

**NA Group Report**  
on the 3<sup>rd</sup> quarter of fiscal year 2005/06  
– 1 April to 30 June 2006 –

## **NA increases earnings yet again and reveals prospect of very good dividend**

Hamburg, 10 August 2006 – NA generated an accumulated pre-tax profit (EBT) of €75.1 million as at 30 June 2006 and has therefore once again achieved a substantial increase in earnings compared with previous years. €27 million were generated in the third quarter. Earnings per share for the first nine months rose to €1.21 (€1.08 in the prior year). Total revenues amounted to €3,906 million (€2,125 million in the prior year). The third-quarter revenues in the amount of €1,643 million made the greatest contribution to this increase. Apart from improved product sales, the increase in revenues is above all attributable to the strong rise in metal prices. NA's operating strength was reflected in a further rise in gross cash flow to €108 million (€88 million in the prior year), of which the third quarter has contributed €45 million (€33 million in the prior year).

In the third quarter the entire copper world was taken by surprise by the dramatic performance of the copper price, which reached an historic high of US\$ 8,788/t (settlement) and since then has fluctuated mainly in a price corridor of between US\$ 7,000 and 8,000/t. The price rise was caused by strong copper demand worldwide combined with insufficient availability. This was accompanied by extremely low stocks in the warehouses of the metal exchanges. At NA, the copper price, which represents a transitory item, resulted in a considerable rise in the working capital. The unchanged high price level should continue in the medium term and is determined by the fundamental market data.

In the international spot market, the treatment and refining charges for copper concentrates initially came under pressure, but then recovered again. The recycling markets have improved substantially.

With a total of 767,000 tonnes (822,000 tonnes in the prior year), concentrate processing did not yet achieve the targeted throughput. 274,000 tonnes (267,000 tonnes in the prior year) were processed in the quarter. The cathode output amounted to 407,000 tonnes (415,000 tonnes in the prior year). Third-quarter production totalled 141,000 tonnes, slightly up on the previous year (139,000 tonnes).

As regards copper products, NA has benefited from the positive economic trend. Wire rod output rose 10 % to 321,000 tonnes (291,000 tonnes in the prior year), while 201,000 tonnes of shapes were produced, 12 % up on the prior year (180,000 tonnes). Schwermetall Halbzeugwerk produced 192,000 tonnes (176,000 tonnes in the prior year). Prymetall achieved a 7 % increase in production to 50,000 tonnes (47,000 tonnes in the prior year).

<b>Consolidated key figures of the NA Group in accordance with IFRS*</b>		<b>3rd quarter 2005/06</b>	<b>Nine months 2005/06</b>	<b>3<sup>rd</sup> quarter 2004/05</b>	<b>Nine months 2004/05</b>
<b>Revenues</b>	€m	<b>1,643</b>	<b>3,906</b>	762	2,125
<b>Gross profit</b>	€m	<b>112</b>	<b>326</b>	112	311
<b>Personnel expenses</b>	€m	<b>51</b>	<b>145</b>	47	137
<b>Depreciation and amortisation</b>	€m	<b>12</b>	<b>36</b>	13	40
<b>EBITDA</b>	€m	<b>42</b>	<b>118</b>	43	110
<b>EBIT</b>	€m	<b>30</b>	<b>81</b>	30	70
<b>Earnings before taxes</b>	€m	<b>27</b>	<b>75</b>	27	62
<b>Consolidated net income</b>	€m	<b>16</b>	<b>44</b>	16	37
<b>Earnings per share</b>	€	<b>0.41</b>	<b>1.21</b>	0.47	1.08
<b>Gross cash flow</b>	€m	<b>45</b>	<b>108</b>	33	88
<b>Capital expenditure</b>	€m	<b>12</b>	<b>37</b>	7	21
<b>Copper price (average)</b>	US\$/t	<b>7,251</b>	<b>5,476</b>	3,144	3,251
<b>Number of employees (average)</b>		<b>3,171</b>	<b>3,178</b>	3,144	3,155

\* before the revaluation of the Lifo inventories

## **1. NA Group's financial position and profitability**

The NA Group reports in accordance with International Financial Reporting Standards (IFRS). The accounting policies applied in the preparation of the IFRS financial statements as at 30 September 2005 are unchanged with the exception of the new regulation for the measurement of inventories in accordance with IAS 2. The effects from the revaluation of the Lifo inventories are explained separately. The group of consolidated companies was enlarged by the 50 % holding in KPP Kraftwerk Peute Projektmanagement GmbH & Co. KG, Hamburg, the joint venture company for the power plant project.

### **Profitability**

NA's profitability has continued to improve in the current fiscal year. The relevant key figures all increased once again compared with the very good previous year, although adverse impacts also had to be overcome:

- The production plants in the Copper Production Segment were well utilised.
- Treatment and refining charges for processing copper concentrates have improved compared with the same time a year earlier.
- The supply of copper scrap was secured at good refining charges.
- Production and sales of wire rod (ROD) and shapes (CAST) were again up on the prior-year's already high level; however, the level of shape surcharges did not quite follow the increased quantities.
- Production and sales at Schwermetall Halbzeugwerk and Prymetall have improved; both companies are on a clear uptrend.
- The increased prices for energy have an adverse impact on earnings.
- Price effects from the copper market could be utilised.
- Strict cost and risk management formed the basis of NA's successful course.

After nine months, NA Group revenues amounted to €3,906 million, up from €2,125 million in the previous year. This was mainly due to the higher metal prices as well as increased product sales. Revenues rose significantly in the third quarter after the copper price had reached an historic level. At the same time, the rise in precious metal prices also increased revenues. At €1,643 million, the third-quarter revenues were more than double compared with those in the previous year (€762 million).

In contrast to revenues, the gross profit reflects the Group's actual performance. Thus, the gross profit in the Group increased to €326 million (€311 million in the prior year). Apart from the very good operating performance, improved conditions on the markets also had a positive impact.

At € 145 million, personnel expenses were € 8 million up on the previous year's level. Apart from increases in the tariff wage scale, this was due to performance-oriented remuneration components and the slight rise in the number of employees caused by the increased production.

Depreciation and amortisation on intangible assets and property, plant and equipment declined to €36 million (€40 million in the prior year).

Earnings before interest, taxes, depreciation and amortisation (EBITDA) totalling € 118 million were significantly up on the previous year (€ 110 million). The increase in earnings before interest and taxes (EBIT) was even greater, amounting to €81 million in the first nine months, an increase of € 11 million over the previous year's result. Earnings before taxes were generated in the amount of €75 million, € 13 million up on the prior-year period (€62 million).

The gross profit margin (EBT versus gross profit) rose in the fiscal year from 20 % to 23 %.

The consolidated net income rose to € 44 million (€ 37 million in the prior year). After deduction of minority interests, this results in earnings per share of € 1.21 (€ 1.08 in the previous year).

### **Liquidity and capital expenditure**

Gross cash flow in the first nine months grew mainly due to the rise in the EBIT from operations to € 108 million (€ 88 million in the previous year). This reflects the strength of NA's cash flow.

Capital expenditure in fiscal year 2005/06 amounted to a total of € 37 million (€21 million in the previous year). It was mostly used for additions to plants in the primary smelter and facilities to reduce energy consumption. Capital expenditure also includes the purchase of two state-of-the-art acid tankers on account of a long-term freight agreement between NA and a service provider.

The considerable increase in all the metal prices of importance to NA (copper, precious metal) has significantly changed NA's balance sheet structure. As a result, inventories without the effects of revaluation rose as at 30 June 2006 to €632 million. This represents a rise of € 265 million compared with 30 September 2005 or by €48 million compared with 31 March 2006.

The continued high level of trade accounts receivable is also the result of the high metal prices as well as increased product sales. Particularly positive fair values from exchange transactions caused an increase in other receivables and assets.

NA has been able to overcome this specific situation with its balance sheet thanks to its financial performance and has taken additional measures as regards inventory and accounts receivable management.

## **Financial position**

Total assets increased as at 30 June 2006 to € 1,809 million, up from €1,128 million as at 30 September 2005, primarily as a result of the extraordinary rise in current assets due to the high metal prices.

Equity in the NA Group as at 30 June 2006 amounted to € 472 million (€442 million as at 30 September 2005). It was increased by the consolidated net income for the period and the cash inflow from the capital increase on 31 January 2006, which will be used primarily for the power plant project and smaller internal growth projects. It was reduced by the dividend payment of €37 million and negative changes in accumulated other comprehensive income in the amount of € 51 million. Despite the increased balance sheet total, NA continues to have a sound equity basis. The equity ratio has declined to 26 % (39 % in the prior year) due to the significantly increased balance sheet total resulting from price and valuation effects.

The increased need for funds to finance the working capital has caused financial liabilities to rise by €34 million to €159 million. The described special effects and negative fair values from exchange transactions increased at the same time trade accounts payable by € 365 million to € 601 million as well as other short-term liabilities by €236 million to €377 million. At 29 %, gearing is unchanged at a low level.

## **Differences in measurement resulting from the revised IAS 2**

In accordance with the current valid stipulations of IAS 2, available inventories must be measured using the average cost method. The inclusion of changes in the carrying amount can lead to considerable discontinuity and a loss of comparability. This results in illusory figures that can give an economically misleading impression of the financial position and profitability.

All the changes in the NA Group's financial position and profitability related to measurement as laid down in the new version of IAS 2 are detailed separately in the following:

### **Impact on profitability**

The application of the average cost method increases EBT, EBIT, EBITDA as well as the gross profit for the period under review by € 161 million each (€32 million increase in the prior year). After the recognition of deferred taxes, a higher consolidated net income is computed in the amount of € 97 million (€ 19 million in the prior year).

After the elimination of minority interests from the consolidated net income, earnings per share are €2.71 higher (€0.58 in the prior year).

### Impact on liquidity

The revaluation of the Lifo inventories does not affect cash flow.

### Impact on the financial position

Total assets after the application of the average cost method for the measurement of inventories amounted to € 2,074 million at the end of the quarter, compared with € 1,232 million at the end of the last fiscal year.

Equity in the NA Group rose to € 631 million as at 30 June 2006, up from € 504 million as at 30 September 2005.

## **2. Copper market**

The copper price reached a new all-time high in the third quarter. Starting at US\$ 5,561 per tonne (settlement) at the beginning of the quarter, the quotations on the London Metal Exchange rose 58 % by mid May to a high of US\$ 8,788 per tonne. This was followed by price corrections to at times less than US\$ 7,000 per tonne, with a low of US\$ 6,725 per tonne. Price volatility increased accordingly. At times the price changes from one day to the next amounted to more than US\$ 300 per tonne. On 30 June 2005 copper was quoted at US\$ 7,501 per tonne (settlement).

At the end of the third quarter the copper price performance was influenced by growing uncertainty about the continuation of the positive economic trend worldwide. The capital markets were also affected by this. Against the background of increasing inflationary tendencies, rises in interest rates in the U.S.A. and Europe became more probable, which would also entail consequences for copper demand.

Nevertheless, the copper market remained on a sound basis. It was hardly possible to detect any weakness in physical demand in the main traditional markets. China's lower copper imports resulted, above all, from the stronger utilisation of local stocks and were in no way a sign of a serious reduction in demand. The copper stocks in the warehouses of the international metal exchanges amounted to 161,000 tonnes at the end of June, still an extremely low level and were almost completely concentrated in Asia.

The insufficient availability of copper was also essential for the good fundamental state of the market. Again there were production losses, in particular due to labour disputes in Mexico. The prospect of further contentious collective bargaining in the South American copper industry has caused prices to rise again very recently.

The unchanged high price level should continue in the medium term and is determined not only by fundamental global market data, but also by the positive economic trend in NA's core markets.

### **3. NA's operating segments**

#### **Copper Production Segment**

In the Copper Production Segment primary and secondary raw materials are processed into copper cathodes and precious metals. The production sites are located in Hamburg and Lünen.

By the end of June 2006 a total of 407,000 tonnes of copper cathodes was produced in the NA Group (415,000 tonnes in the prior year). This did not quite make up for the production loss resulting from the standstill in November 2005.

Favourable conditions on the raw material markets and the high utilisation of the production plants in Hamburg and Lünen were again decisive in the uptrend in the Copper Production Segment in the third quarter.

By 30 June 2006 revenues had risen to €2,677 million. This is a 69 % increase compared with the prior year (€ 1,584 million). EBT amounted to € 45 million, considerably up on the prior year (€33 million).

<b>IFRS key figures</b> in € thousand	<b>Fiscal</b> 2004/05	<b>Fiscal</b> 2005/06
	Nine months	<b>Nine months</b>
Revenues	1,584,057	<b>2,676,784</b>
EBIT*	35,838	<b>46,175</b>
EBT *	33,333	<b>44,788</b>

\* before revaluation of Lifo inventories

#### **Raw material markets**

In general, the mines benefited the most from the high copper prices since these are included directly in their earnings. In the past, high copper prices usually resulted in higher treatment and refining charges for smelters like NA. Currently the mines are, however, trying to change the general outline conditions for concentrates to the detriment of the international smelters, since the concentrate surplus has declined. The price negotiations between the Asian smelters and major concentrate producers are still continuing.

The spot market for copper concentrates showed very disparate trends during the third quarter. The traders bought at in some cases very aggressive conditions. On the other hand, some Asian smelters clearly held back with their purchases so that the market could again focus on higher treatment and refining charges.

The market supplies of copper scrap and recycling materials improved considerably. The copper scrap market reflected the significantly reduced buying interest of Asian competitors. Refining charges could be noticeably enhanced. The supply situation was good. This applied for end-of-life materials just as for electric and electronic scrap.

## **Cathodes and precious metals**

### Hamburg

The copper production sector was well supplied with raw materials in the third quarter and processed 274,000 tonnes of copper concentrates (267,000 tonnes in the prior year). The accumulated concentrate throughput amounted to 767,000 tonnes in the first nine months and was slightly less than in the previous year (822,000 tonnes) due to the production stoppage in November 2005 for general maintenance. The production gap from the first quarter could not as yet be closed. Nevertheless, the measures have resulted in improved processing capacities, as shown by the third-quarter numbers.

In line with the increased concentrate throughput, 269,000 tonnes of sulphuric acid were produced in the third quarter (261,000 tonnes in the prior year). The accumulated sulphuric acid output amounted to 759,000 tonnes (814,000 tonnes in the prior year).

The third-quarter cathode output in the Hamburg copper tankhouse amounted to 95,000 tonnes (94,000 tonnes in the prior year). In total, 270,000 tonnes of cathodes (279,000 in the prior year) have been produced in Hamburg.

Capacity utilisation in the precious metal refinery increased during the course of the year. At 292 tonnes silver output in the quarter was substantially higher than in the previous year (241 tonnes). Silver production in the first nine months totalled 712 tonnes, some 7 % up on the previous year (664 tonnes). The third-quarter gold output totalling 10.2 tonnes was also up on the previous year (7.8 tonnes). Consequently, the gold production rose 31 % to 27.3 tonnes for the nine-month period compared with the previous year (20.8 tonnes).



### Lünen

All the recycling plants were very well utilised. This was supported by the improved supply of copper scrap and good availability of industrial residues as well as electric and electronic material.

As a result of scheduled maintenance work on the Kayser Recycling System (KRS) in April 2006, the throughput of raw materials in the third quarter was about 9 % down on the previous year. However, after nine months the KRS throughput was still slightly higher than in the same period a year earlier. The processing of electric and electronic scrap was further enhanced.

Cathode output in the third quarter reached a new high, totalling 47,000 tonnes (45,000 tonnes in the prior year). Altogether, 137,000 tonnes were produced (136,000 tonnes in the previous year).

### **Copper Processing Segment**

In the Copper Processing Segment copper cathodes from NA's own and also external production are processed into continuous cast wire rod and shapes as well as rolled products. The production sites are located in Hamburg, Emmerich and Stolberg.

The Copper Processing Segment was particularly affected by the extraordinary copper price performance since the metal price is computed in the revenues and at its current price level inflates them significantly. This is the main reason for the rise in revenues from € 1,610 million to €3,023 million. Increased sales played a lesser role in this. Sales of wire rod and shapes rose once again compared with the previous year. Sales of products from Schwermetall Halbzeugwerk and Prymetall likewise improved.

The level of shape surcharges could not quite follow the positive trend in unit sales of copper products. The meanwhile improved market conditions could not be applied for agreements that were concluded in autumn/winter 2005 before the economic upswing. Furthermore, at times cathodes had to be bought externally for the additional production at increased premiums so as to prove NA's reliability in delivery to old and new customers. These costs could not always be passed on to the customers due to the current agreements.

The Segment's earnings totalling some €30 million were therefore at a high level, but did not quite equal the very good previous year's result of €32 million.

<b>IFRS key figures</b> in € thousand	<b>Fiscal</b> <b>2004/05</b>	<b>Fiscal</b> <b>2005/06</b>
	<b>Nine months</b>	<b>Nine months</b>
Revenues	1,609,742	<b>3,023,146</b>
EBIT *	37,322	<b>34,947</b>
EBT *	32,117	<b>30,293</b>

\* before revaluation of Lifo inventories

## Product markets

The noticeable economic upswing in Europe since the beginning of 2006 has gathered further momentum. The semis industry as well as the cable and wire industries benefited from the positive market environment by a significantly higher order intake.

The improvement in demand came from almost all sectors of the cable and wire industries. Investment activity increased, especially in the energy sector. Long postponed projects, such as the expansion of distribution networks, were realised. The order books for energy cable were therefore well filled. Order receipts from transformer manufacturers have likewise increased significantly. Also new investment in machine and plant construction has had a positive impact on capacity utilisation in the cable and wire industries.

The semis fabricators that buy continuous cast shapes and pre-rolled strip reported good capacity utilisation. Demand in this sector mainly came from the electrical engineering and electronic industries.

Even with the continued high copper prices, NA has hardly observed any cases of substitution in its product markets. Copper would only be substituted by other materials in some minor sectors of the construction industry.

The increased finance expense due to the higher metal prices and the high price volatility forced NA's customers and also their customers to pursue rigorous stock management. This resulted in very strong fluctuations in demand with little prior notice.

### **Wire rod (ROD)**

The positive economic environment is reflected in increased demand for copper wire rod in Europe. NA has benefited from this with a higher order intake. The production output in the third quarter amounted to 118,000 tonnes of wire rod (101,000 tonnes in the previous year). This corresponds to a 17 % increase.

Until 30 June 2006, production increased by 30,000 tonnes to a total of 321,000 tonnes compared with the previous year. The significant increase in unit sales is, apart from the economic trend, attributable above all to NA's particular reliability in delivery. This plays an increasingly important role at the wire and cable producers in view of their low stocks.

### **Shapes (CAST)**

The continuous casting plants in Hamburg continued to be well utilised. Third-quarter output amounted to 68,000 tonnes of copper shapes (56,000 tonnes in the prior year), a 22 % increase on the previous year. In the first nine months of the fiscal year, a total of 201,000 tonnes of copper shapes was produced, a 12 % increase compared with the previous year (180,000 tonnes). NA is following the growth trend in the electrical engineering and electronic industries by focusing on products for applications in this sector.

### **Pre-rolled strip (Schwermetall Halbzeugwerk)**

Demand in the European market remained very high while overseas business quietened down somewhat as a result of the high metal prices and weak U.S. dollar. Business with copper alloys proved to be very stable.

Schwermetall Halbzeugwerk (NA holding: 50 %) produced 61,000 tonnes in the third quarter (61,000 tonnes in the previous year). The accumulated production amounted to 192,000 tonnes, 9 % up on the previous year (176,000 tonnes).

### **Strip and wire (Prymetall)**

Demand for strip and wire products at Prymetall remained good. Prymetall produced 17,000 tonnes (16,000 tonnes in the prior year) of strip and wire products in the third quarter, a 7 % increase compared with a year earlier. In total, 50,000 tonnes (47,000 tonnes in the previous year) of semis have been produced in the fiscal year. The increase in quantities referred mostly to high-value products for the industrial sector. The order intake has also not declined with the onset of the summer months.

#### **4. Human resources**

On 30 June 2006 the NA Group had a total of 3,178 employees (3,135 in the previous year). The need for this additional personnel resulted from the increased production in the NA Group. Personnel expenses totalling € 145 million were € 8 million up on the previous year. Apart from increases in the tariff wage-scale, this was due to performance-oriented reimbursement components and the slightly rise in the payroll due to the increased production.

#### **Employee share ownership**

In future NA would also like to enable as many of its employees as possible to participate in the company by owning a growing number of shares. We have therefore again given the Group employees the chance to buy NA shares at a discount within the framework of fiscally permissible possibilities. This year 1,241 employees (1,017 in the previous year) took advantage of this offer and bought a total of 25,731 shares (21,279 in the previous year).

#### **5. Research & Development**

In the R & D sector, new concepts for the treatment of complexly composed raw materials were processed. These will enhance NA's access to the more profitable sectors of the raw material markets.

R & D activities focused on the further development of flexible CIS solar cells, which have competitive advantages over conventional silicon cells. The first special machines have been installed in the pilot plant and prepared for the technical testing of the electroplating processes NA has developed. The pilot project is keeping to schedule and should be completed by the end of 2007.

#### **6. Operational and strategic measures to improve earnings**

NA has resolutely pursued its strategic orientation with the focus on performance enhancement (NA Lean) and growth (NA Grow).

##### **NA Lean**

In addition to numerous operational improvements, NA Lean is concentrating on the reduction of costs for energy and logistics as well as the improvement of material flow management.

In the energy sector, the construction of the company's own 100 MW power plant represents the most important project. The power plant will produce electrical energy on the basis of garbage incineration (substitute fuel) and from 2009 onwards will supply the whole of the NA works in Hamburg with electricity. With total capital expenditure of € 320 million and an input of 750,000 tonnes of substitute fuel p.a., this power plant will be the biggest of its type worldwide. This step will enable NA to disconnect itself from the oligopoly-governed German electricity market. As a result, net electricity costs will be reduced by 50 % compared with the market price. The power plant is a 50:50 joint venture between NA and the Hamburg waste management. KPP Kraftwerk Peute Projektmanagement GmbH & Co. KG, Hamburg, has been founded for the planning and construction of the power plant. The company has already secured a significant part of the required fuel through long-term agreements.

The erection of the concentrate handling facilities in Brunsbüttel is running to schedule. The plant will be commissioned on 1 January 2007. The handling and transport costs for copper concentrates between the seagoing vessels and NA will be substantially reduced when this project has been realised.

#### NA Grow

Concrete projects were pursued to expand copper production and processing by internal and external measures. This also concerns steps to make the business more international. Even after NA abandoned the copper smelter project in China, opportunities for NA in the fast-growing regions of the world, e.g. in China, are always pursued. Plans for the further expansion of the concentrate processing facilities in Hamburg have become more concrete.

### **7. Outlook**

NA assumes that the raw material and product markets will continue to develop positively for the Group. The decisive drivers are the strong global demand for copper and the positive economic trend on NA's German/European core markets. A fundamental change in copper's high-price phase is not expected from today's viewpoint in the medium term.

With at times difficult market conditions for its customers, NA has been able to prove how reliable it is in delivery and in keeping its contractual obligations during this fiscal year. This has created a solid basis for further developing sales and earnings in all of NA's product sectors.

The basis for NA's growing success is also to be found in the continuous improvement of its operations. This refers, in particular, to cost reductions in all key processes. In this way, NA is resolutely countering the adverse impacts of the dramatic energy price increases in Germany by generating its own energy and reducing its energy consumption further.

NA's economic situation is determined by its strong competitive and market position. NA therefore expects earnings for fiscal year 2005/06 to increase further compared with previous years. This will create the basis for the payment of a very good dividend again.

#### **Financial calendar 2006**

4 September 2006	Capital Markets Day: NA in dialogue with the capital markets
7 October 2006	Open Day at the Hamburg Stock Exchange
19 December 2006	Preliminary results for fiscal 2005/06

<b>Consolidated balance sheet of the NA Group (IFRS) (in €thousand) ASSETS</b>	<b>30.06.2006</b>	<b>30.09.2005</b>
Intangible assets	27,638	29,209
Property, plant and equipment	335,812	334,582
Investment property	128	128
Financial assets		
Interests in affiliated companies	272	273
Investments	630	616
Other financial assets	852	867
	1,754	1,756
Fixed assets	365,332	365,675
Deferred tax assets	945	1,151
<i>- thereof taxes from the revaluation of Lifo inventories</i>	<i>(252)</i>	<i>(159)</i>
Receivables and other assets	25,084	24,859
Non-current assets	391,361	391,685
Inventories	896,746	470,508
<i>- thereof revaluation of Lifo inventories</i>	<i>265,213</i>	<i>104,330</i>
Receivables and other assets		
Trade accounts receivable	261,353	197,233
Other receivables and assets	501,254	142,889
	762,607	340,122
Short-term security investments	200	200
Cash and cash equivalents	22,786	29,678
Current assets	1,682,339	840,508
	2,073,700	1,232,193

<b>Consolidated balance sheet of the NA Group (IFRS) (in €thousand) EQUITY AND LIABILITIES</b>	<b>30.06.2006</b>	<b>30.09.2005</b>
Equity		
Subscribed capital	95,115	86,562
Additional paid-in capital	101,931	34,731
Retained earnings	499,045	396,249
- thereof earnings from revaluation of Lifo inventories	159,127	62,594
Changes in accumulated other comprehensive income	(69,219)	(17,714)
Minority interests	3,759	4,301
	630,631	504,129
Long-term provisions		
Pension liabilities	53,707	51,060
Deferred tax liabilities	108,602	74,791
- thereof taxes from the revaluation of Lifo inventories	105,834	41,577
Other long-term provisions	49,823	35,205
	212,132	161,056
Long-term liabilities		
Long-term financial liabilities	73,581	104,408
Other long-term liabilities	340	340
	73,921	104,748
Non-current provisions and liabilities	286,053	265,804
Other short-term provisions	84,172	58,331
Short-term liabilities		
Short-term financial liabilities	85,764	20,708
Trade accounts payable	600,879	236,070
Income tax payable	9,596	6,860
Other short-term liabilities	376,605	140,291
	1,072,844	403,929
Short-term provisions and liabilities	1,157,016	462,260
	2,073,700	1,232,193



<b>Consolidated income statement of the NA Group (IFRS) (in € thousand)</b>	<b>3<sup>rd</sup> quarter 2005/06</b>	<b>Nine months 2005/06</b>	<b>3<sup>rd</sup> quarter 2004/05</b>	<b>Nine months 2004/05</b>
Revenues	1,642,862	3,906,117	762,340	2,124,995
Changes in inventories of finished goods and work in process	51,332	176,762	(4,655)	39,876
- thereof gain from revaluation of Lifo inventories	4,602	18,445	(5,071)	16,334
Own work capitalised	655	2,215	778	2,102
Other operating income	4,296	14,034	5,255	15,737
Cost of materials	(1,528,450)	3,612,581	(644,419)	(1,838,998)
- thereof gain from revaluation of Lifo inventories	53,936	142,438	12,188	16,060
Gross profit	170,695	486,547	119,299	343,712
Personnel expenses	(50,652)	(144,788)	(47,204)	(137,114)
Depreciation and amortisation	(12,115)	(36,395)	(13,220)	(39,593)
Other operating expense	(19,849)	(63,338)	(22,021)	(64,537)
Operational result	88,079	242,026	36,854	102,468
Result from investments	0	6	56	77
Interest income	1,239	3,133	735	2,473
Interest expense	(4,168)	(9,176)	(3,319)	(10,196)
Result of ordinary activities	85,150	235,989	34,326	94,822
- thereof result from revaluation of Lifo inventories	58,538	160,883	7,117	32,394
Income taxes	(34,508)	(95,129)	(13,736)	(38,094)
- thereof taxes from revaluation of Lifo inventories	(23,413)	(64,350)	(2,847)	(12,958)
Consolidated net income	50,642	140,860	20,590	56,728
- thereof consolidated net income from revaluation of Lifo inventories	35,125	96,533	4,270	19,436
Income attributable to minority interests	(290)	(910)	(387)	(1,097)
Consolidated net income without minority interests	50,352	139,950	20,203	55,631
Undiluted earnings per share (in €)	1.36	3.92	0.60	1.66
- thereof earnings from revaluation of Lifo inventories	0.95	2.71	0.13	0.58
Diluted earnings per share (in €)	1.36	3.92	0.60	1.65
- thereof earnings from revaluation of Lifo inventories	0.95	2.71	0.13	0.58

<b>Consolidated cash flow statement for the NA Group (in €thousand)</b>	<b>Nine months 2005/06</b>	<b>Nine months 2004/05</b>
Result from ordinary activities	235,989	94,822
Depreciation and amortisation	36,395	39,593
Write-ups/downs on current assets	226	0
Revaluation of Lifo inventories	(160,883)	(32,394)
Change in long-term provisions	17,265	2,451
Loss from disposal of fixed assets	(256)	(74)
Result from investments	(6)	(77)
Net interest expense	6,043	7,723
Income taxes paid	(26,447)	(24,468)
<b>Gross cash flow</b>	<b>108,326</b>	<b>87,576</b>
Change in receivables and other assets, including short-term security investments	(420,338)	19,790
Change in inventories (without revaluation of Lifo inventories)	(265,454)	(48,411)
Change in short-term provisions	25,840	(3,197)
Change in liabilities (excl. financial liabilities)	515,944	36,912
<b>Cash outflow (inflow in the prior year) from operating activities (net cash flow)</b>	<b>(35,682)</b>	<b>92,670</b>
Purchase of fixed assets	(36,554)	(21,112)
Payments for the acquisition of subsidiaries	0	(749)
Proceeds from disposal of fixed assets	729	457
Interest received	3,133	2,465
Dividends received	6	77
<b>Cash outflow from investing activities</b>	<b>(32,686)</b>	<b>(18,862)</b>
Proceeds from capital increases	75,753	4,652
Proceeds from issuance of bonds and taking up financial liabilities	35,959	0
Payments for the redemption of bonds and financial liabilities	(2,454)	(38,016)
Interest paid	(9,176)	(10,188)
Dividend payments	(38,606)	(23,150)
<b>Cash inflow (outflow in the prior year) from financing activities</b>	<b>61,476</b>	<b>(66,702)</b>
Change in cash and cash equivalents	(6,892)	7,106
Cash and cash equivalents at beginning of period	29,678	15,824
<b>Cash and cash equivalents at end of period</b>	<b>22,786</b>	<b>22,930</b>

<b>Consolidated statement of changes in equity in the NA Group</b>						
(in € thousand)	Subscribed capital	Additional paid-in capital	Retained earnings	Changes in accumulated other comprehensive income	Minority interest	Total equity
Balance as at 30.09.2004	85,528	29,409	324,295	(6,136)	4,323	437,419
- <i>thereof earnings from revaluation of Lifo inventories</i>			28,286			28,286
Capital increase	1,034	3,618				4,652
Dividend payment			(21,716)		(1,434)	(23,150)
Consolidated net earnings			55,631		1,097	56,728
- <i>thereof earnings from revaluation of Lifo inventories</i>			19,436			19,436
Changes in accumulated other comprehensive income				5,036		5,036
Changes in currency				84		84
Balance as at 30.06.2005	86,562	33,027	358,210	(1,016)	3,986	480,769
- <i>thereof earnings from revaluation of Lifo inventories</i>			47,722			47,722
Balance as at 30.09.2005	86,562	34,731	396,249	(17,714)	4,301	504,129
- <i>thereof earnings from revaluation of Lifo inventories</i>			62,594			62,594
Capital increase	8,553	67,200				75,753
Dividend payment			(37,154)		(1,452)	(38,606)
Consolidated net income			139,950		910	140,860
- <i>thereof earnings from revaluation of Lifo inventories</i>			96,533			96,533
Changes in accumulated other comprehensive income				(51,497)		(51,497)
Changes in currency				(8)		(8)
Balance as at 30.06.2006	95,115	101,931	499,045	(69,219)	3,759	630,631
- <i>thereof earnings from revaluation of Lifo inventories</i>			159,127			159,127

<b>Segment reporting for the NA Group</b>								
(in € thousand)	Copper Production Segment		Copper Processing Segment		Other		Group total	
	Nine months 2005/06	Nine months 2004/05	Nine months 2005/06	Nine Months 2004/05	Nine months 2005/06	Nine months 2004/05	Nine months 2005/06	Nine months 2004/05
Revenues								
Total revenues	2,676,784	1,584,057	3,023,146	1,609,742	1,413	937		
– thereof inter- Segment revenues	1,758,773	1,050,944	36,453	18,797	0	0		
Revenues with third parties	918,011	533,113	2,986,693	1,590,945	1,413	937	3,906,117	2,124,995
EBIT*	46,175	35,838	34,947	37,322	27	(3,009)	81,149	70,151
Earnings before taxes *	44,788	33,333	30,293	32,117	25	(3,022)	75,106	62,428

\* before the revaluation of Lifo inventories

### **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.*