

Aurubis confirms forecast for the entire fiscal year

Hamburg, February 10, 2016 – **Aurubis AG generated operating earnings before taxes (EBT) of € 36 million in Q1 of the current fiscal year 2015/16 (previous year: € 39 million). The forecast for fiscal year 2015/16 was confirmed.**

The results in Q1 were burdened by weak copper scrap markets, lower precious metal production and a lower metal yield with reduced metal prices.

In contrast, increased treatment and refining charges for copper concentrates, higher sales of continuous cast wire rod and shapes and related higher income from cathode premiums positively impacted the results. The ongoing strength of the US dollar – the currency in which treatment and refining charges and the cathode premium are established – supported the results.

“In an overall favorable market environment, the main factors that burdened the Q1 results were the weak scrap markets and a lower metal gain in conjunction with reduced metal prices,” Executive Board Spokesman Erwin Faust said about the results.

The operating return on capital employed (ROCE) reached an excellent 17.5 % (previous year: 11.0 %) and was therefore significantly above the target of 15 %. The equity ratio is at a very good level of 49 % (previous year: 44 %) with very low debt, demonstrating Aurubis’ excellent balance sheet strength.

The Aurubis Group’s revenues reached € 2,398 million during Q1 (previous year: € 2,635 million). The reduction in revenues is primarily due to lower metal prices.

The net cash flow was € -23 million compared to € 102 million in the previous year. The decrease in the net cash flow is primarily due to the build-up of working capital, mainly as a result of an increase in inventories leading up to the large-scale shutdown in Pirdop (April/May 2016). The inventories will decrease to a normal level again after the shutdown, with a positive impact on the cash flow accordingly.

IFRS earnings before taxes (EBT) in Q1 of fiscal year 2015/16 were € -34 million (Q1 of the previous fiscal year: € 33 million) and were primarily influenced by a drop in metal prices. 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.

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Outlook

We anticipate good treatment and refining charges for Aurubis until the end of the fiscal year. We expect the volume of copper concentrates processed during the fiscal year to be lower than the previous year. The main reason for this is the planned large-scale maintenance and repair shutdown of our concentrate processing facilities in Pirdop, which is scheduled for April and May 2016 and which will lead to a significant strain on earnings in Q3.

From the current perspective, we expect the copper scrap markets to recover from Q3 onwards, with a consequent recovery in refining charges.

Based on the assumption that the copper scrap supply will be otherwise uninterrupted and that there will be a sufficiently full supply of concentrates, we expect cathode output to be at the prior-year level.

There is no current perceptible improvement in sulfuric acid prices, which came under pressure at the start of the fiscal year. There is still a surplus supply on the international market.

In the copper product segment, we expect good demand overall from our main markets in Europe. In North America, we expect stronger competition from imports for our local strip production due to the strong US dollar.

With regards to the optimization projects we have initiated, we are confident that we will be able to achieve the project targets in the medium term. The projects are already contributing to earnings in the current fiscal year; they will, however, only have a significant positive impact in future fiscal years.

“For the entire year, we still view our earnings forecast from December as realistic: while Aurubis’ earnings will be significantly lower than the record earnings of the previous year, they will still be satisfactory in fiscal year 2015/16,” Erwin Faust concluded.

You can find the complete report on Q1 2015/16 at www.aurubis.com.

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

Key Aurubis Group figures		Q1		
		2015/16	2014/15	Change
Revenues	€m	2,398	2,635	-9 %
Gross profit	€m	174	238	-27 %
Operating gross profit	€m	241	242	0 %
Personnel expenses	€m	110	105	5 %
Depreciation and amortization	€m	32	35	-9 %
Operating depreciation and amortization	€m	30	33	-9 %
EBITDA	€m	4	78	-95 %
Operating EBITDA	€m	71	82	-13 %
EBIT	€m	(28)	43	< -100 %
Operating EBIT	€m	41	49	-16 %
EBT	€m	(34)	33	< -100 %
Operating EBT*	€m	36	39	-8 %
Consolidated net income/(loss)	€m	(25)	25	< -100 %
Operating consolidated net income	€m	26	29	-10 %
Earnings per share	€	(0.56)	0.54	< -100 %
Operating earnings per share	€	0.58	0.64	-9 %
Net cash flow	€m	(23)	102	< -100 %
Capital expenditure (excl. financial fixed assets)	€m	34	21	62 %
Operating ROCE*	%	17.5	11.0	-
Copper price (average)	US\$/t	4,892	6,624	-26 %
Copper price (balance sheet date)	US\$/t	4,702	6,359	-26 %
Employees (average)		6,316	6,335	0 %

* Corporate control parameters

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

Production output/throughput		Q1		
		2015/16	2014/15	Change
BU Primary Copper				
Concentrate throughput	1,000 t	601	576	4.3 %
Copper scrap input	1,000 t	23	30	-23.3 %
Sulfuric acid output	1,000 t	576	551	4.5 %
Cathode output	1,000 t	150	153	-2.0 %
BU Copper Products				
Copper scrap/blister copper input	1,000 t	67	79	-15.2 %
KRS throughput	1,000 t	70	70	0.0 %
Cathode output	1,000 t	130	132	-1.5 %
Wire rod output	1,000 t	178	163	9.2 %
Continuous cast shape output	1,000 t	38	38	0.0 %
Flat rolled products and specialty wire output	1,000 t	50	48	4.2 %

Certain prior-year figures have been adjusted.