

Norddeutsche Affinerie with excellent results in the first half-year 2007/08

Earnings before taxes rise to € 161 million / Cumerio takeover successfully completed / „Synergies significantly more than original forecasts“ / Optimistic outlook

Hamburg, 30 May 2008 — Norddeutsche Affinerie AG (NA) again generated excellent results in the first half of fiscal year 2007/08 (October 2007 – March 2008). Revenues reached € 3.36 billion (€2.97 billion in the prior year). Earnings before taxes (EBT) rose to €161 million (€ 82 million in the prior year). This result takes into account the full consolidation of Cumerio N.V./S.A. (Cumerio) from 1 March 2008 onwards.

The successful completion of the acquisition of all of the interests in Cumerio represented a major step in NA's planned international growth strategy. „The integration is running at full swing. Current findings indicate that we can expect to exceed the originally forecast annual synergy potential in the amount of € 15 to 20 million by a substantial amount“, said Dr Bernd Drouven, NA's Chief Executive Officer.

The copper market has developed positively overall in the first half-year, above all due to the good fundamental situation. The involvement of funds also contributed to this. The availability of refined copper declined while demand remained good. „Despite the generally awaited economic downturn, we still expect copper demand to be at a high level with slightly lower growth“, Dr Drouven continued.

The raw material markets showed disparate trends. Good material availability and high refining charges resulted in a positive tendency in the copper scrap market, while the concentrate market was unsatisfactory.

In the Copper Production Segment, the throughput of copper concentrates, including the Cumerio's plants, amounted to 631,000 tonnes (563,000 tonnes in the prior year). The cathode output rose to 325,000 tonnes (283,000 tonnes in the prior year). In the Copper Processing Segment, demand in the cable and wire industry for continuous cast wire rod remained buoyant, while unit sales of continuous cast products failed to meet expectations. The output of wire rod increased once again and reached a high of 289,000 tonnes (227,000 tonnes in the prior year). The output of continuous cast shapes at 103,000 tonnes was down on the prior year's 122,000 tonnes.

The business performance was affected by the following factors compared with the first half of the prior year:

- High production rate of metals with high metal prices
- Continued good level of refining charges for scrap and other recycled material
- Declining treatment and refining charges for processed copper concentrates
- Higher prices for sulphuric acid
- Increased cathode output
- Higher sales and improved revenues for wire rod
- Improved revenues for continuous cast shapes despite declining sales
- Increased personnel expenses due to profit-sharing bonus
- Stable earnings at the subsidiaries at the prior-year level
- Profit contribution of €6 million (EBT) from Cumerio

Apart from Cumerio's March profit in the amount of € 6 million, the consolidated earnings in the first half-year also included one-off and valuation effects in the amount of € 39 million. Thereof, Valuation effects due to fluctuations in the copper prices resulted in a positive contribution to the profit of € 22 million in the reporting period. In the first quarter 2007/08, the last quarter before the Cumerio takeover, the valuation effects amounted to € 47 million. Cumerio's consolidated revenues amounted to € 302 million in the first half-year.

Personnel expenses in the first half-year rose from € 98 million in the prior year to € 122 million in the current fiscal year on account of profit-sharing bonuses for employees, tariff wage-scale increases, the higher average number of personnel and restructuring expenditure of € 6 million at Cumerio. Depreciation and amortisation in the first half-year amounted to € 30 million, € 4 million up on the prior-year period (€ 26 million), of which Cumerio accounted for € 3 million.

Earnings before interest, taxes, depreciation and amortisation (EBITDA) were at the exceptional level of € 201 million after having already been at the high level of € 112 million in the prior-year period. Accordingly, earnings before interest and taxes (EBIT) amounted to € 171 million (€ 85 million in the prior year). After including net interest, earnings before taxes amounted to € 161 million (€ 82 million in the prior year). Interest expense increased due to the funding of the acquisition of the shares in Cumerio as well as the first-time consolidation of that company.

After taxes, NA increased its consolidated net income in the first half-year to € 119 million (€ 49 million in the prior year). The tax rate declined from 40 % to 26 % as a result of the Corporate Tax Reform Law 2008 and the tax-neutral release of negative goodwill. After elimination of the minority interest, earnings per share amount to € 2.95, compared with € 1.30 in the prior year.

„The first half-year results reflect NA's outstanding business situation. We are also optimistic for the second half of 2007/08 and, with a continuing good economic trend and high copper prices, expect to achieve a very good result again for the fiscal year as a whole“, said Drouven in conclusion.

FINANCIAL CALANDER

29 August 2008	Interim report on 3rd quarter
6 September 2008	Open Day at the Hamburg Stock Exchange
17 December 2008	Preliminary results for fiscal 2007/08

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Disclaimer

Forward-looking Statements

This interim report 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.

GROUP KEY FIGURES

		2nd quarter 06/07	1st half-year 06/07	2nd quarter 07/08*	1st half-year 07/08*
Revenues	€m	1,499	2,967	1,949	3,364
Gross profit	€m	135	258	203	388
Personnel expenses	€m	49	98	67	122
Depreciation and amortisation	€m	14	26	17	30
EBITDA	€m	58	112	95	201
EBIT	€m	45	85	79	171
EBT	€m	43	82	72	161
Net income	€m	26	49	59	119
Earnings per share	€	0.68	1.30	1.43	2.95
Gross cash flow	€m	44	82	72	149
Capital expenditure (excl. financial assets)	€m	44	59	25	43
Copper price (average)	US\$/t	5,941	6,509	7,763	7,499
Average number of employees*		3,205	3,214	3,748	3,518

* incl. Cumerio from 1 March 2008 onwards

Before revaluation of LIFO inventories using the average cost method