

## Aurubis meets earnings expectations while confirming forecast – large-scale shutdown in Pirdop successfully completed

Hamburg, August 10, 2016 – **The Aurubis Group generated operating earnings before taxes (EBT) of € 148 million in the first nine months of fiscal year 2015/16 (previous year: € 262 million). The operating return on capital employed (ROCE; rolling EBIT for the last four quarters) was 11.2 % (previous year: 18.7 %). Both of these KPIs are below the previous year, as announced, but are at the level of market expectations.**

Earnings were positively influenced by improved treatment and refining charges for copper concentrates due to an optimized input mix, continued high sales of rod and shapes and the ongoing strength of the US dollar.

In contrast, the nearly eight-week large-scale shutdown in Pirdop, Bulgaria, which was very successful and garnered global attention in the industry, had an adverse impact. A total of 52 companies and roughly 1,200 people participated in this maintenance and repair shutdown, the largest since 1986. The capital expenditure volume amounted to € 44 million, and eleven facilities were replaced in 54 days.

Continued weakness in the copper scrap markets, sulfuric acid markets impacted by an overcapacity as well as the lower cathode premium this year all strained the results as well.

*“Having started at Aurubis in early July, I was pleased to hear that we carried out our shutdown in Pirdop in Q3 as scheduled and that our employees completed this very ambitious task so successfully. This was one reason why our operating EBT fulfilled market expectations in this quarter,”* commented **Jürgen Schachler**, Aurubis CEO since July 1, 2016, regarding the results.

The prior-year earnings included positive extraordinary effects of about € 32 million, which mainly resulted from low precious metal inventories at the end of the third quarter.

The Aurubis Group’s revenues in the first three quarters of fiscal year 2015/16 reached € 7,076 million (previous year: € 8,467 million). The reduction in revenues is primarily due to lower copper prices.

### **Outlook**

We continue to expect treatment and refining charges to be at a good level. In the case of sulfuric acid revenues, we currently don’t expect prices to recover. We don’t see a sustainable recovery of the copper scrap markets at the moment, either. Increasing metal prices could have a positive impact in this area, however.

For rod and shapes products, we expect stable demand at the level of the previous year. On the markets for strip products, we also anticipate stable demand at a low level in the key market segments.

Since a large portion of our income is based on the US dollar, we continue to expect positive earnings contributions, compared to the previous year, due to the strong US dollar.

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The improvement projects that we have initiated are contributing to earnings in the current fiscal year; they will, however, only have a significant positive impact in future fiscal years.

*“Accordingly, we can confirm our forecast for the entire year: compared to the record result of the previous year, we will generate a significantly lower but good result in fiscal year 2015/16,” Erwin Faust, CFO of Aurubis, summarized the fiscal year outlook.*

**You can find the complete report on the first nine months of fiscal year 2015/16, including the segment reporting, at [www.aurubis.com](http://www.aurubis.com)**

*IFRS earnings before taxes for the first nine months amounted to € 98 million (previous year: € 245 million). In contrast to operating earnings, IFRS earnings include measurement effects due to copper price fluctuations and other factors. Therefore, the operating earnings are decisive for Aurubis in assessing the business performance and managing the company.*

#### **Company profile**

*In 2016, Aurubis is celebrating the 150th anniversary of the company’s founding (as Norddeutsche Affinerie on April 28, 1866) under the motto “150 Years of the Future”.*

*Today, Aurubis is the leading integrated copper group and the largest copper recycler worldwide. We produce more than 1 million t of copper cathodes annually and from them a variety of copper products. Production expertise is our strength and the driving force of our success.*

*Aurubis has about 6,300 employees, production sites in Europe and the USA and an extensive service and sales system for copper products in Europe, Asia and North America.*

*Thanks to our wide range of services, we rank among the global leaders in our industry. Our core business is the production of marketable copper cathodes from copper concentrates, copper scrap and other recycling raw materials. These are processed within the Group into continuous cast wire rod, shapes, rolled products and strip, as well as specialty wire and profiles made of copper and copper alloys. Precious metals and a number of other products, such as sulfuric acid and iron silicate, round off our product portfolio.*

*Customers of Aurubis include companies in the copper semis industry, the electrical engineering, electronics and chemical industries, as well as suppliers of the renewable energies, construction and automotive sectors.*

*Aurubis is oriented to growth and to increasing corporate value: the main focuses of our strategy are on expanding our leading market position as an integrated copper producer, utilizing growth opportunities and practicing a responsible attitude when dealing with people, resources and the environment.*

*Aurubis shares are part of the Prime Standard Segment of the Deutsche Börse and are listed in the MDAX and the Global Challenges Index (GCX).*

Further information at [www.aurubis.com](http://www.aurubis.com)

## At a Glance

Key Aurubis Group figures		Q3			9M		
		2015/16	2014/15	Change	2015/16	2014/15	Change
Revenues	€m	2,351	2,948	-20 %	7,076	8,467	-16 %
Gross profit	€m	264	284	-7 %	722	874	-17 %
Operating gross profit	€m	240	293	-18 %	766	885	-13 %
Personnel expenses	€m	114	111	3 %	337	329	2 %
Depreciation and amortization	€m	33	34	-3 %	98	102	-4 %
Operating depreciation and amortization	€m	31	32	-3 %	93	97	-4 %
EBITDA**	€m	94	110	-15 %	210	368	-43 %
Operating EBITDA**	€m	70	119	-41 %	254	379	-33 %
EBIT	€m	61	76	-20 %	112	266	-58 %
Operating EBIT	€m	39	87	-55 %	161	282	-43 %
EBT	€m	58	69	-16 %	98	245	-60 %
<b>Operating EBT*</b>	<b>€m</b>	<b>35</b>	<b>81</b>	<b>-57 %</b>	<b>148</b>	<b>262</b>	<b>-44 %</b>
Consolidated net income	€m	42	51	-18 %	72	182	-60 %
Operating consolidated net income	€m	26	61	-57 %	109	196	-44 %
Earnings per share	€	0.94	1.14	-18 %	1.58	4.03	-61 %
Operating earnings per share	€	0.57	1.35	-58 %	2.40	4.35	-45 %
Net cash flow	€m	203	239	-15 %	45	348	-87 %
Capital expenditure (excl. financial fixed assets)	€m	41	23	76 %	107	70	52 %
<b>Operating ROCE*</b>	<b>%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>11.2</b>	<b>18.7</b>	<b>-</b>
Copper price (average)	US\$/t	4,729	6,043	-22 %	4,765	6,165	-23 %
Copper price (balance sheet date)	US\$/t	-	-	-	4,827	5,721	-16 %
Employees (average)		6,380	6,318	1 %	6,337	6,322	0 %

\* Corporate control parameters

The results are explained in the comments on the results of operations, net assets and financial position.

\*\* EBITDA (operating EBITDA) is derived from EBIT (operating EBIT) plus depreciation and amortization (operating depreciation and amortization).

Certain prior-year figures have been adjusted.

The report may include slight deviations in the totals due to rounding.

Production output/throughput		Q3			9M		
		2015/16	2014/15	Change	2015/16	2014/15	Change
<b>BU Primary Copper</b>							
Concentrate throughput	1,000 t	373	574	-35.0 %	1,572	1,732	-9.2 %
Copper scrap/blister copper input	1,000 t	20	33	-39.4 %	79	96	-17.7 %
Sulfuric acid output	1,000 t	349	555	-37.1 %	1,503	1,666	-9.8 %
Cathode output	1,000 t	135	155	-12.9 %	438	459	-4.6 %
<b>BU Copper Products</b>							
Copper scrap/blister copper input	1,000 t	83	70	18.6 %	233	230	1.3 %
KRS throughput	1,000 t	58	58	0.0 %	189	202	-6.4 %
Cathode output	1,000 t	121	133	-9.0 %	375	396	-5.3 %
Rod output	1,000 t	206	207	-0.5 %	588	570	3.2 %
Shape output	1,000 t	46	47	-2.1 %	132	129	2.3 %
Flat rolled products and specialty wire output	1,000 t	59	57	3.5 %	164	163	0.6 %

Certain figures have been adjusted due to changes to the division of the segments.