

REPORT on **Fiscal Year 2009/10**

1 October 2009 to 30 September 2010

HIGHLIGHTS

Management Report

Aurubis AG increases its earnings before taxes to €258 million in fiscal year 2009/10 and proposes the payment of a dividend in the amount of €1.00 per share.

Hamburg, 14 December 2010 – In fiscal year 2009/10 Aurubis AG (Aurubis) achieved a considerable increase in earnings, generating earnings before taxes (EBT) of €258 million. The Group benefited from the worldwide economic recovery and from the increased demand for products from copper processing. The high refining charges for copper scrap and the price for sulphuric acid, which recently rose again, also contributed to the increase in earnings. The further rise in the copper price was reflected in valuation effects amounting to €99 million. The operating result therefore amounted to €159 million. At €85 million, net cash flow was significantly below the prior-year level of €645 million. This decrease is primarily attributed to the increase in net working capital.

The complete annual report was published today on our homepage, www.aurubis.com.

Raw material markets

The recovery of the copper price continued in fiscal year 2009/10 despite the after-effects of the economic and financial crisis. The further increase was supported in particular by higher domestic demand for copper products within Europe as well as by China's continuing high demand for refined copper. As a result, the copper price rose from US\$ 5,856/tonne at the beginning of October 2009 to a high of US\$ 8,053/tonne on 30 September 2010.

At the beginning of the fiscal year, the market for copper concentrates was characterised by shortages due to the high demand of Chinese smelters and copper mines' weak production output. This led above all to significantly reduced treatment and refining charges on the spot market. Aurubis utilised the flexibility of its production processes and charged additional copper scrap in order to keep the facilities of BU Primary Copper fully supplied. A tentative recovery of the treatment and refining charges could be observed toward the end of the reporting period, mainly caused by smelter closures and maintenance standstills.

The copper scrap market was well supplied in fiscal year 2009/10. The continued recovery of the economy and the increasing copper price led to increased copper scrap generation. This development was promoted by the great restraint of Chinese purchasers. The supply for our recycling facilities was secured at satisfactory refining charges.

Product markets

The market for sulphuric acid experienced a considerable recovery in the past fiscal year following the strong decline in demand last year. The prices for this by-product of copper smelting rose to a high level again in the course of the reporting period.

In line with the overall economic recovery, the trend on the markets for copper products improved more than expected a year ago. This was especially true for the product groups of continuous cast wire rod and shapes. In addition, there was a perceptible increase in demand in the markets for semi-finished products, such as strips, sheets and copper tubes.

Production

The concentrate quantities processed in Business Unit (BU) Primary Copper were only marginally influenced by the shortage on the concentrate market. A total of 2,063,000 tonnes of concentrates (2,095,000 tonnes in the prior year) was processed at the Hamburg and Pirdop sites during the fiscal year. Sulphuric acid production declined slightly to 2,071,000 tonnes (2,114,000 tonnes in the prior year) due to the lower concentrate throughput. At 932,000 tonnes, the output of cathodes in the BU's tankhouses was substantially up on the prior year (889,000 tonnes). The operating EBT of BU Primary Copper amounted to €65.4 million (€-27.3 million in the prior year). The higher earnings resulted from high refining charges and a higher throughput of copper scrap as well as increased sulphuric acid prices.

BU Recycling/Precious Metals produced 212,000 tonnes of copper cathodes for the first time (197,000 tonnes in the prior year). The throughput in the Kayser Recycling System (KRS) rose from 225,000 tonnes to 233,000 tonnes. Likewise, we reached new record highs with an output of 38 tonnes of gold (33 tonnes in the prior year) and 1,339 tonnes of silver (1,230 tonnes in the prior year). BU Recycling/Precious Metals generated an operating EBT of € 49.4 million (€ 34.8 million in the prior year). The increase in earnings resulted in particular from higher refining charges and a higher throughput of recycling materials as well as increased precious metal production.

The production volume in BU Copper Products rose notably again particularly due to growing demand in Europe. Capacity utilisation in the BU's four rod plants was high, with a total output of 766,000 tonnes of wire rod (622,000 tonnes in the prior year). Utilisation of the continuous casting plant in Hamburg improved considerably, producing 210,000 tonnes of shapes (153,000 tonnes in the prior year). On account of the considerably higher sales volumes, BU Copper Products improved its operating result to a total of € 47.9 million (€ 30.9 million in the prior year).

The Aurubis Group continues to report in accordance with International Financial Reporting Standards (IFRS). The explanations on the consolidated financial statements given here do not take the effects of the revaluation of LIFO inventories using the average cost method into account. These are detailed in the annual report.

Results of operations

The Aurubis Group generated earnings before taxes (EBT) of € 258 million (€ 73 million in the prior year) in fiscal year 2009/10.

The rising copper price during the fiscal year led to write-ups on the copper inventories of the former Cumerio companies and thus to positive valuation effects totalling € 99 million. The operating result therefore amounted to € 159 million.

The results of operations were mainly influenced by the following factors:

- » High utilisation of the facilities for copper refining and copper products
- » Good refining charges for copper scrap together with good material availability
- » Overall low treatment and refining charges for copper concentrates
- » Efficient metal yield with high metal prices
- » Increasing sulphuric acid prices
- » High demand for copper products, especially continuous cast wire rod

Group revenues grew from € 6,687 million in the prior year to € 9,865 million, mainly as a result of the increased copper price.

Gross profit rose by € 212 million to € 851 million, primarily due the improved global economic situation and good copper scrap markets.

Personnel expenses went up to € 295 million in fiscal year 2009/10 (€ 270 million in the prior year) because of higher share-based compensation and profit-sharing, an increased number of employees and higher pension provisions.

Depreciation on property, plant and equipment remained at the same level as the prior year (€ 106 million).

Earnings before interest, taxes, depreciation and amortisation (EBITDA) rose to € 392 million (€ 216 million in the prior year). Accordingly, earnings before interest and taxes (EBIT) went up to € 286 million (€ 111 million in the prior year) and earnings before taxes increased to € 258 million (€ 73 million in the prior year).

Consolidated net earnings increased from € 53 million in the prior year to € 193 million. After deducting non-controlling interests, basic earnings per share amount to € 4.69 (€ 1.28 in the prior year).

Financial position and capital expenditure

Net cash flow (cash inflow from operating activities) at € 85 million was significantly lower than the prior-year level of € 645 million. This decline is mainly a result of the increase in net working capital. The build-up of copper scrap inventories and the higher metal prices had an impact here. Copper scrap could be procured at high refining charges.

Capital expenditure rose in fiscal year 2009/10 from € 111 million in the prior year to € 151 million and mainly concerned the Hamburg, Pirdop, Olen and Lunen sites. This includes capital expenditure related to the long-term energy supply contract with Vattenfall.

Outlook

The global economic recovery process is expected to continue in 2011. Risks resulting from factors such as certain countries' high national debt and the restructuring of the financial sector could impede this process at times, however. In Europe, the upswing has gained strength, which will have a positive effect on our business. This applies to demand for high-value copper products on the one hand and for the demand and the price level for sulphuric acid on the other.

On the copper market, there are signs that the positive trend during 2010 will also continue in 2011. These are primarily supported by the fundamental situation on the market, whereby copper demand will grow further, borne along by the global economic recovery. In light of the expected high copper price, we believe global mining output will pick up further. This should lead to improved availability of copper concentrates in the medium term due to newly opened copper mines and thus a recovery of the treatment and refining charges. Higher production output from mines already in operation could help relieve the concentrate markets as well.

We initially expect recycling materials to remain readily available with good refining charges. However, the situation on the copper scrap markets is difficult to predict.

We have already largely neutralised the impact of the euro:USD exchange rate by hedging transactions.

We view ourselves as well positioned thanks to our wide regional presence in Europe. The fundamental outlook for copper remains distinctly positive. Overall, we expect business performance to improve, and barring new critical developments on the financial markets or significant changes on the copper scrap markets, earnings to increase in fiscal year 2010/11 compared to the prior year.

GROUP KEY FIGURES

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before revaluation of LIFO inventories using the average cost method

		12 months 09/10	12 months 08/09	Difference in %
Revenues	€m	9,865	6,687	+ 48
Gross profit	€m	851	639	+ 33
Personnel expenses	€m	295	270	+ 9
Depreciation and amortisation	€m	106	106	+ 1
EBITDA	€m	392	216	+ 81
EBIT	€m	286	111	+ 158
EBT	€m	258	73	+ 251
Net income	€m	193	53	+ 262
Earnings per share	€	4.69	1.28	+ 266
Gross cash flow	€m	241	283	- 15
Net cash flow	€m	85	645	- 87
Capital expenditure (excl. financial fixed assets)	€m	151	111	+ 36
Copper price (average)	US\$/t	7,036	4,479	+ 57
Human resources (average)		4,754	4,715	+ 1

FINANCIAL CALENDAR

Interim report on the first three months	9 February 2011
DVFA Analysts Conference	9 February 2011
Annual General Meeting	3 March 2011
Interim report on the first six months	13 May 2011
Interim report on the first nine months	10 August 2011
Annual Report 2010/11	19 December 2011

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Disclaimer:

Forward-looking statements

This information contains forward-looking statements based on current assumptions and forecasts. Various known and unknown risks, uncertainties and other factors could have the impact that the actual future results, financial situation or developments differ from the estimates given here. We assume no liability to update forward-looking statements.