

## **ATLANTIC COPPER TO SUSTAIN GROWTH IN 2015**

**In 2014 the company shattered production and sales records and slashed its environmental impact to a historic low**

**Further good operating results and fatter margins are anticipated for 2015**

**Huelva, July 16, 2015.** Atlantic Copper, the Freeport-McMoRan Company in Huelva, released its latest financials and its eighteenth Environmental Statement today. The company reports high production and sales figures in 2014, some of them the best the company has ever seen. Atlantic Copper has steadily reduced its energy consumption, brought down its emissions and exported over 50% of its sales to stable markets. Furthermore, it has improved its refining margins and per-unit costs in 2015 and has made major investments. As a result, the firm is sitting pretty as a world-class example for the rest of the copper industry.

One of the factors that has made such brilliant results possible is the company's ongoing improvement in its facility use and availability indices: In 2014 smelter use at Atlantic Copper added up to over 95% of calendar time. Similar behaviour is expected in 2015, although there will be a brief shutdown for maintenance after the summer.

Macarena Gutiérrez, Senior Vice President Economic and Financial Affairs at Atlantic Copper, says, *"Because we've made a big management effort, applied stronger cost efficiency measures and adapted to our market circumstances, we've been able to report some really striking results. Our company is fully engaged in seeking excellence in every field, especially ongoing improvement in key issues like our facilities' environmental behaviour and safety."*

### **Production and Costs**

Atlantic Copper is the third-largest copper smelter and refinery in Europe and the only copper smelter and refinery in Spain. In 2014 the Atlantic Copper complex beat several records on its main production lines. First, the complex smelted 1,084,000 tons of copper concentrate (the raw material shipped in from mines on various continents). The copper-refining process yielded 284,000 tons of high-quality copper cathodes.

Along with making copper, Atlantic Copper is the country's biggest producer of sulphuric acid, which is mainly used in the fertilizer industry, in mining, as a raw material for paint and paper pulp and in many other chemical processes. In 2014 the company produced 1,081,000 tons of acid, another historic record.

Also numbering among the company's products is iron silicate, a by-product of metallurgical processes that is mainly used to make mortar and cement; Atlantic Copper produced 675,000 tons of it last year. Copper smelting yielded six tons of gold and 74 tons of silver as well in 2014.

Atlantic Copper is responsible for 10% of the traffic at Huelva Port, since it moves over three hundred ships a year carrying raw materials in and finished products out. By road it moves around 2.5 million tons per year, the equivalent to over a hundred thousand trips by truck.

### **Sales**

The company closed 2014 with €1.82 trillion (\$2.412 trillion) in sales, and its first-quarter sales in 2015 amounted to €488 million (\$546 million). These figures place Atlantic Copper among Spain's top 80 companies. Atlantic Copper stands as number two on the list of Andalusia-based companies in terms of turnover, and number one in the province of Huelva. It made 48% of its sales in the domestic market and expanded its list of customers abroad. Atlantic Copper remains at the top of the Andalusia exports list.

### **Investments and Jobs**

The company shelled out €16 million (\$21 million) in investments in 2014, and the figure will go up in 2015, when forecasts call for €31 million (\$34 million).

Atlantic Copper provides 1,000 jobs directly and is estimated to be responsible for a total of 2,500 jobs counting direct, indirect and induced employment.

### **Contribution to the Local and Regional Economy**

The company contributes an annual average of €160 million to the Andalusian economy. Close to 45% of that sum takes the form of wages, while the rest goes to procurement, which includes the services of other companies, power and materials.

### **Environmental Statement**

In the last ten years, Atlantic Copper has invested €98 million (\$131 million) in the environment. Six million euros (\$8 million) of that sum was invested in 2014 for the ongoing improvement of the company's environmental performance. The environmental investment forecast for 2015 calls for €11 million (\$12 million).

For Miguel Palacios, Senior Vice President Metallurgy, *"The Atlantic Copper production process is subject to the strictest environmental controls at all times. We apply the finest technologies available, similar to the technologies used at the world's foremost smelting works. Last year we managed to reduce our per-unit power consumption by 22%, which is vital for us, because it lets us reduce greenhouse gas emissions and at the same time sharpen up our competitiveness, because we are reducing our energy costs, which make up a big percentage, nearly 30%, of our total costs."*

The Environmental Statement identifies 109 environmental aspects, nine of which are tagged as highly significant because of the size of their actual or potential impact.

In 2014 water consumption was reduced by 1.7%, and the amount of waste managed was a whopping 32.8% less than the year before. In atmospheric emissions, sulphur dioxide (SO<sub>2</sub>) declined by 14% due to the implementation of a number of new projects partly developed by the Atlantic Copper innovation team. Particulate matter in emissions was slashed by 47%, thanks in part to improvements made during the 2013 general shutdown.

All liquid effluent parameters have remained far below the legal limits.

In addition to the corporate responsibility work Atlantic Copper is doing through the Atlantic Copper Foundation, in 2014 the company earned international IQNet SR10 certification from the Spanish Association for Standardisation and Certification (AENOR) for having defined,



introduced, maintained and improved its corporate responsibility management system. Atlantic Copper thus became the first company in the metallurgy industry to earn IQNet SR10 certification.

### **About Freeport**

*Freeport-McMoRan is a US company listed on the New York Stock Exchange. It holds an important portfolio of operations and projects for expansion and growth in the copper industry and is the world's second-biggest producer of copper. In addition, it is the world's biggest producer of molybdenum and ranks among the leaders in cobalt, gold, oil and natural gas.*

*For Freeport, Atlantic Copper is a strategic asset that provides an outlet for 10% of its world production of copper ore; this ore accounts for 50% of the raw materials Atlantic Copper treats. In addition, it acts as natural hedging for fluctuations in treatment and refining charges (TC/RC).*