec	**224.3**	**237.2**

During November 2013 Talvivaara applied for the commencement of corporate reorganisation proceedings under Finland's Restructuring of Enterprises Act (the "Reorganisation"). During December 2013, the responsible Court approved commencement of the Reorganisation and appointed a reorganisation administrator (the "Administrator") to submit a reorganisation plan for the approval by the creditors and the Court. The objective of the process is to reorganise Talvivaara's financial position to facilitate its long term viability. The Administrator is due to file with the Court reports on the financial status of Talvivaara in March 2014 and proposals for the reorganisation program in May 2014.

Nyrstar is not a creditor of Talvivaara and its contractual rights under the Agreement are not directly the subject of the Reorganisation. However, Nyrstar is engaged in discussions with the Administrator as the ongoing viability of Talvivaara's operations will impact on Talvivaara's ability to perform its obligations under the Agreement.

In the event of the reorganisation process being unsuccessful, Talvivaara may have to file for bankruptcy. In bankruptcy, the bankruptcy administrator has the option to void the Agreement. Should the Agreement be voided, Nyrstar would become a creditor to Talvivaara for the amounts outstanding under the Agreement. Collectability of any such amounts would be uncertain.

Nyrstar has assessed the recoverability of the Agreement on the basis of Talvivaara continuing as a going concern and delivering into the Agreement. This assessment takes into account the enhanced performance risk due to Talvivaara's current financial situation and concludes the EUR 224.4 million carrying value of the Agreement is recoverable.

Considerable uncertainties exist as to the outcome of the Reorganisation, Talvivaara continuing as a going concern and the performance of its obligations under the Agreement. It is currently not possible for Nyrstar to estimate the most likely outcome of the Reorganisation and its impact on the carrying value of the Agreement.

It is possible, though in Nyrstar's view not probable, that the outcome of the Reorganisation will result in the carrying value of the Agreement being impaired. If such an impairment was recognised in the 31 December 2013 financial results, the reported loss for the year of EUR 195.4 million would increase by a range of EUR Nil to EUR 176.9 million (being the tax effected carrying value of the zinc purchase interest of EUR 224.4 million). The reported loss for the year would then be in a range of EUR 195.4 million to EUR 372.3 million and total equity would be in a range of EUR 869.6 million to EUR 692.7 million. Such impairments would not impact Nyrstar's compliance with financial covenants on existing loan agreements as at 31 December 2013.

21. Other financial assets and liabilities

EUR million	31 Dec 2013	31 Dec 2012
Embedded derivatives[b]	-	11.6
Restricted cash[c]	7.6	8.2
Held to maturity[d]	2.8	2.6
Loans to equity accounted investees[e]	-	2.7
Total non-current financial assets	**10.4**	**25.1**
Commodity contracts - fair value hedges[a]	9.1	33.8
Commodity contracts - cash flow hedges[f]	4.8	-
Foreign exchange contracts - held for trading	11.5	7.7
Embedded derivatives[b]	1.2	5.5
Total current financial assets	**26.6**	**47.0**
Embedded derivatives[b]	3.9	2.1
Total non-current financial liabilities	**3.9**	**2.1**
Commodity contracts - fair value hedges[a]	14.4	10.6
Foreign exchange contracts - held for trading	6.0	0.5
Embedded derivatives[b]	0.4	0.2
Total current financial liabilities	**20.8**	**11.3**

(a) Instruments used by Nyrstar to manage exposure to currency and commodity price risk exposures

The fair value of derivatives (commodity contracts) hedging inventories and fixed forward sales contracts resulted in a net liability of EUR 5.3 million (31 December 2012: net asset of EUR 23.2 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 22 and 23, respectively.

The fair value of foreign exchange derivatives that are commercially effective hedges but do not meet the strict IFRS hedge effectiveness criteria, are classified as held for trading and resulted in a net asset of EUR 5.5 million (31 December 2012 net asset: EUR 7.2 million).

The Group's exposure to currency and commodity risk related to other financial assets and liabilities is disclosed in note 35.

(b) Embedded derivatives

The change in fair value on the effective portion of the Group's embedded derivatives during the year ended 31 December 2013 with a negative impact of EUR 9.0 million (31 December 2012: negative impact of EUR 7.2 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 9.3 million (31 December 2012: EUR 8.7 million) were recognised in the income statement within energy expense.

(c) Restricted cash

The restricted cash balance of EUR 7.6 million as at 31 December 2013 (31 December 2012: EUR 8.2 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) Loans to equity accounted investees

During 2012, the Group provided an interest free loan of USD 3.5 million (31 December 2013: EUR 0.0 million, 31 December 2012: EUR 2.7 million) to Genesis, its equity accounted investee. The initial term of the loan is 3 years, however is automatically extended for consecutive periods of 3 years unless a written repayment notice is served to Genesis Alloys (Ningbo) Ltd. During 2013 Nyrstar fully impaired the loan.

(f) Commodity contracts – cash flow hedges

The amount of EUR 4.8 million represents a remaining balance of the commodity contracts – cash flow hedges that were not settled at 31 December 2013. The fair value of the effective portion of commodity contracts - cash flow hedges at 31 December 2013 is a gain of EUR 32.7 million (31 December 2012: nil). As the commodity contracts - cash-flow hedges have been 100% hedge effective, the gain of EUR 32.7 million has been recognised in the cash flow hedge reserve.

22. Inventories

EUR million	31 Dec 2013	31 Dec 2012
Raw materials	183.4	308.6
Work in progress	219.8	322.0
Finished goods	38.5	39.3
Stores and consumables	73.9	81.6
Fair value adjustment*	-	(4.4)
Total inventories	**515.6**	**747.1**

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

During the year ended 31 December 2012 Nyrstar identified, processed and sold silver bearing inventory had previously not been recognised on the balance sheet. This inventory related to historical silver losses in the Port Pirie smelter identified as being recoverable during 2012. The pre-tax benefit from the identification, recovery and sale of the silver bearing material recognised in the income statement for the period ended 31 December 2012 was EUR 23.6 million. During the year ended 31 December 2013, Nyrstar did not identify further silver inventory.

23. Other assets and liabilities

EUR million	31 Dec 2013	31 Dec 2012
Deferred debt issuance cost - non-current (b)	2.6	3.4
Other - non-current	0.6	0.5
Total other non-current assets	**3.2**	**3.9**
Fair value of underlying hedged risk - current (a)	-	4.0
Total other current assets	**-**	**4.0**
Commodity delivery obligation - non-current (c)	55.6	59.3
Total other non-current liabilities	**55.6**	**59.3**
Fair value of underlying hedged risk - current (a)	3.9	2.7
Commodity delivery obligation - current (c)	2.4	4.1
Total other current liabilities	**6.3**	**6.8**

(a) Fair value of underlying hedged risk

The fair value of fixed forward sales contracts (the underlying hedged items) resulted in a net liability of EUR 3.9 million (2012: net asset of EUR 1.3 million), being offset by an amount of EUR 1.0 million (2012: EUR 2.0 million) representing the fair value of hedging derivatives on these fixed forward sales contracts and included in note 21 other financial assets and liabilities.

(b) Deferred debt issuance cost

Transaction cost of the SCTF credit facility (see note 28) not yet amortised of EUR 2.6 million (2012: EUR 3.4 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 will also pay 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 is depleted through the income statement using the unit-of-production method, as the mineral reserves related to the Silver Wheaton liability are mined and delivered under the contract. The amortisation of the Silver Wheaton liability in 2013 amounts to EUR 2.6 million (2012: EUR 2.5 million).

24. Trade and other receivables

EUR million	31 Dec 2013	31 Dec 2012
Trade receivables	163.6	207.3
Less provision for receivables	(2.1)	(2.5)
Net trade receivables	**161.5**	**204.8**
Other receivables	13.4	16.3
Total trade and other receivables	**174.9**	**221.1**

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

EUR million	2013	2012
As at 1 Jan	2.5	3.3
Disposal of subsidiaries	-	(0.2)
Payments	(0.1)	-
Additions / (reversals)	(0.3)	(0.6)
As at 31 Dec	**2.1**	**2.5**

The Group's exposure to currency and liquidity risk related to trade and other receivables is disclosed in note 35.

25. Cash and cash equivalents

EUR million	31 Dec 2013	31 Dec 2012
Cash at bank and on hand	101.6	74.0
Short-term bank deposits	190.7	114.1
Total cash and cash equivalents	**292.3**	**188.1**

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 0.1% for calendar year 2013 (2012: 0.2% per annum).

The Group's exposure to interest rate risk and a sensitivity analysis for financial assets and liabilities are disclosed in note 35.

26. Capital

Share capital and share premium

As at 31 December 2013 the number of issued ordinary shares is 170,022,544 (31 December 2012: 170,022,544) with a par value of EUR 2.18 (2012: EUR 2.34). The reduction in par value is due to decisions taken at the extraordinary shareholders' meeting on 23 May 2013 to reduce the Company's share capital through the distribution to the shareholders of an amount of EUR 0.16 per outstanding share, EUR 27.2 million (for further detail see below). 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 2009 and 2013 in an aggregate principal amount of EUR 119.9 million and EUR 120.0 million respectively. Based on a conversion price of EUR 5.63 per share for the bonds issued in 2009, if all convertible bonds are converted, a maximum of 21,296,625 new shares are to be issued. Based on a conversion price of EUR 4.978 per share for the bonds issued in 2013, if all convertible bonds are converted, a maximum of 24,106,066 new shares are to be issued.

Distribution to shareholders (capital decrease)

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.

The Board of Directors has decided not to propose to shareholders a distribution for the financial year 2013, reflecting its commitment to support the opportunities identified by the company's growth plans.

Issued shares	**2013**	**2012**
Shares outstanding	154,684,113	162,676,718
Treasury shares	15,338,431	7,345,826
As at 31 Dec	**170,022,544**	**170,022,544**

Movement in shares outstanding	**2013**	**2012**
As at 1 Jan	162,676,718	160,609,406
Purchases of treasury shares	(13,245,757)	-
Sales of treasury shares	4,765,225	-
Employee shared based payment plan	487,927	2,067,312
As at 31 Dec	**154,684,113**	**162,676,718**

Movement in treasury shares	Note	2013	2012
As at 1 Jan		7,345,826	9,413,138
Purchases	27	13,245,757	-
Sales	27	(4,765,225)	
Employee shared based payment plan	33	(487,927)	(2,067,312)
As at 31 Dec		**15,338,431**	**7,345,826**

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 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%**

27. 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 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)**

EUR million	Treasury shares	Translation reserves	Reverse acquisition reserve	Cash flow hedge reserve	Convertible bond	Investments reserve	Total
As at 1 Jan 2012	**(23.5)**	**93.9**	**(273.0)**	**6.9**	**8.8**	**2.0**	**(184.9)**
Losses on cash flow hedges	-	-	-	(7.2)	-	-	(7.2)
Foreign currency translation differences	-	(24.4)	-	-	-	-	(24.4)
Change in fair value of investments in equity securities	-	-	-	-	-	(4.9)	(4.9)
Reclassification of reversed acquisition reserve	-	-	7.6	-	-	-	7.6
Change in par value	1.2	-	-	-	-	-	1.2
(Acquisition) / distribution of treasury shares	5.1	-	-	-	-	-	5.1
As at 31 Dec 2012	**(17.2)**	**69.5**	**(265.4)**	**(0.3)**	**8.8**	**(2.9)**	**(207.5)**

Treasury shares

The treasury shares reserve comprises the par value of the Company's share held by the Group. As at 31 December 2013, the Group held a total of 15,338,431 of the Company's shares (31 December 2012: 7,345,826).

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 Group 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.

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

During 2013 the Group settled its LTIP Grant 2 and 3. A total of 487,927 shares (2012: 2,067,312) were allocated to the employees as a part of this settlement.

28. 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 35.

EUR million	as at 31 Dec 2013	as at 31 Dec 2012
Convertible bonds	102.9	115.9
Fixed rate bonds	734.2	748.8
SCTF Credit Facility	-	-
Other loans	-	0.3
Unsecured bank loans	1.8	-
Finance lease liabilities	1.0	2.2
Total non-current loans and borrowings	**839.9**	**867.2**
Convertible bonds	118.5	-
Unsecured bank loans	2.5	0.3
Finance lease liabilities	0.9	1.0
Total current loans and borrowings	**121.9**	**1.3**
Total loans and borrowings	**961.8**	**868.5**

Convertible bonds

EUR 120 million 7% convertible bonds listed on the Luxembourg Stock Exchange's Euro MTF market, due July 2014.

The bonds are 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 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 2013 is EUR 5.63 per share (31 December 2012: EUR 5.91 per share).

The bonds consist of a liability component and an equity component. 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 is measured at amortised cost at an effective interest rate of 9.09% per annum.

The bonds have been issued at 100% of their principal amount and have a coupon of 7% per annum, payable semi-annually in arrears.

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 2013 is EUR 4.978 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 2013 and 2012 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 amortized over the term of the credit facility. Transaction cost not yet amortized at the balance sheet date amount to EUR 2.6 million (31 December 2012: EUR 3.4 million). These costs are disclosed under other assets (see note 23). 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

At 31 December 2013, the Company has two outstanding fixed rate bonds; 5.5% fixed rate bond with an original face value of EUR 225 million (maturity: April 2015) and 5.375% fixed rate bond with an original face value of EUR 525 million (maturity: April 2016). 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. Directly attributable transaction costs have been deducted at initial recognition and are amortised over the term of the bonds.

Terms and debt repayment schedule

Terms and conditions of outstanding loans were as follows:

				31 Dec 2013		31 Dec 2012	
EUR million	**Currency**	**Nominal interest rate**	**Year of maturity**	**Face value**	**Carrying amount**	**Face value**	**Carrying amount**
Convertible bonds*	EUR	7.00%	2014	119.9	118.5	119.9	115.9
Fixed rate bonds	EUR	5.50%	2015	220.0	219.9	225.0	224.8
Fixed rate bonds	EUR	5.40%	2016	515.0	514.3	525.0	524.0
Convertible bonds**	EUR	4.25%	2018	120.0	102.9		
Other	-	-	-	-	-	3.9	3.8
Total interest bearing liabilities				**974.9**	**955.6**	**873.8**	**868.5**

* 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.

	Finance leases	
EUR million	31 Dec 2013	31 Dec 2012
Within 1 year	0.9	1.0
Between 2 and 5 years	1.1	2.3
Total undiscounted minimum lease payments	**2.0**	**3.3**
Less: amounts representing finance lease charges	0.1	0.1
Present value of minimum lease payments	**1.9**	**3.2**

29. Provisions

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	15	21.7	-	-	21.7
Transfers		(0.2)	-	0.1	(0.1)
Unwind of discount	12	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

EUR million	Note	Restoration, rehabilitation and decommissioning	Restructuring	Other	Total
As at 1 Jan 2012		183.0	2.6	44.1	229.7
Disposal of subsidiaries		-	-	(0.2)	(0.2)
Payments		(10.9)	(3.7)	(7.6)	(22.2)
Additions / (reversals)		(4.2)	6.2	17.8	19.8
PPE asset adjustment	15	(5.0)	-	-	(5.0)
Transfers		-	-	(4.2)	(4.2)
Unwind of discount	12	15.4	-	0.3	15.7
Currency translation effects		1.2	-	-	1.2
As at 31 Dec 2012		**179.5**	**5.1**	**50.2**	**234.8**
Whereof current		11.5	5.1	7.7	24.3
Whereof non-current		168.0	-	42.5	210.5

Restoration, rehabilitation and decommissioning

Restoration, rehabilitation and decommissioning work on the projects provided for is estimated to occur progressively over the next 117 years, of which the majority will be used within the next 21 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

During 2012 Nyrstar commenced a detailed and comprehensive group wide review of its corporate offices, mining operations and smelting operations to identify opportunities to sustainably reduce operating costs. This included benchmarking the sites against one another, and against external indices, on an activity based level to assess the optimal level of resources required to perform core operating and support tasks. In 2013 Nyrstar incurred restructuring costs of EUR 18.5 million (2012: EUR 16.9 million). The remaining provision of EUR 5.2 million (31 December 2012: EUR 5.1 million) is mainly related to the implementation of the restructuring measure that are expected to be finalised during 2014.

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 (2012: 2 years). The estimates may vary as a result of changes in cost estimates and timing of the costs to be incurred.

30. Employee benefits

EUR million	31 Dec 2013	31 Dec 2012
Long service leave	2.3	4.1
Retirement plans	58.8	72.8
Other	9.9	7.5
Total non-current employee provisions	**71.0**	**84.4**
Annual leave and long service leave	29.3	31.3
Other	3.8	22.2
Total current employee provisions	**33.1**	**53.5**
Total employee provisions	**104.1**	**137.9**

IAS 19 Employee Benefits (Revised 2011) (IAS 19R)

The application of IAS 19R changes the accounting for defined benefit plans and termination benefits and has been applied retrospectively from 1 January 2012 (as the earliest comparative period). As a result, the expected returns on plan assets of defined benefit plans are not recognised in the profit or loss. Instead interest on net defined benefit obligation is recognised in profit or loss, calculated based on the net pension obligation.

Also, unvested past service costs can no longer be deferred and recognised over the future vesting period. Instead, all past service costs are recognised at the earlier of when the amendment occurs and when the group recognised related restructuring or termination costs. Until 2012, the Group's unvested past service costs were recognised as expense on a straight-line basis over the average period until the benefits become vested. Upon transition to IAS 19R, past service costs are recognised immediately following the introduction of, or changes to, a pension plan, regardless whether the past service costs are vested or unvested.

IAS 19R introduces certain changes in the presentation of the defined benefit costs including more extensive disclosures.

Impact of transition to IAS 19R

These 31 December 2013 consolidated financial statements are the first financial statements in which the Group has adopted IAS 19R. IAS 19R has been adopted retrospectively in accordance with IAS 8. Consequently, the Group has adjusted opening equity as of 1 January 2012 and the amounts for 2012 have been restated as if IAS 19R had always been applied.

EUR million	**Non Current Employee Benefits**	**Deferred Tax assets**	**Accumulated Losses**
Balance as reported at 1 January 2012	75.1	75.4	(204.8)
Effect of application of IAS 19R	(1.0)	(0.4)	0.6
Restated balance at 1 January 2012	**74.1**	**75.0**	**(204.2)**

EUR million	**Non Current Employee Benefits**	**Deferred Tax assets**	**Accumulated Losses**
Balance as reported at 31 December 2012	85.4	77.4	(308.2)
Effect of application of IAS 19R	(1.0)	(0.4)	0.6
Effect on total comprehensive loss for the period	-	-	-
Restated balance at 31 December 2012	**84.4**	**77.0**	**(307.6)**

The effect on the consolidated income statement was as follows:

EUR million	**2013**	**2012**
Decrease of employee benefit expenses	0.2	0.9
Increase of finance expenses	(2.3)	(2.5)
Decrease of income tax expense	0.7	0.4
Increase of loss for the year	**(1.4)**	**(1.2)**

EUR million	**2013**	**2012**
Increase of loss for the year	(1.4)	(1.2)
Remeasurement of defined benefit obligation	3.1	1.6
(Increase) of income tax relating to components of other comprehensive income	(1.0)	(0.4)
Decrease of other comprehensive loss	2.1	1.2
Decrease of total comprehensive loss for the year	**0.7**	-

The change in accounting policy had no effect on the basic and diluted earnings per share and an immaterial impact on the Group's consolidated statement of cash flows for the current and comparative periods.

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 the legislation requires a minimum interest to be guaranteed by the employer on these contributions. Since 2013 this interest guarantee is no longer 100% covered by the insurance carrier resulting in a financial exposure for the Belgian companies, which is immaterial.

Employees of Nyrstar Budel BV are members of a multi-employer Metal and Electricity industry defined benefit pension plan (PME). PME are unable to provide the necessary information for defined benefit accounting to be applied and consequently the PME plan has been accounted for as a defined contribution plan. The entity's obligations are limited to the payment of the contributions required according to the funding plan of the PME and cannot held liable for any deficits or contributions from other participating companies.

The total expense for defined contribution plans recognised in the consolidated income statement is EUR 4.6 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 2013. 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 2013 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 2013 can be split as follows:

EUR million	31 Dec 2013	Average duration
EURO ZONE:	(22.8)	12.7 years
Nyrstar Budel BV Excedent Pension Plan		
Nyrstar Belgium SA/NV: Staff Old Defined Benefit plan funded through pension fund, Staff Cash Balance Plan, Staff Complementary Savings Plan, Staff Insured Old Defined Benefit plan, Staff "appointements continués", Salaried Employees Old Defined Benefit Plan, Salaried Employees "appointements continués"		
Nyrstar NV: Staff Cash Balance Plan, Staff Complementary Savings Plan		
Nyrstar France Régime d'Indemnités de Fin de Carrière and Régime du Mutuelle		
Nyrstar France Mutuelle (medical benefit plan)		
USA:	(16.8)	13.5 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:	(15.2)	11.3 years
Nyrstar Myra Falls Ltd.: Hourly-Paid Employees' Pension Plan, Thirty-Year Retirement Supplement and Voluntary Early retirement Allowance		
Nyrstar Myra Falls Ltd.: Non-Pension post-retirement benefits plan (medical benefit plan)		
SWITERLAND:	(4.0)	17.8 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	**(58.8)**	**12.9 years**

The total value of the medical benefit plans, included in the retirement benefit obligations is EUR 24.8 million.

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

EUR million	31 Dec 2013	Restated 31 Dec 2012	Restated 1 Jan 2012
Present value of funded obligations	117.3	123.5	106.6
Present value of unfunded obligations	38.2	40.5	36.1
Total present value of obligations	**155.5**	**164.0**	**142.7**
Fair value of plan assets	(97.1)	(91.4)	(82.4)
Total deficit	**58.4**	**72.6**	**60.3**
Limitiation on recognition of surplus due to asset ceiling	0.4	0.2	0.3
Total recognised retirement benefit obligations	**58.8**	**72.8**	**60.6**

EUR million	31 Dec 2013	31 Dec 2012	1 Jan 2012
Cash	2.9	0.3	0.9
Equity instruments	38.7	36.1	34.4
Debt instruments	30.5	29.0	25.4
Other assets	25.0	26.0	21.7
Total plan assets	**97.1**	**91.4**	**82.4**

Further to the IAS 19R requirements, the above plan assets as on December 2013 can be further broken down as follows:

EUR million	31 Dec 2013
Cash and cash equivalents	2.9
Equity instruments	0.2
Debt instruments	2.0
Mutual Funds	67.0
Insurance contracts	25.0
Total	**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 at the discount rate of the secured future benefits (Netherlands) or to the capitalized value of the paid contributions at the contractually guaranteed insurance rate (other countries).

The changes in the present value of the defined benefit obligations are as follows:

EUR million	31 Dec 2013	Restated 31 Dec 2012
Defined benefit obligations at start of period	164.0	142.7
Current service cost	6.9	7.9
Interest cost	5.4	6.2
Remeasurement (gains)/losses:		
Actuarial (gains)/losses arising from changes in demographic assumptions	3.3	4.3
Actuarial (gains)/losses arising from changes in financial assumptions	(8.0)	15.4
Actuarial (gains)/losses arising from changes in experience	(1.0)	(1.0)
Actuarial (gains)/losses due to exchange rate movements	(7.9)	(0.7)
Contributions paid into the plans by participants	1.2	1.1
Benefits paid by the plans	(8.7)	(11.2)
Past service cost (including plan amendment or curtailment)	0.8	0.2
Admin expenses, taxes and social securities	(0.5)	(0.5)
Other	-	(0.4)
Defined benefit obligations at end of period	**155.5**	**164.0**

During 2013 there were no curtailments nor settlements. The reported past service cost is mainly the result of an increase of the pension amount under the Hourly-Paid Employees' Pension Plan in Canada due to a plan amendment in 2013.

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

EUR million	31 Dec 2013	Restated 31 Dec 2012
Fair value of plan assets at start of period	91.4	82.4
Interest Income	3.1	3.7
Remeasurement (gains)/losses:		
Return on plan assets excluding interest income recognised in net interest expense	3.0	5.5
Actuarial (gains)/losses due to exchange rate movements	(5.0)	(0.3)
Contribution paid into the plans by employer	10.4	7.6
Contribution paid into the plans by participants	1.2	1.1
Benefits paid by the plans	(6.5)	(7.9)
Admin expenses, taxes and social securities	(0.5)	(0.5)
Other	-	(0.2)
Fair value of plan assets at end of period	**97.1**	**91.4**

The expense recognised in the income statement is as follows:

EUR million	31 Dec 2013	Restated 31 Dec 2012
Service cost:		
Current service cost, including admin fees, taxes and social securities	(6.9)	(7.9)
Past service cost	(0.8)	(0.2)
Net interest expense	(2.3)	(2.5)
Components of defined benefit costs included in income statement	**(10.0)**	**(10.6)**
Remeasurement on the net defined benefit liability:		
The return on plan assets (excluding amounts included in net interest expense)	3.0	5.5
Actuarial gains and losses arising from changes in demographic assumptions	(3.3)	(4.3)
Actuarial gains and losses arising from changes in financial assumptions	8.0	(15.4)
Actuarial gains and losses arising from experience adjustments	1.0	1.0
Adjustments for restrictions on the defined benefit asset	(0.2)	0.1
Actuarial (gains)/losses due to exchange rate movements	0.7	0.4
Components of defined benefit costs recorded in OCI	**9.2**	**(12.7)**
Total of components of defined benefit cost	**(0.8)**	**(23.3)**

Principal actuarial assumptions

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

EUR million	31 Dec 2013	31 Dec 2012	1 Jan 2012
Discount rate (range; weighted average in %)	1.3 - 4.7; 3.8	1.4 - 4.0; 3.4	2.3 - 4.8; 4.4
Expected future salary increases (range; weighted average in %)	1.5 - 2.5; 2.3	1.5 - 2.5; 2.3	1.5 - 3.0; 2.7
Expected inflation rate (range; weighted average in %)	2.0 - 2.3; 2.1	2.0 - 2.3; 2.1	2.0 - 2.3; 2.1
Initial trend rate (range; weighted average in %)	2.0 - 8.0; 5.5	2.0 - 8.5; 6.0	2.8 - 9.0; 5.9
Ultimate trend rate (range; weighted average in %)	2.0 - 5.0; 3.8	2.0 - 5.0; 4.2	2.8 - 5.0; 4.1
Years until ultimate is reached	0 - 6; 3.3	0 - 7; 3.7	0 - 8; 3.6

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-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 has been used for the EURO zone (2%) 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 2013 of 18 to 24 for males (2012: 18 to 24) and 21 to 28 (2012: 21 to 28) for females. The assumption 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 2013
Discount rate -0.5%	10.1
Discount rate +0.5%	(8.9)
Expected future salary increase - 0.5%	(0.4)
Expected future salary increase + 0.5%	0.4
Expected inflation rate - 0.5%	(0.4)
Expected inflation rate + 0.5%	0.4
Medical cost trend rate -1.0%	(3.2)
Medical cost trend rate +1.0%	4.0
Life expectancy - 1 year	3.6
Life expectancy + 1 year	(3.6)

Expected contributions 2014

The Group expects to make EUR 10.0 million contributions to post-employment defined benefit plans for the year ending 31 December 2014.

31. Trade and other payables

EUR million	31 Dec 2013	31 Dec 2012
Trade payables	435.6	591.1
Other payables	50.4	50.1
Total trade and other payables	**486.0**	**641.2**

The Group's exposure to currency and liquidity risk related to trade and other payables is disclosed in note 35.

32. Deferred income

EUR million	31 Dec 2013	31 Dec 2012
Current	294.7	218.6
Total deferred income	**294.7**	218.6

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 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 ending March 2014. The silver prepayment is amortised into revenue as the underlying silver is 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 ending June 2014. The silver prepayment is amortised into revenue as the underlying silver is 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 an effective fair value hedges of the firm sales commitments in the silver prepay agreements. The change in fair value of the forward purchase contracts (EUR 5.9 million at 31 December 2013, included in other financial liabilities) and the portion of deferred income related to the silver prepay agreement (EUR 5.9 million) effectively offset in the income statement.

33. Share-based payments

EUR million	2013	2012
Share based payment expenses, including social security	(5.2)	(6.2)

The Company has established an Executive Long Term Incentive Plan (LTIP), a Co-Investment Plan and a Leveraged Employee Stock Ownership Plan (LESOP) (together referred to as the “Plans”) with a view to attracting, retaining and motivating the employees and senior management of the Company and its wholly owned subsidiaries. The key terms of each Plan are disclosed below:

Long Term Incentive Plan

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

* 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 LTIP Grant 2, Grant 3, Grant 4, Grant 5 and Grant 6 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 2013 and 2012 are:

	2013	2012
Dividend yield	3.0%	3.0%
Expected volatility - Nyrstar share price	47.0%	46.0%
Expected volatility - zinc price	24.0%	30.0%
Expected volatility - MSCI metals and mining index	22.0%	23.0%
Risk free interest rate	1.3%	2.2%
Share price at grant date (in EUR)	3.30	4.48
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	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**

	Grant 2	Grant 3	Grant 4	Grant 5	Grant 6	Total
As at 1 Jan 2012	2,764,817	823,243	1,196,168	-	-	**4,784,228**
Initial allocation 30 Jun 2012	-	-	-	2,261,628	-	**2,261,628**
Forfeitures	-	(114,325)	(245,655)	(157,389)	-	**(517,369)**
Additions	-	62,042	103,388	-	-	**165,430**
Settlements	(2,675,946)	-	-	-	-	**(2,675,946)**
As at 31 Dec 2012	**88,871**	**770,960**	**1,053,901**	**2,104,239**	**-**	**4,017,971**

In 2013 and 2012, certain employees who joined Nyrstar during the year received LTIP awards under Grants 4 and 5. The fair value of these rights amounted to EUR 0.6 million for 2013 (2012: EUR 0.2 million). There have been no changes to the terms and conditions of the grants.

Modifications to LTIP Grants 3, 4 and 5

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 is 5 May 2010 and the conditions are assessed from the grant date till 15 July 2013, which is the vesting date. For each Nyrstar share that a member of the NMC purchased between 30 April 2010 and 28 June 2010, Nyrstar will grant the respective participant on the vesting date, a number of additional Nyrstar shares provided that (a) the participant is still employed by Nyrstar on the vesting date and (b) the participant still holds 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 are consistent with the terms and conditions of the previous Co-investment Plan participations.

The number of matching shares is 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 is 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 is 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:

	2013	2012
As at 1 Jan	348,000	348,000
Additions		-
Expired	(261,992)	
Forfeitures	(86,008)	
As at 31 Dec	-	**348,000**

No further Co-Investment shares have been granted in 2013 and 2012. 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 2013 amounts to EUR nil (2012: 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 2013 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 2013 LESOP and a certain percentage of any increase in value of the shares over the lifetime of the 2013 LESOP. The 2013 LESOP was approved by the general shareholder`s meeting in April 2013. The first stage of the 2013 LESOP was implemented in December 2013.

3,065,000 shares were granted, with an effective accounting grant date of 21 December 2013. The shares vested immediately at grant date. The fair value at the grant date per share was EUR 0.10, resulting in the total fair value of EUR 0.3 million fully recognized in the financial year ended 31 December 2013.

The significant inputs into the valuation model for the LESOP plan granted in 2013 are:

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

The following table sets out the movements in the number of equity instruments granted during the period in relation to the LESOP plans:

	2013
As at 1 Jan	-
Initial allocation 21 Dec 2013	3,065,000
Settlements	(3,065,000)
As at 31 Dec	**-**

Deferred Share Awards or Phantom Awards - annual incentive plan (AIP)

For 2012, the NMC and certain other senior managers are entitled to a target opportunity under the AIP of:

- 75% of the annual base salary for the chief executive officer (150% at maximum)
- 60% of the annual base salary for the other members of NMC (120% at maximum)
- 50% of the annual base salary for certain other senior managers (100% at maximum)

Any award made under the AIP in relation to the details above, will be delivered as a combination of cash and Nyrstar shares (Share Awards) or their equivalent in cash (Phantom Awards), with any delivery of these Awards deferred for 12 months. The award will be delivered as follows:

- CEO – 100% cash and 50% Share Awards or Phantom Shares (at maximum opportunity)
- Other members of the NMC – 80% cash and 40% Share Awards or Phantom Shares (at maximum opportunity)
- Other senior managers – 70% cash and 30% Share Awards or Phantom Shares (at maximum opportunity)

The delivery of any AIP award to management is at all times subject to the performance of the Company (for further details on the performance criteria refer to the Remuneration Report included in the Corporate Governance Statement) and the employee remaining employed with the Company at the end of the vesting period. The maximum number of the Share Awards granted is equal to the value of the maximum opportunity multiplied by EUR base salary and divided by the applicable share price at the start of the performance period (generally the fiscal year).

The fair value of the service received in return for these Awards for financial year 2013 amounts to EUR 0.6 million (2012: EUR 0.4 million).

34. Loss per share

(a) Basic loss per share

The basic loss per share is calculated as follows:

EUR million	2013	2012
Loss attributable to ordinary shareholders (basic)	(195.4)	(93.6)
Weighted average number of ordinary shares (basic, in million)	154.4	162.1
Loss per share (basic, in EUR)	**(1.27)**	**(0.58)**

(b) Diluted loss per share

As the Group incurred a loss for the twelve months ended 31 December 2013, the diluted loss per share EUR 1.27 equals the basic loss per share (EUR 0.58 for the twelve months ended 31 December 2012).

35. 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 2013	31 Dec 2012
Trade and other receivables	174.9	221.1
Cash and cash equivalents	292.3	188.1
Commodity contracts used for hedging: assets	13.9	33.8
Embedded derivatives: assets	1.2	17.1
Foreign exchange contracts used for trading: assets	11.5	7.7
Restricted cash	7.6	8.2
Held to maturity	2.8	2.6
Loans to equity accounted investees	-	2.7
Total	**504.2**	**481.3**

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

EUR million	31 Dec 2013	31 Dec 2012
Euro-zone countries	58.6	77.9
Asia	38.5	25.2
United States	9.4	25.1
Other European countries	23.3	43.2
Other regions	45.1	49.7
Total	**174.9**	**221.1**

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

EUR million	31 Dec 2013	31 Dec 2012
Wholesale customers	159.3	190.3
End-user customers	15.6	30.8
Total	**174.9**	**221.1**

(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 2013	31 Dec 2012
Not past due	144.6	192.5
Past due 0-30 days	18.8	19.3
Past due 31-120 days	8.3	7.5
Past due 121 days – one year	2.5	0.4
More than one year	0.7	1.4
Total	**174.9**	**221.1**

Credit risk in trade receivables is also managed in the following ways:

- The Company has a duty to exercise reasonable care and prudence in granting credit to and withholding credit from existing and potential customers. The Company takes all reasonable steps and uses its best endeavours to minimize any losses arising from bad debts. The Company's Credit Risk Management Policy describes the structure and systems put in place in order to efficiently and effectively manage the risks related to the credit granted to business partners.
- Payment terms can vary from 0 to 90 days, after the month of delivery. Payment terms are dependent on whether the sale is a cash sale or a sale with an attached letter of credit stating the payment terms.
- A risk assessment is undertaken before granting customers a credit limit. Where no credit limit is granted sales have to be covered by other securities (i.e. bank guarantee, parent guarantee) and/or by documentary collection.
- If sales are covered by a letter of credit, this will in principle be irrevocable, confirmed with approved financial institutions.

(iii) Banks and financial institutions

For banks and financial institutions, only independently rated parties with a minimum rating of 'A' are accepted.

(b) Liquidity risk management

The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements:

EUR million	Carrying amount	Contractual cash flows	6 months or less	6 - 12 months	1 - 2 years	2 - 5 years	5 years or more
Finance lease liabilities	(1.9)	(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)**	**-**

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	(3.2)	(3.3)	(0.5)	(0.5)	(1.1)	(1.2)	-
Loans and borrowings	(865.3)	(1,037.3)	(45.1)	(4.2)	(168.9)	(818.8)	(0.3)
Trade and other payables	(641.2)	(641.2)	(631.7)	(4.0)	(6.0)	0.5	-
Commodity contracts – fair value hedges	(10.6)	(10.6)	(10.6)	-	-	-	-
Foreign exchange contracts – held for trading	(0.5)	(0.5)	(0.5)	-	-	-	-
Embedded derivatives	(2.3)	(2.3)	(0.1)	(0.1)	(2.1)	-	-
Total, 31 Dec 2012	**(1,523.1)**	**(1,695.2)**	**(688.5)**	**(8.8)**	**(178.1)**	**(819.5)**	**(0.3)**

(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	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)**

EUR million	EUR	USD	AUD	CAD	Other	Total
Trade and other receivables	94.6	98.0	6.4	2.9	19.2	**221.1**
Loans and borrowings	(865.4)	(0.5)	(2.2)	(0.4)	-	**(868.5)**
Trade and other payables	(166.0)	(292.8)	(77.1)	(19.3)	(86.0)	**(641.2)**
Gross balance sheet exposure	**(936.8)**	**(195.3)**	**(72.9)**	**(16.8)**	**(66.8)**	**(1,288.6)**
Foreign exchange contracts	227.2	(129.9)	70.2	(160.5)	0.2	**7.2**
Commodity contracts	-	23.2	-	-	-	**23.2**
Net exposure, 31 Dec 2012	**(709.6)**	**(302.0)**	**(2.7)**	**(177.3)**	**(66.6)**	**(1,258.2)**

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	Variable	2013	2012
USD / EUR	+ / - EUR 0.01	+ / - 17.7	+ / - 17.9
AUD / EUR	+ / - EUR 0.01	- / + 2.6	- / + 2.6

The above sensitivities were calculated by modelling Nyrstar's 2013 and 2012 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 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	(81.7)	(9.0)	-	-	(90.7)
Contracts sold	1,916	76.5	0.6	-	-	77.1
Net position		**(5.2)**	**(8.4)**	**-**	**-**	**(13.6)**
Lead	per tonne					
Contracts purchased	2,252	(0.3)	-	-	-	(0.3)
Contracts sold	2,110	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**

The following table sets out a summary of the notional value of derivative contracts hedging commodity price risks at 31 December 2012.

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	1,945	(38.1)	(7.5)	-	-	(45.6)
Contracts sold	1,998	149.6	0.3	-	-	149.9
Net position		**111.5**	**(7.2)**	**-**	**-**	**104.3**
Lead	per tonne					
Contracts purchased	2,249	(2.0)	-	-	-	(2.0)
Contracts sold	2,187	79.2	-	-	-	79.2
Net position		**77.2**	**-**	**-**	**-**	**77.2**
Silver	per ounce					
Contracts purchased	31.3	(29.6)	-	-	-	(29.6)
Contracts sold	32.6	353.0	-	-	-	353.0
Net position		**323.4**	**-**	**-**	**-**	**323.4**
Gold	per ounce					
Contracts purchased	1,689.0	(2.3)	-	-	-	(2.3)
Contracts sold	1,711.0	91.4	-	-	-	91.4
Net position		**89.1**	**-**	**-**	**-**	**89.1**
Copper	per tonne					
Contracts purchased	-	-	-	-	-	-
Contracts sold	7,902	18.4	-	-	-	18.4
Net position		**18.4**	**-**	**-**	**-**	**18.4**

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	Variable	2013	2012
Zinc price	+ / - USD 100 / tonne	+ / - 27.9	+ / - 35.2
Lead price	+ / - USD 100 / tonne	+ / - 1.8	+ / - 1.7
Zinc TC	+ / - USD 25 / tonne	+ / - 27.8	+ / - 25.1
Lead TC	+ / - USD 25 / tonne	+ / - 4.9	+ / - 4.4

The above sensitivities were calculated by modelling Nyrstar's 2013 and 2012 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	-	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**
Loans to equity accounted investees	-	-	-	-	-	-	**-**
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)**

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	-	41.5	-	-	17.1	-	**58.6**
Trade and other receivables excl. prepayments	221.1	-	-	-	-	-	**221.1**
Cash and cash equivalents	188.1	-	-	-	-	-	**188.1**
Restricted cash	8.2	-	-	-	-	-	**8.2**
Held to maturity	-	-	2.6	-	-	-	**2.6**
Loans to equity accounted investees	2.7	-	-	-	-	-	**2.7**
Investments in equity securities	-	-	-	37.9	-	-	**37.9**
Borrowings excl. finance lease liabilities	-	-	-	-	-	(865.3)	**(865.3)**
Finance lease liabilities	-	-	-	-	-	(3.2)	**(3.2)**
Derivative financial instruments	-	(11.1)	-	-	(2.3)	-	**(13.4)**
Trade and other payables	-	-	-	-	-	(641.2)	**(641.2)**
Net position, 31 Dec 2012	**420.1**	**30.4**	**2.6**	**37.9**	**14.8**	**(1,509.7)**	**(1,003.9)**

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 2014 and 2017 respectively. The swaps have been designated as qualifying cash flow hedges.

(f) Interest rate risk management

Nyrstar's exposure to interest rate risk and along with sensitivity analysis on a change of 100 basis points in interest rates at balance date on interest bearing assets and liabilities is set out below:

	31 Dec 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**	-	-	-	-
Loan associates	-	-	**-**	-	-	-	-
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)**

	31 Dec 2012			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	188.1	-	**188.1**	1.9	(0.3)	1.9	(0.3)
Restricted cash	-	8.2	**8.2**	-	-	-	-
Held to maturity	-	2.6	**2.6**	-	-	-	-
Loan associates	-	2.7	**2.7**	-	-	-	-
Financial liabilities:							
Loan facility	-	(0.6)	**(0.6)**	-	-	-	-
Borrowings - fixed rate bonds	-	(748.8)	**(748.8)**	-	-	-	-
Borrowings - convertible bonds	-	(115.9)	**(115.9)**	-	-	-	-
Finance lease liabilities	-	(3.2)	**(3.2)**	-	-	-	-
Net interest bearing financial assets / (liabilities)	**188.1**	**(855.0)**	**(666.9)**	**1.9**	**(0.3)**	**1.9**	**(0.3)**

(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 734.2 million (2012: EUR 748.8 million) and the convertible bonds of EUR 221.4 million (2012: EUR 115.9 million), with fair values based on quoted prices in active markets (Level 1 measurement), of EUR 672.6 million (2012: EUR 788.0 million), and EUR 211.4 million (2012: EUR 130.0 million) respectively.

The following table presents the fair value measurements by level of the following fair value measurement hierarchy for derivatives:

- quoted prices in active markets for identical assets or liabilities (level 1);
- inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly (level 2); and
- input 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 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)**

EUR million	Valuation technique (s) and key input (s)	Level 1	Level 2	Level 3	Total as at 31 Dec 2012
Commodity contracts – fair value hedges	a	-	33.8	-	33.8
Foreign exchange contracts – held for trading	b	-	7.7	-	7.7
Embedded derivative	c	-	17.1	-	17.1
Total		**-**	**58.6**	**-**	**58.6**
Commodity contracts – fair value hedges	a	-	(10.6)	-	(10.6)
Foreign exchange contracts – held for trading	b	-	(0.5)	-	(0.5)
Embedded derivative	c	-	(2.3)	-	(2.3)
Total		**-**	**(13.4)**	**-**	**(13.4)**

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

36. 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 2013	31 Dec 2012
Within one year	14.2	20.2
Between one and five years	-	-
More than five years	-	-
Total	**14.2**	**20.2**

37. 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 2013	31 Dec 2012
Within one year	4.7	4.5
Between one and five years	12.1	12.1
More than five years	2.6	3.0
Total	**19.4**	**19.6**

38. Contingencies

Guarantees

In 2012 the Group has provided a guarantee of CNY 20 million (EUR 2.4 million) in favour of KBC in China, who provided a credit facility to Genesis Alloys (Ningbo) Ltd. There is no outstanding guarantee at 31 December 2013. Refer to note 18 for further detail on the Group's investment in Genesis Alloys (Ningbo) Ltd.

Legal actions

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.

39. Related parties

(a) Transactions with related parties

No transactions with related parties occurred in the years ended 31 December 2013 and 2012 with the exception of the loan to Genesis Alloys (Ningbo) Ltd (note 21e).

(b) Key management compensation

Board of directors

EUR million	2013	2012
Salaries and other compensation	0.5	0.5

Nyrstar Management Committee

EUR million	2013	2012
Salaries and other compensation	4.8	4.1
Long term benefits	2.4	2.1
Share based payments	2.6	2.8

Long term benefits include housing allowances and pension contributions. 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.

40. 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	2013	2012
Audit services	102.0	102.0
Audit related services	35.6	1.2
Tax services	61.5	113.5
Total Deloitte Bedrijfsrevisoren	**199.1**	**216.7**
Audit services	824.4	795.7
Audit related services	35.1	2.4
Tax services	69.2	28.2
Non-audit services		38.0
Total other offices in the Deloitte network	**928.7**	**864.3**

41. 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 2013	Ownership 31 Dec 2012
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%	-
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%
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%
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%

42. Subsequent events

There have been no material reportable events subsequent to 31 December 2013.

STATUTORY AUDITOR'S REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

As at 31 December 2013

Deloitte.

Deloitte Bedrijfsrevisoren /
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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 2013

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
Registered Office: Berkenlaan 8b, B-1831 Diegem
VAT BE 0429.053.863 - RPR Brussel/RPM Bruxelles - IBAN BE 17 2300 0465 6121 - BIC GEBABEBB

Member of Deloitte Touche Tohmatsu Limited

STATUTORY AUDITOR'S REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

Deloitte.

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Reviseurs d'Entreprises
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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 2013

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 2013, 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 (IFRS) 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 3,219.8 million EUR and the consolidated income statement shows a consolidated loss (group share) for the year then ended of 195.4 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.

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Unqualified opinion

In our opinion, the consolidated financial statements of Nyrstar NV give a true and fair view of the group's net equity and financial position as of 31 December 2013, 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

We draw attention to Note 20 to the financial statements which describes the uncertainty related to the recoverability of the Company's 224.3 million EUR zinc purchase interest with Talvivaara Mining Company plc. Our opinion is not qualified in respect of this matter.

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, 5 February 2014

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 SUMMARIZED (NON-CONSOLIDATED) FINANCIAL STATEMENTS AS AT 31 DECEMBER 2013

The annual accounts prepared under Belgian GAAP are presented below in summarized form. In accordance with the Belgian Company Code, the annual accounts of Nyrstar NV together with the management report and the statutory auditor's report will be deposited with the National Bank of Belgium.

These documents may also be obtained on request from: Nyrstar NV, Zinkstraat 1, B- 2490 Balen (Belgium).

The statutory auditor, Deloitte Bedrijfsrevisoren BV o.v.v.e. CVBA, represented by Gert Vanhees has expressed an unqualified opinion on the annual statutory accounts of Nyrstar NV.

Balance sheet

EUR ,000	As at 31 December 2013	As at 31 December 2012
ASSETS		
Non-current assets	**2,182,107**	2,201,364
Formation expenses	3,435	6,698
Intangible assets	-	-
Property, plant and equipment	5	81
Financial assets	2,178,667	2,194,585
Current assets	**1,088,696**	**866,848**
Total assets	**3,270,803**	**3,068,212**
LIABILITIES		
Shareholders' equity	**2,182,838**	**2,152,417**
Issued share capital	370,649	397,853
Share premium	1,555,133	1,539,183
Legal reserve	16,257	14,173
Undistributable reserves	35,432	32,983
Retained earnings	205,367	168,225
Provisions for risks and charges	3,302	5,704
Liabilities	1,084,663	910,091
Non-current Liabilities	838,982	864,731
Current Liabilities	**245,681**	**45,360**
Total equity and liabilities	**3,270,803**	**3,068,212**

Income Statement

€ thousands	As at 31 December 2013	As at 31 December 2012
Operating income	9,341	10,869
Operating charges	(14,718)	(15,187)
Operating result	**(5,377)**	**(4,318)**
Financial income	135,954	121,069
Financial charges	(85,542)	(71,816)
Ordinary result before taxes	**5,035**	**44,935**
Income taxes	(3,360)	(3,611)
Net result	**41,675**	**41,324**
Result allocation		
Retained earnings from prior year	168,224	104,529
Addition to the legal reserves	2,083	2,066
Addition to the other reserves	2,449	-
Transfer from the undistributable reserves	-	24,437
Profit/loss to be carried forward	205,367	168,224

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.

C1 cash costs The costs of mining, milling and concentrating, onsite administration and general expenses, property and production royalties not related to revenues or profits, metal concentrate treatment charges, and freight and marketing costs less the net value of the by-product credits.

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 galvanized.

Conversion Price Operating cost for a smelter to produce market quality metal, not including the cost of raw materials.

Copper cementate Metallic copper obtained by cementation.

Copper sulphate A copper salt made by the action of sulphuric acid on copper oxide.

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 deoxidized to form a fume that is collected.

g/t Grams per tonne

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 oxidize zinc sulphide concentrates; operates typically at 930-970°C; air injected through the furnace bottom 'fluidizes' 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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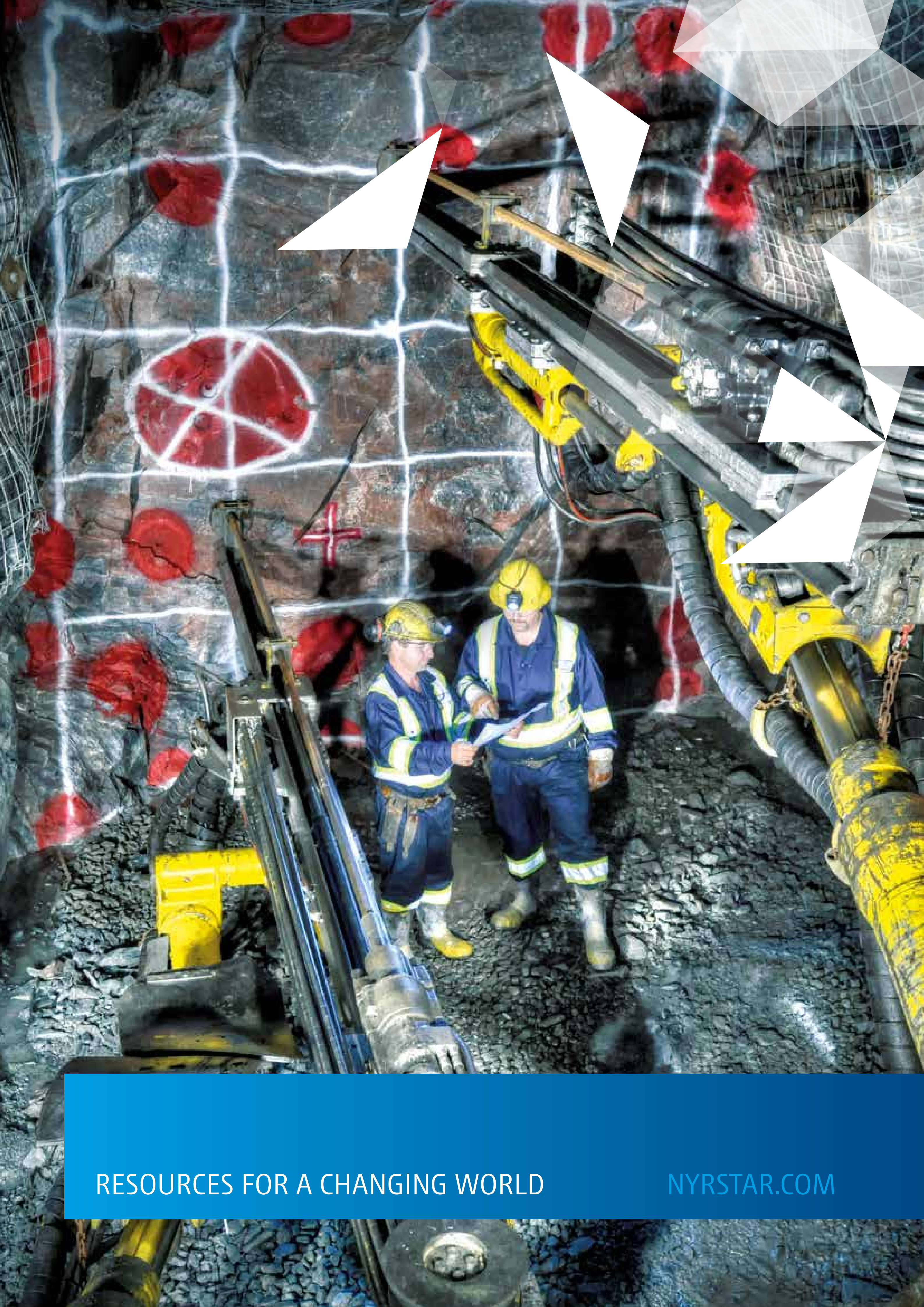
ANNUAL REPORT
An interactive version of this report is available on the Nyrstar website: www.nyrstar.com
Dit rapport is ook beschikbaar in het Nederlands.
Ce rapport est aussi disponible en français.



RESOURCES FOR A CHANGING WORLD

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