Aurubis – the Integrated European Copper Producer

Lisbon, April 20, 2009
Marion Finney
Business Unit Recycling/ PM
Lünen
Well positioned production sites in European core markets

Production sites and employees

- Smethwick: 28
- Olen: 505
- Emmerich: 115
- Hamburg: 2,092
- Fehrbellin: 49
- Lünen: 471
- Röthenbach: 37
- Dolný Kubín: 10
- Stolberg: 542
- Yverdon-les-Bains: 38
- Avellino: 106
- Pirdop: 756

Primary Copper Production
- Hamburg
- Olen
- Pirdop
- Röthenbach

Recycling / Precious Metals
- Lünen
- Hamburg
- Olen
- Pirdop
- Fehrbellin

Copper Processing
- Hamburg
- Olen
- Avellino
- Emmerich
- Dolný Kubín

New group structure with 3 business units to meet requirements of group expansion

- Integrated copper processor
- Copper production
- Copper fabrication
- Processors and end users

BU Primary Copper
- Sulphuric acid
- Iron silicate

BU Copper Products
- Shapes
- Pre-rolled strip
- Strips
- Shaped wires
- Winerod

BU Recycling / Precious Metals
- Cathodes
- Other metals
- Precious metals

more than 4,700 people are employed in the new group
### Aurubis is the largest copper concentrate processor in Europe

**Processed volumes of European players** (2008; in 1,000 t)

**Competitive advantages**
- Improved processing possibilities for complex copper concentrates
- Economies of scale due to high processing volumes
- Flexibility due to 2 smelters
- High smelter performance (technical and ecological benchmark)

**Concentrate processing**

<table>
<thead>
<tr>
<th>Concentrate processor</th>
<th>Volumes (1,000 t)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aurubis</td>
<td>1087</td>
</tr>
<tr>
<td>KGHM</td>
<td>NA</td>
</tr>
<tr>
<td>New Boliden</td>
<td>1250</td>
</tr>
<tr>
<td>Atlantic Copper</td>
<td>955</td>
</tr>
<tr>
<td>Cumero</td>
<td>1997</td>
</tr>
</tbody>
</table>

Source: NA, Brook Hunt, Diverse. Cumero rounded up for the fiscal year.
Highest environmental standards in Europe

SO₂ emissions of copper smelters (in kg SO₂ pro m.t. copper)

- Hamburg site: 4
- Pirdop site: 10
- Average European copper smelters: 28
- Average international copper smelters: 352

Source: Brook Hunt 2008 and certified data

Aurubis treats more than 500,000 t/a recycling materials
Supply and purchasing structure

» Wide supplier basis with approx. 500 sources in almost 60 countries
» Approx. 3,850 individual contracts annually
» Dual purchasing organisation with centralised purchasing in Lünen and agency network/subsidiaries/holdings (USA, Can, E, GB, I, Eastern Europe)

Deliveries BY 2007/08 Hamburg and Lünen:

- Germany 51%
- Other countries in Western Europe 38%
- North America 3%
- Eastern Europe 4%
- Other countries 4%
- Other countries 4%
- Other countries 4%
- Other countries 4%

Aurubis is Europe’s leading cathode producer

Production output of European producers (2008; in 1,000 t)

<table>
<thead>
<tr>
<th>Competitive advantages</th>
<th>Cathodes produced</th>
</tr>
</thead>
<tbody>
<tr>
<td>Customer proximity due to 4 production sites</td>
<td>Aurubis 585</td>
</tr>
<tr>
<td>High cathode quality</td>
<td>KGHM 512</td>
</tr>
<tr>
<td>High efficiency through internal benchmarking of production sites</td>
<td>New Boliden 345</td>
</tr>
<tr>
<td>Own cathode output for processing into copper products</td>
<td>Atlantic Copper 260</td>
</tr>
<tr>
<td></td>
<td>Brixlegg 100</td>
</tr>
</tbody>
</table>

Source: Aurubis, Brook Hunt, diverse
Currencies rounded up for the fiscal year
### Leading European wire rod producer

**Production of European players (2008; in 1,000 t)**

<table>
<thead>
<tr>
<th>Company</th>
<th>Wire Rod Produced</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aurubis</td>
<td>480</td>
</tr>
<tr>
<td>Nexans</td>
<td>406</td>
</tr>
<tr>
<td>CCI</td>
<td>300</td>
</tr>
<tr>
<td>KGHM</td>
<td>250</td>
</tr>
<tr>
<td>Cunext</td>
<td>170</td>
</tr>
<tr>
<td>MKM (Kazakhmys)</td>
<td>165</td>
</tr>
</tbody>
</table>

### Competitive advantages

- Customer proximity due to 4 production sites
- Efficiency and productivity due to internal benchmarking of production facilities
- Reliability in supply due to own cathode production

### Wire rod produced

- **Aurubis**
- **Nexans**
- **CCI**
- **KGHM**
- **Cunext**
- **MKM (Kazakhmys)**

Source: NA preliminary figures.

Cumerio rounded up for the fiscal year.

### Strong position in European market for shapes

**Production output of European producers with and without captive supply (2008; in 1,000 t)**

<table>
<thead>
<tr>
<th>Company</th>
<th>Shapes Produced</th>
</tr>
</thead>
<tbody>
<tr>
<td>KME</td>
<td>725</td>
</tr>
<tr>
<td>Wieland</td>
<td>400</td>
</tr>
<tr>
<td>Aurubis*</td>
<td>190/60/250</td>
</tr>
<tr>
<td>Halcor</td>
<td>176</td>
</tr>
<tr>
<td>Luvata</td>
<td>90</td>
</tr>
<tr>
<td>Brixlegg*</td>
<td>86</td>
</tr>
<tr>
<td>Hutmen</td>
<td>55</td>
</tr>
</tbody>
</table>

### Competitive advantages

- Flexible and efficient casting programme
- Good quality and high supply security due to own cathode production

### Shapes produced

- **KME**
- **Wieland**
- **Aurubis**
- **Halcor**
- **Luvata**
- **Brixlegg**
- **Hutmen**

Source: Aurubis (preliminary figures).

Cumerio rounded up for the fiscal year.

* without or only limited further processing.

Lower capacity utilization due to the economic crisis.

Short-time work in Hamburg, Schwermetall, Aurubis Stolberg, shut-down of capacity at Aurubis Olen.
Excellent results in NA Group for fiscal year 2007/08

EBT development (IFRS; in €m)

<table>
<thead>
<tr>
<th>Year</th>
<th>04/05</th>
<th>05/06</th>
<th>06/07</th>
<th>07/08</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>260</td>
<td>260</td>
<td>251</td>
<td>340.6</td>
</tr>
</tbody>
</table>

ROCE development* (in %)

<table>
<thead>
<tr>
<th>Year</th>
<th>04/05</th>
<th>05/06</th>
<th>06/07</th>
<th>07/08</th>
</tr>
</thead>
<tbody>
<tr>
<td>ROCE</td>
<td>16.5</td>
<td>16.8</td>
<td>26.2</td>
<td>23.9</td>
</tr>
</tbody>
</table>

Dividend performance (in €)

<table>
<thead>
<tr>
<th>Year</th>
<th>04/05</th>
<th>05/06</th>
<th>06/07</th>
<th>07/08</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dividend</td>
<td>1.00</td>
<td>1.05</td>
<td>1.45</td>
<td>1.60</td>
</tr>
</tbody>
</table>

* Cumedio rounded up for the fiscal year

Group result 1st quarter BY 2008/2009 showing positive operating EBT - but negative valuation effect

Results of the 3 business units (only Q1 08/09; in €m rounded up)

<table>
<thead>
<tr>
<th></th>
<th>Primary Copper</th>
<th>Recycling / Precious Metals</th>
<th>Copper Products</th>
<th>Other</th>
<th>Group</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenues</td>
<td>292</td>
<td>303</td>
<td>897</td>
<td>-</td>
<td>1,493</td>
</tr>
<tr>
<td>EBIT</td>
<td>(101)</td>
<td>21</td>
<td>(26)</td>
<td>(2)</td>
<td>(110)</td>
</tr>
<tr>
<td>EBT</td>
<td>(109)</td>
<td>19</td>
<td>(32)</td>
<td>(2)</td>
<td>(124)</td>
</tr>
<tr>
<td>thereof valuation effects</td>
<td>(115)</td>
<td>(3)</td>
<td>(25)</td>
<td>-</td>
<td>(143)</td>
</tr>
<tr>
<td>Operating EBT</td>
<td>5</td>
<td>23</td>
<td>(6)</td>
<td>(2)</td>
<td>19</td>
</tr>
</tbody>
</table>
Copper price and exchange inventories in US$/t in April 2009

Copper prices stabilised above 4.500 US$/t in April 2009

Exchange inventories in days of usage (end of March 2009): world 11 days

How the Aurubis’ business is affected

Raw materials

» TC/RCs low, but improving due to better concentrate availability
» Availability on copper scrap markets diminished
» Good refining charges for other recycling materials

Product markets

» Decline in demand for wire rod partly compensated by stable demand in energy sector
» Sharp decline in demand for other copper products
## Supply situation in the copper recycling business

### Market factors for recycling

<table>
<thead>
<tr>
<th>Copper scrap</th>
<th>Other copper recycling materials</th>
</tr>
</thead>
<tbody>
<tr>
<td>» Highly cyclical supply</td>
<td>» Less volatile supply</td>
</tr>
<tr>
<td>» Strong dependence on</td>
<td>» Strong dependence on</td>
</tr>
<tr>
<td>» Copper price level</td>
<td>» Capacity utilisation in the processing industry</td>
</tr>
<tr>
<td>» Business performance in other market segments (steel, iron)</td>
<td>» Product life-cycles</td>
</tr>
<tr>
<td>» Trade inventory management</td>
<td>» Environmental legislation (end-of-life, conservation of resources)</td>
</tr>
<tr>
<td>» Purchasing behaviour of our competitors</td>
<td>» Little dependence on</td>
</tr>
<tr>
<td>» Impact of trade distortions</td>
<td>» Copper price level</td>
</tr>
<tr>
<td></td>
<td>» Trade inventory management</td>
</tr>
<tr>
<td></td>
<td>» Purchasing behaviour of competitors</td>
</tr>
</tbody>
</table>

## Global market for copper and copper recycling materials heavily distorted

» The EU Commission detected more than 450 trade distortions on more than 400 different raw materials (metals, wood, chemicals etc.) worldwide

» These are primarily in the form of:
  » VAT rebates
  » Import/ export taxes and duties
  » Exceeding of „WTO Bound-Rates“
  » Fraud in import/ export procedures/ documentation

**Urgent call to politicians:**
We need globally harmonized rules of trade for copper and copper scrap. Existing trade distortions must be identified and abolished.

Sources: BDI, VKS, WV Stahl, WVM/Eurometaux
Aurubis’ strategic plan follows the vision of becoming a global player

Growth

- Best practice in international copper smelting, refining, processing
- Investment targets in global growth areas (Asia, South America, …)

Global player

- No. 3 worldwide in Copper Production
- No. 1 worldwide in Copper Processing
- Strong position in Europe, especially S/E-Europe
- Strong economics/financials

European platform

- Optimised stand-alone position
- Integrated smelter, refiner, processor
- Industrial benchmark
- Strong economics/financials

Time

We maintain our scheduled investment programme

Lünen project KRS Plus 2011
Thank you for your attention

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Disclaimer

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