

## Aurubis begins the fiscal year with very good quarterly results

- Operating quarterly earnings before taxes (EBT) of € 79 million
- Operating ROCE increases to 15.4 % compared to the prior-year quarter
- Forecast for the current fiscal year to remain the same
- Aurubis has signed term sheet with Wieland-Werke AG regarding the sale of Segment Flat Rolled Products (FRP)

**Hamburg, February 13, 2018** – The Aurubis Group (Aurubis) generated operating earnings before taxes (EBT) of € 79 million in Q1 of fiscal year 2017/18 (previous year: € 18 million). In particular, a significantly higher concentrate throughput and increased refining charges for copper scrap had a positive impact.

Higher sulfuric acid revenues, a higher metal yield with increased copper prices as well as stronger sales of rod and flat rolled products also bolstered the quarterly results. Successes from the ongoing efficiency enhancement program also contributed to profits.

However, the lower copper premium and the weaker US dollar had the opposite effect, because Aurubis generates significant revenue in this currency.

The comparable prior-year quarter was strained by a scheduled maintenance shutdown in Hamburg and by negative measurement effects in connection with inventory levels.

*“The fiscal year began very well for us, if one considers that the first quarter of our fiscal year is normally weaker due to seasonal effects,”* explains **Jürgen Schachler, Executive Board Chairman of the Aurubis Group**, *“In this quarter we profited in particular from the simultaneous good performance at our sites and the good scrap markets. We are also fully on track with our efficiency enhancement program.”*

Revenues in the Group increased during the first three months of the fiscal year to € 2,872 million (previous year: € 2,462 million), which can primarily be attributed to the increased copper price. Operating ROCE (taking the operating EBIT of the last 4 quarters into consideration) was 15.4 % (previous year: 9.5 %). The increase is a result of the earnings contributions, which were higher compared to the previous year.

On an IFRS basis, Aurubis generated EBT of € 170 million (previous year: € 102 million). Because the IFRS result includes measurement effects due to copper price fluctuations and other factors, Aurubis discloses an operating result. Its presentation eliminates these effects, enables a more realistic assessment of the business performance and is thereby decisive for managing the company.

With its Vision 2025 and the recently published strategy, Aurubis will further develop into a multi-metal provider. Therefore, beginning with this quarter the

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company is also reporting sales volumes for lead, nickel, tin, platinum group metals and other minor metals for the first time, in addition to gold and silver.

As already announced yesterday, February 12, 2018, Aurubis AG, Hamburg, is in advanced negotiations regarding the sale of Segment Flat Rolled Products (FRP) to Wieland-Werke AG, Ulm.

Yesterday the parties signed a term sheet that governs key aspects of a possible transaction. In addition, this also governs a possible purchase contract, the details of which are yet to be negotiated. The term sheet is subject to approval by Aurubis AG's Supervisory Board, which in principle views the plan positively.

Aurubis AG's Executive Board sees the completion of the term sheet as an important intermediate step towards further negotiations and the sale. The transaction would be subject to the usual conditions, especially approval by antitrust authorities.

Looking ahead, **Jürgen Schachler** said: *"With the sale, we would leave the strip business and further strengthen our strategic orientation towards multi-metal business. We presented this to the public at the end of 2017 within the scope of our corporate strategy 'Growth, Efficiency & Responsibility'."*

## Outlook

Aurubis anticipates a good market situation overall in both the raw material and product markets. The supply of copper concentrates remains satisfactory. Aurubis expects satisfactory treatment and refining charges for concentrates until the end of the fiscal year, despite the reduced 2018 benchmark published by Reuters. Due to its core competency of processing complex concentrates, the company will be able to achieve TC/RCs that are above the benchmark average.

The company also expects a fundamentally stable copper scrap market. However, declining metal prices could lead to a tightening of the market with decreasing refining charges in the short term.

On the markets for copper products, Aurubis expects good sales of rod, and demand for shapes at a stable, high level for the coming months. The company expects demand for flat rolled products in Europe to continue at a high level, especially for higher-end products like high-performance alloys and tin-coated strips. In North America, the company anticipates robust demand with momentum from the connector sector.

The positive market trend for sulfuric acid is expected to continue in Q2.

Regarding copper production, Aurubis expects the volume of copper concentrates processed to be higher than the previous year, with high plant availability, and cathode output higher than in the previous year.

Aurubis left the copper premium at US\$ 86/t for calendar year 2018 and for the most part expects to be able to implement this premium via the products.

The weakening US dollar is having a generally negative effect on Aurubis' business. In consideration of its hedging strategy, Aurubis anticipates negative contributions to results compared to the previous year in this connection.

**Jürgen Schachler** summarizes: *"We confirm our forecast from the beginning of the fiscal year: For 2017/18, we expect operating earnings before taxes at the previous year's level and a slightly lower operating ROCE compared to the previous year. Signing the term sheet regarding a possible sale of the Segment FRP does not currently involve a modification of the outlook."*

**You can find the complete report on the first three months of fiscal year 2017/18 at [www.aurubis.com](http://www.aurubis.com)**

## At a Glance

Key Aurubis Group figures		Q1		
		2017/18	2016/17	Change
Revenues	€m	2,872	2,462	17 %
Gross profit	€m	382	315	21 %
Operating gross profit	€m	291	230	27 %
Personnel expenses	€m	115	117	-2 %
Depreciation and amortization	€m	33	33	0 %
Operating depreciation and amortization	€m	32	32	0 %
Capital expenditure	€m	44	79	-44 %
EBITDA**	€m	205	139	47 %
Operating EBITDA**	€m	114	54	> 100 %
EBIT	€m	172	106	62 %
Operating EBIT	€m	82	22	> 100 %
EBT	€m	170	102	67 %
<b>Operating EBT*</b>	<b>€m</b>	<b>79</b>	<b>18</b>	<b>&gt; 100 %</b>
Consolidated net income/loss	€m	130	78	66 %
Operating consolidated net income	€m	60	14	> 100 %
Earnings per share	€	2.88	1.73	66 %
Operating earnings per share	€	1.33	0.30	> 100 %
Net cash flow	€m	-246	-41	> 100 %
<b>Operating ROCE*</b>	<b>%</b>	<b>15.4</b>	<b>9.5</b>	<b>-</b>
Copper price (average)	US\$/t	6,808	5,277	29 %
Copper price (balance sheet date)	US\$/t	7,157	5,501	-
Employees (average)		6,508	6,457	1 %

\* Corporate control parameters.

Comments on the results are presented in the explanatory notes to the results of operations, net assets and financial position.

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

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

Production output/throughput		Q1		
		2017/18	2016/17	Change
Concentrate throughput	1,000 t	654	544	20 %
Copper scrap/blister copper input	1,000 t	99	118	-16 %
KRS throughput	1,000 t	79	65	22 %
Sulfuric acid output	1,000 t	633	529	20 %
Cathode output	1,000 t	296	281	5 %
Rod output	1,000 t	181	163	11 %
Shape output	1,000 t	44	43	2 %
Flat rolled products and specialty wire output	1,000 t	55	53	4 %

**Aurubis - Metals for Progress**

*Aurubis AG is a leading worldwide provider of non-ferrous metals and the largest copper recycler worldwide. The company processes complex metal concentrates, scrap metals and metal-bearing recycling materials into metals of the highest quality.*

*Its main area of expertise is the processing and optimal recovery of concentrates and raw recycling materials with complex qualities. With its range of services, Aurubis is a forerunner in the industry. The group of companies is oriented towards growth, efficiency and sustainability: The main components of the strategy are the expansion of the leading market position as an integrated copper producer, entering new markets in the future industries sector, the highly efficient and optimal recovery of additional metals and by-products from complex raw materials, as well as practicing a responsible attitude when dealing with people, resources and the environment.*

*Aurubis produces more than 1 million t of copper cathodes annually, and from them a variety of copper products such as wire rod, continuous cast shapes, rolled products and strips, as well as specialty wire and copper profiles and alloys. Precious metals, selenium, lead, nickel and a number of other products such as sulfuric acid and iron silicate also belong to the product portfolio.*

*Aurubis has about 6,500 employees, production sites in Europe and the USA and an extensive service and distribution system in Europe, Asia and North America.*

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

*Aurubis shares are part of the Prime Standard Segment of the German Stock Exchange and are listed in the MDAX, the Global Challenges Index (GCX) and the STOXX Europe 600.*

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