Nyrstar NV

(organised as a corporation with limited liability in Belgium)

Public Offer in Belgium and in the Grand Duchy of Luxembourg

of a minimum €100 million

5.5% fixed rate bonds due 9 April 2015

Issue Price: 101.820%

Issue Date: 9 April 2010

Subscription Period: from 24 March 2010, 9 a.m. until 7 April 2010, 4 p.m. (subject to early closing)

JOINT LEAD MANAGERS

Listing and offering Prospectus dated 23 March 2010

(This Prospectus replaces the listing and offering prospectus of 19 March 2010)

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This prospectus (the "**Prospectus**") has been prepared in connection with the issue and listing of minimum €100 million 5.5% fixed rate bonds, due 9 April 2015 (the "**Bonds**") of Nyrstar NV (the "**Issuer**").

The denomination of the Bonds shall be €1,000. The Bonds will be offered to the public in Belgium and in the Grand Duchy of Luxembourg.

This Prospectus has been approved on 23 March 2010 by the Commission de Surveillance du Secteur Financier (the "**CSSF**") in its capacity as competent authority under the Luxembourg Act of 10 July 2005 relating to prospectuses for securities (the "**Luxembourg Prospectus Act**"), for the purposes of Directive 2003/71/EC of the European Parliament and of the Council of 4 November 2003 on the prospectus to be published when securities are offered to the public or admitted to trading and amending Directive 2001/34/EC (the "**Prospectus Directive**"). The CSSF has notified the Prospectus to the Belgian Banking Finance and Insurance Commission (the "**CBFA**") on 23 March 2010, together with a translation of the summary in French and Dutch and a certificate of approval from the CSSF in relation to the Prospectus. This Prospectus replaces the listing and offering prospectus of 19 March 2010 prepared by the Issuer, as the offering referred to in the prospectus of 19 March 2010 was not launched for practical reasons. Prior to the offering of the Bonds as referred to in this Prospectus, there has been no public market for the Bonds.

An application has been made with the Luxembourg Stock Exchange to list the Bonds on the official list (the "**Official List**") of the Luxembourg Stock Exchange and to admit the Bonds to trading on the Luxembourg Stock Exchange's regulated market. References in this Prospectus to the Bonds being "listed" (and all related references) shall mean that the Bonds have been listed on the Official List and admitted to trading on the Luxembourg Stock Exchange's regulated market. The Luxembourg Stock Exchange's regulated market is a regulated market for the purposes of Directive 2004/39/EC of the European Parliament and of the Council of 21 April 2004 on markets in financial instruments amending Council Directives 85/611/EEC and 93/6/EEC and Directive 2000/12/EC of the European Parliament and of the Council and repealing Council Directive 93/22/EEC, as amended.

Investing in the Bonds involves risks. See section 3, "Risk Factors" for a discussion of certain factors that should be carefully considered in connection with an investment in the Bonds.

The Bonds have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**Securities Act**") or with any securities regulatory authority of any state within the United States. The Bonds are being offered and sold outside the United States in reliance on Regulation S ("**Regulation S**") under the Securities Act and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. See section 14, "Subscription and Sale".

The Bonds will be issued in dematerialised form under the Belgian Code of Companies (*Wetboek van vennootschappen/Code des sociétés*) (the "**Belgian Code of Companies**") and cannot be physically delivered. The Bonds will be represented exclusively by book-entries in the records of the X/N securities and cash clearing system operated by the National Bank of Belgium (the "**NBB**") or any successor thereto (the "**NBB System**"). Access to the NBB System is available through those of its NBB System participants whose membership extends to securities, such as the Bonds. NBB System participants include certain banks, stockbrokers (*beursvennootschappen/sociétés de bourse*), Euroclear Bank NV/SA ("**Euroclear**") and Clearstream Banking, société anonyme, Luxembourg ("**Clearstream, Luxembourg**"). Accordingly, the Bonds will be eligible to clear through, and therefore accepted by, Euroclear and Clearstream, Luxembourg and investors can hold their Bonds within securities accounts in Euroclear and Clearstream, Luxembourg.

JOINT LEAD MANAGERS

LISTING AND OFFERING PROSPECTUS DATED 23 MARCH 2010

(This Prospectus replaces the listing and offering prospectus of 19 March 2010)

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1. IMPORTANT INFORMATION AND CAUTIONARY STATEMENTS

Potential investors in the Bonds are expressly advised that an investment in the Bonds entails risks and that they should therefore carefully review the entire contents of this Prospectus, particularly section 3, “Risk Factors”.

This Prospectus is to be read in conjunction with all the information incorporated herein by reference (see section 15, “Document Incorporated by Reference”).

Unless otherwise stated, capitalised terms used in this Prospectus have the meanings set out in this Prospectus. Where reference is made to the “Conditions of the Bonds” or to the “Conditions” reference is made to the “Terms and Conditions of the Bonds”.

Responsible Persons

The Issuer, represented by its board of directors, accepts responsibility for the information contained in this Prospectus. Having taken all reasonable care to ensure that such is the case, the Issuer, represented by its board of directors, declares that to the best of its knowledge, the information contained in this Prospectus is in accordance with the facts and contains no omissions likely to affect its import.

This Prospectus has been prepared in English and has been translated into Dutch. The summary of the Prospectus has also been translated into Dutch and French. The Issuer is responsible for the consistency between the Dutch and the English versions of the Prospectus, and the Dutch and French translations of the summary. In connection with the public offering of the Bonds in Belgium, the English version of the Prospectus shall be legally binding, and in case of inconsistencies, the English version shall prevail.

This Prospectus is intended to provide information to potential investors in the context of and for the sole purpose of evaluating a possible investment in the Bonds. It contains selected and summarised information, does not express any commitment or acknowledgement or waiver and does not create any right, express or implied, towards anyone other than a potential investor. It cannot be used except in connection with the public offer of the Bonds in Belgium and in the Grand Duchy of Luxembourg and the admission to listing and trading of the Bonds on the regulated market of the Luxembourg Stock Exchange.

No person is or has been authorised to give any information or to make any representation in relation to the offering and sale of the Bonds other than those contained in this Prospectus and, if given or made, such information or representation must not be relied upon as having been authorised by or on behalf of the Issuer or the Joint Lead Managers.

Neither the delivery of this Prospectus nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the Group’s affairs, or that all information contained herein is correct at any time, subsequent to the date hereof, or the date upon which this Prospectus has been most recently amended or supplemented, or that there has been no adverse change, or any event likely to involve any adverse change, in the condition (financial or otherwise) of the Group since the date hereof, or the date upon which this Prospectus has been most recently amended or supplemented, or that the information contained in it or any other information supplied in connection with the Bonds is correct at any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same. The Issuer expressly does not undertake to review the financial condition or affairs of the Group during the life of the Bonds.

Save for the Issuer, no other party has independently verified the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the Joint Lead Managers as to the accuracy or completeness of the information contained or incorporated in this Prospectus or any other information in connection with the Group or the offering of the Bonds. No Joint Lead Manager accepts any liability, whether arising in tort or in contract or in any other event, in relation to the information contained or

incorporated by reference in this Prospectus or any other information in connection with the Group, the offering of the Bonds or the distribution of the Bonds.

Public Offer in Belgium and in the Grand Duchy of Luxembourg

This Prospectus has been prepared in connection with the public offer of the Bonds in Belgium and in the Grand Duchy of Luxembourg (the "**Public Offer**"), and with the admission to trading of the Bonds on the regulated market of the Luxembourg Stock Exchange in accordance with the Luxembourg Act of 10 July 2005 relating to prospectuses for securities (the "**Luxembourg Prospectus Act**"). The Issuer has requested the CSSF to passport the Prospectus to the CBFA and has provided the translation of the summary in French and Dutch as required by the Belgian Prospectus Act of 16 June 2006 (*Wet van 16 juni 2006 op de openbare aanbieding van beleggingsinstrumenten en de toelating van beleggingsinstrumenten tot de verhandeling op een gereglementeerde markt/Loi du 16 juin 2006 relative aux offres publiques d'instruments de placement et aux admissions d'instruments de placement à la négociation sur des marchés réglementés*, the "**Belgian Prospectus Act**") for the purposes of the Public Offer.

This Prospectus does not constitute an offer to sell or the solicitation of an offer to buy the Bonds in any jurisdiction (other than Belgium and Luxembourg) to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction. The distribution of this Prospectus and the offer or sale of Bonds may be restricted by law in certain jurisdictions. The Issuer and the Joint Lead Managers do not represent that this Prospectus may be lawfully distributed, or that the Bonds may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Issuer or the Joint Lead Managers which is intended to permit a public offering of the Bonds or the distribution of this Prospectus in any jurisdiction (other than Belgium and Luxembourg) where action for that purpose is required. Accordingly, no Bonds may be offered or sold, directly or indirectly, and neither this Prospectus nor any advertisement or other offering material may be distributed or published in any such jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Prospectus or any Bonds may come must inform themselves about, and observe, any such restrictions on the distribution of this Prospectus and the offering and sale of Bonds. For a description of further restrictions on offers and sales of Bonds and distribution of this Prospectus, see section 14, "Subscription and Sale" below.

Neither the Issuer nor the Joint Lead Managers have authorised, nor do they authorise, the making of any offer of Bonds (other than the Public Offer) in circumstances in which an obligation arises for the Issuer or the Joint Lead Managers to publish or supplement a prospectus for such offer.

Notice to U.S. Investors

The Bonds have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**Securities Act**") or any state securities laws and are subject to U.S. tax law requirements. Subject to certain exceptions, the Bonds may not be offered, sold or delivered within the United States or to, or for the account or benefit of U.S. persons (as defined in Regulation S under the Securities Act). For a further description of certain restrictions on the offering and sale of the Bonds and on the distribution of this document, see section 14, "Subscription and Sale" below.

Investors Should Make Their Own Assessment

The Prospectus has been prepared to provide information on the Public Offer and admission to listing and trading of the Bonds on the regulated market of the Luxembourg Stock Exchange. When potential investors make a decision to invest in the Bonds, they should base this decision on their own research of Nyrstar and the conditions of the Bonds, including, but not limited to, the associated benefits and risks, as well as the conditions of the Public Offer itself.

The investors must themselves assess, with their own advisors if necessary, whether the Bonds are suitable for them, considering their personal income and financial situation. In case of any doubt about the risk involved in purchasing the Bonds, investors should abstain from investing in the Bonds.

The summaries and descriptions of legal provisions, accounting principles or comparisons of such principles, legal company forms or contractual relationships reported in the Prospectus may under no circumstances be interpreted as a basis for credit or other evaluation, or as investment, legal or tax advice for prospective investors. Prospective investors are urged to consult their own financial advisor, accountant or other advisors concerning the legal, tax, economic, financial and other aspects associated with the subscription to the Bonds.

Forward-looking Statements

This Prospectus includes forward-looking statements. All statements in this Prospectus that do not relate to historical facts and events are "forward-looking statements". In some cases, you can identify forward-looking statements by terminology such as "may", "will", "should", "could", "would", "expect", "plan", "anticipate", "believe", "estimate", "continue", "goal", "intention", "objective", "aim", "strategy", "budget", "proposed", "schedule" or the negative of such terms or other similar expressions. By their nature, forward-looking statements are subject to inherent risks and uncertainties, both general and specific, and the predictions, forecasts, projections and other forward-looking statements contained in this Prospectus could be materially different from what actually occurs in the future.

In addition, this Prospectus contains estimates of growth in the markets in which the Group operates that have been obtained from independent, third party studies and reports. These estimates assume that certain events, trends and activities will occur. Although the Issuer believes that these estimates are generally indicative of the matters reflected in those studies and reports, these estimates are also subject to risks and uncertainties and prospective investors are cautioned to read these estimates in conjunction with the rest of the disclosure in this Prospectus, particularly in section 3, "Risk Factors".

Although the Issuer believes that its expectations with respect to forward-looking statements are based on reasonable assumptions within the bounds of its knowledge of its business and operations at the date of this Prospectus, prospective investors are cautioned that a number of important factors could cause actual results to differ materially from the plans, objectives, expectations, estimates and intentions expressed in such forward-looking statements. Some of these factors are discussed in section 3, "Risk Factors" and elsewhere in this Prospectus.

The forward-looking statements contained in this Prospectus speak only at the date of this Prospectus or, if obtained from third party studies or reports, the date of the corresponding study or report and are expressly qualified in their entirety by the cautionary statements included in this Prospectus. Without prejudice to the Issuer's obligations under applicable law in relation to disclosure and ongoing information, the Issuer does not undertake any obligation to update publicly or revise any forward-looking statements, whether as a result of new information, future events or otherwise. In light of these risks, uncertainties and assumptions, the forward-looking events discussed in this Prospectus might not occur.

In the event of any significant new factor, material mistake or inaccuracy relating to the information included in the Prospectus which is capable of affecting the assessment of the Bonds and which arises or is noted between the time when the Prospectus is approved and the final closing of the Public Offer or, as the case may be, the time when trading on a regulated market begins, shall be mentioned in a supplement to the Prospectus. This supplement will be published in compliance with the same regulations as the Prospectus, and will be published on the websites of KBC Bank NV ("**KBC**") (www.kbc.be) and ING Belgium SA/NV ("**ING**") (www.ing.be), on the website of the Issuer within the section addressed to investors (www.nyrstar.com/nyrstar/en/investors/), and on the website of the Luxembourg Stock Exchange (www.bourse.lu). Investors who have already agreed to purchase or subscribe to securities before the publication of the supplement to the Prospectus, have the right to withdraw their agreement during a period of two working days commencing the day after the publication of the supplement. In case such supplement to the Prospectus gives rise to withdrawal rights exercisable on or after the Issue Date (defined hereinafter) of the Bonds in accordance with Article 34 of the Belgian Prospectus Act, Article 13 of the Luxembourg Prospectus Act, or otherwise,

the Issue Date will be postponed until the first business day following the last day on which the withdrawal rights may be exercised.

Currencies and Exchange Rates

In this Prospectus, unless otherwise indicated, all amounts are expressed in euro.

Prospective investors should not view translations of amounts into U.S. dollars or Australian dollars as representations that euro amounts could be or could have been converted into U.S. dollars or Australian dollars, respectively, at the rates indicated or at any other rates. All references in this document to "euro" and "€" refer to the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty establishing the European Community, as amended from time to time. References to "U.S. dollar", "U.S. dollars" or "US$" are references to the United States dollar, the lawful currency of the United States of America (the "**United States**"). References to "Australian dollar", "Australian dollars" or "AUD" are references to the Australian dollar, the lawful currency of the Commonwealth of Australia ("**Australia**"). References to "renminbi" or "RMB" are references to the renminbi, the lawful currency of the People's Republic of China ("**China**").

Rounding

Certain amounts that appear in this Prospectus have been subject to rounding adjustments. Accordingly, figures shown as totals in certain tables may not be arithmetic aggregations of the figures that precede them.

Industry and Other Statistical Information

The market data used in this Prospectus were obtained from industry sources and currently available information. The main source for information on the zinc and lead industries was Brook Hunt and CRU International Limited, metal industry consultants. In addition, certain macroeconomic and foreign exchange data was obtained from the Federal Reserve Bank of New York and the European Central Bank. The Issuer accepts responsibility for having correctly reproduced information from industry publications or public sources, and, so far as the Issuer is aware and has been able to ascertain from information published by those industry publications or public sources, no facts from such industry publications or public sources have been omitted which would render the reproduced information inaccurate or misleading. However, each prospective investor should keep in mind that the Issuer has not independently verified information that the Issuer has obtained from industry and government sources. Certain market share information and other statements in this Prospectus regarding the zinc and lead industries and Nyrstar's position relative to its competitors may not be based on published statistical data or information obtained from independent third parties. Rather, such information and statements reflect the Issuer's best estimates based upon information obtained from trade and business organisations and associations and other contacts within the zinc and lead industries. This information from the Issuer's internal estimates and surveys has not been verified by any independent sources.

Documents on Display

During the Subscription Period and during the life of the Bonds, copies of the following documents will be available, at the registered office of the Issuer during usual business hours on any weekday (except on Saturday, Sunday and public holidays), and/or on the Issuer's website within the section addressed to investors (www.nyrstar.com/nyrstar/en/investors/): the articles of association (*statuts/statuten*) of the Issuer, in English, French and in Dutch; the published annual report of the Issuer for the financial year ended 31 December 2008, including the information incorporated by reference; the documents and information disclosed in accordance with applicable laws (including "inside information" as and when required by law).

The Prospectus may be obtained free of charge from KBC (www.kbc.be) and ING (www.ing.be), and will also be published on the Issuer's website within the section addressed to investors

(www.nyrstar.com/nyrstar/en/investors/), and on the website of the Luxemburg Stock Exchange (www.bourse.lu), as long as the Bonds are outstanding. Other information on the website of the Issuer or any other website does not form part of the Prospectus.

Copies of the Agency Agreement are available for inspection during normal business hours at the specified office of the Agent, Havenlaan 12, 1080 Brussels, Belgium.

Other Information

Nyrstar NV (the "**Issuer**") is a corporation with limited liability (*naamloze vennootschap/société anonyme*), organised under the laws of Belgium, with registered office at Zinkstraat 1, 2490 Balen, Belgium (telephone number: +32 14 44 95 00). The Issuer is registered in the Belgian Crossroads Bank for Enterprises (company number: VAT BE 0888.728.945, RPR/RPM Turnhout). References to the "**Issuer**" refer to Nyrstar NV and references to "**Nyrstar**" or the "**Group**" refer to the Issuer, and its subsidiaries and affiliated companies (see section 11, "Associated Companies and Shareholdings"), as the case may be.

The Joint Lead Managers, on one hand, and the Issuer, on the other hand, entered into an underwriting agreement relating to the offer of the Bonds, prior to the opening of the offer. Moreover, Nyrstar has existing relationships with each of the Joint Lead Managers in connection with financial or banking transactions or matters relating to Nyrstar.

The Issuer is not aware of any person having an interest, including conflicting ones, that would be material to the issue of the Bonds/the Public Offer, save for any fees that would be payable to the Joint Lead Managers.

No credit ratings have been assigned to either the Issuer or the Bonds.

2. SUMMARY

*This summary must be read as an introduction to the listing and offering prospectus dated 23 March 2010 (the "**Prospectus**"), and any decision to invest in the 5.5% fixed rate bonds due 9 April 2015 (the "**Bonds**") should be based on a consideration of this Prospectus as a whole, including the information incorporated by reference. Following the implementation of the relevant provisions of the Prospectus Directive in a Member State of the European Economic Area (an "**EEA State**"), no civil liability will attach to the Issuer in any such EEA State solely on the basis of this summary, including any translation thereof, unless it is misleading, inaccurate or inconsistent when read together with the other parts of this Prospectus. Where a claim relating to the information contained in this Prospectus is brought before a court in an EEA State, the plaintiff may, under the national legislation of the EEA State where the claim is brought, be required to bear the costs of translating the Prospectus before the legal proceedings are initiated. Terms defined in "Terms and Conditions of the Bonds" below shall have the same meaning where used in this summary.*

A full version of this Prospectus is available on the websites of KBC (www.kbc.be) and ING (www.ing.be), and will also be published on the website of the Issuer within the section addressed to investors (www.nyrstar.com/nyrstar/en/investors/), and on the website of the Luxembourg Stock Exchange (www.bourse.lu). This Prospectus replaces the listing and offering prospectus of 19 March 2010 prepared by the Issuer.

NYRSTAR

Nyrstar is a leading global multi-metals business, producing significant quantities of zinc and lead as well as other products, such as silver, sulphuric acid, gold, copper and indium.

Nyrstar's primary focus is zinc production. Zinc has a diverse range of applications and uses from construction and infrastructure, to transport, communications and electronics, consumer products and even human health.

Originally a zinc and lead smelting company, Nyrstar has undergone a significant strategic transformation, expanding into mining and positioning itself as a diversified resources company.

Nyrstar focuses on creating value for all its stakeholders and building a strong and sustainable future as a lean, efficient, dynamic, and flexible business.

Nyrstar's vision is to be the partner of choice in essential resources for the development of a changing world.

Nyrstar's smelters in Auby (France), Balen/Overpelt (Belgium), Budel (The Netherlands), Clarksville (U.S.), and Hobart (Australia) are all primary zinc smelters. Nyrstar's smelter in Port Pirie in Australia is a primary smelter with multi-metal recovery capabilities, which has the flexibility to process a wide range of lead-containing feedstocks to produce refined lead, silver, zinc, copper and gold.

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

Nyrstar has mining operations in Tennessee (U.S.) and an 85% interest in the Coricancha mine in Peru.

The Issuer is incorporated in Belgium and has corporate offices in Balen, Belgium and London, UK (the latter to be relocated to Zurich, Switzerland during 2010).

The ordinary shares of the Issuer have been admitted to trading on Euronext Brussels since 29 October 2007 [NYR BB].

DESCRIPTION OF THE BONDS

Issuer	Nyrstar NV
Description of the Bonds	Issue of minimum €100,000,000 5.5% Bonds, due 9 April 2015
Subscription Period	From 24 March 2010 at 9 a.m. until 7 April 2010 at 4 p.m. (Brussels time), subject to early closing
Domiciliary Agent and Paying Agent	KBC Bank NV
Listing Agent	KBL European Private Bankers S.A. for the purpose of the listing of the Bonds on the official list of (the "**Official List**") the Luxembourg Stock Exchange and the admission to trading on the regulated market of the Luxembourg Stock Exchange
Distributors and Managers	Application for the subscription of Bonds can be made through the branches of ING Belgium SA/NV and ING Luxembourg S.A. ("**ING**"), KBC Bank NV ("**KBC**") (including CBC S.A.), KBL European Private Bankers S.A., Centea NV and KBC Securities NV, as well as any other relevant subsidiary in the Grand Duchy of Luxembourg of each of the above mentioned banks (as decided by each bank and its subsidiary).
Public offer jurisdictions	Belgium and the Grand Duchy of Luxembourg
Issue Date	9 April 2010
Issue Price	101.820%, which includes a selling and distribution commission of 1.875% borne by the investors. Qualified Investors could be subject to a discount or a margin to the Issue Price. For additional details, see "Issue Price" and "Costs and Fees" in section 14, "Subscription and Sale".
Settlement Currency	Euro ("**€**")
Aggregate Principal Amount	Minimum €100,000,000. The aggregate principal amount may be increased, as the case may be, depending on the demand from investors. The final aggregate principal amount shall be published as soon as possible after the end (or the early closing) of the Subscription Period on the websites of the Joint Lead Managers (www.ing.be and www.kbc.be), the Issuer's website within the section addressed to investors (www.nyrstar.com/nyrstar/en/investors/), and on the website of the Luxembourg Stock Exchange (www.bourse.lu). Each of the Joint Lead Managers agreed to a hard underwriting commitment to subscribe to an amount of €50,000,000.
Principal Amount per Bond	€1,000 per Bond
Minimum Subscription Amount	The Bonds may only be traded in a minimum multiple of one Bond (corresponding to a Principal Amount of €1,000)

Maturity Date	9 April 2015
Redemption Date	Maturity Date (subject as provided in the Terms and Conditions of the Bonds)
Interest	5.5% fixed rate, payable annually in arrear on 9 April in each year and for the first time on 9 April 2011 (or an amount of €55.00 per Principal Amount of €1,000)
Yield	5.079% on an annual basis calculated on the basis of the Issue Price
Redemption Amount at Maturity Date	The Bonds will be redeemed at 100% of the Principal Amount on the Maturity Date.
Early Redemption	The Bonds may be redeemed early following an event of default as set out in Condition 8, after consultation with and by notice to the Agent. Bonds will also be redeemable at the option of the Issuer prior to maturity for reasons as set out in Conditions 5.2 and 5.3.1 and at the option of the Bondholders prior to maturity upon a Change of Control of the Issuer (followed, as the case may be, by a rating downgrade) as set out in Condition 5.3. The early redemption amount in respect of each Bond is set out in the Conditions.
Step-Up	In case the Change of Control Resolutions (as defined in the Conditions) are not approved by the shareholders of the Issuer and filed with the Commercial Court by 30 June 2010, the Interest payable on the Bonds shall increase by 0.50% per annum with effect from the first Interest Payment Date.
Form of Bonds	Dematerialised form under the Belgian Code of Companies – no physical delivery.
Status of Bonds	The Bonds constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer and rank and will at all times rank *pari passu* and rateably without any preference among themselves, and equally with all other existing and future unsecured and unsubordinated obligations of the Issuer, but, in the event of insolvency, save for such obligations that may be preferred by provisions of law that are mandatory and of general application.
Cross-Default and Negative Pledge	Applicable, as set out in Conditions 8(iii) and 3 respectively.
Events of Default	Events of Default under the Bonds include non-payment of principal for 7 calendar days or non-payment of interest for 14 calendar days, breach of other obligations under the Bonds (which breach is not remedied within 30 calendar days), cross default and certain events related to insolvency or winding-up of the Issuer (and/or its Material Subsidiaries).
Taxation	Belgium. Natural persons who are Belgian residents for tax purposes, *i.e.*, who are subject to the Belgian personal income tax, and who hold the Bonds as a private investment, are subject to a final 15% Belgian withholding tax on the gross amount of the interest on the Bonds. Such

	payment of 15% withholding tax fully discharges them from their personal income tax liability with respect to these interest payments. The Issuer will pay such additional amounts as may be necessary in order that the net payment received by each Bondholder in respect of the Bonds, after withholding for any taxes imposed by tax authorities in Belgium upon payments made by or on behalf of the Issuer in respect of the Bonds, will equal the amount which would have been received in the absence of any such withholding taxes, except that no such additional amounts shall be payable in respect of any Bond in the cases described in paragraphs (i), (ii) and (iii) of Condition 7 (*Taxation*), which cases amongst others include natural persons who are Belgian residents for tax purposes. Grand Duchy of Luxembourg. Under Luxembourg tax law currently in effect, there is generally no withholding tax on interest payments or repayments of principal on the Bonds. A tax may however need to be withheld pursuant to the following provisions relating, broadly stating, to payments of interest made to individual Bondholders and to certain residual entities: - The Luxembourg Acts dated 25 June 2005 implementing the Council Directive 2003/48/EC regarding the taxation of the savings income; - The EU Savings Directive and several agreements concluded between the Grand Duchy of Luxembourg and certain dependent or associated territories of the European Union; - The Luxembourg Act dated 23 December 2005 as amended by the Act dated 17 July 2008, relating to interest paid to Luxembourg resident individuals and to residual entities that secure interest payments on behalf of individuals (10% Luxembourg withholding tax). For additional information, Bondholders should refer to the section of this Prospectus entitled section 13, “Taxation”.
Meetings of Bondholders	The Conditions of the Bonds contain provisions for calling meetings of Bondholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Bondholders including Bondholders who did not attend and vote at the relevant meeting and Bondholders who voted in a manner contrary to the majority. For additional information, Bondholders should refer to Condition 11 (*Meetings of Bondholders and Modification*).
Governing Law and Jurisdiction	The Bonds are governed by the laws of Belgium. Any dispute shall be submitted to the exclusive jurisdiction of the courts of Brussels.

Listing and Admission to Trading	Application has been made for the Bonds to be listed on Official List of the Luxembourg Stock Exchange and admitted to trading on the regulated market of the Luxembourg Stock Exchange.
Relevant Clearing System	Clearing system operated by the National Bank of Belgium
No Ownership by U.S. Persons	Regulation S, Category 2; TEFRA C applicable, as further described in "Selling Restrictions – United States" in section 14, "Subscription and Sale".
Conditions to which the Public Offer of Bonds is Subject	The public offer of Bonds is subject to the conditions set out in section 14, "Subscription and Sale".
ISIN Code / Common Code	ISIN Code: BE6000680668 Common Code: 049770740
Selling Restrictions	Restrictions apply to offers, sales or transfers of the Bonds in various jurisdictions. See section 14, "Subscription and Sale". In all jurisdictions offers, sales or transfers may only be effected to the extent lawful in the relevant jurisdiction. The distribution of the Prospectus or of its summary may be restricted by law in certain jurisdictions.

DESCRIPTION OF THE RISK FACTORS

Factors that may affect the Issuer's ability to fulfil its obligations under the Bonds

- The downturn in the global economy that accelerated during the second half of 2008 and has persisted to date in 2010 has caused a sharp reduction in worldwide demand for zinc, lead and other metals, and a protracted global recession or a depression would have a material adverse effect on the metal industry and Nyrstar.
- Nyrstar's results are largely dependent on commodity prices, which are volatile and cyclical.
- Nyrstar is exposed to the shape of the forward price curve for underlying metal prices.
- Nyrstar's results are affected by exchange rate fluctuations.
- The results of Nyrstar are linked to the level of zinc and lead treatment charges, which are cyclical in nature.
- An increase in energy costs, in particular electricity costs, or a disruption in the supply of energy for Nyrstar's operations may significantly increase production costs or adversely affect production.
- Nyrstar is subject to a credit risk in relation to its contractual and trading counterparties.
- Nyrstar requires a significant amount of cash to fund its operations and its capital investments, including investments to update or upgrade its existing facilities. If Nyrstar is unable to generate this cash through its operations or through external sources, Nyrstar may not be able to implement its business strategy and may experience liquidity pressure. Implementation of Nyrstar's newly-announced vertical integration into mining strategy would also be cash-intensive.

- Nyrstar is exposed to a number of operating risks and its insurance cover may be inadequate.
- Nyrstar is dependent on a number of significant suppliers for zinc and lead concentrate and a disruption in supply could have a material adverse effect on Nyrstar's production levels and results of operation.
- Nyrstar's operations are subject to stringent environmental and health laws and regulations which could expose Nyrstar to significant increased compliance costs and litigation relating to environmental and health issues.
- Nyrstar has substantial international operations and is therefore subject to certain risks, which may include unfavourable political, regulatory, labour and tax conditions in other countries.
- In the event that Nyrstar is unable to sell or store certain by-products produced during the zinc and lead smelting process, it may be required to limit or reduce overall production levels.
- Nyrstar has announced a strategy of selectively integrating its smelting business by expanding into mining. Mining operations are subject to specific mining risks.
- Future profitability and operating margins depend partly upon Nyrstar's ability to access sufficient adequate mineral reserves.
- Estimates of ore reserves are based on certain assumptions and so changes in such assumptions could lead to reported ore reserves being restated.

Factors which are material for the purpose of assessing the market risks associated with the Bonds

- Bonds may not be a suitable investment for all investors.
- There is no active trading market for the Bonds.
- The Bonds are exposed to market interest rate risk.
- The market value of the Bonds may be affected by the creditworthiness of Nyrstar and a number of additional factors.
- The Bonds may be redeemed prior to maturity.
- The Bonds may be redeemed prior to maturity in the event of a change of control.
- The Bonds may be affected by the global credit market conditions.
- Bondholders could modify certain Terms and Conditions of the Bonds.
- The Bonds may be exposed to exchange rate risks and exchange controls.
- Certain payments in respect of the Bonds may be impacted by the EU Savings Directive.
- Payments made in respect of the Bonds may be subject to Belgian withholding tax.
- Potential purchasers and sellers of the Bonds may be required to pay taxes or other documentary charges or duties in accordance with the laws and practices of the country where the Bonds are transferred or other jurisdictions.
- Changes in governing law could modify certain Terms and Conditions of the Bonds.
- Relationship with the Issuer.

- The transfer of the Bonds, any payments made in respect of the Bonds and all communications with the Issuer will occur through the NBB System.
- The Domiciliary Agent is not required to segregate amounts received by it in respect of Bonds cleared through the NBB System.
- Nyrstar, the Agent and the Joint Lead Managers may engage in transactions adversely affecting the interests of the Bondholders.
- Legal investment considerations may restrict certain investments.
- The Calculation Agent does not assume any fiduciary or other obligations to the Bondholders and, in particular, is not obliged to make determinations which protect their interests.
- The Issuer's ability to make debt service payments depends on its ability to transfer income and dividends from its subsidiaries.
- The Issuer may not have the ability to repay the Bonds.

3. RISK FACTORS

Investing in the Bonds involves a high degree of risk. Investors should consider carefully the following risk factors, together with the other information contained in this Prospectus, before making any investment decision concerning the Bonds. If any of the risks set out below were to occur, the Issuer's business, future prospects, financial condition and/or results of operation could be negatively affected and this may have an effect on the trading price or value of the Bonds.

The Issuer believes that the factors set out below represent the principal risks inherent in the Issuer's business, the smelting and mining industries in which it is active, and investing in the Bonds. All of the factors are contingencies which may or may not occur. The Issuer is not in a position to express a view on the likelihood of any such contingency occurring. One or more of the risks described below could affect the Issuer simultaneously. Additional risks or uncertainties not presently known to it or that it currently may consider immaterial or that may not specifically relate to the Issuer or the Issuer's business may also have a negative effect on its business, future prospects, financial condition and results of operations and thus affect the trading price or value of the Bonds.

Factors that may affect the Issuer's ability to fulfil its obligations under the Bonds

The downturn in the global economy that accelerated during the second half of 2008 and has persisted to date in 2010 has caused a sharp reduction in worldwide demand for zinc, lead and other metals, and a protracted global recession or a depression would have a material adverse effect on the metal industry and Nyrstar.

Nyrstar's activities and results are affected by international, national and regional economic conditions.

A steep downturn in the global economy, sparked initially by adverse conditions in credit markets and deteriorating consumer confidence, has sharply reduced demand for metals. This has had, and continues to have, a pronounced negative effect on Nyrstar's business and results of operations.

Brook Hunt estimates that during 2009 world refined zinc consumption fell by 9.4% to a six-year low of 10.2 million tonnes as construction activity and automotive output contracted. In contrast, China's zinc consumption continued to increase, climbing by 7.0% to 4.1 million tonnes and taking its share of the world market to 40% for the first time, from 34% in 2008. Excluding China, zinc consumption in the rest of the world fell by 17.8% to a 16-year low of 6.1 million tonnes in 2009, with Europe, Nyrstar's largest market, down approximately 22%. However, world zinc consumption had begun to recover on a year-on-year basis by Q4 2009, driven by the substantial fiscal and monetary stimulus in all major countries around the world including China, which generated some recovery in demand for galvanised steel in construction and automotive applications.

Responding to the drop in demand, world refined zinc production was reduced by 2.2% to 11.2 million tonnes in 2009, leaving the market in surplus by approximately, according to Brook Hunt, 1 million tonnes, although this represented a cumulative deficit of 1.2 million tonnes over the previous five years. Reflecting the market surplus, stocks on the London Metal Exchange (or "**LME**") and Shanghai Futures Exchange (or "**SHFE**") increased to approximately 660,000 tonnes by the end of 2009, remaining moderate by historical standards at approximately three weeks of world consumption.

World lead consumption declined with the downturn in the global economy, falling by 3.6%, although this reverse was modest by comparison with some other metals markets and at 8.1 million tonnes world lead consumption in 2009 was the third highest total on record. This can be attributed to China, where lead consumption increased by 10% to a new record of 3.4 million tonnes and more than double its level of five years ago, driven by accelerating growth in car production and sales and continuing strong sales of electric bicycles (e-bikes).

According to Brook Hunt, world refined lead production was reduced by 2.9% to 8.2 million tonnes in 2009, leaving the market for refined lead with a modest surplus of 25,000 tonnes, after six years of deficits. With the market in surplus LME stocks rose through the year, reaching a six-year high of 146,775 tonnes at the end of 2009, equivalent to approximately one week of world consumption.

While zinc and lead prices have appeared to stabilise and shown some improvement lately, a further deterioration of macroeconomic conditions or a global recession or depression would have a material adverse effect on Nyrstar's results of operations and financial condition.

Continued financial weakness among substantial consumers of metals, or the bankruptcy of any large companies in such industries, would exacerbate the negative trend in market conditions. Despite Nyrstar's size and global breadth, protracted declines in consumption caused by poor economic conditions in one or more of its major markets or by the deterioration of the financial condition of its key customers has had and would have a material adverse effect on demand for its products and hence on its results.

Nyrstar's results are largely dependent on commodity prices, which are volatile and cyclical.

The overall profitability of Nyrstar is largely determined by the interplay between the price for zinc and lead (which determines the amount of value available to be shared between the miner and the smelter) and treatment charges ("**TCs**") (which determine how that value is shared between the miner and the smelter).

Nyrstar has not entered and does not currently intend to enter into transactions that seek to hedge or mitigate its exposure to movements in metal prices, other than short-term hedging transactions to cover the timing risk between purchases of metal that is paid for in its raw material and sales of metal and to cover its exposure on fixed-price forward sales of metal to customers. Its results are therefore particularly sensitive to movements in zinc and lead prices (as described below).

Nyrstar's zinc smelting activities are exposed to risks deriving mainly from the impact that metal prices have on TCs and on free metal recovered from materials supplied for treatment, both of which are components of Nyrstar's zinc refining margin (or gross profit).

Fluctuations in zinc prices affect the TCs Nyrstar realises both through the effect on the base TC which Nyrstar negotiates with its suppliers based in part on current and expected zinc price trends, as well as through the effect of escalators and de-escalators, which result in either a positive or negative difference between the quotation (LME) zinc price and the agreed basis zinc price. Rising zinc prices typically trigger application of an escalator and result in higher realised TCs (assuming a constant base TC). Conversely, decreases in zinc prices adversely affect the profitability of Nyrstar through the deduction, from the base TC, of a de-escalator applied to the negative difference between the quotation (LME) zinc price and the agreed basis zinc price (assuming a constant base TC). This risk is, however, mitigated to the extent that Nyrstar produces its own concentrate.

Furthermore, zinc prices also directly affect the value of the free metal component of Nystar's gross profit, which is the difference between all the zinc recovered and sold by the smelter and the industry standard of 85% of contained zinc in zinc concentrate that is paid for by the smelter.

The results of Nyrstar's lead refining business depend on TCs and lead metal prices which are determined using mechanisms similar to those for zinc, except that the payable element of lead metal at 95% is higher than it is for zinc, which is 85%. The profitability of Nyrstar's lead refining business is also highly exposed to the price of zinc as its raw material typically contains significant volumes of zinc metal of which only a limited portion is payable by Nyrstar.

The price of zinc and lead has historically been subject to wide fluctuations in response to market forces. Factors largely beyond Nyrstar's control, such as the cyclicality of consumption, actual or perceived changes in levels of supply and demand, the availability and cost of substitute materials, inventory levels maintained by producers, trading on the metals market and exchange rates, all influence the price of zinc and lead.

Zinc prices have fluctuated widely in recent years.

Reflecting the downturn in demand, the average LME zinc price fell 11.3% to a four-year low of US$1,659/tonne in 2009. Whilst remaining volatile, the zinc price rose through most of last year as the market moved towards recovery, more than doubling from its lows in February below US$1,100/tonne to more than US$2,500/tonne in December 2009.

Depending on the interplay between zinc mine concentrate output, zinc smelter capacity and operating rates and demand for refined zinc, prices may fall in future - for example, due to declining demand in the event of continuing recession in the world economy or rising supply from an increase in smelter capacity utilisation.

Lead prices have similarly fluctuated widely in recent years.

The LME lead price followed a similar pattern to the zinc price during 2009, rising from lows of less than US$1,000/tonne early in the year to a peak of approximately US$2,500/tonne in September, and continued to trade between US$2,000/tonne and US$2,500/tonne for the remainder of 2009. However, the average price for the year of US$1,726/tonne was 17.2% lower than in 2008.

Commodity prices will also have an increasingly greater impact on Nyrstar's mining operations in Tennessee (U.S.) and Coricancha (Peru) as they are ramped-up and, in the event that it is able to continue to pursue its recently announced strategy of selectively integrating its smelting business by expanding into mining, any new mining operations.

Finally, since Nyrstar also derives revenue from the sale of by-products from the production process at Nyrstar's smelters such as sulphuric acid, silver, indium, cadmium, copper, gold, the results of Nyrstar are affected by fluctuations in the price of these products and a sustained decline in prices for these products could have a material adverse effect on Nyrstar's financial position and results of operations.

Nyrstar is exposed to the shape of the forward price curve for underlying metal prices.

While Nyrstar 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, Nyrstar is exposed to the shape of the forward price curve for underlying metal prices.

The metal price used to determine the amount paid by Nyrstar for metal contained in the raw materials purchased by Nyrstar is normally an average of the LME price over an agreed period of time, typically a month. Similarly, when Nyrstar sells its products, a portion of the price charged by Nyrstar is an average of the metal price over an agreed period of time or a fixed forward metal price.

As a result of the lapse of time between the time of purchase of metal in its unprocessed form for conversion into products and the sale of those products, the volatility in the LME price creates differences between the average price paid by Nyrstar for the contained metal and the price received as consideration by Nyrstar. Accordingly, Nyrstar is exposed to any fluctuations in price between the moment it purchases raw material (*i.e.*, at the "pricing-in" of the metal) and the moment it sells its products to its customers (*i.e.*, at the "pricing-out" of the metal). The times at which Nyrstar "prices-in" and "prices-out" are also referred to as "Quotational Periods" ("**QP**").

At any given time Nyrstar holds metal as work-in-progress or stock on hand that has been "priced in" but not "priced out". This difference between the priced-in metal and the priced-out metal (the "**net metal position**") remains exposed to fluctuations in the zinc price, called "Metal at Risk". Nyrstar monitors Metal at Risk on a regular basis and uses hedging transactions to seek to mitigate this exposure. No assurance can be given that it will be able to do so fully, both due to the nature of transactional hedging and to the complexity of its implementation.

The price of placing transactional hedges is dependent on whether future or "forward" prices are higher or lower than current or "spot" prices, as indicated by the shape of the forward underlying metal price curve. Future prices can be either higher or lower than current prices, depending on a range of factors and can change quite rapidly at times.

The hedges required to hedge the Metal at Risk position of Nyrstar will be determined by whether the net position is positive, meaning that Nyrstar has more metal "priced in" than is "priced out", or alternatively is negative, meaning that Nyrstar has more metal "priced out" than is "priced in". If the Metal at Risk position of Nyrstar is positive, then Nyrstar needs to offset this net "priced in" exposure by an equivalent "priced out" hedge, by selling metal on the LME. Where future prices are higher than current prices, this hedge will realise an equivalent profit, since the sold hedge will realise a higher price on maturity. If future prices are lower than current prices then this hedge will realise a cost for

the reverse reason. If the Metal at Risk position is negative, then the reverse of these hedging strategies would be used.

Consequently, in hedging its Metal at Risk position, the price of hedging can adversely impact the results of Nyrstar's operations, depending on the future prices and the type of Metal at Risk position being hedged. All decisions relating to hedging are taken at the corporate level with clearly established guidelines.

Nyrstar's results are affected by exchange rate fluctuations.

Nyrstar's assets, earnings and cash flows are influenced by movements in exchange rates of other currencies, particularly the U.S. dollar, the euro, the Australian dollar and the other currencies in which costs of Nyrstar are denominated. Zinc and lead are sold throughout the world principally in U.S. dollars, while the costs of Nyrstar are primarily in euro and Australian dollars and, to a lesser extent, in U.S. dollars. As a result, appreciation of the euro, the Australian dollar or such other currencies against the U.S. dollar without an offsetting improvement in U.S. dollar-denominated zinc and lead metal prices -- such as the situation that prevailed in the second half of 2008 and 2009 -- 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 (as mentioned above).

The results of Nyrstar are linked to the level of zinc and lead TCs, which are cyclical in nature.

The results of Nyrstar are directly linked 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, in effect, paid by the miner to the smelter in the form of a concession (or deduction) on the price of the zinc or lead concentrates that the miner sells to the smelter.

TCs are subject to fluctuations based on the supply and demand dynamics of the global zinc or lead concentrate market. When supplies of zinc or lead concentrates (*i.e.*, the mines' output) exceed available smelting capacity utilisation, there typically is a positive impact on the TCs realised by the zinc or lead smelters, and the smelters are able to obtain a larger portion of the value of the contained zinc or lead metal. Conversely, when supplies of zinc or lead concentrates are less than available smelting capacity utilisation, there usually is a negative impact on the TCs for zinc or lead smelters, and a greater share of the zinc or lead metal value is retained by miners. Depending on timing and overall circumstance, an increase in smelting capacity utilisation, particularly in regions like China where production costs are lower compared to operations in more mature regions, could therefore significantly and adversely affect TCs.

TCs are typically negotiated annually between individual miners and smelters in view of the anticipated supply and demand of zinc or lead concentrates and the likely zinc or lead price. Realised TCs are normally the largest contributor to Nyrstar's gross profit. Accordingly, a decrease in TCs can be expected to have a material adverse effect on Nyrstar's financial position and results of operations.

TCs will also have an increasingly greater impact on Nyrstar's existing mining operations in Tennessee (U.S.) and Coricancha (Peru) as they are ramped-up and, in the event that it is able to continue to pursue its recently announced strategy of selectively integrating its smelting business by expanding into mining, any new mining operations.

An increase in energy costs, in particular electricity costs, or a disruption in the supply of energy for Nyrstar's operations may significantly increase production costs or adversely affect production.

The main energy sources for the sites of Nyrstar are electricity, coal and natural gas.

Electricity in particular represents a very significant part of its production costs and any increase in the price thereof (including as a result of the implementation of stringent greenhouse gas emission policies proposed by various governments) would significantly increase Nyrstar's costs and reduce its margins.

Any disruption in the supply of energy may impair the ability of Nyrstar to conduct its business and meet customer demands and may have a material adverse effect on Nyrstar's results of operations. Since the number of energy suppliers is generally limited, Nyrstar may not be able to negotiate favourable terms when its energy supply agreements are up for renewal and Nyrstar may be required to accept significant increases in the costs of its energy purchases. In many of the countries in which Nyrstar operates, Nyrstar is dependent on monopolist and/or government-controlled companies for a significant portion of its electricity needs. Unexpected changes in a government's policy of electricity supply may occur from time to time. Such changes may negatively impact the production capacity of Nyrstar or its production costs and may adversely affect the results of the Issuer.

Nyrstar attempts to limit its exposure to short term energy price fluctuations through forward purchases, long term contracts and the participation in consortia, where feasible. However, such forward purchases, long term contracts or consortia are not always available at acceptable terms for Nyrstar.

Nyrstar is subject to a credit risk in relation to its contractual and trading counterparties.

Nyrstar is subject to the risk that the counterparties with whom it conducts its business (including in particular its customers) and who have to make payments to Nyrstar are unable to make such payment in a timely manner or at all. While this credit risk exists for any market participant, this risk has increased due to the economic downturn, which sharply worsened the credit and cash position of customers worldwide. While Nyrstar has determined a credit policy with credit limits, approval procedures and a continuous monitoring of its credit exposure, this policy can only limit some of its credit risk. If amounts that are due to Nyrstar are not paid or not paid in a timely manner, as per the agreement Nyrstar has with its respective counterparts, this may not only impact Nyrstar's current trading and cash-flow position but also its financial and commercial position.

Nyrstar requires a significant amount of cash to fund its operations and its capital investments, including investments to update or upgrade its existing facilities. If Nyrstar is unable to generate this cash through its operations or through external sources, Nyrstar may not be able to implement its business strategy and may experience liquidity pressure. Implementation of Nyrstar's vertical integration into mining strategy is also cash-intensive.

Nyrstar's business is, and will continue to be, capital-intensive. A number of its plants have operated for many years and many of Nyrstar's capital expenditures focus on the repair and reconstruction of existing facilities and the construction of new production systems. Furthermore, Nyrstar continues to explore additional opportunities to implement its strategy and this may require significant cash. In this respect, Nyrstar has investment programs to ramp-up the facilities and activities in the recently acquired Tennessee Mines (United States) and the Coricancha mine (Peru).

Nyrstar has to date been able to fund its capital investment projects through cash generated from its internal operations and external funding. However, if Nyrstar's cash flows are reduced or if it were to make further acquisitions, Nyrstar may need to seek to fund its cash requirements through asset divestitures, share or debt issues or other external funding (for example, bank debt). Nyrstar's ability to raise equity or debt or to divest some of Nyrstar's assets and the terms upon which such transactions would be made are uncertain. If Nyrstar is not able to obtain alternative sources of external financing at an acceptable cost or in the amounts required, its planned capital investments may be substantially delayed or interrupted or it may not be able to implement its strategy fully, which could have a material adverse effect on Nyrstar's business, results of operations or prospects.

Nyrstar is exposed to a number of operating risks and its insurance cover may be inadequate.

The zinc and lead smelters operated by Nyrstar, Nyrstar's mines and Nyrstar's other production facilities are subject to many risks and hazards, including industrial accidents, power interruption, critical equipment failure and fires. Such risks could result in damage to the smelters of Nyrstar and its other facilities, personal injury, environmental damage, delays in metal production, monetary losses and possible legal liability.

In addition, Nyrstar is dependent on pipelines, roadways, railways and shipping to transport its raw materials and products. Any disruption in transport could have a material adverse effect on Nyrstar's operations.

Nyrstar is also in the process of ramping-up production at its mining operations in Tennessee (U.S.) and Coricancha (Peru). In addition to the operating risks above, Nyrstar is also subject to a number of risks peculiar to the ramp-up of mining operations that have been on care and maintenance for extended periods. Further, the recommencement of operations at the Coricancha mine is dependent on the construction of a new tailings facility and the approval of the Peruvian mining authorities.

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.

Nyrstar may become subject to liability (including in relation to pollution, occupational illnesses or other hazards) 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. In addition, insurance may not continue to be available or, may not be available at economically acceptable premiums. As a result, Nyrstar's insurance coverage may not cover the full scope and extent of claims against Nyrstar or losses that it incurs, including, but not limited to, claims for environmental or industrial accidents, occupational illnesses, pollution and product liability and business interruption. A successful claim against Nyrstar may have a material adverse effect on Nyrstar's revenues. Moreover, the defence against such claims may cause a considerable strain on management resources, require Nyrstar to incur significant legal fees and may adversely affect Nyrstar's reputation.

Nyrstar is dependent on a number of significant suppliers for zinc and lead concentrate and a disruption in supply could have a material adverse effect on Nyrstar's production levels and results of operation.

The business of Nyrstar is dependent on its ability to source adequate supplies of zinc and lead concentrate. The availability and price of zinc and lead concentrate may be negatively affected by a number of factors largely beyond Nyrstar's control, including interruptions in production by suppliers, decisions by suppliers to allocate supplies of concentrate to other purchasers, price fluctuations and increasing transport costs. Nyrstar has life-of-mine contracts for zinc and lead concentrates from the Century and Rosebery mines in Australia with China Minmetals Non Ferrous Metals Co Ltd. and has other multi-year tonnage contracts with a number of other suppliers in place. These agreements provide that the key commercial terms (including TCs) are renegotiated annually. In addition, Nyrstar entered recently into an agreement with Talvivaara Sotkamo Limited ("**Talvivaara**") to acquire 1.25 million tonnes of zinc in concentrate. The Talvivaara mine is in the process of being ramped-up and accordingly is subject to additional risks peculiar to such activities. The foregoing arrangements provide a significant portion of Nyrstar's zinc and lead concentrate needs for the foreseeable future and the remainder of its needs are sourced from other suppliers on an annual basis. Nyrstar also acquired mining operations in Tennessee (U.S.) and Coricancha (Peru), but these operations are in the process of being ramped-up. Despite Nyrstar's current contractual arrangements, and its strategy to pursue also opportunities in mining, there can be no assurance that in the future Nyrstar will be able to source as much concentrate as it needs. Moreover, should Nyrstar's contractual relationships with any of its suppliers change or terminate without renewal or replacement, Nyrstar could be left with insufficient supplies of concentrate. To the extent Nyrstar is unable to obtain adequate supplies of zinc and lead concentrate from alternative sources or if Nyrstar has to pay higher than anticipated prices, Nyrstar's results of operations may be materially adversely affected.

Nyrstar is highly dependent on a limited number of suppliers of concentrate with its top five suppliers representing approximately 70% of Nyrstar's current zinc concentrate needs and its top three suppliers representing approximately 70% of Nyrstar's current lead concentrate needs. Any significant disruption for a sustained period of time to the continued operations at any of the mines operated by Nyrstar's suppliers, to infrastructure used to transport zinc concentrates or more generally to the timely delivery of zinc concentrate to Nyrstar's smelters would have a material adverse effect on Nyrstar's financial position and results of operations. This risk is particularly relevant for the Century mine in Australia, which operates a single line production system and is the single largest source of concentrate to Nyrstar. In addition, the efficiency of a smelter's production over time is affected by the mix of the concentrate grades it processes. In circumstances where Nyrstar cannot source adequate supplies of the concentrate grades that make up the most efficient mix for its

smelters, alternative types of concentrate may be available, but the use thereof may increase Nyrstar's costs of production and adversely affect its results of operations.

Nyrstar's operations are subject to stringent environmental and health laws and regulations which could expose Nyrstar to significant increased compliance costs and litigation relating to environmental and health issues.

Nyrstar has production sites in a number of countries. Due to the nature of the zinc and lead smelting processes and the associated by-products, emissions (including greenhouse gases) and wastes generated from these processes, Nyrstar's operations are subject to stringent environmental and health laws and regulations. Many of the substances processed or created by Nyrstar are required to be treated, disposed or handled in accordance with stringent standards and procedures contained in current environmental and health laws and regulations. Similar and additional laws and regulations exist in relation to mining activities. Safety is one of the core values of Nyrstar. Nyrstar pro-actively monitors environmental, health and safety legislation and is implementing common safety policies across all sites. Compliance with environmental and health regulations requires ongoing expenditure and considerable capital commitments. In addition, many of the sites of Nyrstar have been operating in their current capacity for relatively long periods of time including during periods when environmental and health laws and regulations were not as stringent as they are today. This may further increase compliance costs.

Furthermore, soil and/or groundwater contamination presently exists on most of Nyrstar's sites and, in some instances, in areas surrounding its sites, and in the future may be discovered at levels that require remediation over and above actions that are currently underway or presently contemplated.

Nyrstar is generally solely liable for its environmental liabilities and obligations vis-à-vis third parties, irrespective of the period to which the claims of third parties relate.

Nyrstar may incur significant additional costs to comply with new environmental regulations, including the costs associated with the implementation of preventive or remedial measures. There can be no assurance that future changes in laws and regulations will not require Nyrstar to install additional controls for certain of Nyrstar's emission sources, to undertake changes in Nyrstar's manufacturing processes or to remediate soil and groundwater contamination in areas where such clean-up is not currently required. Third parties may also file direct claims requesting that a court orders Nyrstar to clean up its property and/or pay compensation for damages incurred as a result of the contamination or use of its products. In particular, there is a risk that actions could be brought against Nyrstar alleging adverse effects of lead or other substances on health or the environment in areas surrounding the sites of Nyrstar. Nyrstar's Port Pirie operations have, in the past, been subject to such claims. If any such claims are brought against Nyrstar and are successful, the outcome could have a material adverse effect on Nyrstar's financial position and results of operations.

There is a risk that the past, present or future operations of Nyrstar do not or will not meet environmental requirements. If Nyrstar breaches these environmental requirements, Nyrstar may incur fines or penalties, be required to curtail or cease operations and/or be subject to significantly increased compliance costs or significant costs for rehabilitation or rectification works which have not been previously planned, at one or more of the sites. In addition, environmental regulation of lead and certain of its other products and by-products is generally becoming more onerous. Increased environmental regulation of the products and activities of Nyrstar or any changes to the environmental regulations faced by Nyrstar could have an adverse effect on its financial position and results of operations.

While the remediation program at some of the sites is a first step to address closure, closure of any of the smelters of Nyrstar or other installations of Nyrstar could trigger significant environmental closure costs, rehabilitation expense and other costs. Nyrstar does not book closure provisions in its financial statements for its sites until a plan for closure is effected. Moreover, in the event one or more of the sites of Nyrstar is closed earlier than anticipated, Nyrstar will be required to fund the closure costs on an expedited basis, which could have an adverse effect on Nyrstar's financial position and results of operations. In addition, the risk exists that claims will be made against Nyrstar arising from environmental remediation upon closure of one or more of sites of Nyrstar.

Closure and restoration costs related to mining activities include the dismantling and demolition of infrastructure and the removal of residual materials and remediation of the disturbed area. Estimated closure costs are provided for in the accounting period when the obligation arising from the related disturbance occurs but do not include any additional obligations which may arise from future disturbances. These costs are estimated from closure plans and third party studies and are subject to significant judgment.

All estimates of environmental rectification and remediation costs contained in this Prospectus, should be read subject to the above risks.

Nyrstar has substantial international operations and is therefore subject to certain risks, which may include unfavourable political, regulatory, labour and tax conditions in other countries.

Nyrstar has operational sites in seven countries. Risks inherent in international operations, in particular in emerging markets such as China, include amongst others the following:

- agreements may be difficult to enforce and receivables difficult to collect through a foreign country's legal system;
- foreign countries may impose additional withholding taxes or otherwise tax foreign income, impose tariffs or adopt other restrictions on foreign trade or investment, including currency exchange controls;
- export licenses may be difficult to obtain and maintain;
- intellectual property rights may be more difficult to enforce in foreign countries;
- general economic conditions in the countries in which Nyrstar operates could have an adverse effect on the earnings from operations in those countries; and
- unexpected adverse changes in foreign laws or regulatory requirements may occur, including those regarding export duties and quotas.

Changes in investment policies or shifts in the prevailing political climate in any of the countries in which Nyrstar operates, buys from or sells to could result in the introduction of increased government regulations with respect to, among other things:

- price controls;
- export, import and throughput controls;
- income and other taxes;
- electricity and energy supply;
- environmental legislation;
- foreign ownership restrictions;
- foreign exchange and currency controls;
- labour and welfare benefit policies; and
- land and water use.

If any of these changes occur, Nyrstar's ability to run its business as its sees fit may be impaired and such changes could have a material adverse effect on Nyrstar's business or results of operations.

In the event that Nyrstar is unable to sell or store certain by-products produced during the zinc and lead smelting process, it may be required to limit or reduce overall production levels.

Nyrstar generates large quantities of by-products such as sulphur dioxide gas in its zinc and lead production process, as well as solid residues with non-zinc or lead metal values. In order to maximise recovery of resource components, minimise emissions and comply with its environmental commitments, it processes these by-products in forms that facilitate further metals recovery and/or render them suitable for sale to external parties (*e.g.* sulphuric acid). While Nyrstar currently sells these products, there can be no assurance that Nyrstar will be able to maintain its sales of these products. In the event that Nyrstar is unable to sell or store substantially all of these by-products, it may be required to reduce its overall zinc or lead production levels or invest in new treatment processes in order to reduce production of these by-products. Should Nyrstar be required to reduce its overall zinc or lead production levels, this could have a material adverse effect on its business and results of operations (depending on industry supply/demand dynamics at a given time).

Nyrstar has announced a strategy of selectively integrating its smelting business by expanding into mining. Mining operations are subject to specific mining risks.

Nyrstar has announced a strategy of selectively integrating its smelting business by expanding into mining. Mining operations are subject to hazards and risks normally associated with the exploration, development and production of natural resources, any of which could result in production shortfalls or damage to persons or property. In particular, hazards associated with open-pit mining operations include, among others:

- flooding of the open pit;
- collapse of the open-pit wall;
- accidents associated with the operation of large open-pit mining and rock transportation equipment;
- accidents associated with the preparation and ignition of large-scale open-pit blasting operations;
- production disruptions due to weather; and
- hazards associated with the disposal of mineralised waste water, such as groundwater and waterway contamination.

Hazards associated with underground mining operations include, among others:

- underground fires and explosions, including those caused by flammable gas;
- cave-ins or falls of ground;
- discharges of gases and toxic chemicals;
- flooding;
- sinkhole formation and ground subsidence;
- other accidents and conditions resulting from drilling; and
- blasting and removing, and processing material from, an underground mine.

To the extent that Nyrstar expands into mining, it could become increasingly at risk of experiencing any or all of these hazards.

Future profitability and operating margins depend partly upon Nyrstar's ability to access sufficient adequate mineral reserves.

Future profitability and operating margins in Nyrstar's mining activities depend partly upon Nyrstar's ability to access mineral reserves that have geological characteristics enabling mining at competitive costs. Replacement reserves may not be available when required or, if available, may not be of a quality capable of being mined at costs comparable to the existing or exhausting mines.

Nyrstar intends to engage the services of independent experts to ascertain and verify the quantum of reserves and resources including ore grade and other geological characteristics. To date Nyrstar has relied on reserves and resources reports prepared on behalf of the vendors of the Tennessee mines (U.S.) and the Coricancha mine (Peru).

Estimates of ore reserves are based on certain assumptions and changes in such assumptions could lead to reported ore reserves being restated.

Nyrstar's profitability in its mining activities is linked to Nyrstar's ore reserves. These reserves represent the quantities of minerals that Nyrstar believes could be mined, processed, recovered and sold at prices sufficient to cover the estimated future total costs of production, remaining investment and anticipated additional capital expenditures. 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. Replacement reserves may not be available when required or, if available, may not be of a quality capable of being mined at costs comparable to the existing or exhausting mines.

Moreover, these estimates are subject to numerous uncertainties inherent in estimating quantities of reserves (including subjective judgments and determinations based on available geological, technical, contracted and economic information) and assumptions that are valid at the time of estimation may change significantly when new information becomes available. These estimates could vary in the future as a result of actual exploration and production results, depletion, new information on geology and fluctuations in production, operating and other costs and economic parameters such as metal prices, TCs and exchange rates, many of which are beyond Nyrstar's control. This may, ultimately, result in the reserves needing to be restated. Such changes in reserves could also impact depreciation and amortisation rates, asset carrying values, deferred stripping calculations and provisions for close down, restoration and environmental clean up costs.

All estimates of ore reserves contained in this Prospectus, should be read subject to the above risks.

Factors which are material for the purpose of assessing the market risks associated with the Bonds

Bonds may not be a suitable investment for all investors.

Each potential investor in the Bonds must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

- have sufficient knowledge and experience to make a meaningful evaluation of the Bonds, the merits and risks of investing in the Bonds and the information contained or incorporated by reference in this Prospectus or any applicable supplement;

- have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Bonds and the impact the Bonds will have on its overall investment portfolio;

- have sufficient financial resources and liquidity to bear all of the risks of an investment in the Bonds, including where the currency for principal or interest payments is different from the potential investor's currency;

- understand thoroughly the terms of the Bonds and be familiar with the behaviour of any relevant financial markets; and

- be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

A potential investor should not invest in the Bonds unless it has the expertise (either alone or with a financial adviser) to evaluate how the Bonds will perform under changing conditions, the resulting effects on the value of the Bonds and the impact the investment will have on the potential investor's overall investment portfolio.

There is no active trading market for the Bonds.

The Bonds are new securities which may not be widely distributed and for which there is currently no active trading market. The Issuer has filed an application to have the Bonds listed on the Official List of the Luxembourg Stock Exchange, and admitted to trading on the regulated market of the Luxembourg Stock Exchange. If the Bonds are admitted to trading after their issuance, they may trade at a discount to their initial offering price, depending upon prevailing interest rates, the market for similar securities, general economic conditions and the financial condition of Nyrstar. There is no assurance that an active trading market will develop. Accordingly, there is no assurance as to the development or liquidity of any trading market for the Bonds.

Therefore, investors may not be able to sell their Bonds easily or at all, or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. Illiquidity may have a severely adverse effect on the market value of Bonds. In the event that put options are exercised in accordance with Condition 5.3.1 of the Terms and Conditions of the Bonds, liquidity will be reduced for the remaining Bonds. Furthermore, it cannot be guaranteed that the admission to listing and trading once approved, may be maintained.

The Bonds are exposed to market interest rate risk.

Investment in the Bonds involves the risk that subsequent changes in market interest rates may adversely affect the value of the Bonds.

The market value of the Bonds may be affected by the creditworthiness of Nyrstar and a number of additional factors.

The value of the Bonds may be affected by the creditworthiness of Nyrstar and a number of additional factors, such as market interest and yield rates and the time remaining to the maturity date and more generally all economic, financial and political events in any country, including factors affecting capital markets generally and the stock exchanges on which the Bonds are traded. The price at which a Bondholder will be able to sell the Bonds prior to maturity may be at a discount, which could be substantial, from the issue price or the purchase price paid by such purchaser.

The Bonds may be redeemed prior to maturity.

In the event:

- of the occurrence of an Event of Default (as defined in Condition 8); or

- that the Issuer would be obliged (as set out in Condition 7) to increase the amounts payable in respect of any Bonds as a result of any change in, or amendment to, the laws, treaties or regulations of Belgium or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws, treaties or regulations, which change or amendment becomes effective on or after the Issue Date,

the Bonds may be redeemed in accordance with the Terms and Conditions of the Bonds.

The Bonds may be redeemed prior to maturity in the event of a change of control.

Each holder of Bonds will have the right to require the Issuer to repurchase all or any part of such holder's Bonds at the Put Redemption Amount upon the occurrence of an Early Redemption Event, such term as defined in, and in accordance with Condition 5.3.1 of the Terms and Conditions of the Bonds (the "**Change of Control Put**"). Bondholders should note that the exercise by any of them of

the Change of Control Put set out in Condition 5.3.1 will only be effective under Belgian Code of Companies if, prior to the earliest of (a) the Issuer being notified by the Belgian Banking, Finance and Insurance Commission (CBFA) of a formal filing of a proposed offer to the shareholders of the Issuer or (b) the occurrence of the Change of Control, (i) the terms of Condition 5.3.1 have been approved by the shareholders of the Issuer in a general meeting and (ii) such resolutions have been filed with the Clerk of the competent Commercial Court (*greffe du tribunal de commerce/griffie van de rechtbank van koophandel*). The Issuer has undertaken to submit the Change of Control Resolutions (as defined in the Terms and Conditions of the Bonds) to the vote of the Shareholders at a general meeting of Shareholders of the Issuer scheduled to be held no later than on 30 June 2010 and, if such resolutions are then approved, to file a copy of the resolutions as aforesaid immediately thereafter. If a Change of Control occurs prior to such approval and filing, Bondholders will not be entitled to exercise the option set out in Condition 5.3.1. There can be no assurance that such approval will be granted at such meeting.

In the event that the Change of Control Put right is exercised by holders of at least 85% of the aggregate principal amount of the Bonds, the Issuer may, at its option, redeem all (but not some only) of the Bonds then outstanding pursuant to Condition 5.3.1. However, Bondholders should be aware that, in the event that (i) holders of 85% or more of the aggregate principal amount of the Bonds exercise their option under Condition 5.3.1, but the Issuer does not elect to redeem the remaining outstanding Bonds, or (ii) holders of a significant proportion, but less than 85% of the aggregate principal amount of the Bonds exercise their option under Condition 5.3.1, Bonds in respect of which the Change of Control Put is not exercised may be illiquid and difficult to trade.

Potential investors should be aware that the Change of Control Put can only be exercised upon the occurrence of an Early Redemption Event as defined in the Terms and Conditions of the Bonds, which may not cover all situations where a change of control may occur or where successive changes of control occur in relation to the Issuer.

The Bonds may be affected by the global credit market conditions.

Potential investors should be aware of the prevailing and widely reported adverse global credit market conditions (which continue at the date hereof), whereby there is a general lack of liquidity in the secondary market for instruments similar to the Bonds. The Issuer cannot predict when these circumstances will change and if and when they do there can be no assurance that conditions of general market illiquidity for the Bonds and instruments similar to the Bonds will not return in the future.

Bondholders could modify certain Terms and Conditions of the Bonds.

The Terms and Conditions of the Bonds contain provisions for calling meetings of Bondholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Bondholders, including Bondholders who did not attend and vote at the relevant meeting and Bondholders who voted in a manner contrary to the majority.

The Bonds may be exposed to exchange rate risks and exchange controls.

The Issuer will pay principal and interest on the Bonds in euro. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the "**Investor's Currency**") other than euro. These include the risk that exchange rates may significantly change (including changes due to devaluation of the euro or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to euro would decrease (1) the Investor's Currency-equivalent yield on the Bonds, (2) the Investor's Currency equivalent value of the principal payable on the Bonds and (3) the Investor's Currency equivalent market value of the Bonds.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, investors may receive less interest or principal than expected, or no interest or principal.

Certain payments in respect of the Bonds may be impacted by the EU Savings Directive.

Under the EC Council Directive 2003/48/EC on the taxation of savings income (the "**EU Savings Directive**"), member states of the European Union (the "**EU Member States**" and each a "**EU Member State**") are required to provide to the tax authorities of another EU Member State details of payments of interest (or similar income) paid by a person within its jurisdiction to an individual resident in that other EU Member State or to certain limited types of entities established in that other EU Member State. However, for a transitional period, the Grand Duchy of Luxembourg and Austria are instead required (unless during that period they elect otherwise) to operate a withholding system in relation to such payments (the ending of such transitional period being dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries). A number of non-EU countries and territories including Switzerland have adopted similar measures (a withholding system in the case of Switzerland). Until 31 December 2009, Belgium also operated a transitional withholding tax system as provided above. By two Royal Decrees dates 27 September 2009 and published in the Belgian Official Gazette (*Belgisch Staatsblad*/*Moniteur Belge*) on 1 October 2009, the Belgian State elected to abandon the transitional withholding system and provide information in accordance with the EU Saving Directive as from 1 January 2010.

On 15 September 2008 the European Commission issued a report to the Council of the European Union on the operation of the EU Savings Directive, which included the Commission's advice on the need for changes to the EU Savings Directive. On 13 November 2008 the European Commission published a more detailed proposal for amendments to the EU Savings Directive, which included a number of suggested changes. The European Parliament expressed its opinion on the proposal on 24 April 2009 and the Council adopted unanimous conclusions on 9 June 2009 relating to the proposal. If any of those proposed changes are made in relation to the EU Savings Directive, they may amend or broaden the scope of the requirements described above.

If a payment were to be made or collected through a paying agent established in any state which applies the withholding tax system and an amount of, or in respect of, tax were to be withheld from that payment, neither the Issuer nor the Agent nor any other person would be obliged to pay additional amounts to the Bondholders or to otherwise compensate Bondholders for the reductions in the amounts that they will receive as a result of the imposition of such withholding tax.

Payments made in respect of the Bonds may be subject to Belgian withholding tax.

If the Issuer, the NBB, the Agent or any other person is required by law to make any withholding or deduction for, or on account of, any present or future taxes, duties or charges of whatever nature in respect of any payment in respect of the Bonds, the Issuer, the NBB, the Agent or that other person shall make such payment after such withholding or deduction has been made and will account to the relevant authorities for the amount so required to be withheld or deducted.

The Issuer will pay such additional amounts as may be necessary in order that the net payment received by each Bondholder in respect of the Bonds, after withholding for any taxes imposed by tax authorities in Belgium upon payments made by or on behalf of the Issuer in respect of the Bonds, will equal the amount which would have been received in the absence of any such withholding taxes, except that no such additional amounts shall be payable in respect of any Bond in the circumstances defined in Condition 7 of the Terms and Conditions of the Bonds.

Potential purchasers and sellers of the Bonds may be required to pay taxes or other documentary charges or duties in accordance with the laws and practices of the country where the Bonds are transferred or other jurisdictions.

Potential purchasers and sellers of the Bonds should be aware that they may be required to pay taxes or other documentary charges or duties in accordance with the laws and practices of the country where the Bonds are transferred or other jurisdictions. Potential investors are advised not to rely upon the tax summary contained in this Prospectus but to ask for their own tax adviser's advice on their individual taxation with respect to the acquisition, sale and redemption of the Bonds. Only these advisors are in a position to duly consider the specific situation of the potential investor. This investment consideration has to be read in connection with the taxation sections of this Prospectus.

Changes in governing law could modify certain Terms and Conditions of the Bonds.

The Terms and Conditions of the Bonds are based on the laws of Belgium in effect as at the date of this Prospectus. No assurance can be given as to the impact of any possible judicial decision or change to the laws of Belgium, the official application, interpretation or the administrative practice after the date of this Prospectus.

Relationship with the Issuer.

All notices and payments to be delivered to the Bondholders will be distributed by the Issuer to such Bondholders in accordance with the Terms and Conditions of the Bonds. In the event that a Bondholder does not receive such notices or payments, its rights may be prejudiced but it may not have a direct claim against the Issuer therefor.

The transfer of the Bonds, any payments made in respect of the Bonds and all communications with the Issuer will occur through the NBB System.

The Bonds will be issued in dematerialised form under the Belgian Code of Companies and cannot be physically delivered. The Bonds will be represented exclusively by book entries in the records of the NBB System. Access to the NBB System is available through its NBB System participants whose membership extends to securities such as the Bonds. NBB System participants include certain banks, stockbrokers (*beursvennootschappen*/*sociétés de bourse*), and Euroclear and Clearstream, Luxembourg. Transfers of interests in the Bonds will be effected between the NBB System participants in accordance with the rules and operating procedures of the NBB System. Transfers between investors will be effected in accordance with the respective rules and operating procedures of the NBB System participants through which they hold their Bonds. The Issuer and the Agent will have no responsibility for the proper performance by the NBB System or the NBB System participants of their obligations under their respective rules and operating procedures.

A Bondholder must rely on the procedures of the NBB System to receive payments under the Bonds. The Issuer will have no responsibility or liability for the records relating to, or payments made in respect of, the Bonds within the NBB System.

The Domiciliary Agent is not required to segregate amounts received by it in respect of Bonds cleared through the NBB System.

The Terms and Conditions of the Bonds and the Agency Agreement provide that the Agent will debit the relevant account of the Issuer and use such funds to make payment to the Bondholders. The Agency Agreement provides that the Agent will, simultaneously with the receipt by it of the relevant amounts, pay to the Bondholders, directly or through the NBB, any amounts due in respect of the relevant Bonds. However, the Agent is not required to segregate any such amounts received by it in respect of the Bonds, and in the event that the Agent were subject to insolvency proceedings at any time when it held any such amounts, Bondholders would not have any further claim against the Issuer in respect of such amounts, and would be required to claim such amounts from the Agent in accordance with applicable Belgian insolvency laws.

Nyrstar, the Agent and the Joint Lead Managers may engage in transactions adversely affecting the interests of the Bondholders.

Nyrstar may from time to time be engaged in transactions involving an index or related derivatives which may affect the market price, liquidity or value of the Bonds and which could be deemed to be adverse to the interests of the Bondholders.

The Agent and the Joint Lead Managers (all as defined below) might have conflicts of interests which could have an adverse effect to the interests of the Bondholders. Potential investors should be aware that Nyrstar is involved in a general business relation or/and in specific transactions with the Agent, the Calculation Agent or/and each of the Joint Lead Managers (all as defined below) and that they might have conflicts of interests which could have an adverse effect to the interests of the Bondholders. Potential investors should also be aware that the Agent, the Calculation Agent and each of the Managers may hold from time to time debt securities, shares or/and other financial instruments of Nyrstar.

Legal investment considerations may restrict certain investments.

The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (i) Bonds are legal investments for it, (ii) Bonds can be used as collateral for various types of borrowing, and (iii) other restrictions apply to its purchase or pledge of any Bonds. The investors should consult their legal advisers to determine the appropriate treatment of Bonds under any applicable risk-based capital or similar rules.

The Calculation Agent does not assume any fiduciary or other obligations to the Bondholders and, in particular, is not obliged to make determinations which protect their interests.

KBC Bank NV will act as the Issuer's Calculation Agent. In its capacity as Calculation Agent, it will act in accordance with the Terms and Conditions of the Bonds in good faith and endeavour at all times to make its determinations in a commercially reasonable manner. However, Bondholders should be aware that the Calculation Agent does not assume any fiduciary or other obligations to the Bondholders and, in particular, is not obliged to make determinations which protect or further the interests of the Bondholders.

The Calculation Agent may rely on any information to which it should properly have regard that is reasonably believed by it to be genuine and to have been originated by the proper parties. The Calculation Agent shall not be liable for the consequences to any person (including Bondholders) of any errors or omissions in (i) the calculation by the Calculation Agent of any amount due in respect of the Bonds or (ii) any determination made by the Calculation Agent in relation to the Bonds or interests, in each case in the absence of bad faith or wilful default. Without prejudice to the generality of the foregoing, the Calculation Agent shall not be liable for the consequences to any person (including Bondholders) of any such errors or omissions arising as a result of (i) any information provided to the Calculation Agent proving to have been incorrect or incomplete or (ii) any relevant information not being provided to the Calculation Agent on a timely basis.

The Issuer's ability to make debt service payments depends on its ability to transfer income and dividends from its subsidiaries.

The Issuer is a holding company that derives the majority of its operating income and cash flow from its subsidiaries through which it conducts its business. It must rely upon distributions from its subsidiaries to generate funds necessary to meet its obligations under the Bonds.

These subsidiaries are not required and may not be able to pay dividends to the Issuer. A number of the Issuer's subsidiaries are located in countries that may impose regulations restricting the payment of dividends outside of the country through exchange control regulations. Furthermore, the continued transfer to the Issuer of dividends and other income from its subsidiaries is in some cases limited by company law and/or tax constraints, which could make such payments difficult or costly. If in the future these restrictions are increased or if the Issuer is otherwise unable to ensure the continued transfer of dividends and other income to it from these subsidiaries, its ability to pay dividends and/or make debt payments will be impaired.

Moreover, the Bonds will constitute unsecured obligations of the Issuer and will rank *pari passu* with all other unsecured and unsubordinated obligations of the Issuer. These obligations will also be structurally subordinated to the holders of any secured and unsecured debt and other creditors of subsidiaries of the Issuer.

The Issuer may not have the ability to repay the Bonds.

The Issuer may not be able to repay the Bonds at their maturity. The Issuer may also be required to repay all or part of the Bonds in the event of a default. If the Bondholders were to ask the Issuer to repay their Bonds following an event of default, the Issuer cannot be certain that it will be able to pay the required amount in full. The Issuer's ability to repay the Bonds will depend on Nyrstar's financial condition (including its cash position resulting from its ability to receive income and dividends from its subsidiaries (see above)) at the time of the requested repayment, and may be limited by law, by the terms of its indebtedness and by the agreements that it may have entered into on or before such date,

which may replace, supplement or amend its existing or future indebtedness. The Issuer’s failure to repay the Bonds may result in an event of default under the terms of other outstanding indebtedness.

4. TERMS AND CONDITIONS OF THE BONDS

The issue of the 5.5 per cent fixed rate bonds due 9 April 2015 for an amount of minimum €100,000,000 (the "**Bonds**", which expression shall, in these Conditions unless otherwise indicated, include any Further Bonds) was (save in respect of any Further Bonds) authorised by a resolution of the board of directors of Nyrstar NV (the "**Issuer**") passed on 11 March 2010. The issue date of the Bonds will be 9 April 2010 (the "**Issue Date**").

The Bonds are issued subject to and with the benefit of a domiciliary agency agreement dated 23 March 2010 and entered into between the Issuer and KBC Bank NV acting as domiciliary agent (the "**Agent**" or the "**Domiciliary Agent**", which expressions shall include any successor as Agent/Domiciliary Agent under the Agency Agreement) (such agreement as amended and/or supplemented and/or restated from time to time, the "**Agency Agreement**"). The statements in these Conditions include summaries of, and are subject to, the detailed provisions of the Agency Agreement. Copies of the Agency Agreement are available for inspection during normal business hours at the specified office of the Agent. The specified office of the Agent is at Havenlaan 12, 1080 Brussels. The Bondholders are bound by and are deemed to have notice of all the provisions of the Agency Agreement applicable to them.

A listing agreement dated 23 March 2010 has been entered into in relation to the listing of the Bonds on the official list of the Luxembourg Stock Exchange and their admission to trading on the regulated market of the Luxembourg Stock Exchange between the Issuer and KBL European Private Bankers S.A. acting as listing agent (the "**Listing Agent**").

A clearing agency agreement (the "**Clearing Agreement**") has been entered into on or about 23 March 2010 in relation to the clearing of the Bonds between the Issuer, the National Bank of Belgium and the Agent.

The following constitutes the text of the terms and conditions of the Bonds (the "**Terms and Conditions**"), save for the paragraphs in italics that shall be read as complementary information. References herein to "Condition" are, unless the context otherwise requires, to the numbered paragraphs below.

1 Form, Denomination and Status

1.1 Form

The Bonds are issued in dematerialised form in accordance with Article 468 of the Belgian Code of Companies (*Wetboek van Vennootschappen / Code des Sociétés*) and cannot be physically delivered. The Bonds will be exclusively represented by book entry in the records of the clearing system operated by the National Bank of Belgium (the "**NBB**") or any successor thereto (the "**NBB System**"). The Bonds can be held by their holders through participants in the NBB System, including Euroclear and Clearstream, Luxembourg and through other financial intermediaries which in turn hold the Bonds through Euroclear and Clearstream, Luxembourg, or other participants in the NBB System. The Bonds are accepted for clearance through the NBB System, and are accordingly subject to the applicable Belgian clearing regulations, including the Belgian Act of 6 August 1993 on transactions in certain securities, its implementing Belgian Royal Decrees of 26 May 1994 and 14 June 1994 and the rules of the NBB System and its annexes, as issued or modified by the NBB from time to time (the laws, decrees and rules mentioned in this Condition being referred to herein as the "**NBB System Regulations**"). Title to the Bonds will pass by account transfer. The Bonds may not be exchanged for bonds in bearer form.

If at any time the Bonds are transferred to another clearing system replacing the NBB System, further to the disappearance of the NBB System, the closing of the NBB System for a period of more than 14 days (other than public holidays) or otherwise, these provisions shall apply *mutatis mutandis* to such successor clearing system and successor clearing system operator or any additional clearing system and additional clearing system operator.

1.2 Denomination

The Bonds will have a denomination of €1,000 (the "**Principal Amount**").

1.3 Status

The Bonds constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer and rank and will at all times rank *pari passu* and rateably, without any preference among themselves, and equally with all other existing and future unsecured and unsubordinated obligations of the Issuer, present and future, but, in the event of insolvency, save for such obligations that may be preferred by provisions of law that are mandatory and of general application.

2 Definitions

For the purposes of these Conditions:

"**Bondholder**" means, in respect of any Bond, the person entitled thereto in accordance with the NBB System Regulations;

"**Business Day**" means, in relation to any place, a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets are open for business in that place;

"**Calculation Agent**" has the meaning provided in Condition 5.3.1;

a "**Change of Control**" shall occur if an offer is made by any person to all (or substantially all) Shareholders or all (or substantially all) such Shareholders other than the offeror and/or any parties acting in concert (as defined in Article 3, paragraph 1, 5° of the Belgian Law of 1 April 2007 on public takeover bids or any modification or re-enactment thereof) with the offeror, to acquire all or a majority of the issued ordinary share capital of the Issuer and (the period of such offer being closed, the definitive results of such offer having been announced and such offer having become unconditional in all respects) the offeror has acquired or, following the publication of the results of such offer by the offeror, will acquire as a result of such offer, post completion thereof, Ordinary Shares or other voting rights of the Issuer so that it has the right to cast more than 50 per cent. of the votes which may ordinarily be cast on a poll at a general meeting of the Issuer, whereby the date on which the Change of Control shall be deemed to have occurred shall be the date of the publication by the offeror of the results of the relevant offer (and for the sake of clarity prior to any reopening of the offer in accordance with Article 42 of the Royal Decree of 27 April 2007 on Public Takeover Bids);

"**Change of Control Period**" shall commence on the date of a Change of Control, and shall end 45 days after the date of the Change of Control (which period shall be extended following consummation of a Change of Control of the Issuer for so long as any Rating Agency has publicly announced within the period ending 45 days after the date of the Change of Control that it is considering a Rating Downgrade, provided that the Change of Control Period shall not extend more than 45 days after the public announcement of such consideration);

"**Change of Control Resolutions**" means one or more resolutions duly passed, approved or adopted at a general meeting of Shareholders of the Issuer approving the provisions of Condition 5.3.1;

"**Clearstream, Luxembourg**" means Clearstream Banking, société anonyme;

"**Early Redemption Event**" has the meaning provided in Condition 5.3.1;

"**Early Redemption Notice**" has the meaning provided in Condition 5.3.2;

"**EUR**", "**euro**" or "**€**" means the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty establishing the European Community, as amended;

"**Eligible Investor**" means those persons who are Bondholders and are referred to in Article 4 of the Belgian Royal Decree of 26 May 1994 on the collection and refund of withholding tax implementing the Belgian Law of 6 August 1993 relating to transactions in certain securities and which hold Bonds in an exempt account (i.e. a so-called "X account") in the NBB System;

"**Euroclear**" means Euroclear Bank SA/NV;

"**Event of Default**" has the meaning provided in Condition 8;

"**Extraordinary Resolution**" means any resolution of the holders of Bonds of one or more series adopted in accordance with Articles 568 sq. of the Belgian Code of Companies;

"**Further Bonds**" means any further Bonds issued pursuant to Condition 12 and consolidated and forming a single series with the then outstanding Bonds;

"**Indebtedness**" means any present or future indebtedness (whether being principal, premium, interest or other amounts) for or in respect of (i) money borrowed, (ii) liabilities under or in respect of any acceptance or acceptance credit or (iii) any notes, bonds, debentures, debenture stock, loan capital, loan stock, certificates of deposit, commercial paper or other securities or instruments offered, issued or distributed whether by way of public offer, private placing, acquisition consideration or otherwise and whether issued for cash or in whole or in part for a consideration other than cash;

"**Interest Payment Date**" has the meaning provided in Condition 4;

"**Interest Period**" has the meaning provided in Condition 4;

"**Long Stop Date**" means 30 June 2010;

"**Material Subsidiary**" means any Subsidiary of the Issuer whose total assets or revenues represent 5 per cent. or more of the consolidated total revenues or consolidated total assets (as the case may be) of the Issuer and its consolidated Subsidiaries;

"**Maturity Date**" means 9 April 2015;

"**NBB**" has the meaning provided in Condition 1.1;

"**NBB System**" has the meaning provided in Condition 1.1;

"**NBB System Regulations**" has the meaning provided in Condition 1.1;

"**Non-Eligible Investor**" means any Bondholder other than an Eligible Investor;

"**Ordinary Shares**" means fully paid ordinary shares in the capital of the Issuer;

"**Person**" includes any individual, company, corporation, firm, partnership, joint venture, undertaking, association, unincorporated association, limited liability company, organisation, trust, state or agency of a state (in each case whether or not being a separate legal entity);

"**Principal Amount**" has the meaning provided in Condition 1.2;

"**Put Date**" shall be the fourteenth TARGET Business Day after the expiry of the Put Exercise Period;

"**Put Exercise Notice**" has the meaning provided in Condition 5.3.1;

"**Put Exercise Period**" means the period commencing on the date of the Early Redemption Event and ending 60 calendar days following such Early Redemption Event, or, if later, 60 calendar days following the date on which an Early Redemption Notice is given to Bondholders as required by Condition 5.3.2;

"**Put Redemption Amount**" has the meaning provided in Condition 5.3.1;

"**Rating Agency**" shall mean Standard & Poor's Ratings Services, a Division of The McGraw-Hill Companies, Inc., Fitch, Inc., or Moody's Investors Service Inc., and their respective successors and assigns;

"**Rating Downgrade**" means any downgrade of the rating of the Issuer by a Rating Agency (unless the Issuer reasonably demonstrates that such downgrade does not result from a Change of Control);

"**Relevant Date**" means, in respect of any Bond, whichever is the later of:

(i) the date on which payment in respect of it first becomes due; and

(ii) if any amount of the money payable is improperly withheld or refused the date on which payment in full of the amount outstanding is made or (if earlier) the date on which notice is duly given by the Issuer to the Bondholders in accordance with Condition 13 that such payment will be made, provided that such payment is in fact made as provided in these Conditions.

"**Relevant Indebtedness**" means any Indebtedness which is in the form of or represented by any bond, note, debenture, debenture stock, loan stock or certificate which is for the time being, or is intended by the issuer thereof to be, listed, quoted or traded on any stock exchange or in any securities market (including, without limitation, any over-the-counter market) and having an original maturity of more than one year from the date of issue;

"**Shareholders**" means the holders of Ordinary Shares;

"**Security Interest**" means any mortgage, charge, pledge, lien or other security interest including, without limitation, anything analogous to any of the foregoing under the laws of any jurisdiction;

"**Subsidiary**" means, at any particular time, a company or other entity which is then directly or indirectly controlled, or more than 50 per cent. of whose issued share capital (or equivalent) is then beneficially owned by the Issuer and/or one or more of its respective Subsidiaries. For this purpose, for a company to be "**controlled**" by another means that the other (whether directly or indirectly and whether by ownership of share capital, the possession of voting power, contract or otherwise) has the power to appoint and/or remove all or the majority of the members of the board of directors or other governing body of that company or otherwise controls or has the power to control the affairs and policies of that company provided that, for the avoidance of doubt, a joint venture company over which a Person does not have direct or indirect control shall for the purposes of these Conditions not be a Subsidiary of that Person;

"**TARGET Business Day**" means a day (other than a Saturday or Sunday) on which the TARGET System is operating for the settlement of payments in euro;

"**TARGET System**" means the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET2) system, or any successor thereto; and

"**Taxes**" has the meaning provided in Condition 7.

References to any act or statute or any provision of any act or statute shall be deemed also to refer to any statutory modification or re-enactment thereof or any statutory instrument, order or regulation made thereunder or under such modification or re-enactment.

3 Negative Pledge

So long as any Bond remains outstanding, the Issuer will not, and will ensure that none of its Material Subsidiaries will, create or have outstanding any Security Interest, upon or with respect to the whole or any part of its present or future business, undertaking, assets or revenues (including any uncalled capital) to secure any Relevant Indebtedness, or to secure any guarantee or indemnity in respect of any Relevant Indebtedness, unless at the same time or prior thereto, the Issuer's obligations under the Bonds either (a) are secured equally and

rateably therewith, or (b) have the benefit of such other Security Interest, guarantee or indemnity as shall not be materially less beneficial to the Bondholders.

4 Interest

4.1 Interest Rate and Interest Payment Dates

Each Bond bears interest from (and including) the Issue Date at the rate of 5.5 per cent. per annum calculated by reference to its Principal Amount and such interest amount is payable annually in arrear on 9 April in each year (each an "**Interest Payment Date**"), commencing with the Interest Payment Date falling on 9 April 2011.

"**Interest Period**" means the period beginning on (and including) the Issue Date and ending on (but excluding) the first Interest Payment Date and each successive period beginning on (and including) an Interest Payment Date and ending on (but excluding) the next succeeding Interest Payment Date.

When interest is required to be calculated in respect of any period which is shorter than an Interest Period, it shall be calculated on the basis of (i) the actual number of days in the relevant period from (and including) the first day of such period to (but excluding) the date on which it falls due divided by (ii) the actual number of days from (and including) the immediately preceding Interest Payment Date (or, if none, the Issue Date) to (but excluding) the next following Interest Payment Date.

4.2 Accrual of Interest

Each Bond will cease to bear interest from and including its due date for redemption or repayment thereof unless payment of principal is improperly withheld or refused or unless default is otherwise made in respect of payment, in which event interest will continue to accrue at the rate specified in Condition 4.1 (both before and after judgment) until the day on which all sums due in respect of such Bond up to that day are received by or on behalf of the relevant holder.

5 Redemption, Purchase and Cancellation

5.1 Final redemption

Unless previously purchased and cancelled or redeemed as herein provided, the Bonds will be redeemed at their Principal Amount on the Maturity Date. The Bonds may only be redeemed at the option of the Issuer prior to the Maturity Date in accordance with Conditions 5.2 and 5.3.

5.2 Redemption for tax reasons

The Bonds may be redeemed at the option of the Issuer in whole, but not in part at any time, on giving not less than 30 nor more than 60 days' notice to the Bondholders in accordance with Condition 13 (which notice shall be irrevocable), at their Principal Amount, together with interest accrued (if any) to the date fixed for redemption, if:

(i) the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 7 (*Taxation*) as a result of any change in, or amendment to, the laws, treaties or regulations of the Kingdom of Belgium or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws, treaties or regulations, which change or amendment becomes effective on or after the Issue Date; and

(ii) such obligation cannot be avoided by the Issuer taking reasonable measures available to it,

provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts were a payment in respect of the Bonds then due.

Prior to the publication of any notice of redemption pursuant to this paragraph, the Issuer shall deliver or procure that there is delivered to the Domiciliary Agent:

(x) a certificate signed by two directors (or authorised senior officers) of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred; and

(y) an opinion of independent legal advisers of recognised standing to the effect that the Issuer has or will become obliged to pay such additional amounts as a result of such change or amendment.

Upon the expiry of any such notice as is referred to above, the Issuer shall be bound to redeem the Bonds to which such notice refers in accordance with the relevant sub paragraph of this Condition 5.2.

In the event that notice of redemption of the Bonds is given under this Condition, the Bonds shall be redeemed on the date specified in such notice in accordance with this Condition.

5.3 Redemption at the Option of Bondholders

5.3.1 Upon a Change of Control

In the event that:

(A) a Change of Control of the Issuer occurs at the time the Issuer is not rated; or

(B) a Change of Control of the Issuer occurs at the time the Issuer is rated and within the Change of Control Period, a Rating Downgrade in respect of the Issuer occurs,

(each of (A) and (B), an "**Early Redemption Event**"), then each Bondholder will have the right to require the Issuer to redeem its Bond on the Put Date at the Put Redemption Amount. To exercise such right, the relevant Bondholder must deliver to the Issuer with a copy to the specified office of the Agent a duly completed and signed notice of exercise in the form attached as Annex III to this Prospectus or for the time being currently obtainable from the specified office of the Agent (a "**Put Exercise Notice**"), at any time during the Put Exercise Period.

Payment in respect of any such Bond shall be made by transfer to a euro account maintained with a bank in a city in which banks have access to the TARGET System as specified by the relevant Bondholder in the relevant Put Exercise Notice.

A Put Exercise Notice, once delivered, shall be irrevocable and the Issuer shall redeem all Bonds being the subject of Put Exercise Notices delivered as aforesaid on the Put Date.

Bondholders should note that the exercise by any of them of the option set out in Condition 5.3.1 will only be effective under Belgian law if, prior to the earliest of (a) the Issuer being notified by the Belgian Banking, Finance and Insurance Commission of a formal filing of a proposed offer to the shareholders of the Issuer or (b) the occurrence of the Change of Control, (i) the Change of Control Resolutions have been approved by the Shareholders of the Issuer in a general meeting and (ii) such resolutions have been filed with the Clerk of the competent Commercial Court (greffe du tribunal de commerce/griffie van de rechtbank van koophandel). The Issuer has undertaken to submit the Change of Control Resolutions to the vote of the Shareholders at a general meeting of Shareholders of the Issuer scheduled to be held no later than on

30 June 2010 pursuant to Condition 9(a) and, if such resolutions are then approved, to file a copy of the resolutions as aforesaid immediately thereafter. If a Change of Control occurs prior to such approval and filing, Bondholders will not be entitled to exercise the option set out in Condition 5.3.1. There can be no assurance that such approval will be granted at such meeting.

If, as a result of this Condition 5.3.1, holders of the Bonds submit Put Exercise Notices in respect of at least 85 per cent. of the aggregate principal amount of the Bonds for the time being outstanding, the Issuer may, having given not less than 15 nor more than 30 days notice to the Bondholders in accordance with Condition 13 (*Notices*) (which notice shall be irrevocable and shall specify the date fixed for redemption), redeem all (but not some only) of the Bonds then outstanding at the Put Redemption Amount. Payment in respect of any such Bond shall be made as specified above.

For the purposes of this Condition:

"**Calculation Agent**" means KBC Bank NV or such other leading investment, merchant or commercial bank as may be appointed from time to time by the Issuer for purposes of calculating the Put Redemption Amount, and notified to the Bondholders in accordance with Condition 13 (*Notices*);

"**Put Redemption Amount**" means an amount per Bond being equal to the Principal Amount plus any accrued but unpaid interest of such Bond to (but excluding) the relevant repayment date (as determined by the Calculation Agent in its sole and absolute discretion);

5.3.2 Early Redemption Notice

Within 14 calendar days following an Early Redemption Event, the Issuer shall give notice thereof to the Bondholders in accordance with Condition 13 (*Notices*) (an "**Early Redemption Notice**"). The Early Redemption Notice shall contain a statement informing Bondholders of their entitlement to exercise their rights to require redemption of their Bonds pursuant to Condition 5.3.1.

The Early Redemption Notice shall also specify:

(i) to the fullest extent permitted by applicable law, all information material to Bondholders concerning the Change of Control;

(ii) the last day of the Put Exercise Period;

(iii) the Put Date;

(iv) the Put Redemption Amount.

The Agent shall not be required to monitor or take any steps to ascertain whether an Early Redemption Event or any event which could lead to an Early Redemption Event has occurred or may occur and will not be responsible or liable to Bondholders or any other person for any loss arising from any failure by it to do so.

5.3.3 If the Change of Control Resolutions are not passed

If by not later than the Long Stop Date:

(i) the Change of Control Resolutions are not passed, approved or adopted at a general meeting of the Shareholders of the Issuer; or

(ii) the Change of Control Resolutions have not been duly filed with the Clerk of the Commercial Court of Brussels;

then, with effect from the Interest Period starting on the first Interest Payment Date following the Long Stop Date, the rate of interest payable on the Bonds shall be increased by 0.50 per cent. per annum.

5.4 Purchase

Subject to the requirements (if any) of any stock exchange on which the Bonds may be admitted to listing and trading at the relevant time and subject to compliance with applicable laws and regulations, the Issuer or any Subsidiary of the Issuer may at any time purchase any Bonds in the open market or otherwise at any price.

5.5 Cancellation

Bonds purchased by the Issuer or any of its Subsidiaries may be held or resold at the option of the Issuer or relevant Subsidiary, or transferred to the Agent for cancellation.

5.6 Multiple Notices

If more than one notice of redemption is given pursuant to this Condition, the first of such notices to be given shall prevail.

6 Payments

6.1 Method of Payment

Without prejudice to Article 474 of the Belgian Code of Companies, all payments of principal, premium or interest in respect of the Bonds shall be made through the Agent and the NBB System in accordance with the NBB System Regulations. The payment obligations of the Issuer under the Bonds will be discharged by payment to the Agent in respect of each amount so paid.

6.2 Payments

Each payment in respect of the Bonds pursuant to Condition 6.1 will be made by transfer to a euro account maintained by the payee with a bank in a city in which banks have access to the TARGET System.

6.3 Payments subject to fiscal laws

All payments in respect of principal and interest on the Bonds are subject in all cases to any applicable fiscal or other laws and regulations, but without prejudice to the provisions of Condition 7.

6.4 Agents, etc.

The Issuer reserves the right under the Agency Agreement (and subject to its terms) at any time to vary or terminate the appointment of the Agent and appoint additional or other agents, provided that it will (i) maintain a principal paying agent, (ii) maintain a domiciliary agent and the domiciliary agent will at all times be a participant in the NBB System and (iii) if required, appoint an additional paying agent, from time to time with a specified office in a European Union member state that will not be obliged to withhold or deduct tax pursuant to European Council Directive 2003/48/EC of 3 June 2003 on taxation of savings income in the form of interest payments or any other European Union Directive implementing the conclusions of the ECOFIN council meeting of 26-27 November 2000 on the taxation of savings income or any international agreement, law or regulation implementing or complying with, or introduced in order to conform to, such Directive. Notice of any change in Agent or its specified offices will promptly be given by the Issuer to the Bondholders in accordance with Condition 13.

6.5 No Charges

The Agent shall not make or impose on a Bondholder any charge or commission in relation to any payment in respect of the Bonds.

6.6 Fractions

When making payments to Bondholders, if the relevant payment is not of an amount which is a whole multiple of the smallest unit of the relevant currency in which such payment is to be made, such payment will be rounded down to the nearest unit.

6.7 Non-business days

If any date for payment in respect of the Bonds is not a TARGET Business Day, the holder shall not be entitled to payment until the next following Business Day unless it would thereby fall into the next calendar month in which event it shall be brought forward to the immediately preceding Business Day, nor to any interest or other sum in respect of such postponed or anticipated payment. For the purpose of calculating the interest amount payable under the Bonds, the Interest Payment Date shall not be adjusted.

7 Taxation

All payments of principal and interest by or on behalf of the Issuer in respect of the Bonds shall be made without withholding or deduction for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature ("**Taxes**") imposed, levied, collected, withheld or assessed by or on behalf of the Kingdom of Belgium or any political subdivision or any authority therein or thereof having power to tax, unless such withholding or deduction of the Taxes is required by law. In that event the Issuer shall pay such additional amounts as will result in receipt by the Bondholders after such withholding or deduction of such amounts as would have been received by them had no such withholding or deduction been required, except that no such additional amounts shall be payable in respect of any Bond:

(i) Other connection: to a Bondholder who is liable to such Taxes in respect of such Bonds by reason of his having some connection with the Kingdom of Belgium other than the mere holding of the Bonds; or

(ii) Non-Eligible Investor: to a Bondholder, who at the time of issue of the Bonds, was not an Eligible Investor or to a Bondholder who was such an Eligible Investor at the time of issue of the Bonds but, for reasons within the Bondholder's control, either ceased to be an Eligible Investor or, at any relevant time on or after the issue of the Bonds, otherwise failed to meet any other condition for the exemption of Belgian withholding tax pursuant to the Belgian Law of 6 August 1993 relating to transactions in certain securities; or

(iii) Conversion into registered securities: to a Bondholder who is liable to such Taxes because the Bonds were upon his/her request converted into registered Bonds and could no longer be cleared through the NBB System.

All payments of principal and interest by or on behalf of the Issuer in respect of the Bonds falling into the scope of application of the European Council Directive 2003/48/EC of 3 June 2003 on taxation of savings income in the form of interest payments or any international agreement, law or regulation implementing or complying with, or introduced in order to conform to, such Directive, shall be made after deduction of the withholding tax referred to in such Directive, where applicable (and, for the avoidance of doubt, neither the Issuer nor any other Person shall be obliged to pay additional amounts or to otherwise compensate any Bondholder for the reduction in any amount received by any Bondholder as a result of such deduction).

8 Events of Default

If any of the following events (each an "**Event of Default**") occurs and is continuing, any Bondholder may, after consultation with the Agent (without any liability attaching to such consultation for the Agent) and by notice in writing given to the Agent at its specified office (with a copy to the Issuer at its registered office), declare immediately due and repayable any Bonds held by such Bondholder at their Principal Amount together with accrued interest (if any) to the date of payment, without further formality:

(i) Non-Payment: the Issuer fails to pay the principal of or premium or interest on any of the Bonds when due and such failure continues for a period of 7 calendar days in the case of principal or premium and 14 calendar days in the case of interest; or

(ii) Breach of Other Covenants, Agreements or Undertakings: the Issuer does not perform or comply with any one or more of its other covenants, agreements or undertakings in the Bonds or the Agency Agreement which default is incapable of remedy or, if capable of remedy, is not remedied within 30 calendar days (or such longer period as the Agent may permit) after notice of such default shall have been given to the Issuer by any Bondholder; or

(iii) Cross-Default of Issuer or Material Subsidiary: except where the existence or enforceability of the relevant obligations is being disputed in good faith by appropriate proceedings,

(a) any other present or future Indebtedness of the Issuer (or any of its Material Subsidiaries) for or in respect of moneys borrowed or raised becomes due and payable prior to its stated maturity by reason of an event of default (however described); or

(b) any such Indebtedness is not paid when due or, as the case may be, within any applicable grace period; or

(c) the Issuer or any of its Material Subsidiaries fails to pay when due or, as the case may be, within any applicable grace period, any amount payable by it under any present or future guarantee for, or indemnity in respect of, any moneys borrowed or raised,

provided that the aggregate amount of the relevant Indebtedness, guarantees and indemnities in respect of which one or more of the events mentioned above in this paragraph have occurred and is continuing equals or exceeds €25,000,000 or its equivalent; or

(iv) Enforcement Proceedings: a distress, attachment or execution is levied, enforced or sued out on or against any of the property, assets or revenues of the Issuer or any of its Material Subsidiaries having an aggregate value of at least €25,000,000 or its equivalent and is not discharged or stayed within 60 calendar days; or

(v) Security Enforced: any mortgage, charge, pledge, lien or other encumbrance, present or future, created or assumed by the Issuer or any of its Material Subsidiaries in respect of any of its property or assets for an amount at the relevant time of at least €25,000,000 or its equivalent becomes enforceable and any step is taken to enforce it (including the taking of possession or the appointment of a receiver, manager or other similar person), except if such enforcement is discharged within 60 calendar days or is the subject of a bona fide dispute; or

(vi) Insolvency, etc:

(a) the Issuer or any of its Material Subsidiaries is bankrupt or unable to pay its debts as they fall due; or

(b) an administrator or liquidator of the Issuer or any of its Material Subsidiaries or the whole or any part of the undertaking, assets and revenues of the Issuer or

any of its Material Subsidiaries is appointed (or application for any such appointment is made), except for the purpose of a solvent liquidation of a Material Subsidiary; or

(c) the Issuer or any of its Material Subsidiaries stops, suspends or announces its intention to stop or suspend payment of all or, a material part of (or of a particular type of) its debts; or

(d) the Issuer or any of its Material Subsidiaries (in each case by reason of actual or anticipated financial difficulties) commences negotiations with one or more of its creditors with a view to deferring, rescheduling or otherwise readjusting any Indebtedness, proposes or makes a general assignment or an arrangement or composition with or for the benefit of the relevant creditors in respect of any debt or a moratorium is declared or comes into effect in respect of all or any debt of the Issuer; or

(vii) Failure to take action etc: any action, condition or thing at any time required to be taken, fulfilled or done in order:

(a) to enable the Issuer lawfully to enter into, exercise its rights and perform and comply with its obligations under and in respect of the Bonds;

(b) to ensure that those obligations are legal, valid, binding and enforceable; and

(c) to make the Bonds admissible in evidence in the courts of the Kingdom of Belgium

is not taken, fulfilled or done; or

(viii) Unlawfulness: it is or becomes unlawful for the Issuer to perform or comply with any of its obligations under or in respect of the Bonds;

(ix) Winding-up: an order is made or an effective resolution passed for the winding-up or dissolution of the Issuer or any of its Material Subsidiaries, or the Issuer or any of its Material Subsidiaries ceases or threatens to cease to carry on all or substantially all of its business or operations, except for the purpose of and followed by a reconstruction, amalgamation, reorganisation, merger or consolidation on a solvent basis; or

(x) Analogous Events: any event occurs which under the laws of any relevant jurisdiction has an analogous effect to any of the events referred to in paragraphs (iii) to (ix).

9 Undertakings

The Issuer will:

(a) submit the Change of Control Resolutions to the vote of the Shareholders at a general meeting of Shareholders of the Issuer to be held no later than 30 June 2010 and, if such resolutions are then approved, file a copy thereof with the Clerk of the competent Commercial Court (*greffe du tribunal de commerce/griffie van de rechtbank van koophandel*);

(b) at all times maintain the listing of the Bonds on a regulated market within the European Economic Area and comply with the listing rules of such market; and

(c) procure that it does not become domiciled or resident in or subject generally to the taxing authority of any jurisdiction (other than Belgium), unless it would not thereafter be required pursuant to then current laws and regulations to withhold or deduct for or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature imposed or levied by or on behalf of such jurisdiction or any political subdivision thereof or therein having power to tax in respect of any

payment on or in respect of the Bonds which are significantly different from those imposed or levied under the taxing authority of Belgium.

10 Statute of Limitations

Claims against the Issuer for payment in respect of the Bonds shall be time-barred and become void unless made within 10 years (in the case of principal) or 5 years (in the case of interest) from the appropriate Relevant Date in respect of such payment.

Claims in respect of any other amounts payable in respect of the Bonds shall be time-barred and become void unless made within 10 years following the due date for payment thereof.

11 Meetings of Bondholders and Modification

11.1 Meetings of Bondholders

Meetings of Bondholders may be convened to consider certain matters relating to the Bonds of one or more series, including the modification of certain provisions of these Conditions, in accordance with Articles 568 sq. of the Belgian Code of Companies. The matters in respect of which the Belgian Code of Companies permits an Extraordinary Resolution to be passed include the acceptance, modification or release of security, the postponement, reduction or other modification of interest payments, the postponement, suspension or other modification of principal payments, the exchange of Bonds for shares, the adoption of precautionary measures of common interest, and the appointment of a common representative of the Bondholders.

A meeting of Bondholders may be convened by the board of directors or the auditor of the Issuer. The board of directors of the Issuer must convene a meeting of the holders of the Bonds upon request of Bondholders holding at least one fifth of the outstanding Bonds. Convening notices will be published in the Belgian Official Gazette (*Belgisch Staatsblad / Moniteur Belge*) and in daily newspapers in accordance with the rules set out in the Belgian Code of Companies. The required quorum will be one or more Bondholders holding at least one half of the outstanding Bonds; if such quorum is not present, a second meeting will be convened where no quorum requirement will apply. The adoption of Extraordinary Resolutions requires a 75% majority. If, however, the Bondholders voting in favour of an Extraordinary Resolution represent less than one third of the outstanding Bonds, the Extraordinary Resolution will be subject to approval by the court of appeal. The above quorum and special majority requirements do not apply to Extraordinary Resolutions aiming at the adoption of precautionary measures of common interest or the appointment of a common representative of the Bondholders.

Duly approved Extraordinary Resolutions duly passed in accordance with these provisions will be binding on all Bondholders, whether or not they are present at the meeting and whether or not they vote in favour of such a resolution.

11.2 Modification

The Bonds and these Conditions may be amended without the consent of the Bondholders to correct a manifest error. In addition, the parties to the Agency Agreement may agree to modify any provision thereof, but the Issuer shall not agree, without the consent of the Bondholders, to any such modification unless it is of a formal, minor or technical nature, it is made to correct a manifest error or it is, in the opinion of such parties, not materially prejudicial to the interests of the Bondholders.

11.3 Meetings of Shareholders and Right to Information

The Bondholders shall be entitled to attend all general meetings of Shareholders of the Issuer, in accordance with Article 537 of the Belgian Code of Companies, and they shall be entitled to

receive or examine any documents that are to be remitted or disclosed to them in accordance with the Belgian Code of Companies. The Bondholders who attend any general meeting of shareholders shall be entitled only to a consultative vote.

12 Further Issues

The Issuer may from time to time without the consent of the Bondholders create and issue further notes, bonds or debentures either having the same terms and conditions in all respects as the outstanding notes, bonds or debentures of any series (including the Bonds) or in all respects except for the first payment of interest on them and so that such further issue shall be consolidated and form a single series with the outstanding notes, bonds or debentures of any series (including the Bonds) or upon such terms as to interest, premium, redemption and otherwise as the Issuer may determine at the time of their issue. In that case, Bondholders holding Bonds of the same series shall form one Bondholders' meeting.

13 Notices

Notices to the Bondholders shall be valid (i) if delivered by or on behalf of the Issuer to the NBB System for communication by it to NBB System participants and (ii) if published in two leading newspapers having general circulation in the Kingdom of Belgium (which are expected to be L'Echo and De Tijd). Any such notice shall be deemed to have been given on the latest date of (i) seven days after its delivery to the NBB System and (ii) the publication of the latest newspaper containing such notice.

So long as the Bonds are listed on the Official List of the Luxembourg Stock Exchange and if the rules of that exchange so require, all notices regarding the Bonds shall also be published either in a leading daily newspaper in Luxembourg (which is expected to be the *Luxemburger Wort*) or on the website of the Luxembourg Stock Exchange (www.bourse.lu). The Issuer shall also ensure that all notices are duly published in a manner which complies with the rules and regulations of any stock exchange or other relevant authority on which the Bonds are for the time being listed. Any such notice shall be deemed to have been given on the date of such publication or, if required to be published in more than one newspaper or in more than one manner, on the date of the first such publication in all the required newspapers or in each required manner.

In addition to the above communications and publications, with respect to notices for a meeting of Bondholders, any convening notice for such meeting shall be made in accordance with Article 570 of the Belgian Code of Companies, by an announcement to be inserted at least fifteen days prior to the meeting, in the Belgian Official Gazette (*Belgisch Staatsblad / Moniteur Belge*) and in a newspaper with national coverage. Resolutions to be submitted to the meeting must be described in the convening notice.

14 Governing Law and Jurisdiction

14.1 Governing Law

The Bonds and any non-contractual obligations arising out of or in connection with the Bonds are governed by, and shall be construed in accordance with, Belgian law.

14.2 Jurisdiction

The courts of Brussels, Belgium, are to have exclusive jurisdiction to settle any disputes which may arise out of or in connection with the Bonds and accordingly any legal action or proceedings between any Bondholder and the Issuer arising out of or in connection with the Agency Agreement or the Bonds are to be brought in such courts.

5. HISTORICAL FINANCIAL INFORMATION

General

The consolidated financial statements of the Issuer and the respective audit report for the financial year ended 31 December 2009 are annexed in Annex I hereto and the consolidated financial statements of the Issuer and the respective audit report for the financial year ended 31 December 2008 have been incorporated by reference in this Prospectus. The information so annexed, respectively incorporated by reference herein, shall form an integral part of this Prospectus, save that any statement contained in a document which is annexed in Annex I, respectively incorporated by reference herein, shall be modified or superseded for the purpose of this Prospectus to the extent that a statement contained in this Prospectus modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not, except as so modified or superseded, constitute a part of this Prospectus.

Copies of the documents annexed to, respectively incorporated by reference in, this Prospectus are available, free of charge on the websites of KBC (www.kbc.be) and ING (www.ing.be), at the registered office of the Issuer and on the Issuer's website within the section addressed to investors (www.nyrstar.com/nyrstar/en/investors/) and on the website of the Luxembourg Stock Exchange (www.bourse.lu).

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

Information regarding Financial Year 2009

The consolidated financial statements for the financial year ended on 31 December 2009 have been audited by PricewaterhouseCoopers Bedrijfsrevisoren/Réviseurs d'Entreprises BCVBA/SCCRL, with registered office at Woluwedal 18, 1932 Sint-Stevens-Woluwe, Belgium and administrative office at Generaal Lemanstraat 67, 2018 Antwerpen, Belgium, member of the *Institut des Réviseurs d'Entreprises*/*Instituut der Bedrijfsrevisoren*, represented by Peter Van den Eynde, who rendered an unqualified audit report on these financial statements.

The table below sets out the information in relation to the financial year ended 31 December 2009 that is annexed to this Prospectus as Annex I (see Annex I: Historical Financial Information, beginning on page F-2):

• Consolidated income statement	Beginning on page F-4
• Consolidated statement of financial position	Beginning on page F-6
• Consolidated cash flow statement	Beginning on page F-8
• Notes to the consolidated financial statements	Beginning on page F-9
• Auditor's report	Beginning on page F-50

The consolidated financial statements will, together with the non-consolidated financial statements of the Issuer and the reports of the board of directors of the Issuer and of the statutory auditor in relation to the same, be submitted to the shareholders of the Issuer at the annual general shareholders' meeting to be held on 28 April 2010. The aforementioned consolidated and non-consolidated financial statements and reports of the board of directors and statutory auditor are also

available, free of charge, at the registered office of the Issuer and on the Issuer's website within the section addressed to investors (www.nyrstar.com/nyrstar/en/investors).

Information regarding Financial Year 2008

The consolidated financial statements for the financial year ended on 31 December 2008 have been audited by Klynveld Peat Marwick Goerdeler Bedrijfsrevisoren/Réviseurs d'Entreprises BCVBA/SCCRL, with registered office at Bourgetlaan 40, 1130 Brussels, represented by Benoit Van Roost, and PricewaterhouseCoopers Bedrijfsrevisoren/Réviseurs d'Entreprises BCVBA/SCCRL, with registered office at Woluwedal 18, 1932 Sint-Stevens-Woluwe, Belgium and administrative office at Generaal Lemanstraat 67, 2018 Antwerpen, Belgium, represented by Peter Van den Eynde, both formerly acting as joint statutory auditor of the Issuer and both members of the *Institut des Réviseurs d'Entreprises*/*Instituut der Bedrijfsrevisoren*, who rendered an unqualified audit report on these financial statements. The annual general shareholders' meeting of the Issuer held on April 29, 2009 took note of the resignation of the joint statutory auditors and subsequently appointed PricewaterhouseCoopers Bedrijfsrevisoren/Réviseurs d'Entreprises BCVBA/SCCRL represented by Peter Van den Eynde as statutory auditor for a term of three years. The resignation and appointment took place as the Issuer considered that a joint statutory auditor was too time consuming, requires too much management attention, and limited the number of professional advisory firms available to Nyrstar. The resignation and appointment was not the result of any dispute with the Issuer's management over an accounting treatment, audit procedure or any other matter.

The table below sets out the relevant pages of the Issuer's annual report for the financial year ended 31 December 2008 that are incorporated by reference in this Prospectus:

•	Corporate governance chapter	Pages 27-35 of the Issuers' annual report for the financial year ended 31 December 2008
•	Consolidated income statement	Pages 42-43 of the Issuers' annual report for the financial year ended 31 December 2008
•	Consolidated balance sheet	Page 44 of the Issuers' annual report for the financial year ended 31 December 2008
•	Consolidated statement of cash flows	Page 45 of the Issuers' annual report for the financial year ended 31 December 2008
•	Notes to the consolidated financial statements	Pages 46-88 of the Issuers' annual report for the financial year ended 31 December 2008
•	Auditors' report	Page 89 of the Issuers' annual report for the financial year ended 31 December 2008

Any information not listed in the table above but included in the document incorporated by reference is given for information purpose only.

Overview

This subsection contains (i) the consolidated income statement for the financial years ended 31 December 2009 and 31 December 2008, (ii) the consolidated statement of comprehensive income for the financial years ended 31 December 2009 and 31 December 2008, (iii) the consolidated statement of financial position as at 31 December 2009 and 31 December 2008, and (iv) the consolidated statement of cash flows for the financial years ended 31 December 2009 and 31 December 2008.

The information presented in this subsection has been extracted from the audited consolidated financial statements for the years ended 31 December 2009 and 31 December 2008, and should be read in conjunction with the comprehensive audited consolidated financial statements for these years as referred to above, as well as all other financial data reflected in this Prospectus.

Consolidated Income Statement

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

Note:

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

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

Consolidated Statement of Comprehensive Income

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

Consolidated Statement of Financial Position

as at / in € million	**31 December 2009**	**31 December 2008**
ASSETS		
Non-current assets		
Property, plant and equipment	612.5	435.9
Intangible assets	7.3	3.0
Investments in equity accounted investees	26.8	25.0
Investments in equity securities	5.5	-
Deferred tax assets	39.1	14.4
Other financial assets	53.9	52.7
	745.1	531.0
Current assets		
Inventories	480.5	266.8
Trade and other receivables	162.7	194.1
Prepayments	3.7	5.6
Current tax assets	5.8	8.4
Other financial assets	35.6	25.7
Cash and cash equivalents	84.0	297.0
Assets classified as held for sale	-	11.2
	772.3	808.8
Total assets	**1,517.4**	**1,339.8**
EQUITY		
Equity attributable to equity holders of the parent		
Share capital and share premium	1,255.4	1,255.4
Reserves	(230.0)	(285.9)
Retained earnings	(252.0)	(262.9)
	773.4	706.6
Minority interest	**6.2**	**4.5**
Total equity	**779.6**	**711.1**
LIABILITIES		
Non-current liabilities		
Loans and borrowings	110.0	149.8
Deferred tax liabilities	49.6	40.4
Provisions	122.9	111.2
Employee benefits	50.2	37.8

as at / in € million	31 December 2009	31 December 2008
Other financial liabilities	0.2	0.3
Other liabilities	23.9	-
	356.8	339.5
Current liabilities		
Trade and other payables	248.6	157.0
Current tax liabilities	4.0	6.7
Loans and borrowings	12.0	0.5
Provisions	33.4	39.1
Employee benefits	38.2	32.2
Other financial liabilities	17.3	42.5
Liabilities classified as held for sale	-	11.2
Other liabilities	27.5	-
	381.0	289.2
Total liabilities	**737.8**	**628.7**
Total equity and liabilities	**1,517.4**	**1,339.8**

Consolidated Statement of Cash Flows

in € million	Twelve months to 31 December 2009	Twelve months to 31 December 2008
Cash flows from operating activities		
Profit for the period	10.4	(594.7)
Adjustment to:		
Depreciation and amortisation	50.2	79.7
Income tax (benefit) / expense	3.3	(11.6)
Net finance (benefit) / expense	6.8	13.8
Share of profit in equity accounted investees	(4.0)	(6.9)
Impairment/(reversal of impairment)	(2.4)	615.0
Equity settled share based payment transactions	3.2	1.0
(Gain) / loss on sale of investments	(6.0)	17.7
(Gain) / loss on sale of property, plant and equipment	0.1	0.3
	61.6	**114.3**
Changes in inventories	(185.4)	179.1
Changes in trade and other receivables	50.7	46.0
Changes in prepayments	2.8	(0.4)
Changes in other financial assets and liabilities	(57.7)	30.4
Changes in trade and other payables	85.3	37.9
Changes in other liabilities	51.4	-
Change in provisions and employee benefits	(20.2)	26.0
Interest paid	(2.7)	(13.8)
Income tax paid	(4.8)	(1.7)
Net cash (outflows) from operating activities	**(19.0)**	**417.8**
Cash flows from investing activities		
Acquisition of property, plant and equipment	(67.9)	(116.4)
Proceeds from sale of property, plant and equipment	0.3	0.3
Acquisition of subsidiary net of cash acquired	(104.0)	-
Acquisition of subsidiary net of cash acquired – Zinifex Carve-out Group	-	(30.1)
Acquisition of investments in equity securities	(4.1)	-
Acquisition of investments in equity accounted investees	(0.2)	-
Repayment of borrowings from associates	-	(19.6)
Distribution from associates	12.7	26.8
Proceeds from sale of subsidiary	5.1	-
Proceeds from sale of equity accounted investee	-	33.6
Interest received	2.8	8.1
Net cash (outflows) from investing activities	(155.3)	(97.3)
Cash flows from financing activities		

in € million	Twelve months to 31 December 2009	Twelve months to 31 December 2008
Repurchase of own shares	-	(1.7)
Proceeds from borrowings	121.4	-
Repayments of borrowings	(158.4)	(178.7)
Distributions to shareholders	-	(40.0)
Distributions to minority interests	-	(0.2)
Net cash (outflows) from financing activities	**(37.0)**	**(220.6)**
Net increase (decrease) in cash held	(211.3)	99.9
Cash at the beginning of the reporting period	297.0	198.8
Exchange fluctuations	(1.7)	(1.7)
Cash and cash equivalents at the end of the reporting period	**84.0**	**297.0**

6. USE OF PROCEEDS

The Issuer estimates that the net proceeds from the sale of the Bonds (for a nominal amount of €100,000,000), after deduction of the estimated transaction fees of approximately €600,000, will be approximately €99,400,000.

The net proceeds from the issue of the Bonds will diversify the Issuer's funding sources, and will be used to fund organic or external growth opportunities as they may arise, consistent with Nyrstar's strategy.

7. CLEARING

The Bonds will be accepted for clearance through the NBB System under the ISIN number BE6000680668 and Common Code 049770740 with respect to the Bonds, and will accordingly be subject to the NBB System Regulations.

The number of Bonds in circulation at any time will be registered in the register of registered securities of the Issuer in the name of the NBB (National Bank of Belgium, 14 Boulevard de Berlaimont, 1000 Brussels, Belgium).

Access to the NBB System is available through those of its NBB System participants whose membership extends to securities such as the Bonds.

NBB System participants include certain banks, stockbrokers (*beursvennootschappen*/*sociétés de bourse*), and Euroclear and Clearstream, Luxembourg. Accordingly, the Bonds will be eligible to clear through, and therefore accepted by, Euroclear and Clearstream, Luxembourg and investors can hold their Bonds within securities accounts in Euroclear and Clearstream, Luxembourg.

Transfers of interests in the Bonds will be effected between NBB System participants in accordance with the rules and operating procedures of the NBB System. Transfers between investors will be effected in accordance with the respective rules and operating procedures of the NBB System participants through which they hold their Bonds.

The Domiciliary Agent will perform the obligations of domiciliary agent included in the Clearing Agreement. The Issuer and the Domiciliary Agent will not have any responsibility for the proper performance by the NBB System or its NBB System participants of their obligations under their respective rules and operating procedures.

8. SELECTED FINANCIAL INFORMATION

This section contains certain key financial data of the Group on a consolidated basis with respect to the financial years ended 31 December 2009 and 31 December 2008, and the first and the second half of the year 2009. It has been prepared by the Issuer on the basis of the consolidated financial statements for such years (see also section 5., "Historical Financial Information "), respectively the interim financial statements that have been prepared in relation to the six month period ended on 30 June 2009. The consolidated financial information for the years ended on 31 December 2009 and 31 December 2008 have been audited. The interim financial statements for the six month period ended on 30 June 2009 have not been audited but were subject to a review by the Issuer's statutory auditor. The overview of key financial data has not been audited and has not been subject to a review by the Issuer's statutory auditor.

In € million, unless otherwise indicated	**FY 2009**	**FY 2008**	Δ	**H2 2009**	**H1 2009**	Δ
Production[1]						
Zinc market metal ('000 tonnes)	817	1,056	(23%)	436	381	14%
Lead market metal ('000 tonnes)	227	240	(5%)	117	110	6%
Copper cathode ('000 tonnes)	4	4	0%	2	2	0%
Silver ('000 troy ounces)	16,665	14,287	17%	8,147	8,518	(4%)
Gold ('000 troy ounces)	24	16	50%	13	10	30%
Sulphuric acid ('000 tonnes)	1,119	1,414	(21%)	608	511	19%
Market						
Average LME zinc price (US$/t)	1,659	1,870	(11%)	1,982	1,322	50%
Average exchange rate (€/US$)	1.39	1.47	(5%)	1.45	1.33	8%
Key Financial Data						
Revenue	1,664	2,410	(31%)	951	712	34%
Results from operating activities before exceptional items	32	57	(44%)	28	4	
Profit/(loss) for the period	**10**	**(595)**		**10**	**1**	
Treatment Charges	292	404	(28%)	156	136	15%
Free Metal	159	218	(27%)	96	63	52%
Premiums	86	159	(46%)	42	44	(5%)
By-Products	92	166	(45%)	29	64	(55%)
Other	(35)	(65)	46%	(11)	(23)	52%
Underlying Gross Profit[2]	**594**	**881**	(33%)	**311**	**283**	10%
Underlying Operating Costs [2] [3]	**507**	**735**	(31%)	**252**	**254**	(1)%
Underlying EBITDA[2]	**93**	**153**	(39%)	**62**	**30**	107%
Underlying EPS[2] **(€)**	**0.32**	**0.71**	(55%)	**-**	**-**	
Basic EPS (€)	**0.10**	**(5.85)**	(102%)	**-**	**-**	
Capital Expenditure	**68**	**116**	(41%)	**45**	**23**	96%
Cash						
Net operating cash flow	(19)	418		(66)	47	
Net debt/(cash), end of period	38	(147)		38	(158)	
Gearing[4] (%)	5%	Net cash		5%	Net cash	

Note:

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

In € million, unless otherwise indicated	**FY 2009**	**FY 2008**	Δ	**H2 2009**	**H1 2009**	Δ

(2) Underlying measures exclude exceptional items related to restructuring measures, impairment of assets, material income or expenses arising from embedded derivatives recognised under IAS 39 and other items arising from events or transactions clearly distinct form the ordinary activities of Nyrstar.

(3) Total group underlying operating cost per tonne of primary market metal (zinc and lead, excludes ARA and new mines).

(4) Gearing: net debt to net debt plus equity at end of period.

9. NYRSTAR

Overview

General

Nyrstar is a leading global multi-metals business, producing significant quantities of zinc and lead as well as other products, such as silver, sulphuric acid, gold, copper and indium.

Nyrstar's primary focus is zinc production. Zinc has a diverse range of applications and uses from construction and infrastructure, to transport, communications and electronics, consumer products and even human health.

The ordinary shares of the Issuer have been admitted to trading on Euronext Brussels since 29 October 2007 [NYR BB].

Corporate

The Issuer is incorporated in Belgium and has its corporate offices in Balen, Belgium and in London, the United Kingdom. Recently Nyrstar announced an intention to close its London corporate office and relocate its management committee and other key corporate, marketing and sales functions to a new office in Zurich, Switzerland. This initiative is aimed at further reducing costs and positioning Nyrstar for a long-term sustainable future. The Issuer will continue to retain its registered office in Belgium.

Business Overview

Originally a zinc and lead smelting company, Nyrstar has undergone a significant strategic transformation, expanding into mining and positioning itself as a diversified resources company.

Nyrstar focuses on creating value for all its stakeholders and building a strong and sustainable future as a lean, efficient, dynamic, and flexible business.

Nyrstar's vision is to be the partner of choice in essential resources for the development of a changing world.

Nyrstar's smelters in Auby (France), Balen/Overpelt (Belgium), Budel (The Netherlands), Clarksville (U.S.), and Hobart (Australia) are all primary zinc smelters. Nyrstar's smelter in Port Pirie in Australia is a primary smelter with multi-metal recovery capabilities, which has the flexibility to process a wide range of lead-containing feedstocks to produce refined lead, silver, zinc, copper and gold.

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

Nyrstar has mining operations in Tennessee (U.S.) and an 85% interest in the Coricancha mine in Peru.

Zinc

Nyrstar's raw material consists of zinc concentrate and a significant portion of recycled secondary materials. Nyrstar converts the raw material into zinc metal for use in numerous different end use applications.

Zinc provides excellent corrosion resistance to steel. It is also a relatively hard metal with a low melting point, making it suitable for die casting, but still soft enough to be formed, rolled or extruded.

Zinc is used by the construction and infrastructure industries, the transport sector, industrial machinery, the communications and electronics industry and a large number of consumer products.

Construction and infrastructure

Zinc coated (galvanised) steel is used extensively in various infrastructure projects around the world, including bridges, electricity and telecom towers and building structures.

Transport

Zinc coated (galvanised) steel is often used to produce car bodies. Die cast zinc alloys are used extensively in the automotive industry in applications such as door handles, mirrors, air bag sensors, seat belts and decorative parts.

Industrial Machinery

Zinc is consumed in a variety of forms in industrial equipment. Zinc coated (galvanised) steel is used in corrosion-resistant structural parts and enclosures, brass (an alloy of zinc and copper) is widely used in many electrical and hydraulic systems and die cast zinc alloys are used in a variety of precision components and assemblies.

Communications and Electronics

Zinc has excellent electrical conductivity making it an ideal material choice for the communications and electronics industry. It is also used in a variety of battery chemistries to power consumer products from hearing aids to calculators and industrial batteries.

Consumer Products

Zinc is used in various applications in the consumer products sector such as kitchen appliances, bathroom fixtures, and office equipment and tools. Zinc castings can be readily polished, plated, painted, chromated or anodised for decorative and/or functional applications.

Lead

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

As Asia is experiencing rapid expansion in the domestic vehicle sector, it is one of Nyrstar's key markets. It is also home to some of the world's largest lead acid battery producers.

Lead acid batteries are also the mainstay of storage technologies for renewable energy sources such as solar cells and wind turbines.

As a barrier to radiation lead is used in hospitals and dentists as well as in laboratories and nuclear installations.

Lead stabilisers are also added to some PVC products to improve durability and lead is used to protect thousands of kilometres of underwater power and communication cables.

Other Metals

Although Nyrstar's main products are zinc and lead, it also produces a number of other metals in various forms such as silver, gold, copper, and indium. The quantity of these metals Nyrstar produces is dependent on a number of factors including the chemical composition of the raw material used by Nyrstar and the recovery rates of Nyrstar's smelters.

Sulphuric Acid

Nyrstar recovers sulphur in its production processes to produce high-purity sulphuric acid.

Sulphuric acid is a base chemical used in the production of fertiliser and nylon, and as an electrolyte in conventional lead batteries.

Strategy

Nyrstar's vision is to be the partner of choice in essential resources for the development of a changing world. Nyrstar's strategic framework is comprised of the following elements:

- portfolio management;
- business improvement; and
- growth.

This strategic framework guides Nyrstar's endeavours to create value and deliver its vision.

With regard to portfolio management, Nyrstar seeks to continually review its portfolio of assets to ensure alignment with strategic objectives as shown by the divestment of Nyrstar's interest in Nyrstar Yunnan Zinc Alloys (China) ("**NYZA**") and the announced intention to close GM Metal (France).

Nyrstar continually aims at improving the effectiveness and efficiency of the business, driving continuous improvement, realising synergies and employing the best people. Recently, Nyrstar announced a detailed review to transform the cost structure across its businesses, which Nyrstar believes will deliver more than €75 million in sustainable annual cost savings from 2010 (compared to 2008). One-off restructuring costs of €24.1 million in 2008 and €24.0 million in 2009 were incurred and these provisions are expected to be sufficient to cover all costs of Nyrstar associated with the restructuring initiatives announced to date. Through the rigorous pursuit of cost saving initiatives across Nyrstar's business including the restructuring initiatives above, Nyrstar achieved total underlying operating costs of €507 million, 31% down on 2008 (€735 million), and underlying operating costs per tonne down 14% compared to 2008, less than the previously announced target of €500/tonne.

Nyrstar has recently announced a new growth strategy. In pursuing this new strategy Nyrstar intends to continue to improve and expand its leading global multi-metals' smelting business whilst selectively pursuing opportunities in mining, favouring mines that support its existing business and markets where Nyrstar has expertise and proven capability. Nyrstar believes it has made significant progress in delivering this strategy, acquiring the Tennessee mines (U.S.), comprising the Gordonsville mine complex (May 2009) and East Tennessee mine complex (December 2009), a 19.9% interest in Ironbark, owner of the world-class Citronen zinc-lead deposit in Greenland (November 2009), and an 85% interest in the Coricancha mine in Peru (November 2009). In February 2010, Nyrstar announced the acquisition of 1.25 million tonnes of zinc in concentrate from Talvivaara in Finland, an innovative approach to the continued execution of Nyrstar's strategy.

Nyrstar continues to actively explore additional opportunities to deliver on its strategy.

Operations Review for 2009

The following should be read in conjunction with the comprehensive audited financial statements for the year ended 31 December 2009 and the comprehensive audited financial statements for the year ended 31 December 2008 (see section 5, "Historical Financial Information " and section 15, "Document Incorporated by Reference"), as well as the information presented elsewhere in this Prospectus.

Smelting

Production Profile

Zinc market metal production for 2009 was 817,000 tonnes, down 23% compared to 2008 as a result of the action taken by Nyrstar to address the supply-demand balance during the financial crisis, with the Balen smelter (Belgium) on care and maintenance for most of the year and the Clarksville smelter (U.S.) and Budel smelter (Netherlands) operating on reduced production for the first half of the year. In response to improved market conditions, full production was restarted at Clarksville and Budel in July, followed by a restart of production in Balen in September.

Since re-starting, the Balen smelter produced approximately 26,000 tonnes of cathode in 2009, and was running at approximately 70% of capacity at the end of the year. The smelter is expected to be ramped-up to full capacity by the end of the first quarter of 2010. Despite the Balen smelter being on care and maintenance for most of the year, the Overpelt plant continued to produce high value alloys using zinc cathode from Nyrstar's other European smelters, producing approximately 137,000 tonnes in 2009.

The Auby smelter (France) completed its capacity expansion from 130,000 tonnes to more than 160,000 tonnes per annum in mid-February 2009, and produced approximately 161,000 tonnes in 2009 (118,000 tonnes in 2008).

The Hobart smelter (Australia) achieved record annual zinc production of more than 264,000 tonnes in 2009 (253,000 tonnes in 2008), due to continued operational improvements in the cell house.

Lead production at the Port Pirie smelter (Australia) of 208,000 tonnes was approximately 5% down on 2008 due to a slag fumer shutdown, however production of silver (up 17%) and gold (up 50%) were both higher than 2008. A sinter plant and blast furnace shutdown is scheduled for the second half of 2010, which is expected to limit full year production to similar levels as 2009.

The Clarksville smelter is also scheduled to have a roaster shutdown in the second half of 2010, which is expected to reduce full year production levels to approximately 10,000 tonnes below capacity.

Mining

Tennessee Mines (U.S.)

Nyrstar acquired the Gordonsville zinc mine complex in May 2009 for approximately €10 million. The mine complex had been on care and maintenance since October 2008 due to the significant decline in the market environment. In December 2009, Nyrstar completed its acquisition of the East-Tennessee Zinc mine complex in Tennessee U.S. for US$126 million, which had also been on care and maintenance since February 2009.

These mines will be operated together as the "Nyrstar Tennessee Mines", which will be managed by one experienced management team, and at full capacity are expected to produce approximately 210,000 dry metric tonnes of concentrates at a zinc grade of approximately 62% (approximately 130,000 tonnes of zinc in concentrate), providing more than 100% of the Clarksville smelter's requirements. The Tennessee mines' current reserves and resources indicate a mine life of approximately 15 years, and the mines have a record of one-for-one reserve replacement.

Nyrstar has an aggressive ramp-up plan and has already made significant progress in commissioning the mines in 2009, which are now producing concentrate and are expected to be ramped-up to full production by the end of 2010, requiring approximately US$20 million of capital expenditure in 2010.

Coricancha (Peru)

In November 2009, Nyrstar completed its acquisition of an 85% interest in the Coricancha poly-metallic mine in Peru for US$15 million. Operations had been suspended at the mine since May 2008 following localised ground displacement caused by a third party irrigation system. Whilst further ground displacement was stabilised in July 2008, the mine requires a new tailings facility prior to recommencing operations. Nyrstar has an aggressive ramp-up plan and is progressing the construction of the new tailings facility and commissioning of the mine and plant, and expects to re-start mining by the end of the first half 2010, requiring approximately US$10 million of capital expenditure in 2010.

Once operations are recommenced, the mine is expected to produce gold dore, lead concentrates high in silver and therefore well suited for treatment at the Port Pirie lead smelter (Australia), as well as zinc concentrates suitable for treatment at the Hobart smelter (Australia) and European smelters. Nyrstar has also initiated a detailed exploration program that is expected to significantly increase mine resources and allow for an expansion of the scope and scale of operations in 2011.

Ironbark

In November 2009, Nyrstar completed its acquisition of a 19.9% interest in Ironbark Zinc Limited (ASX-IBG), owner of the world-class Citronen zinc-lead deposit in Northern Greenland, for approximately €4 million. The deposit has a total ore resource (indicated and inferred) of approximately 56 million tonnes at approximately 5.4% zinc and 0.6% lead. As part of the acquisition Nyrstar has been granted a life of mine off-take agreement for 35% of production once commercial production commences, which could be achieved in the next three to five years depending on market conditions.

Other Operations

During August 2009, Nyrstar completed its sale of its 60% interest in Nyrstar Yunnan Zinc Alloys (China) ("**NYZA**") to Yunnan Yun Tong Zinc Co Limited, and during November 2009, Nyrstar announced its intention to close GM Metal (France), consistent with Nyrstar's strategy to continually review its portfolio of assets to ensure alignment with strategic objectives.

Health, Safety and Environment

Health and Safety

Nyrstar's "recordable injury[1] rate" decreased to 17.8 at the end of 2009 compared to 21.0 at the end of 2008, a reduction of 15%. The "lost time injury rate" decreased to 6.1, compared to 7.6 at the end of 2008, a reduction of 20%.

New initiatives in the second half of 2009 included the enhancement of critical safety standards including "confined space entry" and "electrical safety", the roll-out of safety leadership programs aimed at developing safety skills of frontline leaders, and the continued roll-out of global support systems that will harmonize safety and health risk management and medical data tracking across Nyrstar. Meanwhile, safety and health integration plans have been developed for Nyrstar's new mining assets, aimed at quickly including these new sites in Nyrstar's ongoing safety and health efforts.

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

Environment

There were 24 minor "recordable environmental incidents"[2] during 2009, one less than the total for 2008 of 25. Progress continued during the year on planned environmental projects, which focus on emission reductions and addressing historical contamination. Plant upgrades completed during the year to reduce emissions included installation of equipment to reduce the visible stack plume at Hobart and an upgrade of the Overpelt wastewater treatment plant. Projects to reduce historical contamination undertaken during the year include completion of soil remediation in the local community at Auby, expansion of the groundwater remediation system at Hobart and continuation of the fugitive lead emission reduction measures at Port Pirie to progress the tenby10 project goals.

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

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1 Recordable injuries are any injury requiring medical treatment beyond first aid. "Recordable injury rate" and "lost time injury rate" are 12 month rolling averages of the number of recordable injuries and lost time injuries (respectively) per million hours worked, and are include all employees and contractors across all operations (excluding NYZA, and operations not owned for the full year, including Coricancha mine and Tennessee mines)

2 A recordable environmental incident is an event at any operation (excluding NYZA, and operations not owned for the full year, including Coricancha mine and Tennessee mines) requiring reporting to a relevant environmental authority which is a non-compliance with license conditions. Numbers are correct as of reporting date, but may be subject to adjustment based on subsequent internal audit or regulatory review.

Corporate

In addition to the restructuring initiatives above, during 2009 Nyrstar also initiated a detailed review of the organisational design of its corporate, marketing and sales functions. In order to streamline commodities purchasing and sales activities across Nyrstar, as from 1 July 2009 all trading activities (zinc, lead, related alloys and by-products) are now carried out by a single Group entity, “Nyrstar Sales & Marketing”. Nyrstar also intends to close its London office and relocate its management committee and other key corporate, marketing and sales functions to a new office in Zurich, Switzerland in 2010. This initiative is aimed at further reducing costs and positioning Nyrstar for a long-term sustainable future.

Market Review

Average prices(1)	FY 2009	FY 2008	H2 2009	H1 2009
Exchange rate (€/US$)	1.39	1.47	1.45	1.33
Zinc price (US$/tonne, cash settlement)	1,659	1,870	1,982	1,322
Lead price (US$/tonne, cash settlement)	1,726	2,085	2,107	1,330
Copper price (US$/tonne, cash settlement)	5,164	7,228	6,238	4,046
Silver price (US$/t.oz, LBMA AM fix)	14.67	14.99	16.12	13.17
Gold price (US$t./oz, LBMA AM fix)	1,125	974	1,030	915

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

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

Zinc

Zinc Consumption

Brook Hunt estimates that world refined zinc consumption fell by 9.4% to a six-year low of 10.2 million tonnes as construction activity and automotive output contracted. In contrast, China’s zinc consumption continued to increase, climbing by 7.0% to 4.1 million tonnes and taking its share of the world market to 40% for the first time, from 34% in 2008. Excluding China, zinc consumption in the rest of the world fell by 17.8% to a 16-year low of 6.1 million tonnes in 2009, with Europe, Nyrstar’s largest market, down approximately 22%. However, world zinc consumption had begun to recover on a year-on-year basis by the fourth quarter of 2009, driven by the substantial fiscal and monetary stimulus in all major countries around the world including China, which generated some recovery in demand for galvanised steel in construction and automotive applications.

Zinc Production

Responding to the drop in demand, world refined zinc production was reduced by 2.2% to 11.2 million tonnes in 2009, leaving the market in surplus by approximately 1 million tonnes, although this represented a cumulative deficit of 1.2 million tonnes over the previous five years. Reflecting the market surplus, stocks on the London Metal Exchange (or “**LME**”) and Shanghai Futures Exchange (or “**SHFE**”) increased to approximately 660,000 tonnes by the end of 2009, remaining moderate by historical standards at approximately three weeks of world consumption.

Zinc Price

Reflecting the downturn in demand, the average LME zinc price fell 11.3% to a four-year low of US$1,659/tonne in 2009. Whilst remaining volatile, the zinc price rose through most of last year as the market moved towards recovery, more than doubling from its lows in February below US$1100/tonne to more than US$2,500/tonne in December 2009.

Lead

Lead consumption

World lead consumption declined with the downturn in the global economy, falling by 3.6%, although this reverse was modest by comparison with some other metals markets and at 8.1 million tonnes world lead consumption in 2009 was the third highest total on record. This can be attributed to China, where lead consumption increased by 10% to a new record of 3.4 million tonnes and more than double its level of five years ago, driven by accelerating growth in car production and sales and continuing strong sales of electric bicycles (e-bikes).

Lead Production

World refined lead production was reduced by 2.9% to 8.2 million tonnes in 2009, leaving the market for refined lead with a modest surplus of 25,000 tonnes, after six years of deficits. With the market in surplus LME stocks rose through the year, reaching a six-year high of 146,775 tonnes at the end of 2009, equivalent to approximately one week of world consumption.

Lead Price

The LME lead price followed a similar pattern to the zinc price during 2009, rising from lows of less than US$1,000/tonne early in the year to a peak of approximately US$2,500/tonne in September, and continued to trade between US$2,000/tonne and US$2,500/tonne for the remainder of 2009. However, the average price for the year of US$1,726/tonne was 17.2% lower than in 2008.

Financial Review for 2009

The following should be read in conjunction with the comprehensive audited financial statements for the year ended 31 December 2009 and the comprehensive audited financial statements for the year ended 31 December 2008 (see section 5, "Historical Financial Information" and section 15, "Document Incorporated by Reference"), as well as the information presented elsewhere in this Prospectus.

In very challenging market conditions Nyrstar remained operationally profitable in 2009, achieving an underlying EBITDA of €93 million and an underlying EPS (earnings per share) of €0.32.

Underlying Gross Profit

In € million, unless otherwise indicated	**FY 2009**	**FY 2008**	Δ	**H2 2009**	**H1 2009**	Δ
Treatment charges	292	404	(28%)	156	136	15%
Free metal contribution	159	218	(27%)	96	63	52%
Premiums	86	159	(46%)	42	44	(5%)
By-Products	92	166	(45%)	29	64	(55%)
Other	(35)	(65)	46%	(11)	(23)	52%
Gross profit	**594**	**881**	(33%)	**311**	**283**	10%

Underlying gross profit declined 33% from €881 million in 2008 to €594 million, predominately as a result of lower metal prices and reduced production at Balen, Budel and Clarksville sites.

Treatment charge (TC) income was €292 million in 2009, compared to €404 million in 2008, due to lower metal prices and the reduced volumes of concentrate treated as a result of the production curtailments.

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

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

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

Other Gross Profit was negative €35 million in 2009, compared to negative €65 million in 2008, primarily due to lower realisation expenses and alloying costs as a result of lower production volumes. In addition to this the centralisation of all trading activities, including hedging of metal price and foreign exchange risk under "Nyrstar Sales & Marketing" from 1 July 2009, has resulted in achieving hedge compliance as defined under IAS 39[1]. This means that where previously all of the unrealised gains and losses on mark-to-market revaluation of these hedging instruments were recognised within Other Gross Profit on the income statement, from 1 July 2009 only any ineffective portions of the hedging instruments are required to be recognised directly in the income statement. The contribution from Nyrstar's smaller entities remained at a similar levels to 2008.

Underlying Operating Costs

In € million, unless otherwise indicated	**FY 2009**	**FY 2008**	Δ	**H2 2009**	**H1 2009**	Δ
Employee expenses	209	227	(8%)	110	99	11%
Energy expenses[(1)]	188	253	(26%)	99	89	11%
Other expenses	110	255	(57%)	43	66	(32%)
Underlying operating costs	**507**	**735**	(31%)	**252**	**254**	0%

Note:
(1) Energy expenses do not include the net loss or gain on the Hobart smelter embedded energy derivatives (€5 million loss in 2009, €9 million loss in 2008).

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

Nyrstar Yunnan Zinc Alloys

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

Convertible Bond

On 2 July 2009 Nyrstar announced the successful completion of the offering of €105 million in unsubordinated unsecured convertible bonds, due 2014, and on 7 July announced the full exercise of the over-allotment option to increase the overall size of the offering to €120 million. The bonds have a coupon of 7% per annum and a conversion price of €7.6203 per share (see "Share Capital and Shares" in section 12, "Description of the Issuer's Shares and Articles of Association").

Cash Flows and Net Debt

As of 31 December 2009, Nyrstar had a net debt position of approximately €38 million[2], reduced from a net cash position of approximately €147 million at 31 December 2008, predominantly due to the acquisition costs of the Tennessee mines, the 85% interest in the Coricancha mine, and the 19.9% interest in Ironbark, as well as increased working capital requirements as a result of the pronounced increase in the price of zinc and lead. Nyrstar's operations generated a negative cash flow of €19 million in 2009, compared to a positive cash flow of €418 million in 2008, largely due to the significant increase in inventory value due to the high year-end commodity prices in 2009.

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1 IAS 39: Financial Instruments: Recognition and Measurement – Where hedging activity meets the definition of hedge compliance the requirement to record mark-to-market revaluations of the underlying hedge instrument directly in the income statement is restricted to only the ineffective portion of the gains and losses on the hedging instrument.

2 For comparative purposes, the net cash position at 30 September 2009 was €89 million as previously announced by the Issuer.

Dividend Policy

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

The board of directors will propose to shareholders a gross dividend of €0.10 eurocent per share at the annual general shareholders' meeting to be held on 28 April 2010.

Capital Expenditure

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

Taxation

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

Sensitivities

Nyrstar's results are significantly affected by changes in metal prices, exchange rates and treatment charges (TCs). Sensitivities to variations in these parameters are depicted in the following table, which sets out the estimated impact of a change in each of the parameters on Nyrstar's full year underlying EBITDA based on the actual results and production profile for the year ending 31 December 2009.

FY 2009

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

Note:
(1) "dmt" stands for "dry metric tonne"

The above sensitivities were calculated by modelling Nyrstar's 2009 underlying operating performance. Each parameter is based on an average value observed during that period and is varied in isolation to determine the EBITDA impact. Sensitivities are:

- Based on the reduced production volumes achieved in the year ended 31 December 2009. Sensitivity to any factor is dependent on production volumes and the economic environment observed during the reference period. The expected increase in production in 2010 is likely to cause material changes to the sensitivities.
- Not reflective of simultaneously varying more than one parameter; adding them together may not lead to an accurate estimate of financial performance.
- Expressed as linear values within a relevant range. Outside the range listed for each variable, the impact of changes may be significantly different to the results outlined.

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

Reconciliation of Underlying Results

The following table sets out the reconciliation between the "Result from operating activities before depreciation and amortisation" to Nyrstar's "EBITDA" and "Underlying EBITDA".

"**EBITDA**" includes the result from operating activities before depreciation and amortisation plus Nyrstar's share of the profit or loss of equity accounted investees.

"**Underlying EBITDA**" is an additional measure of earnings, which is reported by the Issuer to provide greater understanding of the underlying business performance of its operations. Underlying EBITDA excludes non-recurring items related to restructuring measures, impairment losses, material income or expenses arising from embedded derivatives recognised under IAS 39 and other items arising from events or transactions clearly distinct from the ordinary activities of Nyrstar.

In € million, unless otherwise indicated		**FY 2009**	**FY 2008**	**H2 2009**	**H1 2009**
Result from operating activities before exceptional items		**32**	**57**	**28**	**4**
Depreciation and amortisation expense		50	80	26	24
Share of profit / (loss) of equity accounted investees		4	7	3	1
Restructuring expenses	*(a)*	(24)	(24)	(9)	(16)
Impairment (losses) / reversals	*(b)*	2	(615)	(2)	4
Loss on disposal of equity accounted investees		-	(18)	-	-
Net gain on disposal of subsidiaries		6	-	6	-
EBITDA		**71**	**(513)**	**53**	**18**
Underlying adjustments					
Add back:					
Restructuring expenses	*(a)*	24	24	9	16
Impairment losses / (reversals)	*(b)*	(2)	615	2	(4)
Net loss / (gain) on disposal of equity accounted investees		-	18		-
Net loss / (gain) on disposal of subsidiaries		(6)	-	(6)	-
Net loss / (gain) on Hobart Smelter embedded derivatives	*(c)*	5	9	4	1
Underlying EBITDA		**93**	**153**	**62**	**30**

Note:

The items excluded from the "Result from operating activities before depreciation and amortisation" in arriving at "Underlying EBITDA" are as follows:

(a) Once-off restructuring expenses of €24.1 million in 2008 and €24.0 million in 2009 were incurred in relation to Nyrstar's organisational re-structuring programs. These provisions are expected to be sufficient to cover all Nyrstar's costs associated with the restructuring initiatives announced to date.

(b) Nyrstar's investment in NYZA was fully impaired in 2008. In the first half of 2009 a review of NYZA assets and liabilities held for sale was conducted, leading to a reversal of €4 million of previously recognised impairment losses. During November 2009, Nyrstar announced its intention to close the operations of its wholly-owned subsidiary, GM Metal. As a result, an impairment of €1.6 million has been recognised with regard to the fixed assets.

(c) The Hobart Smelter's electricity contract contains an embedded derivative which has been designated as a qualifying cash flow hedge. To the extent that the hedge is effective, changes in its fair value are recognised directly in equity, whilst to the extent the hedge is ineffective changes in fair value are recognised in the consolidated income statement. As the hedge is partially ineffective, the negative change in fair value of €5.3 million (2008: €9 million) on the ineffective portion of the hedge was recorded as a cost in energy expenses within the consolidated income statement. The impact on the income statement has been reversed from EBITDA for the purpose of calculating Nyrstar's underlying EBITDA.

Legal Proceedings

There are a number of legal proceedings in Germany, Belgium and France related to Galveco that directly or indirectly involve the Issuer and its subsidiaries. Galveco is patent-protected zinc alloy used for galvanising steel. Between June 2000 and March 2007, Umicore produced and supplied (approximately) 45Kt of Galveco to galvanisers in various countries (corresponding to approx 3.5Mt of steel that has been galvanised with Galveco). Umicore withdrew Galveco from the market in March 2007 as a precautionary measure following the discovery of cracking in steel that had been hot dip galvanised. It is alleged that a cause of this cracking is the use of Galveco.

The production and supply of Galveco in certain countries was part of the zinc alloys activities of Umicore, which through contributions of business branches were transferred to Nyrstar.

Under the Business Combination and Shareholders' Agreement (for further information on the Business Combination and Shareholders' Agreement, see "Description of the Issuer's Shares and Articles of Association – Former Parent Companies"), in the event that a claim against Nyrstar in relation to Galveco is successful, Umicore must remit to Nyrstar any insurance proceeds received and, for losses not covered by such proceeds, indemnify the Issues for 50% of all losses up to €10 million and 100% thereafter. Accordingly, Nyrstar's maximum potential liability in relation to all Galveco claims is limited to €5 million. In addition, Nyrstar is, within certain limitation as regards extent and duration, insured in relation to all Galveco claims.

In addition to the above, Nyrstar is the subject of a number of claims and legal proceedings incidental to the normal conduct of its business.

Except as referred to here-above, the Issuer is not, nor has been, involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) during the 12 months preceding the date of this Prospectus which may have or has had in the recent past significant effects on the financial position or profitability of the Issuer or the Group.

Recent Events concerning the Issuer

Recent Events relevant to the Evaluation of the Issuer's Solvency

As of 31 December 2009, Nyrstar had a net debt position of approximately €38 million (see "Financial Review for 2009 – Cash Flows and Net Debt").

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

Deutsche Bank and Nyrstar subsequently commenced a syndication process targeting an increase in the facility limit to €300 million. In March 2010, the Issuer announced the completion of the syndication process. The syndication process was more than twice over-subscribed and following the scaling back of allocations was closed with an increased facility limit of €400 million.

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

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

Significant Change in the Issuer's Financial or Trading Position

Except as disclosed in this Prospectus, there has been no significant change in the financial or trading position of the Issuer or any other company of the Group since 31 December 2009.

Discussions with CBH Resources Limited

On 11 January 2010, Nyrstar announced that it had approached CBH Resources Limited (ASX: CBH) ("**CBH**") in relation to a potential transaction regarding the ownership of CBH.

CBH is an Australian based mineral resource company listed on the Australian Securities Exchange producing zinc, lead and silver from the Endeavour mine at Cobar in New South Wales. The approach by Nyrstar to CBH is consistent with Nyrstar's strategy to selectively pursue opportunities in mining and the assets of CBH are a source of concentrate supply for Nyrstar's Australian smelters (Nyrstar's smelter in Port Pirie currently receives the Endeavour mine's full output of lead concentrates).

Nyrstar's initial approach was made on 18 December 2009 when it presented CBH with a confidential, conditional proposal outlining a potential transaction that would involve CBH entering into interdependent schemes of arrangement with its shareholders and convertible noteholders that would result in all of the outstanding ordinary shares and convertible notes in CBH being transferred to Nyrstar for cash, or alternatively, Issuer shares or convertible notes (the "**Nyrstar Proposal**"). The Nyrstar Proposal was conditional on a number of matters including completion of satisfactory due diligence and execution of a scheme implementation agreement (subject to customary conditions). The cash consideration of the Nyrstar Proposal valued the ordinary shares and convertible notes of CBH at (approximately) AUD220 million; comprising AUD0.135 per CBH ordinary share and 75% of the face value of CBH's convertible notes.

On 12 March 2010, Nyrstar announced that it had made a revised proposal ("**Revised Nyrstar Proposal**") to CBH. The Revised Nyrstar Proposal values the ordinary shares and convertible notes at approximately AUD290 million (approximately €190 million); comprising AUD0.195 per CBH ordinary share, and AUD750 per convertible note issued by CBH.

The Revised Nyrstar Proposal is conditional and would also involve CBH entering into interdependent schemes of arrangement with its shareholders and convertible noteholders that would result in all of the outstanding ordinary shares and convertible notes in CBH being transferred to the Issuer for cash, or alternatively, Issuer shares. It is conditional upon completion of satisfactory due diligence, execution of a scheme implementation agreement (subject to customary conditions) by no later than 8 April 2010 and postponement of the CBH shareholders' meeting scheduled to occur on 30 March 2010 to consider the Toho Proposal (see below). Subject to the completion of the acquisition, the Issuer intends to fund the cash consideration of the Revised Nyrstar Proposal from existing cash reserves and loan facilities.

The Revised Nyrstar Proposal was made following the announcement by CBH on 21 January 2010 that it had entered into a binding heads of agreement with its largest shareholder and convertible noteholder, Toho Zinc Co Ltd ("**Toho**"), in relation to an alternative transaction involving the sale by CBH to Toho of an interest in one of its major development assets to Toho, the issue of new shares to Toho and the repurchase of CBH's convertible notes on issue (including to Toho) ("**Toho Proposal**"). All transactions contemplated by the Toho Proposal are conditional upon the approval of CBH shareholders.

On 16 March 2010, CBH announced that it had received a revised proposal from Toho (the "**Revised Toho Proposal**"). Under the Revised Toho Proposal, the proposed issue of new shares to Toho under the Toho Proposal would not proceed. Instead, Toho would make a proportional takeover offer to all CBH shareholders at AUD0.25 per share so that Toho would hold not more than 49.9% of the outstanding ordinary shares of CBH. The other aspects of the Toho Proposal would be retained.

CBH appointed a committee of the CBH board independent of Toho to assess the Revised Nyrstar Proposal and the Revised Toho Proposal. On 18 March 2010, CBH announced that the independent committee had endorsed the Revised Toho Proposal (subject to no superior proposal emerging) and that CBH intends to convene a new shareholders' meeting to consider the Revised Toho Proposal which is expected to take place in late April 2010.

Material Contracts

In December 2008, Nyrstar entered into an off-take agreement with the Glencore Group (also a shareholder of the Issuer, see “Principal Shareholders” in section 12, “Description of the Issuer’s Shares and Articles of Association”) in relation to sales and marketing of its commodity grade zinc and lead metal. This agreement came into effect in January 2009 and has a term of up to five years. It provides for the sale and marketing via Glencore’s extensive global marketing and distribution network of quantities to be set by Nyrstar of commodity grade zinc and lead metal at prices based on the LME prices plus market-based, annually agreed premiums.

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

On 10 March 2010, the Issuer announced the appointment of Roland Junck to the board of directors of Talvivaara Mining Company Plc by Talvivaara Mining Company Plc’s nomination committee. The appointment remains subject to the approval of the shareholders of Talvivaara Mining Company Plc at their annual general meeting to be held on 15 April 2010.

Nyrstar also entered into a €250 million multi-currency revolving “Structured Commodity Trade Finance Credit Facility”, fully secured in favour of the lenders, in January 2010. The facility limit was subsequently increased to €400 million (see further in “Recent Events concerning the Issuer – Recent Events relevant to the Evaluation of the Issuer’s Solvency”).

As mentioned here-above in “Financial Review for 2009 – Convertible Bond”, and further explained in “Share Capital and Shares” in section 12, “Description of the Issuer’s Shares and Articles of Association”, the Issuer has issued in July 2009 7% senior unsecured convertible bonds due 2014 for an aggregate principal amount of €120,000,000.

On 23 April 2007, the Issuer also entered into a Business Combination and Shareholders' Agreement with its historical shareholders. For further information on this agreement, reference is made to “Former Parent Companies” in section 12, “Description of the Issuer’s Shares and Articles of Association”.

No Material Adverse Change

With respect to the Issuer there has been no material adverse change in the financial position of the Issuer since 31 December 2009, except for those circumstances or events elsewhere stated or referred to in this Prospectus.

10. MANAGEMENT AND CORPORATE GOVERNANCE

Board of Directors and Management Committee

Board of Directors

The table below gives an overview of the current members of the board of directors and their terms of office:

Name	Principal function within the Issuer	Nature of directorship	Start of Term	End of Term
Julien De Wilde[(1)].	Chairman	Non-Executive, Independent	2007	2010
Roland Junck	CEO, Director	Executive	2007 (2009 CEO)	2011
Peter Mansell[(2)].............	Director	Non-Executive	2007	2010
Karel Vinck[(3)]..................	Director	Non-Executive, Independent	2007	2010
Ray Stewart	Director	Non-Executive, Independent	2007	2011
Oyvind Hushovd[(4)]..........	Director	Non-Executive, Independent	2009	2010

Note:

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

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

(3) The proposal to re-elect Karel Vinck as director for a term of two years until 2012 will be submitted to the annual general shareholders' meeting of the Issuer to be held on 28 April 2010.

(4) Oyvind Hushovd was appointed by the board of directors as director in replacement of Paul Fowler. The proposal to elect Oyvind Hushovd as director for a term of three years until 2013 will be submitted to the annual general shareholders' meeting of the Issuer to be held on 28 April 2010.

According to the Issuer's board of directors, De Wilde J. Management BVBA, represented by Julien De Wilde, Karel Vinck, Ray Stewart and Oyvind Hushovd, are independent directors.

De Wilde J. Management BVBA, represented by Julien De Wilde, Chairman, was appointed chairman in August 2007. He is also chairman of Agfa-Gevaert NV and a director of several Belgian listed companies, amongst others Telenet Group Holding NV. He is also former chief executive officer of Bekaert NV, a Belgian metals company. Prior to Bekaert, he held senior positions at Alcatel, where he was a member of the executive committee, and at Texaco, where he was a member of the European management board. He is chairman of the nomination and remuneration committee and a member of the safety, health and environment committee.

Roland Junck, chief executive officer (CEO) was appointed chief executive officer in February 2009 after 16 months as a non-executive director on the Issuer's board. He is also director of several European companies including Agfa-Gevaert NV, Interseroh SE and Samhwa Steel SA. He was the former chief executive officer of Arcelor Mittal. Prior to this role he was a member of the group management board of Arcelor, Aceralia and Arbed.

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

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

Ray Stewart, non-executive director, is chief financial and administration officer of Belgacom Group NV. Prior to Belgacom, he was chief financial officer of Matav. He has also held senior positions with Ameritech, including chief financial officer for Ameritech International. He is chairman of the audit committee and a member of the nomination and remuneration committee.

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

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

Management Committee

As at the date of this Prospectus, the Issuer's management committee consists of six members (including the CEO), as further set forth hereinafter:

Name	Title
Roland Junck	Chief Executive Officer
Heinz Eigner	Chief Financial Officer
Greg McMillan	Chief Operating Officer
Erling Sorensen	Chief Commercial Officer
Russel Murphy	Director, Human Resources, Safety, Health and Environment
Michael Morley	Director, Legal and External Affairs

Roland Junck, chief executive officer (CEO) was appointed chief executive officer in February 2009 after 16 months as a non-executive director on the Issuer's board. He is also director of several European companies including Agfa-Gevaert NV, Interseroh SE and Samhwa Steel SA. He was the former chief executive officer of Arcelor Mittal. Prior to this role he was a member of the group management board of Arcelor, Aceralia and Arbed.

Heinz Eigner, chief financial officer, was appointed in August 2007. Prior to Nyrstar he was at Umicore where he joined in 2002 as vice-president business group controller, automotive catalysts, and became vice-president business group controller, zinc specialties, in 2006. From 1987 until 2002 he worked for Honeywell, where he occupied several positions in Germany, Switzerland and the United States of America.

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

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

Russell Murphy, director, human resources, safety, health and environment was appointed in August 2007. Before the creation of Nyrstar he was at Zinifex since 1979, where he moved from

production to training and on to HR management. He was the group human resources manager, Australian operations, from 2002 and acting general manager human resources since 2006.

Michael Morley, director, legal and external affairs, was appointed in August 2007. Prior to joining Nyrstar, he was general counsel of Smorgon Steel Group Ltd, and before that a senior associate in the corporate/mergers and acquisitions team of Clayton Utz. He has also held a number of positions with Coopers & Lybrand and Fosters Brewing Group Limited.

The business address of each of the members of the management committee is Zinkstraat 1, 2490 Balen, Belgium.

Corporate Governance

Introduction

The Issuer has adopted a corporate governance charter in line with the Belgian Code on Corporate Governance. The Issuer applies the nine corporate governance principles contained in the Belgian Code on Corporate Governance. Except as explained in the corporate governance charter and below, the Issuer complies with the provisions set forth in the Belgian Code on Corporate Governance.

The corporate governance charter describes the main aspects of the corporate governance of the Issuer including its governance structure, the terms of reference of the board of directors and its committees and other important topics.

The corporate governance charter is available, together with the articles of association, on the Issuer's website, within the section addressed to investors (www.nyrstar.com/nyrstar/en/investors/). The board of directors of the Issuer approved the initial charter on 5 October 2007. There was an updated version approved on 18 March 2008 and 11 December 2009. The current version was approved by the Issuer's board of directors on 24 February 2010.

What constitutes good corporate governance will evolve with the changing circumstances of a company and with the standards of corporate governance globally and must be tailored to meet those changing circumstances. The board of directors intends to update the corporate governance charter as often as required to reflect changes to the Issuer's corporate governance.

Board of Directors

The role of the board of directors is to pursue the long-term success of the Issuer by providing entrepreneurial leadership and enabling risks to be assessed and managed.

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

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

The board of directors appoints and removes the chief executive officer. The role of the chief executive officer (CEO) is to implement the mission, strategy and targets set by the board of directors and to assume responsibility for the day-to-day management of the Issuer. The chief executive officer reports directly to the board of directors.

In order to provide a group-wide support structure, the Issuer has corporate offices in Balen, Belgium and London, United Kingdom. These offices provide a number of corporate and support functions including finance, treasury, human resources, legal and secretarial, tax, information technology, investor relations and communications. As indicated in "Operations Review for 2009 – Corporate" in section 9, "Nyrstar", Nyrstar intends to close its London office and relocate its

management committee and other key corporate, marketing and sales functions to a new office in Zurich, Switzerland in 2010.

Pursuant to the Issuer's articles of association, the board of directors must consist of at least three directors. Its composition should ensure that decisions are made in the corporate interest. It should be determined on the basis of diversity, as well as complementary skills, experience and knowledge. Pursuant to the Belgian Code on Corporate Governance, at least half of the directors must be non-executive and at least three directors must be independent in accordance with the criteria set out in the Belgian Code of Companies and in the Belgian Code on Corporate Governance.

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

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

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

Committees of the Board of Directors

The board of directors has set up an audit committee, a nomination and remuneration committee and a safety, health and environment committee.

Audit Committee

The audit committee consists of at least three directors. All members of the audit committee are non-executive directors. At least one member of the audit committee must be independent and must have the necessary competence in accounting and auditing. The current members of the audit committee are Ray Stewart (chairman), Karel Vinck and Oyvind Hushovd.

The members of the audit committee must have sufficient expertise in financial matters to discharge their functions. The chairman of the audit committee is competent in accounting and auditing as evidenced by his current role as chief financial officer of the Belgacom Group and his previous roles as chief financial officer in Matav and Ameritech International.

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

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

Nomination and Remuneration Committee

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

independent directors. The following directors are currently members of the nomination and remuneration committee: Julien De Wilde (Chairman), Ray Stewart, Peter Mansell and Karel Vinck.

The nomination and remuneration committee is chaired by the chairman of the board of directors or another non-executive director appointed by the committee.

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

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

Safety, Health and Environment Committee

The safety, health and environment committee consists of at least three directors. All members of the safety, health and environment committee are non-executive directors, with at least one independent director. The current members of the safety, health and environment committee are Peter Mansell (chairman), Julien De Wilde and Oyvind Hushovd. The safety, health and environment committee is chaired by the chairman of the board of directors or another non-executive director appointed by the committee.

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

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

Executive Management

The Issuer's executive management is composed of the chief executive officer and the members of the management committee, as detailed above in "Board of Directors and Management Committee – Management Committee".

Chief Executive Officer

The chief executive officer leads and chairs the management committee and is accountable to the board of directors for the management committee's performance.

The role of the chief executive officer is to implement the mission, strategy and targets set by the board of directors and to assume responsibility for the day-to-day management of the Issuer. The chief executive officer reports directly to the board of directors.

Management Committee

The board of directors has delegated the day-to-day management of the Issuer as well as certain management and operational powers to the chief executive officer. The chief executive officer is assisted by the management committee.

The management committee is composed of at least four members and includes the chief executive officer. Its members are appointed by the board of directors on the basis of a recommendation by the nomination and remuneration committee. The Issuer's management committee does not qualify as a "*directiecomité*"/"*comité de direction*" within the meaning of Article 524*bis* of the Belgian Code of Companies. The management committee is responsible and accountable to the board of directors for the discharge of its responsibilities.

The management committee is responsible for assisting the chief executive officer (CEO) in relation to:

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

Remuneration and Benefits

Directors

Upon recommendation of the nomination and remuneration committee, the board of directors determines the remuneration of the directors to be proposed to the general shareholders' meeting. The remuneration is set to attract, retain and motivate directors who have the profile determined by the nomination and remuneration committee. The general shareholders' meeting approves the remuneration of the directors.

The directors (excluding the chief executive officer) receive a fixed remuneration in consideration for their membership of the board of directors. In addition, the directors (excluding the chairman of the board of directors and the chief executive officer) receive fixed fees for their membership and/or chairmanship of any board committees. No attendance fees are paid.

Non-executive directors do not receive any performance-related remuneration, stock options or other share based remuneration, or pension benefits. The remuneration of non-executive directors takes into account their general role as director, and specific roles as chairman, chairman or member of a board committee, as well as their relevant responsibilities and time commitment. The Issuer prepares a remuneration report. This remuneration report forms part of the corporate governance statement, part of the annual report.

During 2009 the following remuneration and compensation was paid to directors:

Chairman:

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

Other directors (excluding the chief executive officer):

- Annual fixed remuneration of €50,000 per year for membership of the board of directors
- Fixed fee of €10,000 per year per board committee of which they are a member
- Fixed fee of €20,000 per year per board committee of which they are the chairman

- No additional attendance fees

Executive Management

The remuneration of the chief executive officer and the members of the management committee is determined by the board of directors based on recommendations made by the nomination and remuneration committee.

An appropriate portion of the remuneration is linked to corporate and individual performance. The remuneration is set to attract, retain and motivate executive management who have the profile determined by the nomination and remuneration committee. The Issuer prepares a remuneration report. This remuneration report forms part of the corporate governance statement, part of the annual report.

During 2009 the following remuneration and compensation was paid to the chief executive officer and the management committee:

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

Note:
(1) Includes payments to the former chief executive officer.
(2) Includes payments to the former senior management team members.
(3) Relates to the period January 2008 to December 2008.
(4) Includes redundancy and termination payments to former senior management team members.

All members of the management committee are entitled to a 12-month salary payment in case their employment is ended without cause. In addition the chief executive officer is entitled to a 12-month salary payment in case his employment is terminated upon a change of control of the Issuer.

The Issuer has established an Employee Share Acquisition Plans (ESAP) and an Executive Long Term Incentive Plan (LTIP) with a view to attracting, retaining and motivating the employees and executive management of the Issuer and its wholly owned subsidiaries. The key terms of each plan are set out below in "Description of Share Plans – Employee Share Acquisition Plan" and "Description of Share Plans – Executive Long Term Incentive Plan". No amount is payable by the relevant employees to the Issuer on the granting or vesting of any share awards under the ESAP or the LTIP.

Indemnification and Insurance of Directors and Executive Management

The Issuer has entered into indemnification arrangements with the directors and has implemented directors' and officers' insurance coverage.

Other Mandates

At 22 March 2010, the Issuer's directors held the following (principal) directorships, in addition to their mandate on the Issuer's board of directors:

Name	Principal other mandates
Julien De Wilde(1).	Agfa Gevaert NV KBC Bank NV Telenet NV Van Breda International NV
Peter Mansell....................	Bunnings Property Management Limited Cancer Research Fund Pty Limited Electricity Networks Corporation Ferngrove Vineyards Limited OZ Minerals Limited RentSmart Pty Limited ThinkSmart Limited

Name	Principal other mandates
Karel Vinck	Beheersmaatschappij Antwerpen Mobiel NV Suez-Tractebel SA Tessenderlo Group NV Eurostar SA Théâtre Royal de la Monnaie SA Vlaamse Raad voor Wetenschapsbeleid Alumni Lovanienses VOKA/VEV ERTMS coordinator at the European Commission
Ray Stewart	The United Fund for Belgium
Oyvind Hushovd...............	Cameco Coporation Inmet Mining Corporation Ivanhoe Nickel and Platinum Ltd Libra Group Sørlaminering Røo-Invest
Roland Junck	Agfa Gevaert NV Interseroh SE Samhwa Steel SA

Note:
(i) Acting through De Wilde J. Management BVBA

On 10 March 2010, the Issuer announced the appointment of Roland Junck to the board of directors of Talvivaara Mining Company Plc by Talvivaara Mining Company Plc's nomination committee. The appointment remains subject to the approval of the shareholders of Talvivaara Mining Company Plc at their annual general meeting to be held on 15 April 2010.

Description of Share Plans

The Issuer has established an "Employee Share Acquisition Plan" ("**ESAP**") and an "Executive Long Term Incentive Plan" ("**LTIP**") (together referred to as the "**Plans**") with a view to attracting, retaining and motivating the employees and executive management of the Issuer and its wholly owned subsidiaries. The key terms of each Plan are disclosed hereinafter.

Employee Share Acquisition Plan

General

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

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

Employee Awards are granted at times determined by the board of directors.

The nomination and remuneration committee makes recommendations to the board of directors in relation to the operation and administration of the ESAP.

Eligibility

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

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

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

Vesting

In principle, Employee Awards will not vest until three years after the grant date. If a Participating Employee leaves Nyrstar prior to the vesting date, he or she will either forfeit his or her rights under the Employee Award or, if the Participating Employee is a "good leaver", his or her Employee Awards will vest pro rata to the period elapsed since the grant date. The award will vest in full immediately in case the Participating Employee dies before his award has vested or in case the Participating Employee leaves Nyrstar by reason of official retirement before his award has vested.

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

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

Awards

Under the ESAP Grant 1, eligible employees who were employed by the Group at the grant date or six months thereafter were awarded a conditional right to receive shares of the Issuer. Under the ESAP Grant 2 eligible employees who were employed by the Group at the grant date or three months thereafter were awarded a conditional right to receive Issuer shares. The terms of the grants are detailed in the table below:

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

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

Movement of ESAP Shares Awarded

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

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

Executive Long Term Incentive Plan

General

Under the LTIP, key/senior executives employed by the Group (the "**Executives**") selected by the board of directors may be granted conditional awards to receive ordinary shares in the Issuer at a

future date ("**Executive Share Awards**") or their equivalent in cash ("**Executive Phantom Awards**") (Executive Share Awards and Executive Phantom Awards together referred to as "**Executive Awards**").

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

The nomination and remuneration committee makes recommendations to the board of directors in relation to the operation and administration of the LTIP.

Eligibility

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

The value of the conditional Executive Awards under the LTIP varies, depending on the role, responsibility and seniority of the relevant Participating Executive. The maximum value of the conditional Executive Awards granted to any Participating Executive in any financial year of the Issuer will not exceed 150% of his or her base salary at the time of the grant (except that in 2007, the financial year in which the Issuer's flotation took place, this limit was increased to 400%).

Vesting

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

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

The board of directors determines the LTIP performance conditions.

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

Awards

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

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

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

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

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

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

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

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

Movement of LTIP Shares Awarded

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

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

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

Directors' and Other Interests

Shares and Share Awards

Overview

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

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

Name	Title	Share Awards granted under ESAP	LTIP: Share Awards granted under LTIP of which the performance conditions have been met[(1)]	Share Awards granted under LTIP of which the performance conditions have not been met[(2)]
Michael Morley	Director Legal and External Affairs	100	17,912	119,081

Note:

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

(2) Vesting is subject to performance conditions.

The Issuer has received notifications from the following members of the management committee in accordance with the dealing code (see further below) in relation to shares held as at the date of this Prospectus:

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

Conflicts of Interest

Directors are expected to arrange their personal and business affairs so as to avoid conflicts of interest with the Issuer. Any director with a conflicting financial interest (as set forth in Article 523 of the Belgian Code of Companies) 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 the Issuer and the directors which are not covered by the legal provisions on conflicts of interest. In relation to the services agreement of the chief executive officer, the provisions of Article 523 of the Belgian Code of Companies have been complied with.

To the knowledge of the Issuer, there are no potential conflicts of interests between any duties to the Issuer of the persons mentioned in "Board of Directors and Management Committee – Board of Directors" and in "Corporate Governance – Committees of the Board of Directors" and their private interests and/or other duties.

Dealing Code

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

Disclosure Policy

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

11. ASSOCIATED COMPANIES AND SHAREHOLDINGS

General

The Issuer is the holding company of the Group. Apart from its registered office in Balen, Belgium, the Issuer has also a branch office in London, United Kingdom. The registered office in Balen delivers services, such as global IT, purchases, safety and other regional support services to Nyrstar entities. The Issuer's company secretary is based in Balen. The Group accounting and consolidation department is also located in Balen. The Issuer's management committee is based in London. As indicated in "Operations Review for 2009 – Corporate" in section 9, "Nyrstar", Nyrstar intends to close its London office and relocate its management committee and other key corporate, marketing and sales functions to a new office in Zurich, Switzerland in 2010. This management committee is, amongst other things, in charge of finance (including group controlling and corporate tax), operational management, marketing and sales, corporate development, human resources, investor relations and legal.

Information on the Issuer's Subsidiaries

The Issuer currently is the parent company, directly or indirectly, of the following Belgian and foreign companies.

Status per 22 March 2010

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

Entity	For the Belgian Entities, Company Number	Country of Incorporation	Issuer's Ownership
Nyrstar Italy S.R.L.		Italy	100%
Ironbark Zinc Limited		Australia	19.9%
Nyrstar Sales & Marketing AG		Switzerland	100%

12. DESCRIPTION OF THE ISSUER'S SHARES AND ARTICLES OF ASSOCIATION

General

This section summarises the Issuer's corporate purpose, share capital and the material rights of its shareholders under Belgian law and the Issuer's articles of association. It is based on the Issuer's restated articles of association dated 26 May 2009.

The Issuer was incorporated on 13 April 2007, under the name "Neptune Zinc", for an unlimited duration. The name of the Issuer was changed to "Nyrstar" pursuant to a decision of the extraordinary general shareholders' meeting of 20 April 2007. The Issuer has the legal form of a corporation with limited liability (*naamloze vennnootschap*/*société anonyme*), organised under the laws of Belgium. Pursuant to the Belgian Code of Companies, the liability of the shareholders is limited to the amount of their respective committed contribution to the capital of the Issuer.

The description provided hereafter is only a summary and does not purport to give a complete overview of the articles of association, nor of all relevant provisions of Belgian law. Neither should it be considered as legal advice regarding these matters.

Corporate Purpose

The corporate purpose of the Issuer is set forth in Article 3 of its articles of association and reads (in translation from the Dutch original text) as follows.

The purpose of the company is the carrying out of the following activities, both in Belgium and abroad, directly or indirectly, for its own account or for the account of third parties, alone or in association with third parties:

- the acquisition, ownership, management and transfer, by means of purchase, contribution, sale, exchange, assignment, merger, split, subscription, financial intervention, exercise of rights or otherwise, of any participating interest in any business or branch of activity, and in any company, partnership, enterprise, establishment, association or foundation which does or may in the future exist;

- the purchase, subscription, exchange, assignment, sale and transfer of, and all other similar operations relating to, every kind of transferable security, share, bond, subscription right, option and government stock;

- the manufacturing, smelting, refining, transforming, recycling, marketing and trading of zinc and lead, zinc and lead alloys and products derived from zinc and lead, and the carrying out of all financial, manufacturing, commercial and civil operations relating to zinc and lead activities.

The company may take out, make use of, purchase, acquire or transfer all forms of intellectual property rights relating directly or indirectly to its activities and may undertake research activities.

The company may acquire, rent, lease, fabricate, manage, transfer or exchange any personal or real property, with or without substance. It may carry out all real estate activities in any legal form, including the purchase, sale, leasing and renting of real estate, the issuing of real estate income certificates or land certificates and the management of real estate properties.

The company may grant loans of any kind, duration or amount. It may secure its own obligations or obligations of third parties notably by providing guarantees and by mortgaging or pledging its assets, including its own commercial undertaking (*fonds de commerce*/*handelszaak*).

The company may exercise the functions of director, manager or liquidator in companies or associations. It may also supervise and control such companies or associations.

In general, the company may undertake all commercial, industrial and financial operations directly or indirectly related to its purpose and all actions which could facilitate the realisation of its purpose.

Share Capital and Shares

On the date of this Prospectus, the share capital of the Issuer amounts to €1,490,760,008.09 and is fully paid-up. It is represented by a 100,000,000 ordinary shares, each representing a fractional value of €14.90760 or one 100,000,000th of the share capital. The Issuer's shares do not have a nominal value.

Upon the Issuer's first admission to trading on Euronext Brussels, the Issuer's share capital amounted to €2,000,000,000.00, represented by 100,000,000 ordinary shares. By resolution of the Issuer's extraordinary general shareholders' meeting held on 26 May 2009, the Issuer's share capital was reduced to €1,490,760,008.09 without cancellation of shares by means of a formal capital decrease to absorb losses incurred in an aggregate amount of €509,239,991.91.

Pursuant to a decision of the board of directors of 30 June 2009, the Issuer also issued 7% senior unsecured convertible bonds due 2014 for an aggregate principal amount of €120,000,000, which if converted would lead to the issue of 15,747,426 additional new shares, based on a conversion price of €7.6203 per share. The possibility to convert the convertible bonds into new shares of the Issuer was approved by the extraordinary general shareholders' meeting of the Issuer held on 25 August 2009. The conversion price of the convertible bonds amounts to €7.6203 per share (subject to possible adjustments, as the case may be, pursuant to the terms and conditions of the convertible bonds).

310,000 shares are being held by the Issuer as treasury stock, with suspended dividend rights for purposes of delivery under the ESAP (see also "Description of Share Plans – Employee Share Acquisition Plan" and "Directors' and Other Interests – Shares and Share Awards" in section 10, "Management and Corporate Governance").

Form and Transferability of the Shares

The shares of the Issuer can take the form of registered shares or dematerialised shares.

All the Issuer's shares are fully paid-up and freely transferable.

Currency

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

Rights attached to the Shares

Voting Rights attached to the Shares

Each shareholder of the Issuer is entitled to one vote per share. Shareholders may vote by proxy, subject to the rules described below in "Right to Attend and Vote at General Shareholders' Meetings – Proxy".

Voting rights can be suspended in relation to shares:

- which are not fully paid up, notwithstanding the request thereto of the board of directors of the Issuer;
- to which more than one person is entitled, except in the event a single representative is appointed for the exercise of the voting right;

- which entitle their holder to voting rights above the threshold of 3%, 5%, 7.5%, 10%, 15%, 20% and any further multiple of 5% of the total number of voting rights attached to the outstanding financial instruments of the Issuer on the date of the relevant shareholders' meeting, in the event that the relevant shareholder has not notified the Issuer and the CBFA at least 20 days prior to the date of the shareholders' meeting in accordance with the applicable rules on disclosure of major shareholdings; and

- of which the voting right was suspended by a competent court or the CBFA.

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

Generally, the shareholders' meeting has sole authority with respect to:

- the approval of the annual financial statements of the Issuer;

- the appointment and dismissal of directors and the statutory auditor of the Issuer;

- the granting of release from liability to the directors and the statutory auditor;

- the determination of the remuneration of the directors and of the statutory auditor for the exercise of their mandate;

- the distribution of profits;

- the filing of a claim for liability against directors;

- the decisions relating to the dissolution, merger and certain other re-organisations of the Issuer; and

- the approval of amendments to the articles of association.

Right to Attend and Vote at General Shareholders' Meetings

Annual Meeting of Shareholders

The annual general shareholders' meeting is held at the registered office of the Issuer or at the place determined in the notice convening the shareholders' meeting. The meeting is held every year on the last Wednesday of April at 10:30 a.m. (Central European Time, GMT+1). If this date is a legal holiday, in either or both of the two cultural communities of Belgium, the meeting is held the next business day at the same time. At the annual general shareholders' meeting, the board of directors submits the audited non-consolidated and consolidated annual financial statements and the reports of the board of directors and of the statutory auditor with respect thereto to the shareholders. The shareholders' meeting then decides on the approval of the non-consolidated annual financial statements, the proposed allocation of the Issuer's profit or loss, the release from liability of the directors and the statutory auditor, and, when applicable, the (re-)appointment or dismissal of the statutory auditor and/or of all or certain directors.

Special and Extraordinary General Shareholders' Meetings

The board of directors or the statutory auditor (or the liquidators, if appropriate) may, whenever the interest of the Issuer so requires, convene a special or extraordinary general shareholders' meeting. Such shareholders' meeting must also be convened every time one or more shareholders holding at least 20% of the Issuer's share capital so request. Shareholders that do not hold at least 20% of the Issuer's share capital do not have the right to have the general shareholders' meeting convened.

Notices Convening the General Shareholders' Meeting

The notice convening the general shareholders' meeting must state the place, date and hour of the meeting and shall include an agenda indicating the items to be discussed as well as any motions for resolutions.

The notice must be published in the Belgian Official Gazette (*Moniteur Belge*/*Belgisch Staatsblad*) at least 24 days prior to the shareholders' meeting or the registration date (if such date is specified in the convening notices). The notice must also be published in a national newspaper 24 days prior to the date of the shareholders' meeting or the registration date (if such date is specified in the convening notices). The annual financial statements, the annual report of the board of directors and the annual report of the statutory auditor must be made available to the public at least 15 days prior to the date of the annual shareholders' meeting. Convening notices must be sent 15 days prior to the shareholders' meeting to the holders of registered shares, holders of registered bonds, holders of registered warrants, holders of registered certificates issued with the co-operation of the Issuer, and, as the case may be, to the directors and statutory auditor of the Issuer. This communication is made by letter unless the addressees have individually and expressly accepted in writing to receive the notice by another form of communication, without having to give evidence of the fulfilment of such formality.

Formalities to Attend the General Shareholders' Meeting

All holders of shares, warrants and bonds issued by the Issuer and all holders of certificates issued with the co-operation of the Issuer (if any) can attend the shareholders' meetings. Only shareholders, however, may vote at general shareholders' meetings.

In order to be admitted to attend the general shareholders' meeting, holders of shares in dematerialised form must deposit a certificate of unavailability issued by a recognised account holder with the clearing agency for the financial instruments concerned or the clearing agency itself, confirming the number of financial instruments that have been registered in the name of the holder concerned and stating that these financial instruments are blocked until after the date of the shareholders' meeting. The certificate must be deposited at the Issuer's registered office or any other place indicated in the notice convening the shareholders' meeting at the latest on the third business day prior to the meeting.

Registration Date

In accordance with Article 536 of the Belgian Code of Companies, the articles of association also allow the board of directors to specify a registration date in the notice convening the shareholders' meeting. If the board of directors decides to set a registration date in the notice, only shareholders who hold shares at midnight (Central European Time, GMT+1) on the registration date may participate and vote with such shares at the shareholders' meeting, regardless of the number of shares that they hold on the actual date of the shareholders' meeting. The specified registration date can be no earlier than 15 calendar days, and no later than five business days, before the date of the shareholders' meeting.

Proxy

Each shareholder has the right to attend a shareholders' meeting and to vote at the shareholders' meeting in person or through a proxy holder. The proxy holder must be either another shareholder or a director of the Issuer. The board of directors can request the participants to the meeting to use a model of proxy (with voting instructions), which must be deposited at the Issuer's registered office or at a place specified in the notice convening the shareholders' meeting at the latest on the third business day prior to the meeting.

Quorum and Majorities

In general, there is no attendance quorum requirement for a shareholders' meeting and decisions are generally passed with a simple majority of the votes of the shares present or represented. However, capital increases (other than those decided by the board of directors pursuant to the authorised capital), decisions with respect to the Issuer's dissolution, mergers, de-mergers and certain other reorganisations of the Issuer, amendments to the articles of association (other than an amendment of the corporate purpose), and certain other matters referred to in the Belgian Code of Companies do not only require the presence or representation of at least 50% of the share capital of the Issuer but also a majority of at least 75% of the votes cast. An amendment of the Issuer's corporate purpose requires the approval of at least 80% of the votes cast at a shareholders' meeting, which can only validly pass such resolution if at least 50% of the share capital of the Issuer and at

least 50% of the profit certificates, if any, are present or represented. In the event where the required quorum is not present or represented at the first meeting, a second meeting needs to be convened through a new notice. The second shareholders' meeting may validly deliberate and decide regardless of the number of shares present or represented.

Dividends

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

Dividends can only be distributed if following the declaration and issuance of the dividends the amount of the Issuer's net assets on the date of the closing of the last financial year as follows from the statutory financial statements (*i.e.*, summarised, the amount of the assets as shown in the balance sheet, decreased with provisions and liabilities, all as summarised in accordance with Belgian accounting rules), decreased with the non-amortised costs of incorporation and extension and the non-amortised costs for research and development, does not fall below the amount of the paid-up capital (or, if higher, the issued capital), increased with the amount of non-distributable reserves. In addition, prior to distributing dividends, 5% of the net profits must be allotted to a legal reserve, until the legal reserve amounts to 10% of the Issuer's share capital. For further information in relation to the Issuer's dividend policy, see "Financial Review for 2009 – Dividend Policy" in section 9, "Nyrstar".

Rights regarding Liquidation

The Issuer can only be dissolved by a shareholders' resolution passed with a majority of at least 75% of the votes cast at an extraordinary shareholders' meeting where at least 50% of the share capital is present or represented.

If, as a result of losses incurred, the ratio of the Issuer's net assets (determined in accordance with Belgian legal and accounting rules for non-consolidated financial statements) to share capital is less than 50%, the board of directors must convene an extraordinary shareholders' meeting within two months as of the date upon which the board of directors discovered or should have discovered this undercapitalisation. At this shareholders' meeting the board of directors needs to propose either the dissolution of the Issuer or the continuation of the Issuer, in which case the board of directors must propose measures to redress the Issuer's financial situation. Shareholders representing at least 75% of the votes validly cast at this meeting have the right to dissolve the Issuer, provided that at least 50% of the Issuer's share capital is present or represented at the meeting.

If, as a result of losses incurred, the ratio of the Issuer's net assets to share capital is less than 25%, the same procedure must be followed, it being understood, however, that in that event shareholders representing 25% of the votes validly cast at the meeting can decide to dissolve the Issuer. If the amount of the Issuer's net assets has dropped below €61,500 (the minimum amount of share capital of a corporation with limited liability, organised under the laws of Belgium (*naamloze vennootschap/société anonyme*)), any interested party is entitled to request the competent court to dissolve the Issuer. The court can order the dissolution of the Issuer or grant a grace period within which the Issuer is to remedy the situation.

Changes to the Share Capital

Changes to the Share Capital Decided by the Shareholders

In principle, changes to the share capital are decided by the shareholders. The shareholders' meeting may at any time decide to increase or decrease the share capital of the Issuer. Such resolution must satisfy the quorum and majority requirements that apply to an amendment of the articles of association, as described above under "Right to Attend and Vote at General Shareholders' Meetings – Quorum and Majorities".

Capital Increases Decided by the Board of Directors

Subject to the same quorum and majority requirements, the shareholders' meeting may authorise the board of directors, within certain limits, to increase the Issuer's share capital without any further approval of the shareholders. This is the so-called authorised capital. This authorisation needs to be limited in time (*i.e.*, it can only be granted for a renewable period of maximum five years) and in scope (*i.e.*, the authorised capital may not exceed the amount of the registered capital at the time of the authorisation). On 5 October 2007, the Issuer's shareholders' meeting authorised the board of directors to increase the share capital of the Issuer within the framework of the authorised capital with maximum €400,000,000 for the purposes of implementing stock option or share plans and acquisitions. See also "Preferential Subscription Right".

Pursuant to the Belgian Code of Companies, the powers under the authorised capital cannot be used to issue new shares, for an issue price that is lower than the fractional value of the shares (and which currently amounts to (rounded) €14.91 per share).

Preferential Subscription Right

In the event of a capital increase for cash with the issue of new shares, or in the event of an issue of convertible bonds or warrants, the existing shareholders have a preferential right to subscribe, pro rata, to the new shares, convertible bonds or warrants. These preferential subscription rights are transferable during the subscription period. The shareholders' meeting may decide to limit or cancel this preferential subscription right, subject to special reporting requirements. Such decision by the shareholders' meeting needs to satisfy the same quorum and majority requirements as the decision to increase the Issuer's share capital.

The shareholders may also decide to authorise the board of directors to limit or cancel the preferential subscription right within the framework of the authorised capital, subject to the terms and conditions set forth in the Belgian Code of Companies. The Issuer's 5 October 2007 shareholders' meeting granted the board of directors this authorisation within the limits of the authorised capital. See also "Capital Increases Decided by the Board of Directors".

Generally, unless expressly authorised in advance by the shareholders' meeting, the authorisation of the board of directors to increase the share capital of the Issuer through contributions in cash with cancellation or limitation of the preferential subscription right of the existing shareholders is suspended as of the notification to the Issuer by the CBFA of a public takeover bid on the financial instruments of the Issuer. The Issuer's shareholders' meeting did not grant such express authorisation to the board of directors.

Purchase and Sale of Own Shares

In accordance with the Issuer's articles of association and the Belgian Code of Companies, the Issuer can only purchase and sell its own shares by virtue of a special shareholders' resolution approved by at least 80% of the votes validly cast at a shareholders' meeting where at least 50% of the share capital and at least 50% of the profit certificates, if any, are present or represented. The prior approval by the shareholders is not required if the Issuer purchases the shares to offer them to Nyrstar's personnel.

In accordance with the Belgian Code of Companies, an offer to purchase shares must be made either by way of an offer to all shareholders under the same conditions or on a regulated market. Shares can only be acquired with funds that would otherwise be available for distribution as a dividend to the shareholders. Since the coming into force of the Royal Decree of 8 October 2008, the total amount of shares held by the Issuer can at no time be more than 20% of its share capital.

On 26 May 2009, the shareholders of the Issuer resolved to grant the board of directors the authority to acquire (without prior authorisation by the general shareholders' meeting) on or outside the stock exchange, a number of the Issuer's shares representing a maximum of 20% of the subscribed capital, for a price not lower than 10% below the average closing price during the preceding 20 trading days and not higher than 10% above the average closing price during the preceding 20 trading days. This authorisation also covers the acquisition on or outside the stock exchange by a direct subsidiary of the Issuer within the meaning and the limits set out by Article 627

of the Belgian Code of Companies. This authorisation is valid for a 5-year period as from 26 May 2009 (the resolution of 26 May 2009 replaces the authority that was granted on 5 October 2007).

The board of directors may, without prior authorisation by the shareholders' meeting and for an unlimited duration in time, in accordance with Article 622, §2 of the Belgian Code of Companies, dispose of the Issuer's own shares on or outside the stock market. This authorisation covers the disposal of the Issuer's shares on or outside the stock market by a direct subsidiary of the Issuer within the meaning of article 627 of the Belgian Code of Companies.

Commencing 8 September 2008 and ending on 17 September 2008 (the "buy-back period"), the board of directors applied its authorisation granted by Article 13 of the Issuer's articles of association to acquire 310,000 shares (approximately 0.31% of the Issuer's issued share capital) to be held by the Issuer as "treasury stock" (with suspended voting and dividend rights) pending delivery to eligible employees under the ESAP during 2010 and 2011 (respectively). During the buy-back period the designated broker, KBC Securities NV, purchased a daily volume of 38,750 shares (or less than 10% of the daily volume for the preceding three months) at a weighted average of €5.5793 per share. The total cost of the buy back program amounted to €1,733,396.

The board of directors was not granted the authorisation to purchase own shares "to avoid imminent and serious danger to the Issuer", *i.e.*, to defend against public takeover bids.

Legislation and Jurisdiction

Notification of Significant Shareholdings

Belgian law imposes disclosure requirements on any individual or entity acquiring or transferring voting securities or securities which give a right to voting securities, as soon as, following such acquisition or transfer, the total number of voting rights directly or indirectly held by such individual or entity, alone or in concert with others, goes above or falls below a threshold of 5%, or any multiple of 5%, of the total number of voting rights attached to the Issuer's securities. Article 6 of the Belgian Act of 2 May 2007 on the disclosure of significant shareholdings in issuers whose securities are admitted to trading on a regulated market and containing various provisions (the "**Belgian Act of 2 May 2007**") (*Wet op de openbaarmaking van belangrijke deelnemingen in emittenten waarvan aandelen zijn toegelaten tot de verhandeling op een gereglementeerde markt en houdende diverse bepalingen/Loi relative à la publicité des participations importantes dans des émetteurs dont les actions sont admises à la négociation sur un marché réglementé et portant des dispositions diverses*), allows companies to reduce the first disclosure threshold to 3% and to add an intermediate threshold of 7.5%. The Issuer has exercised this right, as provided for in Article 8 of its articles of association. A shareholder whose shareholding goes above or falls below any such thresholds must, each time, disclose this fact to the CBFA and to the Issuer. Such notification is also required if an individual or an entity acquires or transfers control (either direct or indirect, either *de iure* or *de facto*) of a company that holds 3% of the voting rights of the Issuer.

The forms on which such notifications must be made, as well as further explanations, can be found on the website of the CBFA (www.cbfa.be). Violation of the disclosure requirements may result in the suspension of voting rights, a court order to sell the securities to a third party and/or criminal liability. The CBFA may also impose administrative sanctions.

The Issuer is required to publicly disclose any notifications received regarding increases or decreases in a shareholder's ownership of the Issuer's securities, and must mention these notifications in the notes to its financial statements. A list as well as a copy of such notifications can be viewed on the Issuer's website, within the section addressed to investors (www.nyrstar.com/nyrstar/en/investors/).

It should be noted that the Belgian Act of 2 May 2007 also imposes a notification obligation where, as a result of events changing the allocation of voting rights, the percentage of voting rights attached to securities with voting rights reaches, exceeds or falls below the thresholds provided for in the above paragraph, even where no acquisition or disposal of securities occurred (*e.g.*, share capital increase or cancellation of treasury shares). Furthermore, the Belgian Act of 2 May 2007 also requires a notification when natural or legal persons enter into, change or terminate an agreement to act in concert, where as a result of such event, the percentage of voting rights subject to the action in

concert or the percentage of voting rights of one of the parties acting in concert, reaches, exceeds or falls below the thresholds mentioned in the first paragraph.

Public Takeover Bids

Public takeover bids on the Issuer's shares and other securities giving access to voting rights (such as subscription rights or convertible bonds, if any) are subject to the supervision by the CBFA. Any public takeover bid must be extended to all of the Issuer's voting securities, as well as all other securities giving access to voting rights. Prior to making a bid, a bidder must publish a prospectus, approved by the CBFA prior to publication.

Belgium transposed the Thirteenth Company Law Directive (European Directive 2004/25/EC of 21 April 2004) by the Belgian Act on public takeover bids (*Wet op de openbare overnamebiedingen/ Loi sur les offres publiques d'acquisition*) of 1 April 2007 and a Royal Decree of 27 April 2007 on public takeover bids (*Koninklijk Besluit op de openbare overnamebiedingen/Arrêté Royal sur les offres publiques d'acquisition*). The Belgian Act on public takeover bids provides that a mandatory bid will need to be launched if a person, as a result of his own acquisition or the acquisition by persons acting in concert with him or by persons acting for their account, directly or indirectly holds more than 30% of the voting securities in a company having its registered office in Belgium and of which at least part of the voting securities are traded on a regulated market or on a multilateral trading facility designated by a Royal Decree.

There are several provisions of Belgian company law and certain other provisions of Belgian law, such as the obligation to disclose significant shareholdings (see "Notification of Significant Shareholdings") and merger control, that may apply to the Issuer and which may create hurdles to an unsolicited tender offer, merger, change in management or other change in control, more difficult. These provisions could discourage potential takeover attempts that other shareholders may consider to be in their best interest and could adversely affect the market price of the Issuer's shares. These provisions may also have the effect of depriving the shareholders of the opportunity to sell their shares at a premium.

In addition, the board of directors of Belgian companies may in certain circumstances, and subject to prior authorisation by the shareholders, deter or frustrate public takeover bids through dilutive issuances of equity securities (pursuant to the "authorised capital") or through share buy-backs (i.e., purchase of own shares).

In principle, the authorisation of the board of directors to increase the share capital of the Issuer through contributions in cash with cancellation or limitation of the preferential subscription right of the existing shareholders is suspended as of the notification to the Issuer by the CBFA of a public takeover bid on the securities of the Issuer. The shareholders' meeting can, however, expressly authorise the board of directors to increase the capital of the Issuer by issuing shares in an amount of not more than 10% of the existing shares of the Issuer at the time of such a public takeover bid. Such authorisation has not been granted to the board of directors of the Issuer. (see also "Changes to the Share Capital – Preferential Subscription Right").

The board of directors was not granted the authorisation to purchase its own shares "to avoid imminent and serious danger to the Issuer", *i.e.*, to defend against public takeover bids. (see also "Changes to the Share Capital – Purchase and Sale of Own Shares").

Squeeze-outs

Pursuant to Article 513 of the Belgian Code of Companies, as amended by Article 60 of the Belgian Act on public takeover bids, or the regulations promulgated there under, a person or entity, or different persons or entities acting alone or in concert, who, together with the relevant company, owns 95% of the securities conferring voting rights in a public company, can acquire the totality of the securities conferring (potential) voting rights in that company following a squeeze-out offer. The shares that are not voluntarily tendered in response to such offer are deemed to be automatically transferred to the bidder at the end of the procedure. At the end of the offer, this company is no longer deemed a public company, unless bonds issued by the company are still spread among the public. The consideration for the securities must be in cash and must represent the fair value as to safeguard the interests of the transferring shareholders.

Sell-out Right

Holders of securities conferring (potential) voting rights may require an offeror who, acting alone or in concert, following a takeover bid, owns 95% of the voting capital or 95% of the securities conferring voting rights in a public company to buy their securities at the price of the bid, upon the condition that the offeror has acquired, through the bid, securities representing at least 90% of the voting capital subject to the takeover bid.

Principal Shareholders

The Issuer has a wide shareholder base, mainly composed of institutional investors outside of Belgium, but also comprising Belgian retail and institutional investors. The table below provides an overview of the shareholders that filed a notification with the Issuer pursuant to applicable transparency disclosure rules (see also above, "Legislation and Jurisdiction – Notification of Significant Shareholdings"), up to 22 March 2010:

	Type of Security	%
BlackRock Group	Shares	10.31%
Glencore Holdings AG	Shares	7.79%
Umicore NV	Shares	5.25%

While the applicable transparency disclosure rules require that a disclosure is made by a shareholder passing a threshold or falling under one of the relevant thresholds, it is possible that the above information in relation to a shareholder is no longer up-to-date.

Former Parent Companies

The Issuer was formed on 13 April 2007 in the context of the subsequent signing of a "Business Combination and Shareholders' Agreement" ("**BCSA**") between the Issuer and its historical shareholders, Zinifex and Umicore on 23 April 2007. Under this BCSA Zinifex and Umicore agreed to combine Zinifex's zinc and lead smelting and alloying business and Umicore's zinc smelting and alloying business (each, a "**Zinc Business**" and collectively, the "**Zinc Businesses**") and to create the Issuer. Following the satisfaction of certain conditions precedent, closing under the BCSA took place on 31 August 2007. On that date, the Issuer acquired, directly and indirectly, the Zinc Businesses from its historical shareholders pursuant to various sale and purchase agreements entered into with Zinifex and its relevant subsidiaries and with Umicore.

The BCSA and the sale and purchase agreements have continued to govern the relationship between the Issuer and its historcial shareholders.

For the period to 29 October 2007 (*i.e.*, the admission of the Issuer's shares to trading on Euronext Brussels), Zinifex and Umicore were the parent entities of the Group. Presently, no legal entity or physical person is holding the "control" within the meaning of Article 5 of the Belgian Code of Companies, over the Issuer.

13. TAXATION

General

The following is a general description of certain Belgian and Luxembourg tax considerations relating to the Bonds. It does not purport to be a complete analysis of all tax considerations relating thereto. Prospective purchasers should consult their own tax advisers as to the consequences under the tax laws of their countries of citizenship, residence, ordinary residence or domicile and the tax laws of Belgium and the Grand Duchy of Luxembourg of acquiring, holding and disposing of Bonds and receiving payments of interest, principal and/or other amounts thereunder.

This summary is based upon the laws and regulations in Belgium, respectively the Grand Duchy of Luxembourg, as in effect on the date of this Prospectus and is subject to any change in law that may take effect after such date (or even before with retroactive effect). Investors should appreciate that, as a result of changing law or practice, the tax consequences may be otherwise than as stated below.

Persons considering participating in the offer should therefore consult their own professional advisors as to the effects of state, local or foreign laws and regulations, including the tax laws and regulations in Belgium, respectively the Grand Duchy of Luxembourg, to which they may be subject.

Taxation in Belgium

For the purpose of the summary below, a Belgian resident is (i) an individual subject to Belgian personal income tax (*i.e.*, an individual who has his domicile in Belgium or has his seat of wealth in Belgium, or a person assimilated to a Belgian resident), (ii) a company subject to Belgian corporate income tax (*i.e.*, a company that has its registered office, its main establishment, its administrative seat or its seat of management in Belgium), or (iii) a legal entity subject to Belgian legal entities tax (*i.e.*, an entity other than a company subject to corporate income tax having its registered office, its main establishment, its administrative seat or its seat of management in Belgium).

A non-resident is a person who is not a Belgian resident.

Belgian Withholding Tax on the Bonds

The interest component of payments on the Bonds made by or on behalf of the Issuer is as a rule subject to Belgian withholding tax at a rate of 15%.

For Belgian income tax purposes, interest includes (i) periodic interest income, (ii) amounts paid by the Issuer in excess of the issue price (upon full or partial redemption, whether or not at maturity, or upon purchase by the Issuer), and (iii) if the Bonds qualify as fixed income securities pursuant to Article 2, §1, 8° of the Belgian Income Tax Code 1992 ("**ITC 1992**"), in case of a sale of the Bonds to any third party, excluding the Issuer, the pro rata of accrued interest corresponding to the detention period.

X/N Clearing System of the NBB

The holding of the Bonds in the X/N clearing system of the NBB permits most types of investors (the "**Eligible Investors**", see below) to collect interest on their Bonds free of Belgian withholding tax.

Participants in the X/N clearing system of the NBB must keep the Bonds they hold for the account of Eligible Investors in an exempt securities account (an "**X-account**"), and those they hold for the account of non-Eligible Investors in non exempt securities accounts ("**N-accounts**"). Payments of interest made through X-accounts will be made free of Belgian withholding tax; payments of interest made through N-accounts are subject to a withholding tax of 15%, which the NBB deducts from the interest payment and pays over to the tax authorities.

Transfers of Bonds between an X-account and an N-account give rise to certain adjustment payments on account of withholding tax:

- A transfer from an N-account to an X-account gives rise to the payment by the transferor "non-Eligible Investor" to the NBB of withholding tax on the accrued fraction of interest calculated from the last interest payment date up to the transfer date.

- A transfer from an X-account to an N-account gives rise to the refund by the NBB to the transferee non-Eligible Investor of withholding tax on the accrued fraction of interest calculated from the last interest payment date up to the transfer date.

- Transfers of Bonds between two X-accounts do not give rise to any adjustment on account of withholding tax.

- Transfers of Bonds between two N-accounts give rise to the payment by the transferor non-Eligible Investor to the NBB of withholding tax on the accrued fraction of interest calculated from the last interest payment date up to the transfer date, and to the refund by the NBB to the transferee non-Eligible Investor of withholding tax on the same interest amount.

These adjustment mechanics are such that parties trading the Bonds on the secondary market, irrespective of whether they are Eligible or non-Eligible Investors, are in a position to quote prices on a gross basis.

The main categories of Eligible Investors are as follows:

- Belgian resident corporate investors;

- Belgian pension funds as recognised in the framework of pension savings as referred to in Article 145[16], 1° ITC 1992;

- corporate investors which are non-residents of Belgium, whether they have a permanent establishment in Belgium or not;

- individuals who are non-residents of Belgium, unless their holding of the Bonds is connected to a professional activity in Belgium; and

- non incorporated foreign collective investment schemes (such as *beleggingsfondsen/fonds de placement*) the units of which are not publicly offered or marketed in Belgium.

The main categories of non-Eligible Investors are as follows:

- Belgian resident individuals;

- Belgian non-profit organisations (other than aforementioned pension funds); and

- non incorporated Belgian collective investment schemes (*beleggingsfondsen/fonds de placement*) and similar foreign funds the units of which are publicly offered or marketed in Belgium.

The above categories summarise the detailed definitions contained in Article 4 of the Royal Decree of 26 May 1994, to which investors should refer for a precise description of the relevant eligibility rules.

When opening an X-account for the holding of Bonds, an Eligible Investor will be required to certify its eligible status on a standard form approved by the Belgian Minister of Finance and send it to the participant to the X/N clearing system of the NBB where this account is kept. This statement needs not be periodically reissued (although Eligible Investors must update their certification should their eligible status change). Participants to the X/N clearing system of the NBB are however required to make declarations to the NBB as to the eligible status of each investor for whom they hold Bonds in an X-account during the preceding calendar year.

These identification requirements do not apply to Bonds held with Euroclear or Clearstream, Luxembourg acting as participants to the X/N clearing system of the NBB, provided that they only hold X-Accounts and that they are able to identify the holders for whom they hold Bonds in such account.

Interest, Capital Gains and Income Tax

Belgian Resident Individuals

For Belgian resident individuals holding the Bonds as private investment, the payment of the 15% withholding tax fully discharges them from their tax liability with respect to these interest payments.

They may nevertheless elect to declare the interest in their personal income tax return. In such a case, interest payments will normally be taxed at a rate of 15%, plus municipal surcharges. If the interest payment is declared, the withholding tax retained by the NBB may be credited and possibly refunded in case of excess.

Capital gains realised on the disposal of the Bonds are as a rule tax exempt, unless these Bonds are held for professional purposes or if the capital gain is realised outside the normal management of one's private estate. Capital losses realised upon the disposal of the Bonds held as non-professional investment are in principle not tax deductible.

Specific tax rules apply to Belgian resident individuals who do not hold the Bonds as a private investment.

Belgian Resident Companies

Holders of Bonds which are Belgian resident companies will be subject to Belgian corporate income tax on the interest payments made on the Bonds. Capital gains realised in respect of the Bonds will be part of the company's taxable income. Capital losses realised upon the sale of the Bonds are in principle tax deductible.

Belgian Legal Entities

Belgian legal entities which do not qualify as Eligible Investors are subject to a withholding tax of 15% on interest payments. The withholding tax constitutes the final taxation.

Belgian legal entities which qualify as Eligible Investors and which consequently have received gross interest income are required to pay the amount of the Belgian withholding tax themselves.

Capital gains realised on the disposal of the Bonds are as a rule tax exempt. Capital losses are in principle not tax deductible.

Organisations for Financing Pensions

Interest paid or attributed to pension funds which have adopted the form of an organisation for financing pensions within the meaning of the Belgian Act of 27 October 2006 on the supervision of institutions for occupational retirement provision (*Wet van 27 oktober 2006 betreffende het toezicht op de instellingen voor bedrijfspensioenvoorzieningen/Loi du 27 octobre 2006 relative au contrôle des institutions de retraite professionnelle*) is as a rule subject to Belgian withholding tax at a rate of 15%. This Belgian withholding tax is creditable against corporate income tax due and any excess is as a rule refundable. Capital gains realised on the disposal of the Bonds are as a rule tax exempt.

Non-residents

Interest paid or attributed to and capital gains realised by non-resident companies, entities or individuals will generally not be subject to Belgian withholding tax provided that they qualify as Eligible Investors and that they hold their Bonds in an X-account.

Stamp Duties

Secondary market trades in respect of the Bonds will give rise to stamp duty if they are carried out in Belgium through a professional intermediary. The rate applicable for secondary sales and purchases is 0.07%. The duty is due separately from each party to any such transaction, *i.e.*, the

seller (transferor) and the purchaser (transferee), both collected by the professional intermediary. The amount of the stamp duty is, however, capped at €500 per transaction per party, and various types of investors (including credit institutions, insurance companies, institutions for occupational retirement provision referred to in the Belgian Act of 27 October 2006 and all non-residents of Belgium) are exempted from this stamp duty.

European Union Directive on Taxation of Savings Income

Under the EU Savings Directive, EU Member States are required to provide to the tax authorities of another EU Member State, inter alia, details of interest payments within the meaning of the EU Savings Directive (interest, premiums or other debt income) made by a paying agent located within their jurisdiction to, or for the benefit of, an individual resident or certain limited types of entity established in that other EU Member State. The application of the EU Savings Directive has been extended to a number of other jurisdictions, including Switzerland.

The EU Savings Directive authorises certain EU Member States (the Grand Duchy of Luxembourg, Belgium and Austria) to apply, for a transitional period, a withholding system in relation to interest payments. However, the beneficial owner of the interest payment may, on meeting certain conditions, request that no tax be withheld and elect instead for an exchange of information procedure.

Belgium has implemented the EU Savings Directive by the Belgian Act of 17 May 2004, which has come into force as of 1 July 2005. In a first stage, Belgium applied the transitional withholding system. Interest paid through a paying agent in Belgium to individual investors resident in another EU Member State or in certain third countries was therefore generally subject to withholding tax at the rate of 15% until 30 June 2008 and to withholding tax of 20% until 31 December 2009. This tax was levied in addition to the Belgian withholding tax.

By two Belgian Royal Decrees dated 27 September 2009, Belgium elected to abandon the transitional withholding system and to provide information in accordance with the EU Savings Directive, for interest payments within the meaning of the EU Savings Directive made or attributed as from 1 January 2010.

Taxation in the Grand Duchy of Luxembourg

Non-Resident taxation

Since the Issuer is not a Luxembourg company and since no Luxembourg paying agent is involved in the offering, no Luxembourg withholding tax is levied on payment of interest or repayment of principal on the Bonds.

Resident taxation

Luxembourg resident individuals

Luxembourg resident individuals, acting in the course of their private wealth, can opt to self-declare and pay a 10% tax on interest payments on the Bonds made by paying agents (defined in the same way as in the EU Savings Directive) located in an EU Member State other than Luxembourg, a Member State of the European Economic Area or in a State or territory which has concluded an international agreement directly related to the Savings Directive. The 10% tax represents the final tax liability for Luxembourg resident individuals receiving the interest payment in the course of their private wealth and can be reduced in consideration of foreign withholding tax, based on double tax treaties concluded by Luxembourg. Individual Luxembourg resident holders of the Bonds receiving the interest as business income must include this interest in their taxable basis; if applicable, the aforementioned 10% levied will be credited against their final income tax liability.

Luxembourg resident individuals, acting in the course of their private wealth, are not subject to taxation on capital gains upon the disposal of the Bonds, unless such disposal precedes their acquisition or the Bonds are disposed of within six-months from the date of their acquisition. Upon a repurchase, redemption or exchange of the Bonds after expiration of the six-month period from their acquisition, the portion of repurchase, redemption or exchange price corresponding to accrued but unpaid interest is subject to the withholding tax of 10%.

Luxembourg resident individual holders who hold such Bonds as business assets are subject to tax as described in relation to "Luxembourg Resident Companies" hereafter.

Luxembourg Resident Companies

Unless benefitting from a specific tax regime, Luxembourg resident companies ("*organismes à caractère collectif*"), holding Bonds, or foreign entities of the same type who have a permanent establishment or permanent representative in Luxembourg to which or to whom the Bonds are attributable, must include in their taxable income interest accrued on the Bonds and, on a sale, repurchase, redemption or exchange, the difference between the sale, repurchase, redemption or exchange price (including accrued but unpaid interest) and the lower of the cost or book value of the Bonds sold, repurchased, redeemed or exchanged.

The same Luxembourg resident companies are also subject to Luxembourg net wealth tax for the holding of the Bonds.

Other Tax Consequences

Stamp Taxes and Transfer Taxes

There is no Luxembourg registration tax, stamp duty or any other similar tax or duty payable in Luxembourg by the holders of Bonds as a consequence of the issue, transfer, repurchase, redemption or exchange of Bonds. However, in case of court proceedings in a Luxembourg court or the presentation of the documents relating to the Bonds to an "*autorité constituée*", registration of the Bonds may be required. In that case, the documents will be subject to registration duties depending on the nature of the documents (in particular, a loan agreement, not represented by the Bonds, would be subject to an ad valorem registration duty of 0.24 percent, calculated on the amounts mentioned therein).

Gift of Inheritance Taxes

No estate or inheritance tax is levied on the transfer of Bonds upon death of a holder of Bonds in cases where the deceased was not a resident of Luxembourg for inheritance tax purposes. Where a holder of Bonds is a resident for tax purposes of Luxembourg at the time of his or her death, the Bonds are included in his or her taxable estate for inheritance tax or estate tax purposes. No gift tax is levied upon a gift of Bonds, if the gift is not passed before a Luxembourg notary or recorded in a deed registered in Luxembourg.

14. SUBSCRIPTION AND SALE

ING Belgium SA/NV (having its registered office at Avenue Marnixlaan 24, 1000 Brussels, Belgium) and KBC Bank NV (having its registered office at Havenlaan 2, 1080 Brussels, Belgium) (the "**Joint Lead Managers**") have, pursuant to an underwriting agreement dated on 23 March 2010 (the "**Underwriting Agreement**"), agreed with the Issuer, subject to certain terms and conditions, to a hard underwriting commitment to subscribe to an amount of €100,000,000 of Bonds and to place the Bonds with third parties at the issue price and at the conditions specified below. The Underwriting Agreement does not entitle the Joint Lead Managers to terminate their obligations prior to payment being made to the Issuer, except in certain limited circumstances.

Subscription Period

The Bonds will be offered to the public in Belgium and in the Grand Duchy of Luxembourg (the "**Public Offer**"). The Bonds will be issued on 9 April 2010 (the "**Issue Date**"). However, in case a supplement to the Prospectus gives rise to withdrawal rights exercisable on or after the Issue Date of the Bonds in accordance with Article 34 of the Belgian Prospectus Act, Article 13 of the Luxembourg Prospectus Act, or otherwise, the Issue Date will be postponed until the first business day following the last day on which the withdrawal rights may be exercised.

The Public Offer will start on 24 March 2010 at 9.00 a.m. (Brussels time) and end on 7 April 2010 at 4.00 p.m. (Brussels time) (the "**Subscription Period**"), or such earlier date as the Issuer may determine in agreement with the Joint Lead Managers. In this case, such closing date will be announced by or on behalf of the Issuer on its website, within the section addressed to investors (www.nyrstar.com/nyrstar/en/investors/), or on the websites of the Joint Lead Managers (www.ing.be, www.kbc.be).

Except in case of oversubscription as set out below under "Over-subscription in the Bonds", a prospective subscriber will receive 100% of the amount of the Bonds allocated to it during the Subscription Period.

Prospective subscribers will be notified of their allocations of Bonds by the applicable financial intermediary in accordance with the arrangements in place between such financial intermediary and the prospective subscriber.

No dealings in the Bonds on a regulated market for the purposes of Directive 2004/39/EC of the European Parliament and of the Council of 21 April 2004 on markets in financial instruments amending Council Directives 85/611/EEC and 93/6/EEC and Directive 2000/12/EC of the European Parliament and of the Council and repealing Council Directive 93/22/EEC, as amended, may take place prior to the Issue Date.

After having read the entire Prospectus and, on the basis of this, among other things, having decided to subscribe to the Bonds, the investors can subscribe to the Bonds via the branches of the following distributors appointed by the Issuer, using either the subscription form provided by the distributor (if any) or the subscription form attached as Annex II to this Prospectus (as indicated by the relevant distributor): ING Belgium and ING Luxembourg, KBC Bank NV (including CBC S.A.), KBL European Private Bankers S.A., Centea NV and KBC Securities NV, as well as any relevant other subsidiary in Luxembourg of each of the above mentioned banks (as decided by each bank and its subsidiary).

The applications can also be submitted via agents or any other financial intermediaries in Belgium and in the Grand Duchy of Luxembourg. In this case, the investors must obtain information concerning the commission fees that the financial intermediaries can charge. These commission fees are charged to the investors.

Conditions to which the Public Offer is Subject

The Public Offer is subject to a limited number of conditions set out in the Underwriting Agreement, which are customary for this type of transaction. These conditions can be waived (in whole or in part) by the Joint Lead Managers. In any event, each of the Joint Lead Managers has agreed to a hard underwriting commitment to subscribe to the Bonds in a principal amount of €50 million (being €100 million in the aggregate). The Underwriting Agreement does not entitle the Joint Lead Managers to terminate their obligations prior to payment being made to the Issuer, except in certain limited circumstances.

Issue Price

The issue price will be of 101.820% (the "**Issue Price**").

The investors who are not qualified investors (as defined in the Belgian Prospectus Act) and the Luxembourg Prospectus Act (the "**Qualified Investors**") will pay the Issue Price.

The Qualified Investors will pay the Issue Price less a discount or plus a margin, such resulting price being subject to change during the Subscription Period based among others on (i) the evolution of the credit quality of the Issuer (credit spread), (ii) the evolution of interest rates, (iii) the success (or lack of success) of the placement of the Bonds, and (iv) the amount of Bonds purchased by an investor, each as determined by each Joint Lead Manager in its sole discretion.

The yield of the Bonds is 5.079% on an annual basis. The yield is calculated as at 22 March 2010 on the basis of the Issue Price. It is not an indication of future yield.

The minimum amount of application for the Bonds is €1,000. There is no maximum amount of application.

Aggregate Nominal Amount

The minimum nominal amount of the issue amounts to €100,000,000 (amount underwritten by the Joint Lead Managers).

As the case may be, upon decision of the Issuer and the Joint Lead Managers (taking into account the demand from investors), the aggregate nominal amount may be increased at the end (or upon the early closing) of the Subscription Period.

The final aggregate nominal amount shall be published as soon as possible after the end (or the early closing) of the Subscription Period on the websites of the Joint Lead Managers (www.ing.be, www.kbc.be), on the Issuer's website within the section addressed to investors (www.nyrstar.com/nyrstar/en/investors/) and on the website of the Luxemburg Stock Exchange (www.bourse.lu).

Payment Date and Details

The payment date is 9 April 2010. The payment for the Bonds can only occur by means of debiting from a current account.

On the date that the subscriptions are settled, the NBB System will credit the custody account of the Domiciliary Agent according to the details specified in the rules of the NBB System.

Subsequently, the Domiciliary Agent, at the latest on the payment date, credits the amounts of the subscribed securities to the account of the participants for onward distribution to the subscribers, in accordance with the usual operating rules of the NBB System.

Costs and Fees

The net proceeds (before deduction of expenses) will be an amount equal to (i) the aggregate nominal amount of the Bonds issued (the "**Aggregate Nominal Amount**") multiplied by the Issue Price expressed in percentage; minus the total selling and distribution commission of 1.875% (borne by the investors; see also "Issue Price" above) less (ii) an underwriting commission (borne by the Issuer).

The Issue Price shall include the selling and distribution commission described below, such commission being borne and paid by the investors.

Expenses specifically charged to the subscribers:

(i) the subscribers who are not Qualified Investors will bear a selling and distribution commission of 1.875%, included in the Issue Price; and

(ii) the subscribers who are Qualified Investors will normally bear a distribution commission of 1.875%, subject to the discount or margin foreseen in this section under "Issue Price" above. Such commission will be included in the issue price applied to them.

Financial Services

The financial services in relation to the Bonds will be provided free of charge by KBC and ING.

The costs for the custody fee for the Bonds in custody account are charged to the subscribers. Investors must inform themselves about the costs their financial institutions might charge them.

Investors must inform themselves about the costs the other financial institutions might charge them.

Over-subscription in the Bonds

In case of early termination of the Subscription Period due to oversubscription or to changes in market conditions as determined by the Issuer in agreement with the Joint Lead Managers, allotment of the Bonds will be made with the following objective allotment criteria:

(i) the subscriptions will be handled and allocated by each Joint Lead Manager according to the principle "first comes, first served"; and

(ii) if required, the last subscription (or the last subscriptions if received exactly at the same time), if any, will be reduced in order to correspond with the aggregate nominal amount, as determined and agreed by the Issuer and the Joint Lead Managers in their sole discretion (it being understood that such aggregate nominal amount will depend on the wishes of the issuer and on the demand from prospective investors).

Any payment made by a subscriber to the Bonds in connection with the subscription of Bonds which are not allotted will be refunded within 7 Brussels Business Days (as defined in the Terms and Conditions of the Bonds) after the date of payment in accordance with the arrangements in place between such relevant subscriber and the relevant financial intermediary, and the relevant subscriber shall not be entitled to any interest in respect of such payments.

Results of the Offer

The results of the offer of the Bonds (including its net proceeds) shall be published as soon as possible after the end of the Subscription Period and on or before the Issue Date on the website of the Issuer, within the section addressed to investors (www.nyrstar.com/nyrstar/en/investors/), on the website of the Luxembourg Stock Exchange (www.bourse.lu), as well as on the websites of the Joint Lead Managers (www.ing.be, and www.kbc.be) and will be communicated to the CSSF.

The same method of publication will be used to inform the investors in case of early termination of the Subscription Period.

Offer Timetable

The main steps of the timetable of the offer are as follows:

- 23 March 2010: Publication of the Prospectus on the website of the Issuer
- 24 March 2010 , 9.00 a.m. (Brussels time): Opening date of the Subscription Period
- 7 April 2010, 4.00 p.m. (Brussels time): Closing date of the Subscription Period (if not closed earlier)
- Between 7 April 2010 and 8 April 2010: Expected publication date of the results of the offer of the Bonds (including its net proceeds), unless published earlier in case of early closing
- 9 April 2010: Issue Date and listing of the Bonds on the Official List of the Luxembourg Stock Exchange and admission to trading of the Bonds on the regulated market of the Luxembourg Stock Exchange.

Costs

Each subscriber shall make his own enquiries with his financial intermediaries on the related or incidental costs (transfer fees, custody charges, etc.), which the latter may charge him with.

Transfer of the Bonds

Subject to compliance with any applicable selling restrictions, the Bonds are freely transferable. See also "Selling Restrictions" below.

Selling Restrictions

Distribution of the Prospectus

This Prospectus does not constitute an offer to sell or the solicitation of an offer to buy the Bonds in any jurisdiction (other than Belgium and Luxembourg) to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction. The distribution of this Prospectus and the offer or sale of Bonds may be restricted by law in certain jurisdictions. The Issuer and the Joint Lead Managers do not represent that this Prospectus may be lawfully distributed, or that the Bonds may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Issuer or the Joint Lead Managers which is intended to permit a public offering of the Bonds or the distribution of this Prospectus in any jurisdiction (other than Belgium and Luxembourg) where action for that purpose is required. Accordingly, no Bonds may be offered or sold, directly or indirectly, and neither this Prospectus nor any advertisement or other offering material may be distributed or published in any such jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Prospectus or any Bonds may come must inform themselves about, and observe, any such restrictions on the distribution of this Prospectus and the offering and sale of Bonds.

Neither the Issuer nor the Joint Lead Managers have authorised, nor do they authorise, the making of any offer of Bonds (other than the Public Offer) in circumstances in which an obligation arises for the Issuer or the Joint Lead Managers to publish or supplement a prospectus for such offer.

The Issuer and the Joint Lead Managers expressly decline all responsibility in respect of any person violating local regulations applicable to them.

United States

The Bonds have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the "**Securities Act**"), or the securities laws of any State or other jurisdiction of the United States, and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. The Bonds are being offered and sold solely outside the United States to non-U.S. persons in reliance on Regulation S under the Securities Act ("**Regulation S**"). Terms used in this paragraph have the meaning given to them in Regulation S.

The Joint Lead Managers have agreed that they will not offer or sell the Bonds (i) as part of their distribution at any time or (ii) otherwise until 40 days after the later of the commencement of the offering and the closing date within the United States or to, or for the account or benefit of, U.S. persons, and they will have sent to each distributor, dealer or person receiving a selling concession, fee or other remuneration (if any) to which they sell Bonds during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Bonds within the United States or to, or for the account or benefit of, U.S. persons. Terms used in this paragraph have the meaning given to them in Regulation S.

In addition, until 40 days after the commencement of the offering, an offer or sale of Bonds within the United States by an dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with an available exemption from registration under the Securities Act.

The Joint Lead Managers have agreed that they have not offered, sold or delivered, and will not offer, sell or deliver, directly or indirectly, the Bonds within the United States or its possessions in connection with their original issuance. Further, in connection with the original issuance of the Bonds, the Joint Lead Managers have not communicated, and will not communicate, directly or indirectly, with a prospective purchaser if either the Joint Lead Managers or the prospective purchaser is within the United States or its possessions or otherwise involve a U.S. office of the Joint Lead Managers in the offer or sale of the Bonds. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986 and regulations thereunder, including U.S. Treas. Reg. §1.163-5(c)(2)(i)(C).

Selling restriction in the EEA

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a "**Relevant Member State**"), each Joint Lead Manager has represented and agreed that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the "**Relevant Implementation Date**") it has not made and will not make an offer of Bonds which are the subject of the offering contemplated by this Prospectus to the public in that Relevant Member State other than the offers contemplated in the Prospectus in Belgium and in the Grand Duchy of Luxembourg from the time the Prospectus has been approved by the competent authority in the Grand Duchy of Luxembourg and published and notified to the relevant competent authority in accordance with the Prospectus Directive as implemented in the Grand Duchy of Luxembourg to, and including, the Issue Date, except that it may, with effect from and including the Relevant Implementation Date, make an offer of such Bonds to the public in that Relevant Member State:

(i) to legal entities which are authorised or regulated to operate in the financial markets or, if not so authorised or regulated, whose corporate purpose is solely to invest in securities;

(ii) to any legal entity which has two or more of (1) an average of at least 250 employees during the last financial year; (2) a total balance sheet of more than €43,000,000; and (3) an annual net turnover of more than €50,000,000, as shown in its last annual or consolidated accounts;

(iii) to fewer than 100 natural or legal persons (other than Qualified Investors as defined in the Prospectus Directive) subject to obtaining the prior consent of the Joint Lead Managers; or

(iv) in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Bonds shall require the Issuer or any Joint Lead Manager to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expression an "offer of Bonds to the public" in relation to any Bonds in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Bonds to be offered so as to enable an investor to decide to purchase or subscribe the Bonds, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State and the expression "**Prospectus Directive**" means Directive 2003/71/EC of the European Parliament and of the Council of 4 November 2003 on the prospectus to be published when securities are offered to the public or admitted to trading and amending Directive 2001/34/EC and includes any relevant implementing measure in each Relevant Member State.

United Kingdom

Each Joint Lead Manager has represented and agreed that:

(i) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000 (the "**FSMA**")) received by it in connection with the issue or sale of any Bonds in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer; and

(ii) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Bonds in, from or otherwise involving the United Kingdom.

15. DOCUMENT INCORPORATED BY REFERENCE

The consolidated financial statements of the Issuer and the respective audit report for the financial year ended 31 December 2008 have been incorporated by reference in this Prospectus. The information so incorporated by reference herein, shall form an integral part of this Prospectus, save that any statement contained in a document which is incorporated by reference herein, shall be modified or superseded for the purpose of this Prospectus to the extent that a statement contained in this Prospectus modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not, except as so modified or superseded, constitute a part of this Prospectus.

The table below sets out the relevant pages of the Issuer's annual report for the financial year ended 31 December 2008 that are incorporated by reference in this Prospectus:

• Corporate governance chapter	Pages 27-35 of the Issuers' annual report for the financial year ended 31 December 2008
• Consolidated income statement	Pages 42-43 of the Issuers' annual report for the financial year ended 31 December 2008
• Consolidated balance sheet	Page 44 of the Issuers' annual report for the financial year ended 31 December 2008
• Consolidated statement of cash flows	Page 45 of the Issuers' annual report for the financial year ended 31 December 2008
• Notes to the consolidated financial statements	Pages 46-88 of the Issuers' annual report for the financial year ended 31 December 2008
• Auditors' report	Page 89 of the Issuers' annual report for the financial year ended 31 December 2008

Any information not listed in the table above but included in the document incorporated by reference is given for information purpose only.

ANNEX I: HISTORICAL FINANCIAL INFORMATION

CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2009

Nyrstar Consolidated Financial Statements

For the year ended

31 December 2009

Consolidated income statement

For the period ended	Note	**Twelve months to 31 December 2009 €m**	Twelve months to 31 December 2008 €m
Revenue	6	**1,663.9**	2,409.7
Raw materials used (b)		**(1,024,9)**	(1,454.3)
Freight expense		**(44.7)**	(74.6)
Gross profit		**594.3**	880.8
Other income		**6.2**	9.6
Employee benefits expense	8	**(208.9)**	(226.9)
Energy expenses		**(193.2)**	(261.7)
Stores and consumables used		**(65.4)**	(95.8)
Contracting and consulting expenses		**(58.9)**	(110.1)
Other expenses (b)		**8.2**	(58.8)
Depreciation and amortisation expenses	11,12	**(50.2)**	(79.7)
Result from operating activities before exceptional items (a)		**32.1**	57.4
Restructuring expenses	24	**(24.0)**	(24.1)
Impairment (losses) / reversal	11	**2.4**	(615.0)
Profit on the disposal of subsidiaries	21	**6.0**	-
Result from operating activities		**16.5**	(581.7)
Finance income	9	**1.8**	7.4
Finance expenses	9	**(11.6)**	(21.1)
Net foreign exchange gain/(loss)	9	**3.0**	(0.1)
Net financing income / (expense)		**(6.8)**	(13.8)
Share of profit of equity accounted investees	13	**4.0**	6.9
Loss on the disposal of equity accounted investees		**-**	(17.7)
Profit / (loss) before income tax		**13.7**	(606.3)
Income tax benefit / (expense)	10	**(3.3)**	11.6
Profit / (loss) for the period		**10.4**	(594.7)
Attributable to:			
Equity holders of the parent		**10.0**	(584.9)
Minority interest		**0.4**	(9.8)
		10.4	(594.7)
Earnings per share for profit attributable to the equity holders of the Company during the period (expressed in Euro per share)			
- basic	28	**0.10**	(5.85)
- diluted	28	**0.14**	(5.85)

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

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

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

Consolidated statement of comprehensive income

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

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

Consolidated statement of financial position

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

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

Consolidated statement of changes in equity

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

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

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

Consolidated statement of cash flows

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

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

Notes to the consolidated financial statements

Notes to the consolidated financial statements

1 Reporting entity

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

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

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

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

2 Basis of preparation

a. Statement of compliance

The consolidated financial statements of Nyrstar are prepared in accordance with International Financial Reporting Standards as adopted by the European Union. These include International Financial Reporting Standards ("IFRS") and the related interpretations issued by the International Accounting Standards Board (IASB), the Standard Interpretations Committee (SIC) and the International Financial Reporting Interpretations Committee (IFRIC), effective at the reporting date and adopted by the European Union. The consolidated financial statements have been prepared on a going concern basis. The comparative information presented has been restated to comply with the Nyrstar accounting policies set out below.

b. Basis of measurement

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

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

c. Reporting period

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

d. Functional and presentational currency

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

e. Use of estimates and judgements

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

f. Standards, amendments and interpretations

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

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

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

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

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

- Revised IFRS 3 (revised), *Business Combinations* and consequential to IAS 27, *Consolidated and separate financial statements*, IAS 28, *Investments in associates* and IAS 31, *Interests in joint ventures*, effective prospectively to business combinations for which the acquisition date is on or after the beginning of the first annual reporting beginning on or after July 1, 2009;
- Amendments to IFRS 1, *First-time Adoption of International Financial Reporting Standards* and IAS 27, *Consolidated and Separate Financial Statements* — Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate, effective for annual periods beginning on or after 1 January 2009;
- IFRS 1 (revised), *First-time Adoption* (effective 1 July 2009);
- IAS 39 (amendment), *Financial instruments: Recognition and measurement on eligible hedged items* (effective 1 July 2009);
- IFRIC 12, *Service concession arrangements* (effective 1 January 2008, but EU endorsed for 30 March 2009);
- IFRIC 15, *Agreements for the construction of real estate* (effective 1 January 2009, but EU endorsed for 1 January 2010) ;
- IFRIC 16, *Hedges of a net investment in a foreign operation* (effective 1 October 2008, but EU endorsed for 1 July 2009);
- IFRIC 17, *Distribution of non-cash assets to owners*, effective for annual periods beginning on or after July 1, 2009; and
- IFRIC 18, *Transfer of assets from customers*, effective for transfers of assets received on or after July 1, 2009.

3 Significant accounting policies

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

a. Basis of consolidation

Subsidiaries

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

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

The excess of the cost of acquisition over Nyrstar's share of the fair value of the net assets of the entity acquired is recorded as goodwill. If Nyrstar's share in the fair value of the net assets exceeds the cost of acquisition, the excess is recognised immediately in the income statement. Where necessary, the acquired entities' accounting policies have been changed to ensure consistency with the policies adopted by Nyrstar.

Investments in associates and jointly controlled entities

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

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

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

Minority interests

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

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

Transactions eliminated on consolidation

The consolidated financial statements include the consolidated financial information of the Nyrstar Group entities. All intercompany balances and transactions with consolidated businesses have been eliminated. Unrealised gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

b. Foreign currency

Foreign currency transactions

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

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

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

Foreign operations

The income statement and balance sheet of each Nyrstar operation that has a functional currency different to euros is translated into the presentation currency as follows:

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

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

c. Financial instruments

Commodity hedging, via the use of metal futures, is undertaken to reduce the Group's exposure to fluctuations in commodity prices in relation to its unrecognised firm commitments arising from sales contracts. Nyrstar has adopted a policy that it will not enter into any speculative commodity hedging.

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

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

Fair value hedges

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

Cash flow hedges

A hedge of the fair value of a highly probable forecast transaction is referred to as a cash flow hedge.

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

Derivatives that do not qualify for hedge accounting

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

d. Property, plant and equipment

Recognition and measurement

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

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

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

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

Depreciation

Straight line basis

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

- Buildings 40 years
- Plant and equipment 5-25 years

Unit of production basis

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

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

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

Assets under construction

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

Major cyclical maintenance expenditure

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

e. Intangible assets

Goodwill

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

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

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

Research and development costs

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

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

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

Exploration and evaluation assets

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

> such costs are expected to be recouped in full through successful development and exploration of the area of interest or alternatively, by its sale; or

> exploration and evaluation activities in the area of interest have not yet reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in relation to the area are continuing, or planned for the future.

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

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

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

Other intangible assets

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

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

Subsequent expenditure

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

f. Leased assets

Leases under which the Group assumes substantially all of the risks and benefits of ownership, are classified as finance leases, while other leases are classified as operating leases. Finance leases are capitalised with a lease asset and liability equal to the present value of the minimum lease payments or fair value, if lower, being recorded at the inception of the lease. Capitalised lease assets are amortised on a straight-line basis over the shorter of the useful life of the asset or the lease term. Each finance lease repayment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding.
Lease payments made under operating leases are recognised in the income statement over the accounting periods covered by the lease term.

g. Investments in equity securities

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

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

h. Inventories

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

As the Company applies hedging accounting as referred in note 3(c), the hedged items of stock are valued at fair value. The fair value adjustment remains part of the carrying value of inventory and enters into the determination of earnings when the inventory is sold, This impact is compensated by the hedge derivatives which are also adjusted for fair value.

i. Impairment

Financial assets

A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

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

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

All impairment losses are recognised in the income statement.

An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognised.

Non-financial assets

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

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

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

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

j. Non-current assets held for sale

Non-current assets (or disposal groups comprising assets and liabilities) that are expected to be recovered primarily through sale rather than through continuing use, are classified as held for sale. Immediately before classification as held for sale, the assets (or components of a disposal group) are re-measured in accordance with the Group's accounting policies. Thereafter generally the assets (or disposal group) are measured at the lower of their carrying amount and fair value less cost to sell. Any impairment loss on a disposal group first is allocated to goodwill, and then to remaining assets and liabilities on a *pro rata* basis, except that no loss is allocated to inventories, financial assets, deferred tax assets and employee benefit assets, which continue to be measured in accordance with the Group's accounting policies. Impairment losses on initial classification as held for sale and subsequent gains or losses on re-measurement are recognised in profit or loss. Gains are not recognised in excess of any cumulative impairment loss.

k. Employee benefits

Short term benefits

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

Long-term employee benefits other than pension plans

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

Defined contribution plans

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

Defined benefit plans

A liability or asset in respect of defined benefit superannuation or medical plans is recognised in the consolidated balance sheet. This liability (or asset) is measured as the present value of the defined benefit obligation at the balance sheet date less the fair value of any fund assets belonging to the plan and any unrecognised past service cost. The present value of the defined benefit obligations is based on expected future payments that arise from membership of the fund to the balance sheet date. This obligation is calculated annually by independent actuaries using the projected unit credit method.

Expected future payments are discounted using market yields at the balance sheet date on high quality corporate bonds with terms to maturity and currency that match the estimated future cash flows. Any future taxes that are funded by the entity and are part of the provision of the defined benefit obligation are taken into account when measuring the net asset or liability. Any movements in the net defined benefit assets or liabilities are recognised in the consolidated income statement during the period, except for actuarial gains and losses. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in the statement of recognised income and expense in the period in which they arise.

Employee bonuses

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

Termination benefits

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

Share-based payment compensation

The Group operates an employee share acquisition plan and an executive long-term incentive plan, both of which are equity-settled share-based compensation plans. The fair value of equity instruments granted under the plans are recognised as an employee benefit expense with a corresponding increase recognised in equity. The fair value is measured at the grant date and recognised over the period during which the eligible employees become unconditionally entitled to the shares. The amount recognised as an employee benefit expense is the independently calculated fair value multiplied by the number of equity instruments granted. At each balance sheet date, the amount recognised as an expense is adjusted to reflect the estimate of the number of equity instruments expected to vest, except where forfeiture is only due to the share price not achieving the required target.

I. Provisions

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

Workers' compensation

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

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

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

Restoration obligations

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

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

Restructuring

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

m. Compound financial instruments

Compound financial instruments issued by the Company comprise convertible bonds that can be converted to share capital at the option of the holder, and the number of shares to be issued does not vary with changes in their fair value.

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

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

n. Revenue

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

a. the entity has transferred to the buyer the significant risks and rewards of ownership of the goods;

b. the entity retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;

c. the amount of revenue can be measured reliably;

d. it is probable that the economic benefits associated with the transaction will flow to the entity; and

e. the costs incurred or to be incurred in respect of the transaction can be measured reliably

o. Finance income and expense

Financing income includes:

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

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

Financing costs include:

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

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

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

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

p. Income tax

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

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

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

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Additional income taxes that arise from the distribution of dividends are recognised at the same time as the liability to pay the related dividend is recognised.

q. Cash and cash equivalents

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

r. Trade and other payables

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

s. Trade receivables

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

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

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

t. Share capital

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

u. Earnings per share

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

v. Segment reporting

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

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

Revenues, expenses and assets are allocated to the operating segments to the extent that items of revenue, expense and assets can be directly attributed or reasonably allocated to the operating segments. The interrelated segment costs have been allocated on a reasonable pro rata basis to the operating segments. Management believes inter-segment pricing is on an arm's-length market basis.

w. Treasury shares

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

4 Critical accounting estimates and judgements

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

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

a. Critical accounting estimates and assumptions

Impairment of assets

The recoverable amount of each cash-generating unit is determined as the higher of the asset's fair value less costs to sell and its value in use. These calculations require the use of estimates and assumptions such as discount rates, exchange rates, commodity prices, future capital requirements and future operating performance. For cash-generating units that comprise mining related assets, the estimates and assumptions also relate to the ore reserves and resources estimates,(see below). For further information refer to note 3(i) and note 11.

Determination of fair values in business combination

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

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

Determination of ore reserves and resources estimates

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

Restoration obligations

Provision is made for the anticipated costs of future restoration and rehabilitation of smelting and refining sites and mining areas from which natural resources have been extracted to the extent that a legal or constructive obligation exists. These provisions include future cost estimates associated with reclamation, plant closures, waste site closures, monitoring, demolition, decontamination, water purification and permanent storage of historical residues. These future cost estimates are discounted to their present value. The calculation of these provision estimates requires assumptions such as application of environmental legislation, plant closure dates, available technologies and engineering cost estimates. A change in any of the assumptions used may have a material impact on the carrying value of restoration provisions.

Retirement benefit obligations

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

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

Recovery of deferred tax assets

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable profits are available to utilise those temporary differences and losses, and the tax losses continue to be available having regard to the nature and timing of their origination and compliance with the relevant tax legislation associated with their recoupment.

5 Financial risk management

Overview

Nyrstar has exposure to credit risk, liquidity risk and market risk from its use of financial instruments. This note presents information relating to Nyrstar's exposure to each of these risks and the Group's objectives, policies and processes for measuring and managing risk and measuring capital.

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

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

Credit risk

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

Trade and other receivables

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

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

Guarantees

Nyrstar's policy is to provide financial guarantees only to wholly-owned subsidiaries. At 31 December 2009, no guarantees were outstanding to external customers (31 December 2008: nil).

Liquidity risk

Liquidity risk arises from the possibility that Nyrstar will not be able to meet its financial obligations as they fall due. Liquidity risk is being addressed by maintaining a sufficient degree of diversification of funding sources. These include committed and uncommitted short and medium term bank facilities.

Market risk

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

Commodity price risk

In the normal course of its business, Nyrstar is exposed to risk resulting from fluctuations in the market prices of commodities and raw materials. Nyrstar currently engages only in transactional hedging which means that it will undertake short-term hedging transactions to cover the timing risk between raw material purchases and sales of metal and to cover its exposure on fixed-price forward sales of metal to customers. Transactional hedging arrangements are accounted for in the "Other Financial Assets" and the "Other Financial Liabilities" line items of the balance sheet. Any gains or losses realised from hedging arrangements are recorded within operating profit. Nyrstar currently does not undertake any structural or strategic hedging which means that its results are exposed to fluctuations in zinc, lead and other metal prices. Nyrstar may review its hedging policy from time to time.

Foreign Currency Exchange Risk

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

Interest Rate Risk

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

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

Capital Management

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and so to sustain future development of the business. The Board of Directors monitors the return on capital, which the Group defines as net operating income divided by total shareholders' equity, excluding minority interests. The Board of Directors also monitors the level of dividends to ordinary shareholders. Whilst maintaining adequate cash flows for growth and the successful execution of the Company's strategy, the Company aims to maximize total shareholder return through a combination of share price appreciation and dividends.

No assurance can be given, however, that the Company will make dividend payments in the future. Such payments will depend upon a number of factors, including our prospects, strategies, results of operations, earnings, capital requirements and surplus, general financial conditions, contractual restrictions and other factors considered relevant by the Board. Pursuant to Belgian law, the calculation of amounts available for distribution to shareholders, as dividends or otherwise, must be determined on the basis of the Company's non-consolidated Belgian GAAP financial statements. In accordance with Belgian company law, the Company's articles of association also require that the Company allocate each year at least 5% of its annual net profits to its legal reserve, until the legal reserve equals at least 10% of the Company's share capital. As a consequence of these factors, there can be no assurance as to whether dividends or similar payments will be paid out in the future or, if they are paid, their amount.

The Company has established an Employee Share Acquisition Plan ("ESAP") and an Executive Long Term Incentive Plan ("LTIP") (together referred to as the "Plans") with a view to attracting, retaining and motivating the employees and senior management of the Company and its wholly owned subsidiaries. The key terms of each Plan are set out below in note 27.

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

6 Segment reporting

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

- Hobart smelter – The Hobart smelter is a large-scale electrolytic zinc smelter located on the Derwent River in Tasmania's capital city, Hobart. A significant portion of Hobart's zinc output is converted into diecast alloy for sale into Asia, particularly China.
- Port Pirie smelter – The Port Pirie smelter is located on the eastern side of the Spencer Gulf in South Australia, approximately 200 kilometres north of Adelaide, South Australia. Port Pirie is one of the world's largest primary lead smelters and a leading global silver producer. The majority of Port Pirie's lead output is exported, primarily to Asia.
- Clarksville smelter – The Clarksville smelter is located on the Cumberland River close to Clarksville, Tennessee in the United States of America. Clarksville is a mid-scale electrolytic zinc smelter producing zinc and zinc alloys and supplying customers in the United States mid-west.
- Budel smelter – The Budel smelter is located at Budel Dorplein in the Netherlands, close to the Belgian border. It is a large-scale electrolytic zinc smelter producing zinc and zinc alloys for the European market.
- Auby smelter – The Auby smelter is located in the town of Auby in the north of France. Auby is a mid-scale electrolytic zinc smelter. Unlike, other zinc smelting sites, the Auby smelter produces cathodes as finished products (rather than casting into ingots) for sale to its customers.
- Balen smelter – The Balen smelter is a large-scale electrolytic zinc smelter that also incorporates the die-casting and alloying operations in Overpelt and a sales office in Germany. Approximately one third of the zinc cathodes produced by the Balen smelter are melted and cast on-site to produce alloys and SHG zinc. The remaining cathodes are transported to Overpelt to produce other alloy products.
- Chinese Operations – Nyrstar's Chinese Operations include Nyrstar Yunnan, Föhl China and Genesis Alloys. These entities are involved in the production of SHG zinc, die-casting parts, and die-casting alloys respectively. Nyrstar has a 50% interest in both Föhl China and Genesis. On 3 August 2009 the Group divested its interest in Nyrstar Yunnan (refer to Note 21 for further details).
- Other Operations– Other Operations combines operations in Australia (Australia Refined Alloys/ARA) and in France (Galva 45 and GM-Metal). These entities are involved in lead and lead alloys, galvanized products and die-casting alloys respectively. This segment also includes the mine complexes acquired in the course of the year 2009, namely Tennessee mines in the US and the Coricancha mine in Peru. Furthermore, this segment also includes unallocated items.
  On 1 May 2009 The Group acquired a 100% interest in the Mid-Tennessee Zinc mine complex (Refer to note 7 for further details) and on 7 December 2009 a 100% interest in the East-Tennessee Zinc mine complex (Refer to note 7 for further details). Both mine complexes have close association with Nyrstar's Clarksville smelter. On 13 November 2009, the Group completed the acquisition of an 85% interest in the Coricancha mine (Refer to note 7 for further details).The Coricancha mine is a poly-metallic mine with more than 60 years of operating history. These mines have been included in the 'Other Operations' segment since they have been on care and maintenance for most of the year, with only limited operations in 2009.

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

The chief operating decision-maker assesses the performance of the operating segments based on a measure of 'Result from operating activities before exceptional items'. Sales to each individual customer (group of customers under the common control) of the Group did not exceed 10% with the exception of sales to Glencore and Umicore, which accounted for 48.66% and 12.45% respectively, of the total Group's zinc and lead sales.

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

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

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

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

7 Acquisition of business

Acquisition of subsidiary: Mid-Tennessee Zinc mine complex

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

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

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

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

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

Acquisition of subsidiary with minority interests: Coricancha mine

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

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

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

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

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

Acquisition of subsidiary: East-Tennessee Zinc mine complex

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

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

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

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

8 Employee benefits expense

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

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

9 Finance income and expense

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

10 Income tax expense

a. Income tax expense recognised in the income statement

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

b. Reconciliation of effective tax rate

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

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

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

c. Income tax recognised directly in equity

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

11 Property, plant and equipment

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

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

Impairment

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

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

12 Intangible assets

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

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

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

13 Investments in equity accounted investees

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

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

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

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

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

14 Investments in equity securities

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

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

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

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

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

15 Deferred tax assets and liabilities

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

Recognised deferred tax assets and liabilities

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

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

Net assets/ (liabilities)	39.1	14.4	(49.6)	(40.4)	(10.5)	(26.0)

Unrecognised deferred tax assets

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

Expiration of tax effected unrecognised temporary differences and tax losses

	Net deductible temporary differences Dec 09 €m	Tax losses c/fwd Dec 09 €m	Total Dec 09 €m	Net deductible temporary differences Dec 08 €m	Tax losses c/fwd Dec 08 €m	Total Dec 08 €m
No expiration date	**79.5**	**60.6**	**140.1**	75.2	63.1	138.3
Expiration date 7 years	**18.4**	**-**	**18.4**	6.7	-	6.7
Expiration date 9 years	**-**	**-**	**-**	-	12.6	12.6
	97.9	**60.6**	**158.5**	81.9	75.7	157.6

16 Other financial assets and liabilities

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

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

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

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

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

b. Embedded derivatives

Where an embedded derivative is identified and the derivative's risks and characteristics are not considered to be closely related to the underlying host contract, the fair value of the derivative is recognised on the Group's consolidated balance sheet. The effective portion of changes in the fair value of the Group's embedded derivative are recognised in the cashflow hedge reserve in equity, whilst changes in the fair value of the ineffective hedge portion are recognised in the consolidated income statement.

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

17 Inventories

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

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

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

18 Other liabilities

Current	Dec 2009 €m	Dec 2008 €m
Fair value of underlying hedged risk	**27.5**	-
Total current	**27.5**	-

Non-Current	Dec 2009 €m	Dec 2008 €m
Fair value of underlying hedged risk	**23.9**	-
Total non-current	**23.9**	-

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

19 Trade and other receivables

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

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

20 Cash and cash equivalents

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

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

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

21 Assets held for sale and disposal of subsidiaries

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

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

22 Capital and reserves

Share capital and share premium

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

As at the 31 December 2009 the authorised share capital of Nyrstar NV comprised of 100 million ordinary shares (31 December 2008: 100 million) with a par value of € 14.91, previously € 20 with an additional share premium of € 1.95. This reduction refers to a decision by the extraordinary Shareholders' meetings held on 29 April 2009 and 23 May 2009 to decrease the share capital to absorb the retained losses arising from the 2008 impairment charge and thereby to restore the Company's potential future dividend capacity. The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All shares rank equally with regard to the Company's residual assets.

Dividends

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

Reconciliation of movement in reserves

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

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

a. Treasury shares

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

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

b. Translation reserve

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

c. Reverse acquisition reserve

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

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

[1] In the first half of 2008, Nyrstar was required to pay Zinifex Ltd € 30.1 million as a final purchase price adjustment under the Business Combination and Shareholders Agreement ("BCSA") for the transfer of Zinifex zinc and lead smelting and alloying businesses.
In addition, receivables of € 1.4 million held by entities formerly known as the Zinifex Carve-out Group, were identified as purchase price adjustments under the BCSA.
Both payments increase the parent company's carrying value of investment in the Zinifex Carve-out Group and hence increases the value of the reverse acquisition reserve.

d. Cashflow hedge reserve

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

e. Convertible bond

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

f. Investments in equity securities

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

g. Disclosure of the shareholders' structure

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

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

23 Loans and borrowings

This note provides information about the contractual terms of the Group's interest-bearing loans and borrowings, which are measured at amortised cost. For more infomation about the Group's exposure to interest rate, foreign currency and liquidity risks see 29.

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

Convertible bonds

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

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

The conversion right in respect of a bond may be exercised, at the option of the holder, at any time from 1 September 2009 until 1 July 2014 (ten days prior to final maturity date being 10 July 2014), or if the bonds are called for redemption prior to the final maturity date, until the seventh day before the date fixed for redemption.

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

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

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

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

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

Terms and debt repayment schedule

Terms and conditions of outstanding loans were as follows:

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

(*)The Company may, at any time on or after 10 July 2012, redeem the bonds together with accrued but unpaid interest, if on not less than 20 out 30 days consecutive dealing days, the Volume Weighted Average Price of the shares exceeds 150% of the Conversion Price.

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

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

24 Provisions

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

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

Restoration provisions

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

Restructuring provisions

In 2009 Nyrstar continued its global organisational restructuring program over a two year period concluding in 2010, with the objective of reducing costs and positioning the Company for a long-term sustainable future. As a result, a provision of €24.0 million has been made for 2009, in addition to the €24.1 million provision in 2008. This program incorporates the previously announced Balen restructuring program and Global Marketing and Services restructuring program, and the recently announced closure of GM Metal. The total cost of the program, including termination, associated consulting fees and employee termination benefits is estimated to be €48.1 million, with a provision of €22.1 million remaining at 31 December 2009.

Workers' compensation and other provisions

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

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

25 Employee benefits

Non-current employee provisions	Dec 2009 €m	Dec 2008 €m
Long service leave (a)	**3.5**	1.7
Retirement plans (b)	**39.0**	31.8
Other	**7.7**	4.3
	50.2	37.8

Current employee provisions	Dec 2009 €m	Dec 2008 €m
Annual leave and long service leave (a)	**22.6**	24.0
Other	**15.6**	8.2
	38.2	32.2

(a) Annual leave and long service leave

Annual leave is recognised in respect of employees' services up to the reporting date, calculated as undiscounted amounts based on remuneration wage and salary rates that the entity expects to pay at the reporting date including related on-costs, such as payroll tax.

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

(b) Retirement and post-retirement plans

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

Defined contribution plans

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

Defined benefit plans

- Nyrstar Australia Pty Limited Superannuation Defined Benefit Plan, reviewed at the settlement date of the plan as at 31 August 2009.
- Nyrstar Clarksville Inc: Hourly Employees' Pension Plan, Salaried Employees' Retirement Plan, Pension Plan for Bargaining Unit Employees, NCI/JCZ Pension Plan for Bargaining Unit Employees, Supplemental Executive Retirement Plan reviewed as at 31 December 2009.
- Employees of Nyrstar Budel BV are members of a multi-employer Metal and Electricity industry defined benefit pension plan (PME). PME are unable to provide the necessary information for defined benefit accounting to be applied and consequently the PME plan has been accounted for as a defined contribution plan.
- Nyrstar Budel BV Excedent Pension Plan reviewed as at 31 December 2009.
- Nyrstar Belgium SA/NV: Staff Old Defined Benefit plan funded through pension fund, Staff Cash Balance Plan, Staff Complementary Savings Plan, Staff Insured Old Defined Benefit plan, Staff "appointements continués", Salaried Employees Old Defined Benefit Plan, Salaried Employees "appointements continués", reviewed as at 31 December 2009.
- Nyrstar Finance SA/NV: Staff Cash Balance Plan, Staff Complementary Savings Plan, reviewed as at 31 December 2009.
- Nyrstar NV : Staff Cash Balance Plan, Staff Complementary Savings Plan, reviewed as at 31 December 2009.
- Nyrstar Sales & Marketing NV : Staff Cash balance plan, Staff Complementary Savings Plan, reviewed as at 31 December 2009.
- Nyrstar France Régime d'Indemnités de Fin de Carrière and Régime du Mutuelle, reviewed as at 31 December 2009.
- Nyrstar Germany GmbH, closed Defined Benefit plan, reviewed as at 31 December 2009.
- Galva 45 SA Régime d'Indemnités de Fin de Carrière, reviewed as at 31 December 2009 .
- GM Metal SAS Régime d'Indemnités de Fin de Carrière, reviewed as at 31 December 2009.

Medical benefit plans

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

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

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

Plan assets comprise:	Dec 2009 €m	Dec 2008 €m
Cash	**0.4**	1.5
Equity instruments	**13.1**	14.5
Debt instruments	**14.9**	14.1
Property	**-**	1.0
Other assets	**12.8**	14.3
	41.2	45.4

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

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

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

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

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

The expense recognised in the income statement is as follows:

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

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

	Dec 2009 €m	Dec 2008 €m
Cumulative at start of period	**1.6**	6.5
Recognised during the period	**(3.3)**	(4.9)
Cumulative at end of period	**(1.7)**	1.6

Principal actuarial assumptions

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

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

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

26 Trade and other payables

	Dec 2009 €m	Dec 2008 €m
Current		
Trade payables	**239.7**	149.4
Other payables	**8.9**	7.6
Total trade and other payables	**248.6**	157.0

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

27 Share-based payments

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

Employee Share Acquisition Plan

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

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

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

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

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

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

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

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

Movement of ESAP shares awarded

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

Date	Movement	Grant 1	Grant 2	Total
1 January 2009	Opening Balance	154,500	160,700	315,200
31 December 2009	Forfeitures	(19.000)	(19,850)	(38,850)
31 December 2009	Closing Balance	135,500	140,850	276,350

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

Executive Long Term Incentive Plan

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

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

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

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

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

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

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

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

(a) Performance criteria

The performance conditions are set out below.

Executive remains in service to 31 December 2008.

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

Price of zinc / MSCI

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

There are two separate performance conditions with an equal number of awards granted under each condition. For an award to vest, Nyrstar's annual share price performance is measured relative to the implied change in a notional share price that is based upon the historical performance of :

-Price of zinc

-MSCI World Metals and Mining Index

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

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

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

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

(b) Settlement

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

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

Movement of LTIP shares awarded

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

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

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

28 Earnings per share

(a) Basic earnings per share

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

The basic EPS is calculated as follows:

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

(b) Diluted earnings per share

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

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

The diluted EPS is calculated as follows

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

29 Financial Instruments

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

(a) Credit risk

(i) Exposure to credit risk

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

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

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

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

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

	Dec 2009 €m	Dec 2008 €m
Wholesale customers	**144.6**	153.0
End-user customers	**18.1**	41.1
	162.7	194.1

(ii) Ageing analysis

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

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

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

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

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

(b) Liquidity risk management

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

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

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

(c) Currency risk

Exposure to currency risk

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

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

The following significant exchange rates applied during the year:

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

Sensitivity analysis

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

	Dec 2009 €m	Dec 2008 €m
USD	7.8	10.7
AUD	(3.1)	(4.0)

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

	Dec 2009 €m	Dec 2008 €m
USD	(7.8)	(10.7)
AUD	3.1	4.0

(d) Commodity price risk management

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

The following table sets out a summary of the face value of derivative contracts hedging commodity price risks at 31 December 2009.

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

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

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

Sensitivity analysis

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

(e) Financial Instruments by category

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

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

(f) Interest rate risk management

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

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

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

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

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

The facility has a termination date of 19 December 2010, however on 19 December 2009 the facility commitment suffered a mandatory reduction of € 200 million.

Interest charges under the facility are at a floating rate with a margin grid based on the covenant ratio Adjusted Net Financial Debt to EBITDA, with margins over EURIBOR varying from 32.5 basis points to 65 basis points.

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

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

(g) Fair value of financial assets and financial liabilities

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

	31 December 2009		31 December 2008	
	Carrying Amount €m	Fair Value €m	Carrying Amount €m	Fair Value €m
Trade and other receivables	**162.7**	**162.7**	194.1	194.1
Investments in equity securities	**5.5**	**5.5**	-	-
Cash and cash equivalents	**84.0**	**84.0**	297.0	297.0
	252.2	**252.2**	491.1	491.1

Forward exchange contracts used for hedging: Assets				
Commodity contracts – fair value hedges	**56.5**	**56.5**	1.0	1.0
Fair value of underlying hedged risk	**-**	**-**	9.0	9.0
Commodity contracts – held for trading	**-**	**-**	6.5	6.5
Foreign exchange contracts – held for trading	**0.8**	**0.8**	4.5	4.5
Embedded derivative	**32.2**	**32.2**	57.4	57.4
	89.5	**89.5**	78.4	78.4
Forward exchange contracts used for hedging: Liabilities				
Commodity contracts – fair value hedges	**(11.7)**	**(11.7)**	(8.7)	(8.7)
Fair value of underlying hedged risk	**-**	**-**	(1.5)	(1.5)
Commodity contracts – held for trading	**-**	**-**	(23.2)	(23.2)
Foreign exchange contracts – held for trading	**(5.8)**	**(5.8)**	(9.4)	(9.4)
Embedded derivative	**-**	**-**	-	-
	(17.5)	**(17.5)**	(42.8)	(42.8)
Unsecured bank loans	**(10.5)**	**(10.5)**	(150.0)	(150.0)
Other loans	**(1.0)**	**(1.0)**	-	-
Borrowings – convertible bonds	**(109.2)**	**(109.2)**	-	-
Finance lease liabilities	**(1.3)**	**(1.3)**	(0.3)	(0.3)
Trade and other payables	**(248.6)**	**(248.6)**	(157.0)	(157.0)
	(370.6)	**(370.6)**	(307.3)	(307.3)

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

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

31 December 2009

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

30 Capital commitments

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

	Dec 2009 €m	Dec 2008 €m
Within one year	**22.9**	25.1
Later than one year but not later than five years	**0.1**	-
	23.0	25.1

31 Operating leases

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

	Dec 2009 €m	Dec 2008 €m
Within one year	**1.9**	4.2
Later than one year but not later than five years	**4.0**	7.7
	5.9	11.9

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

32 Contingencies

Guarantees

Guarantees provided by Nyrstar:	Dec 2009 €m	Dec 2008 €m
Workers' compensation	**7.2**	5.5
Environmental	**40.0**	22.3
Supplier	**-**	17.4
Other	**0.7**	0.2
	47.9	45.4

Guarantees received by Nyrstar		
Supplier	**0.9**	0.4
Other	**-**	0.1
	0.9	0.5

Legal actions

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

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

33 Related parties

a) Transactions with related parties

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

b) Key management compensation

BOARD OF DIRECTORS	Dec 2009 €m	Dec 2008 €m
- Salaries and other compensation:		
Fixed portion	**0.4**	0.6
Variable portion	**-**	-
- Number of shares held	**-**	-

NYRSTAR MANAGEMENT COMMITTEE	Dec 2009 €m	Dec 2008 €m
- Salaries and other compensation:		
Fixed portion	**2.0**	2.7
Variable portion (paid during period)	**0.8**	0.9
- Other benefits	**0.9**	1.3
- Number of shares held	**405,150**	5,150

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

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

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

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

35 Group entities

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

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

36 Subsequent events

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

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

REPORT OF THE STATUTORY AUDITOR ON THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2009

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NYRSTAR N.V.

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

24 February 2010

PRICEWATERHOUSECOOPERS

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

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

Unqualified audit opinion on the consolidated financial statements

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

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

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing, legal requirements and auditing standards applicable in Belgium, as issued by the "Institut des Réviseurs d'Entreprises/Instituut der Bedrijfsrevisoren". Those standards require that we plan and perform the audit to obtain reasonable assurance whether the consolidated financial statements are free from material misstatement.

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In accordance with these standards, we have performed procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

In making those risk assessments, we have considered internal control relevant to the Company's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control. We have also evaluated the appropriateness of the accounting policies used, the reasonableness of accounting estimates made by the Company and the presentation of the consolidated financial statements, taken as a whole. Finally, we have obtained from management and responsible officers of the Company the explanations and information necessary for our audit. We believe that the audit evidence we have obtained provides a reasonable basis for our opinion.

In our opinion, the consolidated financial statements give a true and fair view of the Group's net worth and financial position as of 31 December 2009 and of its results and cash flows for the year then ended in accordance with International Financial Reporting Standards, as adopted by the European Union, and with the legal and regulatory requirements applicable in Belgium.

Additional comment

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

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

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

Brussels, 24 February 2010

PricewaterhouseCoopers Bedrijfsrevisoren / Réviseurs d'Entreprises
Represented by

Peter Van den Eynde
Bedrijfsrevisor

(3)

ANNEX II: SUBSCRIPTION FORM

Subscription form

Copy for the financial intermediary (financial agent)

NYRSTAR NV
Zinkstraat 1
2490 Balen
Belgium

(VAT BE 0888.728.945, RPR/RPM Turnhout)

Public offer in Belgium and Luxembourg of 5.5% fixed rate bonds, due 9 April 2015, with a nominal value of €1,000, as defined in the Prospectus (the "Bonds")

ISIN CODE BE6000680668

SUBSCRIPTION FORM

(to be drawn up in duplicate, in accordance with the law)

I, the undersigned (name, first name) .... ,residing at ……………………......., street .... no. ....

have had the opportunity to become acquainted with the Prospectus dated 23 March 2010, and declare that I subscribe to:

.... Bonds with a nominal value of €1,000 each, at the subscription price of 101.820%,

or €1,018.20 for each Bond,

or €.................... in total.

For my subscription and as countervalue for the securities that are subscribed to, I request the bank, ... , to debit my account N° .... with the total subscription price.

I require that the Bond(s) be delivered in the form of an entry on the custody account N° ....

The paid amounts for the Bonds subscribed to and not allocated, will be refunded by ING Belgium NV/SA or KBC Bank NV, as the case may be, within seven (7) Brussels Business Days, without the subscribers being entitled to demand interest on their payments.

Drawn up in duplicate at .... on ..../.......... /...........

(subscriber's signature)

Subscription form

Copy for the subscriber

NYRSTAR NV
Zinkstraat 1
2490 Balen
Belgium

(VAT BE 0888.728.945, RPR/RPM Turnhout)

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The paid amounts for the Bonds subscribed to and not allocated, will be refunded by ING Belgium NV/SA or KBC Bank NV, as the case may be, within seven (7) Brussels Business Days, without the subscribers being entitled to demand interest on their payments.

Drawn up in duplicate at .... on ..../.......... /...........

(subscriber's signature)

ANNEX III: FORM OF PUT EXERCISE NOTICE

Form of Put Exercise Notice

Addressee	**Copy to the Agent:**
NYRSTAR NV (the "Issuer") Zinkstraat 1 2490 Balen Belgium **Attn : Company Secretary**	**KBC Bank NV (the "Agent")** Havenlaan 2 1080 Brussels Belgium **Attn : New Issues Desk**

NYRSTAR NV
Zinkstraat 1
2490 Balen
Belgium

(VAT BE 0888.728.945, RPR/RPM Turnhout)

Public offer in Belgium and Luxembourg of 5.5% fixed rate bonds, due 9 April 2015, with a nominal value of €1,000, as defined in the Prospectus (the "Bonds")

ISIN CODE BE6000680668

By sending this duly completed Put Exercise Notice to the Issuer with a copy to the Agent for the above mentioned Bonds, the undersigned Bondholder surrendered with this Put Exercise Notice and irrevocably exercises its option to have the Bonds early redeemed in accordance with Condition 5.3.1 on [*redemption date*] for an aggregate nominal amount of € ………………………..[1] for which the undersigned Bondholder hereby confirms that (i) he/she holds this amount of Bonds and (ii) he/she hereby commits not to sell or transfer this amount of Bonds until the redemption date.

Contact details of the Bondholder requesting the early redemption: [1]

Name and first name: ………………………………………………..

Address: ……………………………….……………………………..

Payment Instructions: [1]

Please make payment in respect of the above-mentioned Bonds by transfer to the following bank account:

Name of the bank: ………………………………..

Branch Address: ……………….………………..

Account Number: ………………………………..

I hereby confirm that the payment will be done against debit of my securities account N° ……………………... with the bank ……………………………. for the above mentioned nominal amount of Bonds in dematerialised form.

Signature of the holder: ……………………….. Signature Date: **……../………. /………..**

NOTE:

[1] Complete as appropriate.

N.B. The Agent will not in any circumstances be liable to any Bondholder or any other person for any loss or damage arising from any act, default or omission of such Agent in relation to the said Bonds or any of them unless such loss or damage was caused by the fraud or negligence of such Agent.

This Put Exercise Notice is not valid unless (i) all of the paragraphs requiring completion are duly completed and (ii) it is duly signed and sent. Once validly given, this Put Exercise Notice is irrevocable.

THE ISSUER

Nyrstar NV

Zinkstraat 1
2490 Balen
Belgium

DOMICILIARY AND PAYING AGENT

KBC Bank NV

Havenlaan 2
1080 Brussels
Belgium

LISTING AGENT

KBL European Private Bankers S.A.

Boulevard Royal 43
2955 Luxembourg
Grand Duchy of Luxembourg

JOINT LEAD MANAGERS

KBC Bank NV

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INDEPENDENT AUDITOR OF THE ISSUER

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