

REPORT on
Fiscal Year 2008/09

1 October 2008 to 30 September 2009

HIGHLIGHTS

Management Report

Aurubis AG ends fiscal year 2008/09 with pre-tax earnings of € 73 million and proposes the payment of a dividend in the amount of € 0.65 per share.

Hamburg, 16 December 2009 – In fiscal year 2008/09 Aurubis AG (Aurubis) achieved earnings before taxes (EBT) of € 73 million in a difficult market environment. Thanks to the again higher copper price, the high negative valuation effects of the first quarter were more than compensated. In total, these valuation effects amounted to € 42 million and the operating result to € 32 million. Thus, the positive trend that was already emerging in the third quarter continued. The sound business model at Aurubis prevented the operating result from sliding into the red, despite the poor economic environment. In the first year of the full consolidation of the former Cumerio nv/sa, the net cash flow amounted to € 645 million and exceeded the comparable prior-year figure by € 189 million, above all mainly due the steady controlling and reduction of the net working capital.

The complete annual report has been published today on our homepage at www.aurubis.com.

Markets

After the copper price had fallen to a low for the fiscal year of US\$ 2,770/t, demand from China in particular supported the copper price performance and more than covered the declining copper demand resulting from the economic trend in the Western industrial nations. The copper price recovered in the course of the fiscal year and reached a level of just over US\$ 6,100/t at the end of September.

The – at times – very unsatisfactory sales and price situation for sulphuric acid and the tight market for copper scrap caused meanwhile by Chinese buying activities resulted in reduced capacity utilisation in copper refining, especially at Asian smelters.

The market for sulphuric acid suffered particularly in the second quarter from the economic situation. As the year continued, demand rose again and the prices likewise increased slightly, but remained significantly lower than the prior-year level.

The strong Chinese demand for copper concentrates combined with a moderate production output at the copper mines had an adverse impact on concentrate availability. This caused the treatment and refining charges to reduce, especially on the spot market. The poor availability of copper scrap at the beginning of the fiscal year initially led to declining refining charges, which did however rise again in the course of the fiscal year.

Production

The production quantities in the Business Unit (BU) Primary Copper were only influenced to a limited degree by this market development. A total of 2,095,000 tonnes of concentrates (1,606,000 tonnes in the prior year) were processed. The output of sulphuric acid rose to 2,114,000 tonnes (1,600,000 in the prior year). Some 889,000 tonnes of cathodes (649,000 tonnes in the prior year) were produced in the BU tankhouses.

*High copper and
precious metal output*

BU Recycling/Precious Metals produced 197,000 tonnes of copper cathodes (203,000 tonnes in the prior year). The output of gold at 33.3 tonnes (34.4 tonnes in the prior year) and silver at 1,227 tonnes (1,278 tonnes in the prior year) almost matched the prior-year level.

The production volume in BU Copper Products declined due to reduced demand, particularly in the first half-year. The trend was reversed from summer onwards, which resulted in a slow but steady increase in demand. A total of 622,000 tonnes of wire rod was produced in the BU's four rod plants (718,000 tonnes in the prior year). The output of continuous cast shapes totalling 153,000 tonnes (222,000 tonnes in the prior year) remained at an unsatisfactory level.

The Aurubis Group continues to report in accordance with International Financial Reporting Standards (IFRS). The explanations on the results for the fiscal year in this report ignore the effects of the revaluation of LIFO inventories using the average cost method. These are detailed in the annual report.

Results of operations

The Aurubis Group generated earnings before taxes (EBT) of € 73 million (€ 341 million in the prior year) in fiscal year 2008/09.

The high metal price devaluations from the first quarter for copper inventories of the former Cumerio could be more than compensated in the course of the year on account of the increase in the copper price. Altogether, the accumulated valuation effects were positive, totalling € 42 million and the operating result amounted to € 32 million.

The business performance compared with the prior year was mainly influenced by the following factors:

- » Weak product sales from copper processing, especially in the first six months
- » Low treatment and refining charges for copper concentrates
- » Overall unsatisfactory prices for sulphuric acid
- » Accumulated refining charges for copper scrap at a low level, but already considerably improved in the second half-year

In contrast to the prior year, weak markets and low prices

Group revenues amounted to € 6,687 million (€ 8,385 million in the prior year). The decline in revenues mainly as a result of lower copper prices could not be compensated, despite the full inclusion of Cumerio.

The gross profit of € 639 million was down on the figure of € 894 million for the prior year, mainly due to the unsatisfactory business trend.

Personnel expenses rose from € 266 in the prior year to € 270 million in the year under review. The rise on account of the full consolidation of Cumerio (7 months in the prior year) and wage-scale adjustments was partly compensated, in particular by lower plant utilisation and short-time working in some sectors.

Depreciation on property, plant and equipment totalling € 106 million was up on the prior fiscal year (€ 92 million), also mainly due to the consolidation of the Cumerio companies as of 1 March 2008 onwards.

Earnings before interest, taxes, depreciation and amortisation (EBITDA) amounted to € 216 million (€ 474 million in the prior year). At the same time, earnings before interest and taxes (EBIT) fell to € 111 million (€ 382 million in the prior year).

After taking into account net interest expense, earnings before taxes (EBT) amounted to € 73 million (€ 341 million in the prior year).

Financial position and capital expenditure

Considerably higher net cash flow of € 645 million was recorded (€ 456 million in the prior year), despite the significantly reduced earnings compared with the prior year. The very good net cash flow trend was supported by the reduced working capital.

Cash flow significantly higher than the prior-year level

Capital expenditure amounted to € 165 million (€ 116 million in the prior year) in the year under review, of which € 111 million comprised investments in property, plant and equipment mainly at the Hamburg Pirdop and Lunen sites (€ 114 million in the prior year). The investments of € 53 million in financial fixed assets related to the acquisition of securities.

The Group reported cash and cash equivalents of € 257 million as at 30 September 2009.

Outlook

Following fiscal year 2008/09 which was marked by the economic crisis, we expect the economic environment to stabilise again in the new fiscal year, with a positive impact on our business and thus on our operating results. It cannot however be expected that the excellent results of 2007/08 can be achieved again in the forecast period. This relates, for example, to demand for wire rod, and demand and the price level for sulphuric acid.

Apart from the development of the European economy, our business is also affected by global developments. The performance of the US dollar against the Euro is an important component of this. By concluding hedging transactions, we have however already neutralised the impact of the US dollar on the current fiscal year to a great extent. In addition, the continuing development of the Chinese economy, which has a major impact on the state of our procurement and sales markets, must also be considered. The copper scrap markets with their high fluctuations in prices and availability depending on the market situation and the activities of Chinese purchasers must be particularly mentioned here. The availability and the level of treatment and refining charges for copper concentrates are currently not satisfactory. We expect market conditions to improve gradually in the future.

Overall, it is clear that the development of our company's earnings will be influenced by external factors that are also difficult to forecast. The fundamental prospects for copper continue to be clearly positive. From a present-day perspective we expect earnings to stabilise and improve overall.

GROUP KEY FIGURES

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before revaluation of LIFO inventories using the average cost method

		12 months 07/08*	12 months 08/09	Difference in %
Revenues	€m	8,385	6,687	- 20
Gross profit	€m	894	639	- 28
Personnel expenses	€m	266	270	+ 1
Depreciation and amortisation	€m	92	106	+ 15
EBITDA	€m	474	216	- 54
EBIT	€m	382	111	- 71
EBT	€m	341	73	- 79
Net income	€m	237	53	- 78
Earnings per share	€	5.82	1.28	- 78
Gross cash flow	€m	399	283	- 29
Net cash flow	€m	456	645	+ 41
Capital expenditure (excl. financial fixed assets)	€m	114	111	- 3
Copper price (average)	US\$/t	7,785	4,479	- 42
Human resources (average)		4,106	4,715	+15

* incl. Cumerio from March 2008 onwards

FINANCIAL CALENDAR

Interim report on the first quarter	11 February 2010
Annual General Meeting	3 March 2010
Interim report on the first six months	7 May 2010
Interim report on the first nine months	11 August 2010

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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.