



Limited Liability Company (*Naamloze Vennootschap*)
Zinkstraat 1, 2490 Balen (Belgium)
Company number VAT BE 0888.728.945 RPR/RPM Turnhout

Report of the board of directors ex article 119 Company Code

Pursuant to article 119 of the Company Code, the board of directors reports on the operations of the Nyrstar Group with respect to the financial year ended on 31 December 2013.

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

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

1. Comments to the financial statements

Nyrstar's consolidated financial statements as at and for the year ended 31 December 2013 comprise Nyrstar NV (the "Company") and its subsidiaries (together referred to as the "Group" and individually as "Group entities") and the Group's interest in associates and jointly controlled entities.

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

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

Please refer to the relevant pages in the 2013 annual report for the consolidated financial statements.

1.1 Overview of activities and finance overview

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

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

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

Despite the Group's continued focus on improving safety and health two Nyrstar employees were fatally injured in March and September 2013 while working at the Campo Morado and Contonga mines respectively. The Lost Time Injury Rate (LTR) increased by approximately 20% and the Recordable Injury Rate (RIR) remained relatively flat. (LTR and RIR are 12 month rolling averages of the number of lost time injuries and recordable injuries (respectively) per million hours worked, and include all employees and contractors at all operations).

1.2 Non-financial key-performance indicators

Production

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

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

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

Markets

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

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

Safety, health and environment

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

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

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

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

1.3 Operating results, financial position and cash flows

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

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

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

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

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

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

1.4 Liquidity position and capital resources

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

Cash outflows from investing activities in 2013 of EUR 191.1 million mainly relates to capital expenditure. Following successful placement of senior, unsecured convertible bonds, due 2018 for a principal amount of EUR 120 million, cash inflows from financing activities in 2013 amounted to EUR 8.7 million, compared to an outflow of EUR 133.4 million in 2012.

As of 31 December 2013, the full amount of Nyrstar's revolving structured commodity trade finance facility remained undrawn (also fully undrawn as of 31 December 2012).

Net debt at 31 December 2013 was EUR 670 million (31 December 2012: EUR 681 million), with a gearing level of 42% at the end of December 2013 compared to 37% at the end of December 2012.

2. Internal Control and Enterprise Risk Management

Internal Control and Risk Management

General

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

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

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

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

Components of the Risk Management Framework

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

The key elements of Risk Management Framework are:

1 Understanding the external and internal environment

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

2 Consistent methods for risk identification and analysis of risks, existing controls and control effectiveness

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

3 Risk treatment

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

4 Stakeholder engagement and Communication

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

controls.

5 Monitoring and review

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

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

Critical internal controls

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

Organisational design

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

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

Policies and procedures

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

Ethics

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

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

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

Whistleblowing

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

Quality control

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

Financial reporting and budget control

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

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

- 1) Group business strategy is updated and communicated within Nyrstar, which amongst other things outlines the strategic guidelines and objectives for the upcoming financial year.
- 2) Key inputs and assumptions for the budgeting process for the upcoming financial year are provided by relevant internal stakeholders (including expected production, capex, metal prices, foreign exchange and commercial terms) and uploaded into the centralised budgeting, planning and consolidation system (BPC).
- 3) The key inputs and assumptions for the budget then go through a rigorous process of validation by relevant internal stakeholders and senior management. The management committee and the board sign off on the final agreed budget.
- 4) The final budget is communicated to the different Nyrstar business units and departments.
- 5) Nyrstar will then bi-annually communicate to shareholders the Group's revenue and cost actual results.

Management committees

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

Treasury Committee

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

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

The treasury committee meets at least quarterly.

Commodity Risk Management Committee

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

Information, communication and financial reporting systems

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

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

Monitoring and review

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

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

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

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

Other

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

Financial and Operational Risks

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

FINANCIAL RISKS		
Description	Impact	Mitigation
Commodity price risk Nyrstar's results are largely	Profitability will vary with the volatility of metals prices.	Nyrstar engages in transactional hedging which means that it will

dependent on the market prices of commodities and raw materials, which are cyclical and volatile.		undertake short-term hedging transactions to cover the timing risk between raw material purchases and sales of metal and to cover its exposure on fixed-price forward sales of metal to customers. From time to time, Nyrstar may also decide to enter into certain strategic metal price hedges to lock prices that are considered as favorable and providing price certainty to the Company's operations that may otherwise face difficulties related to their liquidity and profitability in a reasonably possible pricing decline.
Forward price risk Nyrstar is exposed to the shape of the forward price curve for underlying metal prices.	The volatility in the London Metal Exchange price creates differences between the average price we pay for the contained metal and the price we receive for it.	Nyrstar engages in transactional hedging which means that it will undertake short-term hedging transactions to cover the timing risk between raw material purchases and sales of metal and to cover its exposure on fixed-price forward sales of metal to customers. From time to time, Nyrstar may also decide to enter into certain strategic metal price hedges to lock prices that are considered as favorable and providing price certainty to the Company's operations that may otherwise face difficulties related to their liquidity and profitability in a reasonably possible pricing decline.
Foreign Currency Exchange rate risk Nyrstar is exposed to the effects of exchange rate fluctuations.	Movement of the U.S. Dollar, the Australian Dollar, Canadian Dollar, Swiss Franc, the Peruvian Sol, the Mexican Peso or other currencies in which Nyrstar's costs are denominated against the Euro could adversely affect Nyrstar's profitability and financial position.	Nyrstar has not entered and does not currently intend to enter into transactions that seek to hedge or mitigate its exposure to exchange rate fluctuations, other than short-term hedging transactions to cover the timing risk between concentrate purchases and sales of metal and to cover its exposure on fixed-price forward sales of metal to customers.
Interest rate risk & leverage risk Nyrstar is exposed to interest rate risk primarily on loans and borrowings.	Changes in interest rates may impact primary loans and borrowings by changing the levels of required interest payments. Nyrstar's indebtedness increased significantly in 2011 in order to finance its	Nyrstar's interest rate risk management policy is to limit the impact of adverse interest rate movements through the use of interest rate management tools.

Nyrstar is exposed to risks inherent with higher leverage and compliance with debt covenants.	expansion into mining and is now subject to risks inherent with higher leverage and compliance with debt covenants. Breaches in debt covenants will jeopardize the financing structure of Nyrstar.	Debt covenants and required headroom are monitored by Nyrstar on an on-going basis.
Credit risk Nyrstar is exposed to the risk of non-payment from any counterparty in relation to sales of goods and other transactions.	Group cash flows and income may be impacted by non-payment.	Nyrstar has determined a credit policy with credit limit requests, use of credit enhancements such as letters of credit, approval procedures, continuous monitoring of the credit exposure and dunning procedure in case of delays.
Liquidity risk Nyrstar requires a significant amount of cash to finance its debt, and fund its acquisitions, its capital investments and its growth strategy. Liquidity risk arises from the possibility that Nyrstar will not be able to meet its financial obligations as they fall due.	Liquidity is negatively impacted and this may have a material adverse effect on the funding of operations, capital investments, the growth strategy and the financial condition of the Company.	Liquidity risk is addressed by maintaining a sufficient degree of diversification of funding sources as determined by management, detailed, periodic cash flow forecasting and conservatively set limits on permanently to be available headroom liquidity as well as maintaining ongoing readiness to access financial markets within a short period of time.
Treatment charge (TC) risk Despite its further integration into mining, Nyrstar's results remain correlated to the levels of TCs that it charges zinc miners to refine their zinc concentrates and lead miners to refine their lead concentrates. TCs are cyclical in nature.	A decrease in TCs can be expected to have a material adverse effect on Nyrstar's business, results of operations and financial condition.	TCs are negotiated on an annual basis. The impact of TC levels is expected to further decrease in the future in line with Nyrstar's implementation of its strategy of selectively integrating its smelting business by expanding into mining.
Energy price risk Nyrstar's operating sites, particularly its smelters, are energy intensive, with energy costs accounting for a significant part of its operating costs. Electricity in particular represents a very significant part of its production costs.	Increases in energy, particularly electricity, prices would significantly increase Nyrstar's costs and reduce its margins.	Nyrstar attempts to limit its exposure to short term energy price fluctuations through forward purchases, long term contracts and participation in energy purchasing consortia.

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

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

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

Please refer to note 42 (subsequent events) in the IFRS Financial Statements.

4. Information regarding the circumstances that could significantly affect the development of the Group

No information regarding the circumstances that could significantly affect the development of the Company are to be mentioned, except for the circumstances described in Note 20 of the Consolidated Financial Statements for the year ended 31 December 2013.

The principal risks and uncertainties facing the Group are covered in section 2 of this report.

5. Research and development

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

6. Financial risks and information regarding the use by the Company of financial instruments to the extent relevant for the evaluation of its assets, liabilities, financial position and results

Please refer to note 3 (Significant accounting policies), note 5 (Financial risk management) and note 35 (Financial instruments) in the IFRS Financial Statements.

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

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

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

At 1 October 2013 Nyrstar Sales & Marketing AG entered a strategic offtake and marketing agreement with Noble Group Limited ("**Noble**") to market and sell a significant portion of commodity grade zinc metal produced at its European smelters. Noble agreed to acquire from Nyrstar's treasury shareholding 1,700,225 common shares in Nyrstar, representing 1% of total shares for a price of EUR3.76 per share, for a total cash consideration of EUR 6.4 million.

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

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

Issued shares	2013	2012
Shares outstanding	154,684,113	162,676,718
Treasury shares	15,338,431	7,345,826
As at 31 Dec	170,022,544	170,022,544
Movement in shares outstanding	2013	2012
As at 1 Jan	162,676,718	160,609,406
Purchases of treasury shares	(13,245,757)	-
Sales of treasury shares	4,765,225	-
Employee shared based payment plan	487,927	2,067,312
As at 31 Dec	154,684,113	162,676,718
Movement in treasury shares	2013	2012
As at 1 Jan	7,345,826	9,413,138
Purchases	13,245,757	-
Sales	(4,765,225)	-
Employee shared based payment plan	(487,927)	(2,067,312)
As at 31 Dec	15,338,431	7,345,826

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

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

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

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

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

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

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

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

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

9. Audit committee

The audit committee consists of three non-executive members of the board, all of which are independent members. The members of the audit committee have sufficient expertise in financial matters to discharge their functions. The Chairman of

the audit committee is competent in accounting and auditing as evidenced by his current role as Chief Financial Officer of the Belgacom Group and his previous roles as Chief Financial Officer in Matav and Ameritech International.

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

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

- (i) The share capital of the Company amounts to EUR 370,649,145.92 and is fully paid-up. It is represented by 170,022,544 shares, each representing a fractional value of EUR 2.18 or one 170,022,544th of the share capital. The Company's shares do not have a nominal value.
- (ii) Other than the applicable Belgian legislation on the disclosure of significant shareholdings and the Company's articles of association, there are no restrictions on the transfer of shares.
- (iii) There are no holders of any shares with special control rights.
- (iv) The awards granted to employees under the Nyrstar Long Term Incentive Plan (LTIP), the Co-Investment Plan and the Leveraged Employee Stock Ownership Plan will vest upon determination by the nomination and remuneration committee.
- (v) Each shareholder of Nyrstar is entitled to one vote per share. Voting rights may be suspended as provided in the Company's articles of association and the applicable laws and articles.
- (vi) There are no agreements between shareholders which are known by the Company and may result in restrictions on the transfer of securities and/or the exercise of voting rights.
- (vii) The rules governing appointment and replacement of board members and amendment to articles of association are set out in the Company's articles of association and the Company's corporate governance charter.
- (viii) The powers of the board of directors, more specifically with regard to the power to issue or redeem shares are set out in the Company's articles of association. The board of directors was not granted the authorization to purchase its own shares "to avoid imminent and serious danger to the Company" (i.e., to defend against public takeover bids). The Company's articles of association do not provide for any other specific protective mechanisms against public takeover bids.
- (ix) The Company is a party to the following significant agreements which, upon a change of control of the Company or following a takeover bid can enter into force or, subject to certain conditions, as the case may be, can be amended, be terminated by the other parties thereto or give the other parties thereto (or beneficial holders with respect to bonds) a right to an accelerated repayment of outstanding debt obligations of the Company under such agreements:
 - Nyrstar's Revolving Structured Commodity Trade Finance Credit Facility;
 - 7% senior unsecured convertible bonds due 2014;
 - 5.5% senior unsecured fixed rate non-convertible bonds due 2015;
 - 5.3% senior unsecured fixed rate non-convertible bonds due 2016;
 - 4.25% senior unsecured convertible bonds due 2018;
 - Nyrstar's committed EUR 50 million bilateral credit facility with ING Bank;
 - Nyrstar's committed EUR 100 million bilateral credit facility with KBC Bank;
 - Nyrstar's silver prepay with Merrill Lynch International;
 - Nyrstar's silver prepay with JPMorgan Chase Bank;
 - Nyrstar's off-take agreement with the Glencore Group; and
 - Nyrstar's streaming agreement with Talvivaara Sotkamo Limited.
- (x) The Chief Executive Officer is currently entitled to a 12-month salary payment in case his employment is terminated upon a change of control of the Company.

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

Done at Brussels on 5 February 2014.

On behalf of the board of directors,



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

Director



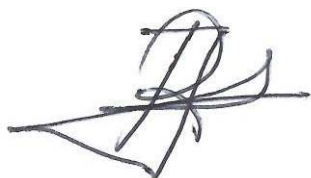
Roland Junck

Director

STATEMENT OF RESPONSIBILITY

The undersigned, Roland Junck, Chief Executive Officer and Heinz Eigner, Chief Financial Officer, declare that, to the best of their knowledge, the consolidated financial statements for the year ended 31 December 2013, which has been prepared in accordance with the International Financial Reporting Standards as adopted by the European Union and with the legal requirements applicable in Belgium, give a true and fair view of the assets, liabilities, financial position and profit or loss of Nyrstar NV and the entities included in the consolidation, and that the consolidated management report includes a true and fair overview of the development and the performance of the business and of the position of Nyrstar NV, and the entities included in the consolidation, together with a description of the principal risks and uncertainties which they are exposed to.

Brussels, 5 February 2014

A stylized, handwritten signature in dark ink, consisting of several overlapping loops and a long horizontal stroke at the bottom.

Roland Junck
Chief Executive Officer

A handwritten signature in dark ink, featuring a large, cursive 'H' followed by a series of connected loops and a final vertical stroke.

Heinz Eigner
Chief Financial Officer

Nyrstar Consolidated Financial Statements

31 December 2013

CONSOLIDATED INCOME STATEMENT

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

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

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE LOSS

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

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

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CONSOLIDATED STATEMENT OF FINANCIAL POSITION

EUR million	Note	as at 31 Dec 2013	as at 31 Dec 2012*
Property, plant and equipment	15	1,771.5	1,730.2
Intangible assets	16	10.3	133.4
Investments in equity accounted investees	18	18.6	29.0
Investments in equity securities	19	27.5	37.9
Zinc purchase interest	20	224.3	237.2
Deferred income tax assets	13	120.6	77.0
Other financial assets	21	10.4	25.1
Other assets	23	3.2	3.9
Total non-current assets		2,186.4	2,273.7
Inventories	22	515.6	747.1
Trade and other receivables	24	174.9	221.1
Prepayments		17.5	14.4
Current income tax assets		6.5	6.2
Other financial assets	21	26.6	47.0
Other assets	23	-	4.0
Cash and cash equivalents	25	292.3	188.1
Total current assets		1,033.4	1,227.9
Total assets		3,219.8	3,501.6
Share capital and share premium	26	1,649.7	1,676.9
Reserves	27	(274.5)	(207.5)
Accumulated losses		(505.6)	(307.6)
Total equity attributable to equity holders of the parent		869.6	1,161.8
Total equity		869.6	1,161.8
Loans and borrowings	28	839.9	867.2
Deferred income tax liabilities	13	174.2	142.5
Provisions	29	208.6	210.5
Employee benefits	30	71.0	84.4
Other financial liabilities	21	3.9	2.1
Other liabilities	23	55.6	59.3
Total non-current liabilities		1,353.2	1,366.0
Trade and other payables	31	486.0	641.2
Current income tax liabilities		17.1	16.8
Loans and borrowings	28	121.9	1.3
Provisions	29	17.1	24.3
Employee benefits	30	33.1	53.5
Other financial liabilities	21	20.8	11.3
Deferred income	32	294.7	218.6
Other liabilities	23	6.3	6.8
Total current liabilities		997.0	973.8
Total liabilities		2,350.2	2,339.8
Total equity and liabilities		3,219.8	3,501.6

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

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

EUR million	Note	Share capital	Share premium	Reserves	Accumulated losses	Total amount attributable to shareholders	Non-controlling interest	Total equity
As at 1 Jan 2013*		1,324.8	352.1	(207.5)	(307.6)	1,161.8	-	1,161.8
Loss for the year		-	-	-	(195.4)	(195.4)	-	(195.4)
Other comprehensive (loss) /income		-	-	(66.5)	6.1	(60.4)	-	(60.4)
Total comprehensive loss		-	-	(66.5)	(189.3)	(255.8)	-	(255.8)
Change in par value	26	-	-	3.2	(3.2)	-	-	-
Treasury shares		-	-	(19.4)	(10.2)	(29.6)	-	(29.6)
Issuance of convertible bond	28	-	-	15.7	-	15.7	-	15.7
Distribution to shareholders (capital decrease)	26	(27.2)	-	-	-	(27.2)	-	(27.2)
Share-based payments		-	-	-	4.7	4.7	-	4.7
As at 31 Dec 2013		1,297.6	352.1	(274.5)	(505.6)	869.6	-	869.6

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

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

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

CONSOLIDATED STATEMENT OF CASH FLOWS

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

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

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

1. Reporting entity

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

The consolidated financial statements of the Company as at and for the year ended 31 December 2013 comprise the Company and its subsidiaries (together referred to as “Nyrstar” or the “Group” and individually as “Group entities”) and the Group’s interest in associates and jointly controlled entities. The consolidated financial statements were authorised for issue by the board of directors of Nyrstar NV on 5 February 2014.

2. Basis of preparation

(a) Statement of compliance

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

(b) Basis of measurement

The consolidated financial statements have been prepared under the historical cost basis except for derivative financial instruments (note 21), financial instruments at fair value through profit or loss (note 21), and available-for-sale financial assets (note 19).

(c) Functional and presentational currency

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

(d) Use of estimates and judgements

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

(e) Standards, amendments and interpretations

The following new and revised standards and interpretations, effective as of 1 January 2013, have been adopted in the preparation of the consolidated financial statements:

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

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

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

IFRS 13 Fair Value Measurement

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

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

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

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

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

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

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

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

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

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

IFRS 13 Fair Value Measurement

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

IAS 32 Financial Instruments: Presentation

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

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

The amendments to IAS 36 clarify the circumstances in which the recoverable amount of assets or cash-generating units are required to be disclosed, clarify the disclosures required and introduce a requirement to disclose the discount rate used

in determining impairment (or reversals) where recoverable amount (based on fair value less cost to sell) is determined using a present value technique. Other than the additional disclosures, the application of amendments to IFRS 36 did not impact the amounts recognised in the consolidated financial statements (see note 17).

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

New or revised standards

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

Amendments to existing standards and interpretations

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

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

3. Significant accounting policies

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

(a) Basis of consolidation

Subsidiaries

Subsidiaries are all entities over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group until the date that the control ceases.

Business Combinations

The purchase method of accounting is used to account for the acquisition of subsidiaries in these consolidated financial statements. The assets, liabilities and contingent liabilities of the acquired entity are measured at their fair values at the date of acquisition. Provisional fair values allocated at a reporting date are finalised within twelve months of the acquisition date. The cost of acquisition is measured as the fair value of assets transferred to, shares issued to or liabilities undertaken on

behalf of the previous owners at the date of acquisition. Acquisition-related costs are expensed in the period in which the costs are incurred and the services received.

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

Investments in associates and jointly controlled entities

Associates are those entities in which the Group has significant influence but not control over the financial and operational policies. Significant influence is presumed to exist when the Group holds between 20 and 50 percent of the voting power of another entity. Joint ventures are those entities over whose activities the Group has joint control, established by contractual agreement and requiring unanimous consent for strategic financial and operating decisions. Associates and jointly controlled entities are accounted for using the equity method (equity accounted investees) and are initially recorded at cost. The Group's investment includes goodwill identified on acquisition, net of any accumulated impairment losses.

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

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

Non-controlling interests

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

Transactions eliminated on consolidation

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

(b) Foreign currency

Foreign currency transactions

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

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

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

Foreign operations

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

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

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

(c) Financial instruments

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

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

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

Fair value hedges

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

Cash flow hedges

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

Derivatives that do not qualify for hedge accounting

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

Investments in equity securities

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

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

(d) Property, plant and equipment

Recognition and measurement

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

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

Once a mining project has been established as commercially viable, expenditure other than that on land, buildings, plant and equipment is capitalised under 'Mining properties and development' together with any previously capitalised expenditures reclassified from 'Exploration and evaluation' (see note 3e).

Useful lives are based on the shorter of the useful life of the asset and the remaining life of the operation, in which the asset is being utilised. Depreciation rates, useful lives and residual values are reviewed regularly and reassessed in light of commercial and technological developments. Changes to the estimated residual values or useful lives are accounted for prospectively in the period in which they are identified.

Depreciation

Straight-line basis

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

- Buildings: 40 years
- Plant and equipment: 3 - 25 years

Unit of production basis

- For mining properties and development assets and certain mining equipment, the economic benefits from the asset are consumed in a pattern which is linked to the production level. Such assets are depreciated on a unit of production basis. However, assets within mining operations for which production is not expected to fluctuate significantly from one year to another or which have a physical life shorter than the related mine are depreciated on a straight line basis as noted above.
- In applying the unit of production method, depreciation is normally calculated using the quantity of material extracted from the mine in the period as a percentage of the total quantity of material to be extracted in current and future periods based on proved and probable reserves and, for some mines, other mineral resources. Such non reserve material may be included in depreciation calculations in circumstances where there is a high degree of confidence in its economic extraction.

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

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

Assets under construction

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

Mineral properties and mine development costs

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

Major cyclical maintenance expenditure

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

Exploration and evaluation assets

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

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

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

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

(e) Intangible assets

Goodwill

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

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

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

Other intangible assets

Software and related internal development costs are carried at historical cost, less accumulated amortisation and impairment losses. They are typically amortised over a period of five years.

CO2 emission rights/Carbon permits are carried at historical cost, less impairment losses: These intangibles are not amortised.

(f) Leased assets

Leases under which the Group assumes substantially all of the risks and benefits of ownership, are classified as finance leases, while other leases are classified as operating leases. Finance leases are capitalised with a lease asset and liability equal to the present value of the minimum lease payments or fair value, if lower, being recorded at the inception of the lease. Capitalised lease assets are amortised on a straight-line basis over the shorter of the useful life of the asset or the lease term. Each finance lease repayment is allocated between the liability and finance charges based on the effective interest rate implied in the lease contract.

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

(g) Inventories

Inventories of finished metals, concentrates and work in progress are valued at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expense. By-products inventory obtained as a result of the production process are valued at the lower of cost and net realisable value. Cost includes expenditure incurred in acquiring and bringing the stock to its existing condition and location and includes an appropriate allocation of fixed and variable overhead expense, including depreciation and amortisation. Stores of consumables and spares are valued at cost with allowance for obsolescence. Cost of purchase of all inventories is determined on a FIFO basis. In addition to purchase price, conversion costs are allocated to work-in-progress and finished goods. These conversion costs are based on the actual costs related to the completed production steps.

As the Company applies hedge accounting as referred in note 3c the hedged items of inventory are adjusted by the fair value movement with respect to the effective portion of the hedge. The fair value adjustment remains part of the carrying value of inventory and enters into the determination of earnings when the inventory is sold. This impact is compensated by the hedge derivatives which are also adjusted for fair value changes.

(h) Impairment

Financial assets

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

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

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

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

Non-financial assets

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

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

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

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

(i) Employee benefits

Short term benefits

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

Long-term employee benefits other than pension plans

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

Defined contribution plans

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

Defined benefit plans

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

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

Defined benefit costs are split into three categories:

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

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

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

Share-based payment compensation

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

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

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

(j) Provisions

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

Restoration, rehabilitation and decommissioning provision

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

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

Restructuring provision

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

Other provisions

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

(k) Compound financial instruments

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

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

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

(l) Revenue

Revenue associated with the sale of commodities is recognised when all significant risks and rewards of ownership of the asset sold are transferred to the customer, usually when insurance risk has passed to the customer and the commodity has been delivered to the shipping agent or the location designated by the customer. At this point Nyrstar retains neither

continuing managerial involvement to the degree usually associated with ownership nor effective control over the commodities and the costs incurred, or to be incurred, in respect of the sale can be reliably measured. Revenue is recognised, at fair value of the consideration receivable, to the extent that it is probable that economic benefits will flow to Nyrstar and the revenue can be reliably measured. Revenue is generally recognised based on incoterms ex-works (EXW) or carriage, insurance and freight (CIF). Revenues from the sale of by-products are also included in sales revenue. Revenue is stated on a gross basis, with freight and realisation expense included in gross profit as a deduction.

For certain commodities the sales price is determined provisionally at the date of sale, with the final price determined within mutually agreed quotation period and the quoted market price at that time. As a result, the invoice price on these sales are marked-to-market at balance sheet date based on the prevailing forward market prices for the relevant quotation period. This ensures that revenue is recorded at the fair value of consideration to be received. Such mark-to-market adjustments are recorded in sales revenue.

When Nyrstar's goods are swapped for goods that are of a similar nature and value, the swap is not regarded as a transaction that generates revenue. If any settlement in cash or cash equivalents occurs for value equalisation of such transactions, this settlement amount is recognised in cost of goods sold. When the goods swapped however are of a dissimilar nature or value from each other, the swap is regarded as a transaction that generates revenue.

(m) Finance income and expense

Finance income includes:

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

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

Finance costs include:

- Interest on short-term and long-term borrowings;
- Amortisation of discounts or premiums relating to borrowings;
- Amortisation of ancillary costs incurred in connection with the arrangement of borrowings;
- Finance lease charges; and
- The impact of the unwind of discount on long-term provisions for restoration, rehabilitation and decommissioning provision and workers' compensation.

Finance costs are calculated using the effective interest rate method. Finance costs incurred for the construction of any qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Other finance costs are expensed as incurred.

Net finance costs represent finance costs net of any interest received on funds invested. Interest income is recognised as it accrues using the effective interest method.

Foreign currency gains and losses are reported on a net basis.

(n) Income tax

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

Current income tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred income tax is recognised using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred income tax is not recognised for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit, and differences relating to investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future. In addition a deferred income tax liability is not recognised for taxable temporary differences arising on the initial recognition of goodwill. Deferred tax is measured on an undiscounted basis at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred income tax assets and liabilities are offset if there is a legally enforceable right to offset current income tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities but they intend to settle current income tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred income tax asset is recognised for all deductible temporary differences, carry forward of unused tax assets and unused tax losses to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred income tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Additional income taxes that arise from the distribution of dividends are recognised when the distribution is expected.

Mining taxes and royalties that have the characteristics of an income tax are treated and disclosed as current and deferred income taxes.

(o) Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits with an original maturity of three months or less. Bank overdrafts are repayable on demand and are shown within borrowings in current liabilities on the consolidated statement of financial position. For the purposes of the consolidated statement of cash flows, cash includes cash on hand and deposits at call which are readily convertible to cash and are subject to an insignificant risk of changes in value, net of any outstanding bank overdrafts which are recognised at their principal amounts.

(p) Trade and other payables

These amounts represent liabilities for goods and services provided to the Group entities prior to the end of the financial year which are unpaid. The amounts are unsecured and are typically paid within 30 days of recognition. These amounts are initially recognised at fair value and are subsequently carried at amortised cost.

(q) Deferred income

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

(r) Trade receivables

Trade receivables represent amounts owing for goods and services supplied by the Group entities prior to the end of the financial period which remain unpaid. They arise from transactions in the normal operating activities of the Group.

Trade receivables are carried at amortised cost, less any impairment losses for doubtful debts. An impairment loss is recognised for trade receivables when collection of the full nominal amount is no longer certain.

(s) Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options are recognised as a deduction from equity, net of any tax effect(s).

(t) Earnings per share

Nyrstar presents basic and diluted earnings per share (EPS) for its ordinary shares. Basic EPS is calculated by dividing the profit for the period attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit for the period attributable to ordinary shareholders of the Company and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

(u) Segment reporting

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

The segment information reported to the NMC is prepared in conformity with the accounting policies consistent with those described in these financial statements and presented in the format outlined in note 7.

Revenues, expenses and assets are allocated to the operating segments to the extent that items of revenue, expense and assets can be directly attributed or reasonably allocated to the operating segments. The interrelated segment costs have been allocated on a reasonable pro rata basis to the operating segments.

(v) Treasury shares

When Nyrstar reacquires its own equity instruments, the par value of treasury shares purchased is deducted from reserves. The difference between the par value of the treasury shares purchased and the amount of consideration paid, which includes directly attributable costs, is recognised as a deduction from accumulated losses. Reacquired shares are classified as treasury shares and may be acquired and held by the entity or by other members of the consolidated group. When treasury shares are sold or reissued subsequently, the amount received is recognised as an increase in equity, and the resulting gain or loss on the transaction is recognised in accumulated losses.

(w) Zinc purchase interests

Streaming agreements for the acquisition of zinc concentrates are presented on the statement of financial position as zinc purchase interests. The useful life is determined with reference to the number of metric tonnes to be delivered under the contract. The asset is depleted through the income statement using the unit-of-production method, as the asset is recovered with each metric ton of zinc delivered under the contract.

(x) Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs.

To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

(y) Exceptional items

Exceptional items are those relating to restructuring expense, M&A related transaction expense and impairment of assets which the Group believes should be disclosed separately on the face of the consolidated income statement to assist in the understanding of the financial performance achieved by the Group.

4. Critical accounting estimates and judgements

Estimates and judgements used in developing and applying the accounting policies are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances. Nyrstar makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and underlying assumptions are reviewed on an ongoing basis.

The critical estimates and judgements that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are listed below.

Fair value

The Group has applied estimates and judgments in accounting for business combinations (note 8), revenue recognition, inventories (note 22), share-based payments (note 33) and for its financial assets and liabilities (note 21). Fair value measurements are estimated based on the amounts for which the assets and liabilities could be exchanged at the relevant transaction date or reporting period end, and are therefore not necessarily reflective of the likely cash flow upon actual settlements. Where fair value measurements cannot be derived from publicly available information, they are estimated using models and other valuation methods. To the extent possible, the assumptions and inputs used take into account externally verifiable inputs. However such information is by nature subject to uncertainty, particularly where comparable market based transactions rarely exist.

Determination of ore reserves and resources estimates

Estimated recoverable reserves and resources are used to determine the depreciation of mine production assets (note 15), in accounting for deferred costs (note 15) and in performing impairment testing (note 17). Estimates are prepared by appropriately qualified persons, but will be impacted by forecast commodity prices, exchange rates, production costs and recoveries amongst other factors. Changes in assumptions may impact the carrying value of assets and depreciation and impairment charges recorded in the income statement.

Restoration, rehabilitation and decommissioning provision (note 29)

Provision is recognised for estimated closure, restoration and environmental rehabilitation costs. These costs include the dismantling and demolition of infrastructure, removal of residual materials and remediation of disturbed areas in the financial year when the related environmental disturbance occurs. They are based on the estimated future costs using information available at each balance sheet date. The provision is discounted using a current market-based pre-tax discount rate and the unwinding of the discount is recognised as interest expense. The calculation of these provision estimates requires assumptions such as application of environmental legislation, plant closure dates, available technologies and engineering cost estimates. A change in any of the assumptions used may have a material impact on the carrying value of restoration provisions.

Retirement benefits (note 30)

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

Impairment of assets (note 15,16,17)

The recoverable amount of each cash-generating unit is determined as the higher of the asset's fair value less costs to sell and its value in use. These calculations require the use of estimates and assumptions such as discount rates, exchange rates, commodity prices, future capital requirements and future operating performance. For cash-generating units that

comprise mining related assets, the estimates and assumptions also relate to the ore reserves and resources estimates (see above). For further information refer to note 17.

Recovery of deferred tax assets (note 13)

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable profits are available to utilise those temporary differences and losses, and the tax losses continue to be available having regard to the nature and timing of their origination and compliance with the relevant tax legislation associated with their recovery. In evaluating whether it is probable that taxable profits will be earned in future accounting periods, all available information is considered. The forecasts used in this evaluation are consistent with those prepared and used internally for business planning and impairment testing purposes.

Recovery of zinc purchase interest (note 20)

Due to recent developments regarding the financial situation of Talvivaara Mining Company plc, Nyrstar's counterparty in respect of its zinc purchase interest, critical judgments are required in assessing the recoverability of the zinc purchase interest. These judgments are outlined in note 20.

5. Financial risk management

(a) Overview

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

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

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

(b) Credit risk

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

Trade and other receivables

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

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

Guarantees

Nyrstar's policy is to provide financial guarantees only on behalf of wholly-owned subsidiaries. At 31 December 2013, no guarantees were outstanding to external customers (31 December 2012 : nil).

(c) Liquidity risk

Liquidity risk arises from the possibility that Nyrstar will not be able to meet its financial obligations as they fall due. Liquidity risk is being addressed by maintaining, what management considers to be, a sufficient degree of diversification of funding sources. These include committed and uncommitted short and medium term bank facilities as well as bonds (e.g. convertible bonds and fixed rate bonds).

Nyrstar is actively managing the liquidity risk in order to ensure that at all times it has access to sufficient cash resources at a cost in line with market conditions for companies with a similar credit standing. Liquidity risk is measured by comparing projected net debt levels against total amount of available committed facilities. These forecasts are being produced on a rolling basis and include cash flow forecasts of all operational subsidiaries. Also the average remaining life of the committed funding facilities is monitored, at least on a quarterly basis.

The financial covenants of the existing loan agreements are monitored as appropriate in order to ensure compliance. No breach of covenants has occurred during the year.

(d) Market risk

Market risk is the risk that changes in market prices will affect Nyrstar's income or the value of its investments in financial instruments. The objective of market risk management is to manage and control market exposures within acceptable parameters while optimising the return.

Commodity price risk

In the normal course of its business, Nyrstar is exposed to risk resulting from fluctuations in the market prices of commodities. Nyrstar currently engages primarily in transactional hedging which means that it undertakes short-term hedging transactions to cover the timing risk between raw material purchases and sales of metal and to cover its exposure on fixed-price forward sales of metal to customers. Transactional hedging arrangements are accounted for in the "Other Financial Assets" and the "Other Financial Liabilities" line items of the statement of financial position. Any gains or losses realised from hedging arrangements are recorded within operating result. Nyrstar generally does not undertake any structural or strategic hedging which means that its results are largely exposed to fluctuations in zinc, lead and other metal prices. Nyrstar reviews its hedging policy on a regular basis.

Foreign Currency Exchange Risk

Nyrstar's assets, earnings and cash flows are influenced by movements in exchange rates of several currencies, particularly the U.S. Dollar, the Euro, the Australian Dollar, the Canadian Dollar, the Peruvian Sol, the Chilean Peso, the Mexican Peso, the Honduran Lempira and the Swiss Franc. Nyrstar's reporting currency is the Euro, zinc, lead and other metals are sold throughout the world principally in U.S. Dollars, while Nyrstar's costs are primarily in Euros, Australian Dollars, Canadian Dollars, U.S. Dollars, Peruvian Sols, Chilean Pesos, Mexican Pesos, Honduran Lempiras and Swiss Francs. As a result, movement of the U.S. Dollar, the Australian Dollar, the Canadian Dollar, Peruvian Sol, Chilean Peso, Mexican Peso, Honduran Lempira, Swiss Franc or other currencies in which Nyrstar's costs are denominated against the Euro could adversely affect Nyrstar's profitability and financial position.

Nyrstar has not entered and does not currently intend to enter into transactions that seek to hedge or mitigate its exposure to exchange rate fluctuations, other than short-term hedging transactions to cover the timing risk between concentrate purchases and sales of metal and to cover its exposure on fixed-price forward sales of metal to customers.

(e) Interest rate risk

Nyrstar incurs interest rate risk primarily on loans and borrowings. This risk is limited as a result of the interest rate on borrowings such as convertible bond and fixed rate bond being fixed. Nyrstar's current borrowings are split between fixed rate and floating rate basis. All variable interest rate loans and borrowings have EURIBOR or LIBOR based interest rates. The interest rate and terms of repayment of Nyrstar's loans are disclosed in note 35f. Changes in interest rates may impact primary loans and borrowings by changing the levels of required interest payments.

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

(f) Capital management

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

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

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

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

6. Exchange rates

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

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

7. Segment reporting

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

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

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

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

Smelting's Payable/free metal contribution is the value of the difference received between the amount of metal that is paid for in a concentrate and the total zinc recovered from the sale by a smelter.

Treatment charges are the fees charged for the processing of primary (concentrates) and secondary raw materials for the production of metal which is a positive gross profit element for the smelters and a deduction in the gross profit for mines.

Smelters' premiums Contribution is the premium charged on top of the base LME price for the sales of refined zinc and lead metals.

By-products are secondary products obtained in the course of producing zinc or lead and include primarily sulphuric acid, silver, gold, indium, copper and cadmium.

Other are other costs and revenues associated with smelting or mining operations that do not relate to the above categories.

The 'Metals processing' segment comprises of the Group's smelting operations. The 'Mining' segment comprises of the Group's mining operations and the zinc streaming agreement with the Talvivaara mine (Finland). 'Other & Eliminations' contains Galva 45 (France), corporate activities as well as the eliminations of the intra-group transactions including any unrealised profits resulting from intercompany transactions.

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

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

Geographical information

(a) Revenues from external customers

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

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

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

(b) Non-current assets

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

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

8. Acquisition of business

2013

Acquisition of subsidiary: ERAS Metal AS

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

As at 31 December 2013, the accounting for the acquisition was done on a provisional basis due to the timing of the acquisition. The acquisition had the following effect on the Group's assets and liabilities on acquisition date:

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

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

9. Disposal of subsidiaries

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

10. M&A related transaction expense

Merger and acquisition (M&A) related expense include the acquisition and disposal related direct transaction costs (e.g. advisory, accounting, tax, legal or valuation fees paid to external parties). The M&A related transaction expense in the 2013 income statement amounts to EUR 1.7 million (2012: EUR 2.6 million). In 2013, EUR 0.5 million related to successfully completed acquisitions, see Note 8 (2012: nil).

11. Employee benefits expense

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

12. Finance income and expense

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

13. Income tax

(a) Income tax recognised in the income statement

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

(b) Reconciliation of effective tax rate

The tax on the Group's profit before tax differs from the theoretical amount that would arise using the weighted average tax rate applicable to profits of the consolidated entities as follows:

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

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

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

(c) Income tax recognised directly in other comprehensive income

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

(d) Recognised deferred income tax assets and liabilities

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

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

EUR 66.0 million (31 December 2012: EUR 36.2 million) of the net deferred tax assets on tax losses carried forward arise in entities that have been loss making in 2013 and 2012. In evaluating whether it is probable that taxable profits will be earned in future accounting periods, all available evidence was considered. These forecasts are consistent with those prepared and used internally for business planning and impairment testing purposes. Following this evaluation, it was determined there would be sufficient taxable income generated to realise the benefit of the deferred tax assets.

(e) Unrecognised deductible temporary differences and tax losses

EUR million	Net deductible temporary differences	Tax loss carry forward	Total Dec 31, 2013	Net deductible temporary differences	Tax loss carry forward	Total Dec 31, 2012
No expiration date	164.0	281.9	445.9	185.3	247.1	432.4
Expiration date within 4 years	-	-	-	-	-	-
Expiration date 4 to 7 years	-	-	-	-	179.2	179.2
Expiration date over 7 years	-	-	-	-	-	-
Total	164.0	281.9	445.9	185.3	426.3	611.6

(f) Unremitted earnings

As at 31 December 2013, unremitted earnings of EUR 540.0 million (31 December 2012: EUR 393.0 million) have been retained by subsidiaries and associates for reinvestment. No provision is made for income taxes that would be payable upon the distribution of such earnings.

(g) Tax audit

Nyrstar periodically assesses its liabilities and contingencies for all tax years open to audit based upon the latest information available. For those matters where it is probable that an adjustment will be made, the Group recorded its best estimate of these tax liabilities, including related interest charges. The final outcome of tax examinations may result in a materially different outcome compared to the recorded tax liabilities and contingencies.

14. Other expense

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

15. Property, plant and equipment

EUR million	Note	Land and buildings	Plant and equipment	Mining properties and development	Under construction	Cyclical maintenance and other	Total
Cost		152.4	1,525.9	916.2	95.9	162.2	2,852.6
Accumulated depreciation and impairment		(17.9)	(718.0)	(250.1)	-	(95.1)	(1,081.1)
Carrying amounts		134.5	807.9	666.1	95.9	67.1	1,771.5
As at 1 Jan 2013		151.7	707.9	727.4	82.2	61.0	1,730.2
Acquired in business combination		-	7.3	-	-	-	7.3
Additions		2.2	46.0	16.0	115.2	18.7	198.1
Restoration provision adjustments	29	-	-	21.7	-	-	21.7
Transfers		(20.4)	34.5	58.6	(96.7)	18.1	(5.9)
Disposals		(0.3)	(1.2)	-	-	-	(1.5)
Depreciation expense		(12.0)	(112.3)	(60.1)	-	(27.6)	(212.0)
Impairment	17	20.8	166.1	(57.4)	4.6	(0.3)	133.8
Currency translation effects		(7.5)	(40.4)	(40.1)	(9.4)	(2.8)	(100.2)
As at 31 Dec 2013		134.5	807.9	666.1	95.9	67.1	1,771.5

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

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

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

16. Intangible assets

EUR million	Note	Goodwill	Emission and carbon rights	Software and other	Total
Cost		-	2.5	26.5	29.0
Accumulated amortisation and impairment		-	(0.4)	(18.3)	(18.7)
Carrying amounts		-	2.1	8.2	10.3
As at 1 Jan 2013		124.9	1.1	7.4	133.4
Additions*		-	23.3	0.8	24.1
Transfers		-	-	5.9	5.9
Disposals		-	(21.7)	-	(21.7)
Amortisation expense		-	-	(5.3)	(5.3)
Impairment	17	(118.2)	-	(0.4)	(118.6)
Currency translation effects		(6.7)	(0.6)	(0.2)	(7.5)
As at 31 Dec 2013		-	2.1	8.2	10.3

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

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

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

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

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

17. Impairment

Impairment loss

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

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

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

(note 15) (note 16) (note 18, 19)

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

Impairment testing for mining and metals processing operations

Recoverable values were determined on the basis of fair value less cost to sell (FVLCS) for each operation. The FVLCS recoverable values for Mining and Metals Processing operations were determined as the present value of the estimated future cash flows (expressed in real terms) expected to arise from the continued use of the assets (life of asset), including reasonable forecast expansion prospects and using assumptions that an independent market participant would take into account. These cash flows were discounted using a real after-tax discount rate that reflected current market assessments of the time value of money and the risks specific to the operation.

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

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

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

Treatment charge assumptions are determined by reference to benchmark treatment charges and historical treatment charge rates as a proportion of the associated metal price and range from 7% to 13% of the underlying metal price.

Discount rates are determined using a weighted average cost of capital methodology on an operation specific basis. The discount rates applied for operations with allocated goodwill and/or impairment charges/reversals are outlined in the table below:

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

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

Impairment charges related to mining operations

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

Reversal of impairment at Balen and Port Pirie

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

The reversal of impairment at the Balen Smelter was driven by the continuous, sustained improvements in operating results at the Balen Smelter since 2008 particularly in relation to zinc recovery rates and energy costs which combined with the favourable zinc price outlook provide objective evidence that the recoverable amounts of the assets in Balen exceed their

carrying value after reversal of the 2008 impairment charge. The reversal of impairment at the Port Pirie Smelter is due to the planned Port Pirie Transformation Project, a capital expansion plan which will significantly change the nature of the operating capabilities of the Port Pirie Smelter from a primary lead smelter to a world class, multi-metals recovery facility increasing the cash generating ability of Port Pirie. The recoverable value estimate for Port Pirie incorporates all capital expenditure associated with the project and the discount rate applied includes a premium for construction risks. Based on the results of the impairment testing the recoverable amounts of the assets in Port Pirie exceed their carrying value after reversal of the 2008 impairment charge.

Other non-core assets of the Group

In 2013 Nyrstar recognised impairment losses of EUR 24.9 million on Group's non-core assets. The majority of these impairment losses relate to investments in equity securities that has been valued at fair value with mark to market movements recognised in other comprehensive income ("OCI") for which market prices which indicated a significant decline in the market value of the investment (EUR 12.9 million) and investments in equity accounted investees estimated under FVLCS using discounted cash flow models (EUR 10.6 million).

18. Investments in equity accounted investees

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

¹ Impairment losses totaling EUR 10.6 million were recorded in connection with Genesis Alloys (Ningbo) Ltd. and Foehl China Co. Ltd during the year ended 31 December 2013 (2012: EUR Nil), refer to note 17.

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

EUR million	Current assets	Non-current assets	Current liabilities	Non-current liabilities	Revenues	Profit / (loss)
As at 31 Dec 2013	6.4	65.3	(0.9)	(0.2)	17.6	0.8
As at 31 Dec 2012	10.5	102.9	(2.4)	(0.2)	22.7	(1.3)

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

The fair value (based on the quoted bid prices in an active market, a Level 1 measurement) of Nyrstar's share of Ironbark Zinc Ltd as of 31 December 2013 is EUR 3.8 million (2012: 10.8 million).

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

19. Investments in equity securities

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

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

All investments in equity securities are measured at level 1 under the fair value measurements using quoted bid prices in an active market (refer to note 35g for further explanation), with the exception of Exeltium SAS, which is a private company and carried at cost.

20. Zinc purchase interest

In February 2010, Nyrstar acquired 1.25 million tonnes of zinc in concentrate for USD 335 million (EUR 242.6 million) from Talvivaara Sotkamo Limited (a member of the Talvivaara Mining Company Plc group "Talvivaara") to be delivered over a number of years (the "Agreement"). As at 31 December 2013, 1.03 million tonnes (2012 – 1.17 million tonnes) remain to be delivered to Nyrstar.

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

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

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

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

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

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

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

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

21. Other financial assets and liabilities

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

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

The fair value of derivatives (commodity contracts) hedging inventories and fixed forward sales contracts resulted in a net liability of EUR 5.3 million (31 December 2012: net asset of EUR 23.2 million) being recognised on the statement of financial position.

Carrying amounts of the hedged items of inventory as well as the firm commitments for fixed forward sales contracts are disclosed in note 22 and 23, respectively.

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

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

(b) Embedded derivatives

The change in fair value on the effective portion of the Group's embedded derivatives during the year ended 31 December 2013 with a negative impact of EUR 9.0 million (31 December 2012: negative impact of EUR 7.2 million) was

recognised in the cash flow hedge reserve whilst changes in fair value on the ineffective portion and amortisation of the swap's fair value at inception of EUR 9.3 million (31 December 2012: EUR 8.7 million) were recognised in the income statement within energy expense.

(c) Restricted cash

The restricted cash balance of EUR 7.6 million as at 31 December 2013 (31 December 2012: EUR 8.2 million) represents amounts placed on deposit to cover certain reclamation costs.

(d) Held to maturity

The held to maturity instrument is a government bond that is required to be maintained as a security deposit.

(e) Loans to equity accounted investees

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

(f) Commodity contracts – cash flow hedges

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

22. Inventories

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

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

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

23. Other assets and liabilities

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

(a) Fair value of underlying hedged risk

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

(b) Deferred debt issuance cost

Transaction cost of the SCTF credit facility (see note 28) not yet amortised of EUR 2.6 million (2012: EUR 3.4 million).

(c) Other liabilities

In 2011 Nyrstar acquired Farallon Mining Ltd., the owner of the Campo Morado mining operation in Mexico. In May 2008, Farallon entered into a contractual agreement with Silver Wheaton Corp. ("Silver Wheaton") to sell 75% of its silver production from the Campo Morado operation over the life of mine for an upfront payment of USD 80.0 million. Upon physical delivery of the silver, Silver Wheaton will also pay Nyrstar a fixed price payment per ounce of silver produced equal to the lesser of USD 3.90 and the spot price at the time of sale (subject to a 1% annual adjustment starting in the third year of silver production)

As a part of the purchase price allocation accounting for the Campo Morado acquisition, the obligation to deliver silver to Silver Wheaton was fair valued based on the present value of the forgone revenue resulting from the Silver Wheaton obligation as of the acquisition date. The obligation is depleted through the income statement using the unit-of-production method, as the mineral reserves related to the Silver Wheaton liability are mined and delivered under the contract. The amortisation of the Silver Wheaton liability in 2013 amounts to EUR 2.6 million (2012: EUR 2.5 million).

24. Trade and other receivables

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

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

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

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

25. Cash and cash equivalents

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

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

Cash at bank and on hand and short-term deposits earned a combined weighted average interest rate of 0.1% for calendar year 2013 (2012: 0.2% per annum).

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

26. Capital

Share capital and share premium

As at 31 December 2013 the number of issued ordinary shares is 170,022,544 (31 December 2012: 170,022,544) with a par value of EUR 2.18 (2012: EUR 2.34). The reduction in par value is due to decisions taken at the extraordinary shareholders' meeting on 23 May 2013 to reduce the Company's share capital through the distribution to the shareholders of an amount of EUR 0.16 per outstanding share, EUR 27.2 million (for further detail see below). The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All shares rank equally with regard to the Company's residual assets.

Apart from the issued share capital, Nyrstar NV has outstanding convertible bonds issued in 2009 and 2013 in an aggregate principal amount of EUR 119.9 million and EUR 120.0 million respectively. Based on a conversion price of EUR 5.63 per share for the bonds issued in 2009, if all convertible bonds are converted, a maximum of 21,296,625 new shares are to be issued. Based on a conversion price of EUR 4.978 per share for the bonds issued in 2013, if all convertible bonds are converted, a maximum of 24,106,066 new shares are to be issued.

Distribution to shareholders (capital decrease)

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

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

Issued shares		2013	2012
Shares outstanding		154,684,113	162,676,718
Treasury shares		15,338,431	7,345,826
As at 31 Dec		170,022,544	170,022,544
Movement in shares outstanding		2013	2012
As at 1 Jan		162,676,718	160,609,406
Purchases of treasury shares		(13,245,757)	-
Sales of treasury shares		4,765,225	-
Employee shared based payment plan		487,927	2,067,312
As at 31 Dec		154,684,113	162,676,718
Movement in treasury shares		2013	2012
	Note		
As at 1 Jan		7,345,826	9,413,138
Purchases	27	13,245,757	-
Sales	27	(4,765,225)	-
Employee shared based payment plan	33	(487,927)	(2,067,312)
As at 31 Dec		15,338,431	7,345,826

Disclosure of the shareholders' structure

The Group's major shareholders (holding greater than 3% of the Group's outstanding shares) based on notifications of significant shareholdings available as at 31 December 2013 were:

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

27. Reserves

Reconciliation of movement in reserves

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

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

Treasury shares

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

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

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

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

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

28. Loans and borrowings

This note provides information about the contractual terms of the Group's interest-bearing loans and borrowings, which are measured at amortised cost. For more information about the Group's exposure to interest rate, foreign currency and liquidity risks see note 35.

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

Convertible bonds

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

The bonds are convertible at the option of the holder, at any time from 1 September 2009 until 1 July 2014 (ten days prior to final maturity date being 10 July 2014), or if the bonds are called by the Group for redemption prior to the final maturity date, until the seventh day before the date fixed for redemption. The conversion price as at 31 December 2013 is EUR 5.63 per share (31 December 2012: EUR 5.91 per share).

The bonds consist of a liability component and an equity component. The fair values of the liability component (EUR 108.7 million) and the equity component (EUR 8.8 million) were determined, using the residual method, at issuance of the bonds. The liability component is measured at amortised cost at an effective interest rate of 9.09% per annum.

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

EUR 120 million 4.25% convertible bonds listed on the Frankfurt Open Market (Freiverkehr), due September 2018.

The bonds are convertible at the option of the holder, at any time from 31 December 2013 until 15 September 2018 (ten days prior to final maturity date being 25 September 2018), or if the bonds are called by the Group for redemption prior to the final maturity date, until the seventh day before the date fixed for redemption. The conversion price as at 31 December 2013 is EUR 4.978 per share.

The bonds consist of a liability component and an equity component. The fair values of the liability component (EUR 102.3 million) and the equity component (EUR 15.7 million) were determined, using the residual method, at issuance of the bonds. The liability component is measured at amortised cost at an effective interest rate of 8.03% per annum.

The bonds have been issued at 100% of their principal amount and have a coupon of 4.25% per annum, payable semi-annually in arrears.

In 2013 and 2012 no convertible bonds were converted in ordinary shares of the company.

SCTF credit facility

SCTF credit facility is a secured multi-currency revolving structured commodity trade finance credit facility with a limit of EUR 400 million. The facility was refinanced mid of November 2012 and has a maturity of four years (with run-off period during the fourth year leading to a maturity of 16 November 2016). The facility includes an accordion to increase its size to EUR 750 million on a pre-approved but uncommitted basis

Funds drawn under the facility bear interest at EURIBOR plus a margin of 1.85%.

Directly attributable transaction costs have been deducted at initial recognition and are amortized over the term of the credit facility. Transaction cost not yet amortized at the balance sheet date amount to EUR 2.6 million (31 December 2012: EUR 3.4 million). These costs are disclosed under other assets (see note 23). In 2012 the costs of the previous SCTF credit facility were written off at the time of renewal, leading to finance charges of EUR 3.0 million.

Borrowings under this facility are secured by Nyrstar's inventories and receivables. In addition to standard representations, warranties and undertakings, including restrictions on mergers and disposals of assets, the facility provides for financial covenants which are linked to certain balance sheet ratios.

Fixed rate bonds

At 31 December 2013, the Company has two outstanding fixed rate bonds; 5.5% fixed rate bond with an original face value of EUR 225 million (maturity: April 2015) and 5.375% fixed rate bond with an original face value of EUR 525 million (maturity: April 2016). In 2013, Nyrstar bought back own bonds with a face value of EUR 5 million for the 5.5% bond and EUR 10 million for the 5.375% bond for total cash consideration of EUR 14.6 million. Directly attributable transaction costs have been deducted at initial recognition and are amortised over the term of the bonds.

Terms and debt repayment schedule

Terms and conditions of outstanding loans were as follows:

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

* The Company may, at any time on or after 10 July 2012, redeem the convertible bonds together with accrued but unpaid interest, if on not less than 20 out 30 days consecutive dealing days, the volume weighted average price of the shares exceeds 150% of the conversion price.

** The Company may, at any time on or after 16 October 2016, redeem the convertible bonds together with accrued but unpaid interest, if on not less than 20 out 30 days consecutive dealing days, the volume weighted average price of the shares exceeds 130% of the conversion price.

Finance leases

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

29. Provisions

EUR million	Note	Restoration, rehabilitation and decommissioning	Restructuring	Other	Total
As at 1 Jan 2013		179.5	5.1	50.2	234.8
Acquired in business combination		1.5	-	-	1.5
Payments		(13.0)	(7.2)	(5.2)	(25.4)
Additions / (reversals)		0.9	7.6	(10.6)	(2.1)
PPE asset adjustment	15	21.7	-	-	21.7
Transfers		(0.2)	-	0.1	(0.1)
Unwind of discount	12	10.8	-	0.2	11.0
Currency translation effects		(13.0)	(0.3)	(2.4)	(15.7)
As at 31 Dec 2013		188.2	5.2	32.3	225.7
Whereof current		7.7	5.2	4.2	17.1
Whereof non-current		180.5	-	28.1	208.6

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

Restoration, rehabilitation and decommissioning

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

market based pre-tax discount rate and the unwinding of the discount is included in interest expense. Refer to note 4 for a discussion of the significant estimations and assumptions applied in the measurement of this provision.

Restructuring

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

Other

Other provisions primarily relate to workers compensation benefits, legal claims and other liabilities. The current portion of these costs is expected to be utilised in the next 12 months and the non-current portion of these costs is expected to be utilised over a weighted average life of 2 years (2012: 2 years). The estimates may vary as a result of changes in cost estimates and timing of the costs to be incurred.

30. Employee benefits

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

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

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

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

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

Impact of transition to IAS 19R

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

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

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

The effect on the consolidated income statement was as follows:

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

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

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

Retirement and post-retirement plans

Nyrstar participates in a number of superannuation and retirement benefit plans. The plans provide benefits on retirement, disablement, death, retrenchment or withdrawal from service, the principal types of benefits being lump sum defined benefits and lump sum defined contribution benefits.

Defined contribution plans

The Group is required to contribute a specified percentage of payroll costs to the retirement benefit schemes to fund the benefits. The only responsibility of the Group is to make the specified contributions, with the exception of Belgium where legislation requires a minimum interest to be guaranteed by the employer on these contributions. Since 2013 this interest

guarantee is no longer 100% covered by the insurance carrier resulting in a financial exposure for the Belgian companies, which is immaterial.

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

The total expense for defined contribution plans recognised in the consolidated income statement is EUR 4.6 million.

Defined benefit plans

The Group sponsors defined benefit plans as described below. All defined benefit plans are externally funded, either through a collective insurance contract or through a self-administered pension fund legally separated from the entity. All plans comply with local regulatory frameworks and minimum funding requirements and have been reviewed as at 31 December 2013. Furthermore the Group is responsible for the administration and governance of the defined benefit plans in Belgium, Switzerland, the US and Canada. The plan assets do not include direct investments in the Group's own financial instruments nor in property occupied by or used by the companies of the Group.

The defined benefit plans also include the so-called cash balance plans. The cash balance plans, sponsored by the Belgian and Swiss entities, account for about 13% of the total defined benefit obligation value as at 31 December 2013 and are valued on the basis of the Projected Unit Credit Method.

The defined benefit plans expose the sponsoring company to actuarial risks such as investment risk, interest rate risk, salary risk, inflation risk and longevity risk. The medical benefit plans are further exposed to medical cost inflation risk. The possible impact of changes in these risks has been illustrated by a sensitivity analysis which is further detailed below.

Death in service and disability risks are in most countries insured with an external (re)insurance company.

Based on geographical location of the sponsoring entities, the recognised retirement benefit obligations as at 31 December 2013 can be split as follows:

EUR million	31 Dec 2013	Average duration
<u>Euro zone:</u>	(22.8)	12.7 years
Nyrstar Budel BV Excedent Pension Plan		
Nyrstar Belgium SA/NV: Staff Old Defined Benefit plan funded through pension fund, Staff Cash Balance Plan, Staff Complementary Savings Plan, Staff Insured Old Defined Benefit plan, Staff "appointements continués", Salaried Employees Old Defined Benefit Plan, Salaried Employees "appointements continués"		
Nyrstar NV: Staff Cash Balance Plan, Staff Complementary Savings Plan		
Nyrstar France Régime d'Indemnités de Fin de Carrière and Régime du Mutuelle		
Nyrstar France Mutuelle (medical benefit plan)		
<u>USA:</u>	(16.8)	13.5 years
Nyrstar Clarksville Inc: Hourly Employees' Pension Plan, Salaried Employees' Retirement Plan, Pension Plan for Bargaining Unit Employees, NCI/JCZ Pension Plan for Bargaining Unit Employees, Supplemental Executive Retirement Plan		
Nyrstar Clarksville Inc. Post Retirement Medical Benefit and Life Insurance Plan (medical benefit plan)		
<u>Canada:</u>	(15.2)	11.3 years
Nyrstar Myra Falls Ltd.: Hourly-Paid Employees' Pension Plan, Thirty-Year Retirement Supplement and Voluntary Early retirement Allowance		
Nyrstar Myra Falls Ltd.: Non-Pension post-retirement benefits plan (medical benefit plan)		
<u>Switzerland:</u>	(4.0)	17.8 years
Nyrstar Sales & Marketing AG: Pension Plan Staff and Pension Plan Staff NMC funded through the Helvetia Group Foundation		
Nyrstar Finance International AG: Pension Plan funded through the Helvetia Group Foundation		
Total	(58.8)	12.9 years

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

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

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

Plan assets comprise:

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

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

EUR million	31 Dec 2013
Cash and cash equivalents	2.9
Equity instruments	0.2
Debt instruments	2.0
Mutual Funds	67.0
Insurance contracts	25.0
Total	97.1

Mutual funds consist of equity funds, fixed-income funds and mixed investments funds including both equity and debt instruments. All assets, except for the insurance contracts have quoted prices in active markets. The fair value of the insurance contracts corresponds either to the present value at the discount rate of the secured future benefits (Netherlands) or to the capitalized value of the paid contributions at the contractually guaranteed insurance rate (other countries).

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

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

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

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

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

The expense recognised in the income statement is as follows:

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

Principal actuarial assumptions

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

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

Multiple discount rates have been used in accordance with the regions as indicated in the table above. The discount rates have been determined by reference to high quality corporate bonds with a similar duration as the weighted average duration

of the concerned plans for the EURO zone, USA and Canada. As there is no deep market for AA-bonds with the required term in Switzerland, discount rates have been determined by reference to government bond rates.

Future salary increase assumptions reflect the Groups' expectations and HR policy for the next few years.

A single inflation rate assumption has been used for the EURO zone (2%) corresponding to the target inflation rate of the European Central Bank.

The medical cost trend rate assumptions have been determined based on industry standards and survey data with consideration for actual plan experience.

Mortality assumptions are based on the latest available standard mortality tables for the individual countries concerned. These tables imply expected future lifetimes (in years) for employees aged 65 as at the 31 December 2013 of 18 to 24 for males (2012: 18 to 24) and 21 to 28 (2012: 21 to 28) for females. The assumption for each country are reviewed each year and are adjusted where necessary to reflect changes in fund experience and actuarial recommendations. If applicable, the longevity risk is covered by using appropriate prospective mortality rates.

Sensitivity analysis

The significant actuarial assumptions for the determination of the defined benefit obligation have been discussed earlier in this note. The table below shows the sensitivity analysis on the effect on the defined benefit obligation of reasonable positive changes in the most significant actuarial assumptions used. Note that the sensitivity analysis is done per assumption (where the other significant assumptions were held constant):

EUR million	31 Dec 2013
Discount rate -0.5%	10.1
Discount rate +0.5%	(8.9)
Expected future salary increase - 0.5%	(0.4)
Expected future salary increase + 0.5%	0.4
Expected inflation rate - 0.5%	(0.4)
Expected inflation rate + 0.5%	0.4
Medical cost trend rate -1.0%	(3.2)
Medical cost trend rate +1.0%	4.0
Life expectancy - 1 year	3.6
Life expectancy + 1 year	(3.6)

Expected contributions 2014

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

31. Trade and other payables

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

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

32. Deferred income

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

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

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

In December 2013, Nyrstar entered into another silver prepay agreement, under which Nyrstar received a USD 50 million (EUR 36.3 million) prepayment and agreed to physically deliver 3.3 million oz of silver in equal instalments over a six month period ending June 2014. The silver prepayment is amortised into revenue as the underlying silver is physically delivered. As at 31 December 2013, no silver has been delivered.

In connection with these silver prepay agreements Nyrstar entered into forward purchase contracts with equivalent delivery dates to hedge the silver price exposure related to delivery commitments. These contracts are accounted for as an effective fair value hedges of the firm sales commitments in the silver prepay agreements. The change in fair value of the forward purchase contracts (EUR 5.9 million at 31 December 2013, included in other financial liabilities) and the portion of deferred income related to the silver prepay agreement (EUR 5.9 million) effectively offset in the income statement.

33. Share-based payments

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

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

Long Term Incentive Plan

LTIP Grants 2 to 6 were granted between 2009 and 2013 in accordance with the rules and conditions of the Executive Long Term Incentive Plan (LTIP). The table below summarises the details of the grants.

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

* the fair value is the weighted average fair value for both performance measures: price of Zinc and MSCI as explained below

(a) Performance criteria

To ensure that the LTIP is aligned with maximizing shareholder returns, the board has set two performance conditions, which are weighted equally. For both performance conditions an equal number of awards has been granted. For an award to vest, Nyrstar's annual share price performance is measured relative to the implied change in a notional share price that is based upon the historical performance of the price of zinc and the MSCI World Metals and Mining Index

Shares are awarded to eligible employees to the extent that predetermined scaling thresholds for each of the performance conditions are met and that the employee remains in service to vesting date of the respective grant.

(b) Settlement

The board has the discretion to settle LTIP Grant 2, Grant 3, Grant 4, Grant 5 and Grant 6 award in shares or cash. However it intends to settle all plans in shares. As such, all LTIP plans are treated as equity settled share based payments.

The significant inputs into the valuation model for the LTIP plans granted in 2013 and 2012 are:

	2013	2012
Dividend yield	3.0%	3.0%
Expected volatility - Nyrstar share price	47.0%	46.0%
Expected volatility - zinc price	24.0%	30.0%
Expected volatility - MSCI metals and mining index	22.0%	23.0%
Risk free interest rate	1.3%	2.2%
Share price at grant date (in EUR)	3.30	4.48
Expected forfeiture rate	0.0%	0.0%
Valuation model used	Monte Carlo	Monte Carlo

The expected volatilities are based on the historic volatility during the period prior to the grant date (that is equivalent to the expected life of the award, subject to historical data remaining relevant). The performance conditions are both market-related and were accounted for in calculating the fair value of the awards.

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

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

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

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

Modifications to LTIP Grants 3, 4 and 5

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

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

Management Committee Co-Investment Plan

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

In line with the resolution of the annual general shareholders meeting held at 27 April 2011 the Co-investment Plan has reflected the impact of the March 2011 rights issue by the Company. It was also agreed that additional 95,510 shares of the Company subscribed for by the respective participants in the Co-Investment Plan are considered "Co-investment Shares" for

purposes of the Co-Investment Plan. At 30 June 2011 an additional participant has purchased 25,000 shares as participation in the Co-investment plan. The terms and conditions of this participation are consistent with the terms and conditions of the previous Co-investment Plan participations.

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

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

Movement of Co-Investment Shares:

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

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

Leveraged Employee Stock Ownership Plan (LESOP)

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

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

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

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

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

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

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

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

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

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

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

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

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

34. Loss per share

(a) Basic loss per share

The basic loss per share is calculated as follows:

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

(b) Diluted loss per share

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

35. Financial instruments

In the normal course of business, Nyrstar is exposed to fluctuations in commodity prices and exchange rates, interest rate risk, credit risk and liquidity risk. In accordance with Nyrstar's risk management policies, derivative financial instruments are used to hedge exposures to commodity prices and exchange fluctuations, but may not be entered into for speculative purposes.

(a) Credit risk

(i) Exposure to credit risk

Credit risk represents the loss that would be recognised if the counterparties to financial instruments fail to perform as contracted. The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

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

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

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

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

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

(ii) Ageing analysis

Trade and other receivables including ageing of trade and other receivables which are past due but not impaired at the reporting date was:

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

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

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

(iii) Banks and financial institutions

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

(b) Liquidity risk management

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

EUR million	Carrying amount	Contractual cash flows	6 months or less	6 - 12 months	1 - 2 years	2 - 5 years	5 years or more
Finance lease liabilities	(1.9)	(1.9)	(0.4)	(0.5)	(0.8)	(0.2)	-
Loans and borrowings	(959.9)	(1,122.4)	(49.8)	(126.6)	(267.5)	(678.5)	-
Trade and other payables	(486.0)	(485.9)	(480.4)	(3.4)	(1.1)	(1.0)	-
Commodity contracts – fair value hedges	(14.4)	(14.4)	(14.4)	-	-	-	-
Foreign exchange contracts – held for trading	(6.0)	(6.0)	(6.0)	-	-	-	-
Embedded derivatives	(4.3)	(4.3)	(0.2)	(0.2)	(1.7)	(2.2)	-
Total, 31 Dec 2013	(1,472.5)	(1,634.9)	(551.2)	(130.7)	(271.1)	(681.9)	-

EUR million	Carrying amount	Contractual cash flows	6 months or less	6 - 12 months	1 - 2 years	2 - 5 years	5 years or more
Finance lease liabilities	(3.2)	(3.3)	(0.5)	(0.5)	(1.1)	(1.2)	-
Loans and borrowings	(865.3)	(1,037.3)	(45.1)	(4.2)	(168.9)	(818.8)	(0.3)
Trade and other payables	(641.2)	(641.2)	(631.7)	(4.0)	(6.0)	0.5	-
Commodity contracts – fair value hedges	(10.6)	(10.6)	(10.6)	-	-	-	-
Foreign exchange contracts – held for trading	(0.5)	(0.5)	(0.5)	-	-	-	-
Embedded derivatives	(2.3)	(2.3)	(0.1)	(0.1)	(2.1)	-	-
Total, 31 Dec 2012	(1,523.1)	(1,695.2)	(688.5)	(8.8)	(178.1)	(819.5)	(0.3)

(c) Currency risk

Exposure to currency risk

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

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

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

Sensitivity analysis

Nyrstar's results are significantly affected by changes in foreign exchange rates. Sensitivities to variations in foreign exchange rates are depicted in the following table, which sets out the estimated impact on Nyrstar's full year results and equity (in EUR million).

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

The above sensitivities were calculated by modelling Nyrstar's 2013 and 2012 underlying operating performance. Exchange rates are based on an average value observed during that period and are varied in isolation to determine the impact on Nyrstar's full year results and equity.

(d) Commodity price risk management

Nyrstar is exposed to commodity price volatility on commodity sales and raw materials purchased. Nyrstar may enter into zinc, lead and silver futures and swap contracts to hedge certain forward fixed price sales to customers in order to achieve the relevant metal price at the date that the transaction is settled. Nyrstar may enter into zinc, lead and silver futures and swap contracts to more closely align the time at which the price for externally sourced concentrate purchases is set to the time at which the price for the sale of metal produced from that concentrate is set. These instruments are referred to as 'metal at risk' hedges and the terms of these contracts are normally between one and three months.

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

EUR million	Average price in USD	6 months or less	6 - 12 months	12 - 18 months	more than 18 months	Total
Zinc	per tonne					
Contracts purchased	1,962	(81.7)	(9.0)	-	-	(90.7)
Contracts sold	1,916	76.5	0.6	-	-	77.1
Net position		(5.2)	(8.4)	-	-	(13.6)
Lead	per tonne					
Contracts purchased	2,252	(0.3)	-	-	-	(0.3)
Contracts sold	2,110	65.4	-	-	-	65.4
Net position		65.1	-	-	-	65.1
Silver	per ounce					
Contracts purchased	19.6	(8.0)	-	-	-	(8.0)
Contracts sold	20.6	96.7	-	-	-	96.7
Net position		88.7	-	-	-	88.7
Gold	per ounce					
Contracts purchased	1,204.6	(0.8)	-	-	-	(0.8)
Contracts sold	1,252.3	4.9	-	-	-	4.9
Net position		4.1	-	-	-	4.1
Copper	per tonne					
Contracts purchased	-	-	-	-	-	-
Contracts sold	7,208	2.9	-	-	-	2.9
Net position		2.9	-	-	-	2.9

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

EUR million	Average price in USD	6 months or less	6 - 12 months	12 - 18 months	more than 18 months	Total
Zinc	per tonne					
Contracts purchased	1,945	(38.1)	(7.5)	-	-	(45.6)
Contracts sold	1,998	149.6	0.3	-	-	149.9
Net position		111.5	(7.2)	-	-	104.3
Lead	per tonne					
Contracts purchased	2,249	(2.0)	-	-	-	(2.0)
Contracts sold	2,187	79.2	-	-	-	79.2
Net position		77.2	-	-	-	77.2
Silver	per ounce					
Contracts purchased	31.3	(29.6)	-	-	-	(29.6)
Contracts sold	32.6	353.0	-	-	-	353.0
Net position		323.4	-	-	-	323.4
Gold	per ounce					
Contracts purchased	1,689.0	(2.3)	-	-	-	(2.3)
Contracts sold	1,711.0	91.4	-	-	-	91.4
Net position		89.1	-	-	-	89.1
Copper	per tonne					
Contracts purchased	-	-	-	-	-	-
Contracts sold	7,902	18.4	-	-	-	18.4
Net position		18.4	-	-	-	18.4

Sensitivity analysis

Nyrstar's results are significantly affected by changes in metal prices and treatment charges (TC). Sensitivities to variations in metal prices and treatment charges are depicted in the following table, which sets out the estimated impact on Nyrstar's full year results and equity (in EUR million).

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

The above sensitivities were calculated by modelling Nyrstar's 2013 and 2012 underlying operating performance. Metal prices are based on an average value observed during that period and are varied in isolation to determine the impact on Nyrstar's full year results and equity.

(e) Financial Instruments by category

EUR million	Loans and receivables	Fair value through profit and loss	Held to maturity	Available for sale	Derivatives used for hedging	At amortised costs	Total
Derivative financial instruments	-	20.6	-	-	6.0	-	26.6
Trade and other receivables excl prepayments	174.9	-	-	-	-	-	174.9
Cash and cash equivalents	292.3	-	-	-	-	-	292.3
Restricted cash	7.6	-	-	-	-	-	7.6
Held to maturity	-	-	2.8	-	-	-	2.8
Loans to equity accounted investees	-	-	-	-	-	-	-
Investments in equity securities	-	-	-	27.5	-	-	27.5
Borrowings excl finance lease liabilities	-	-	-	-	-	(959.9)	(959.9)
Finance lease liabilities	-	-	-	-	-	(1.9)	(1.9)
Derivative financial instruments	-	(20.4)	-	-	(4.3)	-	(24.7)
Trade and other payables	-	-	-	-	-	(486.0)	(486.0)
Net position, 31 Dec 2013	474.8	0.2	2.8	27.5	1.7	(1,447.8)	(940.8)

EUR million	Loans and receivables	Fair value through profit and loss	Held to maturity	Available for sale	Derivatives used for hedging	At amortised costs	Total
Derivative financial instruments	-	41.5	-	-	17.1	-	58.6
Trade and other receivables excl prepayments	221.1	-	-	-	-	-	221.1
Cash and cash equivalents	188.1	-	-	-	-	-	188.1
Restricted cash	8.2	-	-	-	-	-	8.2
Held to maturity	-	-	2.6	-	-	-	2.6
Loans to equity accounted investees	2.7	-	-	-	-	-	2.7
Investments in equity securities	-	-	-	37.9	-	-	37.9
Borrowings excl finance lease liabilities	-	-	-	-	-	(865.3)	(865.3)
Finance lease liabilities	-	-	-	-	-	(3.2)	(3.2)
Derivative financial instruments	-	(11.1)	-	-	(2.3)	-	(13.4)
Trade and other payables	-	-	-	-	-	(641.2)	(641.2)
Net position, 31 Dec 2012	420.1	30.4	2.6	37.9	14.8	(1,509.7)	(1,003.9)

Nyrstar Hobart has entered into two electricity fixed price contracts, in the form of swaps, to reduce its exposure to the electricity price risk to which it is exposed. The contracts end in 2014 and 2017 respectively. The swaps have been designated as qualifying cash flow hedges.

(f) Interest rate risk management

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

31 Dec 2013							
Interest rate							
EUR million	Floating	Fixed	Total	increase	decrease	increase	decrease
Financial assets:							
Cash and cash equivalents	292.3	-	292.3	2.9	(0.3)	2.9	(0.3)
Restricted cash	-	7.6	7.6	-	-	-	-
Held to maturity	-	2.8	2.8	-	-	-	-
Loan associates	-	-	-	-	-	-	-
Financial liabilities:							
Loan facility	-	(4.3)	(4.3)	-	-	-	-
Borrowings - fixed rate bonds	-	(734.2)	(734.2)	-	-	-	-
Borrowings - convertible bonds	-	(221.4)	(221.4)	-	-	-	-
Finance lease liabilities	-	(1.9)	(1.9)	-	-	-	-
Net interest bearing financial assets / (liabilities)	292.3	(951.4)	(659.1)	2.9	(0.3)	2.9	(0.3)

31 Dec 2012							
Interest rate							
EUR million	Floating	Fixed	Total	increase	decrease	increase	decrease
Financial assets:							
Cash and cash equivalents	188.1	-	188.1	1.9	(0.3)	1.9	(0.3)
Restricted cash	-	8.2	8.2	-	-	-	-
Held to maturity	-	2.6	2.6	-	-	-	-
Loan associates	-	2.7	2.7	-	-	-	-
Financial liabilities:							
Loan facility	-	(0.6)	(0.6)	-	-	-	-
Borrowings - fixed rate bonds	-	(748.8)	(748.8)	-	-	-	-
Borrowings - convertible bonds	-	(115.9)	(115.9)	-	-	-	-
Finance lease liabilities	-	(3.2)	(3.2)	-	-	-	-
Net interest bearing financial assets / (liabilities)	188.1	(855.0)	(666.9)	1.9	(0.3)	1.9	(0.3)

(g) Fair value of financial assets and financial liabilities

The carrying amount of all financial assets and liabilities recognised at amortised cost on the consolidated statement of financial position approximate their fair value, with the exception of the fixed rate bonds of EUR 734.2 million (2012: EUR 748.8 million) and the convertible bonds of EUR 221.4 million (2012: EUR 115.9 million), with fair values based on quoted prices in active markets (Level 1 measurement), of EUR 672.6 million (2012: EUR 788.0 million), and EUR 211.4 million (2012: EUR 130.0 million) respectively.

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

- quoted prices in active markets for identical assets or liabilities (level 1);
- inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly (level 2); and
- input for the asset or liability that are not based on observable market data (level 3).

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

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

For level 2 fair value measurements, fair values are determined based on the underlying notional amount and the associated observable forward prices/rates in active markets. The key inputs in these valuations are as follows (with reference to the tables above):

- forward commodity prices in active market
- forward exchange rates in active market
- forward electricity prices in active market

36. Capital commitments

The value of commitments for acquisition of plant and equipment contracted for but not recognised as liabilities at the reporting date are set out in the table below.

EUR million	31 Dec 2013	31 Dec 2012
Within one year	14.2	20.2
Between one and five years	-	-
More than five years	-	-
Total	14.2	20.2

37. Operating leases

The value of commitments in relation to operating leases contracted for but not recognised as liabilities at the reporting date are set out in the table below.

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

38. Contingencies

Guarantees

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

Legal actions

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

39. Related parties

(a) Transactions with related parties

No transactions with related parties occurred in the years ended 31 December 2013 and 2012 with the exception of the loan to Genesis Alloys (Ningbo) Ltd (note 21e).

(b) Key management compensation

Board of directors

EUR million	2013	2012
Salaries and other compensation	0.5	0.5

Nyrstar Management Committee

EUR million	2013	2012
Salaries and other compensation	4.8	4.1
Long term benefits	2.4	2.1
Share based payments	2.6	2.8

Long term benefits include housing allowances and pension contributions. Share based payments reflect the cost to the Group related to share based awards granted to the members of the NMC. These costs do not represent actual monetary or non-monetary benefits received by the members of the NMC.

40. Audit and non-audit services by the Company's statutory auditor

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

EUR thousand	2013	2012
Audit services	102.0	102.0
Audit related services	35.6	1.2
Tax services	61.5	113.5
Total Deloitte Bedrijfsrevisoren	199.1	216.7
Audit services	824.4	795.7
Audit related services	35.1	2.4
Tax services	69.2	28.2
Non-audit services		38.0
Total other offices in the Deloitte network	928.7	864.3

41. Group entities

The holding company and major subsidiaries included in the Group's consolidated financial statements are:

Entity	Belgian company number	Country of incorporation	Ownership 31 Dec 2013	Ownership 31 Dec 2012
Nyrstar NV	RPR 0888.728.945	Belgium	Holding entity	Holding entity
Nyrstar Australia Pty Ltd		Australia	100%	100%
Nyrstar Hobart Pty Ltd		Australia	100%	100%
Nyrstar Port Pirie Pty Ltd		Australia	100%	100%
Nyrstar Trading GmbH		Austria	100%	100%
Nyrstar Resources (Barbados) Ltd		Barbados	100%	100%
Nyrstar Belgium NV	RPR 0865.131.221	Belgium	100%	100%
Nyrstar Finance International NV	RPR 0889.716.167	Belgium	100%	100%
Nyrstar Sales & Marketing NV	RPR 0811.219.314	Belgium	100%	100%
Breakwater Resources Ltd		Canada	100%	100%
Canzinc Ltd		Canada	100%	100%
Nyrstar Mining Ltd		Canada	100%	100%
Nyrstar Canada (Holdings) Ltd		Canada	100%	100%
Nyrstar Myra Falls Ltd		Canada	100%	100%
Sociedad Contractual Minera El Toqui		Chile	100%	100%
GM-Metal SAS		France	100%	100%
Nyrstar France SAS		France	100%	100%
Nyrstar France Trading SAS		France	100%	100%
Nyrstar Germany GmbH		Germany	100%	100%

Nyrstar Hoyanger AS	Norway	100%	-
American Pacific Honduras SA de CV	Honduras	100%	100%
Servicios de Logistica de Centroamerica SA de CV	Honduras	100%	100%
Nyrstar Campo Morado SA de CV	Mexico	100%	100%
Nyrstar Budel BV	The Netherlands	100%	100%
Nyrstar International BV	The Netherlands	100%	100%
Nyrstar Netherlands (Holdings) BV	The Netherlands	100%	100%
Nyrstar Coricancha S.A.	Peru	100%	100%
Nyrstar Ancash S.A.	Peru	100%	100%
Nyrstar Peru S.A.	Peru	100%	100%
Nyrstar Spain & Portugal S.L.	Spain	100%	100%
Nyrstar Finance International AG	Switzerland	100%	100%
Nyrstar Sales & Marketing AG	Switzerland	100%	100%
Breakwater Tunisia SA	Tunisia	100%	100%
Nyrstar Clarksville Inc	United States	100%	100%
Nyrstar Holdings Inc	United States	100%	100%
Nyrstar IDB LLC	United States	100%	100%
Nyrstar Tennessee Mines - Gordonsville LLC	United States	100%	100%
Nyrstar Tennessee Mines - Strawberry Plains LLC	United States	100%	100%
Nyrstar US Inc	United States	100%	100%
Nyrstar US Trading Inc	United States	100%	100%

42. Subsequent events

There have been no material reportable events subsequent to 31 December 2013.

Nyrstar NV

**Statutory auditor's report
to the shareholders' meeting on the
consolidated financial statements
for the year ended 31 December 2013**

The original text of this report is in Dutch

Nyrstar NV

Statutory auditor's report to the shareholders' meeting on the consolidated financial statements for the year ended 31 December 2013

To the shareholders

As required by law, we report to you in the context of our appointment as the company's statutory auditor. This report includes our report on the consolidated financial statements together with our report on other legal and regulatory requirements. These consolidated financial statements comprise the consolidated statement of financial position as at 31 December 2013, the consolidated income statement, the consolidated statement of comprehensive loss, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, as well as the summary of significant accounting policies and other explanatory notes.

Report on the consolidated financial statements – Unqualified opinion

We have audited the consolidated financial statements of Nyrstar NV ("the company") and its subsidiaries (jointly "the group"), prepared in accordance with International Financial Reporting Standards as adopted by the European Union and with the legal and regulatory requirements applicable in Belgium.

The consolidated statement of financial position shows total assets of 3,219.8 million EUR and the consolidated income statement shows a consolidated loss (group share) for the year then ended of 195.4 million EUR.

Board of directors' responsibility for the preparation of the consolidated financial statements

The board of directors is responsible for the preparation and fair presentation of consolidated financial statements in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union and with the legal and regulatory requirements applicable in Belgium, and for such internal control as the board of directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Statutory auditor's responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing (ISA). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the statutory auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the statutory auditor considers internal control relevant to the group's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the board of directors, as well as evaluating the overall presentation of the consolidated financial statements. We have obtained from the group's officials and the board of directors the explanations and information necessary for performing our audit.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Unqualified opinion

In our opinion, the consolidated financial statements of Nyrstar NV give a true and fair view of the group's net equity and financial position as of 31 December 2013, and of its results and its cash flows for the year then ended, in accordance with International Financial Reporting Standards as adopted by the European Union and with the legal and regulatory requirements applicable in Belgium.

Emphasis of Matter

We draw attention to Note 20 to the financial statements which describes the uncertainty related to the recoverability of the Company's 224.3 million EUR zinc purchase interest with Talvivaara Mining Company plc. Our opinion is not qualified in respect of this matter.

Report on other legal and regulatory requirements

The board of directors is responsible for the preparation and the content of the directors' report on the consolidated financial statements.

As part of our mandate and in accordance with the Belgian standard complementary to the International Standards on Auditing applicable in Belgium, our responsibility is to verify, in all material respects, compliance with certain legal and regulatory requirements. On this basis, we make the following additional statement, which does not modify the scope of our opinion on the consolidated financial statements:

- The directors' report on the consolidated financial statements includes the information required by law, is consistent with the consolidated financial statements and is free from material inconsistencies with the information that we became aware of during the performance of our mandate.

Diegem, 5 February 2014

The statutory auditor

DELOITTE Bedrijfsrevisoren / Reviseurs d'Entreprises
BV o.v.v.e. CVBA / SC s.f.d. SCRL
Represented by Gert Vanhees