

---

# **INTERIM REPORT**

## **First nine months 2009/10**

**1 October 2009 to 30 June 2010**

## CONTENTS

---

### CONTENTS

<b>I. Highlights</b>	<b>3</b>
<b>II. Group key figures</b>	<b>4</b>
<b>III. Interim Group management report for the first nine months 2009/10</b>	<b>5</b>
1. Copper market	5
2. Results of operations, financial position and net assets	5
3. Business Units	8
- Business Unit Primary Copper	8
- Business Unit Recycling / Precious Metals	9
- Business Unit Copper Products	10
4. Human resources	12
5. Research and development	12
6. Aurubis shares	13
7. Corporate governance	13
8. Operating and strategic measures for corporate development	13
9. Risk and opportunity management	14
10. Outlook	14
<b>IV. Interim consolidated financial statements for the first nine months 2009/10</b>	<b>16</b>
Consolidated balance sheet	16
Consolidated income statement	18
Consolidated statement of comprehensive income	19
Consolidated cash flow statement	20
Consolidated statement of changes in equity	21
Selected notes to the financial statements	22
Consolidated segment reporting	23
<b>V. Dates and contacts</b>	<b>25</b>

## HIGHLIGHTS

---

### I. HIGHLIGHTS

**Aurubis AG again generated good results in the third quarter of fiscal year 2009/10. Accumulated earnings before taxes reached €211 million for the first nine months of fiscal year 2009/10. The operating EBT amounted to €122 million.**

Hamburg, 11 August 2010 – Aurubis AG (Aurubis) has maintained its high level of earnings of the first half-year and achieved good results after nine months. Earnings were again considerably improved compared with the prior year.

Earnings before taxes (EBT) amounted to €211 million (€-8 million in the prior year) for the first nine months. The changed copper price had an impact to the extent of €89 million (€-24 million in the prior year) in the form of valuation effects. The operating EBT after deduction of the valuation effects amounted to €122 million (€16 million in the prior year). Revenues rose in particular due to the increased metal prices to €7.0 billion (€4.7 billion in the prior year). The net cash flow reflected the rise in inventories and amounted to €-208 million accumulated.

The copper price remained volatile overall. After rising to almost US\$ 8,000/t in April, it declined to about US\$ 6,500/t in June before rising again to more than US\$ 7,000/t at the end of July. Currently it is again being quoted at considerably over US\$ 7,000/t. The copper price performance was affected by continued uncertainty about the economic trend in countries with high copper demand. The copper inventories in the warehouses of the metal exchanges LME and SHFE declined further.

The international market for copper concentrates continued to be affected by a persistent shortage with correspondingly low treatment and refining charges. Due to our long-term procurement policy, we were however able to secure the supply for our smelters at conditions that were better than the market conditions. There was little change on the recycling markets. Copper scrap and other recycling materials were available in sufficient quantities at all times while refining charges remained good.

The market for sulphuric acid has recovered significantly in the course of the fiscal year up to now and has stabilised at a satisfactory level.

In the Business Unit (BU) Primary Copper the concentrate throughput at 1,561,000 tonnes matched the level of the prior year (1,560,000 tonnes). The sulphuric acid output rose to 1,582,000 tonnes (1,577,000 tonnes in the prior year). The BU's cathode output reached a new high of 703,000 tonnes of cathodes (665,000 tonnes in the prior year).

In BU Recycling/Precious Metals, the cathode output increased to 160,000 tonnes (146,000 tonnes in the prior year). The production output of precious metals also increased: 26.8 tonnes of gold (25.1 tonnes in the prior year) and 977 tonnes of silver (897 tonnes in the prior year) were produced.

The very positive trend in unit sales in BU Copper Products has continued. A total of 578,000 tonnes (478,000 tonnes in the prior year) of wire rod (ROD) and 155,000 tonnes (111,000 tonnes in the prior year) of continuous cast shapes were produced.

## GROUP KEY FIGURES

### II. GROUP KEY FIGURES

Before revaluation of LIFO inventories using the average cost method

		12 months 08/09	9 months 08/09	9 months 09/10	Difference in %
Revenues	€m	6,687	4,704	<b>7,048</b>	<b>+49.8</b>
Gross profit	€m	639	449	<b>636</b>	<b>+41.6</b>
Personnel expenses	€m	270	207	<b>213</b>	<b>+2.9</b>
Depreciation and amortisation	€m	106	77	<b>79</b>	<b>+2.6</b>
EBITDA	€m	216	101	<b>310</b>	<b>+206.9</b>
EBIT	€m	111	25	<b>231</b>	<b>+824.0</b>
EBT	€m	73	(8)	<b>211</b>	-
Net income	€m	53	(9)	<b>151</b>	-
Earnings per share	€	1.28	(0.23)	<b>3.66</b>	-
Gross cash flow	€m	283	175	<b>197</b>	<b>+12.6</b>
Net cash flow	€m	645	478	<b>(208)</b>	-
Capital expenditure (excl. financial fixed assets)	€m	111	80	<b>125</b>	<b>+55.0</b>
Copper price (average)	US\$/t	4,480	4,010	<b>6,964</b>	<b>+73.7</b>
Human resources (average)		4,715	4,726	<b>4,746</b>	<b>+0.4</b>

## III. INTERIM GROUP MANAGEMENT REPORT FOR THE FIRST NINE MONTHS 2009/10

### 1. COPPER MARKET

The copper price was volatile in the third quarter. After reaching the US\$ 8,000 mark again in April for the first time in 20 months, it dropped to quotations of around US\$ 7,000/t in the following weeks. At the beginning of June, the downtrend continued, but was given considerable support at about US\$ 6,500/t. In total, the average LME copper price (settlement) for the third quarter amounted to US\$ 7,013/t.

The copper price performance was influenced by ongoing uncertainty about the economic trend in countries with high copper demand throughout the entire quarter. This particularly related to the discussion about the continuing economic trend in China. As regards China's copper demand, declining imports of refined copper were seen as an indication of lower economic growth. Irrespective of this, the markets were weighed down by the concern about the high national debt in certain countries in Europe.

At the SHFE inventories fell by almost 30,000 tonnes to 124,000 tonnes during the quarter. In the LME warehouses, they dropped from 514,000 tonnes to 451,000 tonnes of copper. More large deliveries are planned as of July, which will reduce the availability of copper still further.

The global copper balance published by the International Copper Study Group on 22 June for the first quarter of 2010 showed that the ratio between supply and demand for refined copper was in equilibrium. At the same time it was apparent that a production deficit of 113,000 tonnes had emerged in March after a surplus in the first two months.

### 2. RESULTS OF OPERATIONS, FINANCIAL POSITION AND NET ASSETS

The Aurubis Group continues to report in accordance with International Financial Reporting Standards (IFRS). The explanations on the results for the first half-year initially ignore the effects of the revaluation of LIFO inventories using the average cost method, which are then reported separately.

#### Results of operations

The Aurubis Group generated earnings before taxes (EBT) of € 211 million (€ - 8 million in the prior year) in the first nine months of fiscal year 2009/10.

Earnings were positively influenced by the metal price increase and other copper price effects on the inventories of the former Cumerio companies in the amount of € 89.2 million. In the comparable prior-year period these effects were negative due to the low copper prices and weighed on earnings to the extent of € 23.8 million. In the other group companies, earnings were adversely affected by valuations of the other metals.

Apart from these effects, the business performance compared with the prior year was mainly determined by the following factors:

- » A good metal yield was achieved with high metal prices and a good throughput.
- » Sulphuric acid prices have continually increased during the reporting period and in aggregate are now at the average level of the prior year.
- » The market situation for scrap and other recycling materials has substantially improved and has resulted altogether in revenues from refining charges above the prior-year level on account of the higher volumes.
- » The economic upturn was reflected in considerably improved product sales.

- » The net interest expense declined on account of lower average debt and lower interest rates.

Group revenues amounted to € 7,048 million (€ 4,704 million in the prior year) in the first nine months of fiscal year 2009/10. The increase in revenues is mainly a result of higher metal prices.

The gross profit of € 636 million was substantially up on the result for the prior-year period (€ 449 million). € 113 million of this rise was however caused by valuation effects.

Personnel expenses rose to € 213 million, up from € 207 in the prior year, mainly due to higher expenditure for the employee stock option plan.

Depreciation on property, plant and equipment totalling € 79 million was only slightly up on the prior year (€ 77 million).

Earnings before interest, taxes, depreciation and amortisation (EBITDA) amounted to € 310 million (€ 101 million in the prior year). At the same time, earnings before interest and taxes (EBIT) rose to € 231 million in the first nine months of fiscal year 2009/10, compared with € 25 million in the prior-year period.

After taking into account net interest expense, earnings before taxes amounted to € 211 million (€ -8 million in the prior year). The reduced interest expense was the result of lower average debt with at the same time improved conditions.

After deducting the tax expense, a consolidated net profit of € 151 million remains (consolidated net loss of € 9 million in the prior year).

This results after elimination of the minority interest in earnings per share of € 3.66, compared with € -0.23 in the prior year).

## **Financial position and capital expenditure**

A cash outflow from operating activities of € 208 million was recorded (€ 478 million cash inflow in the prior year) despite the significantly higher earnings compared with the prior year. This is mainly due to higher net working capital on account of the increased output and higher metal prices. Capital expenditure excluding financial fixed assets amounted to € 125 million in the reporting period (€ 80 million in the prior year), most of which was the result of investment projects in connection with an electricity supply agreement.

The Group reported cash and cash equivalents of € 31 million as at 30 June 2010.

## **Net assets**

Total assets changed from € 2,692 million at the end of the last fiscal year to € 3,253 million as at 30 June 2010. The rise in inventories (€ +590 million), receivables and other assets (€ +135 million) and property, plant and equipment (€ +35 million) compares with the decline in cash and cash equivalents (€ -226 million). Current receivables and other assets rose mainly due to the valuation of derivatives. The contra entry is reported in current liabilities.

Group equity rose from € 935 million at the end of the last fiscal year to € 1,024 million as at 30 June 2010 on account of the consolidated net income in the first nine months. By contrast, the dividend payments in the amount of € 28 million reduced the equity. The equity ratio at 31 % is slightly changed compared with the prior year (33 %). Other non-current provisions declined from € 98 million to € 52 million mainly due to lower provisions for personnel expenses and lower expected losses on onerous contracts.

Borrowings increased by € 146 million from € 616 million as at 30 September 2009 to € 762 million as at 30 June 2010, whereby current borrowings as at 30 June 2010 amounted to € 425 million (€ +260 million) and non-current borrowings to € 337 million (€ -114 million). The gearing rose from 38 % in the prior year to 71 % as at 30 June 2010 due to the reduced

cash and cash equivalents. Trade accounts payable increased by € 282 million to € 882 million. By contrast, income tax liabilities fell by € 16 million to € 8 million. Other liabilities rose by € 76 million to € 267 million, mainly due to the valuation of derivatives.

## **Effects on valuation due to the new version of IAS 2**

Under the current version of IAS 2, all inventories in the Aurubis Group have had to be measured since 1 October 2005 using the average cost method. This causes considerable discontinuity due to changes in the carrying amounts in the event of metal price fluctuations. These are, however, fictitious results, which provide a false impression of the results of operations, financial position and net assets. As a consequence, a true picture is not given of the Aurubis Group's operating performance and it is very difficult to make comparisons with earlier periods.

For this reason, we have reported the results of operations, financial position and net assets of the Aurubis Group so far ignoring the effects of the revaluation of LIFO inventories. The changes in results of operations, financial position and net assets after applying the average cost method are now discussed separately in the following:

## **Results of operations**

The revaluation of the LIFO inventories using the average cost method results in an increase in the gross profit, EBITDA, EBIT and EBT in each case of € 116 million (€ 151 million reduction in each case in the prior year). After taking into account deferred taxes, a € 79 million higher consolidated net income remains (€ 105 million lower in the prior year).

After deducting the minority interest, earnings per share are € 1.94 higher (€ 2.58 lower in the prior year) following the application of the average cost method.

## **Financial situation**

The revaluation of the LIFO inventories using the average cost method has no impact on cash flow.

## **Net assets**

After revaluation of the LIFO inventories, the balance sheet total rose by 24 % to € 3,514 million as at 30 June 2010, compared with € 2,837 million as at the end of the last fiscal year, of which the rise in inventories accounted for € 706 million.

Group equity amounted to € 1,197 million at the end of the first nine months after revaluation of LIFO inventories, resulting in an equity ratio of 34 %. At the end of the last fiscal year, equity amounted to € 1,029 million, and the resultant equity ratio to 36 %.

On this basis, the gearing in the Group amounted to 61 % as at 30 June 2010, compared with 35 % as at 30 September 2009.

### 3. BUSINESS UNITS

#### BUSINESS UNIT PRIMARY COPPER

BU Primary Copper produces high-purity copper cathodes from a variety of raw materials at the Hamburg, Pirdop/Bulgaria and Olen/Belgium production sites. Apart from copper concentrates and blister copper, these raw materials also include recycling materials and intermediates from other smelters.

The cathode output in the first nine months of the fiscal year reached a new record level. In total, 703,000 tonnes of cathodes (665,000 tonnes in the prior year) were produced. The throughput of copper concentrates at 1,561,000 tonnes matched the prior-year figure (1,560,000 tonnes). However, greater quantities of copper scrap were processed. In line with the concentrate throughput, 1,582,000 tonnes of sulphuric acid were produced (1,577,000 tonnes in the prior year).

BU Primary Copper reported revenues of € 3,830 million in the first nine months, compared with € 2,333 million in the prior-year period. The significant increase in revenues of € 1,497 million or 64 % was mainly achieved on account of the strong increase in metal prices compared with the prior year.

BU Primary Copper generated earnings before taxes (EBT) of € 119.7 million in the first nine months. This figure includes valuation effects resulting from copper inventories of the former Cumerio companies at the Olen and Pirdop sites, which amounted to € 67.4 million as at the end of the quarter (€ 16.3 million in the prior year). The accumulated operating result of the BU amounted to € 52.3 million (€ -4.9 million in the prior year). The improvement in earnings compared with the prior year is largely attributable to higher refining charges and the increased throughput of copper scrap, which more than compensated for the reduced treatment and refining charges for concentrates. In addition, the net interest expense improved considerably and one-off negative effects at the Belgium subsidiary no longer applied. The accumulated contribution to earnings made by sulphuric acid sales was at the prior-year level.

#### ***Key figures in accordance with IFRS***

BU PRIMARY COPPER		9 months 08/09	9 months 09/10	Difference in %
Revenues	€m	2,333.4	3,829.8	+64.1
EBIT	€m	0.9	126.1	-
EBT	€m	(21.2)	119.7	-

Before revaluation of LIFO inventories using the average cost method

#### **Raw material markets**

The global supply of copper concentrates was affected by persistent low availability. The treatment and refining charges for spot business were very low.

However, thanks to our long-term supply agreements with mines and traders, we were able to obtain treatment and refining charges that were higher than the governing market conditions.

#### **Sulphuric acid market**

The market for sulphuric acid has recovered further in the course of the fiscal year and was at a satisfactory price level.

### **Production**

The flexibility of the production processes continued to be exploited in view of the ongoing favourable market conditions for copper scrap and the input mix optimised at the primary copper sites for anode production. All the tankhouses were kept fully supplied with anodes during the first nine months. In the tankhouses of BU Primary Copper the accumulated output amounted to 703,000 tonnes of cathodes (665,000 tonnes in the prior year), a substantial increase compared with the prior-year period.

#### Hamburg

In the third quarter of the fiscal year, 257,000 tonnes of concentrates (276,000 tonnes in the prior year) were processed in Hamburg. The lower throughput compared with the prior year was the result of a scheduled relining of one of the two anode furnaces in April, which temporarily reduced the total throughput in the smelter at times. Altogether 823,000 tonnes (812,000 tonnes in the prior year) of concentrates were processed in the first nine months of the fiscal year.

The accumulated sulphuric acid output for the first nine months amounted to 805,000 tonnes (841,000 in the prior year), of which 250,000 tonnes were produced in the third quarter (286,000 tonnes in the prior year).

The cathode output in Hamburg at 93,000 tonnes in the third quarter matched the prior-year level (93,000 tonnes). In total, 281,000 tonnes of cathodes were produced in Hamburg in the first nine months of the fiscal year (281,000 tonnes in the prior year).

#### Pirdop

Our primary smelter at the Bulgarian site Pirdop was kept fully supplied in the third quarter and processed 245,000 tonnes of copper concentrates (240,000 tonnes in the prior year). A total of 738,000 tonnes of copper concentrates was processed in the first three quarters of the fiscal year (747,000 tonnes in the prior year).

In line with the quantity of concentrates processed, 777,000 tonnes of sulphuric acid were produced at the site in the first three quarters (736,000 tonnes in the prior year), 243,000 tonnes of which applied to the third quarter (237,000 tonnes in the prior year).

The cathode output in Pirdop site amounted to 164,000 tonnes in the first three quarters (143,000 tonnes in the prior year), thus reaching a new high. 55,000 tonnes of the accumulated cathode output were produced in the third quarter (49,000 tonnes in the prior year).

#### Olen

The copper tankhouse in Olen was kept fully supplied with its own anodes, anodes from Pirdop and from third parties. In the third quarter 87,000 tonnes of copper cathodes were produced (80,000 tonnes in the prior year). The accumulated output of the first nine months reached 259,000 tonnes, substantially higher than in the comparable prior-year period (241,000 tonnes).

## **BUSINESS UNIT RECYCLING / PRECIOUS METALS**

In BU Recycling/Precious Metals high-purity copper cathodes are produced from a variety of recycling raw materials and precious metals extracted from primary and secondary raw materials. The main production sites are the Group's recycling centre in Lunen and the secondary smelter and precious metal production facilities in Hamburg.

Production could be increased on account of the good raw material supply in all sectors. Revenues rose by more than 50 %, from € 1,618 million to € 2,501 due to increased throughput and metal prices. EBT increased from € 24.7 million to € 37.1 million. The main reason for the improved earnings was the rise in average refining charges for copper scrap.

In addition, the increased input of complex recycling raw materials and the higher cathode output made a positive contribution to results.

**Key figures in accordance with IFRS**

BU RECYCLING / PRECIOUS METALS		9 months 08/09	9 months 09/10	Difference in %
Revenues	€m	1,617.8	2,501.2	+54.6
EBIT	€m	27.9	43.7	+56.6
EBT	€m	24.7	37.1	+50.2

Before revaluation of LIFO inventories using the average cost method

**Raw material markets**

The copper scrap market was stable again in the third quarter. The good material supply and thus resultant considerable willingness of the metal trade to pass the supply on to us continued. The market only showed signs of slight fatigue as the quarter was coming to a close, *inter alia* on account of declining copper prices. The copper scrap supply was completely secured for all the Aurubis sites, despite the increase in quantities processed.

The procurement markets for the other recycling materials such as alloyed scrap, electronic scrap and industrial residues again enabled all the Aurubis recycling facilities to be fully supplied with refining charges at a satisfactory level.

**Production**

Lunen

The Lunen recycling facilities were fully utilised again in the third quarter. The throughput of the Kayser Recycling System (KRS) after nine months totalled 183,000 tonnes, 11 % up on the prior-year period (164,000 tonnes). In the Lunen tankhouse, 160,000 cathodes (146,000 tonnes in the prior year) were produced, an increase of 10 % compared with the prior-year figure.

Hamburg

The utilisation of the precious metal production facilities increased on account of the raw materials. The silver output was substantially increased to 977 tonnes (897 tonnes in the prior year). This also applies for the gold output of 26.8 tonnes (25.1 tonnes in the prior year).

**BUSINESS UNIT COPPER PRODUCTS**

In BU Copper Products, own and bought-in copper cathodes are processed into continuous cast wire rod, shapes, rolled products and specialty products. The main production sites are Hamburg (Germany), Olen (Belgium), Avellino (Italy), Emmerich (Germany), Stolberg (Germany) and Yverdon-les-Bains (Switzerland).

Revenues in BU Copper Products rose to € 4,688 million (€ 2,722 million in the prior year), representing an increase of 72 % compared with the prior year. The rise was the result not only of higher copper prices, but in particular of higher unit sales, above all for continuous cast shapes and ROD. The generated EBT of € 52.5 million included positive valuation effects in the amount of € 21.8 million; accordingly the operating result amounted to € 30.7 million (€ -4.0 million in the prior year). Apart from special effects in the amount of

€ 7 million, which weighed on earnings in the last fiscal year, the improved earnings were mainly the result of the significant increase in unit sales with stable shape surcharges. This trend was supported long-term by the improved market environment and our good market position.

**Key figures in accordance with IFRS**

BU COPPER PRODUCTS		9 months 08/09	9 months 09/10	Difference in %
Revenues	€m	2,722.3	4,687.5	+72.2
EBIT	€m	-2.0	58.8	-
EBT	€m	-9.1	52.5	-

Before revaluation of LIFO inventories using the average cost method

**Product markets**

The business performance in BU Copper Products was positive again in the third quarter of the current fiscal year. Aurubis benefited from the recovery in almost all customer industries.

This positive trend continued in the cable and wire industry, the target market for copper wire rod. Demand was robust and on a stable and continuous uptrend, despite all the imponderables. The energy sector, which is the most important as regards quantities, remained stable with slight growth tendencies. The manufacturers of enamelled wire reported that demand in the white goods sector was increasing further. The problem child of the last fiscal year, demand from the automotive industry, continued to develop well. Sales of wire rod to the suppliers of carmakers almost reached the level of before the crisis.

The stabilisation on the markets for copper shapes and semis continued. Demand for high-grade products for applications in the electronics and electrical engineering industries was uninterrupted. Delivery times have been extended, triggered by the increased demand. In addition, the ongoing US dollar strength supports exports of semi-finished products to North America and the Far East region.

A mood of uncertainty can still be detected at our product customers as regards the future business trend, but this is giving way to a more optimistic attitude with each month that proves to be stable.

**Production**

In the third quarter, Aurubis produced a total of 210,000 tonnes of wire rod in its four rod plants, thus an increase of 15,000 tonnes compared with the prior quarter. When compared with the prior-year period (151,000 tonnes), production has risen by as much as 35 %.

Rod output totalled 578,000 tonnes in the first nine months of the fiscal year. Compared with the prior year (478,000 tonnes), this represents growth of 21 %. All the rod plants were well utilised.

Aurubis produced a total of 50,000 tonnes of continuous cast shapes in the third quarter, an increase of 78 % compared with the prior year (28,000 tonnes). In total, 156,000 tonnes were cast in the first nine months of the fiscal year, 41 % up on the prior year (111,000 tonnes).

Schwermetall Halbzeugwerk (50 % Aurubis holding) produced 56,000 tonnes of pre-rolled strip in the third quarter. The prior year output was thus exceeded by 23,000 tonnes (72 %). Total sales amount to 154,000 tonnes in the current fiscal year (105,000 tonnes in the prior

year). Demand for products made of copper and copper alloys remained at a high level in the third quarter with growth reported for all the material groups.

The market upturn in the Flat Rolled Products & Specialty Wire business line from the second quarter continued in the third quarter. At more than 13,000 tonnes, sales were 56 % higher than in the prior-year quarter (8,000 tonnes in the prior year). With more than 36,000 tonnes after nine months, total sales increased by 28 % year-on-year. The order intake has remained stable despite the beginning of the summer break and orders on hand have increased further. The automotive sector in particular showed above-average growth rates. The two slitting centres in Great Britain and Slovakia likewise reported good business.

## 4. HUMAN RESOURCES

The Aurubis Group had a total of 4,757 employees at the end of the third quarter (4,673 in the prior year). This increase is in particular the result of restructuring the maintenance section in Pirdop by starting shift operation, and a slight increase in the headcount at Aurubis AG.

The Aurubis Group employees are spread out over the following countries: Germany (3,315), Bulgaria (792), Belgium (466), Italy (107), Switzerland (40), England (25), Slovakia (10) and Turkey (2). Group-wide, 70 % of the workforce is thus employed in Germany and 30 % at other European locations.

Personnel expenses have increased by € 6.1 million compared with the prior year, mainly on account of increased expenditure for the incentive plan as a result of the sharp increase in the share price, the slightly higher number of employees and the end of most of the short-time working.

The continuing improvement in the order intake in the third quarter enabled the short-time working to be reduced once again and has only made it necessary to a limited extent at the Aurubis Stolberg site.

Aurubis would still like to enable as many of its employees as possible to participate in the company by owning a growing number of shares. The Group has therefore again given the employees at the German sites the opportunity to acquire a limited number of Aurubis shares at a discount. This year 1,647 employees (1,999 in the prior year) took advantage of this offer.

For the apprenticeship year that starts in 2010/11, Aurubis is recruiting 90 new apprentices in Germany as was the case in the prior year. Aurubis is therefore fulfilling its responsibility by providing an extensive training programme.

## 5. RESEARCH AND DEVELOPMENT

In the research and development sector, the work for the BUs Primary Copper and Recycling/Precious Metals focused on trials to improve the processing of complex raw materials in the primary metallurgical processes, the off-gas treatment and the electrolytic refining process. In addition, possibilities for increasing the extraction of valuable metals were examined, with the aim of improving resource efficiency.

The research theme for BU Copper Products was oriented to customer requirements. It focused on modern technologies, e.g. LED applications, the targeted optimisation of our materials and semis. In addition, we are working together with our customers on further improving the wire that we produce. The development of a first lead-free brass alloy in line with the Restriction of Hazardous Substances (RoHS) and End of Life Vehicles (ELV) directive was largely completed for BU Copper Products. The optimisation of the alloy, further tests with key customers and its marketing under the brand-name BlueBrass® are taking place in parallel.

## 6. AURUBIS SHARES

In the first nine months of the fiscal year, the international capital markets were affected by different factors. While the first quarter reflected considerable nervousness on the part of investors, the improved economic prospects in the period from January to March resulted in sharp price rises on the stock exchanges. This uptrend could however not be continued in the third quarter: the discussion on the financial difficulties of Greece and other European countries clouded the mood on the markets.

Economic worries again made investors nervous at the end of the third quarter. This also weighed on the share prices. At the end the capital markets were characterised by very high volatility.

Aurubis shares continued to thrive in the third quarter and reached a new historic high before coming under pressure along with the rest of the stock market. Overall they were subject to strong fluctuations in the reporting period, which were influenced by volatile copper prices.

Aurubis shares opened the fiscal year at a price of € 27.93 (Xetra) and reached a new historic high on 26 April 2010 of € 41.53. The shares reached a low at € 26.89 in the reporting period on 3 November 2009.

Aurubis shares closed the quarter at a price of € 35.82. In the first nine months the shares therefore rose by 25.8 % and continued to outperform the MDAX or the DAX, which only rose by 8.8 % and 5.1 % respectively.

The average daily trading volume of Aurubis shares on Xetra amounted to 249,000 shares in the first nine months and 260,000 shares in the third quarter.

## 7. CORPORATE GOVERNANCE

The Supervisory Board has appointed Dr Stefan Boel as a member of the Executive Board for a further five years until 30 April 2016.

## 8. OPERATING AND STRATEGIC MEASURES FOR CORPORATE DEVELOPMENT

### **Cost reductions and continuous improvement**

As part of our ongoing projects for continuous improvement, we have implemented a series of measures in recent months to improve our cost position. Examples are the flue dust separation in Hamburg and the slag preparation in Pirdop.

In view of the continuing economic recovery, from which we benefited in the product sector, transitional measures such as short-time working in the Group have meanwhile generally come to an end. Nevertheless, we are continuing our strict control of costs and expenditure for an unlimited period.

### **Strategic initiatives**

We pressed on with the implementation of the measures defined in our strategic development programme. In the third quarter we therefore continued to harmonise uniform processes throughout the Group and to enhance the basis for consistent and cross-border understanding of management by the implementation of management guidelines throughout the Group. In addition, we focused in particular on growth and improvement projects that supported the long-term implementation of our strategy. This relates for example to the capacity expansions in Hamburg and Lunen, which at the same time will also improve our processing ability and competence, for example, in the complex secondary raw material sector.

## 9. RISK AND OPPORTUNITY MANAGEMENT

Aurubis' business was influenced above all by the continuing economic recovery in the first nine months of the current fiscal year.

Despite the limited offer of copper concentrates, the facilities for copper production were kept satisfactorily supplied, assisted in particular by the ongoing good availability of copper scrap. The sulphuric acid demand, which already showed a clearly positive trend in the first and second quarters, continued this in the third quarter. With rising prices, the acid we produced was completely sold. The demand for our copper products increased in line with the economic upturn with the result that our plants were well utilised.

The credit risks arising from receivables in the reporting period were again a central theme in the risk management. The possibilities of hedging receivables by trade credit insurances have improved in the course of the fiscal year. No significant bad debts occurred in the first nine months.

We successfully countered pressure on earnings resulting from exchange rate fluctuations between the US dollar and the euro by exchange hedging. We eliminated the risks arising from volatile metal prices as far as possible by appropriate hedging. The rise in the copper price in the first nine months of the fiscal year resulted in positive valuation effects in our copper inventories. This effect does not influence our liquidity.

## 10. OUTLOOK

### Raw material markets

The situation on the markets for copper concentrates and other primary raw materials is not expected to change substantially in the next few months. In the medium term however it can be expected that the supply will improve due to production increases and new mining projects.

The Aurubis Group's copper scrap supply continues to be good with the result that a stable supply situation is also expected in the fourth quarter. We also expect all of the Aurubis recycling capacities to remain fully utilised.

### Copper market

Usually the copper market is affected by seasonal impacts in the fourth quarter and business quietens down. In view of the current divergent economic trends worldwide, however, this effect will have different intensities depending on the region.

In Germany, in particular, demand quietened down in July only to a limited extent. The order intake in the copper customer industries is secured by a good export business.

The decline in inventories in the warehouses of the metal exchanges also seems to be continuing, whereby the focus has up to now been on Asia as regards this development. At the end of July, about 32,000 tonnes of copper were scheduled at the LME for delivery in the next few weeks.

A continuing outflow of tonnages and increasing demand as of September could cause the availability of copper cathodes to drop. This should offer the copper price good support. Existing uncertainty as regards the sustainability of the economic recovery is, however, expected to be reflected in volatile prices.

### Copper production

We expect the high cathode output to continue at the Olen, Lunen and Pirdop sites. At the Hamburg site the cathode output is expected to be almost 10 % lower due to increased wear and tear of the heat exchangers in the sulphuric acid contact plant.

## **Product markets**

### Copper products

Overall we are assuming that demand for copper products will remain stable or increase slowly in the medium term. This refers both to our direct European core market and the other export markets.

We are expecting a slightly lower sales level for the fourth quarter of our fiscal year. This is caused by seasonally lower production at our customers and has been taken into account in our production and sales schedules. In percentage terms, the decline will most probably be less in the current fiscal year than in the prior fiscal years on account of the relatively low stocks along the entire value added chain. Currently copper product sales are expected to increase again in September.

### Sulphuric acid

No major changes are expected on the sulphuric acid market with prices remaining satisfactory. This is, however, based on the assumption that the economic situation will continue to be stable.

## **Expected earnings**

We expect the good business performance of the fiscal year up to now to continue for the remainder of this fiscal year. The annual results will therefore be significantly up on the prior-year results and reflect the overall good business trend. The negative valuation effects from the copper inventories that were acquired along with Cumerio have been completely recouped.

IV. INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE FIRST NINE MONTHS 2009/10

**Consolidated balance sheet (IFRS) (in € thousand)**

ASSETS	30.6.2010	30.9.2009
Intangible assets	<b>101,902</b>	41,922
Property, plant and equipment	<b>862,706</b>	874,427
Investment property	<b>22</b>	22
Interests in affiliated companies	<b>246</b>	246
Investments	<b>649</b>	649
Other financial fixed assets	<b>39,084</b>	52,156
Financial fixed assets	<b>39,979</b>	53,051
Fixed assets	<b>1,004,609</b>	969,422
Deferred tax assets	<b>1,865</b>	1,433
Non-current receivables and financial assets	<b>90,291</b>	63,383
Other non-current assets	<b>22</b>	22
Non-current receivables and other assets	<b>90,313</b>	63,405
Non-current assets	<b>1,096,787</b>	1,034,260
Inventories	<b>1,799,345</b>	1,093,627
<i>thereof from revaluation of LIFO inventories using the average cost method</i>	<b>260,828</b>	144,932
Trade accounts receivable	<b>422,249</b>	269,503
Income tax receivables	<b>11,897</b>	10,320
Other current receivables and assets	<b>152,307</b>	171,918
Current receivables and other assets	<b>586,453</b>	451,741
Short-term security investments	<b>343</b>	464
Cash and cash equivalents	<b>31,268</b>	257,243
Current assets	<b>2,417,409</b>	1,803,075
	<b>3,514,196</b>	2,837,335

**Consolidated balance sheet (IFRS) (in € thousand)**

<b>EQUITY AND LIABILITIES</b>	<b>30.6.2010</b>	30.9.2009
Subscribed capital	<b>104,627</b>	104,627
Additional paid-in capital	<b>187,055</b>	187,055
Generated group earnings <i>thereof from revaluation of LIFO inventories using the average cost method</i>	<b>925,916</b>	723,481
	<b>173,119</b>	93,947
Changes in accumulated other comprehensive income	<b>(24,274)</b>	10,380
Equity attributable to shareholders of Aurubis AG	<b>1,193,324</b>	1,025,543
Minority interest <i>thereof from revaluation of LIFO inventories using the average cost method</i>	<b>3,368</b>	3,323
	<b>(45)</b>	(51)
Equity	<b>1,196,692</b>	1,028,866
Pension provisions	<b>72,936</b>	71,450
Deferred tax liabilities <i>thereof from revaluation of LIFO inventories using the average cost method</i>	<b>230,764</b>	167,130
	<b>87,754</b>	51,036
Other non-current provisions	<b>42,212</b>	39,505
Non-current provisions	<b>345,912</b>	278,085
Non-current borrowings	<b>336,718</b>	451,149
Other non-current liabilities	<b>33,188</b>	25,248
Non-current liabilities	<b>369,906</b>	476,397
Non-current provisions and liabilities	<b>715,818</b>	754,482
Other current provisions	<b>51,730</b>	97,875
Current borrowings	<b>425,408</b>	165,065
Trade accounts payable	<b>882,429</b>	600,853
Income tax liabilities	<b>7,834</b>	24,262
Other current liabilities	<b>234,285</b>	165,932
Current liabilities	<b>1,549,956</b>	956,112
Current provisions and liabilities	<b>1,601,686</b>	1,053,987
Debt	<b>2,317,504</b>	1,808,469
	<b>3,514,196</b>	2,837,335

INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR NINE MONTHS 2009/10

**Consolidated income statement (IFRS) (in € thousand)**

	9 months 2009/10	9 months 2008/09
Revenues	7,048,217	4,704,175
Changes in inventories of finished goods and work in process	368,986	(245,458)
<i>thereof from revaluation of LIFO inventories using the average cost method</i>	(5,114)	25,146
Own work capitalised	5,789	6,932
Other operating income	26,360	7,099
Cost of materials	(6,697,382)	(4,173,915)
<i>thereof from revaluation of LIFO inventories using the average cost method</i>	121,011	(175,792)
Gross profit	751,970	298,833
Personnel expenses	(212,810)	(206,726)
Depreciation and amortisation	(79,372)	(76,830)
Other operating expenses	(113,399)	(141,927)
Operational result	346,389	(126,650)
Result from investments	494	565
Interest income	10,171	8,781
Interest expense	(30,007)	(40,963)
Earnings before taxes (EBT)	327,047	(158,267)
<i>thereof from revaluation of LIFO inventories using the average cost method</i>	115,897	(150,646)
Income taxes	(97,002)	44,187
<i>thereof from revaluation of LIFO inventories using the average cost method</i>	(36,719)	45,393
Consolidated net income (loss in the prior year)	230,045	(114,080)
<i>thereof from revaluation of LIFO inventories using the average cost method</i>	79,178	(105,253)
Income (loss in the prior year) attributable to minority interest	(1,045)	(664)
<i>thereof from revaluation of LIFO inventories using the average cost method</i>	(6)	0
Consolidated net income (loss in the prior year) after minority interest	229,000	(114,744)
<i>thereof from revaluation of LIFO inventories using the average cost method</i>	79,172	(105,253)
Basic earnings per share (in €)	5.60	(2.81)
<i>thereof from revaluation of LIFO inventories using the average cost method</i>	1.94	(2.58)
Diluted earnings per share (in €)	5.60	(2.81)
<i>thereof from revaluation of LIFO inventories using the average cost method</i>	1.94	(2.58)

INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR NINE MONTHS 2009/10

**Consolidated statement of comprehensive income (IFRS) (in € thousand)**

	9 months 2009/10	9 months 2008/09
Consolidated net income for the period (loss in the prior year)	<b>230,045</b>	<b>(114,080)</b>
- <i>thereof from revaluation of LIFO inventories using the average cost method</i>	79,178	(105,253)
Changes recognised directly in equity		
Foreign currency differences	807	(110)
"Available-for-sale" financial assets	(10,025)	(4,925)
Market valuation of cash flow hedges	(36,109)	6,722
Deferred taxes on accumulated other comprehensive income	10,673	(1,055)
Other comprehensive income for the period	<b>(34,654)</b>	<b>632</b>
Consolidated total comprehensive income for the period	<b>195,391</b>	<b>(113,448)</b>
Consolidated total comprehensive income attributable to Aurubis AG shareholders	194,346	(114,112)
- <i>thereof from revaluation of LIFO inventories using the average cost method</i>	79,172	(105,253)
Consolidated total comprehensive income attributable to minority interest	1,045	664
- <i>thereof from revaluation of LIFO inventories using the average cost method</i>	6	0

**Consolidated cash flow statement (in € thousand)**

	<b>9 months 2009/10</b>	9 months 2008/09
<b>Earnings before taxes after revaluation of LIFO inventories</b>	<b>327,047</b>	(158,267)
Revaluation of LIFO inventories using the average cost method	(115,897)	150,646
<b>Earnings before taxes before revaluation of LIFO inventories</b>	<b>211,150</b>	(7,621)
Depreciation and amortisation	79,372	76,830
Impairment losses/reversal of impairment losses on current assets	(101,607)	90,040
Change in non-current provisions	(52)	776
Net losses from disposal of fixed assets	425	354
Other non-cash expenses and income	11,508	0
Income from investments	(494)	(565)
Net interest expense	19,317	32,182
Income taxes paid	(23,049)	(16,608)
<b>Gross cash flow</b>	<b>196,570</b>	175,388
Change in receivables and other assets, including short-term security investments	(175,083)	96,192
Change in inventories	(486,119)	127,559
Change in current provisions	(46,168)	15,002
Change in liabilities (excl. borrowings)	303,081	63,560
<b>Cash outflow (inflow in prior year) from operating activities (net cash flow)</b>	<b>(207,719)</b>	477,701
Additions to fixed assets	(123,964)	(133,341)
Proceeds from disposal of fixed assets	248	469
Interest received	10,171	8,781
Dividends received	494	565
<b>Cash outflow from investing activities</b>	<b>(113,051)</b>	(123,526)
Proceeds from taking up borrowings	490,045	138,118
Payment for the redemption of borrowings	(339,102)	(434,759)
Interest paid	(25,252)	(40,963)
Dividends paid	(27,565)	(67,307)
<b>Cash inflow (outflow in prior year) from financing activities</b>	<b>98,126</b>	(404,911)
Net change in cash and cash equivalents	(222,644)	(50,736)
Changes from exchange rate changes	(3,331)	28
Cash and cash equivalents at the beginning of period	257,243	186,482
<b>Cash and cash equivalents at end of period</b>	<b>31,268</b>	135,774

INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR NINE MONTHS 2009/10

**Consolidated statement of changes in equity (in € thousand)**

	Subscribed capital	Additional paid-in capital	Generated group equity	Changes in accumulated comprehensive income				Equity attributable to share-holders of Aurubis AG	Minority interest	Total
				Market valuation of cash flow hedges	Market valuation of financial assets	Exchange differences	Deferred taxes			
Balance as at 30.9.2008 <i>thereof from revaluation of LIFO inventories using the average cost method</i>	104,627	188,759	834,459	6,894	0	(79)	1,865	1,136,525	4,262	1,140,787
	0	0	193,306	0	0	0	0	193,306	0	193,306
Dividend payment	0	0	(65,392)	0	0	0	0	(65,392)	(1,915)	(67,307)
Consolidated total comprehensive income <i>thereof from revaluation of LIFO inventories using the average cost method</i>	0	0	(114,744)	6,722	(4,925)	(110)	(1,055)	(114,112)	664	(113,448)
	0	0	(105,253)	0	0	0	0	(105,253)	0	(105,253)
Balance as at 30.6.2009 <i>thereof from revaluation of LIFO inventories using the average cost method</i>	104,627	188,759	654,323	13,616	(4,925)	(189)	810	957,021	3,011	960,032
	0	0	88,053	0	0	0	0	88,053	0	88,053
Balance as at 30.9.2009 <i>thereof from revaluation of LIFO inventories using the average cost method</i>	104,627	187,055	723,481	15,239	(2,483)	109	(2,485)	1,025,543	3,323	1,025,866
	0	0	93,947	0	0	0	0	93,947	(51)	93,896
Dividend payment	0	0	(26,565)	0	0	0	0	(26,565)	(1,000)	(27,565)
Consolidated total comprehensive income <i>thereof from revaluation of LIFO inventories using the average cost method</i>	0	0	229,000	(36,109)	(10,025)	807	10,673	194,346	1,045	195,391
	0	0	79,172	0	0	0	0	79,172	6	79,178
Balance as at 30.6.2010 <i>thereof from revaluation of LIFO inventories using the average cost method</i>	104,627	187,055	925,916	(20,870)	(12,508)	916	8,188	1,193,324	3,368	1,196,692
	0	0	173,119	0	0	0	0	173,119	(45)	173,074

## INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR NINE MONTHS 2009/10

---

### **Selected notes to the consolidated financial statements**

The accompanying interim group report of Aurubis AG includes interim consolidated financial statements and a Group management report in accordance with the stipulations of the German Securities Trading Act. The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) for interim reporting as applicable in the EU. The accounting policies of the financial statements as at 30 September 2009 have been applied without amendment, with the exception of accounting standards that are to be applied for the first time.

The interim consolidated financial statements for the first nine months 2009/10 have not been reviewed by the auditors.

### **Standards to be applied for the first time**

The amendments to IAS 1 „Presentation of Financial Statements“ that were adopted by the European Union in December 2008 in European law and are applicable for fiscal years beginning on or after 1 January 2009 have been applied by Aurubis AG as follows. Changes in equity have been presented separately as transactions with shareholders and non-shareholder transactions. In addition, the standard has introduced a statement of comprehensive income. In accordance with the option of IAS 1.81, the total comprehensive income for the period must be shown in conjunction with the income statement and the statement of comprehensive income.

The amendments to IAS 23 „Borrowing costs“ that were adopted by the European Union in December 2008 in European law and are applicable for fiscal years beginning on or after 1 January 2009 mainly relate to the elimination of the option to recognise borrowing costs for a qualifying asset immediately as an expense, since they are to be allocated to acquisition or construction cost. There has been no impact from the application in these interim financial statements.

### **Write-downs**

In the reporting period, after revaluation of LIFO inventories, the inventories were written up by a total of € 30,659 thousand (write-down of € 73,656 in the prior year).

### **Significant events**

At the beginning of the calendar year 2010, the electricity supply agreement with an energy supplier came into force covering the supply of 1 billion kilowatt hours of electricity per annum for a term of 30 years. The fees are based on price and output components as well as a contribution to the investment costs of a power plant. In this connection Aurubis AG made a contribution in the first quarter of the fiscal year, which was recognised as an intangible asset.

## INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR NINE MONTHS 2009/10

### ***Consolidated segment reporting (in € thousand)***

	Primary Copper Segment		Recycling/ Precious Metals Segment		Copper Products Segment		Other		Total		Reconciliation/ Consolidation		Group total	
	9 Monate 2009/10	9 months 2008/09	9 months 2009/10	9 months 2008/09	9 months 2009/10	9 months 2008/09	9 months 2009/10	9 months 2008/09	9 months 2009/10	9 months 2008/09	9 months 2009/10	9 months 2008/09	9 months 2009/10	9 months 2008/09
Revenues														
Total revenues	3,829,829	2,333,402	2,501,167	1,617,834	4,687,535	2,722,283	7,012	1,801						
- inter-segment revenues	2,909,462	1,395,070	1,036,942	557,721	30,923	18,354	0	0						
Revenues with third parties	920,367	938,332	1,464,225	1,060,113	4,656,613	2,703,929	7,012	1,801	7,048,217	4,704,175	0	0	7,048,217	4,704,175
EBIT	126,140	860	43,676	27,907	58,753	(2,027)	1,829	(2,179)	230,398	24,561	115,991	(150,646)	346,389	(126,085)
Earnings before taxes	119,676	(21,157)	37,116	24,709	52,476	(9,070)	1,788	(2,103)	211,056	(7,621)	115,991	(150,646)	327,047	(158,267)

The division of the segments complies with the definition of business units in the Group.

Hamburg, 11 August 2010

Aurubis AG  
The Executive Board

Dr Bernd Drouven

Dr Michael Landau

Erwin Faust

Peter Willbrandt

Dr Stefan Boel

***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.*

## DATES / CONTACTS

---

### V. DATES AND CONTACTS

#### FINANCIAL CALENDAR

Publication of results of  
fiscal year 2009/10 14 December 2010

#### INVESTOR RELATIONS CONTACTS

Marcus Kartenbeck	Head	Tel. +49 40 7883-3178 e-mail: <a href="mailto:m.kartenbeck@aurubis.com">m.kartenbeck@aurubis.com</a>
Dieter Birkholz		Tel. +49 40 7883-3969 e-mail: <a href="mailto:d.birkholz@aurubis.com">d.birkholz@aurubis.com</a>
Ken Nagayama		Tel. +49 40 7883-3179 e-mail: <a href="mailto:k.nagayama@aurubis.com">k.nagayama@aurubis.com</a>

#### GROUP COMMUNICATIONS CONTACTS

Michaela Hessling	Head	Tel. +49 40 7883-3053 e-mail: <a href="mailto:m.hessling@aurubis.com">m.hessling@aurubis.com</a>
Matthias Trott		Tel. +49 40 7883-3037 e-mail: <a href="mailto:m.trott@aurubis.com">m.trott@aurubis.com</a>