



**A focused vision
for a confident future.**



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The world is changing and so are we.

Nyrstar is a leading global multi-metals company, producing significant quantities of essential resources - zinc and lead as well as other metals such as silver, gold and copper.

Zinc production is our primary focus.

Originally a zinc and lead smelting company, we have undergone a significant strategic transformation in 2009, expanding into mining and positioning ourselves as a diversified resources company.

With the world developing at an unprecedented rate and demand for resources outpacing supply, we are now well positioned to be a major resources provider to the changing world.

We focus on creating value for all our stakeholders and building a strong and sustainable future for Nyrstar. That is why we operate a lean, efficient, dynamic, and flexible business.

Through ambitious, bold and innovative decision-making we have become an integrated company and our business is now positioned to be the partner of choice in essential resources for the development of a changing world.

Key figures

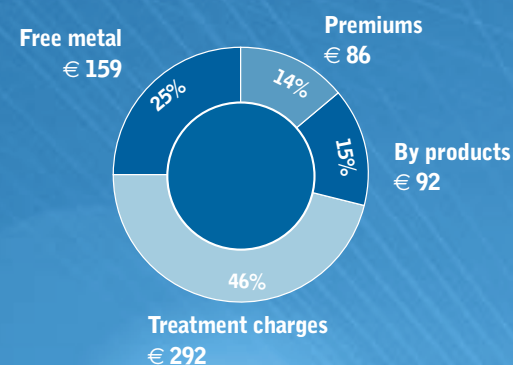
	€ millions*	2009	2008	% VAR
Production ¹				
Zinc market metal ('000 tonnes)		817	1,056	(23%)
Lead market metal ('000 tonnes)		227	240	(5%)
Copper cathode ('000 tonnes)		4	4	0%
Silver ('000 troy ounces)		16,665	14,287	17%
Gold ('000 troy ounces)		24	16	50%
Sulphuric acid ('000 tonnes)		1,119	1,414	(21%)
Market				
Average LME zinc price (US\$/t)		1,659	1,870	(11%)
Average exchange rate (€/US\$)		1.39	1.47	(5%)
Key Financial Data				
Revenue		1,664	2,410	(31%)
Results from operating activities before exceptional items		32	57	(44%)
Profit/(loss) for the period		10	(595)	
Treatment Charges		292	404	(28%)
Free Metal		159	218	(27%)
Premiums		86	159	(46%)
By-Products		92	166	(45%)
Other		(35)	(65)	46%
Underlying Gross Profit ²		594	881	(33%)
Underlying Operating Costs ^{2, 3}		507	735	(31%)
Underlying EBITDA ²		93	153	(39%)
Underlying EPS ² (€)		0.32	0.71	(55%)
Basic EPS (€)		0.10	(5.85)	
Capital Expenditure		68	116	(41%)
Cash				
Net operating cash flow		(19)	418	
Net debt/(cash), end of period		38	(147)	
Gearing ⁴ (%)		5%	Net cash	

¹ Includes production from primary and secondary smelters only (Auby, Balen/Overpelt, Budel, Clarksville, Hobart, Port Pirie, ARA (50%)). Internal transfers of cathode for subsequent melting and casting are excluded (approximately 106,000 tonnes in 2009 and 21,000 tonnes in 2008). Lead production at ARA reflects Nyrstar's ownership at 31 December 2009. Production at Föhl, Galva 45, Genesis and GM Metal are not included.

Elements of Gross Profit*

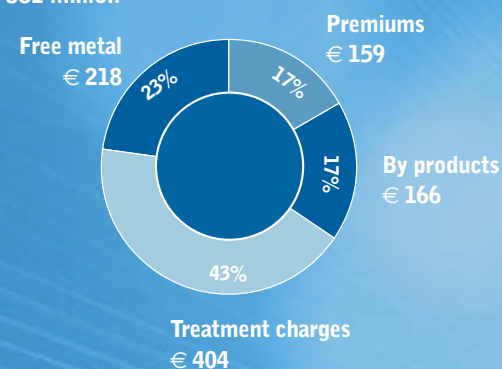
2009

€ 594 million



2008

€ 881 million

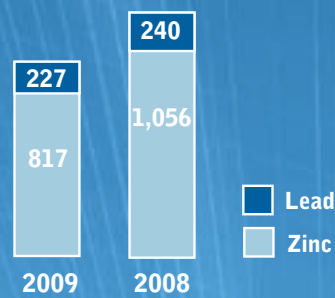


* Excludes "Other Gross Profit" (which includes realisation expenses, costs of alloying materials and contribution from smaller sites): €(35)m 2009, €(65)m 2008.

- ² 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.
- ³ Total group underlying operating costs.
- ⁴ Gearing: net debt to net debt plus equity at end of period.

Market Metal production

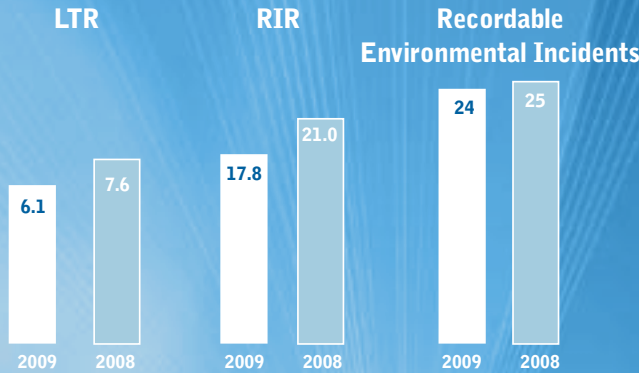
('000 tonnes)



Key share facts

	2009	2008
Number of issued ordinary shares	100,000,000	100,000,000
Number of treasury shares	310,000	310,000
Market capitalisation (as at 31/12)	€ 834,000,000	€ 219,000,000
Underlying Earnings per Share (12 months to 31/12)	€ 0.32	€ 0.71
Gross Dividend (proposed)	€ 0.10	N/A
Share price (as at 31/12)	€ 8.34	€ 2.19
Year high	€ 9.14 (16/10/09)	€ 16.72 (02/01/08)
Year low	€ 2.05 (21/01/09)	€ 1.53 (28/10/08)
Average volume traded shares per day (12 months to 31/12)	760,000	582,000
Free float (as at 31/12)	95%	87%
Free float Velocity (full year)	205%	170%

Safety, Health and Environment



* Lost Time Injury Rate (LTR) and Recordable Injury Rate (RIR) are 12 month rolling averages of the number of lost time injuries and recordable injuries (respectively) per million hours worked, and include all employees and contractors at all operations (excluding NYZA and new mines).
* A recordable environmental incident is defined as an event requiring reporting to a relevant environmental regulatory authority which is a non-compliance with consent conditions.

Relative share price performance (in %)





**“The partner of choice
in essential resources ...**

SHANGHAI, CHINA



**... for the development
of a changing world.”**

**“We have a clear vision for a confident future,
and the conviction and financial strength
to continue to deliver on our commitments.”**



Front: Julien De Wilde, Chairman and Roland Junck, Chief Executive Officer.
Back: Michael Morley, Director Legal and External Affairs; Heinz Eigner, Chief Financial Officer; Greg McMillan, Chief Operating Officer; Erling Sorensen, Chief Commercial Officer and Russell Murphy, Director Human Resources, Safety and Environment

Letter to Our Shareholders

2009 was a year of action for Nyrstar. At the start of the year we committed to a program to rapidly transform Nyrstar into a performance driven organisation that is able to respond faster and more decisively to changing market conditions. We set aggressive targets to achieve sustainable annual cost savings through reduced headcount and operating costs, and in some cases have increased these targets. In all cases we have delivered or are on track to deliver on our commitments, providing a strong foundation for a sustainable future.

We undertook a comprehensive strategic review and announced the results of this review during June 2009. We believe that our new strategy provides Nyrstar with a clear direction to pursue our vision of becoming the partner of choice in essential resources for the development of a changing world. In the six months since we announced our new strategy we have completed a number of key acquisitions that will ensure both smelting and mining provide valuable contributions to our future earnings, and we continue to actively explore additional opportunities to deliver on our strategy.

Our financial position remains strong as a result of prudent cash management and important financing initiatives, providing us with the financial strength

to continue to deliver on our strategy.

We reviewed the Company's dividend policy in 2009. Under the new policy we aim to maximize 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. Reflecting the Board's confidence in the Company's financial strength and the medium to long-term prospects for the markets in which we operate, we are pleased to propose to our shareholders a gross dividend of €0.10 per share for the 12 months to 31 December 2009.

The market for zinc has recovered throughout 2009, driven by a gradual recovery in consumption of developed economies and growing demand in China. We continue to believe that whilst markets will remain volatile, the future for zinc and other resources in the medium to long-term is strong and will provide opportunities for growth.

At all our plants and operations the focus is on productivity and efficiency but the health and safety of our employees, the communities around us and the protection of the environment are our core values. In 2009 we have strengthened and further improved our safety performance across our operations. We have developed and implemented

a number of new initiatives and have continued the roll-out of global support systems that will harmonise safety & health risk management and medical data tracking across the Company. Meanwhile, safety & health integration plans have been developed for the Company's new mining assets, aimed at quickly including these new sites in the Company's ongoing safety & health efforts.

Our environmental performance also improved, however this was less than the 20% reduction target that we had set for ourselves. As in the previous year, all of the incidents were minor in nature and there was no material off-site impact.

We would like to thank and offer our gratitude to all our Nyrstar employees for their contribution to our achievements so far, and also thank our shareholders, customers, suppliers and the communities around our plants for their support and trust in our ongoing transformation of the Company.

We have a clear vision for a confident future, and the conviction and financial strength to continue to deliver on our commitments.

April 2009



Julien De Wilde
Chairman



Roland Junck
Chief Executive Officer

Partner of Choice



Essential Resources

Our products form an essential part of everyday life. Nyrstar is the world's largest producer of zinc and a leading producer of lead. We are also one of the world's largest producers of refined silver. We also produce a number of other valuable metals such as gold, copper and indium.

Our primary focus is zinc production.

Our raw material consists of zinc concentrate and a significant portion of recycled secondary materials.

We convert the raw material into zinc metal for use in numerous different end use applications such as:

- Construction and infrastructure
- Transport
- Industrial machinery
- Communications and electronics
- Consumer products and human health.

The majority of the lead we produce is used to make lead acid batteries for motor vehicles and more recently electric bicycles (e-bikes) world wide.

We also produce a number of other metals in various forms such as silver, gold, copper, and indium. The quantity of these metals we produce is dependent on a number of factors including the chemical composition of the raw material and our recovery rates.

Partner of Choice

Our commitment is to deliver the highest possible standards.

We demonstrate our values and deliver on our promises.

We are trusted by our employees, customers, shareholders and communities alike.

Our focus is always to be lean, efficient, dynamic and flexible and to ensure we are always driven by value creation for all our stakeholders.



Nyrstar Tennessee Mines, US

Around the world

Nyrstar is a global company operating smelters and mines in five continents.

Our smelters are located close to our key customers and adjacent to major transport hubs to allow for easy delivery of raw materials and distribution of finished products.

Our smelters in Auby (France), Balen/Overpelt (Belgium), Budel (The Netherlands), Clarksville (US), and Hobart (Australia) are all primary zinc smelters. Port Pirie in Australia is a primary smelter with multi-metal recovery capabilities, which has the flexibility to process a wide range of

lead-containing feedstocks to produce refined lead, silver, zinc, copper and gold.

The total annual capacities of our smelters amount to more than 1.1 million tonnes of zinc and 235,000 tonnes of lead.

Our mines are located in the US and Peru. Our Tennessee Mines comprise six separate mines. They are located near Nashville and Knoxville and close to our smelter in Clarksville. The Coricancha mine in Peru, is a poly-metallic mine containing zinc, lead, copper, gold and silver.



A Clear Vision for a Confident Future

Our strategic framework guides our constant endeavours to create value and deliver our vision to be the partner of choice in essential resources for the development of a changing world.

We continually review our portfolio of assets to ensure alignment with strategic objectives.



We continually improve the effectiveness and efficiency of the business, driving continuous improvement, realising synergies and employing the best people.

We grow our business by investing actively in resources based on deep commodity market insight and by taking a long-term perspective.

We have a clear vision for the future of our business. Our skills and experiences enable us to anticipate trends and their implications on resources demand and supply and market structure dynamics.

Our strategic focus for growth is to continue to improve and expand our existing business and to selectively pursue opportunities in mining, favouring resources that support our existing business and markets where we have existing expertise (zinc, lead, silver, gold, copper) and proven capability. We will build our multi-metals business and establish strong mining credentials. Our goal is that smelting and mining will both provide valuable contributions to our earnings.

Through growth we will strengthen our position as a global resources provider.

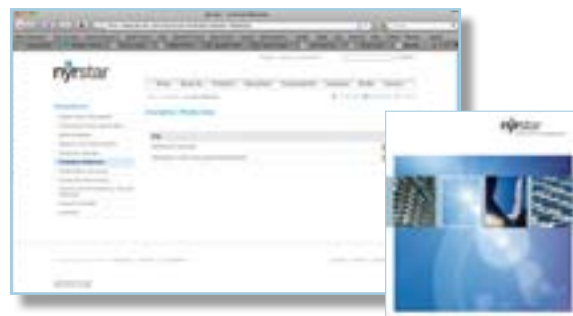
We will deliver our goals and objectives, and by demonstrating our values, we earn and maintain the trust of all our stakeholders.

We aim to be the partner of choice in essential resources for the development of a changing world.

The zinc and lead industry

For further information on Nyrstar and the zinc and lead smelting business please visit the Investor > Investor Materials page at www.nyrstar.com

You will find detailed information on the zinc and lead production process, sources of profit, pricing terms, the industry profit share concept and the revenue flows of a zinc and lead smelter.



A year of action

2009 Milestones

- > **16 February :**
Appointment of Roland Junck as new CEO
- > **04 March :**
Announcement of new management team and structure
- > **01 May :**
Acquisition of Mid-Tennessee Zinc Mine Complex (US)
- > **24 June :**
Presentation of Nyrstar Strategy Review – vertical integration into mining
- > **02 July :** Convertible bond issue completed raising €120 million
- > **03 August :** Sale of Nyrstar Yunnan Zinc Alloys (China)
- > **14 September :** Announcement of acquisition of East Tennessee Zinc Mine Complex (US)
- > **17 September :**
Production restart at Balen (Belgium)
- > **28 September :**
Acquisition of 19.9% interest in Ironbark (Greenland)
- > **01 October :** Acquisition of 85% interest in Coricancha Mine (Peru)
- > **20 November :**
Announcement of intention to close GM Metal (France)
- > **7 December :**
Nyrstar creates Nyrstar Tennessee Mines (US)

Subsequent events 2010

- > **25 January :**
Acquisition of 1.25 million tonnes of zinc in concentrate from Talvivaara (Finland)
- > **01 February :**
€250 million Structured Commodity Trade Finance Credit Facility



> **01 May :**
Acquisition of Mid-Tennessee Zinc Mine Complex (US)



> **28 September :**
Acquisition of 19.9% interest in Ironbark (Greenland)



> **01 October :**
Acquisition of 85% interest in Coricancha Mine (Peru)

Finance Review

"A solid financial performance ...



NYRSTAR BALEN, BELGIUM

... in challenging
market conditions.”



“Despite very challenging market conditions, Nyrstar delivered a solid financial performance in 2009. Through prudent cash management and important financing initiatives, we have retained a strong financial position which will allow us to continue to deliver on our strategy.”

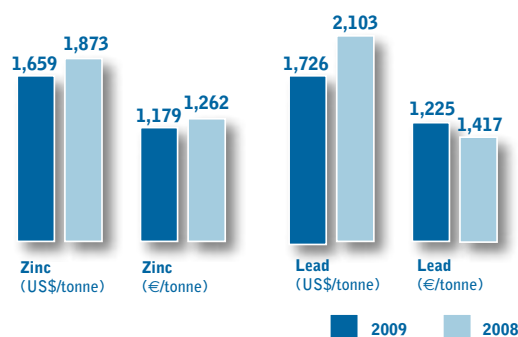


Heinz Eigner
Chief Financial Officer

Finance Review

These transformational programs initiated across the business during 2009 assisted the Company to achieve an underlying EBITDA of €93 million and an underlying EPS of €0.32 in 2009, despite very challenging market conditions.

Average LME zinc and lead prices



Exchange rates	2009	2008
Average US\$/€ exchange rate	1.39	1.47
Average A\$/€ exchange rate	0.56	0.58

1 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.

2 Total group underlying operating costs

3 Gearing: net debt to net debt plus equity at end of period.

Group results

€ millions (unless otherwise indicated)	2009	2008	% VAR
Revenue	1,664	2,410	(31%)
Results from operating activities before exceptional items	32	57	(44%)
Profit/(loss) for the period	10	(595)	
Underlying Gross Profit ¹	594	881	(33%)
Underlying Operating Costs ^{1,2}	507	735	(31%)
Underlying EBITDA ¹	93	153	(39%)
Basic EPS ¹ (€)	0.10	(5.85)	
Capital Expenditure	68	116	(41%)
Cash			
Net operating cash flow	(19)	418	
Net debt/(cash), end of period	38	(147)	
Gearing ³ (%)	5%	Net cash	

Underlying gross profit

€ millions (unless otherwise indicated)	2009	2008	% VAR
Treatment charges	292	404	(28%)
Free metal contribution	159	218	(27%)
Premiums	86	159	(46%)
By-Products	92	166	(45%)
Other	(35)	(65)	46%
Gross profit	594	881	(33%)

Reflecting the downturn in demand as a result of the financial crisis, the average LME zinc price fell below US\$1,100/t in February, but rose throughout the year to more than \$2,500/tonne by December 2009 as market conditions improved, particularly in China, supported by the substantial fiscal and monetary stimulus in all major countries around the world.

As of 31 December 2009, the Company had a net debt position of approximately €38 million. The Company successfully completed an offering of €120 million in convertible bonds in July 2009, and subsequently entered into a €250 million Structured Commodity Trade Finance Credit

Facility in February 2010 (later increased to €400 million following a successful syndication process), which will provide an important cornerstone to the Company's long term financing needs and provides the financial strength to continue to deliver on the Company's strategy.

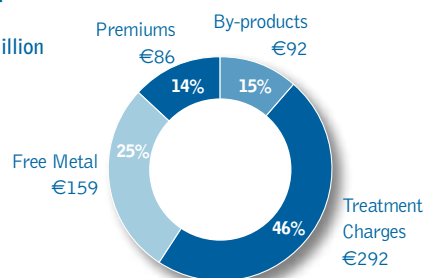
Underlying Gross Profit

Underlying gross profit declined 33% from €881 million in 2008 to €594 million, predominately as a result of lower metal prices and reduced production at Balen, Budel and Clarksville sites. Treatment charge (TC) income was €292 million in 2009, compared to €404 million in 2008, due

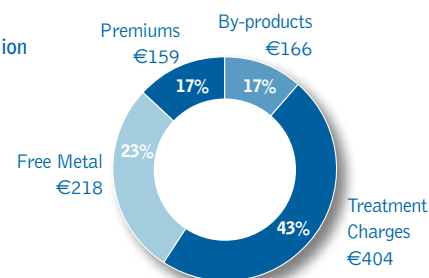
Finance Review

Gross profit*

2009
€594 million



2008
€881 million



* Excludes "Other Gross Profit" (which includes realisation expenses, costs of alloying materials and contribution from smaller sites): €(35)m 2009, €(65)m 2008

to lower metal prices and the reduced volumes of concentrate treated as a result of the production curtailments.

Free metal contribution from zinc and lead was €159 million in 2009 compared to €218 million in 2008, also due to lower metal prices and production curtailments.

Premium contribution was €86 million compared to €159 million in 2008, due to reduced volumes as well as the reduced demand for zinc and zinc alloys. However 2009 premiums for our commodity grade material were negotiated in late 2008 and were therefore somewhat protected from the downturn.

Sulphuric acid prices continued to fall during 2009, significantly reducing acid's contribution to By-Products compared to 2008. The contribution to By-Products from other metals improved throughout the year with increasing metal prices, resulting in a total By-Product income of €92 million, down 45% on 2008 (€166 million).

Other Gross Profit was negative €35 million in 2009, compared to negative €65 million in 2008, primarily due to lower realisation expenses and alloying costs as a result of lower production volumes. In addition to this the centralisation of all trading activities including hedging of metal price and foreign exchange risk under Nyrstar Sales & Marketing from 1 July 2009 has resulted in achieving hedge compliance as defined under IAS 39. This means that where previously all of the unrealised gains and losses on mark-to-market revaluation of these hedging instruments were

recognised within Other Gross Profit on the income statement, from 1 July 2009 only any ineffective portions of the hedging instruments are required to be recognised directly in the income statement. The contribution from smaller entities remained at similar levels to 2008.

Underlying Operating Costs

Underlying operating costs (€507 million) were reduced by 31% compared to 2008 (€735 million), due to cost saving initiatives combined with curtailed production and lower electricity prices.

Nyrstar Yunnan Zinc Alloys

On 3 August 2009, the Company completed the sale of its 60% interest in NYZA to Yunnan Yuntong Zinc Co Limited. The final purchase price received was approximately €5 million resulting in a profit on disposal attributable to Nyrstar of approximately €6 million.

Convertible Bond

On 2 July 2009 the Company announced the successful completion of the offering of €105 million in unsubordinated unsecured convertible bonds, due 2014, and on 7 July announced the full exercise of the over-allotment option to increase the overall size of the offering to €120 million.

The bonds have a coupon of 7% per annum and a conversion price of €7.6203 per share.

Cash Flows and Net Debt

As of 31 December 2009, Nyrstar had a net debt position of approximately €38 million, reduced from a net cash position of approximately €147 million at 31 December 2008, predominantly due to the acquisition costs of the Tennessee mines, the 85% interest in the Coricancha mine, and the 19.9% interest in Ironbark, as well as increased working capital requirements due to the high year-end commodity prices. Nyrstar's operations generated a negative cash flow of €19 million in 2009, compared to a positive cash flow of €418 million in 2008.

Subsequent Events – New Credit Facility

In January 2010 the Company entered into a €250 million multi-currency revolving Structured Commodity Trade Finance Credit Facility underwritten by Deutsche Bank. The facility has a maturity of 4 years (with run-off period during the fourth year), and a margin of 1.9% above EURIBOR. The amount that the Company may draw down under the secured facility is determined by reference to the value of the Company's inventories and receivables (the borrowing base) and accordingly adjusts

Underlying operating costs*

€ millions (unless otherwise indicated)	2009	2008	% VAR
Employee expenses	209	227	(8%)
Energy expenses	188	253	(26%)
Other expenses	110	255	(57%)
Underlying operating costs	507	735	(31%)

* Energy expenses do not include the net loss or gain on the Hobart smelter embedded energy derivatives (€5m loss in 2009, €9m loss in 2008)

as commodity prices change. On 19 March 2010, Nyrstar announced the completion of the syndication process. The syndication process was more than twice over-subscribed and following the scaling back of allocations was closed with an increased facility limit of €400 million.

The syndicated facility also incorporates an “accordion” feature that facilitates an increase in the facility limit (on an approved but uncommitted basis) to €500 million.

The new credit facility replaces the Company’s existing revolving credit facility, which was reduced to €150 million on 19 December 2009, and has now been cancelled by the Company.

Dividend Policy

The Company’s Board of Directors reviewed the Company’s dividend policy in 2009 and concluded that in light of the revised Company strategy a dividend policy defining a fixed pay-out ratio was no longer appropriate. The Company’s revised dividend policy aims to maximize 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.

The Board of directors will propose to shareholders a gross dividend of €0.10 per share for the 12 months to 31 December 2009 at the Annual General Meeting to be held in Brussels on 28 April 2010, reflecting the Board’s confidence in the Company’s financial strength, and the medium to

long-term prospects for the markets in which we operate.

Capital Expenditure

To preserve the Company’s strong cash balance in the current economic environment and allow pursuit of other strategic options, the Company reduced its capital expenditure by 41% to €68 million in 2009, which includes approximately €5 million capital expenditure on the new mines. Capital expenditure for smelters and mines is expected to be approximately €109 million in 2010.

Taxation

Nyrstar recognised an income tax expense at an effective rate of 24% in 2009. The main items impacting taxable income were the non-recognition of deferred tax assets attributable to tax losses in the US and Australia, and the notional interest deduction in Belgium.

Sensitivities

The Company’s results are significantly affected by changes in metal prices, exchange rates and Treatment charges (TCs). Sensitivities to variations in these parameters are depicted in the following table, which sets out the estimated impact of a change in each

of the parameters on the Company’s full year underlying EBITDA based on the actual results and production profile for the year ending 31 December 2009.

These sensitivities were calculated by modelling the Company’s 2009 underlying operating performance. Each parameter is based on an average value observed during that period and is varied in isolation to determine the EBITDA impact.

Sensitivities are:

- Based on the reduced production volumes achieved in the year ended 31 December 2009. Sensitivity to any factor is dependent on production volumes and the economic environment observed during the reference period. The expected increase in production in 2010 is likely to cause material changes to the sensitivities.
- 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 the Company’s results for any prior periods and may not be representative of the EBITDA sensitivity of any of the variations going forward.

Sensitivities

Parameter	Variable	Estimated EBITDA impact in € million
Zinc Price	+/- US\$100/tonne	+/- 19
Lead Price	+/- US\$100/tonne	+/- 1
US\$/€	+/- €0.01	+/- 8
A\$/€	+/- €0.01	+/- 3
Zinc TC	+/- US\$25/dmt	+/- 22
Lead TC	+/- US\$25/dmt	+/- 6

Market Review



**“Whilst markets will remain volatile,
we believe the future for zinc is strong ...**



**.... and will provide
opportunities for growth.”**

“Although the market for zinc has recovered throughout the year, driven by a gradual recovery in consumption of developed economies and growing demand in China, markets will remain volatile. However, we believe the future for zinc and other resources in the medium to long term is strong and will provide opportunities for growth.

In this environment we made significant progress in 2009 in delivering on our new strategy through the acquisitions of the Tennessee mines and interests in the Coricancha mine in Peru and Ironbark (owner of the world-class Citronen zinc-lead deposit in Greenland). In early 2010 we also announced the acquisition of 1.25 million tonnes of zinc in concentrate from Talvivaara in Finland, an innovative approach to the continued execution of our new strategy.”



Erling Sorensen
Chief Commercial Officer

Market Review

2009 was defined by the deepest downturn in the world economy for decades and this led to a sharp drop in demand for most metals.

Zinc market in 2009

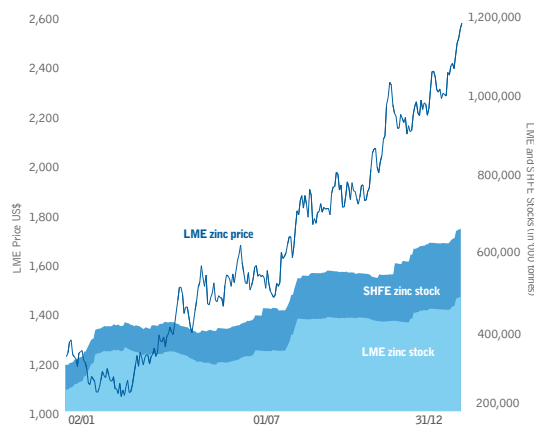
In 2009, Brook Hunt¹ estimates that world zinc consumption fell by 9% to a six-year low of 10.2 million tonnes. In contrast, China's zinc consumption increased by 7% to 4.1 million tonnes and taking its share of the world market to 40% for the first time, from 34% in 2008. China's growth in zinc consumption was supported by the RMB4 trillion (US\$585 billion) fiscal stimulus program announced in late 2008 and aggressive expansion of bank lending during 2009.

This also generated strong growth in demand for galvanised steel for construction and automotive applications. CRU estimates that China's production of galvanised steel rose by 3.1% to a new record of 19.2 million tonnes. Excluding China, zinc consumption in the rest of the world fell by 18% to a 16-year low of 6.1 million tonnes. In Europe, Nyrstar's largest market, the decline was steeper at almost 22%. Responding to the downturn

in demand, world refined zinc production was reduced by 2% to 11.2 million tonnes in 2009, leaving the market in surplus by approximately 1 million tonnes, although this followed a cumulative deficit of 1.2 million tonnes over the previous five years from 2003 to 2008. Reflecting the surplus, zinc stocks on the London Metal Exchange (LME) and Shanghai Futures Exchange (SHFE) more than doubled to a combined total of over 660,000 tonnes during 2009. However, exchange stocks remain moderate by historical standards at the equivalent of about three weeks of world consumption. Reflecting the downturn in demand, the average LME zinc price fell by 11% to a four-year low of US\$1,659/tonne in 2009 although this average was still high in a historical context. Moreover, it masks the fact that the zinc price was on a rising trend through most of last year as the market moved towards recovery, more than doubling from its late-January lows and breaking through US\$2,500/tonne to reach its highest level for almost two years by late December 2009.

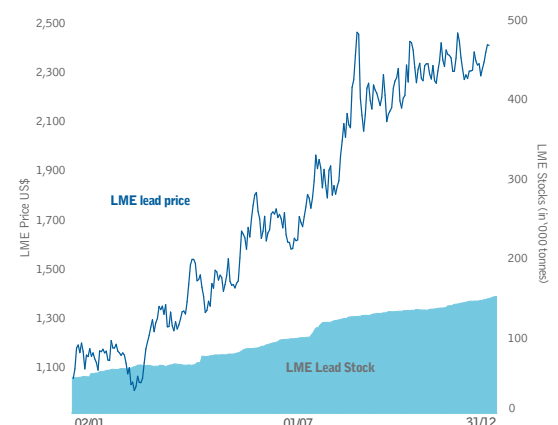
¹ All data quoted are sourced from Brook Hunt, unless specifically stated otherwise.

Zinc price and stocks (LME and SHFE)



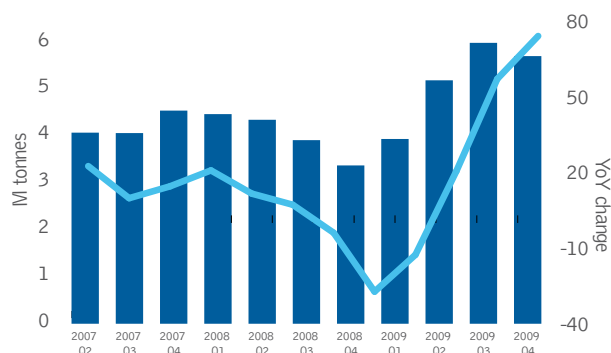
Includes LME Zinc cash settler / settlement price (US\$), LME Zinc daily closing stocks and SHFE Zinc weekly closing stocks

Lead price and stocks (LME)

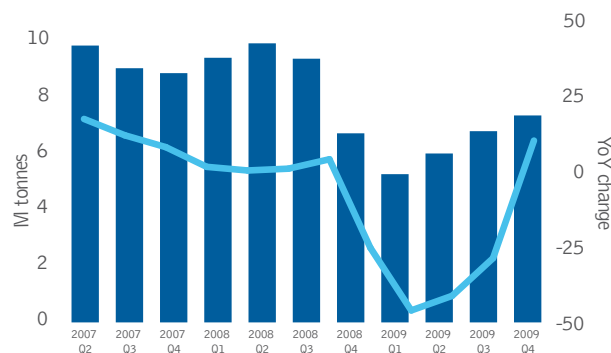


Includes LME Lead cash settler / settlement price (US\$) and LME Lead daily closing stocks

Chinese galvanised steel consumption



European galvanised steel consumption



Lead market in 2009

World lead consumption declined with the downturn in the global economy, falling by 4%, although this reverse was moderate by comparison with some other metals and the total of 8.1 million tonnes was still the third highest on record. This can be attributed to China, where lead consumption increased by 10% to a new record of 3.4 million tonnes and more than twice its level of only five years ago, driven by accelerating growth in car production and sales (China overtook the USA as the world's largest market for new cars in 2009) and continuing strong sales of electric bicycles (e-bikes).

World refined lead production was reduced by 3% to 8.2 million tonnes in 2009, leaving the market for refined lead with a modest surplus of 25,000 tonnes, after six years of deficits. With the market in surplus LME stocks increased to a six-year high of 146,775 tonnes at the end of 2009, which is equivalent to approximately seven days of world consumption.

The LME lead price followed a similar pattern to the zinc price during 2009. From lows of less than US\$1,000/tonne early in the year, the price rallied to a peak of approximately US\$2,500/tonne in September and continued to trade above US\$2,000/tonne for the balance of 2009. Although the average price for the year was 17% lower than in 2008 at US\$1,726/tonne it was still the third highest annual average on record in nominal terms.

Other metals in 2009

Average prices for most other metals produced by Nyrstar, including silver, indium, copper and cadmium, also fell in 2009.

The decline in the average silver price was limited to only 2% and, at US\$14.67/t.oz, was still the second highest recorded since the silver price spike of the 1970s.

Gold was an exception. Historically, gold prices have shown a clear inverse correlation to the US dollar exchange rate and as the US dollar declined during the year, coupled with investors seeking a

perceived "safe haven" in gold in the context of an uncertain economic environment, the price rallied reaching an all time peak of over US\$1,200/t.oz in December. The average price of US\$974/t.oz in 2009 also set a new record and marked an increase of 12% from 2008.

Sulphuric acid in 2009

A sharp downturn in demand across all of the main end use markets for sulphuric acid – chemicals, fertilisers and mining – prompted a precipitous fall in prices in the first half of 2009. Benchmark US Gulf prices reportedly fell to zero ex-terminal, according to Pentasul, compared to levels of US\$130 to US\$150/tonne in late 2008.

Sulphuric acid prices remained under substantial pressure for much of the second half of 2009. However, towards the end of the year a modest upturn in demand had begun that was reflected in a small rise in prices for sulphuric acid, with US Gulf prices quoted at US\$20 to US\$30/tonne, although these levels were still well below those prevailing a year earlier.

Zinc and lead mining in 2009

The market for zinc concentrates remained well supplied in 2009. Brook Hunt estimates that the market was in surplus by 171,000 tonnes of contained zinc in 2009. China made a significant contribution to supplies with reported mine output of zinc contained in concentrate rising by 4% to a new record of 3.2 million tonnes. The comfortable balance in the market for zinc concentrates was reflected in the fact that spot treatment charges ended the year on a rising trend, despite the fact that zinc metal production was also rising.

Similarly, the market for lead concentrates was well supplied with a modest surplus occurring, according to Brook Hunt. World mine output of lead contained in concentrate increased by 1% to 3.5 million tonnes in 2009. Again, China made a significant contribution to supplies with reported mine output of lead contained in concentrate rising by 9% to over 1.5 million tonnes for the first time. The markets for both zinc and lead concentrates remained well supplied going into 2010. However, exploration spending had been cut substantially during 2009 as a result of the downturn in the economic environment and it is anticipated that this could contribute to a tighter balance in the markets for zinc and lead concentrates in future years with important implications for the balance of pricing power between miners and smelters.

Essential resources in 2010

Zinc and other resource markets are likely to remain volatile in the short-term. There are clear risks to the tentative recovery underway in the world economy. In particular, the recovery may be vulnerable to a set back when governments start to withdraw the substantial fiscal and monetary policy stimulus that had been provided during 2009 or when businesses finish rebuilding stock levels that had been reduced during the downturn.

Nonetheless, the ongoing industrialisation and urbanisation of the large, populous BRIC (Brazil, Russia, India and China) countries points to the probability of rising demand for zinc and other resources in 2010. Moreover, leading indicators of economic activity remained positive in early 2010 and the policy stimulus provided to the world economy should continue to support growth for

some months to come with positive implications for demand for zinc and other resources.

Producers of zinc metal and concentrates have responded to the emerging recovery, reversing many of the cuts in output made during the downturn and, coupled with current stock levels, zinc markets will probably remain well supplied in 2010. There is a similar outlook in prospect for lead markets, although balances may be moderately tighter than in the case of zinc.

Operations Review

**“We demonstrate our
operational flexibility ...**



NYRSTAR TENNESSEE MINES, US



**... striving for a lean, efficient
and dynamic business.”**

“With the severe downturn in the global economy leading to reduced demand for zinc and other resources in 2009, we responded rapidly by drastically reducing our zinc production by almost one quarter in 2009.

We seized the opportunity to conduct a detailed review of our global operations and initiated a group-wide restructuring program focused on reducing costs and positioning our operations for a long-term sustainable future. We have demonstrated our operational flexibility throughout the financial downturn, and have permanently improved our cost position.

We are proud to have a strong and committed workforce that continues to strive to make Nyrstar the most lean, efficient, dynamic and flexible business we can be. 2010 presents new challenges and opportunities for Nyrstar, and we are ramping up our new mines, which we expect to provide valuable contributions to our earnings by the end of 2010 and beyond.”

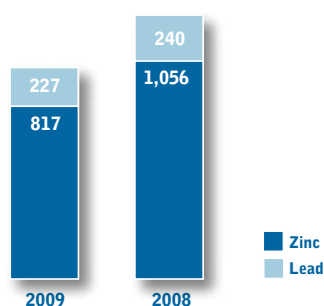


Greg McMillan
Chief Operating Officer

Operations Review

Zinc market metal production was 817,000 tonnes, down 23% compared to 2008, with the Balen smelter (Belgium) on care and maintenance for most of the year and the Clarksville smelter (US) and Budel smelter (Netherlands) operating on reduced production for the first half of the year. In response to improved market conditions, full production was restarted at Clarksville and Budel in July, followed by a restart of production in Balen in September.

Production (‘000 tonnes)



Lead production was 227,000 tonnes in 2009, slightly lower than 2008 as a result of a shutdown at the Port Pirie smelter (Australia). However, silver production was up 17% on 2008 at 16.6 million ounces, and gold production was up 50% on 2008 at 24,000 ounces. Copper production was similar to 2008 levels at approximately 4,000 tonnes for 2009. Sulphuric acid production was 1,119,000 tonnes, down 21% on 2008 (1,414,000 tonnes) in line with the reduced production volumes across the smelters.

The Company initiated a comprehensive program to rapidly transform the business, focusing on reducing costs and positioning our operations for a long-term sustainable future. The Company committed to delivering more than €50 million in sustainable annual cost savings and a reduction of approximately 500 employee and contractor positions by the end of 2010. This commitment was later extended to a reduction of more than €75 million in sustainable annual cost savings.

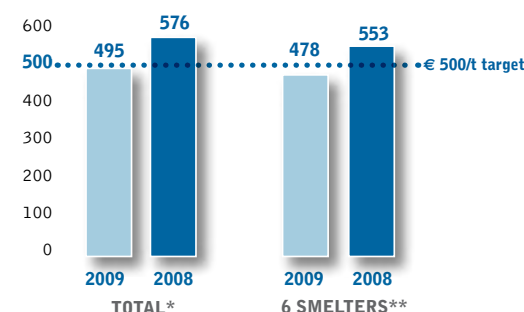
The Company remains on track to deliver €75 million in sustainable annual cost savings by the end of 2010 (compared to 2008), despite adverse exchange rate movements affecting costs at our Australian and US operations.

The Company also remains on-track to complete its organisational restructuring program, with approximately 490 reductions completed by the end of 2009.

Through the rigorous pursuit of cost saving initiatives across the business, including the global

restructuring program above, the Company achieved total underlying operating costs of €507 million, 31% down on 2008 (€735 million) and underlying operating costs per tonne* down 14% from 2008 and below the previously announced target of €500/tonne (despite operating at significantly reduced production levels).

Operating Cost/Tonne



* Total Group underlying operating cost per tonne of primary market metal (zinc and lead, excluding ARA) Includes Balen care and maintenance costs, NYZA costs, GM Metal costs, Galva 45 costs
 ** 6 Smelters underlying operating costs per tonne of primary market metal. Includes Balen care and maintenance costs

SMELTING

Balen/Overpelt (Belgium)

The Balen smelter was put on care and maintenance in December 2008 in response to the decline in demand for zinc metal, and remained on care and maintenance until September 2009 when the improved market conditions facilitated the re-start of this operation. After re-starting, the Balen smelter produced approximately 26,000 tonnes of cathode in 2009, and was running at approximately 70% of capacity at the end of the year. The smelter is expected to be ramped up to full capacity by the end of Q1 2010.

Operations Review

Despite the Balen smelter being on care and maintenance for most of the year, the Overpelt plant continued to produce high value alloys using zinc cathode from the Company's other European smelters, producing approximately 137,000 tonnes in 2009.

Budel (Netherlands)

The Budel smelter was operated at a reduced production level in the first half of 2009 in response to the reduced demand for zinc metal, but was restored to full production from July 2009.

A minor shutdown of the roasters and acid plant in October limited production in the third quarter. As a result, zinc market metal production was 224,000 tonnes for 2009, significantly below the site's capacity of approximately 260,000 tonnes per annum.

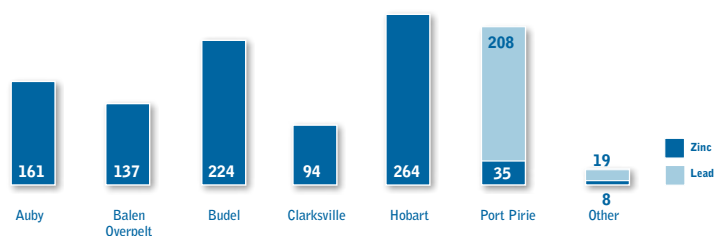
Auby (France)

The Auby smelter completed its capacity expansion from 130,000 tonnes to more than 160,000 tonnes per annum in mid-February 2009, and produced approximately 161,000 tonnes in 2009, up 36% compared to its 2008 production of 118,000 tonnes.

Hobart (Australia)

As a result of continued operational improvements in the cell house, the Hobart smelter achieved record annual zinc production of more than 264,000 tonnes in 2009, 4% higher than its 2008 production of 253,000 tonnes.

Production per smelter
(^{000 tonnes})



Port Pirie (Australia)

The Port Pirie smelter is a primary smelter with multi-metal recovery capabilities. In 2009 the Port Pirie smelter produced 208,000 tonnes of lead, approximately 5% lower than 2008 due to a blast furnace shutdown. However, silver production was up 17% on 2008 at 16.6 million ounces, and gold production was up 50% on 2008 at 24,000 ounces, as a result of higher content of these metals in the raw material. Zinc production was at a similar level to 2008 at 35,000 tonnes, despite a slag fumer shutdown. Copper production was also similar to 2008 levels at approximately 4,000 tonnes for the year.

Clarksville (US)

As a result of operating at reduced production levels in H1 2009, the Clarksville smelter produced 94,000 tonnes of zinc metal for the year, compared to 125,000 tonnes in 2008. The Clarksville smelter was restored to full production in July 2009 as a result of improved market conditions.

MINING

Tennessee Mines (US)

In May 2009, the Company acquired the Gordonsville zinc mine complex in Tennessee. This mine complex had been on care and maintenance since October 2008 due to the significant decline in the market environment. In December 2009, the Company completed the acquisition of the East-Tennessee Zinc mine complex also in Tennessee, which had also been on care and maintenance since February 2009.

These mines are now operated together as the

Nyrstar Tennessee Mines, under one experienced management team. At full capacity they will produce approximately 210,000 dry metric tonnes of concentrates at a zinc grade of approximately 62% (approximately 130,000 tonnes of zinc in concentrate), providing more than 100% of the Clarksville smelter's requirements. The Tennessee Mines' current reserves and resources indicate a mine life of approximately 15 years, and the mines have a record of one-for-one reserve replacement. The Company has an aggressive ramp-up plan and has already made significant progress in commissioning the mines in 2009, which are now producing concentrate and are expected to be ramped up to full production by the end of 2010, requiring approximately US\$20 million of capital expenditure in 2010.

Coricancha (Peru)

In November 2009, the Company completed its acquisition of an 85% interest in the Coricancha poly-metallic mine in Peru. Operations had been suspended at the mine since May 2008 following localized ground displacement caused by a third party irrigation system. Whilst further ground displacement was stabilized in July 2008, the mine requires a new tailings facility prior to recommencing operations.

The Company is aiming to ramp up rapidly and has made significant progress in the construction of the new tailings facility and commissioning of the mine and plant, and expects to re-start mining by the end of H1 2010, requiring approximately US\$10 million of capital expenditure in 2010.

Once operations are recommenced, the mine is expected to produce gold doré, lead concentrates high in silver and therefore well suited for treatment at the Port Pirie lead smelter (Australia), and zinc concentrates suitable for treatment at the Hobart smelter (Australia) and European smelters.

The Company has also initiated a detailed exploration program that is expected to significantly increase mine resources and allow for an expansion of the scope and scale of operations in 2011. The expanded operations are expected to produce annually approximately 45,000 troy ounces of gold, 2.4 million troy ounces of silver, 20,000 dry metric tonnes of zinc concentrate and 15,000 dry metric tonnes of lead concentrate.

Ironbark Zinc, Citronen Zinc-Lead Deposit (Greenland)

In November 2009, the Company completed its acquisition of a 19.9% interest in Ironbark Zinc Limited (ASX-IBG), owner of the world-class Citronen zinc-lead deposit in Northern Greenland.

In November 2008, Ironbark issued an updated JORC Code compliant resource statement for the Citronen zinc-lead deposit indicating a total ore resource (indicated and inferred) of approximately 56 million tonnes at approximately 5.4% zinc and 0.6% lead. As part of the acquisition the Company has been granted a life of mine off-take agreement for 35% of production once commercial production commences, which could be achieved in the next

3-5 years depending on market conditions.

Talvivaara (Finland)

In February 2010, the Company acquired 1.25 million tonnes of zinc in concentrate (approximately 2 million tonnes of zinc concentrate at a grade of 65%) from Talvivaara Sotkamo Limited for a purchase price of US\$335 million. In addition to the purchase price, the Company will pay Talvivaara an extraction and processing fee per tonne of zinc in concentrate delivered. The agreement provides an innovative approach to the continued execution of the Company's strategy, providing participation in the economic benefits of a low-cost zinc mine with a defined life of 1.25 million tonnes of zinc in concentrate. Based on Talvivaara's planned production, the Company expects a ramp-up to approximately 90,000 tonnes per annum of zinc in concentrate by 2012, with deliveries over a period of 10 to 15 years.

OTHER OPERATIONS

Australian Refined Alloys Pty Ltd (ARA) (Australia)

ARA is a lead acid battery recycling 50/50 joint venture with Sims Group. It has two facilities, one of which is located in Alexandria, Sydney and the other in Laverton North, Melbourne. Total lead production in 2009 was approximately 39,000 tonnes, compared to 40,000 tonnes in 2008.

Galva 45 (France)

Galva 45 is a galvanising facility 80 kilometres south of Paris and is 66% owned by Nyrstar with the remainder held by Tubex SA, a leading French maker of agricultural tubular components. 2009

production of galvanised steel parts was 39,000 tonnes compared to 54,000 tonnes in 2008, as a result of reduced demand in the automotive and agricultural industries.

GM-Metal (France)

During November 2009, the Company announced its intention to close GM Metal (France), the Company's wholly owned zinc alloys producer near Poitiers, France, consistent with the Company's strategy to continually review its portfolio of assets to ensure alignment with strategic objectives.

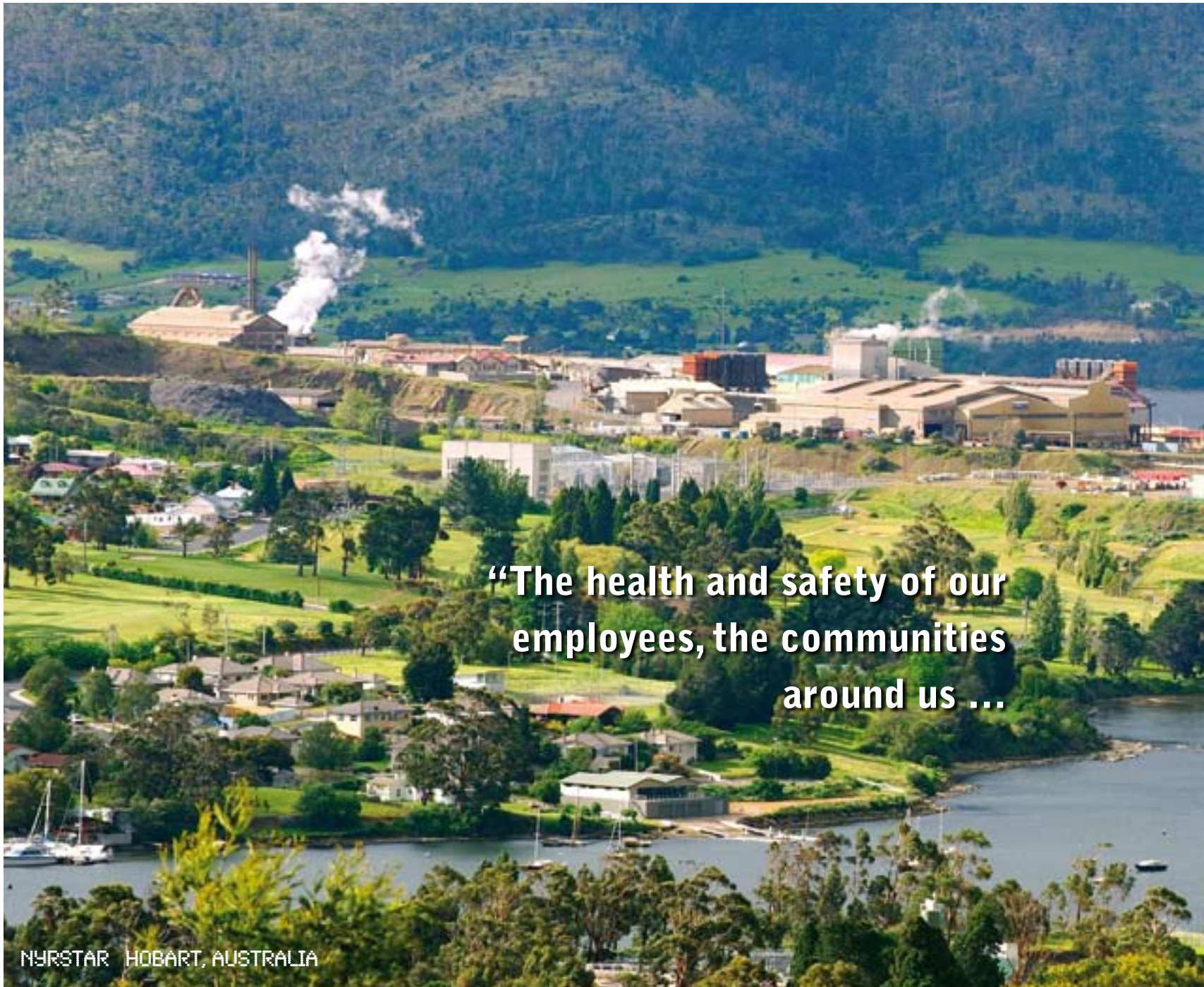
Genesis Alloys Ningbo Ltd (China)

Genesis is a zinc die casting alloy producer located in the Zhejiang province of China, and is a 50/50 joint venture with the Lee Kee Group. Alloy production in 2009 was approximately 12,000 tonnes compared to 23,000 tonnes in 2008, as a result of the significant decline in demand for zinc alloys.

Föhl China Co Ltd (China)

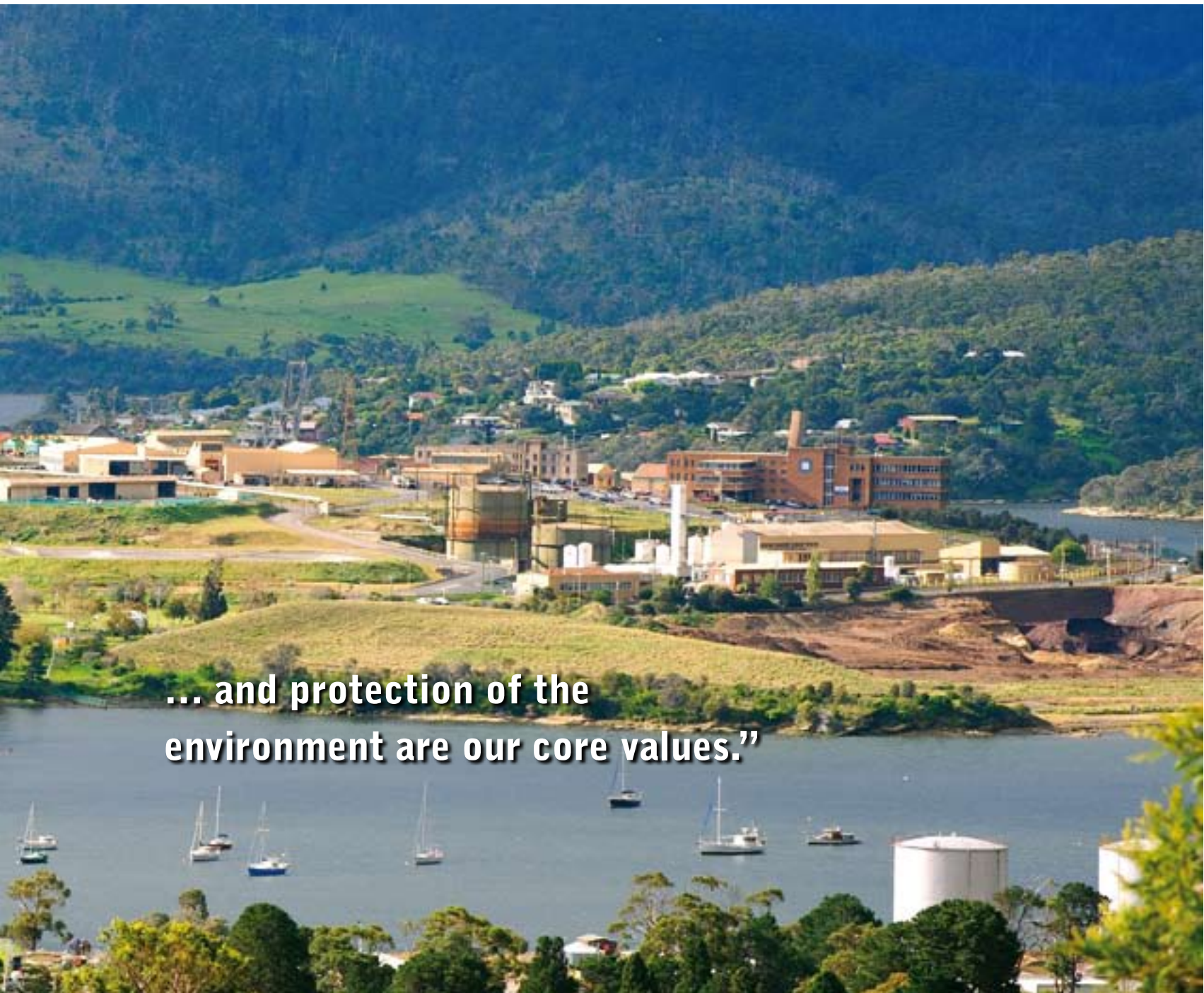
Föhl is a die casting facility located 50 kilometres from Shanghai, and is a 50/50 joint venture with Adolf Föhl Verwaltungs-und-Beteiligungs GmbH, which produces zinc die-casting parts for the automotive, hardware and consumer goods industries. Machine hours were approximately 25,000 hours in 2009 compared to 20,000 hours in 2008, as a result of increased capacity and rising demand for die-casting parts.

Human Resources Review



“The health and safety of our employees, the communities around us ...

NYRSTAR HOBART, AUSTRALIA



**... and protection of the
environment are our core values.”**

“Our operating principles and values underpin the very essence of what we stand for, and although we are a global company, operating in five continents, we act locally, supporting our local communities, economies and environments. Our employees are one of our greatest assets. During 2009 through training and awareness raising opportunities we continued to foster a culture where safety always comes first and where our values guide our actions.

We focus on treating each other with care and respect, recognising our different cultures around the world. Wherever we operate, we hold the health and safety of our employees, the communities around us and protection of the environment to be core values.”

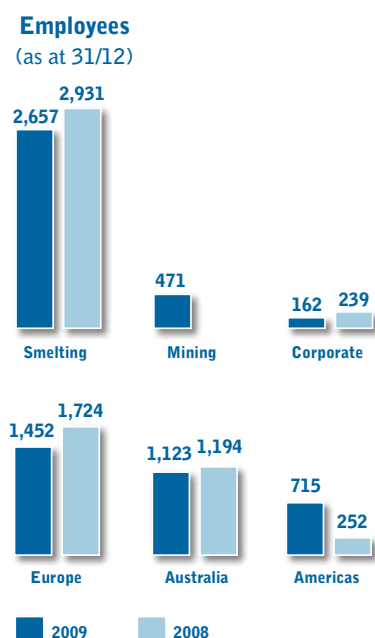


Russell Murphy
Director, Human Resources,
Safety and Environment

Human Resources Review

We believe that people are the foundation for our success.

Our long-term sustainability depends upon recruiting, training, developing and retaining a talented, dedicated and motivated workforce.



Key initiatives we rolled out in 2009 included a number of development programs to ensure our employees and leaders have the requisite skills.

They included the following:

Nyrstar Leadership Program

For our managers and in particular our front-line leaders, the Nyrstar Leadership Program focuses on the development of core people management skills. This program is conducted at our sites in local languages.

Nyrstar Unlimited

As part of a broader cultural transformation initiative, the Nyrstar Unlimited program builds on critical leadership skills by increasing self-awareness and reinforcing the desired attitudes and spirit necessary for success.

Safety Leadership

In line with our emphasis on safety and our commitment to zero harm, we have a number of behavioural safety programs for operating and supervisory staff.

These include programs with an emphasis on personal leadership in safety, building fundamental skills and awareness in safety and environmental impact, hazard identification and risk assessment, and promotion of a safety-oriented mindset.

Leading by Example

We strongly believe that leaders lead by example and as a result of this view, the Nyrstar management committee and senior management teams across Nyrstar continuously seek to upgrade their leadership effectiveness by participating in an ongoing development program. The Nyrstar values and operating principles set out the core behaviours Nyrstar expects of its leaders. To further reinforce them and to embed them into leadership development, they are also used as the basis of 360 degree feedback programmes.

Graduate Development Program

The Nyrstar Graduate Program is a key component of our overall talent attraction and development strategy and helps us to ensure that Nyrstar is an employer of choice for young professionals.

The two-year program is structured to provide a depth and breadth of technical experience and also to enhance interpersonal skills and personal development. In 2009, Nyrstar employed 15 graduates globally within the Nyrstar Graduate Program, spread across our operations.

In 2009 we started the integration of newly acquired mines into Nyrstar people processes and procedures. This is a key initiative that will be our focus in 2010.

Human Resources Review

Safety & Health

A continued focus on our safety and health performance has resulted in a reduction of our Recordable Injury Rate¹ from 21.0 at the end of 2008 to 17.8 one year later, and a reduction of our Lost Time Rate from 7.6 to 6.1.

Tragically, despite the Company's strong focus on safety, a contractor was fatally injured while working at the Hobart smelter in August 2009.

During the past year the basics of the Company's safety & health programs have been developed and rolled out, based on the foundations established in 2008.

First and foremost, this included the introduction of Nyrstar's "Safety First" standard, clearly outlining roles, responsibilities and accountabilities throughout the Company. Further roll-out of our behavioural safety programs included the introduction of the Working Safely programs, covering both intentional and unintentional at-risk behaviour, in Europe and Australia and the launch of a Safety Leadership program, aimed at frontline leaders. In addition, we have developed critical safety standards within the Company's safety and health

network, including bio-monitoring, isolation of hazardous energy, vehicle and pedestrian safety, and hot and molten materials. Continued progress in these proactive areas was verified and confirmed by safety and health audits of all Nyrstar operations.

During 2010 we will focus on the continued implementation of our behavioural safety programs and critical safety standards, and on the integration of the company's new mining assets in the safety and health program. This will be supported by the roll-out of risk analysis, medical data management and improved near miss and incident reporting systems.

Environment

Our key compliance measure is recordable environmental incidents².

We achieved a further reduction in the number of incidents down from 25 in 2008 to 24 in 2009.

However, this was less than the 20% reduction target that we had set for ourselves. As in the previous year, all of these incidents were minor in nature and there was no material off-site impact.

There was one significant on-site spill event at Clarksville (US), where immediate actions that were taken prevented any material impacts. The site has entered into a voluntary remediation program with the State of Tennessee to ensure final cleanup measures meet statutory requirements.

Progress on planned environmental projects to reduce emissions and address historical contamination continued during 2009. Key milestones and actions included:

Auby (France):

completed soil remediation on 191 properties in the community surrounding the plant, commissioned the goethite compacting facility to extend the life of current on-site landfills.

Balen / Overpelt (Belgium):

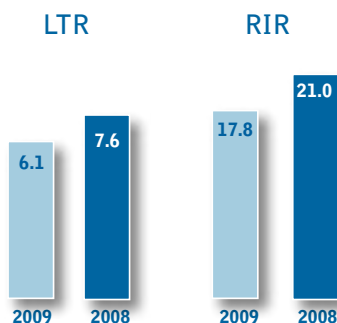
commissioned the upgraded wastewater treatment plant and received formal approval for the groundwater remediation project at Overpelt. Agreed arrangements for a new contaminated soils landfill at Balen for planned future site and community remediation projects.

Budel (Netherlands):

finalised the Aftercare Plan for the historical ponds area, which once formally approved will allow the handover of the responsibility for this area to the Provincial Authorities.

Clarksville (US):

continued recovery and sale of leach by-products stored in on-site impoundments.



¹ Recordable injuries are any injury requiring medical treatment beyond first aid. Recordable Injury Rate and Lost Time Injury Rate are 12 month rolling averages of the number of recordable injuries and lost time injuries (respectively) per million hours worked, and include all employees and contractors across all operations. The performance data in this report only include assets that were owned during the whole year and do therefore not include the Kunming smelter and the Coricanca and Tennessee mines.

² A recordable environmental incident is defined as an event requiring reporting to a relevant environmental regulatory authority which is a non-compliance with consent conditions.

Hobart (Australia):

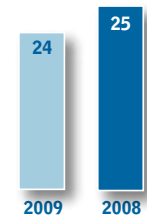
commissioned the electrostatic mist precipitator to substantially remove the visibility of the tail gas stack plume, commenced contaminated groundwater recovery from the expanded borehole network installed in 2008, completion of recovery of historical leach residue stockpiles.

Port Pirie (Australia):

progressed further fugitive lead emission reduction initiatives in line with the ten-by-10 project, which continued to deliver significant improvements in site and community lead in air and lead in blood levels.

Actions also continued on changes to legislation that may have a significant impact on our business, including the REACH (Registration, Evaluation, Authorisation and Restriction of Chemicals) legislation in Europe, with activities well underway to meet the next milestone of registration in 2010. Actions being taken in response to climate change is another key strategic issue for Nyrstar.

Recordable environmental incidents



Zinc and lead smelting is energy intensive and addressing the issue of energy efficiency and greenhouse gas emissions is imperative to the sustainability of our business.

Our zinc smelters are amongst the most energy efficient in the industry and we are continually looking at how we can improve this further. During the year, Nyrstar’s Australian and European smelters were informed that they will qualify for assistance as an energy intensive trade exposed industry under the proposed Australian and revised EU emissions trading schemes respectively.

The exact financial impacts of these schemes are still uncertain as relevant legislation is yet to be finalised.

Sustainability reporting

The sustainability of our operations will be a result of our ability to provide economic benefits to our shareholders, our customers and the communities in which we operate; while not harming our people, our neighbours or the environment.

We contribute to sustainable development by extracting metals and other valuable by-products from natural raw materials to meet society’s needs. We also increasingly contribute to the recycling of metals, particularly zinc and lead, from secondary sources.

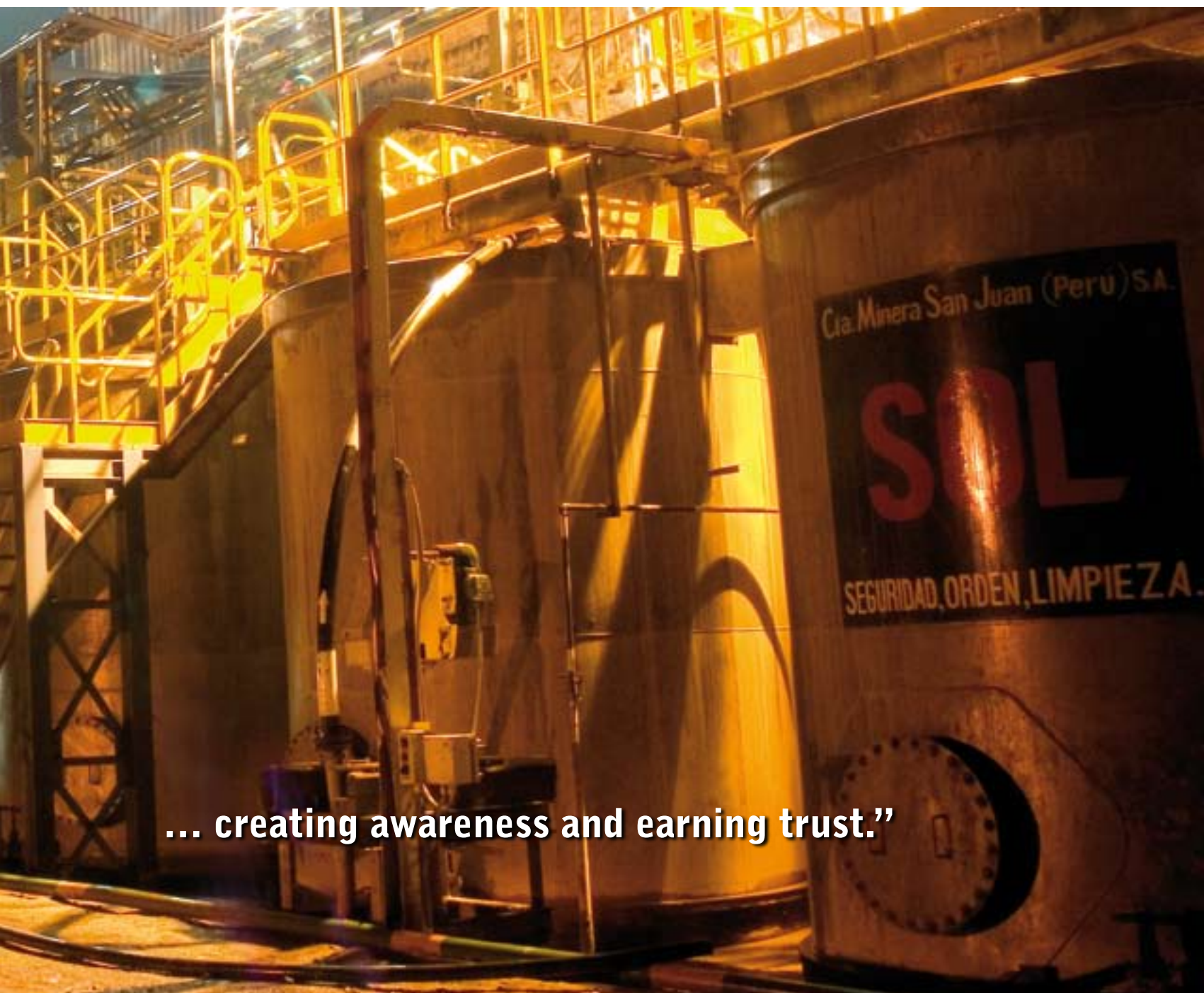
Our sustainability progress and performance is reported publicly on the Nyrstar website, with our annual Sustainability Reports available for download at: www.nyrstar.com/sustainability

Communications and Investor Relations



**“We strive for clear, open and
transparent communications ...**

CORICANCHA MINE, PERU

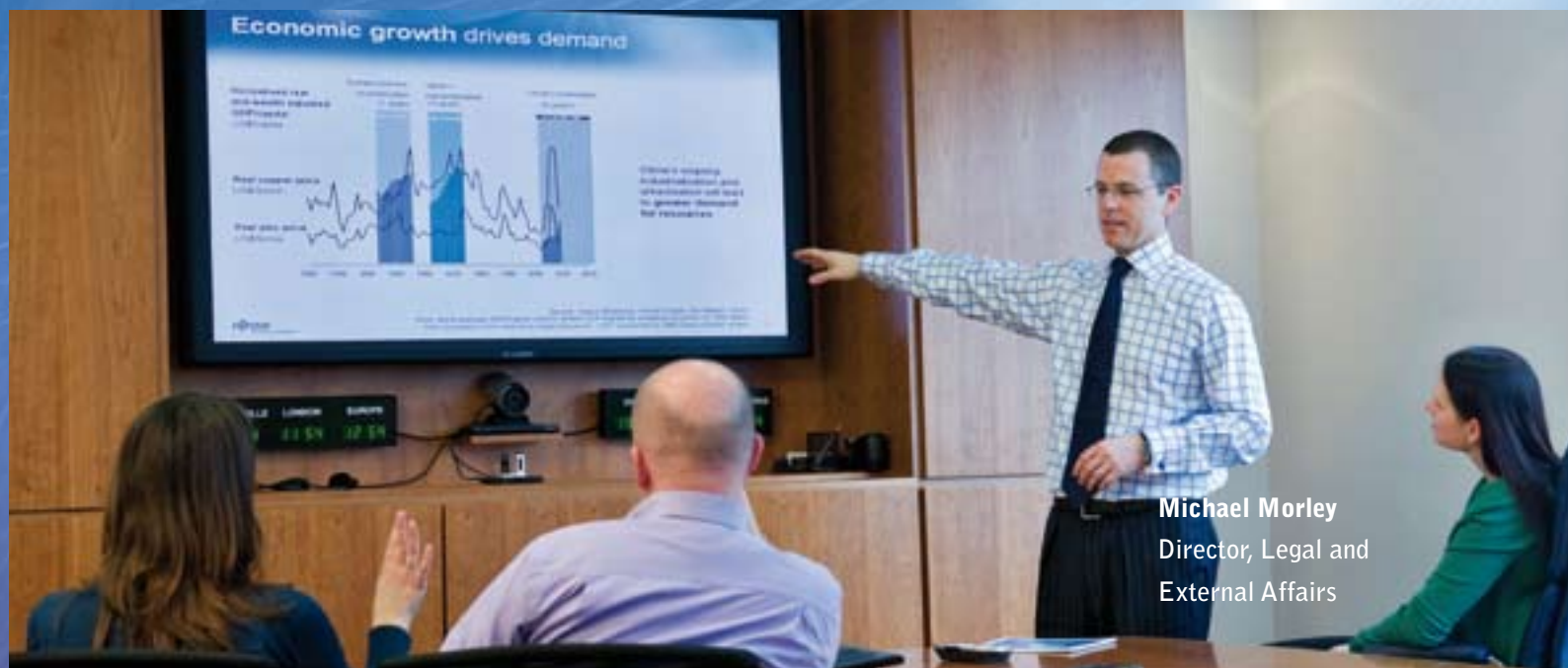


... creating awareness and earning trust."

“Having a clear strategic vision for a confident future is critical. For Nyrstar it is to be the partner of choice in essential resources for the development of a changing world. However, success requires two additional elements: implementation and communication. The daily challenge for us is to be original in our thinking, confident in our execution and smart in our communication.

We strive for clear, open and transparent communications to all our stakeholders; internal and external.

It’s about creating awareness of what we do, our performance and aspirations, avoiding surprises and earning trust.”



Michael Morley
Director, Legal and
External Affairs

Communications and Investor Relations

The Nyrstar share price rose 240% in 2009 from €2.45 at the beginning of the year to €8.34 at year end, reflecting the improvement in the price of zinc, Nyrstar's primary focus, as well as the transformational changes undertaken by the Company and the announced new strategy.

Compared to market indices, the Nyrstar share price significantly outperformed the MSCI World Metals & Mining Index (51%), and the Bel-20 Index (27%) for the year.

The average traded daily volume was approximately 760,000 shares in 2009 compared to 582,000 in 2008, an increase of 30%, representing the increased interest and liquidity in Nyrstar shares.

Reflecting the Board's confidence in the Company's financial strength and the medium to long-term prospects for the markets in which we operate, the Board have proposed to our shareholders a gross dividend of €0.10 per share for the 12 months to 31 December 2009.

Share Capital

Nyrstar ordinary shares have been admitted to trading on NYSE Euronext® Brussels (code NYR BB) since 29 October 2007.

As at 31 December 2009, the registered capital amounted to €1,490,760,008.09 represented by 100,000,000 ordinary shares without nominal value.

Convertible Bonds

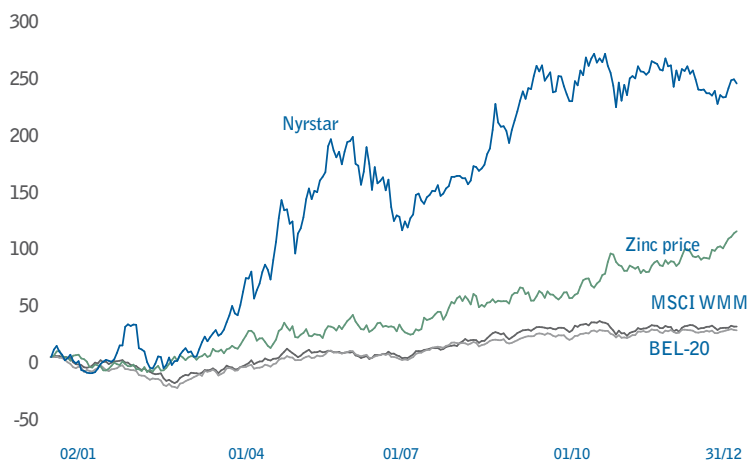
As at 31 December 2009, the Company had on issue €120 million of unsubordinated unsecured convertible bonds, due 2014.

The bonds were issued in July 2009 at 100 per cent of their principal amount (€50,000) and have a coupon of 7% per annum. The conversion price is €7.6203 per share.

If all of the bonds were to be converted into new ordinary shares at the above conversion price approximately 15,750,000 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.

Relative share price performance (in %)



Share price and volume 2009 (in €)



Communications and Investor Relations

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 Banking, Finance and Insurance Commission (the CBFA). 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.

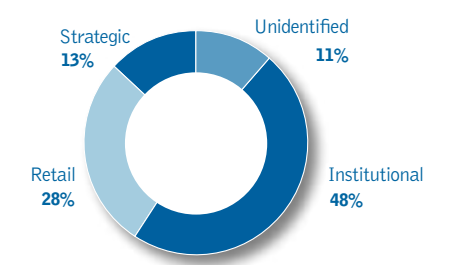
A list as well as a copy of such notifications can be obtained from the Company’s website (www.nyrstar.com).

As at 31 December 2009, 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) are:

	Share %
Blackrock Group	10.31%
Glencore Holdings AG	7.79%
Umicore NV	5.25%

Shareholder profile*

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

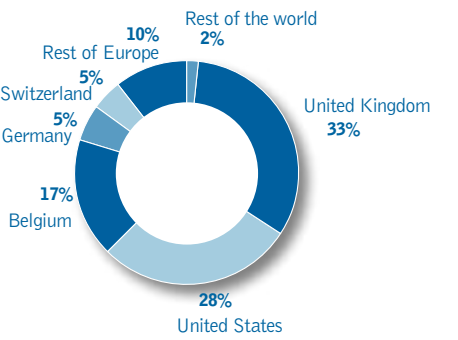


* As at October 2009. Strategic shareholders include Umicore NV and Glencore Holdings AG

Belgian retail shareholders represent approximately 28% of the Nyrstar shareholder base.

Of institutional shareholders, the primary regions are the UK (33%), US (28%) and Belgium (17%).

Institutional shareholders by region*



The majority of institutional investors are long-term growth investors.

* As at October 2009

Key Share Facts*

	2009	2008
Number of issued ordinary shares	100,000,000	100,000,000
Number of treasury shares	310,000	310,000
Market capitalisation (as at 31/12)	€ 834,000,000	€ 219,000,000
Underlying Earnings per Share (12 months to 31/12)	€ 0.32	€ 0.71
Gross Dividend (proposed)	€ 0.10	N/A
Share price (as at 31/12)	€ 8.34	€ 2.19
Year high	€ 9.14 (16/10/09)	€ 16.72 (02/01/08)
Year low	€ 2.05 (21/01/09)	€ 1.53 (28/10/08)
Average volume traded shares per day (12 months to 31/12)	760,000	582,000
Free float (as at 31/12)	95%	87%
Free float Velocity (full year)	205%	170%

*Source Euronext®

On **14 January 2010**, NYSE Euronext® Brussels presented its awards for best performing companies in 2009. **Nyrstar received the award for “Best Performer Bel Mid”**.

The Bel Mid is the Belgian index of medium sized Belgian companies listed on Euronext® Brussels. It covers a wide range of representative and diversified companies, with an average market capitalization of EUR 1.1 billion and a minimum of around EUR 200 million.

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 defining a fixed pay-out ratio was no longer appropriate. The Company's revised dividend policy aims to maximize 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 investors in Nyrstar shares have available 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 inside information of which Nyrstar is aware is immediately disclosed to the public. In addition, the policy is aimed at ensuring information that is disclosed is fair, precise and sincere, and will enable the holders of shares in Nyrstar and the public to assess the influence of the information on Nyrstar's position, business and results.

Presentations to Investors, Analysts and Media

Nyrstar's reputation is greatly influenced by our 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.

We regularly organize presentations to investors, analysts and the media to provide strategic, operational and financial updates and build strong relationships.

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

We presented the Company at seminars and conferences organised by KBC (New York), Deutsche Bank (London) and Macquarie (New York).

To engage with our Belgian retail shareholders we presented the Company at events organised by VFB (Antwerp) and Euronext® (Brussels).

Financial analysts and media visited the Nyrstar Budel smelter (The Netherlands).

Information

Please visit the www.nyrstar.com website for more information about the Company.

Under the investors section you will find all the latest financial information including reports and presentations, investor materials and share price and commodity price information.

Financial calendar¹

28 April 2010	Annual General Shareholders Meeting
28 April 2010	First Interim Management Statement
5 May 2010	Ex-Dividend Date
7 May 2010	Record Date
10 May 2010	Dividend Payment Date
29 July 2010	2010 Half Year Results
27 October 2010	Second Interim Management Statement
24 February 2011	2010 Full Year Results
27 April 2011	Annual General Shareholders Meeting
27 April 2011	First Interim Management Statement
27 July 2011	2011 Half Year Results
26 October 2011	Second Interim Management Statement

¹ Dates are subject to change, please check the Nyrstar website for financial calendar updates

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Corporate governance statement

Corporate governance is the set of behaviours and rules by which companies are properly managed and controlled resulting in increased transparency and accountability. Corporate governance is concerned with the relationships and responsibilities between the board (and its committees), management, employees, shareholders and other stakeholders within a legal and regulatory framework. It influences how the objectives of a company are set and achieved, how risk is monitored and assessed, and how performance is optimised.

Good corporate governance structures encourage companies to create value (through entrepreneurship, innovation, development and exploration) and provide accountability and control systems commensurate with the risks involved. Good corporate governance is aimed at supporting long-term value creation – not only for shareholders but also for other stakeholders.

Nyrstar believes that a robust and effective corporate governance system is critical to ensure its long-term success.

Introduction

Nyrstar has adopted a Corporate Governance Charter (the Charter) in line with the Belgian Code on Corporate Governance (the Code). Nyrstar applies the nine corporate governance principles contained in the Code. Except as explained in the Charter and below, during 2009 Nyrstar complied with the corporate governance provisions of the Code.

The Charter describes the main aspects of the corporate governance of Nyrstar including Nyrstar's governance structure, the terms of reference of the board of directors of Nyrstar and its committees and other important topics.

The Charter provides a reference point for our directors, our management, our employees, our shareholders and other stakeholders in understanding Nyrstar's approach to corporate governance.

The Charter is available, together with Nyrstar's Articles of Association, on Nyrstar's website (www.nyrstar.com). The current version of the Charter was approved on 24 February 2010.

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 Charter is updated as often as required to reflect changes to Nyrstar's corporate governance.

Nyrstar has recognised that a critical check and balance in the way we go about our business is provided by the quality of the dialogue between our senior managers. While all senior managers are committed to the best outcome for the organisation and our key stakeholders, we recognise that people may have different views on how to achieve these optimal outcomes. The management culture promotes diversity of opinion and believes that robust open and direct dialogue creates the kind of transparency that leads to higher quality decisions being made.

The role of our Vision and Values

Good corporate governance at Nyrstar is based on our vision and values, which sets out how we view our relationship with our people, customers, suppliers, local communities, other stakeholders and the environment.

Our values provide the bedrock principles that serve as a guide for living at Nyrstar. They influence our day-to-day interactions with our colleagues, suppliers and clients. They explain who we are, what we stand for and how we treat our stakeholders.

Nyrstar Code of Business Conduct

While we conduct our business within the framework of applicable professional standards, laws, regulations and internal policies, we also acknowledge 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 (the Code of Business Conduct) for all Nyrstar people and sites. The Code of Business Conduct is based on our values and it takes them to the next level, demonstrating our values in action. The Code of Business Conduct also provides a frame of reference for Nyrstar sites to establish more specific guidelines to address local and territorial issues.

We are in the process of introducing the Nyrstar Code of Business Conduct Development Program which will support the Code of Business Conduct and aims to increase awareness in relation to some key danger areas to our business. The Nyrstar Code of Business Conduct Development Program will include specially designed training modules for Nyrstar employees. The training modules will be conducted by the Nyrstar Compliance Officer with the assistance of local expertise (where required).

If employees have any 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 the Nyrstar Compliance Officer.

The Code of Business Conduct is available on Nyrstar's website (www.nyrstar.com).

In the sections below, Nyrstar provides information on governance matters that relate to 2009.

Nyrstar governance model

The role of the board is to pursue the long-term success of the company by providing entrepreneurial leadership and enabling risks to be assessed and managed. Nyrstar has opted for a 'one-tier' governance structure whereby the board is the ultimate decision-making body, with the overall responsibility for the management and control of the company, and is authorised to carry out all actions that are considered necessary or useful to achieve the company's vision. The board has all powers except those reserved to the shareholders' meeting by law or the Articles of Association.

The board is assisted by a number of committees to analyse specific issues. The committees advise the board on these issues, but the decision-making remains with the board as a whole. The board has established an audit committee, a nomination and remuneration committee and a safety, health and environment committee.

The board 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 and to assume responsibility for the day-day management of the company. The Chief Executive Officer reports directly to the board.

In order to provide a group-wide support structure, Nyrstar has corporate offices in Balen, Belgium and London, United Kingdom. These offices provide a number of corporate and support functions including finance, treasury, human resources, legal and secretariat, tax, information technology, investor relations and communications. On 25 February 2010, Nyrstar announced it intends to close its London office and relocate its management committee and other key corporate, marketing and sales functions to a new office in Zurich, Switzerland in 2010.

Pursuant to Nyrstar's Articles of Association, the board must consist of at least three members. Pursuant to the Code, 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 Charter and the Code.

Following the departure of Paul Fowler as Chief Executive Officer and his replacement by non-executive director, Roland Junck, with effect on and from 17 February 2009, the board consisted of five directors, four non-executives and one executive. However, only two of the five directors were independent. The board subsequently reviewed the appointment of an additional non-executive independent director to fill the vacancy and on 16 December 2009 Oyvind Hushovd was temporary appointed as a director resulting in the board consisting of six members, three of which were independent.

In addition, since 1 January 2010, Karel Vinck qualified as an independent director: he ceased to be a member of the board of Umicore NV in November 2008 and during the last financial year 2009 had no significant business relationship with the company in any other way.

The directors are appointed for a term of no more than four years by the shareholders' meeting. In the event the office of a director becomes vacant, the remaining directors can appoint a successor temporarily filling the vacancy until the next shareholders' meeting. The shareholders' meeting can dismiss the directors at any time.

Julien De Wilde, Karel Vinck, Peter Mansell and Oyvind Hushovd will nominate for re-election at the annual general shareholders' meeting on 28 April 2010.

The board elects a chairman from among its non-executive members. The chairman of the board cannot be the CEO.

The board meets whenever the interests of the company so require or at the request of one or more directors. In principle, the board will meet at least six times per year. The board's decisions are made by a simple majority of the votes cast by the directors present or represented. The chairman of the board has a casting vote.

During 2009, 9 board meetings were held.

The board

Composition



Julien De Wilde⁽¹⁾
Chairman
2007-2010
Non-Executive,
Independent



Roland Junck⁽²⁾
CEO
2007-2011
Executive



Peter Mansell⁽³⁾
Director
2007-2010
Non-Executive



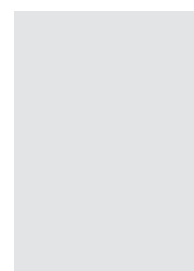
Karel Vinck⁽⁴⁾
Director
2007-2010
Non-Executive



Ray Stewart
Director
2007-2011
Non-Executive,
Independent



Oyvind Hushovd⁽⁵⁾
Director
2009-2010
Non-Executive,
Independent



Paul Fowler⁽⁶⁾
Former CEO
2007-N/A
Executive

(1) Acting through De Wilde J. Management BVBA. The proposal to re-elect De Wilde J. Management BVBA as director for a term of four years until 2014 will be submitted to the annual general shareholders' meeting of Nyrstar to be held on 28 April 2010.

(2) Former non-executive, independent director but appointed as Chief Executive Officer with effect on and from 17 February 2009.

(3) The proposal to re-elect Peter Mansell as a director for a term of three years until 2013 will be submitted to the annual general shareholders' meeting of Nyrstar to be held on 28 April 2010.

(4) Karel Vinck qualified as an independent director since 1 January 2010. The proposal to re-elect Karel Vinck as a director for a term of two years until 2012 will be submitted to the annual general shareholders' meeting of Nyrstar to be held on 28 April 2010.

(5) Oyvind Hushovd was appointed by the board as a director with effect on and from 16 December 2009. The proposal to elect Oyvind Hushovd as director for a term of three years until 2013 will be submitted to the annual general shareholders' meeting of Nyrstar dated 28 April 2010.

(6) Resigned on 16 February 2009 and replaced by Roland Junck with effect on and from 17 February 2009.

Board of Directors

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.

Roland Junck, Chief Executive Officer (CEO) was appointed Chief Executive Officer in February 2009 after 16 months as a non-executive director on the Nyrstar board. He is also director of several European companies including Agfa-Gevaert NV, Interseroh SE and Samhwa Steel SA. 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.

Peter Mansell, non-executive director, is a director of ThinkSmart Ltd, Bunnings Property Management Ltd and OZ Minerals Ltd. He was the former chairman of Zinifex Ltd prior to its merger with Oxiana Ltd to form OZ Minerals Ltd. He was previously a corporate and resources partner of the Australian law firm Freehills. He also holds directorships at other unlisted companies in Australia. He is chairman of the health, safety and environment committee and a member of the nomination and remuneration committee.

Karel Vinck, non-executive director, is the chairman of BAM NV (Beheersmaatschappij Antwerpen Mobiel), ERTMS Coordinator at the European Commission and a director of Suez-Tractebel SA, Tessenderlo Group NV, Eurostar SA and the Théâtre Royal de la Monnaie. He also chairs the Flemish Science Policy Council. Formerly the chief executive officer of Umicore NV and later chairman, he was also chief executive officer of Eternit NV, Bekaert NV and the Belgian Railways. He is a member of the audit and the nomination and remuneration committees.

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.

Oyvind Hushovd, non-executive director, currently serves on the boards of Cameco Corporation, Inmet Mining Corporation, and Ivanhoe Nickel and Platinum Ltd. Formerly chief executive officer of Gabriel Resources Ltd from 2003 to 2005 and, from 1996 to 2002, president and chief executive officer of Falconbridge Limited (and prior to that held a number of senior positions within that company). He is a member of the audit and the safety, health and environment committees.

Committees

Audit committee

The audit committee consists of at least three non-executive directors. At least one member must be independent and must have the necessary competence in accounting and auditing.

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.

The role of the audit committee is to assist the board in supervising and reviewing the financial reporting, the internal control and risk management systems and the internal audit process of the company. In addition, the audit committee makes recommendations to the board 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 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 2009, the following directors were members of the audit committee: Ray Stewart (chairman), Julien De Wilde and Karel Vinck.

During 2009, 5 audit committee meetings were held.

Following Oyvind Hushovd's temporary appointment as a director, the members of the audit committee are currently Ray Stewart (chairman), Karel Vinck and Oyvind Hushovd.

Nomination and remuneration committee

The nomination and remuneration committee consists of at least three directors. All members of the nomination and remuneration committee must be non-executive directors, with a majority of independent directors.

During 2009, in deviation of provisions 5.3/1 and 5.4/1 of the Code, the nomination and remuneration committee was not comprised of a majority of independent directors. The nomination and remuneration committee was comprised of four non-executive directors, only two of which were independent. The two directors who were not independent, Peter Mansell and Karel Vinck, represent the founding shareholders of the company on the board. The participation of the founding shareholders, through Peter Mansell and Karel Vinck, in the nomination and remuneration committee is viewed by the board as an important and valuable tool in assisting the continued integration of the two businesses that were contributed to the company by the two founding shareholders. For these reasons, the board is of the opinion that a deviation of provisions 5.3/1 and 5.4/1 of the Code is justified.

However, since 1 January 2010, Karel Vinck qualified as an independent director. Accordingly, as of 1 January 2010 there is no longer a deviation of provisions 5.3/1 and 5.4/1 of the Code.

The role of the nomination and remuneration committee is to make recommendations to the board with regard to the appointment of directors, to make proposals to the board on the remuneration policy for directors and executive management and to submit a remuneration report to the board.

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 2009, the following directors were members of the nomination and remuneration committee: Julien De Wilde (chairman), Ray Stewart, Peter Mansell and Karel Vinck.

During 2009, 3 nomination and remuneration committee meetings were held.

Safety, health and environment committee

During 2009 the safety, health and environment committee consisted of three non-executive directors, one of which is independent.

Following Roland Junck's appointment as Chief Executive Officer with effect on and from 17 February 2009, Roland Junck ceased to be a member and chairman of the safety, health and environment committee and was replaced by Karel Vinck. Peter Mansell was appointed chairman of the committee.

The role of the safety, health and environment committee is to assist the board 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.

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 2009, 3 safety, health and environment committee meetings were held.

Following the temporary appointment of Oyvind Hushovd by the board, the members of the safety, health and environment committee are currently Peter Mansell (chairman), Julien De Wilde and Oyvind Hushovd.

Activity report and attendance at board and committee meetings during 2009

Name	Board meeting attended	Committee meetings attended				Shares held as at 31 december 2009
		Audit	Nomination and Remuneration	Safety, Health and Environment	Total remuneration	
Julien De Wilde(1)	9 of 9	5 of 5	3 of 3	3 of 3	€200,000	0
Roland Junck (2)	9 of 9	5 of 5	3 of 3	3 of 3	€10,333	400,000
Peter Mansell	9 of 9	N/A	3 of 3	3 of 3	€78,333	0
Karel Vinck	9 of 9	2 of 5	3 of 3	3 of 3	€78,333	0
Ray Stewart	9 of 9	5 of 5	3 of 3	N/A	€80,000	0
Oyvind Hushovd (3)	N/A	N/A	N/A	N/A	N/A	0
Paul Fowler (4)	1/1	N/A	N/A	N/A	N/A	0

(1) Acting through De Wilde J. Management BVBA.

(2) Former non-executive, independent director but appointed as Chief Executive Officer with effect on and from 17 February 2009.

(3) With effect on and from 16 December 2009.

(4) Resigned on 16 February 2009.

Performance review

At least once every three years, the board intends to undertake a formal evaluation of its own size, composition, performance and interaction with executive management and that of its committees. Such evaluation shall be performed by the nomination and remuneration committee at the initiative of the chairman and, if required, with the assistance of external advisors. The directors may not attend the discussions on their evaluation. The evaluation will 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.

The CEO and management committee

Composition

At 31 December 2009, the management committee consisted of 6 members (including the Chief Executive Officer).



Roland Junck
CEO ⁽¹⁾



Heinz Eigner
Chief
Financial Officer



Greg McMillan
Chief
Operating Officer



Erling Sorensen
Chief
Commercial Officer



Russell Murphy
Director
Human Resources,
Safety and
Environment



Michael Morley
Director Legal and
External Affairs

(1) With effect on and from 17 February 2009

Nyrstar's management committee does not qualify as a "directiecomité"/"comité de direction" within the meaning of Article 524bis of the Belgian Code of Companies. The management committee is responsible and accountable to the board for the discharge of its responsibilities.

Management Committee

Roland Junck, Chief Executive Officer (CEO) was appointed Chief Executive Officer in February 2009 after 16 months as a non-executive director on the Nyrstar board. He is also director of several European companies including Agfa-Gevaert NV, Interseroh SE and Samhwa Steel SA. 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.

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.

Greg McMillan, Chief Operating Officer, was appointed in August 2007. Before the creation of Nyrstar he was general manager of the Zinifex Century Mine and prior to this general manager at the Hobart smelter. Before Zinifex he held several management positions at Delta Group, Boral and Brambles Limited.

Erling Sorensen, Chief Commercial Officer, was appointed in August 2007. Before the creation of Nyrstar he was general manager of global marketing and sales at Zinifex. Before joining Zinifex he was regional managing director of Clipper Bulk in Melbourne. He has held several management positions with Elkem AS Oslo, Setaf Asia in Singapore, Clipper Maritime Singapore and Norclip Shipping Oslo.

Russell Murphy, Director, Human Resources, Safety and Environment was appointed in August 2007. Before the creation of Nyrstar he was at Zinifex since 1979, where he moved from production 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.

Michael Morley, Director, Legal and External Affairs, 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 and Fosters Brewing Group Limited.

Performance review

At least once a year, the nomination and remuneration committee evaluates the operation and performance of the Chief Executive Officer and the other members of the management committee. This evaluation is based on documented key performance indicators directly derived from the business plan and taking into account the specific responsibilities of each management committee member. Nyrstar Dealing Code

Nyrstar Dealing Code

With a view to preventing market abuse (insider dealing, market manipulation), the board has established a dealing code (the 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 company shares or other financial instruments. The Dealing Code sets limits on carrying out transactions in company shares and allows dealing by the above-mentioned persons only during certain windows. The Dealing Code is attached to the Charter.

Nyrstar Disclosure Policy

As a Belgian listed company and with a view to ensuring investors in Nyrstar shares have available all information necessary to ensure the transparency, integrity and good functioning of the market, the board has established an information disclosure policy (the Information Disclosure Policy). The Information Disclosure Policy is aimed at ensuring that inside information of which Nyrstar 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 Nyrstar and the public to assess the influence of the information on Nyrstar's position, business and results.

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 set forth in Article 523 of the Belgian Company Code) on any matter before the board 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 Charter sets out the procedure for transactions between the company and the directors which are not covered by the legal provisions on conflicts of interest.

At the board meeting held on 26 February 2009, the board considered the service agreement in favour of Roland Junck. The provision of article 523 Belgian Company Code has been complied with as stated in the report of the board on the consolidated financial statements in accordance with article 119 of the Belgian Company Code on page 58.

Shareholders

Issued shares

At 31 December 2009, the company had 100,000,000 fully paid up shares on issue.

Nyrstar shares are listed on Euronext Brussels. Nyrstar shares can be held as registered shares or dematerialised shares, at the discretion of shareholders. Any shareholder can request the conversion of his shares into another form, at his expense. All of the company's shares are fully paid and freely transferable.

Shareholding structure

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

Pursuant to applicable Belgian legislation on the disclosure of significant shareholdings and the 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 Banking, Finance and Insurance Commission (the CBFA). 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 2009, 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) are:

Shareholders	Share percentage
Blackrock Group	10.31%
Glencore Holdings AG	7.79%
Umicore NV	5.25%

Voting rights

Each shareholder of Nyrstar is entitled to one vote per share. Shareholders may vote by proxy. Voting rights can be suspended, amongst others, in relation to shares:

- Which are not fully paid up, notwithstanding the request thereto of the board 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, except in the event where the relevant shareholder has notified the company and the CBFA at least 20 days prior to the date of the shareholders' meeting on which he or she wishes to vote its shareholding reaching or exceeding the thresholds above; and
- Of which the voting right was suspended by a competent court or the CBFA.

Changes to share capital

On 26 May 2009, the general shareholders' meeting decided to absorb existing losses previously incurred by the company bringing the total share capital from € 2,000,000,000.00 to € 1,490,760,008.09.

The capital decrease occurred without cancellation of existing shares. Each share represents the same fraction of the company's share capital.

In July 2009 the company raised € 120,000,000 through a convertible bond issue. The effect of the issue of the bonds and in particular their conversion for the shareholders of the company are summarized and illustrated in the report of the board on the consolidated financial statements in accordance with article 119 of the Belgian Company Code on page 59.

Dividend policy and payment

On 27 October 2009, Nyrstar announced a revised dividend policy. In accordance with the revised policy, Nyrstar aims to maximize total shareholder return through a combination of share price appreciation and dividends, whilst maintaining adequate cash flows for growth and the successful execution of Nyrstar's strategy.

No assurance can be given, however, that the company will make dividend payments in the future. Such payments will depend upon a number of factors, including our prospects, strategies, results of operations, earnings, capital requirements and surplus, general financial conditions, contractual restrictions and other factors considered relevant by the board. 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.

Nyrstar will recommend to the annual general shareholders' meeting on 28 April 2010 an annual gross dividend of €0.10 per share for the financial year ended 31 December 2009.

Significant agreements that might be affected upon a change of control

On 28 January 2010, the company entered into a € 250M multi-currency revolving structured commodity trade finance credit facility underwritten by Deutsche Bank. The facility has a maturity of four years and a run-off period during the fourth year. For further information relating to this credit facility, reference can be made to the press release that was issued by the company on 1 February 2010 and on 22 March 2010, which can be obtained from the company's website (www.nyrstar.com). On 22 March 2010 the company completed the syndication of this credit facility with an increased facility limited of € 400 million. The credit facility provides (amongst other things) for the possibility of a termination and/or mandatory early repayment of the facility in whole or in part in the event of a change of control of the company. At the company's annual general shareholders' meeting on 28 April 2010, the shareholders will be requested to approve the credit facility, as far as needed and applicable, in accordance with Article 556 of the Belgian Company Code.

On 23 March 2010, Nyrstar launched an offering of five years bonds for a minimum amount of € 100 million. On 25 March 2010, Nyrstar successfully completed the placement of its five-year 5,5% fixed rate bonds due 2015 through public offering in Belgium and Luxembourg. At the company's annual general shareholders meeting on 28 April 2010, the shareholders will also be requested to approve the bonds, as far as needed and applicable, in accordance with Article 556 of the Belgian Company Code.

Annual General Meeting – 28 April 2010

The Annual General Meeting (AGM) of shareholders will take place in Brussels (Diamant Building, A. Reyerslaan 80, 1030 Brussel) on the last Wednesday of April, i.e. 28 April 2010 at 10.30am. At this meeting shareholders will be asked to approve the following resolutions:

1. Submission of, and discussion on, the annual report of the board and the report of the statutory auditor on the statutory financial statements for the financial year ended on 31 December 2009.
2. Approval of the statutory financial statements of the company for the financial year ended on 31 December 2009, and of the proposed allocation of the result.
3. Submission of, and discussion on, the annual report of the board and the report of the statutory auditor on the consolidated financial statements for the financial year ended on 31 December 2009.
4. Submission of the consolidated financial statements of the company for the financial year ended on 31 December 2009.
5. Discharge from liability to the directors of the company.
6. Discharge from liability to the statutory auditors of the company.
7. Re-appointment and appointment of directors.
8. Remuneration of directors.
9. Approval, as far as needed and applicable, in accordance with Article 556 of the Belgian Company Code - Credit Facility.
10. Approval, as far as needed and applicable, in accordance with Article 556 of the Belgian Company Code-Bonds.
11. Approval of a 2010 management committee co-investment plan.

Remuneration Report

Remuneration Policy

The Nyrstar remuneration policy is designed to:

- enable Nyrstar to attract and retain talented employees
- promote continuous improvement in the business
- 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.

Compensation

Non-executive Directors

Upon recommendation of the nomination and remuneration committee, the board determines the remuneration of the directors to be proposed to the general shareholders' meeting. 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. The directors (excluding the Chief Executive Officer) receive a fixed remuneration in consideration for their membership of the board. In addition, the directors (excluding the chairman of the board and the Chief Executive Officer) receive fixed fees for their membership and/or chairmanship of any board committees. No attendance fees are paid.

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.

During 2009 the following remuneration and compensation was paid to directors (save Oyvind Hushovd who did not receive any remuneration during 2009):

Chairman:

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

Other directors (excluding the Chief Executive Officer):

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

Executive Management

The remuneration of the Chief Executive Officer and the members of the management committee is determined by the board based on recommendations made by the nomination and remuneration committee.

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.

During 2009 the following remuneration and compensation was paid to the Chief Executive Officer and the management committee:

	Base salary (€)	Variable remuneration (€) ⁽³⁾	Other benefits (€) ⁽⁴⁾
Chief Executive Officer(1)	532,039	210,988	939,116
Rest of management committee(2)	1,486,114	567,727	1,482,666

(1) Includes payments to the former Chief Executive Officer.

(2) Includes payments to former senior management team members.

(3) Relates to the period January 2008 to December 2008.

(4) Includes redundancy and termination payments to former senior management team members.

All members of the management committee are entitled to a 12-month salary payment in case their employment is ended without cause. In addition the Chief Executive Officer is entitled to a 12-month salary payment in case his employment is terminated upon a change of control of Nyrstar.

Share Plans

Nyrstar has established an Employee Share Acquisition Plans (ESAP) and an Executive Long Term Incentive Plan (LTIP) with a view to attracting, retaining and motivating the employees and executive management of Nyrstar and its wholly owned subsidiaries. The key terms of each plan are set out below.

Employee Share Acquisition Plan (ESAP)

GENERAL

The ESAP is a general employee share plan pursuant to which grants may be made by the board to employees of Nyrstar (the Employees) in the form of conditional awards to receive a number of ordinary shares in Nyrstar at a future date (the Employee Share Awards) or their equivalent in cash (the Employee Phantom Awards) (Employee Share Awards and Employee Phantom Awards together referred to as the Employee Awards).

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

Employee Awards are granted at times determined by the board. The nomination and remuneration committee makes recommendations to the board in relation to the operation and administration of the ESAP.

ELIGIBILITY

The board will determine which Employees will be eligible to participate in the ESAP (the Participating Employees).

In general, it is intended that all full-time and permanent part-time Employees (as the case may be having completed a minimum length of service, if specified by the board) will be eligible to be granted Employee Awards under the ESAP on the terms and conditions determined by the board.

No more than 10% of Nyrstar’s issued share capital will be allotted to satisfy Employee Awards granted under the ESAP or any other awards under any other share plans operated by Nyrstar (including the LTIP) in any 10-year period.

VESTING

In principle, Employee Awards will not vest until three years after the grant date. If a Participating Employee leaves Nyrstar prior to the vesting date, he or she will either forfeit his or her rights under the Employee Award or, if the Participating Employee is a “good leaver”, his or her Employee Awards will vest pro rata to the period elapsed since the grant date.

The award will vest in full immediately in case the Participating Employee dies before his award has vested or in case the Participating Employee leaves Nyrstar by reason of official retirement before his award has vested.

Employees will not be entitled to dividends, voting or other ownership rights in respect of the Employee Awards until they vest.

No amount will be payable by Participating Employees to Nyrstar on the granting or vesting of any Employee Awards.

AWARDS

Under the first ESAP grant (Grant 1), eligible employees who were employed by Nyrstar at the grant date or six months thereafter were awarded a conditional right to receive shares of Nyrstar.

Under the second ESAP grant (Grant 2), eligible employees who were employed by Nyrstar at the grant date or three months thereafter were awarded a conditional right to receive shares of Nyrstar.

The terms of these grants are detailed in the table below:

	Grant 1	Grant 2
Effective grant date	1 November 2007	29 October 2008
Performance period	Three years to 1 November 2010	Three years to 29 October 2011
Performance criteria	Employee remains in service to 1 November 2010	Employee remains in service to 29 October 2011
Vesting date	1 November 2010	29 October 2011
Shares awarded per employee	50	50

The fair value of services received in return for the shares issued under the ESAP is based on the fair value of the shares granted which for the period to 31 December 2009 was €0.7 million before tax effects (31 December 2008: €0.7 million).

MOVEMENT OF ESAP SHARES AWARDED

The following table sets out the movement in the number of equity instruments granted during the specified periods in relation to the ESAP:

Date	Movement	Grant 1	Grant 2	Total
1 January 2009	Opening balance	154,500	160,700	315,200
31 December 2009	Forfeitures	(19,000)	(19,850)	(38,850)
31 December 2009	Closing balance	135,500	140,850	276,350
1 January 2008	Opening balance	193,250	-	193,250
29 October 2008	Initial allocation	-	160,700	160,700
31 December 2008	Forfeitures	(38,750)	-	(38,750)
31 December 2008	Closing balance	154,500	160,700	315,200

Executive Long Term Incentive Plan (LTIP)

GENERAL

Under the LTIP, key/senior executives employed by Nyrstar (the Executives) selected by the board may be granted conditional awards to receive ordinary shares in Nyrstar at a future date (the Executive Share Awards) or their equivalent in cash (the Executive Phantom Awards) (Executive Share Awards and Executive Phantom Awards together referred to as the 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 in relation to the operation and administration of the LTIP.

ELIGIBILITY

The board 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 Nyrstar will not exceed 150% of his or her base salary at the time of the grant (except that in 2007, the financial year in which Nyrstar's flotation took place, this limit was increased to 400%).

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 may determine that a number of Executive Awards will vest, taking into account such factors as the board 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 determines the LTIP performance conditions.

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

AWARDS

In April 2008 an initial grant (Grant 1) was made in accordance with the rules and conditions of the LTIP. This 2008 Grant consists of 3 tranches. The performance period for tranches 1 and 2 has now expired.

During the first half of 2009 a second grant (Grant 2) was made in accordance with the rules and conditions of the LTIP as set out below.

Remuneration Report (continued)

Towers Watson Limited was engaged to determine the fair value of awards issued under LTIP at grant date and 31 December 2009. Fair values have been calculated using the Monte Carlo simulation model:

	GRANT 1	GRANT 2
	Tranche 3	
Effective Grant Date	23 April 2008	30 June 2009
Performance Period	1 January 2008 to 31 December 2010	1 January 2009 to 31 December 2011
Performance Criteria	-zinc price 50% -MSCI 50% Executive remains in service to the 31 December 2010	-zinc price 50% -MSCI 50% Executive remains in service to the 31 December 2011
Vesting date	1 January 2011	31 December 2011

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

The fair value of services received in return for the shares issued under the LTIP is based on the fair value of the share options granted which for the period to 31 December 2009 amounts to:

Grant 1: € 4.3 million before tax effects (31 December 2008: €0.9 million)

Grant 2: € 1.3 million before tax effects (31 December 2008: nil)

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:

Date		Grant 1	Grant 2	Total
	Movement	Tranche 1	Tranche 2	Tranche 3
1 January 2009	Opening balance	296,337	296,337	296,337
30 June 2009	Initial allocation	-	-	-
31 December 2009	Forfeitures	(3,600)	(74,382)	(61,805)
31 December 2009	Closing	292,737	221,955	234,532

Date		Grant 1	Grant 2	Total
	Movement	Tranche 1	Tranche 2	Tranche 3
1 January 2008	Opening balance	-	-	-
23 June 2008	Initial allocation	301,058	301,058	301,058
31 December 2008	Forfeitures	(4,721)	(4,721)	(4,721)
31 December 2008	Closing balance	296,337	296,337	296,337

2010 Management Committee Co-Investment Plan (Co-Investment Plan)

GENERAL

The proposal to grant the board the powers to establish a 2010 Management Committee Co-Investment Plan will be submitted to the annual general shareholders' meeting on 28 April 2010. If approved, for each Nyrstar share that a member of the management committee (including the Chief Executive Officer) (the Participant) purchases between 30 April 2010 and 28 June 2010 (a Co-investment Share), Nyrstar will grant (for no consideration) the respective Participant on the Vesting Date, a number of additional Nyrstar shares (the Matching Shares) provided that (a) the Participant is still employed by Nyrstar on the Vesting Date (unless the Board qualifies his departure prior to such date as a good leaver situation [decrease, ill health, retirement, etc.] to such date) and (b) the Participant still holds the Co-investment Shares on the Vesting Date.

ELIGIBILITY

The persons eligible to participate in the Co-Investment Plan are the six members of the management committee (including the Chief Executive Officer).

VESTING

It is intended that the Co-investment Plan will have one Vesting Date, i.e. 15 July 2013.

The Co-Investment plan has 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 (a) the highest of multiple A, multiple B and multiple C and (b) the total number of the Co-Investment Shares of the respective Participant.

“Multiple A” will be equal to:

- (a) zero, if the highest average closing price of Nyrstar shares during any given full calendar week between 1 July 2010 and 1 July 2011 has been less than twenty euro (20.00 EUR),
- (b) four, if the highest average closing price of Nyrstar shares during any given full calendar week between 1 July 2010 and 1 July 2011 has been equal to or higher than than thirty euro (30.00 EUR), or
- (c) a number between two and four, to be determined on a straight line basis, if the highest average closing price of Nyrstar shares during any given full calendar week between 1 July 2010 and 1 July 2011 has been between twenty euro (20.00 EUR) and thirty euro (30.00 EUR), whereby factor two (2) coincides with the twenty euro (20.00 EUR) threshold and factor four (4) coincides with the thirty euro (30.00 EUR) threshold.

“Multiple B” will be equal to:

- (a) zero, if the highest average closing price of Nyrstar shares during any given full calendar week between 1 July 2011 and 1 July 2012 has been less than twenty euro (20.00 EUR),
- (b) four, if the highest average closing price of Nyrstar shares during any given full calendar week between 1 July 2011 and 1 July 2012 has been equal to or higher than than thirty euro (30.00 EUR), or
- (c) a number between two and four, to be determined on a straight line basis, if the highest average closing price of Nyrstar shares during any given full calendar week between 1 July 2011 and 1 July 2012 has been between twenty euro (20.00 EUR) and thirty euro (30.00 EUR), whereby factor two (2) coincides with the twenty euro (20.00 EUR) threshold and factor four (4) coincides with the thirty euro (30.00 EUR) threshold.

“Multiple C” will be equal to:

- (a) zero, if the highest average closing price of Nyrstar shares during any given full calendar week between 1 July 2012 and 1 July 2013 has been less than twenty euro (20.00 EUR),
- (b) four, if the highest average closing price of Nyrstar shares during any given full calendar week between 1 July 2012 and 1 July 2013 has been equal to or higher than thirty euro (30.00 EUR), or
- (c) a number between two and four, to be determined on a straight line basis, if the average closing price of Nyrstar shares during any given full calendar week between 1 July 2012 and 1 July 2013 has been between twenty euro (20.00 EUR) and thirty euro (30.00 EUR), whereby factor two (2) coincides with the twenty euro (20.00 EUR) threshold and factor four (4) coincides with the thirty euro (30.00 EUR) threshold.

The Matching Shares will consist of Nyrstar shares which the company intends to redeem in accordance with the respective statutory powers granted to the board. If Nyrstar is unable to deliver the respective Matching Shares to a Participant, Nyrstar 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 Nyrstar shares during the twenty trading days preceding the Vesting Date. In the context of the Co-Investment Plan Nyrstar will grant 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 ten euro (10.00 EUR).

AWARDS

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

- (a) with respect to the Chief Executive Officer, the maximum number of Co-investment Shares is equal to 50,000; and
- (b) with respect to the each of the five members of the management committee, the maximum number of Co-investment Shares is equal to 35,000.

In line with the above general principles, the board will further determine and elaborate the rules of the Co-Investment Plan. The board will also administer the Co-Investment Plan.

Shares and Share Awards

Overview

As at 31 December 2009, the following shares awards had been granted under the LTIP and the ESAP to the current members of the current management committee:

Name	Title	Share Awards granted under ESAP	LTIP	
			Share Awards granted under LTIP of which the performance conditions have been met ⁽¹⁾	Share Awards granted under LTIP of which the performance conditions have not been met ⁽²⁾
Roland Junck	Chief Executive Officer	--	10,000	255,901
Greg McMillan	Chief Operating Officer	100	35,410	162,723
Heinz Eigner	Chief Financial Officer	100	28,972	133,137
Erling Sorensen	Chief Commercial Officer	100	24,465	126,625
Russell Murphy	Director Human Resources, Safety and Environment	100	24,465	121,901
Michael Morley	Director Legal and External Affairs	100	17,912	119,081

(1) Performance conditions have been met, however, the share awards will not vest until on or shortly after 1 January 2011.

(2) Vesting is subject to performance conditions.

Nyrstar has received notifications from the following members of the management committee in accordance with the dealing code in relation to shares held as at 31 December 2009:

Name	Title	Shares held
Erling Sorensen	Chief Commercial Officer	5,150
Roland Junck	Chief Executive Officer	400,000

Report of the Board of Directors

on the consolidated financial statements for the financial year ended on 31 December 2009
in accordance with article 119 of the Belgian Company Code

Pursuant to Articles 119 of the Belgian Company Code, the Board of Directors reports on the operations of Nyrstar Group with respect to the financial year ended on 31 December 2009.

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 2009 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 International Financial Reporting 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 euro 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 the 2009 Annual Report for the consolidated financial statements.

1.1 Overview of activities and finance overview

In an extremely challenging 2009 global economic climate, Nyrstar faced falling demand and decreased commodity prices, with average zinc price down 11% on 2008. Despite these adverse market conditions, Nyrstar achieved a solid financial performance. The Group continued to lower its cost base, announced a new growth strategy, and completed a number of key acquisitions that will provide valuable contributions to our future earnings. The Group's financial position remained strong as new financing has been secured.

The Group generated revenue for the 2009 year amounting to €1,664 million, a decrease of 31% compared with 2008, and recorded a net profit after tax of €10.4 million for the 2009 year; €26.0 million net profit after tax excluding the impact of restructuring provisions, impairment reversal and the profit realised on the Nyrstar Yunnan Zinc Alloys divestment. During the year the Group incurred €211.3 million of total cash outflow, resulting in a net debt position of €38.0 million at the end of December 2009 compared to a net cash position of €146.7 million as at the end of December 2008.

In response to the poor market conditions, the Group reduced zinc market metal production by 23% compared to 2008 to approximately 817,000 tonnes for the full year 2009. Lead market metal production for the full year 2009 was also 5% lower than 2008 at 227,000 tonnes.

The Group's continued focus on improving safety, health and environment led to a further decrease in the Lost Time Injury Rate (LTR) per million hours worked and recordable environmental incidents.

During 2009 the Group continued its two year global organisational restructuring program, to be concluded in 2010. The restructuring program is aimed at reducing costs and positioning the Group for a long-term sustainable future. This program incorporates the Balen restructuring program and Global Marketing and Services restructuring program announced in 2008, and the closure of GM Metal announced in 2009. The total cost of the program is estimated to be €48.1 million, with a provision of €22.1 million remaining at 31 December 2009.

The Group announced its new strategy to improve and expand its leading global multi-metals smelting business whilst selectively pursuing opportunities in mining. The Company made progress on executing this strategy through its acquisitions of the Tennessee mines (US), comprising the Gordonsville mines complex and East Tennessee mines complex, a 19.9% interest in Ironbark, owner of the world-class Citronen zinc-lead deposit in Greenland, and an 85% interest in the Coricancha mine in Peru. Early 2010, the Group acquired 1.25 million tonnes of zinc in concentrate from Talvivaara in Finland.

To provide the financial strength to execute the Group's strategy, Nyrstar completed a €120 million convertible bond issue on 7 July 2009. The Company's existing revolving credit facility, reduced to €150 million on 19 December 2009, has been replaced, in the beginning of 2010, by a new €250 million multi-currency revolving Structured Commodity Trade Finance Credit Facility.

1.2 Risk management

The principal risks and uncertainties which the Group faces along with the impact and procedures the Group has implemented to mitigate the risks are detailed in the tables below.

FINANCIAL RISKS		
Description	Impact	Mitigation
Commodity price risk Our results are largely dependent on commodity prices, which are cyclical and volatile.	Profitability will vary with the volatility of metals prices.	Nyrstar uses short-term hedging transactions to cover the timing risk between concentrate purchases and sales of metal and to cover our exposure on fixed-price forward sales of metal to customers.
Forward price risk We are 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 uses short-term hedging transactions to cover the timing risk between concentrate purchases and sales of metal and to cover our exposure on fixed-price forward sales of metal to customers.
Exchange rate risk Our business is exposed to the effects of exchange rate fluctuations.	Appreciation of the Euro or such other currencies against the US dollar without an offsetting improvement in US dollar-denominated zinc and lead metal prices could adversely affect our profitability and financial position.	Nyrstar uses short-term hedging transactions to cover the timing risk between concentrate purchases and sales of metal and to cover our exposure on forward sales to customers.
Treatment charge risk Our results are directly linked to the levels of TCs that we charge zinc miners to refine their zinc concentrates and lead miners to refine their lead concentrates.	Fluctuations in the supply and demand for zinc and lead products will impact profitability through increased or decreased TCs.	TCs are negotiated on an annual basis.
Energy price risk Our activities are energy intensive, with energy costs accounting for a significant part of our operating costs	Energy price movements will impact profitability through increased or decreased energy costs	Nyrstar limits its short term energy price exposure through long term contracts and the participation in consortia, where feasible.
Credit risk Credit risk is the risk of non-payment from any counterparty in relation to sales of goods or metal.	Cash flow may be impacted by non-payment.	Nyrstar has determined a credit policy with credit limit requests, approval procedures and a continuous monitoring of the credit exposure.
Financing risk Current credit market conditions may restrict the ability to get access to debt financing.	Liquidity is negatively impacted	Nyrstar has strong balance sheet as of December 31 2009 and has recently secured new financing facilities. Nyrstar maintains a central control over its cash flows and monitors liquidity on a group level
OPERATIONAL RISKS		
Description	Impact	Mitigation
Operational risks Operating our zinc and lead smelters and our other production facilities is subject to many risks and hazards, including industrial accidents, power interruption, critical equipment failure and fires.	Interruptions to operations resulting in loss of production volumes, which may have an adverse effect on profit and cash flow. We may become subject to liability (including in relation to pollution, occupational illnesses or other hazards) against which we have not insured or cannot insure, including those in respect of past activities. Should we suffer a major uninsured loss, future earnings could be materially adversely affected.	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. Insurance coverage for operating risks including all risk property damage (including certain aspects of business interruption for certain sites), operational and other liabilities.
Supply risk We are dependent on a limited number of suppliers for zinc and lead concentrate.	Loss of supply from one of these suppliers may have a material adverse effect on production and results.	Alternative sources of supply have been sourced, however, use of alternate supplies may result in higher costs and lower recoveries.
Environmental, health & safety risks Our operations are subject to stringent environmental and health laws and regulations, which are subject to change from time to time.	Exposure to significant increased compliance costs and potential litigation relating to environmental and health issues.	Safety is a core value of Nyrstar. We pro-actively monitor environmental, health and safety legislation and are implementing common safety policies across all sites.
International operations risk Risks inherent in international operations.	May have a material adverse effect on production, cash flow and results.	Nyrstar pro-actively monitors changes in its international operating environment.
Reserves and resource risk Future profitability and operating margins depend partly upon our ability to access mineral reserves that have geological characteristics enabling mining at competitive costs	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 the existing or exhausting mines.	Nyrstar engages the services of independent experts to ascertain and verify the quantum of reserves and resources including ore grade and other geological characteristics.

1.3 Non-financial key-performance indicators

Production

	Twelve months to 31 December 2009	Twelve months to 31 December 2008
Zinc cathode ('000 tonnes) (1)	842	1,075
Zinc market metal ('000 tonnes) (1)	817	1,056
Lead market metal ('000 tonnes) (1)	227	240
Sulphuric acid ('000 tonnes, gross)	1,119	1,414
Silver ('000 troy ounces)	16,665	14,287
Gold ('000 troy ounces)	24	16

(1) Includes production from primary zinc smelters and primary and secondary lead smelters only. Production at subsidiaries and associate companies has been consolidated proportionate to equity holdings.

Zinc production, both cathode and market metal, decreased by 23% in 2009 compared with 2008 as a result of production curtailments to address the supply-demand balance, with the Balen smelter (Belgium) on care and maintenance for most of the year, and the Clarksville smelter (US) and Budel smelter (Netherlands) operating on reduced production for the first half of the year. In response to improving market conditions, full production was restarted at Clarksville and Budel in July, followed by a restart of production in Balen in September.

Lead market metal production decreased by 5% compared with 2008 due to a slag fumer shutdown at the Port Pirie smelter (Australia).

Sulphuric acid production for 2009 decreased by 21% compared with 2008, primarily due to the production curtailment initiatives announced at the end of 2008.

2009 silver production increased by 17% compared with 2008. Gold production was also up 50% compared with 2008. For both metals the increases were attributed to higher content in the input feed.

The mines acquired in the course of 2009 were on care and maintenance for most of the year with only limited operations in 2009, and will be ramping throughout 2010.

Safety, health and environment

At the end of 2009, the Group's Lost Time Injury Rate (LTR) per million hours worked decreased to 6.1, compared to 7.6 at the end of 2008, a reduction of 20%. The focus in H2 2009 has been the enhancement of critical safety standards and the roll-out of safety leadership programs.

There were 24 minor recordable environmental incidents during 2009, one less than in 2008. Progress continued during the year on planned environmental projects, which focus on emission reductions and addressing historical contamination.

The zinc smelting industry has been informed that it will qualify for assistance as an energy intensive trade exposed industry under both the proposed Australian and revised EU emissions trading schemes. As relevant legislation is yet to be finalised, financial impacts of these schemes are still uncertain.

1.4 Operating results, financial position and cash flows

The Group recorded a net profit after tax of €10.4 million for the 2009 year and a net profit after tax of €26.0 million after removing the impact of restructuring provisions, impairment reversal and the profit realised on divestment.

Revenue for 2009 of €1,663.9 million, 31% lower than 2008, was adversely affected by falling demand and the decline in commodity prices with the average LME zinc price for 2009 at US\$1,659/tonne, down 11% compared to 2008. Consequently, gross profit decreased by 32% to €594.3 million in 2009.

Operating costs for the full year 2009 were reduced significantly by more than 30% compared to 2008, as a consequence of lower production levels, cost savings achieved through the restructuring program and lower electricity prices. Compared to 2008, employee benefits expense decreased by 8% to €208.9 million, energy expenses decreased by 26% to €193.2 million, stores and consumables decreased by 32% to €65.4 million, and contracting and consulting expenses decreased by 46% to €58.9 million.

Restructuring costs of €24.0 million were recognised in 2009 as the Group continued its two year global organisational restructuring program initiated in 2008. The total cost of the program over 2008 and 2009 therefore amounts to €48.1 million, with a provision of €22.1 million remaining at 31 December 2009.

The Group realised a gain on divestment of its 60% interest in Nyrstar Yunnan Zinc Alloys of €6.0 million. During H1 2009 and prior to completion of the divestment, an impairment expense of €4.0 million recognized in 2008 was reversed. In respect of the closure of GM Metal announced in 2009, an impairment expense has been recorded for an amount of €1.6 million.

An income tax expense for the full year of €3.3 million was recognised by the Group representing a weighted average effective tax rate of 24%. The main items impacting taxable income were the non-recognition of deferred tax assets attributable to tax losses in the US and Australia, and the notional interest deduction in Belgium.

Nyrstar's operations resulted in €19.0 million cash outflow for the 2009 year compared to a €417.8 million inflow in 2008, predominately as a result of increased working capital due to the significant increase in metal prices throughout the year.

The Company restricted its capital expenditure in 2009 to €67.9 million, of which approximately €5 million has been invested in the acquired mines.

1.5 Liquidity Position and Capital Resources

As of 31 December 2009, Nyrstar had a net debt position of €38 million, reduced from a net cash position of approximately €146.7 million at 31 December 2008. Cash outflow from operations amounted to €19.0 million, capital expenditures result in a cash outflow of € 67.9 million, and the acquisitions of the mines resulted in a net cash outflow of €104.0 million in 2009. During 2009 the Company repaid the amount on the revolving credit facility taken up at year-end 2008 of approximately €150 million. On 7 July 2009, the Company completed a €120 million convertible bond issue.

The Company's existing revolving credit facility, reduced to €150 million on 19 December 2009, was replaced in the beginning of 2010 by a new €250 million multi-currency revolving Structured Commodity Trade Finance Credit Facility.

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

On 28 January 2010 the Company entered into a €250 million multi-currency revolving Structured Commodity Trade Finance Credit Facility underwritten by Deutsche Bank. The facility has a maturity of 4 years with a run-off period during the fourth year.

On 10 February 2010 the Company completed its agreement to acquire 1.25 million tonnes of zinc in concentrate from Talvivaara Sotkamo Limited (a member of the Talvivaara Mining Company Plc group) for a purchase price of US\$335 million (approximately €240 million).

3. Information regarding the circumstances that could significantly affect the development of the group

No information regarding the circumstances that could significantly affect the development of the Company are to be mentioned.

The principal risks and uncertainties facing the Group are covered in section 1.2 of this report.

4. Research and development

During the year 2009 the Group ceased to engage the Research, Development and Innovation department of Umicore in relation to the conduct of research and development activities. The Group continues to undertake research and development through a number of activities at various production sites of the Group.

5. 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) and note 29 (Financial instruments) in the IFRS Financial Statements.

6. Information provided in accordance with article 523 and 524 of the Belgian Company Code

Any director with a conflicting financial interest (as set forth in Article 523 of the Belgian Company Code) on any matter before the Board 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.

In accordance with the Company's articles of association, the Company may enter into service agreements with a director. At the Board meeting held on 26 February 2009, the Board considered the service agreement in favour of Mr Roland Junck.

Prior to the deliberation and approval of the service agreement to be entered into between Mr Junck and the Company (the "Service Agreement"), Mr Roland Junck made the following statements, as far as necessary and applicable in accordance with Article 523 of the Belgian Company Code. Mr Junck explained that, summarized, pursuant to the Service Agreement, he would benefit under the Service Agreement. As a result, under Article 523 of the Belgian Company Code, he has an interest of a financial nature that could be in conflict with the proposed approval by the Board of the Service Agreement. Mr Junck further stated that he believed that the terms on the proposed Service Agreement are not unusual or uncustomary, especially within the context of listed companies, and that he would advise the Company's Statutory Auditors 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 Service Agreement 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 Service Agreement is, summarized, to remunerate Mr Junck for his mandate as Chief Executive Officer of the Company. In order to attract and retain qualified individuals as managing director, the Board believed it is reasonable and necessary for the Company to contractually obligate itself to the Service Agreement. In addition, the Board noted the Service Agreement is consistent with market practice. Furthermore, the Board noted that pursuant to Article 21 of the Company's articles of association, the Board may enter into remuneration arrangements with the persons entrusted with the daily management of the Company. Accordingly, the Board deemed the Service Agreement to be in the interests of the Company.

Following discussion, the Board (with the exclusion of Mr Junck) RESOLVED that:

- (i) the Service Agreement be APPROVED;
- (ii) the Company enter into, execute and deliver the Service Agreement; and
- (iii) the Service Agreement be executed and ratified, as far as necessary, on behalf of the Company by the signature of the Chairman.

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

7. Information provided in accordance with article 608 of the Belgian Company Code

In July 2009 the Company successfully raised €120,000,000 through a convertible bond issue.

The effect of the issue of the bonds and in particular their conversion for the shareholders of the Company can be summarized and illustrated as follows.

(i) Conversion of the bonds

Upon conversion of the bonds into new shares, the Company will have to issue new shares, and the share capital of the Company will be increased. Accordingly, summarized and for illustration purposes only, if and to the extent that the full principal amount of all bonds of €120 million were to be converted, the Company would have to issue 15,747,411 new shares in total based on the conversion price of € 7.6203 per share.

(ii) Consequences as to share capital and outstanding shares

The share capital of Company amounts to €1,490,760,008.09 represented by 100,000,000 shares without nominal value, each representing one 100,000,000th part of the share capital of the Company. The current fractional value of the Company's shares amounts to (rounded) € 14.91 per share, which is the result of a fraction, the numerator of which is equal to the Company's share capital (i.e. €1,490,760,008.09) and the denominator of which is equal to the Company's outstanding shares (i.e. 100,000,000 shares).

Based on the simulation referred to in paragraph (I), if all of the bonds were to be converted into shares, the Company's share capital and the number of outstanding shares would be increased, and have a dilutive effect for the shareholders, as indicated below:

	Before the conversion	After the conversion
Share capital	€1,490,760,008.09	€1,610,760,008.09
Outstanding shares	100,000,000	115,747,411
Fractional value	€ 14.91	€ 13.92
Dilution	/	13.6%

The fractional value of the Company's shares would also decrease. Pursuant to Belgian law, certain rights of the Company's shareholders (including in particular the preferential subscription right of shareholders in relation to capital increases in cash and the issue of convertible bonds and warrants, the voting rights attached to shares, and the right to participate in the proceeds following a liquidation in the event of a dissolution of the Company) are determined in function of the fraction of the share capital that is represented by the shares. The decrease of the participation of each share in the share capital following the share capital as illustrated and simulated would go hand in hand with the issue of new shares as a consequence of a conversion of bonds. However, following a conversion, all shares will again represent the same fractional value of the Company's share capital.

(iii) Consequences as to net equity

Based on the audited consolidated annual financial statements of the Company for the financial year ended on 31 December 2008 (which have been prepared in accordance with the International Financial Reporting Standards or IFRS), the consolidated accounting net equity of the Company amounted to €711.1 million or € 7.11 per share (based on 100,000,000 shares). Based on the audited non-consolidated annual financial statements of the Company for the financial year ended on 31 December 2008 (which have been prepared in accordance with the Belgian generally accepted accounting principles or Belgian GAAP), the non-consolidated accounting net equity of the Company amounted to €1,494,531,722.00 or € 14.95 per share (based on 100,000,000 shares).

Based on the simulation referred to in paragraph (I), if all of the bonds were to be converted into shares, the Company's accounting net equity on a consolidated and non-consolidated basis as per 31 December 2008 as referred to above, would be increased as indicated below:

	Before the conversion	After the conversion
Consolidated net equity (in million)	€711.1	€831.1
Outstanding shares	100,000,000	115,747,411
Consolidated net equity per share	€ 7.11	€ 7.18
Non-consolidated net equity	€ 1,494,531,722.00	€ 1,614,531,722.00
Outstanding shares	100,000,000	115,747,411
Non- consolidated net equity per share	€ 14.95	€ 13.95

The conversion price of the bonds is higher, respectively lower than the accounting net equity per-share based on the aforementioned consolidated financial statements and non-consolidated financial statements of the Company for the financial year ended on 31 December 2008. Accordingly, in the event the bonds were to be converted, this would entail, from an accounting perspective, an accretion, respectively a dilution, of the accounting net equity per share, based on the consolidated financial statements and the non-consolidated financial statements of the Company for the financial year ended on 31 December 2008. Whether the same effect would also apply based on future financial statements of the Company, is dependent on the Company's accounting net equity position at the time of conversion.

(iv) Financial considerations

The question of whether a bond will be effectively converted will ultimately depend on the decision of the respective holders of the bond. Such decision will likely be in function of the market price of the shares of the Company at the moment of conversion compared to the conversion price of the bonds. The holder of the bonds could realize a capital gain at the time of conversion of the bonds if the market price of the shares of the Company at that moment is higher than the conversion price of the bonds and if the shares can be sold at such price on the market.

In view hereof, it is not yet certain whether ultimately the bonds will be converted. On the other hand, if the bonds are converted into shares, this will entail a financial dilution of the existing shareholders, as the basis assumption is that a bondholder will only convert a bond if the conversion price is lower than the prevailing market price of the shares at the time of conversion.

8. Information provided in accordance with article 34 of the Royal Decree dated 14 november 2007

The Company provides, as far as necessary, 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 €1,490,760,008.09, represented by 100,000,000 shares without nominal value. There are no different classes of shares.
- (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) All awards granted to employees under the Nyrstar Employee Share Acquisition Plan will vest immediately in the event of a change of control of the Company. The awards granted to employees under the Nyrstar Long Term Incentive Plan will vest upon determination by the Nomination and Remuneration Committee.
- (V) Each shareholder of Nyrstar is entitled to one vote per share. Voting rights may be suspended as provided in the Company's articles of association and the applicable laws and articles.
- (VI) There are no agreements between shareholders which are known by the Company and may result in restrictions on the transfer of securities and/or the exercise of voting rights.
- (VII) The rules governing appointment and replacement of board members and amendment to articles of association are set out in the Company's articles of association and the Company's corporate governance charter.
- (VIII) The powers of the board of directors, more specifically with regard to the power to issue or redeem shares are set out in the Company's articles of association.
- (IX) Save with regard to the €250 million Revolving Structured Commodity Trade Finance Facility Agreement, there are no significant agreements to which the Company is a party and which will take effect, be modified or expire upon a change of control of the issuer following a public takeover bid and where disclosure of such significant agreements would not be seriously prejudicial to the Company.
- (X) The CEO is entitled to a 12-month salary payment in case his employment is terminated upon a change of control of the Company.

9. Information provided in accordance with the royal decree dated 17 december 2008

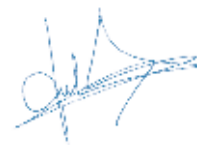
The audit committee consists of three non-executive members of the board, all of which are independent members. The members of the audit committee have sufficient expertise in financial matters to discharge their functions. The Chairman of the Audit Committee is competent in accounting and auditing as 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.

Done at Brussels on 24 February 2010.

On behalf of the Board of Directors.



Roland Junck
Director



De Wilde J Management BVBA
represented by its permanent
representative Julien De Wilde
Director

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 2009, 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, 24 February 2010



Roland Junck
Chief Executive Officer



Heinz Eigner
Chief Financial Officer

Consolidated financial statements as at 31 December 2009

Consolidated Income Statement

For the period ended, in € millions	Note	Twelve months to 31 December 2009	Twelve months to 31 December 2008
Revenue	6	1,663.9	2,409.7
Raw materials used (b)		(1,024.9)	(1,454.3)
Freight expense		(44.7)	(74.6)
Gross profit		594.3	880.8
Other income		6.2	9.6
Employee benefits expense	8	(208.9)	(226.9)
Energy expenses		(193.2)	(261.7)
Stores and consumables used		(65.4)	(95.8)
Contracting and consulting expenses		(58.9)	(110.1)
Other expenses (b)		8.2	(58.8)
Depreciation and amortisation expenses	11, 12	(50.2)	(79.7)
Result from operating activities before exceptional items (a)		32.1	57.4
Restructuring expenses	24	(24.0)	(24.1)
Impairment (losses) / reversal	11	2.4	(615.0)
Profit on the disposal of subsidiaries	21	6.0	-
Result from operating activities		16.5	(581.7)
Finance income	9	1.8	7.4
Finance expenses	9	(11.6)	(21.1)
Net foreign exchange gain/(loss)	9	3.0	(0.1)
Net financing income / (expense)		(6.8)	(13.8)
Share of profit of equity accounted investees	13	4.0	6.9
Loss on the disposal of equity accounted investees		-	(17.7)
Profit / (loss) before income tax		13.7	(606.3)
Income tax benefit / (expense)	10	(3.3)	11.6
Profit / (loss) for the period		10.4	(594.7)
Attributable to:			
Equity holders of the parent		10.0	(584.9)
Minority interest		0.4	(9.8)
		10.4	(594.7)
Earnings per share for profit attributable to the equity holders of the Company during the period (expressed in Euro per share)			
- basic	28	0.10	(5.85)
- diluted	28	0.14	(5.85)

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

(b) The 'Changes in inventories' amount of €10.4 million (expense) for the twelve months ended 31 December 2008 which previously formed part of 'Raw material used' has been reclassified to 'Other expenses' to better reflect the nature of this item in the income statement. The corresponding impact for the twelve months ended 31 December 2009 amounts to €19.4 million (income).

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

Consolidated Statement of Comprehensive Income

For the period ended, in € millions	Note	Twelve months to 31 December 2009	Twelve months to 31 December 2008
Foreign currency translation differences	22	68.5	(66.5)
Defined benefit plans – actuarial losses	25	(3.3)	(4.9)
Effective portion of changes in fair value of cash flow hedges	16	(32.7)	37.5
Change in fair value of investments in equity securities	14	1.4	-
Income tax on income and expenses recognised directly in equity	10	10.8	(8.7)
Other comprehensive income for the period, net of tax		44.7	(42.6)
Profit / (loss) for the period after income tax		10.4	(594.7)
Total comprehensive income for the period		55.1	(637.3)
Attributable to:			
Equity holders of the parent		54.7	(628.1)
Minority interest		0.4	(9.2)
Total comprehensive income for the period		55.1	(637.3)

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

Consolidated Statement of Financial Position

In € millions	Note	As at 31 December 2009	As at 31 December 2008
ASSETS			
Non-current assets			
Property, plant and equipment	11	612.5	435.9
Intangible assets	12	7.3	3.0
Investments in equity accounted investees	13	26.8	25.0
Investments in equity securities	14	5.5	-
Deferred tax assets	15	39.1	14.4
Other financial assets	16	53.9	52.7
		745.1	531.0
Current assets			
Inventories	17	480.5	266.8
Trade and other receivables	19	162.7	194.1
Prepayments		3.7	5.6
Current tax assets		5.8	8.4
Other financial assets	16	35.6	25.7
Cash and cash equivalents	20	84.0	297.0
Assets classified as held for sale	21	-	11.2
		772.3	808.8
Total assets		1,517.4	1,339.8
EQUITY			
Equity attributable to equity holders of the parent			
Share capital and share premium	22	1,255.4	1,255.4
Reserves	22	(230.0)	(285.9)
Retained earnings		(252.0)	(262.9)
		773.4	706.6
Minority interest		6.2	4.5
Total equity		779.6	711.1
LIABILITIES			
Non-current liabilities			
Loans and borrowings	23	110.0	149.8
Deferred tax liabilities	15	49.6	40.4
Provisions	24	122.9	111.2
Employee benefits	25	50.2	37.8
Other financial liabilities	16	0.2	0.3
Other liabilities	18	23.9	-
		356.8	339.5
Current liabilities			
Trade and other payables	26	248.6	157.0
Current tax liabilities		4.0	6.7
Loans and borrowings	23	12.0	0.5
Provisions	24	33.4	39.1
Employee benefits	25	38.2	32.2
Other financial liabilities	16	17.3	42.5
Liabilities classified as held for sale	21	-	11.2
Other liabilities	18	27.5	-
		381.0	289.2
Total liabilities		737.8	628.7
Total equity and liabilities		1,517.4	1,339.8

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

Consolidated Statement of Changes in Equity

€ millions	Note	Share capital	Share premium	Reserves	Retained earnings	Total amount attributable to owners	Minority interest	Total equity
Balance at 1 January 2009		1,176.9	78.5	(285.9)	(262.9)	706.6	4.5	711.1
Profit or loss		-	-	-	10.0	10.0	0.4	10.4
Other comprehensive income	22	-	-	47.1	(2.4)	44.7	-	44.7
Reverse acquisition reserve	22	-	-	-	-	-	-	-
Treasury shares	22	-	-	-	-	-	-	-
Convertible bond	23	-	-	8.8	-	8.8	-	8.8
Net Movement in minorities as result of acquisition/disposal of subsidiaries		-	-	-	-	-	1.3	1.3
Dividends	22	-	-	-	-	-	-	-
Share-based payments		-	-	-	3.3	3.3	-	3.3
Balance at 31 December 2009		1,176.9	78.5	(230.0)	(252.0)	773.4	6.2	779.6

€ millions	Note	Share capital	Share premium	Reserves	Retained earnings	Total amount attributable to owners	Minority interest	Total equity
Balance at 1 January 2008		1,176.9	78.5	(208.9)	360.4	1,406.9	13.7	1,420.6
Profit or loss		-	-	-	(584.9)	(584.9)	(9.8)	(594.7)
Other comprehensive income	22	-	-	(39.3)	(3.9)	(43.2)	0.6	(42.6)
Reverse acquisition reserve	22	-	-	(31.5)	-	(31.5)	-	(31.5)
Treasury shares	22	-	-	(6.2)	4.5	(1.7)	-	(1.7)
Convertible bond	23	-	-	-	-	-	-	-
Net Movement in minorities as result of acquisition/disposal of subsidiaries		-	-	-	-	-	-	-
Dividends	22	-	-	-	(40.0)	(40.0)	-	(40.0)
Share-based payments		-	-	-	1.0	1.0	-	1.0
Balance at 31 December 2008		1,176.9	78.5	(285.9)	(262.9)	706.6	4.5	711.1

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

Consolidated Statement of Cash Flows

For the period ended, in € millions	Note	Twelve months to 31 December 2009	Twelve months to 31 December 2008
Cash flows from operating activities			
Profit for the period		10.4	(594.7)
Adjustment to:			
Depreciation and amortisation	11, 12	50.2	79.7
Income tax (benefit)/expense	10	3.3	(11.6)
Net finance (benefit)/expense	9	6.8	13.8
Share of profit in equity accounted investees	13	(4.0)	(6.9)
Impairment/(reversal of impairment)	11	(2.4)	615.0
Equity settled share based payment transactions		3.2	1.0
(Gain)/Loss on sale of investments	21	(6.0)	17.7
(Gain)/Loss on sale of property, plant and equipment	11	0.1	0.3
		61.6	114.3
Changes in inventories		(185.4)	179.1
Changes in trade and other receivables		50.7	46.0
Changes in prepayments		2.8	(0.4)
Changes in other financial assets and liabilities		(57.7)	30.4
Changes in trade and other payables		85.3	37.9
Changes in other liabilities		51.4	-
Change in provisions and employee benefits		(20.2)	26.0
Interest paid		(2.7)	(13.8)
Income tax paid		(4.8)	(1.7)
Net cash (outflows) from operating activities		(19.0)	417.8
Cash flows from investing activities			
Acquisition of property, plant and equipment	11	(67.9)	(116.4)
Proceeds from sale of property, plant and equipment		0.3	0.3
Acquisition of subsidiary net of cash acquired	7	(104.0)	-
Acquisition of subsidiary net of cash acquired – Zinifex Carve-out Group	22	-	(30.1)
Acquisition of investments in equity securities	14	(4.1)	-
Acquisition of investments in equity accounted investees	13	(0.2)	-
Repayment of borrowings from associates	23	-	(19.6)
Distribution from associates	13	12.7	26.8
Proceeds from sale of subsidiary	21	5.1	-
Proceeds from sale of equity accounted investee	13	-	33.6
Interest received		2.8	8.1
Net cash (outflows) from investing activities		(155.3)	(97.3)
Cash flows from financing activities			
Repurchase of own shares		-	(1.7)
Proceeds from borrowings		121.4	-
Repayments of borrowings		(158.4)	(178.7)
Distributions to shareholders		-	(40.0)
Distributions to minority interests		-	(0.2)
Net cash (outflows) from financing activities		(37.0)	(220.6)
Net increase (decrease) in cash held		(211.3)	99.9
Cash at the beginning of the reporting period	20	297.0	198.8
Exchange fluctuations		(1.7)	(1.7)
Cash and cash equivalents at the end of the reporting period	20	84.0	297.0

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

Notes to the consolidated financial statements as at 31 December 2009

1 Reporting entity

Nyrstar NV ("Nyrstar" or the "Company") is a company domiciled in Belgium. The address of the Company's registered office is Zinkstraat 1, 2490 Balen, Belgium. The consolidated financial statements of the Company as at and for the year ended 31 December 2009 comprise the Company and its subsidiaries (together referred to as the "Group" and individually as "Group entities") and the Group's interest in associates and jointly controlled entities.

The Group is primarily a global multi-metals business, producing significant quantities of zinc and lead as well as other products (including silver, gold and copper) through mining, smelting and alloying operations.

The Company listed its shares on the Eurolist of Euronext, Brussels on 29 October 2007. The listed entity represents a business combination of the zinc and lead smelting and alloying business of Zinifex Limited (the "Zinifex Carve-out Group") and the zinc smelting and alloying business of Umicore SA/NV (the "Umicore Carve-out Group").

The consolidated financial statements were authorised for issue by the Board of Directors of Nyrstar NV on 24 February 2010.

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), the Standard Interpretations Committee (SIC) and the International Financial Reporting 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 comparative information presented has been restated to comply with the Nyrstar accounting policies set out below.

b. Basis of measurement

The consolidated financial statements have been prepared under the historical cost basis except for the following items measured at fair value:

- Derivative financial instruments;
- Financial instruments at fair value through profit or loss;
- Available-for-sale financial assets; and
- Assets and liabilities acquired in business combinations.

c. Reporting period

Consistently with the previous accounting year 2008, the Group's consolidated financial statements have been prepared for the 2009 calendar year with a balance sheet date of the 31 December 2009.

d. Functional and presentational currency

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

e. Use of estimates and judgements

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

f. Standards, amendments and interpretations

The following new standards, amendments to standards or interpretations are mandatory for the first time for the financial year beginning 1 January 2009:

- IAS 23 (revised), **Borrowing costs**;
- IFRS 2 (amendment), **Share-based payment**;
- IAS 1 (revised), **Presentation of financial statements**;
- IAS 32 (amendment), **Financial instruments: presentation**, and consequential amendments to IAS 1, **Presentation of financial statements**;
- Improvements to IFRS (effective for annual periods beginning on or after 1 January 2009);
- Amendment to IAS 39, **Financial statements: Recognition and measurement**, and IFRS 7 **Financial statements: Disclosures**, on the reclassification of financial assets (the November version of the amendment was endorsed on 10 September 2009); and
- IFRS 7 (amendment), **Financial instruments disclosures**, and consequential amendment to IAS 1, **Presentation of financial statements**.

The following new standards, amendments of standards and interpretations are mandatory for the first time for the financial year beginning 1 January 2009, but are currently not relevant to the Group:

- IFRIC 9 and IAS 39 (amendment), regarding embedded derivatives (effective 1 July 2008);
- IFRIC 13, **Customer loyalty programmes** (effective for annual periods beginning on or after 1 July 2008); and
- IFRIC 14, IAS 19 (amended) – the limit on a defined benefit asset, minimum funding requirements and their interaction.

The following new standards, amendments of standards and interpretations have been issued but are not effective for the financial year beginning 1 January 2009 and have not been early adopted:

- Revised IFRS 3 (revised), **Business Combinations** and consequential to IAS 27, **Consolidated and separate financial statements**, IAS 28, **Investments in associates** and IAS 31, **Interests in joint ventures**, effective prospectively to business combinations for which the acquisition date is on or after the beginning of the first annual reporting beginning on or after July 1, 2009;

2 Basis of preparation (continued)

- Amendments to IFRS 1, **First-time Adoption of International Financial Reporting Standards** and IAS 27, **Consolidated and Separate Financial Statements** — Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate, effective for annual periods beginning on or after 1 January 2009;
- IFRS 1 (revised), **First-time Adoption** (effective 1 July 2009);
- IAS 39 (amendment), **Financial instruments: Recognition and measurement on eligible hedged items** (effective 1 July 2009);
- IFRIC 12, **Service concession arrangements** (effective 1 January 2008, but EU endorsed for 30 March 2009);
- IFRIC 15, **Agreements for the construction of real estate** (effective 1 January 2009, but EU endorsed for 1 January 2010) ;
- IFRIC 16, **Hedges of a net investment in a foreign operation** (effective 1 October 2008, but EU endorsed for 1 July 2009);
- IFRIC 17, **Distribution of non-cash assets to owners**, effective for annual periods beginning on or after July 1, 2009; and
- IFRIC 18, **Transfer of assets from customers**, effective for transfers of assets received on or after July 1, 2009.

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.

The purchase method of accounting is used to account for 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 given up, shares issued or liabilities undertaken at the date of acquisition, plus costs directly attributable to the acquisition.

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. Where necessary, the acquired entities' accounting policies have been changed to ensure consistency with the policies adopted by Nyrstar.

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 expenses 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 or has made payments on behalf of the investee.

Minority interests

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

Losses applicable to the minority in excess of the minority's interest in the subsidiary's equity are allocated against the interests of the Group except to the extent that the minority has a binding obligation and is able to make an additional investment to cover the losses.

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 arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

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.

Subsequently, 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 balance sheet of each Nyrstar operation that has a functional currency different to euros 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 expenses 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 sales contracts. Nyrstar has adopted a policy that it will not enter into any speculative commodity hedging.

Derivatives are initially recognised at their fair value on the date the derivative contract is entered into. 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 result 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 fair value of 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 equity 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 balance sheet and changes in the fair value of the embedded derivative are recognised in the consolidated income statement.

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 amount transferred from 'Exploration and evaluation' (see note 3(e)).

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.

Depreciation

STRAIGHT LINE BASIS

The expected useful lives are the lesser of the life of the operation or as follows:

- | | |
|-----------------------|------------|
| • Buildings | 40 years |
| • Plant and equipment | 5-25 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 units of production basis. 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 units 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 limited circumstances and where there is a high degree of confidence in its economic extraction.

3 Significant accounting policies (continued)

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.

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.

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.

e. Intangible assets

Goodwill

Goodwill represents the excess of the cost of an acquisition of a controlled entity, associate or jointly controlled entity over Nyrstar's share in the fair value of the identifiable assets and liabilities, including contingent liabilities, of the acquired entity at the date of acquisition. Goodwill is carried at cost less any accumulated impairment losses.

Goodwill in respect of associates and joint ventures is presented in the balance sheet on the line "Investments in equity accounted investees", together with the investment itself and tested for impairment as part of the overall balance.

The excess of Nyrstar's interest in the fair value of the net identifiable assets acquired over the cost of acquisition is recognised in the income statement immediately.

Research and development costs

Research costs related to the prospect of gaining new scientific or technological knowledge and understanding are recognised in the income statement as an incurred expense. Development costs are defined as costs incurred for the design of new or substantially improved products and for the processes prior to commercial production or use. They are capitalised if, among others, the following conditions are met:

- The intangible asset will give rise to future economic benefits, or in other words, the market potential has been clearly demonstrated;
- The expenditures related to the process or product can be clearly identified and reliably measured; and
- The Group intends to and has sufficient resources to complete development and to use or sell the asset.

In circumstances where it is difficult to clearly distinguish between research or development costs, the costs are considered as being research costs. If development costs are capitalised they are amortised using a straight-line method over their useful life.

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 carried forward 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 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 when commercial production commences on a unit of production basis over the estimated economic reserve of the mine.

An impairment review is performed, either individually or at the cash generating unit level, when there are indicators that the carrying amount of the assets may exceed their recoverable amounts. To the extent that this occurs, the excess is fully provided against, in the financial year in which this is determined. Exploration and evaluation assets are reassessed annually by management and the results of these reviews are reported to the Audit committee on a regular basis and are carried forward provided that at least one of the conditions outlined above is met.

Expenditure is transferred to mine development assets once the work completed to date supports the future development of the property and such development receives appropriate approvals.

Other intangible assets

All of the following types of intangible assets are carried at historical cost, less accumulated amortisation and impairment losses, except for government granted CO₂ emission rights which are valued at the prevailing market price at the day of the grant:

- Concessions, patents, licenses: are amortised over the period of their legal protection;
- Software and related internal development costs: are typically amortised over a period of five years;
- CO₂ emission rights: are not amortised but can be impaired; and
- Land use rights: are typically amortised over the contractual period.

Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in the income statement as incurred.

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 so as to achieve a constant rate on the finance balance outstanding.

Lease payments made under operating leases are recognised in the income statement over the accounting periods covered by the lease term.

g. Investments in equity securities

The classification depends on the purpose for which the investments have been acquired. Management determines the classification of investments at initial recognition. Investments 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 equity. When investments are sold, the accumulated fair value adjustments recognised in equity are included in the income statement within 'other operating expenses'.

h. 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 expenses. By-products inventory on hand 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 portion of fixed and variable overhead expenses, including depreciation and amortisation. Stores of consumables and spares are valued at cost with due allowance for obsolescence. Cost of purchase of all types of 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 hedging accounting as referred in note 3(c), the hedged items of stock are valued at fair value. 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.

i. Impairment

Financial assets

A financial asset 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.

Individually 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.

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 at each reporting date.

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 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 is not 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.

j. Non-current assets held for sale

Non-current assets (or disposal groups comprising assets and liabilities) that are expected to be recovered primarily through sale rather than through continuing use, are classified as held for sale. Immediately before classification as held for sale, the assets (or components of a disposal group) are re-measured in accordance with the Group's accounting policies. Thereafter generally the assets (or disposal group) are measured at the lower of their carrying amount and fair value less cost to sell.

3 Significant accounting policies (continued)

Any impairment loss on a disposal group first is allocated to goodwill, and then to remaining assets and liabilities on a pro rata basis, except that no loss is allocated to inventories, financial assets, deferred tax assets and employee benefit assets, which continue to be measured in accordance with the Group's accounting policies. Impairment losses on initial classification as held for sale and subsequent gains or losses on re-measurement are recognised in profit or loss. Gains are not recognised in excess of any cumulative impairment loss.

k. 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

Obligations for contributions to defined contribution pension plans are recognised as an expense in the consolidated income statement as incurred.

Defined benefit plans

A liability or asset in respect of defined benefit superannuation or medical plans is recognised in the consolidated balance sheet. This liability (or asset) is measured as the present value of the defined benefit obligation at the balance sheet date less the fair value of any fund assets belonging to the plan and any unrecognised past service cost. 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. Any movements in the net defined benefit assets or liabilities are recognised in the consolidated income statement during the period, except for actuarial gains and losses. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in the statement of recognised income and expense in the period in which they arise.

Employee bonuses

Nyrstar recognises a liability and expense for employee bonuses where contractually obliged or where there is a past practice that has created a constructive obligation.

Termination benefits

Termination benefits are recognised as an expense when the Group is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before the normal retirement date, or to provide termination benefits as a result of an offer to encourage voluntary redundancy.

Share-based payment compensation

The Group operates an employee share acquisition plan and an executive long-term incentive plan, both of which are equity-settled share-based compensation plans. The fair value of equity instruments granted under the 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 unconditionally entitled to the shares. The amount recognised as an employee benefit expense is the independently calculated 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 share price not achieving the required target.

I. Provisions

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

Workers' compensation

Provision is made for outstanding claims, including any incurred but not reported claims, where any controlled entity self-insures for risks associated with workers' compensation.

Outstanding claims are recognised when an incident occurs and are measured at the cost that the entity expects to incur in settling the claims, discounted using a rate that reflects current market assessments of the time value of money and risks specific to the liability.

An independent actuary provides the calculation of the value of outstanding claims. Each period the impact of the unwind of discounting is recognised in the income statement as a financing cost.

Restoration obligations

In accordance with past practices and applicable legal requirements, provision is made for the anticipated costs of future restoration and rehabilitation of smelting and refining sites to the extent that a legal or constructive obligation exists. The provision includes costs associated with dismantling of assets, reclamation, monitoring, water purification and coverage and permanent storage of historical residues. The provision is based upon current costs and has been determined on a discounted basis with reference to the current legal framework and current technology. Each period the impact of the unwind of discounting is recognised in the income statement as a financing cost. Any change in the restoration provision is recorded against the carrying value of the provision and the related asset, only to the extent that it is probable that future economic benefits associated with the restoration expenditure will flow to the entity, with the effect being recognised in the income statement on a prospective basis over the remaining life of the relevant operation. The restoration provision is separated into current and non-current components based on the expected timing of these cash flows.

Closure and restoration costs relating to mining activities, include the dismantling and demolition of infrastructure and the removal of residual materials and remediation of disturbed areas. Estimated closure and restoration costs are provided for in the accounting period when the obligation arising from the related disturbance occurs, whether this occurs during the mine development or during the production phase, based on the net present value of estimated future costs. Provisions for closure and restoration costs do not include any additional obligations which are expected to arise from future disturbance. The costs are estimated on the basis of a closure plan where available. If there is no formal closure plan, costs are estimated by a third party review. The cost estimates are updated annually during the life of the operation to reflect known developments, e.g. revisions to cost estimates and to the estimated lives of operations, and are subject to formal review at regular intervals. The initial closure provision together with other movements in the provisions for closure and restoration costs, including those resulting from new disturbance, updated cost estimates, changes to the estimated lives of operations and revisions to discount rates are capitalised within property, plant and equipment. These costs are then depreciated over the lives of the assets to which they relate. Where rehabilitation is conducted systematically over the life of the operation, rather than at the time of closure, provision is made for the estimated outstanding continuous rehabilitation work at each balance sheet date and the cost is charged to the income statement.

Restructuring

A constructive obligation for a restructuring arises only when two conditions are fulfilled. Firstly, 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. Secondly, 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.

m. 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 does not vary with changes in their fair value.

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 transactions 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.

n. Revenue

Sales revenue is stated on a gross basis, with freight and realisation expenses included in the cost of sales. Sales of metals and by-products are only recognised when all of the following conditions have been satisfied:

- the entity has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the entity retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the entity; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

o. Finance income and expense

Financing income includes:

- Interest income of funds invested; and
- Dividend income.

Interest income is recognised as it accrues in the income statement using the effective interest method. Dividend income is recognised in the income statement on the date that the Group's right to receive payment is established.

Financing 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 and workers' compensation.

Financing costs are calculated using the effective interest method. Financing 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 financing costs are expensed as incurred.

Net financing costs represent financing 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.

p. Income tax

Income tax expense comprises current and deferred tax. Income tax expense is recognised in profit or loss except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current 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.

3 Significant accounting policies (continued)

Deferred 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 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 deferred tax is not recognised for taxable temporary differences arising on the initial recognition of goodwill. Deferred tax is measured 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 tax assets and liabilities are offset if there is a legally enforceable right to offset current 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 tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred 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 at the same time as the liability to pay the related dividend is recognised.

q. 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 balance sheet. 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.

r. 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 usually paid within 30 days of recognition. These amounts are initially recognised at fair value and are subsequently carried at amortised cost.

s. 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.

Where settlement of any part of cash consideration receivable is deferred, the amounts receivable in the future are discounted to their present value.

t. 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).

u. Earnings per share

Nyrstar presents basic and diluted earnings per share (EPS) data 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.

v. Segment reporting

Operating segments are components of the Group for which discrete financial information is available and evaluated regularly by the Group's Management Committee (MC) in deciding how to allocate resources and in assessing performance. The MC has been identified as the chief operating decision maker.

The segment information reported to the MC (including the measurements of segment profit or loss, segment assets and liabilities) is prepared in conformity with the same accounting policies as those described in the summary of significant accounting policies.

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. Management believes inter-segment pricing is on an arm's-length market basis.

w. Treasury shares

When Nyrstar reacquires its own equity instruments, the par value of treasury shares purchased is deducted from a separate category of equity. 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 retained earnings. 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 surplus or deficit on the transaction is recognised in retained earnings.

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.

a. Critical accounting estimates and assumptions

Impairment of assets

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 below). For further information refer to note 3(I) and note 11.

Determination of fair values in business combination

The consolidated entity has applied estimates and judgments in order to determine the fair value of assets acquired and liabilities and contingent liabilities assumed by way of a business combination.

The value of assets, liabilities and contingent liabilities recognized at the acquisition date are recognized at fair value. In determining fair value the consolidated entity has utilized valuation methodologies including discounted cash flow analysis. The assumptions made in performing these valuations include assumptions as to discount rates, foreign exchange rates, commodity prices, the timing of development, capital costs, and future operating costs. Any significant change in key assumptions may cause the acquisition accounting to be revised including the recognition of additional goodwill or a discount on acquisition.

Determination of ore reserves and resources estimates

Estimated recoverable reserves and resources are used to determine the depreciation of mine production assets, in accounting for deferred costs and in performing impairment testing. 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 will impact the carrying value of assets and depreciation and impairment charges recorded in the income statement.

Restoration obligations

Provision is made for the anticipated costs of future restoration and rehabilitation of smelting and refining sites and mining areas from which natural resources have been extracted to the extent that a legal or constructive obligation exists. These provisions include future cost estimates associated with reclamation, plant closures, waste site closures, monitoring, demolition, decontamination, water purification and permanent storage of historical residues. These future cost estimates are discounted to their present value. 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 benefit obligations

An asset or liability in respect of defined benefit pension or medical plans is recognised on the consolidated balance sheet. The present value of a defined benefit obligation is dependent upon a number of factors that are determined on an actuarial basis. Nyrstar determines the appropriate discount rate to be used at the end of each year.

b. Critical judgements in applying the Group's accounting policies

Recovery of deferred tax assets

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 recoupment.

5 Financial risk management

Overview

Nyrstar has exposure to credit risk, liquidity risk and market risk from its use of financial instruments. This note presents 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 the Group's risk management framework. The Group's risk management policies are established to identify and analyse the risks faced by the Group, 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 the Group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risk faced by the Group. The Audit Committee is assisted in its oversight role by an internal audit function.

Credit risk

Credit risk is the risk of non-payment from any counterparty in relation to sales of goods or metal lease operations. 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. Management has established a credit policy under which each new customer is analysed individually for creditworthiness before the standard terms and conditions are offered. Customers that fail to meet the Group's benchmark creditworthiness may transact with the Group 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 to wholly-owned subsidiaries. At 31 December 2009, no guarantees were outstanding to external customers (31 December 2008: nil).

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 a sufficient degree of diversification of funding sources. These include committed and uncommitted short and medium term bank facilities.

5 Financial risk management (continued)

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 and raw materials. Nyrstar currently engages only 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. Transactional hedging arrangements are accounted for in the "Other Financial Assets" and the "Other Financial Liabilities" line items of the balance sheet. Any gains or losses realised from hedging arrangements are recorded within operating profit. Nyrstar currently does not undertake any structural or strategic hedging which means that its results are exposed to fluctuations in zinc, lead and other metal prices. Nyrstar may review its hedging policy from time to time.

Foreign Currency Exchange Risk

Nyrstar incurs foreign currency risk on sales, purchases and borrowings that are denominated in currencies other than the euro, Nyrstar's functional and reporting currency. The currencies giving rise to this risk are primarily the U.S. dollar and the Australian dollar. Foreign currency exchange risk arises when the actual or forecasted assets in a foreign currency are either greater or less than the liabilities in that currency. To mitigate currency risk Nyrstar uses short term hedging transactions to cover the timing risk between concentrate purchases and sales of metal and to cover our exposure on forward sales to customers.

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 being fixed. The interest rate and terms of repayment of Nyrstar's loans are disclosed in note 29(f). Nyrstar's current borrowings are split between fixed rate and floating rate basis, but it may in the future borrow on a fixed rate basis. All variable interest rate loans and borrowings have EURIBOR or LIBOR based interest rates. Changes in interest rates may impact primary loans and borrowings by changing the levels of required interest payments.

Management does not have a formal policy of determining how much of Nyrstar's exposure should be to fixed or variable rates. However, at the time of additional debt financing, management will use its judgment to decide whether a fixed or variable rate would be more favourable over the expected term. Nyrstar does not currently use derivative financial instruments to reduce exposure to fluctuations in interest rates.

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 the Group defines as net operating income divided by total shareholders' equity, excluding minority interests. The Board of Directors also monitors the level of dividends to ordinary shareholders. Whilst maintaining adequate cash flows for growth and the successful execution of the Company's strategy, the Company aims to maximize total shareholder return through a combination of share price appreciation and dividends.

No assurance can be given, however, that the Company will make dividend payments in the future. Such payments will depend upon a number of factors, including our prospects, strategies, results of operations, earnings, capital requirements and surplus, general financial conditions, contractual restrictions and other factors considered relevant by the Board. 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 Employee Share Acquisition Plan ("ESAP") and an Executive Long Term Incentive Plan ("LTIP") (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 set out below in note 27.

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

6 Segment reporting

The Group has identified the following operating segments on the basis of the principal business activities and economic environments in which it operates.

- Hobart smelter – The Hobart smelter is a large-scale electrolytic zinc smelter located on the Derwent River in Tasmania's capital city, Hobart. A significant portion of Hobart's zinc output is converted into diecast alloy for sale into Asia, particularly China.
- Port Pirie smelter – The Port Pirie smelter is located on the eastern side of the Spencer Gulf in South Australia, approximately 200 kilometres north of Adelaide, South Australia. Port Pirie is one of the world's largest primary lead smelters and a leading global silver producer. The majority of Port Pirie's lead output is exported, primarily to Asia.
- Clarksville smelter – The Clarksville smelter is located on the Cumberland River close to Clarksville, Tennessee in the United States of America. Clarksville is a mid-scale electrolytic zinc smelter producing zinc and zinc alloys and supplying customers in the United States mid-west.
- Budel smelter – The Budel smelter is located at Budel Dorplein in the Netherlands, close to the Belgian border. It is a large-scale electrolytic zinc smelter producing zinc and zinc alloys for the European market.

- Auby smelter – The Auby smelter is located in the town of Auby in the north of France. Auby is a mid-scale electrolytic zinc smelter. Unlike other zinc smelting sites, the Auby smelter produces cathodes as finished products (rather than casting into ingots) for sale to its customers.
- Balen smelter – The Balen smelter is a large-scale electrolytic zinc smelter that also incorporates the die-casting and alloying operations in Overpelt and a sales office in Germany. Approximately one third of the zinc cathodes produced by the Balen smelter are melted and cast on-site to produce alloys and SHG zinc. The remaining cathodes are transported to Overpelt to produce other alloy products.
- Chinese Operations – Nyrstar's Chinese Operations include Nyrstar Yunnan, Föhl China and Genesis Alloys. These entities are involved in the production of SHG zinc, die-casting parts, and die-casting alloys respectively. Nyrstar has a 50% interest in both Föhl China and Genesis. On 3 August 2009 the Group divested its interest in Nyrstar Yunnan (refer to Note 21 for further details).
- Other Operations – Other Operations combines operations in Australia (Australia Refined Alloys/ARA) and in France (Galva 45 and GM-Metal). These entities are involved in lead and lead alloys, galvanized products and die-casting alloys respectively. This segment also includes the mine complexes acquired in the course of the year 2009, namely Tennessee mines in the US and the Coricancha mine in Peru. Furthermore, this segment also includes unallocated items. On 1 May 2009 The Group acquired a 100% interest in the Mid-Tennessee Zinc mine complex (Refer to note 7 for further details) and on 7 December 2009 a 100% interest in the East-Tennessee Zinc mine complex (Refer to note 7 for further details). Both mine complexes have close association with Nyrstar's Clarksville smelter. On 13 November 2009, the Group completed the acquisition of an 85% interest in the Coricancha mine (Refer to note 7 for further details). The Coricancha mine is a poly-metallic mine with more than 60 years of operating history. These mines have been included in the 'Other Operations' segment since they have been on care and maintenance for most of the year, with only limited operations in 2009.

In order to streamline the commodities purchasing and sales activities across the Group, as from 1 July 2009 all trading activities (zinc, lead, related alloys and by-products) of the six major operating sites of the Nyrstar Group are carried out by a single Group entity, Nyrstar Sales & Marketing. This entity is also included within the 'Other Operations' segment. For segment reporting purposes and in line with management's monitoring of the site performances, the operational revenue, raw materials cost and freight expense generated by Nyrstar Sales & Marketing have been allocated back to the sites.

The chief operating decision-maker assesses the performance of the operating segments based on a measure of 'Result from operating activities before exceptional items'. 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 and Umicore, which accounted for 48.66% and 12.45% respectively, of the total Group's zinc and lead sales.

6 Segment reporting (continued)

Period to 31 December 2009	Auby Smelter €m	Balen Smelter €m	Budel Smelter €m	Clarksville Smelter €m	Hobart Smelter €m	Port Pirie Smelter €m	Chinese Operations €m	Other Operations €m	Elimi- nations €m	Total €m
Revenue from external customers	168.0	215.7	234.2	126.4	346.0	502.6	6.3	64.7	-	1,663.9
Inter-segment revenue	52.2	118.7	79.3	-	-	22.4	-	15.0	(287.6)	-
Total segment revenue	220.2	334.4	313.5	126.4	346.0	525.0	6.3	79.7	(287.6)	1,663.9
Raw materials used	(128.9)	(293.1)	(182.1)	(78.5)	(194.9)	(385.9)	0.7	(49.8)	287.6	(1,024.9)
Freight expense	(5.0)	(6.3)	(4.6)	(2.8)	(13.8)	(3.9)	-	(8.3)	-	(44.7)
Gross profit	86.3	35.0	126.8	45.1	137.3	135.2	7.0	21.6	-	594.3
Other income	-	0.5	-	0.1	0.2	0.2	0.7	4.5	-	6.2
Employee benefits expense	(19.8)	(33.8)	(28.0)	(16.0)	(27.1)	(36.7)	(1.5)	(46.0)	-	(208.9)
Energy expenses	(28.2)	(13.7)	(53.1)	(15.3)	(39.4)	(36.3)	(5.2)	(2.0)	-	(193.2)
Stores and consumables used	(8.3)	(6.5)	(10.1)	(7.5)	(12.5)	(12.5)	(3.3)	(4.7)	-	(65.4)
Contracting and consulting expense	(8.5)	(3.8)	(10.9)	(3.0)	(9.2)	(15.0)	(0.2)	(8.3)	-	(58.9)
Other expenses	(9.7)	(23.5)	12.8	(5.9)	(11.8)	5.3	(1.0)	42.0	-	8.2
Depreciation and amortisation expense	(17.5)	(1.3)	(7.6)	(3.5)	(15.4)	(0.6)	-	(4.3)	-	(50.2)
Result from operating activities before exceptional items	(5.7)	(47.1)	29.9	(6.0)	22.1	39.6	(3.5)	2.8	-	32.1
Restructuring expenses										(24.0)
Impairment (losses) / reversal										2.4
Profit on the disposal of subsidiaries										6.0
Result from operating activities										16.5
Finance income										1.8
Finance expenses										(11.6)
Net foreign exchange gain/(loss)										3.0
Net financing income/(expense)										(6.8)
Share of profit/(loss) of equity accounted investees (a)										4.0
Profit/(loss) before income tax										13.7
Income tax benefit / (expense)										(3.3)
Profit/(loss) for the period										10.4
Segment assets	219.8	724.0	225.4	82.1	284.0	266.7	12.5	1,017.0	(1,314.1)	1,517.4
Segment liabilities	(118.7)	(96.6)	(96.9)	(42.4)	(56.5)	(51.2)	-	(1,589.6)	1,314.1	(737.8)
Net assets	101.1	627.4	128.5	39.7	227.5	215.5	12.5	(572.6)	-	779.6
Investment in equity accounted investees	-	-	-	-	-	-	10.0	16.8	-	26.8
Capital expenditure and major cyclical maintenance	(10.5)	(16.0)	(8.5)	(6.4)	(8.3)	(11.7)	(0.1)	(6.4)	-	(67.9)

(a) A split by investee is provided in note 13.

Period to 31 December 2008	Auby Smelter €m	Balen Smelter €m	Budel Smelter €m	Clarksville Smelter €m	Hobart Smelter €m	Port Pirie Smelter €m	Chinese Operations €m	Other Operations €m	Elimi- nations €m	Total €m
Revenue from external customers	210.7	585.6	389.1	206.3	371.2	541.9	60.2	44.7	-	2,409.7
Inter-segment revenue	44.2	154.6	36.3	-	1.2	1.1	-	5.3	(242.7)	-
Total segment revenue	254.9	740.2	425.4	206.3	372.4	543.0	60.2	50.0	(242.7)	2,409.7
Raw materials used	(166.0)	(496.4)	(239.1)	(134.1)	(209.3)	(377.7)	(48.2)	(26.2)	242.7	(1,454.3)
Freight expense	(5.8)	(22.5)	(7.7)	(5.7)	(22.8)	(5.2)	(0.2)	(4.7)	-	(74.6)
Gross profit	83.1	221.3	178.6	66.5	140.3	160.1	11.8	19.1	-	880.8
Other income	0.5	1.4	-	1.1	0.2	0.8	1.0	4.6	-	9.6
Employee benefits expense	(21.5)	(46.2)	(32.1)	(13.7)	(28.1)	(39.1)	(3.6)	(42.6)	-	(226.9)
Energy expenses	(19.6)	(66.6)	(71.1)	(19.6)	(41.5)	(32.4)	(9.3)	(1.6)	-	(261.7)
Stores and consumables used	(9.0)	(20.4)	(15.4)	(9.0)	(15.4)	(16.6)	(3.8)	(6.2)	-	(95.8)
Contracting and consulting expense	(9.8)	(20.0)	(15.2)	(4.6)	(16.7)	(17.9)	(1.3)	(24.6)	-	(110.1)
Other expenses	(17.1)	(24.9)	(12.9)	(9.1)	(13.3)	(25.9)	0.1	44.3	-	(58.8)
Depreciation and amortisation expense	(15.5)	(20.4)	(6.8)	(3.5)	(17.5)	(12.4)	(0.9)	(2.7)	-	(79.7)
Result from operating activities before exceptional items	(8.9)	24.2	25.1	8.1	8.0	16.6	(6.0)	(9.7)	-	57.4
Restructuring expenses										(24.1)
Impairment losses										(615.0)
Result from operating activities										(581.7)
Finance income										7.4
Finance expenses										(21.1)
Net foreign exchange gain/(loss)										(0.1)
Net financing income/(expense)										(13.8)
Share of profit/(loss) of equity accounted investees (a)										6.9
Loss on the disposal of equity accounted investees										(17.7)
Profit/(loss) before income tax										(606.3)
Income tax benefit / (expense)										11.6
Profit/(loss) for the period										(594.7)
Segment assets	253.4	730.5	334.1	94.6	228.1	188.6	20.8	551.0	(1,061.3)	1,339.8
Segment liabilities	(154.4)	(115.3)	(181.3)	(41.9)	(33.8)	(62.9)	(11.2)	(1,089.2)	1,061.3	(628.7)
Net assets	99.0	615.2	152.8	52.7	194.3	125.7	9.6	(538.2)	-	711.1
Investment in equity accounted investees	-	-	-	-	-	-	9.4	15.6	-	25.0
Capital expenditure and major cyclical maintenance	(24.6)	(21.8)	(12.1)	(5.7)	(21.4)	(21.5)	(1.1)	(8.2)	-	(116.4)

(a) A split by investee is provided in note 13.

7 Acquisition of business

Acquisition of subsidiary: Mid-Tennessee Zinc mine complex

On 1 May 2009, the Group acquired a 100% interest in the Mid-Tennessee Zinc mine complex in Tennessee, US for € 9.0 million in cash. The mine complex was acquired from Mid-Tennessee Zinc Corporation (MTZ) (in Chapter 11 Bankruptcy), following approval from the US Bankruptcy Court on 1 May 2009.

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

In € millions	Recognised values on acquisition (*)
Property, plant and equipment	13.7
Cash and cash equivalents	-
Restoration provisions	(4.7)
Net identifiable assets and liabilities	9.0
Goodwill on acquisition	-
Consideration paid, satisfied in cash	9.0
Cash acquired	-
Net cash outflow	9.0

(*) The assets and associated liabilities have been purchased out of Chapter 11 at fair value.

If the acquisition had occurred on the 1 January 2009, management estimates that consolidated revenue for the period prior to the acquisition date would have been nil and consolidated losses for the period prior to the acquisition date would have been € 0.4 million, predominantly representing 'care and maintenance' costs. In determining these amounts, management has assured that the fair value adjustments that arose on the date of the acquisition would have been the same if the acquisition had occurred on the 1 January 2009.

Acquisition of subsidiary with minority interests: Coricancha mine

On 13 November 2009, the Group acquired an 85% interest in the Coricancha mine in Peru for € 10.2 million in cash from Gold Hawk Resources Inc (TSX-V:CGK) (Gold Hawk). Gold Hawk, a publicly listed Canadian based mining company, has retained a 15% interest.

As part of the transaction, the Group has also agreed to provide a three year commercial loan facility of (up to) US\$20 million and has assumed a parent company guarantee previously provided by Gold Hawk in relation to a US\$13 million debt facility related to the mine. The debt facility is currently fully drawn and expires in February 2010.

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

In € millions	Pre-acquisition carrying amounts	Fair value adjustments	Recognised values on acquisition
Property, plant and equipment	20.5	12.8	33.3
Inventories	0.3	-	0.3
Trade receivables	2.9	-	2.9
Deferred tax asset	10.2	(6.8)	3.4
Cash and cash equivalents	0.5	-	0.5
Provisions	(17.7)	8.7	(9.0)
Loans and borrowings	(11.0)	-	(11.0)
Deferred tax liabilities	-	(7.0)	(7.0)
Trade and other payables	(1.4)	-	(1.4)
Net identifiable assets and liabilities	4.3	7.7	12.0
Minorities' interest (15 %)			(1.8)
Goodwill on acquisition			-
Consideration paid, satisfied in cash			10.2
Cash acquired			0.5
Net cash outflow			9.7

If the acquisition had occurred on the 1 January 2009, management estimates that consolidated revenue for the period prior to the acquisition date would have been nil and consolidated losses for the period prior to the acquisition date would have been € 3.8 million, predominantly representing 'care and maintenance' costs. In determining these amounts, management has assured that the fair value adjustments that arose on the date of the acquisition would have been the same if the acquisition had occurred on the 1 January 2009.

Acquisition of subsidiary: East-Tennessee Zinc mine complex

On 7 December 2009, the Group acquired a 100% interest in the East-Tennessee Zinc mine complex in Tennessee, US from the Glencore Group for € 87.2 million in cash.

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

In € millions	Pre-acquisition carrying amounts	Fair value adjustments	Recognised values on acquisition
Property, plant and equipment	18.0	65.9	83.9
Intangible assets	-	4.5	4.5
Inventories	3.5	-	3.5
Cash and cash equivalents	1.9	-	1.9
Provisions	(3.9)	-	(3.9)
Trade and other payables	(2.7)	-	(2.7)
Net identifiable assets and liabilities	16.8	70.4	87.2
Goodwill on acquisition			-
Consideration paid, satisfied in cash			87.2
Cash acquired			1.9
Net cash outflow			85.3

If the acquisition had occurred on the 1 January 2009, management estimates that consolidated revenue for the period prior to the acquisition date would have been nil and consolidated losses for the period prior to the acquisition date would have been € 10.5 million, predominantly representing 'care and maintenance' costs. In determining these amounts, management has assured that the fair value adjustments that arose on the date of the acquisition would have been the same if the acquisition had occurred on the 1 January 2009.

8 Employee benefits expense

Recognised in the income statement	December 2009 - € millions	December 2008 - € millions
Wages and salaries	(164.6)	(184.2)
Compulsory social security contributions	(24.2)	(31.9)
Contributions to defined contribution plans	(8.6)	(3.2)
Increase in liability for long-service leave	(1.3)	(1.7)
Expenses related to defined benefit plans	(3.7)	(4.9)
Equity-settled share based payment transactions	(6.5)	(1.0)
	(208.9)	(226.9)

The workforce at Nyrstar group comprised of 3,346 employees (full time equivalents) with 48 % of our total personnel employed in Europe, 17 % in America and 35 % in Australia.

9 Finance income and expense

Recognised in the income statement	December 2009 - € millions	December 2008 - € millions
Finance income		
Interest income on cash and cash equivalents	1.8	7.4
	1.8	7.4
Finance expense		
Interest expense on loans and borrowings	(6.4)	(13.7)
Unwind of discount in provisions	(4.3)	(6.1)
Other finance charges	(0.9)	(1.3)
	(11.6)	(21.1)
Net foreign exchange gain/(loss)	3.0	(0.1)
Net financing income/(expense)	(6.8)	(13.8)

10 Income tax expense

a. Income tax expense recognised in the income statement

	December 2009 - € millions	December 2008 - € millions
Current income tax (expense)	(7.7)	(15.4)
Deferred income tax benefit	4.4	27.0
Income tax benefit/(expense)	(3.3)	11.6
Reconciliation of deferred income tax benefit:		
Deferred income tax benefit included in income tax expense comprises:		
Increase in deferred tax assets	23.7	(32.8)
Decrease in deferred tax liabilities	(19.3)	59.8
	4.4	27.0

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:

	December 2009 - € millions	December 2008 - € millions
Profit before income tax	13.7	(606.3)
Tax at aggregated weighted average tax rate	(5.6)	192.4
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Notional interest deduction	32.7	32.0
Non-taxable amounts	(27.7)	1.6
Net loss on disposal of equity accounted investees	5.0	(4.4)
Impairment of assets	1.0	(89.8)
Other	(1.8)	1.8
	3.6	133.6
Recognition of previously unrecognised tax losses	37.0	1.3
Recognition of previously unrecognised temporary differences	10.6	3.9
Non recognition of other temporary differences	(46.7)	(81.9)
Non recognition of tax losses	(26.1)	(56.3)
Overprovision for previous years income taxes	6.2	4.9
Irrecoverable withholding tax	(1.8)	(6.2)
Share of income tax of equity accounted investees	-	(1.9)
Foreign exchange differences	13.9	14.2
Income tax benefit / (expense)	(3.3)	11.6

Nyrstar recognised an income tax expense for the year ended 31 December 2009 of € 3.3 million representing a weighted average effective tax rate of 24.0 % (1.9 % for the year ended 31 December 2008). The main items impacting on taxable income are the non-recognition of Deferred Tax Assets attributable to tax losses in the US, Belgium, France and Australia, the notional interest deduction in Belgium and the non-deductibility of interest in The Netherlands.

c. Income tax recognised directly in equity

	December 2009 - € millions	December 2008 - € millions
Income tax benefit / (expense) recognised on cash flow hedges	9.8	(9.4)
Income tax benefit / (expense) recognised on defined benefits pension schemes	1.0	2.6
Income tax benefit / (expense) recognised on foreign currency translation reserve	-	0.6
Total income tax recognised directly in equity	10.8	(6.2)

11 Property, plant and equipment

31 December 2009 - € millions	Note	Land and buildings	Plant and equipment	Leased plant and equipment	Cyclical maintenance	Mining properties and development	Under construction	Total
Cost or deemed cost		111.7	938.2	1.6	56.7	63.7	52.9	1,224.8
Accumulated depreciation and impairment		(41.4)	(516.1)	(0.4)	(46.8)	-	(7.6)	(612.3)
Carrying amounts		70.3	422.1	1.2	9.9	63.7	45.3	612.5
Reconciliation of carrying amounts:								
Opening 1 January 2009		47.5	312.3	0.4	8.2	-	67.5	435.9
Acquired in business combination	7	8.6	56.2	-	-	62.7	3.4	130.9
Additions		0.2	9.5	0.5	1.3	-	56.4	67.9
Transfers		13.5	63.3	1.0	7.4	-	(85.2)	-
Disposals		(0.1)	(0.3)	-	-	-	-	(0.4)
Depreciation expense		(1.5)	(40.3)	(0.6)	(7.8)	-	-	(50.2)
Transferred to assets held for sale		-	-	-	-	-	-	-
Impairment		(0.4)	(1.2)	-	-	-	-	(1.6)
Exchange difference		2.5	22.6	(0.1)	0.8	1.0	3.2	30.0
Closing		70.3	422.1	1.2	9.9	63.7	45.3	612.5

31 December 2008 - € millions	Note	Land and buildings	Plant and equipment	Leased plant and equipment	Cyclical maintenance	Mining properties and development	Under construction	Total
Cost or deemed cost		86.3	747.6	2.0	44.4	-	67.5	947.8
Accumulated depreciation and impairment		(38.8)	(435.3)	(1.6)	(36.2)	-	-	(511.9)
Carrying amounts		47.5	312.3	0.4	8.2	-	67.5	435.9
Reconciliation of carrying amounts:								
Opening 1 January 2008		83.1	648.8	1.3	9.7	-	58.9	801.8
Acquired in business combination	7	-	-	-	-	-	-	-
Additions		0.1	2.6	-	2.8	-	110.9	116.4
Transfers		3.8	66.7	-	12.2	-	(82.7)	-
Disposals		(0.2)	(0.5)	-	-	-	-	(0.7)
Depreciation expense		(1.7)	(64.6)	(0.8)	(12.6)	-	-	(79.7)
Transferred to assets held for sale		(1.5)	(2.1)	-	-	-	(1.1)	(4.7)
Impairment		(33.8)	(309.9)	-	(2.7)	-	(12.6)	(359.0)
Exchange difference		(2.3)	(28.7)	(0.1)	(1.2)	-	(5.9)	(38.2)
Closing		47.5	312.3	0.4	8.2	-	67.5	435.9

Impairment

The impact of impairment recognized in the 2009 income statement for € 2.4 million (net reversal) comprises of two transactions:

- a reversal of €4 million of previously recognised impairment losses of Nyrstar Yunnan Zinc Alloys Co Ltd (refer to note 21 for more details);
- in November 2009, Nyrstar announced its intention to close the operations of its wholly-owned subsidiary GM Metal. As a result, an impairment of €1.6 million has been recognised in respect of the fixed assets.

12 Intangible assets

31 December 2009 - € millions	Note	Exploration & evaluation (a)	Goodwill	Patents and Trademarks	Emission Rights	Total
Cost		4.5	-	-	3.5	8.0
Accumulated amortisation		-	-	-	(0.7)	(0.7)
Carrying amounts		4.5	-	-	2.8	7.3
Reconciliation of carrying amounts:						
Opening 1 January 2009		-	-	-	3.0	3.0
Additions		-	-	-	0.1	0.1
Acquired in business combinations	7	4.5	-	-	-	4.5
Depreciation expense		-	-	-	(0.3)	(0.3)
Closing		4.5	-	-	2.8	7.3

31 December 2008 - € millions	Note	Exploration & evaluation (a)	Goodwill	Patents and Trademarks	Emission Rights	Total
Cost		-	-	-	3.4	3.4
Accumulated amortisation		-	-	-	(0.4)	(0.4)
Carrying amounts		-	-	-	3.0	3.0
Reconciliation of carrying amounts:						
Opening 1 January 2008		-	254.8	1.2	-	256.0
Additions		-	-	-	3.4	3.4
Acquired in business combinations	7	-	-	-	-	-
Impairment loss		-	(254.8)	(1.2)	-	(256.0)
Depreciation expense		-	-	-	(0.4)	(0.4)
Closing		-	-	-	3.0	3.0

(a) Exploration and evaluation: useful life not determined until transferred to property, plant & equipment

13 Investments in equity accounted investees

A summary of the Group's investment in equity accounted investees is set out in the following table:

	December 2009 - € millions	December 2008 - € millions
Carrying amount at the beginning of the period	25.0	103.0
Movements of the period:		
Share of profit (after tax) of equity accounted investees	4.0	6.9
Distribution from joint venture	(12.7)	(26.8)
Increase in investment in equity accounting investee	0.2	-
Sale of investee	-	(50.1)
Exchange difference	10.3	(8.0)
Carrying amount at the end of the period	26.8	25.0

Summary financial information for equity accounted investees, adjusted for the percentage ownership held by the Group, is as follows:

In € millions	Ownership %	Current assets	Non current assets	Current liabilities	Non current liabilities	Revenues	Profit / (loss)
31 December 2009							
ARA (Joint venture)	50.0	5.5	49.1	(2.9)	(0.1)	23.8	3.7
Genesis (Joint venture)	50.0	1.8	0.8	(2.6)	-	8.4	(0.1)
Föhl China (Associate)	50.0	1.2	0.5	(0.6)	(0.2)	2.2	0.4
		8.5	50.4	(6.1)	(0.3)	34.4	4.0
31 December 2008							
ARA (Joint venture)	50.0	4.7	34.3	(1.5)	(0.1)	26.0	6.3
Genesis (Joint venture)	50.0	3.4	0.7	(3.9)	-	13.7	0.3
Föhl China (Associate)	50.0	-	0.1	(0.1)	-	1.9	0.3
		8.1	35.1	(5.5)	(0.1)	41.6	6.9

During the year ended 31 December 2009, the Australian Refined Alloys joint venture made distributions totaling € 12.7 million. In accordance with Nyrstar accounting policy, the distribution was set-off against the equity accounted investment, reducing the carrying value of the investment in the Australian Refined Alloys joint venture.

14 Investments in equity securities

On 28 September 2009, the Group announced an agreement to acquire a 19.9% interest in Ironbark Zinc Limited (ASX-IBG) (Ironbark), an Australian publicly listed company for € 4.1 million in cash.

The acquisition occurred by way of an issue of new shares in Ironbark to the Group in two tranches. The first tranche, giving the Group a 13% interest, was completed on 6 October 2009 and the second tranche, increasing the Group's interest to 19.9%, was completed on 3 December 2009.

As part of the acquisition, Ironbark has also agreed to grant the Group a life of mine off-take agreement in relation to 35% of the production of the Citronen zinc-lead deposit once commercial production commences.

A summary of the Group's investment in other equity securities is set out in the following table:

	December 2009 - € millions	December 2008 - € millions
Carrying amount at the beginning of the period	-	-
Movements of the period:		
Purchase of investment	4.1	-
Changes in fair value	1.4	-
Carrying amount at the end of the period	5.5	-

15 Deferred tax assets and liabilities

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes relate to the same fiscal authority.

Recognised deferred tax assets and liabilities

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

In € millions	Assets Dec 2009	Assets Dec 2008	Liabilities Dec 2009	Liabilities Dec 2008	Net Dec 2009	Net Dec 2008
Employee benefits	8.5	6.8	-	-	8.5	6.8
Environmental provisions	9.3	8.6	-	-	9.3	8.6
Receivables	-	0.4	-	(8.1)	-	(7.7)
Other provisions	1.1	1.8	-	-	1.1	1.8
Embedded derivatives	-	-	(9.6)	-	(9.6)	-
Property, plant and equipment	25.2	19.5	(56.1)	(48.9)	(30.9)	(29.4)
Inventories	2.0	2.2	-	-	2.0	2.2
Deferred expenditure	-	0.8	(3.5)	(1.7)	(3.5)	(0.9)
Tax credit notional interest deduction	6.2	-	-	-	6.2	-
Tax losses carried forward	3.6	-	-	-	3.6	-
Other	2.6	-	0.2	(1.2)	2.8	(1.2)
Items recognised directly in equity	-	3.2	-	(9.4)	-	(6.2)
Tax (assets)/liabilities	58.5	43.3	(69.0)	(69.3)	(10.5)	(26.0)
Set off of tax	(19.4)	(28.9)	19.4	28.9	-	-
Net assets/ (liabilities)	39.1	14.4	(49.6)	(40.4)	(10.5)	(26.0)

Unrecognised deferred tax assets

In € millions	Balance 31 Dec 2007	Additions	Balance 31 Dec 2008	Additions	Balance 31 Dec 2009
Deductible temporary differences	-	81.9	81.9	(3.6)	78.3
Tax losses	19.4	56.3	75.7	4.5	80.2
	19.4	138.2	157.6	0.9	158.5

Expiration of tax effected unrecognised temporary differences and tax losses

In € millions	Net deductible temporary differences Dec 2009	Tax losses c/fwd Dec 09	Total Dec 2009	Net deductible temporary differences Dec 2008	Tax losses c/fwd Dec 2008	Total Dec 2008
No expiration date	79.5	60.6	140.1	75.2	63.1	138.3
Expiration date 7 years	18.4	-	18.4	6.7	-	6.7
Expiration date 9 years	-	-	-	-	12.6	12.6
	97.9	60.6	158.5	81.9	75.7	157.6

16 Other financial assets and liabilities

	December 2009 - € millions	December 2008 - € millions
Non-current assets		
Commodity contracts – fair value hedges	23.9	0.2
Fair value of underlying hedged risk	-	0.1
Embedded derivatives	30.0	52.4
	53.9	52.7
Current assets		
Commodity contracts – fair value hedges	32.6	0.8
Fair value of underlying hedged risk	-	8.9
Commodity contracts – held for trading	-	6.5
Foreign exchange contracts – held for trading	0.8	4.5
Embedded derivatives	2.2	5.0
	35.6	25.7
Non-current liabilities		
Commodity contracts – fair value hedges	0.2	0.1
Fair value of underlying hedged risk	-	0.2
	0.2	0.3
Current liabilities		
Commodity contracts – fair value hedges	11.5	8.6
Fair value of underlying hedged risk	-	1.3
Commodity contracts – held for trading	-	23.2
Foreign exchange contracts – held for trading	5.8	9.4
Embedded derivatives	-	-
Total current other financial liabilities	17.3	42.5

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

The fair value of derivatives hedging the inventories and the fixed forward sales contracts resulted in a net asset of € 44.8 million (31 December 2008 net payable: € 7.7 million) being recognised on the balance sheet.

The fair value of commodity and foreign exchange derivatives that are commercially effective hedges but do not meet the strict IFRS hedge effective criteria, are classified as held for trading and resulted in a net payable of € 5.0 million (31 December 2008 net payable: € 21.6 million).

The Group's exposure to currency and commodity risk related to other financial assets and liabilities is disclosed in note 29.

b. Embedded derivatives

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 Group's consolidated balance sheet. The effective portion of changes in the fair value of the Group's embedded derivative are recognised in the cashflow hedge reserve in equity, whilst changes in the fair value of the ineffective hedge portion are recognised in the consolidated income statement.

The change in fair value on the effective portion of the Group's embedded derivatives during the year ended 31 December 2009 with a negative impact of € 32.7 million (31 December 2008: positive impact of €37.5 million) was recognised in the Cashflow hedge reserve whilst changes in fair value on the ineffective portion of € 5.3 million (31 December 2008: € 7.3 million) were recognised in the income statement within energy expenses.

17 Inventories

	December 2009 - € millions	December 2008 - € millions
Raw materials	212.1	147.3
Work in progress	170.0	58.1
Finished goods	41.4	34.6
Stores and consumables	36.6	26.8
Fair value adjustment	20.4	-
Total inventories	480.5	266.8

Inventories of finished metals, concentrates and work in progress are valued at the lower of cost or net realisable value. In the year ended 31 December 2009 the negative impact of € 7.9 million, reported in previous year as net realisable value adjustment of inventories, has been reversed.

As the Group applies hedge accounting as described in note 3(h) as from 2009, the hedged items of inventories are valued at fair value. The fair value adjustment as part of the carrying value of inventories at 31 December 2009 amounts to €20.4 million.

18 Other liabilities

Current	December 2009 - € millions	December 2008 - € millions
Fair value of underlying hedged risk	27.5	-
Total current	27.5	-

Non-Current	December 2009 - € millions	December 2008 - € millions
Fair value of underlying hedged risk	23.9	-
Total non-current	23.9	-

The other liabilities relate to the fair value of the underlying hedged items on the fixed forward sales contracts for a total of € 51.4 million, being offset by the fair value of hedging derivatives on these fixed forward sales contracts as reported in note 16 Other financial assets and liabilities, which amounts to € 54.8 million as at 31 December 2009.

19 Trade and other receivables

	December 2009 - € millions	December 2008 - € millions
Trade receivables	160.3	179.6
Less: Provision for receivables impairment	(4.5)	(5.0)
Net trade receivables	155.8	174.6
Other receivables	6.9	19.5
Total trade and other receivables	162.7	194.1

The Group's exposure to currency and liquidity risk related to trade and other receivables is disclosed in note 29.

20 Cash and cash equivalents

	December 2009 - € millions	December 2008 - € millions
Cash at bank and on hand	34.9	104.8
Short-term bank deposits	49.1	192.2
Total cash and cash equivalents	84.0	297.0

Cash at bank or on hand and short-term deposits earned a combined weighted average interest rate of 0.20% for calendar year 2009 (31 December 2008: 1.86% per annum).

The Group's exposure to interest rate risk and a sensitivity analysis for financial assets and liabilities are disclosed in note 29.

21 Assets held for sale and disposal of subsidiaries

The intention to dispose of the Group's 60% interest in Nyrstar Yunnan Zinc Alloys Co Ltd (NYZA) to our joint venture partner, Yunnan Yun Tong Zinc Co Limited (YTZ), was originally announced in October 2008, at which time NYZA's assets and liabilities were classified as held for sale and an impairment loss of €39.6 million was recognised, impairing the investment in full. As at the 30 June 2009 a review of NYZA assets and liabilities held for sale was conducted, leading to a reversal of €4 million of previously recognised impairment losses. On 3 August 2009, the Group completed the sale of its 60% interest in NYZA to YTZ. The 2009 final sale generated proceeds amounting to € 5.1 million, resulting in a profit on disposal attributable to the Group of € 6.0 million.

	Note	December 2009 - € millions	December 2008 - € millions
Assets classified as held for sale			
Trade and other receivables		-	0.2
Inventories		-	3.1
Property, plant and equipment	11	-	4.7
Prepayments		-	0.3
Cash and short term deposits		-	2.9
		-	11.2
Liabilities classified as held for sale			
Trade and other payables		-	6.0
Interest bearing loans and borrowings		-	5.2
		-	11.2

22 Capital and reserves

Share capital and share premium

Based on the provisions of IFRS 3 **Business Combinations**, the Group's share capital under a reverse acquisition equates to that of the accounting acquirer plus any capital issued to acquire the accounting acquiree. Therefore the share capital and premium disclosed in the consolidated financial statements as at 31 December 2009, represents the combined share capital of the Zinifex Carve-out Group, € 371.6 million, plus the issuance of share capital to acquire the Nyrstar and Umicore Carve-out Group, € 883.8 million.

As at the 31 December 2009 the authorised share capital of Nyrstar NV comprised of 100 million ordinary shares (31 December 2008: 100 million) with a par value of € 14.91, previously € 20 with an additional share premium of € 1.95. This reduction refers to a decision by the extraordinary Shareholders' meetings held on 29 April 2009 and 23 May 2009 to decrease the share capital to absorb the retained losses arising from the 2008 impairment charge and thereby to restore the Company's potential future dividend capacity. 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.

Dividends

In respect of the year ended 31 December 2009 a dividend of € 0.10 per share, amounting to a total dividend of € 10.0 million, is to be proposed at the annual general meeting on 28 April 2010. These financial statements do not reflect this dividend payable.

Reconciliation of movement in reserves

In € millions	Treasury shares	Translation reserve	Reverse acquisition reserve	Cashflow hedge reserve	Convertible bond	Investments reserve	Total
Balance at 1 January 2009	(6.2)	(34.8)	(273.0)	28.1	-	-	(285.9)
Reverse acquisition of Zinifex Carve-out Group	-	-	-	-	-	-	-
Other comprehensive income	-	68.5	-	(22.8)	-	1.4	47.1
Acquisition of treasury shares	-	-	-	-	-	-	-
Convertible bond – equity component	-	-	-	-	8.8	-	8.8
Balance at 31 December 2009	(6.2)	33.7	(273.0)	5.3	8.8	1.4	(230.0)

22 Capital and reserves (continued)

€ millions	Treasury shares	Translation reserve	Reverse acquisition reserve	Cashflow hedge reserve	Convertible bond	Investments reserve	Total
Balance at 1 January 2008	-	32.6	(241.5)	-	-	-	(208.9)
Reverse acquisition of Zinifex Carve-out Group	-	-	(31.5)	-	-	-	(31.5)
Other comprehensive income	-	(67.4)	-	28.1	-	-	(39.3)
Acquisition of treasury shares	(6.2)	-	-	-	-	-	(6.2)
Convertible bond – equity component	-	-	-	-	-	-	-
Balance at 31 December 2008	(6.2)	(34.8)	(273.0)	28.1	-	-	(285.9)

a. Treasury shares

The treasury shares reserve comprises the par value of the Company's share held by the Group. As at 31 December 2009, the Group held 310 thousand of the Company's shares (equal to 31 December 2008).

The difference between the par value of the treasury shares purchased (€ 6.2 million) and the consideration paid for the treasury shares which includes directly attributable costs (€ 1.7 million) of € 4.5 million is recognised directly in retained earnings.

b. Translation reserve

Foreign currency differences arising on the translation of the financial statements of foreign controlled entities are taken to the foreign currency translation reserve, as described in accounting policy note 3(b).

c. Reverse acquisition reserve

The reverse acquisition reserve of € 273.0 million (equal to December 2008), presented as a separate component of equity is made-up as follows:

	€ millions
Parent's company carrying value of investment (Purchase price to acquire Zinifex Carve-out Group)	1,552.6
Carrying value of the shares of Nyrstar acquired	(1,311.1)
Reverse acquisition reserve 31 December 2007	241.5
Purchase price adjustment under the BCSA ¹	31.5
Reverse acquisition reserve 31 December 2008	273.0

1 In the first half of 2008, Nyrstar was required to pay Zinifex Ltd € 30.1 million as a final purchase price adjustment under the Business Combination and Shareholders Agreement ("BCSA") for the transfer of Zinifex zinc and lead smelting and alloying businesses.

In addition, receivables of € 1.4 million held by entities formerly known as the Zinifex Carve-out Group, were identified as purchase price adjustments under the BCSA.

Both payments increase the parent company's carrying value of investment in the Zinifex Carve-out Group and hence increases the value of the reverse acquisition reserve.

d. Cashflow hedge reserve

The cashflow hedge reserve comprises the effective portion of the cumulative net change in the fair value and associated tax effect of an embedded derivative contained in the Hobart smelter electricity contract with its electricity supplier.

e. Convertible bond

The amount represents the value of the conversion rights of compound financial instruments, recognised in equity as described in accounting policy note 3 (m) relating to the convertible bond issued in July 2009 (Note 23).

f. Investments in equity securities

The investment reserve comprises the changes in fair value of investments in equity securities determined by reference to their quoted closing bid prices, recognised in equity as described in accounting policy note 3 (g).

g. Disclosure of the shareholders' structure

The Group's major shareholders based on notifications of significant shareholdings received as at 31 December 2009 were:

Shareholder's name	Shareholder's address	Date of notification	Number of voting rights	% Shareholding
BlackRock Group	33 King William Street, London EC4R 9AS, UK	7/12/2009	10,308,767	10.31
Glencore Holdings AG	Baarmattstrasse 3, 6340 Baar, Switzerland	9/2/2009	7,791,622	7.79
Umicore N.V.	Broekstraat 31, 1000 Brussels, Belgium	1/9/2008	5,251,856	5.25
			23,352,245	23.35

23 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 29.

	December 2009 - € millions	December 2008 - € millions
Non-current		
Unsecured bank loans	0.3	149.8
Convertible bond	109.2	-
Finance lease liabilities	0.5	-
	110.0	149.8
Current		
Unsecured bank loans	9.3	0.2
Other loans	1.9	-
Finance lease liabilities	0.8	0.3
	12.0	0.5

Convertible bonds

On 2 July 2009, the Company issued € 105 million unsubordinated unsecured convertible bonds, with a five year term, due 2014. On 7 July 2009, the Company completed the exercise of the € 15 million over-allotment option, increasing the overall size of the offering to € 120 million. The extra-ordinary general meeting held by the Company on 25 August 2009, approved the issue of new ordinary shares upon conversion of the bonds.

The bonds have been issued at 100 per cent of their principal amount and have a coupon of 7 per cent per annum, payable semi-annually in arrears. The conversion price is € 7.6203 per share, corresponding to a premium of 27.5%.

The conversion right in respect of a bond may be exercised, 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 for redemption prior to the final maturity date, until the seventh day before the date fixed for redemption.

If all of the Bonds were to be converted into new ordinary shares at the aforementioned conversion price, 15,747,411 new ordinary shares would be issued, representing a dilution of 15.7 % of the Company's ordinary share capital.

The Bonds are listed on the Luxembourg Stock Exchange's Euro MTF Market.

23 Loans and borrowings (continued)

The convertible bonds are presented in the statement of financial position as follows:

	December 2009 - € millions
Proceeds from issue of convertible bonds	120.0
Transaction costs	(2.5)
Net proceeds	117.5
Amount classified as equity	(8.8)
Accretion	0.5
Carrying amount of liability at 31 December 2009	109.2

The liability component of the convertible bond has been determined on initial recognition at fair value by discounting the principal and the interest cash flows of the bond using an interest rate for similar bonds without an equity component set at 9.09%.

Terms and debt repayment schedule

Terms and conditions of outstanding loans were as follows:

				December 2009 - € millions		December 2008 - € millions	
	Currency	Nominal interest rate	Year of maturity	Face value	Carrying amount	Face value	Carrying amount
Unsecured bank loan	EUR	EURIBOR +32.5bp	2010	-	-	150.0	150.0
Unsecured bank loan	USD	12.00 %	2010	9.1	9.1	-	-
Convertible bonds	EUR	7.00%	(*)2014	120.0	109.2	-	-
Finance lease liabilities	AUD	6.20%	2011	1.3	1.3	0.3	0.3
Other	USD	-	2010	1.9	1.9	-	-
Other	EUR	-	2010	0.5	0.5	-	-
Total interest bearing liabilities				132.8	122.0	150.3	150.3

(*)The Company may, at any time on or after 10 July 2012, redeem the 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.

Finance lease liabilities	December 2009 - € millions	December 2008 - € millions
Commitments in relation to finance leases are payable as follows		
Within one year	0.8	0.3
Later than one year but not later than five years	0.5	-
Recognised as a liability	1.3	0.3

The Group's exposure to liquidity and currency risk related to loans and borrowings is disclosed in note 29.

24 Provisions

	Current portion				Non-current portion			
	Restoration	Restructure	Workers' compensation and other	Total	Restoration	Restructure	Workers' compensation	Total
31 December 2009								
Carrying amount at start of period	12.9	24.1	2.1	39.1	108.0	-	3.2	111.2
Payments/other sacrifices of economic benefits	(1.4)	(19.4)	(1.9)	(22.7)	(5.5)	(0.3)	-	(5.8)
Acquired in business combination	-	-	-	-	17.6	-	-	17.6
Additional provisions/(reversal of provisions)	3.3	23.8	1.0	28.1	(15.1)	0.2	0.1	(14.8)
Transfers	(0.6)	(12.4)	-	(13.0)	-	4.7	-	4.7
Unwind of discount	-	-	-	-	1.2	-	0.2	1.4
Foreign exchange translation	0.4	1.3	0.2	1.9	8.0	0.1	0.5	8.6
Carrying amount at end of period	14.6	17.4	1.4	33.4	114.2	4.7	4.0	122.9

	Current portion				Non-current portion			
	Restoration	Restructure	Workers' compensation and other	Total	Restoration	Restructure	Workers' compensation	Total
31 December 2008								
Carrying amount at start of period	15.1	-	2.8	17.9	112.4	-	3.6	116.0
Payments/other sacrifices of economic benefits	(7.0)	-	(1.9)	(8.9)	(1.3)	-	-	(1.3)
Acquired in business combination	-	-	-	-	-	-	-	-
Additional provisions	4.3	24.1	1.2	29.6	1.8	-	-	1.8
Unwind of discount	-	-	-	-	3.8	-	0.2	4.0
Foreign exchange translation	0.5	-	-	0.5	(8.7)	-	(0.6)	(9.3)
Carrying amount at end of period	12.9	24.1	2.1	39.1	108.0	-	3.2	111.2

Restoration provisions

Restoration work on the projects provided for is estimated to occur progressively over the next 15 years. The discount rates applied to the carrying values is 7.5% (31 December 2008: 7.5%) for all environmental provisions.

Restructuring provisions

In 2009 Nyrstar continued its global organisational restructuring program over a two year period concluding in 2010, with the objective of reducing costs and positioning the Company for a long-term sustainable future. As a result, a provision of €24.0 million has been made for 2009, in addition to the €24.1 million provision in 2008.

This program incorporates the previously announced Balen restructuring program and Global Marketing and Services restructuring program, and the recently announced closure of GM Metal. The total cost of the program, including termination, associated consulting fees and employee termination benefits is estimated to be €48.1 million, with a provision of €22.1 million remaining at 31 December 2009.

Workers' compensation and other provisions

Workers' compensation payments made by self insured operations (applicable for the following Group entities: Nyrstar Port Pirie Pty Ltd, Nyrstar Hobart Pty Ltd and Nyrstar Clarksville Inc) will continue over the life of the operations. The weighted average discount rate applied to the carrying values of workers' compensation is 3.6% (31 December 2008: 3.0%).

It is anticipated that all other provisions will be satisfied within the next twelve months.

25 Employee benefits

	December 2009 - € millions	December 2008 - € millions
Non-current employee provisions		
Long service leave (a)	3.5	1.7
Retirement plans (b)	39.0	31.8
Other	7.7	4.3
	50.2	37.8
Current employee provisions		
Annual leave and long service leave (a)	22.6	24.0
Other	15.6	8.2
	38.2	32.2

(a) Annual leave and long service leave

Annual leave is 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.

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 government bonds with terms to maturity and currency that match the estimated future cash flows.

(b) 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

- Nyrstar Australia Pty Limited Superannuation Accumulation Plan
- Group Stakeholder Pension Plan

Defined benefit plans

- Nyrstar Australia Pty Limited Superannuation Defined Benefit Plan, reviewed at the settlement date of the plan as at 31 August 2009.
- 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 reviewed as at 31 December 2009.
- 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.
- Nyrstar Budel BV Excedent Pension Plan reviewed as at 31 December 2009.
- 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", reviewed as at 31 December 2009.
- Nyrstar Finance SA/NV: Staff Cash Balance Plan, Staff Complementary Savings Plan, reviewed as at 31 December 2009.
- Nyrstar NV: Staff Cash Balance Plan, Staff Complementary Savings Plan, reviewed as at 31 December 2009.
- Nyrstar Sales & Marketing NV: Staff Cash balance plan, Staff Complementary Savings Plan, reviewed as at 31 December 2009.
- Nyrstar France Régime d'Indemnités de Fin de Carrière and Régime du Mutuelle, reviewed as at 31 December 2009.
- Nyrstar Germany GmbH, closed Defined Benefit plan, reviewed as at 31 December 2009.
- Galva 45 SA Régime d'Indemnités de Fin de Carrière, reviewed as at 31 December 2009 .
- GM Metal SAS Régime d'Indemnités de Fin de Carrière, reviewed as at 31 December 2009.

Medical benefit plans

- Nyrstar Clarksville Inc Post Retirement Medical Benefit and Life Insurance Plan ("PRMB&LI"), reviewed as at 31 December 2009. Defined benefit accounting is applied for the PRMB&LI.
- Nyrstar France Régime de Médailles du Travail, reviewed as at 31 December 2009.

The amounts recognised on the balance sheet have been determined as follows:

	December 2009 - € millions	December 2008 - € millions
Present value of funded obligations	51.4	62.8
Present value of unfunded obligations	29.4	15.1
Total present value of obligations	80.8	77.9
Fair value of plan assets	(41.2)	(45.4)
Unrecognised past service costs	(0.6)	(0.7)
Total recognised retirement benefit obligations	39.0	31.8

Plan assets comprise:

	December 2009 - € millions	December 2008 - € millions
Cash	0.4	1.5
Equity instruments	13.1	14.5
Debt instruments	14.9	14.1
Property	-	1.0
Other assets	12.8	14.3
	41.2	45.4

Plan assets split by major category are not available for the Nyrstar Budel BV Excedent Pension Plan, therefore all assets been classified within other assets.

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

	December 2009 - € millions	December 2008 - € millions
Defined benefit obligations at start of period	77.9	82.0
Current service cost	2.4	3.3
Interest cost	4.5	6.5
Actuarial (gains)/losses recognised in equity	6.1	(6.8)
Contributions paid into the plans by participants	0.2	0.6
Benefits paid by the plans	(8.4)	(9.9)
Plan amendment	5.9	(0.4)
Plan settlement	(8.1)	-
Acquisitions/divestures	-	9.9
Foreign exchange translation	0.3	(7.3)
Defined benefit obligations at end of period	80.8	77.9

25 Employee benefits (continued)

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

	December 2009 - € millions	December 2008 - € millions
Fair value of plan assets at start of period	45.4	59.0
Expected return on plan assets	2.5	4.9
Actuarial gains/ (losses) recognised in equity	2.8	(11.7)
Contributions paid into the plans by employer	4.0	9.3
Contributions paid into the plans by participants	0.2	0.6
Benefits paid by the plan	(6.2)	(9.9)
Plan settlement	(8.1)	-
Acquisitions/divestures	-	0.4
Exchange difference	0.6	(7.2)
Fair value of plan assets at end of period	41.2	45.4

The expense recognised in the income statement is as follows:

	December 2009 - € millions	December 2008 - € millions
Current service cost	(2.4)	(3.3)
Interest cost	(4.5)	(6.5)
Amortisation of actuarial gains/(losses)	(0.1)	-
Amortisation of curtailment	0.8	-
Expected return on plan assets	2.5	4.9
Total amounts included in employee benefits expense	(3.7)	(4.9)

The actuarial gains and losses recognised directly in equity are as follows:

	December 2009 - € millions	December 2008 - € millions
Cumulative at start of period	1.6	6.5
Recognised during the period	(3.3)	(4.9)
Cumulative at end of period	(1.7)	1.6

Principal actuarial assumptions

The principal actuarial assumptions used at the reporting date (expressed as weighted averages):

	December 2009 - € millions	December 2008 - € millions
Discount rate	5.27%	6.20%
Expected return on plan assets	5.59%	6.20%
Expected future salary increases	2.00%	3.75%
Annual increase in healthcare costs		
Initial trend rate	5.74%	5.90%
Ultimate trend rate	4.10%	4.10%
Years until ultimate is reached	3	3

The expected long-term rate of return is based on the portfolio as a whole and not on the sum of the returns on individual asset categories. The expected rate of return is based on historical returns.

26 Trade and other payables

	December 2009 - € millions	December 2008 - € millions
Current		
Trade payables	239.7	149.4
Other payables	8.9	7.6
Total trade and other payables	248.6	157.0

The Group's exposure to currency and liquidity risk related to trade and other payables is disclosed in note 29.

27 Share-based payments

The Company has established an Employee Share Acquisition Plan ("ESAP") and an Executive Long Term Incentive Plan ("LTIP") (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:

Employee Share Acquisition Plan

Under the ESAP Grant 1 eligible employees who were employed by the Group at the grant date or six months thereafter were awarded a conditional right to receive Nyrstar shares.

Under the ESAP Grant 2 eligible employees who were employed by the Group at the grant date or three months thereafter were awarded a conditional right to receive Nyrstar shares.

The terms of the grants are detailed in the table below:

	Grant 1	Grant 2
Effective Grant Date	1 November 2007	29 October 2008
Performance Period	3 years to 1 November 2010	3 years to 29 October 2011
Performance Criteria	Employee remains in service to the 1 November 2010	
Vesting Date	1 November 2010	29 October 2011
Settlement (a)	Shares	Shares
Shares awarded per employee	50	50
Fair Value of ESAP at grant date (euro per share)	17.34	1.43

(a) The Board has the discretion to settle the award in shares or cash equivalent. However, the Company does not have a present obligation to settle in cash and as such the award is currently valued as equity settled. If this position changes and the awards become 'cash settled' then the fair value will need to be re-measured.

If a participating employee leaves the Group prior to the vesting date, he or she will either forfeit his or her rights under the Employee Award. Notwithstanding the above performance criteria the award will vest in full immediately in case the participating employee dies before his award has vested or in case the participating employee leaves the company by reason of official retirement before his award has vested.

Employees will not be entitled to dividends, voting or other ownership rights in respect of the Employee Awards until they vest.

The fair value of services received in return for the shares issued under the ESAP is based on the fair value of the shares granted which for the period to 31 December 2009 was € 0.7 million before tax effects (31 December 2008: € 0.7 million).

27 Share-based payments (continued)

Movement of ESAP shares awarded

The following table sets out the movement in the number of equity instruments granted during the period in relation to the ESAP:

Date	Movement	Grant 1	Grant 2	Total
1 January 2009	Opening Balance	154,500	160,700	315,200
31 December 2009	Forfeitures	(19,000)	(19,850)	(38,850)
31 December 2009	Closing Balance	135,500	140,850	276,350

Date	Movement	Grant 1	Grant 2	Total
1 January 2008	Opening Balance	193,250	-	193,250
29 October 2008	Initial allocation	-	160,700	160,700
31 December 2008	Forfeitures	(38,750)	-	(38,750)
31 December 2008	Closing Balance	154,500	160,700	315,200

Executive Long Term Incentive Plan

In April 2008 an initial grant (Grant 1) was made in accordance with the rules and conditions of the Executive Long Term Incentive Plan (LTIP). This 2008 Grant consists of 3 tranches of which the key terms are set out below.

During the first half of 2009 a second grant (Grant 2) was made in accordance with the rules and conditions of the LTIP. The effective accounting grant date of Grant 2 is 30 June 2009 and the performance period over which the performance conditions are assessed is three years, commencing 1 January 2009. Settlement of the awarded shares can be either in the way of an allocation of shares or a cash payment.

Towers Watson Limited was engaged to determine the fair value of awards issued under LTIP at grant date and 31 December 2009. Fair values have been calculated using the Monte Carlo simulation model.

	GRANT 1	GRANT 1	GRANT 1	GRANT 2
	Tranche 1	Tranche 2	Tranche 3	Tranche 1
Effective Grant Date	23 April 2008	23 April 2008	23 April 2008	30 June 2009
Performance Period	12 months to 31 December 2008	1 January 2008 to 31 December 2009	1 January 2008 to 31 December 2010	1 January 2009 to 31 December 2011
Performance Criteria (a)	Executive remains in service to the 31 December 2008	-zinc price 50% -MSCI 50% Executive remains in service to the 31 December 2009	-zinc price 50% -MSCI 50% Executive remains in service to the 31 December 2010	-zinc price 50% -MSCI 50% Executive remains in service to the 31 December 2011
Vesting Date	1 January 2011	1 January 2011	1 January 2011	31 December 2011
Settlement (b)	Cash	Cash	Share	Share/cash
Fair Value of LTIP at grant date (euro per share)				
- remains in service	€13.3	N/A	N/A	N/A
- ROCE	N/A	€12.80	€12.31	N/A
- TSR	N/A	€6.35	€6.76	N/A
- Price of zinc	N/A	N/A	N/A	€3.20
- MSCI	N/A	N/A	N/A	€3.45
Fair Value of LTIP at 31 December 2009 (euro per share)				
- remains in service	€8.34	N/A	N/A	N/A
- Price of zinc	N/A	€5.34	€12.31	€3.20
- MSCI	N/A	€8.34	€6.76	€3.45

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

The fair value of services received in return for the shares issued under the LTIP is based on the fair value of the share options granted which for the period to 31 December 2009 amounts to:

Grant 1: € 4.3 million before tax effects (31 December 2008: € 0.9 million)

Grant 2: € 1.3 million before tax effects (31 December 2008: nil)

(a) Performance criteria

The performance conditions are set out below.

Executive remains in service to 31 December 2008.

The eligible employee under the LTIP is to remain an employee of Nyrstar NV or its subsidiaries until the 31 December 2008.

Price of zinc / MSCI

To ensure that the LTIP is aligned with maximising shareholder returns, the Board has set two performance conditions, which are weighted equally at fifty percent. The performance conditions of Grant 1 (tranches 2 and 3) were modified on 28 April 2009 to become the same as the performance conditions for Grant 2.

There are two separate performance conditions with an equal number of awards granted under each condition. 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:

- Price of zinc
- MSCI World Metals and Mining Index

Shares are awarded pro rata to executives to the extent that predetermined scaling thresholds for each of the performance conditions are met. The vesting schedule is set out in the table below:

Price of zinc (50%)		MSCI World Metals and Mining Index (50%)	
Annual performance of the Nyrstar share price compared to the share price implied by the price of zinc	% vesting	Annual performance of the Nyrstar share price compared to the share price implied by this index	% vesting
> 500 bp	100	> 500 bp	100
> 400 bp	80	> 400 bp	80
> 300 bp	60	> 300 bp	60
> 200 bp	40	> 200 bp	40
> 100 bp	20	> 100 bp	20
> 000 bp	0	> 000 bp	0

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

In accordance with IFRS 2, modifying an equity settled award is accounted for by continuing to spread the charge relating to the original award based on the original fair value and vesting period. In addition, the incremental charge calculated at the date of the replacement would be spread over the vesting period of the replacement award. No incremental charge has been recognized since the post modification performance conditions as set out above, result in lower fair values than under the former performance conditions applicable to Grant 1 (Return on Capital Employed and Total Shareholder Return).

(b) Settlement

Tranche 1 and 2 under LTIP Grant 1 are cash settled share based payment plans and accordingly the tranches are to be revalued at each reporting date.

The Board has the discretion to settle LTIP Grant 2 award in shares or cash equivalent. However, the Company does not have a present obligation to settle in cash and as such the award is currently valued as equity settled. If this position changes and the awards become 'cash settled' then the fair value will need to be re-measured.

27 Share-based payments (continued)

Movement of LTIP shares awarded

The following table sets out the movement in the number of equity instruments granted during the period in relation to the LTIP:

Date	Movement	GRANT 1		GRANT 2		Total
		Tranche 1	Tranche 2	Tranche 3		
1 January 2009	Opening Balance	296,337	296,337	296,337	-	889,011
30 June 2009	Initial allocation	-	-	-	2,003,351	2,003,351
31 December 2009	Forfeitures	(3,600)	(74,382)	(61,805)	-	(139,787)
31 December 2009	Closing Balance	292,737	221,955	234,532	2,003,351	2,752,575

Date	Movement	GRANT 1		GRANT 2		Total
		Tranche 1	Tranche 2	Tranche 3		
1 January 2008	Opening Balance	-	-	-	-	-
30 June 2008	Initial allocation	301,058	301,058	301,058	-	903,174
31 December 2008	Forfeitures	(4,721)	(4,721)	(4,721)	-	(14,163)
31 December 2008	Closing Balance	296,337	296,337	296,337	-	889,011

28 Earnings per share

a. Basic earnings per share

The calculation of basic earnings per share (EPS) at 31 December 2009 was based on the profit attributable to ordinary shareholders of € 10.0 million and a weighted average number of ordinary shares outstanding of 99.7 million.

The basic EPS is calculated as follows:

	December 2009 - € millions	December 2008 - € millions
Profit/(loss) attributable to ordinary shareholders (basic)	10.0	(584.9)
Weighted average number of ordinary shares (in millions)		
Issued ordinary shares at start of period	100.0	100.0
Treasury shares	(0.3)	(0.1)
Weighted average number of ordinary shares (basic) at end of period	99.7	99.9
Earnings per share (basic)	0.10	(5.85)

b. Diluted earnings per share

The calculation of diluted earnings per share (EPS) at 31 December 2009 was based on the profit attributable to ordinary shareholders (diluted) of € 14.9 million and a weighted average number of ordinary shares outstanding of 107.5 million.

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of dilutive potential ordinary shares. The convertible bond is assumed to have been converted into ordinary shares, and the net profit is adjusted to eliminate the interest expense, net of tax, resulting from the liability component of the convertible bond.

The diluted EPS is calculated as follows:

	December 2009 - € millions	December 2008 - € millions
Profit/(loss) attributable to ordinary shareholders (basic)	10.0	(584.9)
Interest expense on convertible bond, net of tax	4.9	-
Profit/(loss) attributable to ordinary shareholders (diluted)	14.9	(584.9)
Weighted average number of ordinary shares (in millions)		
Issued ordinary shares at start of period	100.0	100.0
Effect of conversion of convertible bond	7.8	-
Treasury shares	(0.3)	(0.1)
Weighted average number of ordinary shares (diluted) at end of period	107.5	99.9
Earnings per share (diluted)	0.14	(5.85)

29 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:

	December 2009 - € millions	December 2008 - € millions
Trade and other receivables	162.7	194.1
Cash and cash equivalents	84.0	297.0
Forward exchange contracts used for hedging: Assets	-	10.0
Forward exchange contracts held for trading: Assets	0.8	11.0
	247.5	512.1

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

	December 2009 - € millions	December 2008 - € millions
Domestic euro-zone countries	85.8	98.8
Asia	23.3	11.5
United States	9.6	27.5
Other European countries	21.3	30.8
Other regions	22.7	25.5
	162.7	194.1

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

	December 2009 - € millions	December 2008 - € millions
Wholesale customers	144.6	153.0
End-user customers	18.1	41.1
	162.7	194.1

29 Financial Instruments (continued)

(II) Ageing analysis

The ageing of trade and other receivables at the reporting date was:

	December 2009 - € millions	December 2008 - € millions
Not past due	136.1	173.0
Past due 0-30 days	18.8	13.5
Past due 31-120 days	2.5	5.4
Past due 121 days – one year	1.0	-
More than one year	4.3	2.2
	162.7	194.1

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 principal be irrevocable, confirmed with approved financial institutions.

Credit risk arising from dealings in financial instruments is controlled by a strict policy of credit approvals, limits and monitoring procedures. We confirm that our credit quality is strong with no financial assets rated below investment grade.

b. Liquidity risk management

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

31 December 2009 - € millions	Carrying Amount	Contractual cash flows	6mths or less	6-12 mths	1-2 years	2-5 years
Non-derivative financial liabilities						
Finance lease liabilities	(1.3)	(1.3)	(0.4)	(0.4)	(0.5)	-
Loans and borrowings	(120.7)	(120.7)	(11.2)	-	(0.1)	(109.4)
Trade and other payables	(248.6)	(248.6)	(248.6)	-	-	-
Derivative financial liabilities						
Commodity contracts – fair value hedges	(11.7)	(11.7)	(11.1)	(0.5)	(0.1)	-
Fair value of underlying hedged risk	-	-	-	-	-	-
Commodity contracts – held for trading	-	-	-	-	-	-
Foreign exchange contracts – held for trading	(5.8)	(5.8)	(5.8)	-	-	-

31 December 2008 - € millions	Carrying Amount	Contractual cash flows	6mths or less	6-12 mths	1-2 years	2-5 years
Non-derivative financial liabilities						
Finance lease liabilities	(0.3)	(0.3)	(0.2)	(0.1)	-	-
Loans and borrowings	(150.0)	(150.0)	-	-	(150.0)	-
Trade and other payables	(157.0)	(157.0)	(157.0)	-	-	-
Derivative financial liabilities						
Commodity contracts – fair value hedges	(8.7)	(8.7)	(5.7)	(3.0)	-	-
Fair value of underlying hedged risk	(1.5)	(1.5)	(1.0)	(0.5)	-	-
Commodity contracts – held for trading	(23.2)	(23.2)	(13.2)	(7.7)	(2.3)	-
Foreign exchange contracts – held for trading	(9.4)	(9.4)	(9.4)	-	-	-

c. Currency risk

Exposure to currency risk

The Group's exposure to foreign currency risk was as follows based on notional amounts:

€ millions	31 December 2009				31 December 2008			
	EURO	USD	AUD	OTHER	EURO	USD	AUD	OTHER
Trade and other receivables	79.6	69.2	9.9	4.0	96.3	90.1	6.9	0.8
Loans and borrowings	(109.8)	(10.9)	(1.3)	-	(150.0)	-	-	-
Trade and other payables	(102.6)	(115.9)	(28.5)	(1.6)	(115.8)	(27.1)	(13.4)	(0.4)
Gross balance sheet exposure	(132.8)	(57.6)	(19.9)	2.4	(169.5)	63.0	(6.5)	0.4
Foreign exchange contracts	120.1	(261.8)	152.9	(16.0)	151.1	(174.3)	27.5	(1.8)
Commodity contracts	-	134.1	-	-	-	(13.4)	-	-
Net exposure	(12.7)	(185.3)	133.0	(13.6)	(18.4)	(124.7)	21.0	(1.4)

The following significant exchange rates applied during the year:

	Average rate		Reporting date spot rate	
	Dec. 2009	Dec. 2008	Dec. 2009	Dec. 2008
Euro: USD	1.3948	1.4707	1.4406	1.3917
Euro: AUD	1.7727	1.7416	1.6008	2.0274

Sensitivity analysis

A strengthening of the average USD and AUD against the Euro of € 0.01 for the period would have increased (decreased) equity and the income statement by the amounts shown below. This analysis assumes that all other variables, in particular, commodity prices, remain constant.

	December 2009 - € millions	December 2008 - € millions
USD	7.8	10.7
AUD	(3.1)	(4.0)

29 Financial Instruments (continued)

A weakening of the average USD and AUD against the Euro of € 0.01 for the period would have increased (decreased) equity and the income statement by the amounts shown below. This analysis assumes that all other variables, in particular, commodity prices, remain constant.

	December 2009 - € millions	December 2008 - € millions
USD	(7.8)	(10.7)
AUD	3.1	4.0

d. Commodity price risk management

Nyrstar is exposed to commodity price volatility on commodity sales and raw materials purchased by refineries and smelters. 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 and lead 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 face value of derivative contracts hedging commodity price risks at 31 December 2009.

31 December 2009 - € millions	Average Price US\$	6 mths or less	6-12 mths	12-18 mths	18 mths +	Total
	per tonne					
Zinc						
Contracts purchased	1,941	(40.4)	(14.6)	(0.8)	(0.2)	(56.0)
Contracts sold	2,332	130.8	3.8	0.5	0.1	135.2
Net position		90.4	(10.8)	(0.3)	(0.1)	79.2
Lead						
Contracts purchased	2,386	(3.4)	-	-	-	(3.4)
Contracts sold	2,314	16.4	-	-	-	16.4
Net position		13.0	-	-	-	13.0
	per ounce					
Silver						
Contracts purchased	17.71	(2.9)	-	-	-	(2.9)
Contracts sold	17.46	44.7	-	-	-	44.7
Net position		41.8	-	-	-	41.8

The following table sets out a summary of the face value of derivative contracts hedging commodity price risks at 31 December 2008.

31 December 2008 - € millions	Average Price US\$	6 mths or less	6-12 mths	12-18 mths	18 mths +	Total
	per tonne					
Zinc						
Contracts purchased	1,398	(74.0)	(28.0)	(3.9)	(2.5)	(108.4)
Contracts sold	1,120	116.9	1.4	-	-	118.3
Net position		42.9	(26.6)	(3.9)	(2.5)	9.9
Lead						
Contracts purchased	1,456	(27.1)	-	-	-	(27.1)
Contracts sold	1,152	19.6	-	-	-	19.6
Net position		(7.5)	-	-	-	(7.5)
	per ounce					
Silver						
Contracts purchased	10.30	(3.4)	-	-	-	(3.4)
Contracts sold	10.30	22.2	-	-	-	22.2
Net position		18.8	-	-	-	18.8

Sensitivity analysis

A US\$100 per tonne strengthening of the USD zinc price and USD lead price for the period would have increased equity and the income statement before tax by € 19.0 million (31 December 2008: € 17.0 million) and € 0.7 million respectively (31 December 2008: € 0.6 million). This analysis assumes that all other variables, in particular exchange rates, remain constant.

e. Financial Instruments by category

	31 December 2009				31 December 2008			
	Loans and Receivables € m	Assets at fair value through profit and loss € m	Derivatives used for hedging € m	Total € m	Loans and Receivables € m	Assets at fair value through profit and loss € m	Derivatives used for hedging € m	Total € m
Assets per balance sheet								
Derivative financial instruments	-	21.5	68.0	89.5	-	32.5	45.9	78.4
Trade and other receivables excluding prepayments	162.7	-	-	162.7	194.1	-	-	194.1
Cash and cash equivalents	84.0	-	-	84.0	297.0	-	-	297.0
Total	246.7	21.5	68.0	336.2	491.1	32.5	45.9	569.5

	31 December 2009				31 December 2008			
	Liabilities at fair value through profit and loss	Derivatives used for hedging € m	Other financial liabilities at amortised cost	Total € m	Liabilities at fair value through profit and loss	Derivatives used for hedging € m	Other financial liabilities at amortised cost	Total € m
Liabilities per balance sheet								
Borrowings (excluding finance lease liabilities)	-	-	(120.7)	(120.7)	-	-	(149.8)	(149.8)
Finance lease liabilities	-	-	(1.3)	(1.3)	-	-	(0.5)	(0.5)
Derivative financial instruments	(5.8)	(11.7)	-	(17.5)	(32.6)	(10.2)	-	(42.8)
Trade and other payables	-	-	(248.6)	(248.6)	-	-	(157.0)	(157.0)
Total	(5.8)	(11.7)	(370.6)	(388.1)	(32.6)	(10.2)	(307.3)	(350.1)

29 Financial Instruments (continued)

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:

		Sensitivity Analysis						
		Income statement				Equity		
Interest rate risk exposures 31 December 2009	Notes	Floating interest rate € m	Fixed interest rate € m	Total € m	100 bp increase	100 bp decrease	100 bp increase	100 bp decrease
Financial assets								
Cash	20	84.0	-	84.0	0.9	(0.2)	0.9	(0.2)
		84.0	-	84.0	0.9	(0.2)	0.9	(0.2)
Financial liabilities								
Loan facility	23	-	(11.5)	(11.5)	-	-	-	-
Borrowings – convertible bonds	23	-	(109.2)	(109.2)	-	-	-	-
Lease liability	23	-	(1.3)	(1.3)	-	-	-	-
		-	(122.0)	(122.0)	-	-	-	-
Net interest bearing financial assets/(liabilities)		84.0	(122.0)	(38.0)	-	-	-	-

		Sensitivity Analysis						
		Income statement				Equity		
Interest rate risk exposures 31 December 2008	Notes	Floating interest rate € m	Fixed interest rate € m	Total € m	100 bp increase	100 bp decrease	100 bp increase	100 bp decrease
Financial assets								
Cash	20	297.0	-	297.0	3.0	(3.0)	3.0	(3.0)
		297.0	-	297.0	3.0	(3.0)	3.0	(3.0)
Financial liabilities								
Loan facility	23	(150.0)	-	(150.0)	(1.5)	1.5	(1.5)	1.5
Lease liability	23	-	(0.3)	(0.3)	-	-	-	-
		(150.0)	(0.3)	(150.3)	(1.5)	1.5	(1.5)	1.5
Net interest bearing financial assets/(liabilities)		147.0	(0.3)	146.7				

On 19 December 2007, the Company and a subsidiary, Nyrstar Finance International NV, entered into a € 350 million Multicurrency Revolving Credit Facility with a syndicate of banks.

The facility is available to both the Company and Nyrstar Finance International NV as co-borrowers and each company guarantees the other's liabilities. The facility is denominated in euros but available for drawing in optional currencies and is unsecured.

The facility has a termination date of 19 December 2010, however on 19 December 2009 the facility commitment suffered a mandatory reduction of € 200 million. Interest charges under the facility are at a floating rate with a margin grid based on the covenant ratio Adjusted Net Financial Debt to EBITDA, with margins over EURIBOR varying from 32.5 basis points to 65 basis points.

The facility contains covenants limiting Adjusted Net Financial Debt to EBITDA, Total Debt to Consolidated Net Worth and EBITDA to Net Financial Charges and covenants are tested bi-annually.

On 7 July 2009, the company completed the issue of €120 million of unsubordinated unsecured convertible bonds due 2014. The bonds have a coupon rate of 7% per annum, payable semi-annually in arrears and a conversion price of €7.6203 per share.

g. Fair value of financial assets and financial liabilities

The carrying amount of all financial assets and liabilities recognised at amortised cost on the combined balance sheet approximates their fair value.

€ millions	31 December 2009		31 December 2008	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Trade and other receivables	162.7	162.7	194.1	194.1
Investments in equity securities	5.5	5.5	-	-
Cash and cash equivalents	84.0	84.0	297.0	297.0
	252.2	252.2	491.1	491.1
Forward exchange contracts used for hedging: Assets				
Commodity contracts – fair value hedges	56.5	56.5	1.0	1.0
Fair value of underlying hedged risk	-	-	9.0	9.0
Commodity contracts – held for trading	-	-	6.5	6.5
Foreign exchange contracts – held for trading	0.8	0.8	4.5	4.5
Embedded derivative	32.2	32.2	57.4	57.4
	89.5	89.5	78.4	78.4
Forward exchange contracts used for hedging: Liabilities				
Commodity contracts – fair value hedges	(11.7)	(11.7)	(8.7)	(8.7)
Fair value of underlying hedged risk	-	-	(1.5)	(1.5)
Commodity contracts – held for trading	-	-	(23.2)	(23.2)
Foreign exchange contracts – held for trading	(5.8)	(5.8)	(9.4)	(9.4)
Embedded derivative	-	-	-	-
	(17.5)	(17.5)	(42.8)	(42.8)
Unsecured bank loans	(10.5)	(10.5)	(150.0)	(150.0)
Other loans	(1.0)	(1.0)	-	-
Borrowings – convertible bonds	(109.2)	(109.2)	-	-
Finance lease liabilities	(1.3)	(1.3)	(0.3)	(0.3)
Trade and other payables	(248.6)	(248.6)	(157.0)	(157.0)
	(370.6)	(370.6)	(307.3)	(307.3)

29 Financial Instruments (continued)

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

- 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).
- input for the asset or liability that are not based on observable market data (level 3).

31 December 2009				
€ millions	Level 1	Level 2	Level 3	Total
Investments in equity securities	5.5	-	-	5.5
	5.5	-	-	5.5
Forward exchange contracts used for hedging: Assets				
Commodity contracts – fair value hedges	-	56.5	-	56.5
Foreign exchange contracts – held for trading	-	0.8	-	0.8
Embedded derivative	-	32.2	-	32.2
	-	89.5	-	89.5
Forward exchange contracts used for hedging: Liabilities				
Commodity contracts – fair value hedges	-	(11.7)	-	(11.7)
Commodity contracts – held for trading	-	-	-	-
Foreign exchange contracts – held for trading	-	(5.8)	-	(5.8)
Embedded derivative	-	-	-	-
	-	(17.5)	-	(17.5)

30 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.

	December 2009 - € millions	December 2008 - € millions
Within one year	22.9	25.1
Later than one year but not later than five years	0.1	-
	23.0	25.1

31 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.

	December 2009 - € millions	December 2008 - € millions
Within one year	1.9	4.2
Later than one year but not later than five years	4.0	7.7
	5.9	11.9

Lease rentals for the period ended 31 December 2009 amounting to € 3.3 million (31 December 2008: € 3.7 million) relating to the lease of property and machinery respectively, have been included in the income statement.

32 Contingencies

Guarantees

	December 2009 - € millions	December 2008 - € millions
Guarantees provided by Nyrstar:		
Workers' compensation	7.2	5.5
Environmental	40.0	22.3
Supplier	-	17.4
Other	0.7	0.2
	47.9	45.4
Guarantees received by Nyrstar:		
Supplier	0.9	0.4
Other	-	0.1
	0.9	0.5

Legal actions

As reported in the 2008 Annual Report, there are a number of legal proceedings in Germany, Belgium and France related to Galveco that directly or indirectly involve Nyrstar. Galveco is patent-protected zinc alloy used for galvanising steel. Between June 2000 and March 2007, Umicore produced and supplied (approximately) 45Kt of Galveco to galvanisers in various countries (corresponding to approx 3.5Mt of steel that has been galvanised with Galveco). Umicore withdrew Galveco from the market in March 2007 as a precautionary measure following the discovery of cracking in steel that had been hot dip galvanised. It is alleged that a cause of this cracking is the use of Galveco. The production and supply of Galveco in certain countries was part of the zinc alloys activities of Umicore, which through contributions of business branches were transferred to Nyrstar. Under the Business Combination and Shareholders' Agreement, in the event that a claim against Nyrstar in relation to Galveco is successful, Umicore must remit to Nyrstar any insurance proceeds received and, for losses not covered by such proceeds, indemnify Nyrstar for 50% of all losses up to €10 million and 100% thereafter. Accordingly, Nyrstar's maximum potential liability in relation to all Galveco claims is limited to € 5 million. In addition, Nyrstar is, within certain limitation as regards extent and duration, insured in relation to all Galveco claims.

In addition to the above, the Group 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.

33 Related parties

a. Transactions with related parties

No transactions with related parties occurred in the period to 31 December 2009.

b. Key management compensation

	December 2009 - € millions	December 2008 - € millions
Board of Directors		
- Salaries and other compensation:		
Fixed portion	0.4	0.6
Variable portion	-	-
- Number of shares held	-	-
	December 2009 - € millions	December 2008 - € millions
Nyrstar Management Committee		
- Salaries and other compensation:		
Fixed portion	2.0	2.7
Variable portion (paid during period)	0.8	0.9
- Other benefits	0.9	1.3
- Number of shares held	405,150	5,150

Other benefits comprised of relocation-related allowances, housing allowances and pension contributions.

34 Audit and non-audit services provided by the Company's statutory auditor

During the period, the auditors received fees for audit and non audit services provided to the Group as follows:

	December 2009 - € '000	December 2008 - € '000
Audit services		
PWC	615.6	571.3
KPMG	-	685.6
Non audit services		
PWC	364.3	223.3

35 Group entities

The holding and operating companies included in the Group's Consolidated Financial Statements are:

Entity	Belgium company number	Country of Incorporation	Ownership
Nyrstar Netherlands (Holdings) BV		Netherlands	100%
Nyrstar Budel BV		Netherlands	100%
Budelco BV		Netherlands	100%
Buzifac BV		Netherlands	100%
Buzipon BV		Netherlands	100%
Buzisur BV		Netherlands	100%
Nyrstar Australia Pty Ltd		Australia	100%
Nyrstar International BV		Netherlands	100%
Nyrstar Hobart Pty Ltd		Australia	100%
Nyrstar Metals Pty Ltd		Australia	100%
Nyrstar Port Pirie Pty Ltd		Australia	100%
Australian Refined Alloys Pty Ltd		Australia	50%
Australian Refined Alloys (Sales) Pty Ltd		Australia	50%
Nyrstar US Inc		United States	100%
Nyrstar Holdings Inc.		United States	100%
Nyrstar Taylor Chemicals Inc		United States	100%
Nyrstar Clarksville Inc		United States	100%
Nyrstar Tennessee Mines - Gordonsville LLC		United States	100%
Nyrstar Tennessee Mines – Strawberry Plains LLC		United States	100%
Nyrstar IDB LLC		United States	100%
Compania Minera San Juan (Peru) SA		Peru	85%
Genesis Recycling Technology (BVI) Ltd		British Virgin Islands	50%
Genesis Alloys Ltd		Hong Kong	50%
Genesis Alloys (Ningbo) Ltd		China	50%
Nyrstar Belgium NV	RPR 0865.131.221	Belgium	100%
Nyrstar France SAS		France	100%
Galva 45 S.A.		France	66%
GM-Metal SAS		France	100%
Nyrstar Germany GmbH		Germany	100%
Föhl China Co., Ltd		China	50%
Nyrstar NV	RPR 0888.728.945	Belgium	100%
Nyrstar Sales & Marketing NV	RPR 0811.219.314	Belgium	100%
Nyrstar Finance International NV	RPR 0889.716.167	Belgium	100%
Nyrstar UK Pty Ltd		United Kingdom	100%
Nyrstar Europe S.L.		Spain	100%
Nyrstar Trading GmbH		Austria	100%
Nyrstar Italy S.R.L.		Italy	100%

36 Subsequent events

On 28 January 2010 the Company entered into a €250 million multi-currency revolving Structured Commodity Trade Finance Credit Facility underwritten by Deutsche Bank. The facility has a maturity of 4 years with a run-off period during the fourth year.

On 10 February 2010 the Company completed its agreement to acquire 1.25 million tonnes of zinc in concentrate from Talvivaara Sotkamo Limited (a member of the Talvivaara Mining Company Plc group) for a purchase price of US\$335 million (approximately €240 million).

Statutory auditor's report on the consolidated financial statements as at 31 December 2009



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24 February 2010

REPORT OF THE STATUTORY AUDITOR TO THE GENERAL MEETING OF SHAREHOLDERS OF NYRSTAR NV ON THE CONSOLIDATED FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED 31 DECEMBER 2009

In accordance with legal and statutory requirements, we report to you on the performance of our audit mandate. This report includes our opinion on the consolidated financial statements together with the required additional comment.

Unqualified audit opinion on the consolidated financial statements

We have audited the consolidated financial statements of Nyrstar NV ("the Company") and its subsidiaries (jointly "the Group"), prepared in accordance with International Financial Reporting Standards, as adopted by the European Union, and with the legal and regulatory requirements applicable in Belgium. These consolidated accounts comprise the statement of financial position as of 31 December 2009 and the consolidated income statement, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, as well as the summary of significant accounting policies and the other explanatory notes. The total of the consolidated statement of financial position amounts to € 1,517.4 million and the consolidated statement of income shows a profit for the year of € 10.4 million.

The board of directors of the Company is responsible for the preparation of the consolidated financial statements. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

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, legal requirements and auditing standards applicable in Belgium, as issued by the "Institut des Réviseurs d'Entreprises/Instituut der Bedrijfsrevisoren". Those standards require that we plan and perform the audit to obtain reasonable assurance whether the consolidated financial statements are free from material misstatement.

PricewaterhouseCoopers Réviseurs d'Entreprises société civile coopérative à responsabilité limitée
PricewaterhouseCoopers Bedrijfsrevisoren burgerlijke coöperatieve vennootschap met beperkte aansprakelijkheid
Sitzge social / Maatschappelijke zetel: Woluwe Garden, Woluwe 16, B-1602 Sint-Stevens-Woluwe
Registre des personnes morales/Rechtspersonenregister: 0429501944/Bruuxelles-Brussel / TVA/BTW BE 429 501 944 / ING 310-1381195-01

In accordance with these standards, we have performed procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on our 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, we have considered internal control relevant to the Company'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. We have also evaluated the appropriateness of the accounting policies used, the reasonableness of accounting estimates made by the Company and the presentation of the consolidated financial statements, taken as a whole. Finally, we have obtained from management and responsible officers of the Company the explanations and information necessary for our audit. We believe that the audit evidence we have obtained provides a reasonable basis for our opinion.

In our opinion, the consolidated financial statements give a true and fair view of the Group's net worth and financial position as of 31 December 2009 and of its results and 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.

Additional comment

The preparation of the management report and its content are the responsibility of the board of directors.

Our responsibility is to supplement our report with the following additional comment, which does not modify our audit opinion on the financial statements:

- The management report on the consolidated financial statements includes the information required by law and is consistent with the consolidated financial statements. We are, however, unable to comment on the description of the principal risks and uncertainties which the Group is facing, and on its financial situation, its foreseeable evolution or the significant influence of certain facts on its future development. We can nevertheless confirm that the matters disclosed do not present any obvious inconsistencies with the information that we became aware of during the performance of our mandate.

Brussels, 24 February 2010

PricewaterhouseCoopers Bedrijfsrevisoren / Réviseurs d'Entreprises
Represented by

Peter Van den Eynde
Bedrijfsrevisor

Nyrstar NV summarised (non-consolidated) financial statements

as at 31 December 2009

The annual accounts prepared under Belgian GAAP are presented below in summarised form. In accordance with the Belgian Company Code, the annual accounts of Nyrstar NV together with the management report and the statutory auditor's report will be deposited with the National Bank of Belgium.

These documents may also be obtained on request from: Nyrstar NV, Zinkstraat 1, B- 2490 Balen (Belgium).

The statutory auditor, PricewaterhouseCoopers Reviseurs d'Enterprises represented by Peter Van den Eynde has expressed an unqualified opinion on the annual statutory accounts of Nyrstar NV.

Balance sheet

€ thousands	As at 31 December 2009	As at 31 December 2008
ASSETS		
Non-current assets	2,038,623	1,943,352
Formation expenses	3,479	8,355
Intangible assets	4,190	686
Property, plant and equipment	4,260	7,678
Financial assets	2,026,694	1,926,633
Current assets	19,843	24,518
Total assets	2,058,466	1,967,870
LIABILITIES		
Shareholders' equity	1,542,753	1,494,532
Issued share capital	1,490,760	2,000,000
Share premium	8,818	194,875
Legal reserve	5,563	3,093
Undistributable reserves	1,733	679
Available reserves	-	1,054
Retained earnings	35,879	(705,169)
Provisions for risks and charges	7,680	2,902
Liabilities	508,033	470,436
Non-current Liabilities	109,544	150,000
Current Liabilities	398,489	320,436
Total equity and Liabilities	2,058,466	1,967,870

Income Statement

€ thousands	As at 31 December 2009	As at 31 December 2008
Operating income	43,423	57,136
Operating charges	(57,632)	(65,255)
Operating result	(14,209)	(8,119)
Financial income	75,222	3,769
Financial charges	(11,355)	(25,878)
Ordinary result before taxes	49,658	(30,228)
Exceptional result	-	(691,600)
Income taxes	(254)	(371)
Net result	49,404	(722,199)
Result allocation		
Retained earnings from prior year	(705,169)	18,763
Transfer from capital and share premium	704,114	-
Transfer from reserves	1,055	-
Addition to the legal reserves	2,470	-
Addition to the other reserves	1,055	1,733
Dividends to be distributed	10,000	-
Profit/loss to be carried forward	35,879	(705,169)

Glossary

Alloy: Metal containing several components.

Alloying: A technique of combining or mixing two or more metals to make an entirely new metallic compound; for example, mixing copper and tin creates bronze.

Base Metal: Non precious metal, usually refers to copper, lead, zinc, aluminium and tin.

Blast furnace: A tall shaft furnace used to smelt sinter and produce crude lead bullion and a slag.

Brook Hunt: A leading metals industry consultancy.

Cadmium: A soft bluish-white ductile malleable toxic bivalent metallic element; occurs in association with zinc ores.

CAGR: Compound Annual Growth Rate.

Cake: The solid mass remaining after the liquid that contained it has been removed.

Calcine: Product of roasting zinc sulphide concentrates; mainly zinc oxide, also with silica and iron compounds, lead compounds, minor elements and residual combined sulphur.

Cathode: Negatively charged electrode in electrolysis; in zinc and cadmium electrolysis, the cathode is a flat sheet of aluminium.

Cell house: The location in the production process where zinc metal is electrolytically plated onto aluminium cathodes.

CGG: Continuous Galvanizing Grade zinc; contains alloying agents such as aluminium, lead and selenium in specific qualities desired by customers; used in continuous strip galvanizing plants.

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.

Continuous galvanizing: A system for providing a continuous supply of material to be galvanized.

Copper sulphate: A copper salt made by the action of sulphuric acid on copper oxide.

CRU: An independent business analysis and consultancy group focused on the mining, metals, power, cables, fertilizer and chemical sectors.

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

EBIT: Earnings before interest and tax.

EBITDA: Earnings before interest, tax, depreciation and amortisation.

EURIBOR: (Euro Interbank Offered Rate) is the rate at which euro interbank term deposits are being offered by one prime bank to another within the EMU zone.

Galvanizing: Process of coating steel sheet or fabricated products with a thin layer of zinc for corrosion protection.

Goethite: FeO.OH., hydrated iron oxide: as a zinc production by-product it contains some zinc, lead, silver and other impurities.

Germanium: A brittle grey crystalline element that is a semiconducting metalloid (resembling silicon).

HSEC: Health Safety Environment Community.

IFRS: International Financial Reporting Standards.

Indium: A rare, soft silvery metallic element.

ISO: International Standards Organisation.

Jarosite: An iron sulphate mineral often formed as zinc smelter waste.

JORC Code: The Code for Reporting of Mineral Resources and Ore Reserves from the Australasian Joint Ore Reserves Committee (JORC)

LME: London Metal Exchange.

LTR: Lost Time Injury Rate per million hours worked.

MSCI World: Stock market index of 1500 'world' stocks, maintained by MSCI Inc. (Morgan Stanley Capital International)

Ore: Mineral bearing rock.

Oxide washing: Process to remove halides from zinc secondaries.

REACH: Registration, Evaluation, Authorisation and Restriction of Chemicals (European legislation)

Reserves and resources: A Mineral Reserve is the economically mineable part of a Mineral Resource. A Mineral Resource is a concentration or occurrence of ore including base and precious metals in such form and quantity and of such a grade or quality that it has reasonable prospects for economic extraction.

RLE process: Roast Leach Electrowin; technology used for the production of zinc and which combines the roasting, leaching and electro winning processes.

Secondaries / Secondary materials: By-products 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 Future Exchange

SHG: Special High Grade Zinc Minimum 99.995% zinc; traded on the LME.

Sinter: A hard, porous, agglomerated intermediate material made by oxidation at moderately high temperature of sulphide concentrates, fluxes and returns on a grate conveyor termed a sinter machine.

Smelting: Chemical reduction of a metal from its ore by fusion.

Tailings: Ground rock and process effluents that are generated in a mine processing plant.

Treatment Charges (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.

Troy ounce: 1 troy ounce = 1.097 ounces

Notes

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Financial calendar¹

28 April 2010	Annual General Shareholders Meeting
28 April 2010	First Interim Management Statement
5 May 2010	Ex-Dividend Date
7 May 2010	Record Date
10 May 2010	Dividend Payment Date
29 July 2010	2010 Half Year Results
27 October 2010	Second Interim Management Statement
24 February 2011	2010 Full Year Results
27 April 2011	Annual General Shareholders Meeting
27 April 2011	First Interim Management Statement
27 July 2011	2011 Half Year Results
26 October 2011	Second Interim Management Statement

¹ Dates are subject to change, please check the Nyrstar website for financial calendar updates

Annual Report

An interactive version of this report is available on the Nyrstar website.

This report can also be downloaded from the Nyrstar website: www.nyrstar.com

Dit rapport is ook beschikbaar in het Nederlands.

Ce rapport est aussi disponible en français.

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