

## Aurubis generates result of € 18 million for the quarter and confirms forecast for full fiscal year 2016/17

Hamburg, February 13, 2017 – The Aurubis Group (Aurubis) generated operating earnings before taxes (EBT) of € 18 million in Q1 of fiscal year 2016/17 (previous year: € 36 million). The result was significantly influenced by a scheduled shutdown in Hamburg, as well as by negative measurement effects in connection with inventories at higher metal prices, which will nevertheless neutralize during the course of the fiscal year. Aurubis therefore confirms its forecast for the full fiscal year.

In addition to measurement effects amounting to € 26 million, the result of Q1 2016/17 was negatively impacted by a legally mandated maintenance shutdown in Hamburg and the resulting decrease in concentrate throughput (total impact on the result: € 15 million). Lower sulfuric acid revenues due to a surplus on the global markets, the traditionally weak product markets at year-end and a lower cathode premium also had a considerable effect.

In contrast, the strong US dollar, improved revenues from copper scrap input due to higher throughputs, and a higher metal gain with increased metal prices influenced the operating result positively.

*“The first quarter is always traditionally the weakest quarter for Aurubis due to lower product demand resulting from seasonal effects. In this respect, the result is within our own and the market’s expectations,” explained Jürgen Schachler, Executive Board Chairman of Aurubis AG. “In addition to other burdensome factors, the significant increase in the copper price this quarter led to temporary measurement effects, which are clearly reflected in the quarterly result. However, we expect these to neutralize as the fiscal year goes on. Without the measurement effects and the shutdown in Hamburg, we would have achieved a very good Q1 result of nearly € 60 million.”*

Treatment and refining charges (TC/RCs) in spot business decreased in Q1, influenced in particular by Chinese smelters’ increased purchasing activity. The first contract between a large mining company and a larger Chinese copper smelter for the year 2017 was entered into at lower TC/RCs than expected but established itself as a benchmark for the market. In this environment, Aurubis was able to continue procuring a good supply of copper concentrates, which allowed for higher TC/RCs owing to their complex qualities.

At a level of € 2,462 million, the Group’s revenues in the first three months of the fiscal year were similar to those of the prior year (€ 2,398 million). Higher metal prices stood in contrast to slightly lower sales volumes. Operating ROCE (taking the operating EBIT of the last 12 months into consideration) was 9.5 % (previous year: 17.5 %).

Aurubis’ EBT on an IFRS basis amounted to € 102 million (previous year: € -34 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.

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## Outlook

Aurubis anticipates a good market situation overall in both the raw material and product markets. The supply of copper concentrates remains satisfactory with corresponding treatment and refining charges. Because of the high copper prices at the moment, the company expects a good supply of copper scrap and, consequently, higher refining charges than the previous year.

Aurubis also anticipates a good demand level on the sales markets for copper products, though demand in North America is likely to stagnate. The sales market for sulfuric acid remains under pressure due to the global surplus.

In the copper production sector, Aurubis expects the volume of copper concentrates processed to be higher than the previous year, with high plant availability. A scheduled maintenance shutdown at the Lünen recycling center in Q2 will reduce the throughput of materials for recycling.

In light of these assumptions, Aurubis confirms the current earnings forecast for fiscal year 2016/17. The Group benefits from the fact that, due to its ability to process copper concentrates with complex qualities, it can continue to obtain high treatment and refining charges despite the lower benchmark. Since much of the revenue is based on the US dollar, Aurubis also expects positive contributions to earnings due to the currency's strength.

*“As announced at the start of the fiscal year, we expect significantly higher operating EBT and slightly higher operating ROCE compared to the previous year,”*  
**Jürgen Schachler** summarized.

**You can find the complete report on the first three months of fiscal year 2016/17 at [www.aurubis.com](http://www.aurubis.com).**

## At a Glance

Key Aurubis Group figures		Q1		
		2016/17	2015/16	Change
Revenues	€m	2,462	2,398	3 %
Gross profit	€m	315	174	81 %
Operating gross profit	€m	230	241	-5 %
Personnel expenses	€m	117	110	6 %
Depreciation and amortization	€m	33	32	3 %
Operating depreciation and amortization	€m	32	30	7 %
EBITDA**	€m	139	4	> 100 %
Operating EBITDA**	€m	54	71	-24 %
EBIT	€m	106	-28	> 100 %
Operating EBIT	€m	22	41	-46 %
EBT	€m	102	-34	> 100 %
<b>Operating EBT*</b>	<b>€m</b>	<b>18</b>	<b>36</b>	<b>-50 %</b>
Consolidated net income/loss	€m	78	-25	> 100 %
Operating consolidated net income	€m	14	26	-46 %
Earnings per share	€	1.73	-0.56	> 100 %
Operating earnings per share	€	0.30	0.58	-48 %
Net cash flow	€m	-42	-23	-88 %
Capital expenditure (excl. financial fixed assets)	€m	79	34	> 100 %
<b>Operating ROCE*</b>	<b>%</b>	<b>9.5</b>	<b>17.5</b>	<b>-</b>
Copper price (average)	US\$/t	5,277	4,892	8 %
Copper price (balance sheet date)	US\$/t	5,501	4,702	17 %
Employees (average)		6,457	6,316	2 %

\* Corporate control parameters

\*\* EBITDA (operating EBITDA) is derived 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		
		2016/17	2015/16	Change
<b>BU Primary Copper</b>				
Concentrate throughput	1,000 t	544	601	-9 %
Copper scrap/blister copper input	1,000 t	27	29	-7 %
Sulfuric acid output	1,000 t	529	576	-8 %
Cathode output	1,000 t	152	150	1 %
<b>BU Copper Products</b>				
Copper scrap/blister copper input	1,000 t	91	67	36 %
KRS throughput	1,000 t	65	70	-7 %
Cathode output	1,000 t	129	130	-1 %
Rod output	1,000 t	163	178	-8 %
Shape output	1,000 t	43	38	13 %
Flat rolled products and specialty wire output	1,000 t	53	50	6 %

## **Company profile**

*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 more than 6,400 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)*