Many become one

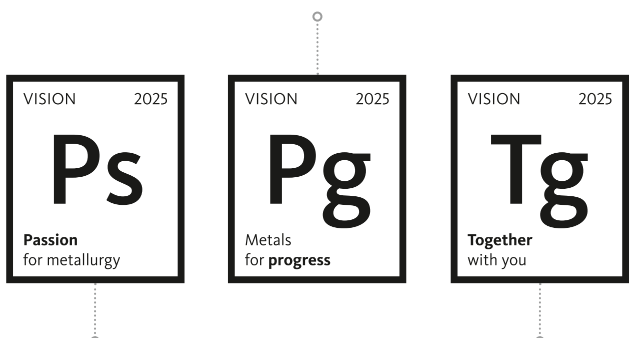
Annual Report 2016/17

Aurubis
Metals for Progress

Many become one

2017 marked the beginning of a new chapter in our company's history: the launch of our Vision 2025. This framework outlines our aspirations for the future, condenses our diverse objectives into concrete statements, and clarifies our new direction. At its core are three central messages: Passion for metallurgy. Metals for progress. Together with you.

METALS FOR PROGRESS We produce metals for the future. Our focus is therefore set squarely on future applications and trends. We'll be expanding our extraction activities beyond copper, and process these metals into products. This in turn will help us grow our existing sales markets and tap into new ones.



PASSION FOR METALLURGY We are driven by our passion for metallurgy, a passion that regularly sees us push the boundaries of what is technically feasible. Over the coming years, we will be making good use of this innovative strength and introducing our process and metallurgy expertise to new sectors.

TOGETHER WITH YOU We aim to be the partner of choice, not only for our customers, our suppliers and our employees, but also for the wide variety of civic interest groups with which we work.

The Aurubis Group in Figures

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IFRS		**2016/17** [3]	2015/16 [3]	Change
Results				
Revenues	€ million	11,040	9,475	17 %
EBITDA [4]	€ million	598	312	92 %
Operating EBITDA [4]	€ million	440	358	23 %
EBIT	€ million	463	177	> 100 %
Operating EBIT	€ million	308	229	34 %
EBT	€ million	456	159	> 100 %
Operating EBT [1]	€ million	298	213	40 %
Consolidated net income	€ million	352	124	> 100 %
Operating consolidated net income	€ million	236	165	43 %
Net cash flow	€ million	480	239	> 100 %
Operating ROCE [1]	%	15.1	10.9	–
Aurubis shares				
Market capitalization	€ million	3,081	2,242	37 %
Earnings per share	€	7.80	2.71	> 100 %
Operating earnings per share	€	5.21	3.64	43 %
Dividend per share [2]	€	1.45	1.25	16 %

[1] Corporate control parameters.
[2] 2016/17 figure is the proposed dividend.
[3] Values have been "operationally" adjusted for measurement effects deriving from the use of IAS 2. In doing so, the metal price fluctuations resulting from the application of the average cost method are eliminated in the same manner as devaluations relating to the reporting date and appreciations in value of copper inventories. In fixed assets, the adjustment is made to property, plant and equipment for measurement influences from purchase price allocations (Purchase Price Allocation = PPA) since fiscal year 2010/11.
[4] EBITDA (operating EBITDA) is determined from EBIT (operating EBIT) plus depreciation and amortization (operating depreciation and amortization).
Comments on the results are presented in the explanatory notes to the results of operations, net assets, and financial position.
2015/16 net cash flow has been adjusted.

Input/output

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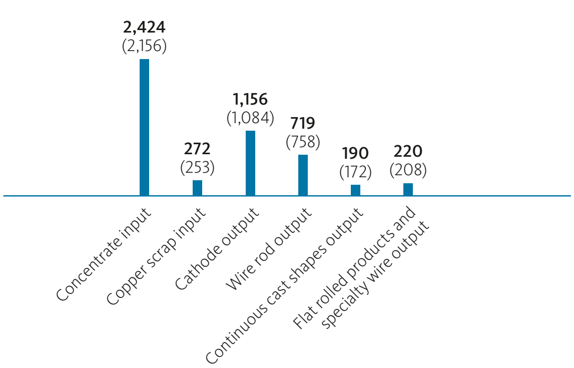
in thousand t (previous year in parentheses)



Human resources

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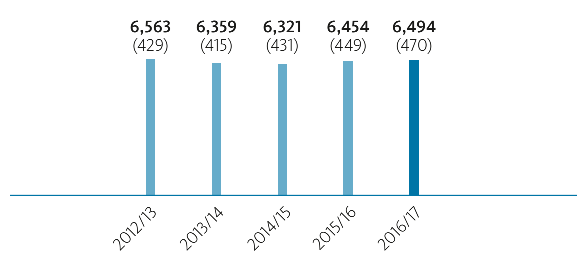
Number of employees as at September 30
(personnel expenses in € million in parentheses)



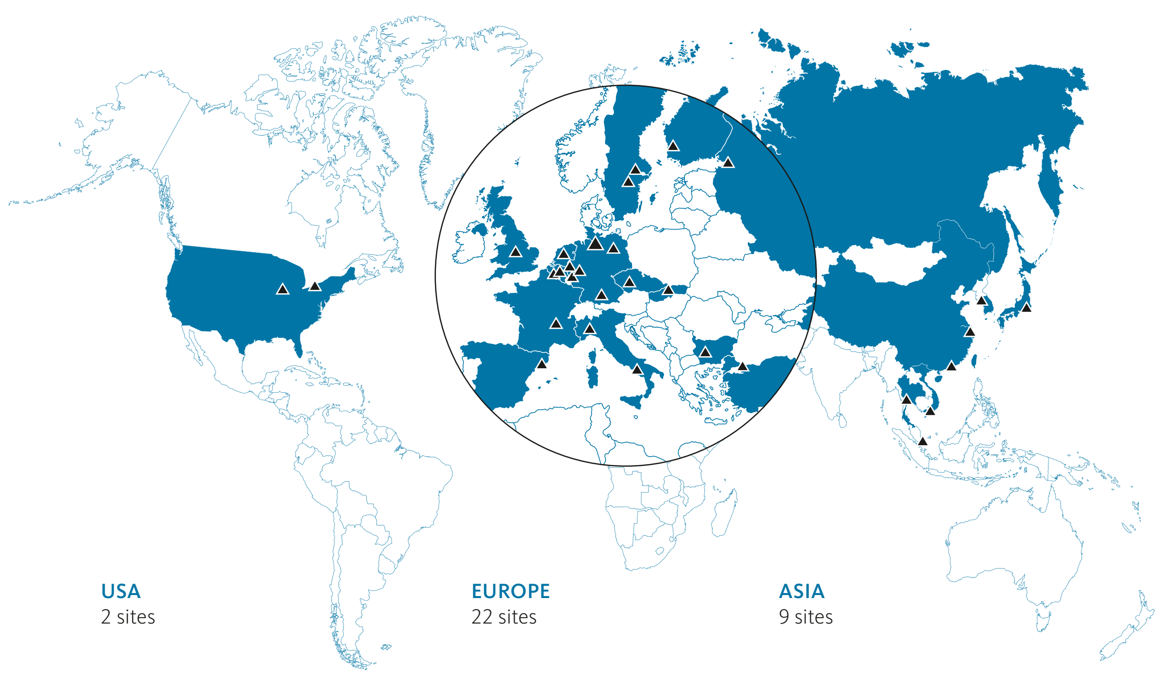
Aurubis – Metals for Progress

We are a leading global provider of nonferrous metals, renowned for our ability to process complex metal concentrates, scrap metals and metal-bearing recycling materials to produce metals of the highest quality. We produce more than one million tons of copper cathodes annually, from which we then manufacture a diverse range of copper and copper alloy products. This range includes continuous cast rod, shapes, rolled products, strip, specialty wire and profiles.

We also have top-level processing expertise, which enables us to achieve excellent rates of metal recovery from concentrates and from complex recycling materials. As a result, our product portfolio also includes gold, silver, platinum group metals, lead and selenium, as well as sulfuric acid and iron silicate. Thanks to the high caliber of our processing and the wide range of our products and services, we rank among the global leaders in our industry.

2017 Sites

AURUBIS GROUP
33 locations worldwide



“Our Vision 2025
is our compass –
ONE Aurubis is our path.”

Jürgen Schachler

ONE Aurubis is our path to achieving our Vision 2025. The name is symbolic in two senses: not only do we want to achieve leading positions in our various markets, we also want to promote a sense of oneness across our many locations, driving our company’s growth through even greater cohesion. ONE Aurubis comprises five interconnected components: a revised corporate strategy focusing on growth; a new structure with clearly organized tasks and responsibilities, all of which are consistently value-oriented; a package of business improvement measures for greater efficiency and improved results; and a holistic leadership approach characterized by openness and communication.

Table of Contents

A detailed Table of Contents for the Combined Management Report and the Consolidated Financial Statements can be found on pages 55 and 115.

Letter from the Executive Board

Dear Shareholders and Friends of the Company,

2017 was an eventful year for Aurubis, one that saw our company realign itself both strategically and organizationally to give itself an even greater competitive advantage, all based on our sound foundation. In this report, we will provide you with more information in this respect, explaining our aspirations for the future and how we intend to achieve these. But before we do, let us first take a look at the past fiscal year.

2016/17 was a good fiscal year for Aurubis. With operating earnings before taxes (EBT) of € 298 million, we have, as forecasted, significantly exceeded the previous year's figure of € 213 million. Our operating ROCE was 15.1 % and therefore in line with our internal target and above the previous year's result of 10.9 %. Moreover, thanks to strong developments within our operating business, we have the means necessary to drive growth sensibly.

On the whole, this fiscal year presented us with both highlights and challenges.

While we benefited from positive developments in metal prices and copper scrap refining charges, and from a favorable US dollar, the continued overcapacity suffered on the sulfuric acid market and issues within the concentrate markets presented us with challenges. However, thanks to forward planning and especially the 170,000 t capacity optimization of our production site in Pirdop (Bulgaria), we achieved significantly higher throughputs during this reporting year than in the previous year. This, together with our advantageous input mix and good availability of copper concentrates, enabled us to counterbalance market volatilities. Our higher metal yield coupled with increased metal prices also had a positive impact on the results. In terms of product developments, we saw an increase in sales of our flat rolled products and shapes, but a decline in volume in the previous year for our continuous wire rod. This decline was mainly due to inventory corrections in the cable sector because of a change in standards for cable within the European Union with regard to their fire resistance, as well as geopolitical influences.

On March 2, 2017, we launched our Vision 2025 at our Annual General Meeting. Its three core messages, "Passion for metallurgy. Metals for progress. Together with you" encapsulate what we envision for 2025. We want theses statements to come to embody who we are; to be seen by our business partners as intrinsically associated with Aurubis, and seen by our employees as a source of continual inspiration and motivation.

Setting motivational goals is important, no question. But setting out a path to achieving them is just as important. Our path in this respect is the ONE Aurubis transformation program, which we developed in

JÜRGEN SCHACHLER

connection with our new Vision 2025. The program consists of five interconnected components, each comprising a variety of measures. For more detailed information on ONE Aurubis, please read on!

Until now, the name Aurubis has been primarily associated with copper. But we are capable of more. As part of our strategy, we are set to expand our production range of marketable metals by capitalizing on our existing capacity to recover gold, silver and other precious metals. This expansion will enable us our base metal copper due to the fact that along with the copper concentrates and recycling materials that we use, further valuable metals also reach us at the same time. In the interaction between copper – which will remain our important key metal, both now and in the future – and the business with further valuable metals, we will significantly expand our competitive position. This offers us the opportunity for further growth. In this respect, we are driving internal growth projects and at the same time actively seeking external growth opportunities. Internal growth includes our important “Future Complex Metallurgy” project, which will see around € 320 million invested in our Hamburg (Germany) and Olen (Belgium) sites over the next several years. Our goal is to process additional complex raw materials, to extract precious metals more quickly and to optimize recovery of additional metals.

A further ONE Aurubis component is our new organizational structure, which has been in effect since October 1, 2017. This structure is more customer-focused and more closely aligned with our value-added business processes. Of course, such structural changes cannot take place overnight, and the process of implementing them is still ongoing. We aim to complete this process during the first quarter of 2018. Externally, our new organizational structure will be particularly apparent in the fact that we will, in the future, report on two segments, Metal Refining & Processing and Flat Rolled Products.

We not only want to become faster, but also increasingly lean and more efficient. We will accomplish this by means of constant further development. The basis for this is sound standardization, for example in IT, where we are unifying processes globally in areas such as purchasing, sales, logistics and finance. Building on this, we are introducing our Group-wide “Aurubis Operating System”, which promotes a common understanding of how we will work together in the future at Aurubis. At the same time, it provides answers to the questions: “How can I organize my work more efficiently?” and “Where can I eliminate losses?” On this basis, we generated a multitude of ideas for improvement in 2017. Among these are measures for improving technical procedures, for optimizing the procurement of energy and materials, and for increasing the efficiency of our

DR. STEFAN BOEL

maintenance processes and internal communication. All of this contributes to our goal of gradually increasing our operating EBITDA by more than € 200 million by fiscal year 2019/20 – based on the market data from fiscal year 2014/15. We already achieved our goal of at least € 30 million operating EBITDA from this program in the last fiscal year and are therefore fully on track.

Ladies and gentlemen, you see that Aurubis is very well positioned at the beginning of fiscal year 2017/18. We produce metals that are in high demand across a variety of everyday applications. And, because these metals are crucial to important societal trends such as electromobility and energy transformation, this demand is only set to grow. Our products are therefore highly sustainable, both socially and economically.
We take our corporate responsibility very seriously. As a consequence, we began to revise and refine our self-defined sustainability targets in the areas of economy, environment and people in 2017. One goal which is very important to us in accident avoidance is the "Vision Zero" goal, which stands for zero accidents. Additional investments in the area of accident avoidance are therefore at the top of our agenda. In order to further strengthen relations with our customers and suppliers in the future, we are increasingly developing from a processor of raw materials to a solutions provider. Furthermore, we are working on our company culture, because we will only be able to face the forthcoming changes if we inspire our employees to embrace change. This means working more closely together across all departments in order to create a common understanding.

Over the past year, we have generated a wealth of ideas, implemented a wide range of measures and achieved important milestones. We are therefore confident that Aurubis is set for continued strong growth and development, guided by our Vision 2025. Our confidence in this respect is supported by the information in our Annual Report, which also provides you with a progress overview of our various projects. It is important to stress: Vision 2025 and ONE Aurubis are of course both long-term in nature. As such, their results will not be immediately apparent, but rather become visible gradually. We are, however, deeply convinced that we are on the right path with them, and that this path will lead us to even greater strength and prosperity.

To conclude, we would like to express our heartfelt gratitude to our shareholders, our customers and suppliers and, most importantly, our employees, for their support they have shown to us, especially with regard to our corporate development efforts.

Sincerely,

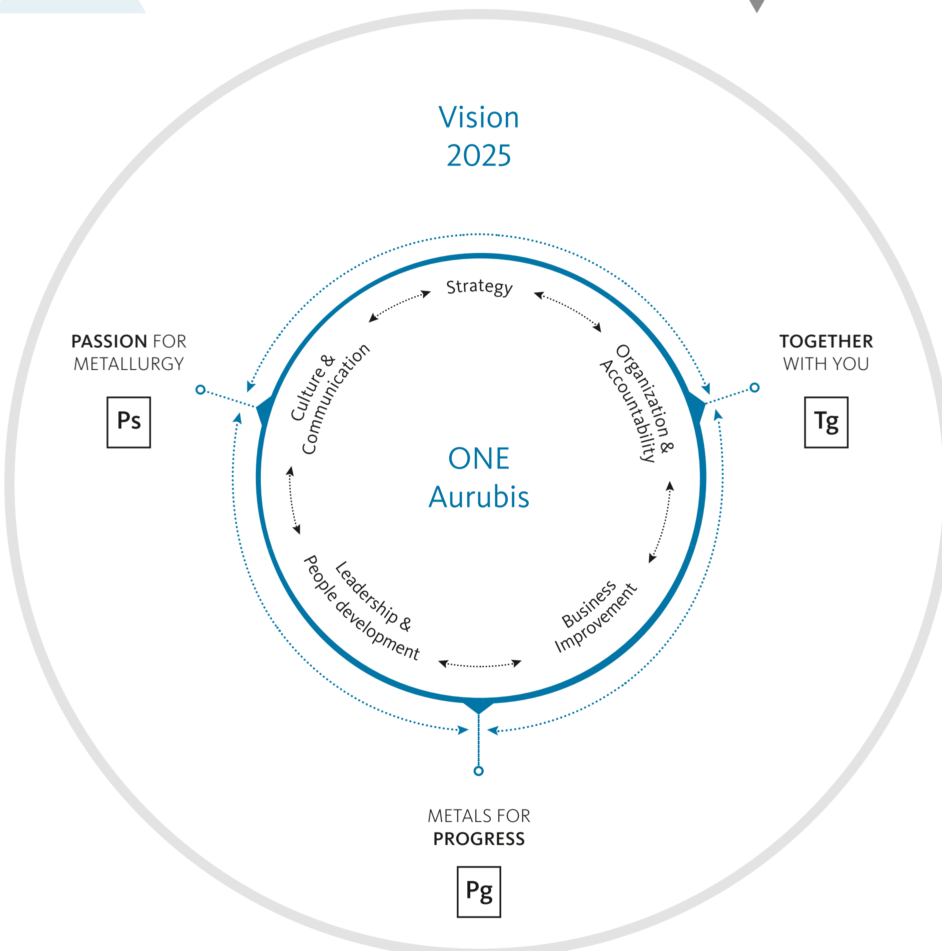
Jürgen Schachler   Dr. Stefan Boel

JÜRGEN SCHACHLER began his professional career in the chemical industry after having completed a degree in economics. He later moved into the metal processing industry, where he held positions in marketing and sales. Beginning in 1993, he occupied management positions in various ArcelorMittal group companies. His international experience comprises management positions in the USA, Thailand, Canada and France. In 2013, Jürgen Schachler took on the role of CEO at ArcelorMittal Europe Flat Products. He joined Aurubis AG as Executive Board Chairman on July 1, 2016. In the reporting period he was responsible for the Business Unit Primary Copper and also served as Director of Industrial Relations.

DR. STEFAN BOEL joined Product Development and Marketing in the former Copper Division of Umicore in 2001 and subsequently became the commercial director of the Umicore Group plant in Bulgaria. After the demerger of Cumerio, Dr. Stefan Boel became Vice President Copper Refining and Mining Projects and a member of the Executive Committee at Cumerio. As part of the integration of Cumerio into the Aurubis Group, he joined the Executive Board of Aurubis in 2008. In the reporting period he was responsible for the Business Unit Copper Products.

Many become one

Our Vision 2025: Passion for metallurgy. Metals for progress. Together with you. In a world of never-ending changes and increasing challenges, it provides us with orientation and conveys where and for what we want to stand in the future. It is the point of departure for the goal-oriented activities that we have outlined in our ONE Aurubis transformation program. In five thematic areas, we are working on implementing our initiatives with diverse measures. Important steps have already been taken and initial success achieved.



THE FOUNDATION OF OUR SUCCESS The Aurubis Group is a leading company in the international copper industry and has a business model covering significant portions of the copper value chain. With this, we have specialized in a supply with primary copper concentrates and secondary recycling materials and combine this with our high processing know-how as well as multifaceted product manufacturing and marketing expertise.

But with economic and social requirements constantly changing, innovation cycles becoming increasingly shorter, and new applications calling for cutting-edge materials, we nonetheless face considerable challenges. To tackle these, we are in the process of further developing and expanding our business model with a focus on the future.

OUR PATH TO THE VISION 2025: ONE AURUBIS
The Aurubis Vision 2025 came to life through a comprehensive multistage process. By means of a representative cross-sectional survey, we gathered the opinions of our employees and placed the company's existing organization, systems and processes under close scrutiny. The results attested to our overall good condition, but also identified potential for improvement.

After this comprehensive stocktaking process was completed, we conducted an intensive examination of the data and evidence collected. This was followed by in-depth discussions and deliberations at the executive level which culminated in the new corporate vision for 2025 and in the transformation program ONE Aurubis, our path to achieving our vision. Both were introduced to the public for the first time at the Annual General Meeting in 2017.

OUR VISION, AS WE UNDERSTAND IT When we are asked, in 2025, what Aurubis stands for, then we want the answer to be: Passion for Metallurgy. Metals for Progress. Together with you. Aurubis is all about: passion for metallurgy and metals. Metals, that are crucial to progress. Produced by a company that is close to its employees, to its customers and suppliers, as well as to the countries and communities in which it works and interacts.

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PASSION FOR METALLURGY Aurubis has always been passionate about metallurgy and about developing ever-better methods or extracting metals from all manner of raw materials. Over the course of our history, this passion has led us to acquire an exceptionally high level of metal extraction and processing expertise. We also excel in the areas of environmental protection and resource preservation, and qualify as a role-model company pursuant to the pertinent industry norms.

But does this suffice for the future? In the course of developing the vision, we posed various questions regarding production, questions such as: “Are our pyrometallurgical processes still state-of-the-art?” “How can the input of raw materials be improved?” and “How can throughput times be reduced?”

We are continually optimizing our techniques, in order to be able to more efficiently process the raw materials that are constantly becoming more complex. For both metal concentrates and recycling materials, we are regularly pushing the boundaries of what is technically feasible. In this way, we want to extract more metals in the future by means of innovative techniques, as well as transfer our expertise for processes and metallurgy to business areas in which we are not yet represented.

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METALS FOR PROGRESS Innovations also characterize our product side. The production of copper and its processing into classic products for the manufacturing sector will at the same time continue to play an important role. Furthermore, we want to tap into new and expanded end-use markets with new alloys and other product formats. Through the more intensive development of an expanded range of raw materials, we will also be able to extract other metals as products or to further improve existing products.

We already recover metals such as gold, silver, platinum group metals, lead and selenium. Others will follow. And while our activities currently center around selling these materials in the form of marketable intermediate products, we want to focus increasingly on processing them to create more valuable final products. To this end, we are carefully monitoring future applications and product trends.

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TOGETHER WITH YOU We strive to be the partner of choice, whether in creating concepts for the development and exploitation of orebodies with complex material combinations, or in developing joint technical and logistical solutions for optimized recycling. On the product side, quality and service orientation as well as reliability continue to play an important role, qualities that can be strengthened and expanded. We are, moreover, always at pains to enter into collaborative partnerships at an early stage. In this way, we want to ensure that the ideas we generate can be effectively incorporated into our product development activities.

We also work hard to promote togetherness and collaborative spirit within the Aurubis Group. We want everyone to see themselves as a member of the Aurubis team. To this end, we will in future encourage our staff to take on more responsibilty and to scrutinize established procedures. This will enable us to achieve continuous improvement at all Group levels, and across all functions.

In our work with civic interst groups, too, we engage in constructive dialogue with a view to developing the best possible solutions.

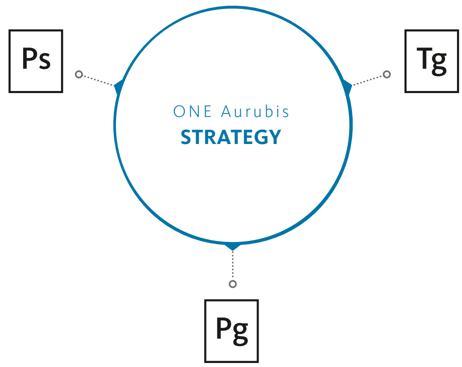
OUR PATH – ONE AURUBIS

NO SOONER SAID THAN DONE – OUR TRANSFORMATION PROGRAM “ONE AURUBIS” Vision 2025 is our goal, the transformation program ONE Aurubis is our path to achieving it. ONE Aurubis comprises the following five thematically distinct sections: Strategy, Organization & Accountability, Business Improvement, Leadership & People Development and Culture & Communication.

Within these sections, we have defined a series of individual measures and targets. ONE Aurubis is an integrated system that takes the interdependencies existing between its various components into account. Moreover, its measures have been designed to complement each other effectively and the individual measures complement each other optimally, because they are closely interlinked with each other.

The name ONE Aurubis also has a symbolic character. For one thing, it stands for a stronger unified position of the corporate units, for individual processes and a common uniform Group culture. For another, it reflects the leading position we aim to attain across our markets.

The measures we are planning for the five sections of ONE Aurubis and the milestones we have already achieved can be found on the following pages.



Many metals, one single source

The process of creating our Vision 2025 went along with the first major revision of our corporate strategy since 2013.

The vision itself defines our goals in terms of growth, business model development and geographic expansion. The strategy behind it gives substance to these goals. For the future, we further plan to grow internally, which means by our own efforts. We are at the same time exploring the possibilities for external growth, which means achieving growth targets by purchasing other companies or by entering into joint ventures.

Our business combines both: copper refining and processing as well as multi-metal extraction. Both interact with one another, and allow us to exploit synergies.

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ADDITIONAL JOBS WE ARE CREATING WITH OUR INTERNAL GROWTH PROJECT "FUTURE COMPLEX METALLURGY"

WE ARE CONCENTRATING ON THE ESSENTIALS

Our corporate strategy is based on the key points in our company's value-added chain. These are the use of raw materials, the positioning thereof on the commodities markets, the processing of raw materials in combination with production technology and innovations, and the product sales process.

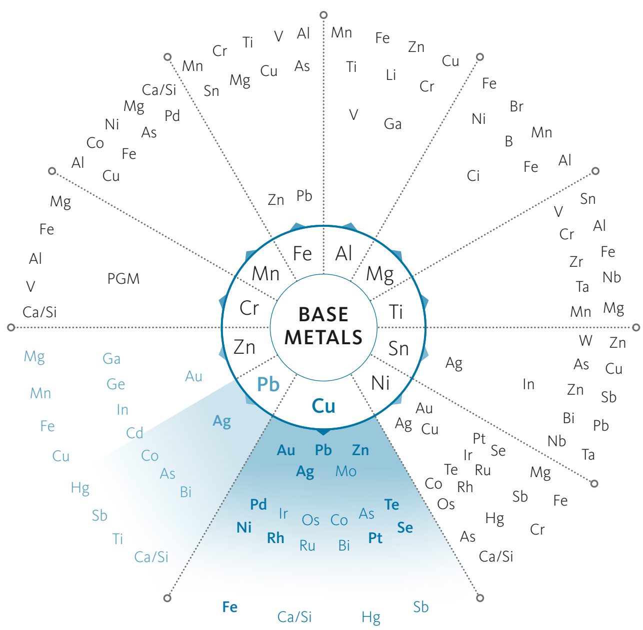
With regard to the first two thematic areas – the supplying of raw materials and their processing – we have begun the process of adjusting our strategy. We addressed specific questions, such as: "What market developments lie ahead of us?" "How are raw materials changing in their composition and availability?" "How can we optimize our raw material input both metallurgically and economically?" "Where are appropriate opportunities for growth presenting themselves?"

In the area of raw materials processing, the initial question of how the existing network of metallurgical facilities in the Group can be better utilized was posed. Further questions were those regarding unique selling points, capacity expansion and innovation implementation.

An integral component of our corporate strategy is our sustainability strategy. This was also revised in 2017 and adjusted for the changed circumstances. This in turn led us to set new objectives. These will cover the period until 2023.

OUR VALUABLE BASIS FOR MULTI-METAL

Copper contains a higher number of valuable tramp elements than other base metals, which in turn benefits our multi-metal strategy.



Tramp elements in our raw materials:

Ag* = silver
Al = aluminum
As = arsenic
Au* = gold
Bi = bismuth
Ca/Si = calcium/silicon
Co = cobalt
Cr = chromium
Cu* = copper
Fe* = iron
Hg = mercury
Ir = iridium
Mg = magnesium
Mn = manganese
Mo = molybdenum
Ni* = nickel
Os = osmium
Pb* = lead
Pd* = palladium
Pt* = platinum
Rh* = rhodium
Ru = ruthenium
Sb = antimony
Se* = selenium
Sn* = tin
Te* = tellurium
Ti = titanium
Zn* = zinc

*** Extraction available/planned**

"Our Vision is the basis for formulating a tailor-made strategy. It defines specific projects and indentifies longer-term opportunities for the coming five years, as well as prescribing regular monitoring procedures."

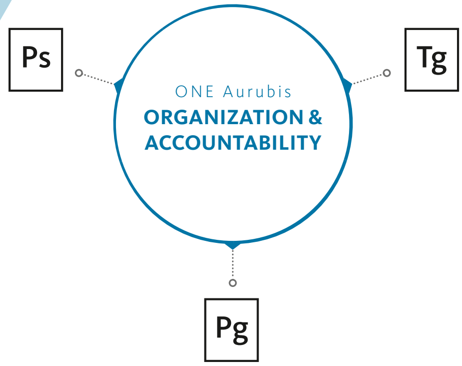
Dr. Thomas Sturm
Corporate Development

FCM PROJECT: OUR FUTURE IS COMPLEX

A significant element of our strategy is the further development of Aurubis into a multi-metal processor and producer. The internal growth project "Future Complex Metallurgy" (FCM) is of particular importance here. This term refers to the development of an innovative metallurgical process with the potential to increase Aurubis' operating earnings. On the basis of innovative technology, we want to achieve both the expanded processing of more complex raw materials and a higher throughput of certain input materials containing lead, sulfur, and copper with this project. The throughput times for precious metals will be shortened and bottlenecks will be removed.

The key units for the project are a bath smelting furnace for the processing of raw materials, a treatment furnace and a leaching and extraction tankhouse. Designed as a hybrid solution and having a capital expenditure of approximately € 320 million, the construction of the facilities will take place at the Group locations in Hamburg (Germany) and Olen (Belgium). Now that the Supervisory Board has issued its approval, we are looking at a construction phase of four years followed by a ramp-up phase of two years.

The FCM Project will increase our competitiveness in that we will extract more metals in the future, resell fewer intermediate products and, in doing so, create more value in our own company.



Multi-layered processes, more added value

The new organizational structure for the Group, which has been in force since October 1, 2017, follows Vision 2025 and the newly developed strategy. To implement it, we first conducted a “health check,” to identify the improvement potential in the old structure and to determine possibilities for optimization. Additional requirements and needs for adjustment arose in the course of the strategy development.

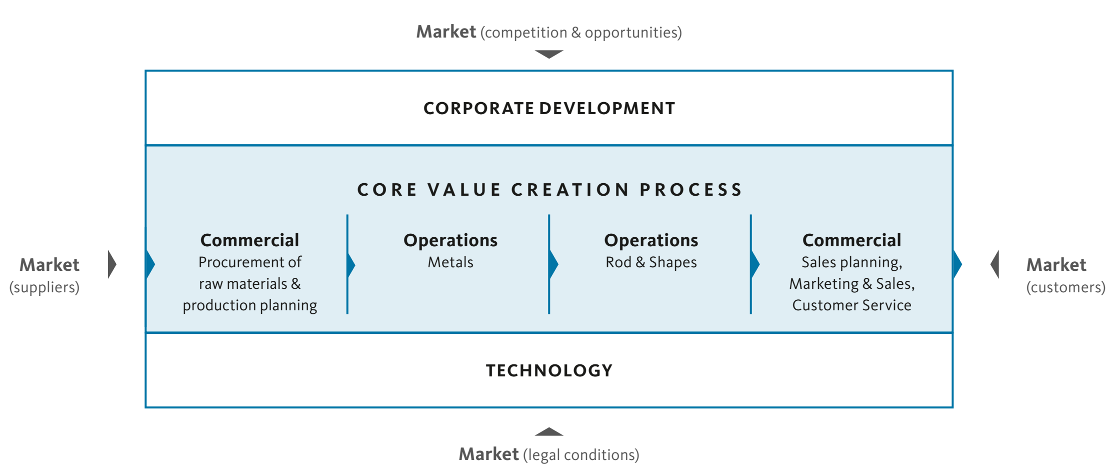
THE REQUIREMENTS ARE BASED ON THE VISION 2025

Key to implementing the new organizational structure was that this structure be adjusted according to the vision statement and that the roles and responsibilities within it be clearly defined both internally and externally. At the same time, the structure needed to serve as the basis for achieving the objectives in the other spheres of action for the ONE Aurubis program.

Furthermore, it was important that the organization be adaptive and enable innovation. That processes be improved, harmonized and standardized, and that the necessary IT changes be implemented.

We saw considerable advantages in the centralization of functions and duties. Clear areas of responsibility and fields of competence were established, work duplication was eliminated, and the number of interfaces was reduced. We were not intent on centralizing at one location; rather, we concentrated on the respective process responsibilities. In terms of the public image, it was necessary to tailor the organization in a way that would address the needs of the markets and business partners even more than before.

OUR NEW ORGANIZATIONAL STRUCTURE



"With the new organizational structure at Aurubis, we have created an essential foundation for achieving our Vision 2025. Now we want to breathe life into it, so that the objective is achieved."

Thorsten Selmaier
Human Resources

TAILOR-MADE ORGANIZATIONAL STRUCTURE IMPROVES EFFICIENCY The new organization places the core value-added process at the heart of our corporate structure and includes the commercial functions and operational production units. Group-wide functions provide support.

In detail, the "Commercial" division covers our contact points and links to customers and suppliers and ranges from the purchase of raw materials to the sales of products. In the future, our offerings to markets will be from one single source.

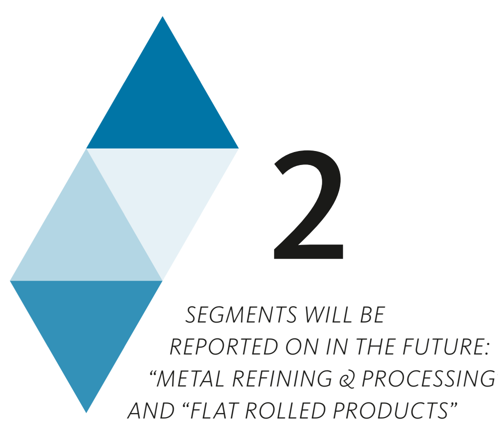
The "Operations" division includes the actual production of all basic products and metals as well as their further processing into other products, for example, into copper wire rod and shapes. It thereby unites all technical facilities and production locations in the Group.

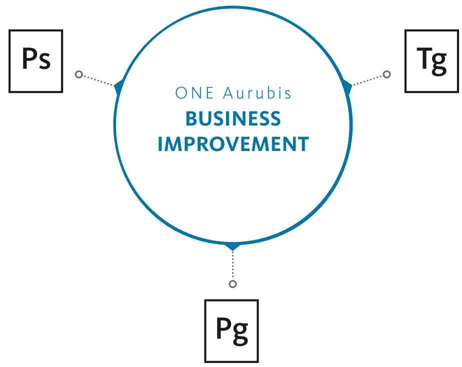
Both of these core areas are flanked by two additional functional units – Corporate Development and Technology:

Corporate Development is responsible for the continued development of the company and its corporate strategy. This includes portfolio design and the preparation and implementation of acquisition projects. Expertise regarding the development of our markets is also deepened and expanded here.

The newly-emerged Technology division brings together our competencies in research and development, in engineering, and in all topics relating to business improvement and digital transformation thereby coordinating and centralizing Aurubis expertise and innovation.

NEW ORGANIZATION LEADS TO NEW SEGMENTATION With the new organizational structure, the existing segmentation has also changed. As of October 1, 2017, we will be reporting our operating results according to the segments Metal Refining & Processing and Flat Rolled Products (FRP).





Many ideas, major impact

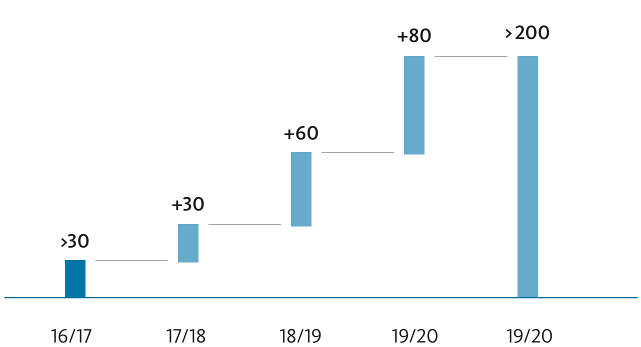
"All of Aurubis' business areas are involved in the topic of business improvement. It is noticeable; everyone is pulling together, in order to achieve our common inspirational goal."

Nadia Janssens
Transformation and Business Improvement

In the "Business Improvement" section of the "ONE Aurubis" transformation program, we want to improve our consolidated earnings in a sustainable manner. The potential for this was identified in comprehensive analytical processes, and also in a multitude of our employees' ideas. In total, we plan to increase earnings before interest, taxes, depreciation and amortization (EBITDA) to more than € 200 million. This amount will be achieved progressively by fiscal year 2019/20.

Increase of operating result (EBITDA) G 03

in € million



We have initially drafted a comprehensive project organization for this. This is supported by a controlling system, which serves as both a description of the working processes and also for monitoring. The measures are being implemented from the so-called "Business Improvement Guides", for which we consulted various departments group-wide. At the moment, approximately 150 – 200 employees are engaged in projects related to business improvement, supplemented by project managers, controllers and other people who are temporarily involved.

In fiscal year 2016/17, the focus of the majority of the projects was analysis. The focus was primarily on the comparison of technical processes, optimizations in the area of energy and material procurement, efficiency improvements in maintenance procedures, and communication. After this phase is largely completed for a number of the projects at the end of 2017, their implementation will continue in the following years until 2020.

Expedient standardizations are the basis of our transformation process. With the "SimpliPHy" project, we have placed the focus on information technology during the fiscal year. The goal of the project is the group-wide optimization and standardization of the processes for core areas such as procurement, sales, logistics or finances. Instead of multiple processing routes, unified processes will be established. Processes will be simplified and duplicated efforts will be avoided, reducing inefficiencies, and increasing process and data quality. The project should be completed by the end of 2018 at the Hamburg, Lünen and Pirdop locations.

In fiscal year 2016/17, we introduced the "Aurubis Operating System" (AOS), a management system for our future work and production procedures. AOS will enable us to achieve continuous and sustainable process improvement. It defines working methods in accordance with occupational safety and environmental protection standards, supporting process optimization in areas such as production, maintenance, and education & training. Thanks to its consistent communication and evaluation of performance data, progress is always transparent. AOS is already in use at the Hamburg site. Our goal is to successively implement AOS at all sites and for all functional areas.

"EMERALD" PROJECT

Emerald is the core project for optimizing our Flat Rolled Products (FRP) segment and for increasing its results. The project, which affects all FRP locations, has been in the implementation phase since fall 2016. The planned improvements affect measures in the operational and commercial areas. These are concerned with increasing output, with productivity and quality, as well as with market penetration and customer retention. They also aim to remove bottlenecks and to improve resource and maintenance management.

PURE SULFURIC ACID FROM BULGARIA

At the Pirdop site we expedited an optimization measure for sulfuric acid production, specifically to gain a high quality of the acid. This enables us to separate and store "clean" sulfuric acid by means of a new tank and intelligent system management. In this way we are generating valuable products to deliver to our customers in the battery industry. We aim to achieve a fourfold increase in the volume of "clean" sulfuric acid recovered by fiscal year 2019/20, compared with fiscal year 2014/15.

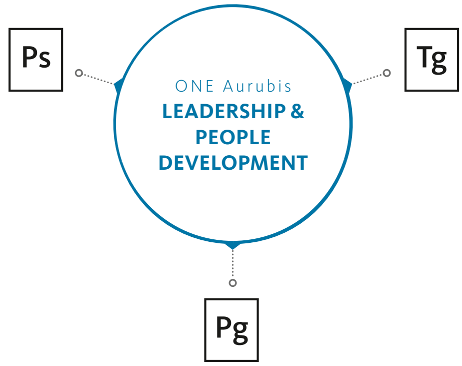
Selected project examples

REDUCING COSTS THROUGH PRINTER CONSOLIDATION

In 2017 we drafted a project in order to organize printer usage in the administrative area much more efficiently. The new principle is designed so that the user initially prints to a virtual, personal queue. The print job is encrypted, cached on a server and prepared for printing on a central printer. By autumn, we had reduced the number of printers by more than 3 % in the course of the project – with a correspondingly positive earnings effect. The project is supplemented by an environmentally-friendly printer policy.

AVOIDING CATHODE PRODUCTION RESIDUES IN HAMBURG

We produce copper cathodes from copper anodes in the tankhouse. In this process step, an "anode residue" regularly occurs, because the copper-bearing anode is not completely spent. These spent anodes are re-smelted. This process is tried and tested, but leads to a double throughput of the corresponding material in the production process and at the same time displaces other input materials, such as scrap. Therefore it is our goal to further minimize anode residue, which we successfully managed during the reporting year, e.g. by testing new anode molds.



Diverse approaches, shared understanding

Our Vision 2025 and the measures connected with it can only be brought to life if we include all people from the start. Our employee surveys conducted in the course of the “health check” for the organizational structure yielded numerous suggestions and many concrete starting points for improvement. What was reflected here can be applied to the future. Every individual employee is called upon to be open to new ideas, to learn, to take responsibility for his or her own development, and to be more willing than ever to collaborate with others. Because we know that the corresponding improvements in the everyday working practices of our employees will directly benefit our company’s strength and competitiveness.

“Leadership and people development are core to achieving our vision and strategy objectives. But they can only succeed if implemented correctly by our staff. In this respect, we strive to encourage our employees to learn and develop, to deepen and share their knowledge, to be willing, more than ever before, to take on responsibility – for themselves, for their team, and for Aurubis.”

Andrea Sittinger
HR Development

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MANAGERS ARE CURRENTLY PARTICIPATING IN THE 360° FEEDBACK-PROGRAM

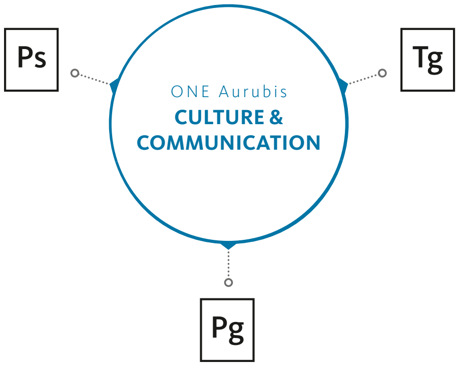
Our management must foster this. We understand management to be “leadership.” For us, this is not only the organization and monitoring of processes, plans. For us, management is also about inspiring our colleagues for new projects, motivating them and attaching value to constructive feedback. Thus we support the creativity and the innovative spirit of the individual.

We have conducted a series of workshops with the executives from the top managerial levels, in order to harmonize and to establish a sustainable culture of leadership across the Group. This was continued for additional managerial levels, and other employees were also included. This process allowed us to address questions such as, “Which competencies are needed, in order to be able to implement the vision and strategy both now and in the future?” “How can individuals acquire these competencies both alone and as a team?” “How can we ensure the sharing of knowledge and how should a meaningful knowledge transfer take place?”

A WELL-ROUNDED PROJECT Among the key characteristics of good leadership is a willingness to receive feedback. We have therefore begun a 360° feedback program, which encourages constructive feedback for managers. On the basis of self-assessments and the feedback received, every participant can identify developmental potential for themselves. Personal developmental targets and measures are derived from this in order to sustainably improve managerial performance.

360°

FEEDBACK WILL HELP US TO IMPROVE MANAGEMENT CULTURE



Many minds, one team

A strong corporate culture will serve to drive a company's long-term economic success. Communication and culture are therefore key components of our ONE Aurubis transformation program. Corporate culture includes shared traditions, values, rules, doctrines and attitudes.

However, it is also subject to change, particularly when a new strategy or dramatic developments on the markets bring about significant changes in a company. With our Vision 2025 and its implementation, we have taken a course in which the company's culture is an indispensable component of the whole. It inspires and leads to innovations. It conveys a shared identity and a sense of belonging in the company. It provides the certainty that everybody is aiming for the same target and that everybody wants the same thing.

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CU2TALK DIALOGUES HAVE TAKEN PLACE AT ALL SITES SINCE THE INTRODUCTION

Collectively we want to more firmly anchor the existing PRIMA values of Performance, Responsibility, Integrity, Mutability and Appreciation, which are specified in our code of conduct, in company's culture.

COMMUNICATION, ONLINE AND OFFLINE Detailed messages, values and desired conduct must be fully conveyed in order to reach all employees in the same manner. We do this with our employee magazine, for example, or with our Executive Board letter, which is published group-wide. At the same time, we place an emphasis on face-to-face dialogue and on direct communication with people. We use various formats for this, such as the "CU2talk" discussion platform, which is accessible to every employee, and so-called "fireside chats" with the Executive Board. In the future, we will put a stronger focus on digital communication. Even though we already have a comprehensive Intranet at our disposal, we want to integrate this even further into our communication. We are thus working on an Aurubis smartphone app, in order to make the information useful for those who do not have a desktop workplace.

In terms of content, the main focus of our communication in 2017 was our Vision 2025 and the transformation program. In team workshops, we brought an understanding of these to all employees, across all levels. After a first wave of communication, we began a further group-wide employee survey in May 2017. The purpose of this was to clarify what knowledge and understanding our employees have regarding both, and to what extent they are accepted and incorporated in the daily working routine. The survey revealed a very high degree of employee identification and motivation in connection with our Vision 2025. At the same time, it provided indications for a consolidation of certain aspects of the ONE Aurubis transformation program. We have made this consolidation our next task.

DIALOGUE WITH THE EXECUTIVE BOARD

Discussions were lively even without a fire at the "fireside chats" with Executive Board Chairman Jürgen Schachler. Approximately 20 employees from all departments and hierarchical levels were invited – people who do not have direct contact with the Executive Board in their daily work. The discussions enabled them to air questions, troubles and concerns, as well as ideas and suggestions, all of which were addressed. It provided first and foremost a chance for the Executive Board to listen and to answer questions, as well as the opportunity to explain the opportunities and possibilities resulting from the Vision 2025, as well as the path to it.

"As far as its international activities are concerned, Aurubis is still a young group. Nonetheless, our sense of togetherness is exceptionally strong. Today, we have a much deeper understanding of who we are, as individuals, as a team, and as regards the many country-specific cultures within our network. And we know this can become deeper still. We strive to encourage this, to promote an ever-greater sense of unity, to ensure that our employees enjoy working at Aurubis and identify with its goals, regardless of their location."

Ulf Bauer
Communication & External Affairs

Executive Board

Jürgen Schachler, Hamburg
Born: July 31, 1954, German citizen
Executive Board Chairman and Director of Industrial Relations
Segment Primary Copper until September 30, 2017
Segment Metal Refining & Processing since October 1, 2017
appointed from July 1, 2016 until June 30, 2019

Dr. Stefan Boel, Hamme, Belgium
Born: June 9, 1966, Belgian citizen
Executive Board Member
Segment Copper Products until September 30, 2017
Segment Flat Rolled Products since October 1, 2017
appointed from April 19, 2008 until April 30, 2021

» Aurubis Belgium NV/SA, Brussels, Belgium
Chairman of the Board of Directors

Erwin Faust, Hamburg, until June 30, 2017
Born: January 4, 1957, German citizen
Chief Financial Officer
appointed from October 1, 2008 until originally September 30, 2018

» Aurubis Belgium NV/SA, Brussels, Belgium
Director

Supervisory Board

Prof. Dr.-Ing. Heinz Jörg Fuhrmann, Salzgitter
Chairman
Chairman of the Executive Board of Salzgitter AG, Salzgitter#

- Hüttenwerke Krupp Mannesmann GmbH, Duisburg+
  Chairman of the Supervisory Board
- Ilsenburger Grobblech GmbH, Ilsenburg+
  Chairman of the Supervisory Board
- KHS GmbH, Dortmund+
  Chairman of the Supervisory Board
- Mannesmann Precision Tubes GmbH, Mülheim/Ruhr+ (formerly Salzgitter Mannesmann Precision GmbH, Mülheim/Ruhr+)
  Chairman of the Supervisory Board
- Mannesmannröhren-Werke GmbH, Mülheim/Ruhr+
  Chairman of the Supervisory Board
- Peiner Träger GmbH, Peine+
  Chairman of the Supervisory Board
- Salzgitter Flachstahl GmbH, Salzgitter+
  Chairman of the Supervisory Board
- Salzgitter Mannesmann Grobblech GmbH, Mülheim/Ruhr+
  Chairman of the Supervisory Board
- Salzgitter Mannesmann Handel GmbH, Düsseldorf+
  Chairman of the Supervisory Board
- Öffentliche Lebensversicherung Braunschweig, Braunschweig
  Member of the Supervisory Board
- Öffentliche Sachversicherung Braunschweig, Braunschweig
  Member of the Supervisory Board
- TÜV Nord AG, Hanover
  Member of the Supervisory Board

Renate Hold-Yilmaz, Hamburg*
Deputy Chairwoman
Commercial Employee
Chairwoman of the Works Council of Aurubis AG

Burkhard Becker, Hattingen
Member of the Executive Board of Saltzgitter AG, Salzgitter#

- EUROPIPE GmbH, Mülheim/Ruhr+
  Member of the Supervisory Board
- KHS GmbH, Dortmund+
  Member of the Supervisory Board until October 31, 2017
- Mannesmann Precision Tubes GmbH, Mülheim/Ruhr+ (formerly Salzgitter Mannesmann Precision GmbH, Mülheim/Ruhr+)
  Member of the Supervisory Board
- Mannesmannröhren-Werke GmbH, Mülheim/Ruhr+
  Member of the Supervisory Board
- Peiner Träger GmbH, Peine+
  Member of the Supervisory Board
- Salzgitter Flachstahl GmbH, Mülheim/Ruhr+
  Member of the Supervisory Board until April 1, 2017
- Salzgitter Mannesmann Handel GmbH, Düsseldorf+
  Member of the Supervisory Board
- Nord/LB Asset Management AG, Hanover
  Member of the Supervisory Board

Dr. Bernd Drouven, Hamburg
Former Chief Executive Officer of Aurubis AG

- NITHH gGmbH, Hamburg
  Chairman of the Supervisory Board

+ group companies of Salzgitter AG
* elected by the employees
# stock exchange-listed company

Jan Koltze, Kummerfeld *
District Manager of the Mining, Chemical and Energy Industrial Union Hamburg/Harburg
» ESSO Germany GmbH, Hamburg
Member of the Supervisory Board
» ExxonMobil Central Europe Holding GmbH, Hamburg
Member of the Supervisory Board

Dr. Ing. Joachim Faubel, Hamburg *
Employee in Corporate Controlling at Aurubis AG

Dr. Sandra Reich, Singapore
Director, Head of German Desk, NORD/LB Singapore Branch, Norddeutsche Landesbank Girozentrale, Singapore

Dr. med. Dipl.-Chem. Thomas Schultek, Lübeck *
Head of Corporate Health Protection at Aurubis AG
» Member of the Committee of Executive Representatives at Aurubis AG, Hamburg

Rolf Schwertz, Datteln *
Bricklayer and boiler operator
Member of the Works Council of Aurubis AG, Lünen, and Chairman of the Central Representative Council of Employees with Disabilities of Aurubis AG, Lünen

Prof. Dr. Fritz Vahrenholt, Hamburg
Chairman of the Deutsche Wildtier Stiftung, Hamburg
» Capital Stage AG, Hamburg #
Member of the Supervisory Board

Ralf Winterfeldt, Hamburg *
Power electronics technician
Chairman of the General Works Council of Aurubis AG, Deputy Chairman of the Works Council of Aurubis AG, Hamburg

Dr.-Ing. Ernst J. Wortberg, Dortmund
Self-employed consultant

+ group companies of Salzgitter AG
* elected by the employees
# stock exchange-listed company

Supervisory Board Committees

Conciliation Committee in accordance with Section 27 (3) German Codetermination Act
Prof. Dr.-Ing. Heinz Jörg Fuhrmann (Chairman)
Renate Hold-Yilmaz (Deputy Chairwoman)
Dr. Sandra Reich
Ralf Winterfeldt

Audit Committee
Dr.-Ing. Ernst J. Wortberg (Chairman)
Burkhard Becker
Jan Koltze
Renate Hold-Yilmaz

Personnel Committee
Prof. Dr.-Ing. Heinz Jörg Fuhrmann (Chairman)
Dr. Bernd Drouven
Renate Hold-Yilmaz
Dr. med. Dipl.-Chem. Thomas Schultek
Prof. Dr. Fritz Vahrenholt
Ralf Winterfeldt

Nomination Committee
Prof. Dr.-Ing. Heinz Jörg Fuhrmann (Chairman)
Burkhard Becker
Prof. Dr. Fritz Vahrenholt
Dr.-Ing. Ernst J. Wortberg

Technology Committee
Dr. Bernd Drouven (Chairman)
Prof. Dr.-Ing. Heinz Jörg Fuhrmann
Renate Hold-Yilmaz
Dr. med. Dipl.-Chem. Thomas Schultek

Report of the Supervisory Board

Dear Shareholders,

PROF. DR.-ING. HEINZ JÖRG FUHRMANN

The Aurubis Group generated a good operating result before taxes (operating EBT) of € 298 million in fiscal year 2016/17. In this respect, the accomplishments of the Executive Board, of the management, and of our employees across all departments deserve our acknowledgement once again.

See Glossary, **page 208.**

Among the factors to positively impact fiscal year 2016/17 were an advantageous input mix, good availability of *copper concentrates*, and the concentrate throughput, which was significantly higher than in the previous year, as well as higher refining charges for copper scrap. Higher metal yields with increased metal prices, the increased sales of shapes and flat rolled products as well as positive contributions from the efficiency enhancement programs also added to this. The strong US dollar also contributed to earnings.

See Glossary, **page 208.**

The result was negatively influenced mainly by the scheduled shutdown in Hamburg, a surplus of sulfuric acid with corresponding price pressure, as well as a consequence of a lower *copper premium* and weaker sales of *wire rod*.

Collaboration between the Supervisory Board and Executive Board

The joint target of the Executive Board and Supervisory Board is to increase the enterprise value of Aurubis AG and its Group companies over the long-term.

With respect to company management, the Supervisory Board and its committees also closely supervised, carefully monitored and advised the Executive Board in 2016/17, and performed the functions incumbent upon it by law, the Articles of Association and rules of procedure. The Supervisory Board is confident that the company was managed lawfully and appropriately. The Supervisory Board was included in all decisions of fundamental importance for the Company promptly and directly, as explained in more detail below.

The Executive Board informed the Supervisory Board regularly, promptly and comprehensively about all of the issues relevant to the company, both verbally and by means of a written monthly report. These topics covered the corporate strategy, the planning process, important business transactions in the company and the Group, the associated opportunities and risks, and issues of *compliance*.

The Supervisory Board discussed all the transactions that were of importance for the Group in detail on the basis of the Executive Board's reports. The Supervisory Board agreed on the Executive Board's suggested resolutions after thorough review and consultation.

The Supervisory Board was continuously informed in detail about the Group's earnings and employment developments, the individual Segments and the company's financial position. The Executive Board extensively explained deviations in the business performance from the established plans and discussed the reasons behind them, as well as the initiated measures with the Supervisory Board.

The Chairman of the Supervisory Board was also in contact with the Executive Board, notably the Executive Board Chairman, outside of the meetings and communicated with its members about current developments.

Consultations in the Supervisory Board

Three scheduled Supervisory Board meetings (on December 13, 2016, March 1, 2017 and June 7, 2017) and one extraordinary Supervisory Board meeting (on July 20, 2017) took place in fiscal year 2016/17. The fourth scheduled Supervisory Board meeting took place on October 5, 2017, just days after the end of the fiscal year. Three resolutions were adopted by written consent in lieu of a meeting. The participation rate for the Supervisory Board members was 100 %. The Executive Board was not present for part of three Supervisory Board meetings.

The following table shows the members' participation rate for Supervisory Board meetings and for the respective committees.

Individual disclosure for meeting participation

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	Meeting attendance	Attendance
Supervisory Board members	3 scheduled/ 1 extraordinary meeting	
Prof. Dr.-Ing. Heinz Jörg Fuhrmann (Chairman)	4/4	100 %
Renate Hold-Yilmaz (Deputy Chairwoman)	4/4	100 %
Burkhard Becker	4/4	100 %
Dr. Bernd Drouven	4/4	100 %
Jan Koltze	4/4	100 %
Dr.-Ing. Joachim Faubel	4/4	100 %
Ralf Winterfeldt	4/4	100 %
Dr. med. Dipl.-Chem. Thomas Schultek	4/4	100 %
Dr. Sandra Reich	4/4	100 %
Prof. Dr. Fritz Vahrenholt	4/4	100 %
Rolf Schwertz	4/4	100 %
Dr.-Ing Ernst J. Wortberg	4/4	100 %

	Meeting attendance	Attendance
Personnel Committee	4 meetings	
Prof. Dr.-Ing. Heinz Jörg Fuhrmann (Chairman)	4/4	100 %
Dr. Bernd Drouven	4/4	100 %
Renate Hold-Yilmaz	4/4	100 %
Dr. med. Dipl.-Chem. Thomas Schultek	4/4	100 %
Prof. Dr. Fritz Vahrenholt	4/4	100 %
Ralf Winterfeldt	3/4	75 %
Audit Committee	4 meetings	
Dr.-Ing Ernst J. Wortberg (Chairman)	4/4	100 %
Burkhard Becker	4/4	100 %
Jan Koltze	4/4	100 %
Renate Hold-Yilmaz	4/4	100 %
Nomination Committee	2 meetings	
Prof. Dr.-Ing. Heinz Jörg Fuhrmann (Chairman)	2/2	100 %
Burkhard Becker	2/2	100 %
Prof. Dr. Fritz Vahrenholt	2/2	100 %
Dr.-Ing. Ernst J. Wortberg	2/2	100 %
Technology Committee	2 meetings	
Dr. Bernd Drouven (Chairman)	2/2	100 %
Prof. Dr.-Ing. Heinz Jörg Fuhrmann	1/2	50 %
Renate Hold-Yilmaz	1/2	50 %
Dr. med. Dipl.-Chem. Thomas Schultek	2/2	100 %
Conciliation Committee	did not meet during the fiscal year	
Prof. Dr.-Ing. Heinz Jörg Fuhrmann (Chairman)		
Renate Hold-Yilmaz (Deputy Chairwoman)		
Dr. Sandra Reich		
Ralf Winterfeldt		

The topics regularly covered in Supervisory Board meetings included business performance, human resources in the Group, the development of results and raw materials, foreign exchange and energy markets. The Supervisory Board also dealt with the financial situation and the status of capital expenditure. In particular, the Supervisory Board oversaw the planning of the *Future Complex Metallurgy (FCM)* project and the *ONE Aurubis* transformation program, which were presented by employees in the first and second management levels below the Executive Board. A further focus was the development of the new remuneration system and the search for a new Chief Financial Officer. During the meetings, the Chairmen of the Personnel, Audit, and Technology Committees reported on their work, the suggestions made, and the results achieved.

See Glossary, **page 209 and 210.**

Due to the onset of Mr. Faust's illness, the rules of procedure of the Executive Board with regard to the allocation of duties were changed by means of a circulated document on November 7, 2016.

In a written resolution circulated to the members, Mr. Faust was temporarily released from duty due to health reasons effective November 24, 2016.

In the meeting on December 13, 2016, the Supervisory Board determined both the compensation and the special compensation for the Executive Board members for fiscal year 2015/16 contingent on the established objectives. Details are explained in this Annual Report in the section entitled Compensation Report.

In the same meeting, consultations focused on the approval of the consolidated financial statements and the separate financial statements for Aurubis AG for 2015/16, including the Corporate Governance report, and the preparations for the 2017 Annual General Meeting. The Executive Board reported on the ongoing business, as well as the inclusion of the FCM and *Emerald* projects in the advanced planning.

See Glossary, **page 209.**

The chairman of the Technology Committee reported on the Committee's meeting and addressed the status of planning for the FCM project and the degree of implementation of the SCOPE (Supply Chain Optimization and Excellence) project.

In the meeting on March 1, 2017, the Supervisory Board addressed the results of operations after the end of the first quarter of the fiscal year, as well as the developments in the Results Improvement Program for the Business Line Flat Rolled Products. The Executive Board gave the Supervisory Board a comprehensive overview of the ONE Aurubis project status and discussed the Vision 2025. The Supervisory Board approved the tankhouse renovation at the Lünen site.

In the meeting on June 7, 2017, the Executive Board and the respective project managers reported on the status of the plans for the FCM project and other growth projects.

The Supervisory Board approved the construction of an integrated Innovation and Training Center at the Hamburg site, as well as the capital expenditure for comprehensive repair work in Pirdop (Pirdop shutdown 2018) and addressed the draft of the new compensation system for Executive Board members. Furthermore, the Supervisory Board approved the increase of Executive Board salaries by 5.26 % effective October 1, 2017, determined a target quota of 25 % for women in the Executive Board by June 30, 2022, and authorized Prof. Fuhrmann to terminate the Executive Board contract with Mr. Faust.

In the Supervisory Board's extraordinary meeting on July 20, 2017, the Supervisory Board approved the new organizational structure for the Aurubis Group, which is designed for functionality, as well as the new business distribution plan.

On September 5, 2017, Mr. Rainer Verhoeven was appointed as the new Chief Financial Officer by written consent, with effect from January 1, 2018.

Committees

The Supervisory Board set up a total of five committees to fulfill its duties in fiscal year 2016/17, which effectively supported the work in the meetings. The committees prepared the Supervisory Board's resolutions and topics to be considered in the meetings. The Conciliation Committee did not meet during the reporting year, in accordance with Section 27 (3) German Codetermination Act.

General statements on the composition and working procedures of the Supervisory Board and its committees can be found in this year's declaration on corporate governance as part of the Aurubis AG's Management Report.

Mr. Winterfeldt failed to attend in one Personnel Committee meeting, and Ms. Renate Hold-Yilmaz and Prof. Heinz Jörg Fuhrmann each failed to attend one Technology Committee meeting.

Work on the Nomination Committee

The Nomination Committee met two times during the reporting period. It prepared the competency profile for the Supervisory Board and searched for candidates for shareholder representatives in the Supervisory Board. The Nomination Committee proposed the separate fulfillment of the gender quota to the Supervisory Board, in accordance with Section 96 (2) Sentence 3 of the German Stock Corporation Act for the Supervisory Board election in 2018.

Work within the Personnel Committee

The Personnel Committee met four times during the reporting period. It addressed the cancellation of Mr. Faust's Executive Board contract and the search for a new Chief Financial Officer. It discussed suggestions for the new Executive Board compensation, the Executive Board compensation increase effective October 1, 2017 as well as the gender quota target in the Executive Board.

Work on the Audit Committee

The Audit Committee met four times during the reporting period. The quarterly reports, the separate financial statements, and the consolidated financial statements for the past fiscal year were audited and discussed with the Executive Board. The Audit Committee also addressed the monitoring of accounting and the effectiveness of the internal control and auditing system, as well as risk and compliance management in the Group. The Audit Committee recommended the auditing firm PricewaterhouseCoopers GmbH, Hamburg to the Supervisory Board as auditor for fiscal year 2016/17. The Audit Committee authorized the Executive Board to also commission the auditors with additional non-audit services to a limited extent starting October 1, 2016.

The Audit Committee Chairman, Dr. Ernst Wortberg, has special expertise and experience in the application of accounting principles and internal control procedures. He is independent and not a former member of the company's Executive Board.

Apart from the appointment of the auditors and the agreement of the fee with the auditors, the committee established focal areas of the annual 2016/17 audit, specifically:

» Presentation of financial variables in light of the ESMA guidelines
» Notes regarding the effect of new standards on the IFRS consolidated financial statements
» Review of Aurubis AG's pension provisions and asset coverage

The first two priorities are also the 2017 focal areas of the German Financial Reporting Enforcement Panel. The Audit Committee furthermore monitored the independence of the auditors, obtained the declaration of their independence recommended by the German Corporate Governance Code www.aurubis.com

and addressed the additional services performed by the auditors. In this regard, the designated auditors were obligated to inform the Chairman of the Audit Committee without delay about any possible grounds for exclusion or lack of impartiality arising during the audit.

The auditors' representatives attended two Audit Committee meetings and reported on the audit of the annual accounts as well as the new structure of the auditors' report in the consolidated and annual financial statement.

Work on the Technology Committee

The Technology Committee met twice during the reporting period. In addition to overseeing various optimization and development projects, the committee was primarily involved with the FCM project and the implementation status of the SCOPE project. The Executive Board and the respective project managers presented the current status of the planning for these two projects to the committee. Apart from the technical concepts for the FCM project, the committee also discussed the respective investment plans and the profitability calculations.

Corporate Governance and Declaration of Conformity

The regular efficiency review was performed by the Supervisory Board at its meeting on July 20, 2017. Following a detailed discussion, the Supervisory Board determined its efficiency.

The Executive Board reports on corporate governance at Aurubis AG, also on behalf of the Supervisory Board, in accordance with Section 3.10 of the German Corporate Governance Code, in the declaration and in the report on corporate governance, both are parts of the Management Report.

On November 6, 2017, the Executive Board and Supervisory Board issued the updated Declaration of Conformity with the Corporate Governance Code in accordance with Section 161 of the German Stock Corporation Act, and made it permanently accessible to the public at *www.aurubis.com*. Aurubis AG complies with the Code recommendations with two exceptions. Additional information can be found in the Declaration of Conformity.

Conflicts of interest

There were no conflicts of interest among Executive Board or Supervisory Board members that should have been disclosed to the Supervisory Board or announced at the Annual General Meeting. There were no significant transactions with an Executive Board member or parties related to an Executive Board member.

Audit of the separate financial statements of Aurubis AG and the consolidated financial statements

The company's financial statements prepared by the Executive Board in accordance with the German Commercial Code (HGB), the consolidated financial statements prepared in accordance with IFRS (International Financial Reporting Standards) for the fiscal year from October 1, 2016 to September 30, 2017 and the Combined Management Report for the company and the Group have been audited by the auditing firm PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft, Hamburg, in accordance with the resolution passed at the Company's Annual General Meeting on March 2, 2017 and their subsequent appointment as auditors by the Supervisory Board. The auditor responsible was Mr. Claus Brandt, who audited the Group and the Company for the first time. The auditors have issued an unqualified auditors' report. The auditing firm PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft, Hamburg has been appointed as auditor since fiscal year 2008/09 and audited Aurubis for the ninth time including the audit for fiscal year 2016/17.

The meeting of the Supervisory Board to approve the financial statements was held on December 12, 2017. All members of the Supervisory Board received copies of the financial statements and audit reports, as well as the Executive Board's recommendation on the appropriation of the net earnings and all other documents in good time before this meeting. These documents were discussed in detail at the Supervisory Board meeting to approve the financial statements. The auditors participated in this meeting, reported in detail on how the audit had been performed and their main audit findings, and were available to provide the Supervisory Board with further information, discuss the documents and make additional comments.

Following a detailed discussion on the auditors' findings and a thorough consideration of the report by the auditors and the recommendation of the Executive Board on the appropriation of the net income, and on the basis of its own review of and discussion on the separate financial statements of Aurubis AG, the consolidated financial statements, the Combined Management Report for the company and the Group, the Supervisory Board concurred with the results of the audit. The Supervisory Board concluded that no objections need to be raised and, in accordance with the recommendations of the Audit Committee, approved the separate financial statements of Aurubis AG, which were thus adopted, as well as the consolidated financial statements and the Combined Management Report at the meeting on the financial statements. The Supervisory Board concurred with the Executive Board's recommendation on the utilization of the unappropriated earnings.

Changes in the Supervisory Board and Executive Board

Mr. Erwin Faust was temporarily released from duty due to health reasons on November 24, 2016 until further notice. On June 30, 2017, Mr. Faust resigned from his post as Aurubis AG's Chief Financial Officer. The Supervisory Board thanks Mr. Faust for his tremendous dedication and wishes him a complete recovery and all the best for the future. With effect from January 1, 2018, Mr. Rainer Verhoeven was appointed as the new Chief Financial Officer.

Hamburg, December 2017

The Supervisory Board

Prof. Dr.-Ing. Heinz Jörg Fuhrmann
Chairman

Corporate Governance

Report and declaration on corporate governance (part of the Management Report)

The principles of responsible and sustainable corporate governance determine the actions of the management and controlling bodies of Aurubis AG. In this declaration, the Executive Board reports – also for the Supervisory Board – pursuant to Section 3.10 German Corporate Governance Code as well as Sections 289a and 315 (5) HGB (German Commercial Code) in conjunction with Art. 80 EGHGB (Introductory Act of the German Commercial Code) about corporate governance.

Declaration of Conformity and reporting on corporate governance

In accordance with Section 161 of the German Stock Corporation Act, the Executive Board and Supervisory Board of a company listed in Germany must issue an annual declaration stating that the recommendations of the "Government Commission on the German Corporate Governance Code" published by the Federal Ministry of Justice in the official section of the electronic Federal Gazette (Bundesanzeiger) were/are being complied with, or list the recommendations that were/are not being applied and explain why. The Executive Board and the Supervisory Board have dealt on several occasions in fiscal year 2016/17 with the topic of corporate governance and jointly issued the updated Declaration of Conformity in accordance with Section 161 of the German Stock Corporation Act on November 6, 2017. The declaration is permanently accessible to the public on the Aurubis AG *website* in the Investor Relations/Corporate Governance section. The Declarations of Conformity from the past five years and the details regarding fulfillment of the Code's requirements are also permanently accessible there.

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Text of the Declaration of Conformity

"In accordance with Section 161 of the German Stock Corporation Act, the Executive Board and Supervisory Board of Aurubis AG declare that, since the issue of the last Declaration of Conformity dated November 4, 2016, the recommendations of the 'Government Commission on the German Corporate Governance Code' in the version dated May 5, 2015 have been applied, and that the recommendations in the version dated February 7, 2017 have been applied since April 24, 2017, with the following exceptions for the reasons given:

» Section 4.2.3 (2) Sentences 3 and 4 (Executive Board compensation) Beginning with the completion of new contracts for the Executive Board as of October 1, 2017, the compensation structure for the Executive Board will generally include variable remuneration components with a multiannaul assessment basis that shall have essentially forward-looking characteristics, as well as a cap on severance pay. However, this is not valid for existing contracts. In this respect, prior rights exist.
» Section 5.4.1 (2) (term limit for Supervisory Board membership) When proposing candidates at the Annual General Meeting, the Supervisory Board has focused and will continue to focus on the professional and personal qualifications of the candidates, taking the profile of skills into consideration as well as the framework of the applicable legal regulations, in particular the Gender Equality Act ("Gleichstellungsgesetz"). It is naturally very relevant that, within the framework of the company-specific situation, the company's international activities, potential conflicts of interest, the number of independent Supervisory Board members as well as the age limit established by the Supervisory Board and diversity are taken into account. In this regard, it is not necessary to establish a regulatory limit for the length of membership in the Supervisory Board.

Hamburg, November 6, 2017

For the Executive Board

Jürgen Schachler Chairman	Dr. Stefan Boel Member

For the Supervisory Board

Jörg Fuhrmann

Prof. Dr.-Ing. Heinz Jörg Fuhrmann
Chairman"

Working procedures of the Executive Board and Supervisory Board

Aurubis AG is a company subject to German law, of which the German Corporate Governance Code is a part. A basic principle of German stock corporation law is the dual management system with the two bodies of the Executive Board and Supervisory Board, which are strictly separated as regards personnel between the Executive Board as the board of management and the Supervisory Board as the monitoring organ and each provided with independent responsibilities. The Executive Board and Supervisory Board of Aurubis AG work closely together and in a spirit of trust in the governance and supervision of the company for the benefit of the company.

The Executive Board

The Executive Board runs the company on its own responsibility without instructions from third parties in accordance with the law, the Articles of Association and the Board's rules of procedure, taking into account the resolutions passed at the Annual General Meeting. The Executive Board represents the company in dealings with third parties.

The Executive Board as the management body runs the company's business on its own responsibility with the aim of achieving long-term value added in the company's interests while taking the needs of all stakeholders into account. The principle of overall responsibility applies, i.e. the members of the Executive Board together bear responsibility for the management of the entire company. They work together in a spirit of cooperation and inform one another continuously about important measures and occurrences in their areas of responsibility. The overall responsibility of all Executive Board members notwithstanding, the individual members of the Executive Board oversee the areas of responsibility assigned to them in the Executive Board resolutions on their own responsibility. The principles of the cooperation between Aurubis AG's Executive Board members are stated in the rules of procedure for the Executive Board issued by the Supervisory Board. These regulate, above all, the allocation of responsibilities between the individual Executive Board members, matters reserved for the full Executive Board, the passing of resolutions, i.e. the required majority for resolutions, and the rights and obligations of the Chief Executive Officer.

Certain Executive Board decisions of particular importance require the approval of the Supervisory Board. They are stipulated in a catalogue. For example, the Supervisory Board makes decisions about investments in other companies if the measure is of great significance for the Group, as well as about substantial capital expenditure measures.

The Executive Board of Aurubis AG initially consisted of three members during the fiscal year (Mr. Jürgen Schachler as Chairman, Mr. Erwin Faust and Dr. Stefan Boel). Beginning November 1, 2016, Mr. Erwin Faust was not available to assist the company due to health reasons. For this reason, Mr. Faust was released from his duties and obligations as CFO of Aurubis AG by mutual agreement in the Supervisory Board resolution dated November 24, 2016. Mr. Faust's duties were initially taken over by Mr. Jürgen Schachler and Dr. Stefan Boel. With the end of June 30, 2017, Mr. Faust resigned from his post as Aurubis AG's Chief Financial Officer. Mr. Rainer Verhoeven was appointed as the new Chief Financial Officer effective January 1, 2018.

The Executive Board keeps the Supervisory Board informed promptly and comprehensively, in written and verbal reports, as well as in the scheduled meetings, about the strategy, planning, business development, important business transactions and the Group's risk situation, including risk management and compliance, i.e. the measures to comply with legal requirements and the internal corporate guidelines. The Executive Board discusses in detail and provides reasons for deviations in the business performance from previously prepared budgets and targets.

For the composition of the Executive Board, filling management positions and also election nominations for Supervisory Board members (Sections 4.1.5, 5.1.2 and 5.4.1 of the Code), as well as filling other committees, Aurubis AG's

Executive Board and the Supervisory Board will ensure within the scope of their respective responsibility to increasingly take into consideration the point of view of diversity, in particular the appropriate representation of women.

In accordance with Section 76 Paragraph 4 of the German Stock Corporation Act, Aurubis AG's Executive Board is required to establish a target for the proportion of women in both management levels below the Executive Board, as well as a deadline for achieving this goal.

The entire Executive Board addressed the regulation in good time and set the targets for the first and second management levels at Aurubis AG for the first time in August 2015. For the initial determination, the implementation deadline could not legally extend beyond June 30, 2017. The target for the relatively short period until June 30, 2017 was 20 % for each level. As at this target date, the proportion of women was 19.4 % for the first management level and 20.4 % for the second management level.

The target for the second management level was thus slightly exceeded and the target for the first management level was nearly achieved. In the first management level, there were limited open positions in the reporting period. For these, men and women were considered equally. The vacant positions were ultimately awarded to the most suitable applicants.

On June 12, 2017, the Executive Board determined a target of 20 % for the first management level and a target of 25 % for the second management level for the period ending June 30, 2022. Further increasing the number of women in management positions independently of legal regulations is an important goal for the Group.

As at this reporting date, the proportion of women was unchanged at 19.4 % for the first management level below the Executive Board, and 20.4 % for the second management level below the Executive Board.

There were no further personnel changes in the fourth quarter of fiscal year 2016/17.

The Supervisory Board

The Supervisory Board advises and monitors the Executive Board in the management of the company. It appoints and rescinds the contracts of Executive Board members, decides on the compensation system for Executive Board members and specifies their respective total compensation. In the process, the Supervisory Board takes into account the relationship between Executive Board compensation and the compensation of the higher management level and the relevant workforce, as well as the market position of the company. It also defines the target pension level for Executive Board members. The Personnel Committee submits corresponding suggestions to the Supervisory Board.

The Supervisory Board is included in the strategy and planning as well as all aspects of major significance for the company. The Supervisory Board has defined rights of veto in favor of the Supervisory Board for transactions of fundamental importance, particularly those that would significantly change the company's net assets, financial position and results of operations. In the case of important events, an extraordinary Supervisory Board meeting is convened if deemed necessary. The Chairman of the Supervisory Board coordinates the work within the Supervisory Board, chairs their meetings and attends to the affairs of the Supervisory Board externally. The Supervisory Board meets without the Executive Board as necessary.

The Supervisory Board has defined rules of procedure for its work. The representatives of the shareholders and the employees generally meet separately to prepare for the meetings.

Composition of the Supervisory Board

The Supervisory Board of Aurubis AG with co-determination has twelve members in accordance with the Articles of Association. Six of these members are elected by the shareholders and six by the employees in accordance with the German Co-determination Act. The periods of office are identical. In accordance with the recommendations of the German Corporate Governance Code, the shareholders' representatives were elected individually to the Supervisory Board in the last election at the Annual General Meeting on February 28, 2013.

The Supervisory Board has designated concrete targets for its composition and compiled a competency profile for the entire Board. The targets and the competency profile have been made permanently accessible to the public on the Aurubis AG *website*. Aurubis AG's Supervisory Board is composed according to this target. With due regard for the requirements of Section 96 (2) of the German Stock Corporation Act, the Supervisory Board will comprise no less than 30 % women and no less than 30 % men at the close of the 2018 Annual General Meeting.

When proposing candidates at the Annual General Meeting, it will continue to orient itself according to the statutory provisions in the future while focusing on the professional and personal qualifications of the candidates within the framework of the applicable legal regulations, in particular with respect to the Gender Equality Act. It is naturally very relevant that the company's international activities, potential conflicts of interest as well as the length of membership in the Supervisory Board, the age limit for Supervisory Board members, the number of independent Supervisory Board members in terms of Section 5.4.2 of the German Corporate Governance Code, and diversity are taken into account. The Supervisory Board did not place a limit on the length of membership in the Supervisory Board.

In the Supervisory Board's estimate, Dr. Drouven, Dr. Reich, Prof. Vahrenholt and Dr. Wortberg were seen as independent shareholders' members during fiscal year 2016/17 pursuant to Section 5.4.1 (4) of the German Corporate Governance Code.

Dr. Bernd Drouven, a former member of the Aurubis AG Executive Board, is now a member of the Supervisory Board. His appointment as an Executive Board member ended significantly more than two years ago. Dr. Bernd Drouven was elected to the Aurubis AG Supervisory Board pursuant to Section 100 (2) p. 1 No. 4 of the German Stock Corporation Act at the recommendation of Salzgitter Mannesmann GmbH.

Taking into account the ownership structure, the Supervisory Board assesses that the Supervisory Board, with its four independent shareholder members, has a sufficient number of independent shareholder members who have no professional relationships with the company, with its Supervisory Board or Executive Board, with a controlling shareholder or with someone connected with an associated company, that could be cause for a significant conflict of interest that is not merely temporary.

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The Supervisory Board's term of office amounts to five years; the current term of office ends at the close of the Annual General Meeting on March 1, 2018.

Pursuant to Section 111 (5) of the German Stock Corporation Act, on September 11, 2015 the Supervisory Board determined a target of 0 % and an implementation deadline of June 30, 2017 for the proportion of women in Aurubis AG's Executive Board, because no new appointments were pending at that time. This target could therefore not be exceeded in the reporting period.

Jürgen Schachler was appointed as Executive Board Chairman effective July 1, 2016. No suitable female candidates were available to fill this position.

On June 7, 2017, the Supervisory Board determined a significantly higher target of 25 % for the Executive Board for the period of time ending June 30, 2022. Upon evaluating general circumstances, the Supervisory Board believes it is possible to implement this target within the indicated period.

The target could not be reached in the relatively short time period ending September 30, 2017. In this time period, only the position of Chief Financial Officer needed to be filled. In the search for suitable candidates, a stronger focus was put on the choice of suitable women. With Mr. Verhoeven's appointment, the candidate who in the Supervisory Board's opinion was best qualified for the position of Chief Financial Officer was ultimately chosen.

Supervisory Board committees

The Supervisory Board has formed five long-term committees for its members to prepare and complement its work: the Personnel Committee, the Audit Committee, the Nomination Committee, the Conciliation Committee and the Technology Committee. Some of the Committees' tasks as well as their composition and work are specified in the rules of procedure of the Supervisory Board. The Committees' compositions during the fiscal year are outlined in this Annual Report. The mandates of the Supervisory Board members in other legally formed Supervisory Boards and comparable German and foreign controlling bodies are also specified in this Annual Report.

Personnel Committee

The six-member Personnel Committee has equal numbers of representatives of the shareholders and employees. It considers the structure and level of compensation paid to all members of the Executive Board, prepares Executive Board contracts and selects qualified candidates for Executive Board positions and prepares necessary Supervisory Board resolutions. The Chairman of the Personnel Committee is the Chairman of the Supervisory Board.

Audit Committee

The four-member Audit Committee with equal representation has the main task of monitoring the accounting process, the effectiveness of the internal control system, the risk management system, the internal auditing system and the annual audit as well as compliance.

The Audit Committee submits a justified recommendation for the choice of an auditor to the Supervisory Board, which consists of at least two candidates in cases concerning the tendering process for the auditing mandate. The Audit Committee monitors the independence of the auditors and furthermore concerns itself with the additional services performed by the auditors, with the appointment of the auditors, the determination of the audit's focal areas and the agreement of the fee.

The Audit Committee Chairman during the fiscal year, Dr. Ernst J. Wortberg, is an independent financial expert whose business career has provided him with special expertise and experience in the application of accounting principles and internal control procedures. He is not a former member of the company's Executive Board whose appointment ended less than two years ago.

Nomination Committee

The Nomination Committee only has representatives of the shareholders in accordance with the German Corporate Governance Code. The Nomination Committee has the duty of suggesting suitable candidates for the Supervisory Board to propose for election to the Supervisory Board at the Annual General Meeting.

Conciliation Committee

The legally formed Conciliation Committee did not meet during the reporting year.

Technology Committee

The four-member Committee has equal numbers of representatives of the shareholders and employees. The Technology Committee's duty is to strategically support and monitor the Executive Board in the implementation of significant capital expenditure projects.

Avoiding conflicts of interest

The mandates of the Executive and Supervisory Board members in other legally formed Supervisory Boards and comparable German and foreign controlling bodies are included in this annual report. No Executive Board member holds more than three Supervisory Board mandates at public limited companies that are not part of the Group or in supervisory committees of non-Group companies, which have comparable requirements. Related parties are presented in the Notes to the Consolidated Financial Statements.

In transactions with Executive Board members, the Supervisory Board represents the company. Significant transactions with parties related to an Executive Board member were and are only carried out with the agreement of the Supervisory Board.

In the last fiscal year no conflicts of interest occurred among Executive Board or Supervisory Board members that should have been disclosed to the Supervisory Board and the other Executive Board members. There were no consulting or other service or work contracts between Supervisory Board members and the company in the reporting year either.

Retention in the D&O insurance

Aurubis AG has taken out D&O insurance (pecuniary loss/third party indemnity) for the Executive Board and the Supervisory Board with a reasonable retention. A deductible of 10 % of the damage or one and a half times the fixed annual compensation has been agreed.

Disclosures on relevant corporate governance practices

For Aurubis AG, the applicable legal regulations, especially stock market law, the law on co-determination and capital markets law, the Articles of Association, the German Corporate Governance Code and the rules of procedure of the Supervisory Board and the Executive Board provide the basis for the structure of management and controlling in the company. Above and beyond its legal obligations, Aurubis has defined values and derived a Code of Conduct from these, which regulates the framework of behavior and decisions and provides orientation for corporate activities. The values and the Code of Conduct are published on the *company's homepage*. Each employee is briefed on these group-wide applicable values and the Code of Conduct as well as the corporate guidelines stemming from them. Mandatory instruction is given on special topics to (potentially) affected employees (e.g. antitrust law, anticorruption, environmental protection and occupational safety).

Shareholders and the Annual General Meeting

The shareholders of Aurubis AG exercise their co-determination and supervisory rights at the Annual General Meeting, which occurs at least once a year. Resolutions are passed at the AGM on all matters defined by law which are binding for all shareholders and the company. Each share grants the holder one vote in the AGM voting processes.

The Annual General Meeting elects the members of the Supervisory Board, who are chosen by the shareholders without obligation to a particular nomination, and passes a resolution on the exoneration of the members of the Executive Board and Supervisory Board. It decides on the utilization of the unappropriated earnings and on capital measures and gives approval to company agreements. Furthermore, it makes decisions about the compensation of the Supervisory Board and amendments to the company's Articles of Association. The German Stock Corporation Act stipulates that an extraordinary General Meeting can be convened in special cases.

Each shareholder who has registered in good time and can duly provide proof of their entitlement to participate in the Annual General Meeting and exercise their voting rights is entitled to attend the Annual General Meeting. Shareholders who cannot or do not wish to attend the Annual General Meeting in person may authorize a bank, a shareholders' association, the proxies designated by Aurubis AG, who are bound to follow the shareholders' instructions, or another person of their choice to exercise their voting rights. The shareholders also have the option of submitting their votes online before the Annual General Meeting. Aurubis AG will give further details in the invitation to the Annual General Meeting.

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The invitation to the Annual General Meeting and the relevant reports and information for the resolutions are published in accordance with the German Stock Corporation Law and made available in English and German on the Aurubis AG website.

Controlling/risk management and compliance

The company's responsible handling of risks is also part of good corporate governance. As part of our value-oriented Group management, adequate risk management ensures that risks are identified early on and risk positions are minimized. Risk management reports regularly to the Executive Board and the Supervisory Board's Audit Committee. Details of risk management at Aurubis AG are given in the risk report. Pursuant to Section 289 (5) and Section 315 (2) No. 5 of the German Commercial Code (HGB) in conjunction with Art. 80 of the EGHGB (Introductory Act of the German Commercial Code) , the required report on the accounting-related internal control and risk management system is contained in this.

The Executive Board ensures the adherence to legal requirements and the internal company guidelines, and works toward compliance across all Group companies. The compliance management system was expanded during the fiscal year so as to comply with the requirements resulting from the legal stipulations and the Code of Conduct.

Compliance is ensured in the company by means of prevention, controls and sanctions. Preventive measures include internal regulations, guidance and particularly the training of employees. In the event that violations of laws or internal regulations are detected, labor, civil, or criminal penalties are imposed.

The company's Chief Compliance Officer is the central point of contact for all compliance-relevant questions. He reports regularly to the Executive Board and the Supervisory Board's Audit Committee. At individual Group locations, local compliance officers are available as a point of contact for employees.

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Employees are also granted the opportunity to give anonymous tips regarding legal violations within the company by means of a whistleblower hotline operated by an external service provider. This option can also be used by third parties.

Transparency

Aurubis AG regularly informs the participants in the capital market and the interested general public about the Group's economic situation and new facts. The annual report, interim reports and the quarterly reports are published within the stipulated periods. Press releases and, if necessary, ad hoc announcements provide information on current events and new developments. Information is made available in German and English and is published in printed form or via suitable electronic media. Meetings are arranged on a regular basis with analysts and institutional investors as part of our investor relations activities. In addition to an annual analysts' conference, conference calls are also held for analysts, especially in connection with the publication of quarterly figures. We also made new matters that were disclosed to financial analysts and similar contacts immediately available to the shareholders on the company's website.

The company's Articles of Association, the current Declaration of Conformity and the Declarations of Conformity from the past five years are likewise available on the website.

Furthermore, immediately after receipt of a relevant notification pursuant to Section 21 of the German Securities Trading Act (WpHG), the achieving, exceeding or falling below of 3, 5, 10, 15, 20, 25, 30, 50 or 75 % of the voting rights in the company is published in an information system that is distributed throughout Europe.

Financial calendar

The scheduled dates of the main recurring events and publications – such as the Annual General Meeting, the Annual Report, interim reports and quarterly reports, as well as press conferences regarding the annual financial statements and analyst conferences – are listed in a financial calendar. The calendar is published sufficiently in advance and made permanently available on the Aurubis AG *website*.

Directors' dealings

Pursuant to Article 19 of the Market Abuse Regulation (EU 596/2014), the members of Aurubis AG's Executive and Supervisory Boards, certain employees in management positions and people closely associated to them are required to disclose acquisitions and sales of company shares and related financial instruments. This does not apply if the total transactions per person do not reach an amount of € 5,000 per calendar year.

A member of the Supervisory Board carried out share transactions in the time period from October 1, 2016 to September 30, 2017:

» Dr. Thomas Schultek/increase of 200 no-par value shares acquired by inheritance.

The Executive Board members informed the company that they neither acquired nor sold any no-par value shares in the company in the period from October 1, 2016 to September 30, 2017.

Financial reporting and annual audit

Aurubis AG prepares its consolidated financial statements and Management Report as well as the consolidated interim reports in accordance with International Financial Reporting Standards (IFRS) as they should be applied in the European Union. The financial statements of Aurubis AG are issued in compliance with the German Commercial Code (HGB) and the German Stock Corporation Act (AktG). The financial statements of Aurubis AG and the consolidated financial statements, as well as the Management Report, are compiled by the Executive Board and examined by the auditors and the Supervisory Board. Aurubis AG released a Combined Management Report for the AG and the Group for fiscal year 2016/17. The interim report and the quarterly reports are discussed by the Audit Committee and the Executive Board before publication.

The company's auditor was elected at the Annual General Meeting in compliance with the provisions of the German Stock Corporation Act. PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft, Hamburg, was appointed as auditor of the 2016/17 consolidated financial statements and the Management Report as well as the 2016/17 HGB financial statements of Aurubis AG. PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft, Hamburg has been the appointed auditor since fiscal year 2008/09 and thereby audited Aurubis for the ninth time including the fiscal year 2016/17 audit. The responsible auditor for fiscal year 2016/17 was Mr. Claus Brandt, who audited the Group and the company for the first time. Before submitting the proposal for the election of the auditors, the Supervisory Board obtained the declaration from PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft on their independence as specified by the German Corporate Governance Code. The audits were performed in accordance with German auditing regulations, taking into account the generally accepted standards for the audit of financial statements promulgated by the German Institute of Public Auditors; in addition, the International Standards on Auditing were also observed. They also covered risk management and compliance with reporting obligations on corporate governance in accordance with Section 161 of the German Stock Corporation Act.

Furthermore, it was also agreed with the auditors that they would inform the Supervisory Board without delay about any possible grounds for exclusion or lack of impartiality and about the main findings and incidents arising during the audit.

Hamburg, December 2017

Executive Board

Jürgen Schachler
Chairman

Dr. Stefan Boel
Member

Compensation report for the Executive Board and the Supervisory Board of Aurubis AG

The following Compensation Report is part of the Combined Management Report. It outlines the structure and level of the Aurubis AG's Executive Board and Supervisory Board compensation.

Compensation for the Executive Board

The Supervisory Board defines the total compensation of the individual Executive Board members on the basis of proposals from the Personnel Committee and decides on and reviews the compensation system for the Executive Board at regular intervals. In fiscal year 2016/17, the Supervisory Board fundamentally revised the compensation system, working together with an independent external compensation expert. The aim of the new regulation is to orient Executive Board compensation toward sustainable corporate development. In particular, the variable compensation components have a multiannual assessment basis, which is primarily forward-looking.

The new system is valid for new and subsequent appointments and is thus valid for the new Chief Financial Officer, Mr. Rainer Verhoeven, who was appointed with effect from January 1, 2018. For the Executive Board members Mr. Jürgen Schachler and Dr. Stefan Boel, as well as for the former Chief Financial Officer Mr. Erwin Faust, the old compensation system applied/will initially continue to apply.

Previous compensation system for the Executive Board

The compensation of the individual Executive Board members is defined in their employment contracts and consists of a series of compensation components. In each case this involves fixed compensation, variable compensation as well as fringe benefits and pension plans.

Fixed components

The fixed portion consists of fixed compensation, fringe benefits and pension plans. For the Executive Board Chairman, the annual fixed compensation amounts to € 570,000 (€ 600,000 from October 1, 2017), and € 399,000 for the ordinary Executive Board members (€ 420,000 from October 1, 2017) and is paid out monthly in equal installments.

Additionally, the Executive Board members receive fringe benefits in the form of benefits in kind, which primarily consist of insurance premiums and company car use and are assessed according to tax guidelines.

Mr. Faust has a performance-based pension plan. The pension benefits are determined as a percentage of the fixed compensation. The percentage increases with the length of membership on the Executive Board. The pension is payable upon reaching the age of 65, as well as in the event of disability. Pensions that are paid before reaching the age of 65 have the character of an interim payment. Compensation that an Executive Board member receives from an activity outside of the Aurubis Group after leaving the company is offset against the pension until reaching the age of 65.

Mr. Schachler and Dr. Boel receive defined contribution pension plans from the company. Annual contributions in the amount of € 140,000 for Mr. Schachler and € 100,000 for Dr. Boel are paid to an insurance company.

All Executive Board members additionally have a defined contribution company pension plan. The pension plan is based on a lump-sum single payment. At the end of every fiscal year, € 120,000 for the Chief Executive Officer and € 80,000 for each further Executive Board member is paid into liability insurances.

The respective Executive Board member can use the accumulated capital after reaching the age of 62 (for Mr. Erwin Faust, after reaching the age of 60) at the earliest; however, not before ceasing to be employed by the company.

Variable components

The old system of variable compensation includes two components, which are paid out annually: The first component (Component I) is dependent on achieving an annual target related to adjusted average consolidated EBT (Earnings Before Taxes) for the Group for three years, and in each case relating to the current as well as both of the two prior fiscal years preceding the respective fiscal year. The target is EBT derived from ROCE (return on capital employed) of 15 %. If the EBT is less than 40 % of the target, Component I is not paid. The target bonus from Component I can reach a maximum of 100 % (cap). The maximum amount that can be reached from these components for 100 % target achievement is € 712,500 (€ 750,000 from October 1, 2017) for the Chief Executive Officer and € 475,000 (€ 500,000 from October 1, 2017) for each ordinary Executive Board member.

Component II stipulates an annual assessment of the joint (Component II a) and individual (Component II b) performance of the Executive Board by the Supervisory Board. Both components are based on a qualitative, criteria-supported assessment of the sustainable company management. The target bonus from Component II can reach a maximum of 100 % (cap). A payout of a minimum of 50 % of the target bonus always occurs unless this is unreasonable in the sense of Section 87 (2) of the German Stock Corporation Act. The maximum amount that can be reached from Components II a and II b is € 237,500 (€ 250,000 from October 1, 2017) for the Chief Executive Officer and € 166,250 (€ 175,000 from October 1, 2017) for each ordinary Executive Board member.

The target bonus for Component I amounts to 60 % of the total variable compensation; the target bonus for Component II, 40 %.

Premature termination

The employment contracts for the Executive Board members do not contain Change of Control clauses.

Amount of compensation for the Executive Board in fiscal year 2016/17

In total, compensation for active Executive Board members for activities in fiscal year 2016/17 amounted to € 4,589,106, inclusive of pension expenses.

Mr. Erwin Faust resigned his post as Chief Financial Officer with effect from June 30, 2017. The termination agreement stipulates that the fixed portion of the salary will be paid in full until the end of fiscal year 2016/17. Furthermore, Mr. Faust will receive a one-off payment in the amount of € 400,000 (gross), as well as variable compensation for the time period from July 1, 2017 to September 30, 2017 in the amount of € 177,532. The payment will take place in January 2018. Beginning October 1, 2017, Mr. Faust receives a pension in the form of an interim payment until reaching 65 years of age. Upon reaching 65 years of age, Mr. Faust will receive the pension agreed on in the employment contract. The contributions to the defined contribution company pension plan for Mr. Faust were paid until September 30, 2017.

The company has set up pension provisions on the basis of IFRS for the Executive Board members. In the reporting year, the allocations to the pension provisions for the active Executive Board members amounted to € 808,104. This amount comprises the so-called service cost and the contributions to an external pension fund.

Former members of the Executive Board and their surviving dependents received a total of € 2,099,400 in fiscal year 2016/17, while € 27,554,891 has been provided for their pension entitlement.

Individual details can be found in the following table:

Benefits granted

in €		Fixed compensation	Fringe benefits	**Total**
Jürgen Schachler Executive Board Chairman since July 1, 2016	2015/16	142,500	3,465	145,965
	2016/17	570,000	19,586	**589,586**
	Min	570,000	19,586	589,586
	Max	570,000	19,586	589,586
Dr. Stefan Boel Executive Board member since April 19, 2008	2015/16	399,000	18,177	417,177
	2016/17	399,000	18,389	**417,389**
	Min	399,000	18,389	417,389
	Max	399,000	18,389	417,389
Erwin Faust Executive Board member from October 1, 2008 to June 30, 2017	2015/16	399,000	19,139	418,139
	2016/17 2)	299,250	16,058	**315,308**
	Min	299,250	16,058	315,308
	Max	299,250	16,058	315,308
Total	**2015/16**	**940,500**	**40,781**	**981,281**
	2016/17	**1,268,250**	**54,033**	**1,322,283**
	Min	1,268,250	54,033	1,322,283
	Max	1,268,250	54,033	1,322,283

Inflow

in €		Fixed compensation	Fringe benefits	**Total**
Jürgen Schachler Executive Board Chairman since July 1, 2016	2015/16	142,500	3,465	145,965
	2016/17	570,000	19,586	**589,586**
Dr. Stefan Boel Executive Board member since April 19, 2008	2015/16	399,000	18,177	417,177
	2016/17	399,000	18,389	**417,389**
Erwin Faust Executive Board member from October 1, 2008 until June 30, 2017	2015/16	399,000	19,139	418,139
	2016/17 2)	299,250	16,058	**315,308**
Total	**2015/16**	**940,500**	**40,781**	**981,281**
	2016/17	**1,268,250**	**54,033**	**1,322,283**

1) Pension expenses in accordance with the German Commercial Code (HGB) amounted to € 399,821 (previous year: € 230,041) for Erwin Faust, € 180,000 (previous year: € 180,000) for Dr. Stefan Boel and € 260,000 (previous year: € 260,000) for Jürgen Schachler
2) Refers to compensation for the time period from October 1, 2016 to June 30, 2017.
Mr. Faust additionally receives a one-off payment in the amount of € 400,000 within the scope of contract termination, fixed compensation for the time period from July 1–September 30, 2017 in the amount of € 99,750 as well as annual variable compensation in the amount of € 62,344 and the multiannual variable compensation in the amout of € 115,118.
The variable multiannual compensation for fiscal year 2016/17 is determined according to the ratio of the operating actual-to-target EBT relating to the Aurubis Group and the average of the fiscal years 2014/15, 2015/16 and 2016/17. The average actual EBT is € 285 million and represents a target achievement of 97 %.

T 003

Variable compensation for one year	Variable compensation for several years	**Total**	Pension expenses[1]	**Total compensation**
118,750	157,106	421,821	260,000	681,821
475,000	686,850	**1,751,436**	260,000	**2,011,436**
237,500	0	827,086	260,000	1,087,086
475,000	712,500	1,777,086	260,000	2,037,086
332,500	418,950	1,168,627	180,000	1,348,627
332,500	457,900	**1,207,789**	180,000	**1,387,789**
166,250	0	583,639	180,000	763,639
332,500	475,000	1,224,889	180,000	1,404,889
332,500	418,950	1,169,589	321,506	1,491,095
249,375	343,425	**908,108**	368,104	**1,276,212**
124,688	0	439,996	368,104	808,100
249,375	356,250	920,933	368,104	1,289,037
783,750	**995,006**	**2,760,037**	**761,506**	**3,521,543**
1,056,875	**1,488,175**	**3,867,333**	**808,104**	**4,675,437**
528,438	0	1,850,720	808,104	2,658,824
1,056,875	1,543,750	3,922,908	808,104	4,731,012

T 004

Variable compensation for one year	Variable compensation for several years	**Total**	Pension expenses[1]	**Total compensation**
118,750	117,563	382,278	260,000	642,278
475,000	691,125	**1,755,711**	260,000	**2,015,711**
290,938	313,500	1,021,615	180,000	1,201,615
299,250	460,750	**1,177,389**	180,000	**1,357,389**
290,938	313,500	1,022,577	321,506	1,344,083
187,031	345,563	**847,902**	368,104	**1,216,006**
700,626	**744,563**	**2,426,470**	**761,506**	**3,187,976**
961,281	**1,497,438**	**3,781,002**	**808,104**	**4,589,106**

Compensation for the Supervisory Board

The compensation for the Supervisory Board was redefined at the Annual General Meeting with effect from October 1, 2015 and is governed by Section 12 of Aurubis AG's Articles of Association. It is oriented towards the various demands of the Supervisory Board and its committees.

All Supervisory Board members receive fixed compensation of € 75,000/fiscal year each, in addition to the reimbursement of expenses incurred while performing their duties. The Supervisory Board Chairman receives three times that amount, and the Deputy receives twice that.

Supervisory Board members who serve on the Personnel and/or Audit Committee additionally receive fixed compensation in the amount of € 15,000/fiscal year per committee. Supervisory Board members who serve on the other Supervisory Board committees additionally receive fixed compensation in the amount of € 7,500/fiscal year per committee. Supervisory Board members who chair a Supervisory Board committee receive twice that amount per fiscal year.

The fixed compensation for committee activity is limited to € 25,000/fiscal year for each Supervisory Board member, in accordance with Section 12 (2) of the Articles of Association. The limit for every committee chairmanship is € 50,000/fiscal year.

Supervisory Board members who do not belong to the Supervisory Board or one of its committees for a full fiscal year receive compensation corresponding to the duration of their service.

Furthermore, Supervisory Board members receive an attendance fee in the amount of € 1,000 for each meeting of the Supervisory Board and of its committees attended.

The compensation for the individual members of the Supervisory Board for fiscal year 2016/17 is broken down in the following table:

Supervisory Board compensation for fiscal year 2016/17

T 005

in € Name		Fixed compensation	Compensation for committee membership	Attendance fees	**Total**
Prof. Dr.-Ing Heinz Jörg Fuhrmann	2015/16	225,000	50,000	10,000	285,000
	2016/17	225,000	50,000	12,000	**287,000**
Renate Hold-Yilmaz	2015/16	149,795	25,000	14,000	188,795
	2016/17	150,000	25,000	14,000	**189,000**
Burkhard Becker	2015/16	75,000	22,500	10,000	107,500
	2016/17	75,000	22,500	11,000	**108,500**
Dr. Bernd Drouven	2015/16	68,648	20,595	8,000	97,243
	2016/17	75,000	30,000	11,000	**116,000**
Dr.-Ing. Joachim Faubel	2015/16	75,000	0	5,000	80,000
	2016/17	75,000	0	5,000	**80,000**
Jan Koltze	2015/16	75,000	15,000	10,000	100,000
	2016/17	75,000	15,000	9,000	**99,000**
Dr. Sandra Reich	2015/16	75,000	7,500	6,000	88,500
	2016/17	75,000	7,500	5,000	**87,500**
Dr. med. Dipl.-Chem. Thomas Schultek	2015/16	75,000	21,865	10,000	106,865
	2016/17	75,000	22,500	11,000	**108,500**
Rolf Schwertz	2015/16	75,000	0	6,000	81,000
	2016/17	75,000	0	5,000	**80,000**
Prof. Dr. Fritz Vahrenholt	2015/16	75,000	22,500	7,000	104,500
	2016/17	75,000	22,500	11,000	**108,500**
Ralf Winterfeldt	2015/16	75,000	22,439	8,000	105,439
	2016/17	75,000	22,500	8,000	**105,500**
Dr.-Ing. Ernst J. Wortberg	2015/16	75,000	37,500	10,000	122,500
	2016/17	75,000	37,500	11,000	**123,500**
Total	**2015/16**	**1,118,443**	**244,899**	**104,000**	**1,467,342**
	2016/17	**1,125,000**	**255,000**	**113,000**	**1,493,000**

On this basis, the Supervisory Board members received a total of € 1,493,000.

Hamburg, December 12, 2017

The Executive Board

Jürgen Schachler
Chairman

Dr. Stefan Boel
Member

The Supervisory Board

Prof. Dr.-Ing. Heinz Jörg Fuhrmann
Chairman

Explanation of the new compensation system for the Executive Board of Aurubis AG

The new compensation system complies with the requirements of the German Stock Corporation Act and the German Corporate Governance Code, particularly Section 4.2.3 of the German Corporate Governance Code, and builds on established components of the old system. The annual general meeting shall resolve on the approval of the new compensation scheme persuant to § 120 para 4 German Stock Corporation Act.

The new system is valid for new and subsequent appointments and thus for the new Chief Financial Officer, Mr. Rainer Verhoeven, who was appointed with effect from January 1, 2018. For the Executive Board members Mr. Jürgen Schachler and Dr. Stefan Boel, as well as the former Chief Financial Officer Mr. Erwin Faust, the old compensation system applied and will initially continue to apply. In particular, the variable compensation components have a multiannual basis for calculation, which is mainly forward-looking.

The new compensation system also consists of fixed and variable components. The compensation structure contains overall maximum limits for all Executive Board members, with regard to their variable compensation components.

The variable compensation components contain annual and multiannual components.

Two thirds of the annual variable compensation (the annual bonus) is paid out after the end of the fiscal year and amounts to € 272,000 (max. € 340,000) for ordinary Executive Board members for 100 % target achievement. The remaining one third of the annual bonus is transferred to a virtual two-year stock deferral plan and amounts to € 136,000 (max. € 255,000) for ordinary Executive Board members for 100 % target achievement. The multiannual variable compensation for the "Performance Cash Plan" amounts to € 272,000 (max. € 340,000) for ordinary Executive Board members for 100 % target achievement.

In total (fixed and variable components), compensation for Executive Board members is limited to a maximum amount; for ordinary Executive Board members, this is € 1,355,000 (overall cap). The employment contract for the Chief Executive Officer can designate a higher overall cap for compensation.

Details of the various compensation components:

Fixed components

The fixed compensation components consist of the fixed compensation, the pension plans and the fringe benefits.

The annual fixed compensation amounts to € 420,000 for ordinary Executive Board members and is paid out monthly in equal installments, as was the case with the old compensation system.

The employment contract for the Chief Executive Officer can designate higher fixed compensation.

The pension plans have not changed in comparison with the old compensation system. All Executive Board members additionally receive an entitlement for the company pension plan in the form of a pension commitment. Aurubis AG's contribution for ordinary Executive Board members amounts to € 100,000 per year. The defined contribution for the Chief Executive Officer can be fixed at a higher level. The contributions are payed into liability insurances.

All members of the Executive Board also have a defined contribution company pension plan in the form of a capital commitment. Aurubis AG's defined contribution for ordinary Executive Board members amounts to € 80,000 per year and can be fixed at a higher level for the Chief Executive Officer. The respective Executive Board member can used the accumulated capital after reaching the age of 62 at the earliest; however, not before ceasing to be employed by the company.

Additionally, the Executive Board members receive fringe benefits in the form of benefits in kind, which primarily consist of insurance premiums and company car use, and are assessed according to tax guidelines.

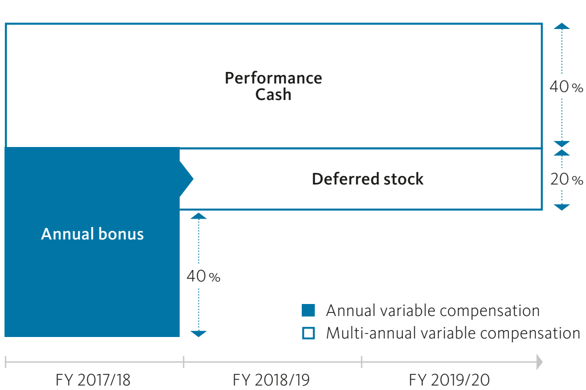
At its discretion, the Supervisory Board can grant special compensation for exceptional performance that is not covered by the regular compensation. This is stipulated in the employment contract. However, the total cap may not be exceeded. The Supervisory Board most recently granted one-time special compensation in fiscal year 2015/16. With this, the Supervisory Board compensated the interim assumption of additional duties in the Executive Board by Mr. Faust and Dr. Boel.

Variable components

The system for variable compensation includes both annual variable compensation (annual bonus) and multiannual variable compensation, which is forward-looking. The multiannual, forward-looking variable compensation consists of both a "Performance Cash Plan" over three fiscal years and stock deferred over two fiscal years (virtual stock). The ratio of multiannual to annual variable compensation is 60:40. The variable components are closely aligned to the key corporate control parameters EBT and ROCE.

New variable compensation

G 04



Annual bonus

The annual bonus is calculated with a weighting of 50 % according to the target set for the fiscal year for the operating EBT components, and a weighting of 50 % according to the assessment of the Executive Board member's individual performance for the respective fiscal year, both multiplied by the target value defined in the Executive Board contract. The target value currently amounts to € 408,000 for ordinary Executive Board members. A higher target can be determined for the Chief Executive Officer.

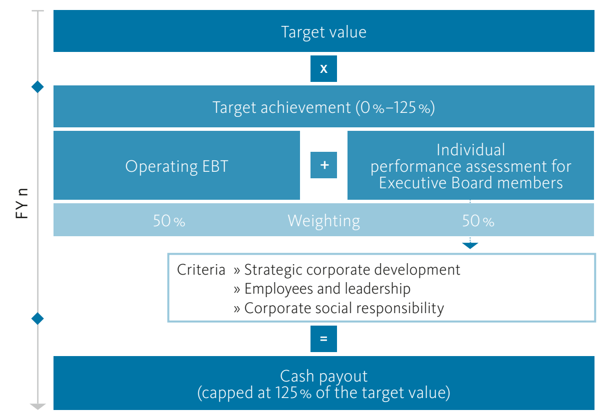
Target achievement for the operating EBT is determined on the basis of an actual/actual comparison. The actual value of the operating EBT in the respective fiscal year is compared with the actual value of the operating EBT of the fiscal year preceding the current fiscal year (prior year). For an unchanged operating EBT compared to the previous year, the target attainment is 100 %. If the operating EBT is increased by 20 %, the maximum value of 125 % target achievement is reached. For an operating EBT of minus 40 % compared to the previous year, the minimum value of 62.5 % target achievement is reached. Target achievement between these points (62.5 %, 100 %, 125 %) is linearly interpolated. If the maximum value is reached, further increases to the operating EBT do not lead to an additional increase of the target attainment. If the minimum value is not reached, the target attainment amounts to 0 %. If the operating EBT is negative for both the previous year and also for the respective fiscal year, the Supervisory Board is authorized to set the target attainment according to its discretion. If a positive operating EBT was achieved in the previous year and a negative EBT in the respective fiscal year, the target attainment amounts to 0 %. The annual bonus rewards operating consolidated earnings growth and thereby a strengthening of the company's profitability with the comparison to the previous year's EBT.

Individual performance is evaluated by the Supervisory Board and is based on criteria previously defined in the employment contract. Currently, strategic company development, employees and leadership, as well as corporate social responsibility, are designated as criteria for assessing individual performance. The Supervisory Board can set the degree of target attainment between 0 % and 125 %. Furthermore, the Supervisory Board can, at its discretion, reduce the annual bonus in the event of extraordinary, unforeseeable developments (Section 87 Paragraph 1 Sentence 3 (second half of the sentence) of the German Stock Corporation Act).

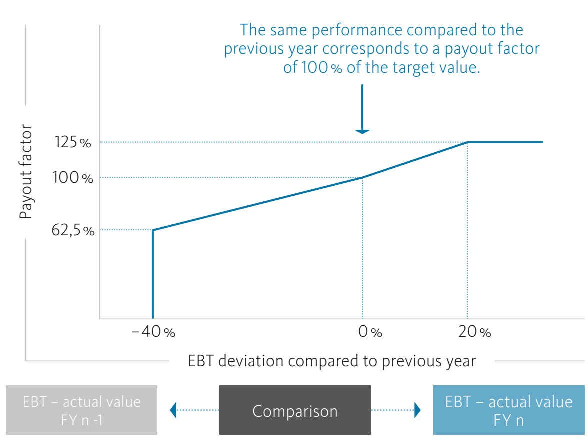
The annual bonus stipulates a target value cap of 125 % for all Executive Board members. Therefore, the annual bonus awarded can amount to a maximum of € 510,000 for ordinary Executive Board members. A higher amount can be stipulated for a Chief Executive Officer.

A two-thirds payout of the annual bonus takes place after the end of the fiscal year. The last third is paid into the stock deferral, which is explained below. There is also a cap on the deferred stock payout.

Annual bonus operating principle G 05



Calibrating the performance targets – EBT G 06



Deferred stock

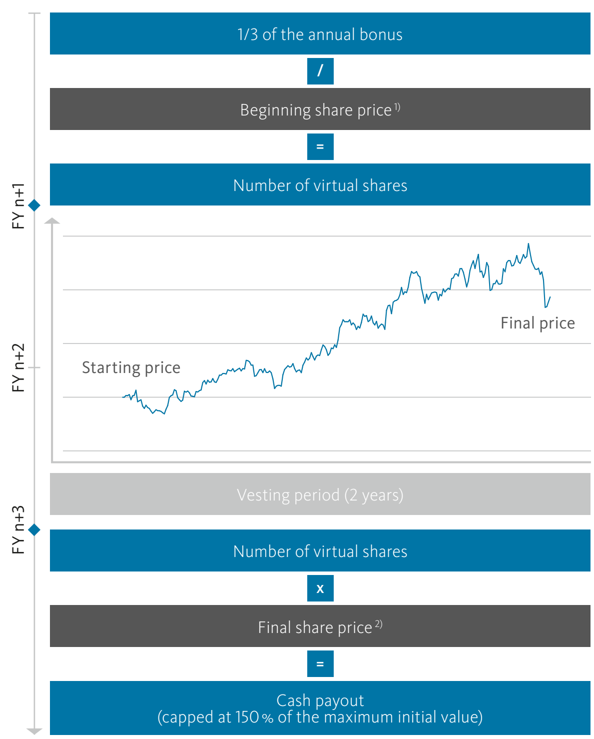
In order to guarantee a focus on stock for the variable compensation, one-third of the annual bonus flows into a virtual stock deferral plan. The stock deferral plan stipulates a two-year, forward-looking assessment basis.

The number of virtual shares at the beginning of the two-year vesting period is calculated by dividing one-third of the annual bonus by the starting share price. The starting share price is set based on the arithmetic average of the Xetra closing price for Aurubis shares on the Frankfurt Stock Exchange over the last 30 trading days before the beginning of the two-year deferral term.

At the end of the two-year term, the number of virtual shares is multiplied by the closing share price. The closing share price also results from the arithmetic average of the Xetra closing price for Aurubis shares on the Frankfurt Stock Exchange over the last 30 trading days, this time before the end of the term. The resulting amount is paid out to the Executive Board members in cash at the end of the two-year term. However, the amount of the payout is limited to 150 % of the initial value (corresponding to one-third of the annual bonus) for all Executive Board members. The payout from a stock deferral plan for ordinary Executive Board members is limited to € 255,000. A higher target can be determined for the Chief Executive Officer.

Deferred stock operating principle

G 07



1) Arithmetic average of the Xetra closing price for Aurubis shares on the Frankfurt Stock Exchange over the last 30 trading days before the beginning of the vesting period.

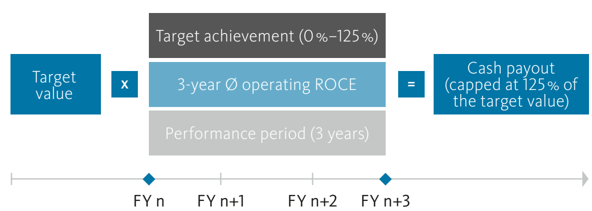
2) Arithmetic average of the Xetra closing price for Aurubis shares on the Frankfurt Stock Exchange over the last 30 trading days before the end of the vesting period.

Performance Cash Plan
The Performance Cash Plan stipulates a three-year, forward-looking assessment basis. The relevant performance target is the average operating Return on Capital Employed (ROCE) over the three-year period, as identified in the Annual Report.

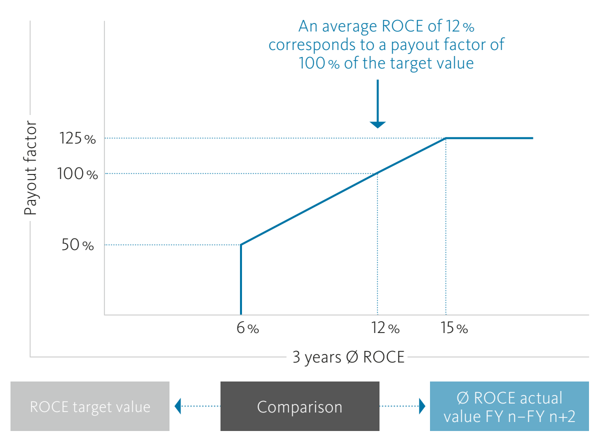
The amount paid out is calculated by multiplying the target set at the end of the three-year period for the operating ROCE by the target value of the Performance Cash Plan specified in the Executive Board contract. The target value currently amounts to € 272,000 for ordinary Executive Board members. A higher target can be determined for the Chief Executive Officer. The calculated amount to be paid out is limited to 125 % of the target for all ordinary Executive Board members. Therefore, this can amount to a maximum of € 340,000 for ordinary Executive Board members. Furthermore, the Supervisory Board can at its discretion reduce the Performance Cash Bonus in the event of extraordinary, unforeseeable developments (Section 87 Paragraph 1 Sentence 3 (second half of the sentence) of the German Stock Corporation Act).

In order to determine the final target achievement for the Performance Cash Plan, the average operating ROCE achieved during the period (calculated annually after the respective fiscal year) is determined at the end of the three-year period. The Supervisory Board determines an amount for 100 % target achievement ("target value") for the average operating ROCE as well as amounts for 50 % target achievement ("minimum value") and 125 % target achievement ("maximum value"). The target value of the average operating ROCE for the three-year time period for the fiscal years from 2017/18 up to and including 2019/20 amounts to 12 %; the minimum value, 6 %; and the maximum value, 15 %. Target achievement between these points (50 %, 100 %, 125 %) is linearly interpolated. If the minimum value is not reached, a payout from the Performance Cash Plan does not occur. If the maximum value is reached, further increases to the operating EBT do not lead to an additional increase of the target achievement. The Performance Cash Plan incentivizes the generation of a positive value contribution by means of an ambitious ROCE target range. The payout takes place at the end of the respective three-year period in cash.

Performance Cash Plan operating principle G 08



Calibrating the performance targets – ROCE G 09



Total cap

In total (fixed and variable components), compensation for ordinary Executive Board members is limited to an amount of € 1,355,000. Fringe benefits and benefit contributions from pension commitments do not fall under the total cap. The employment contract for the Chief Executive Officer can designate higher fixed compensation and target values. A total cap also applies in this case and is correspondingly increased.

Premature termination

In the event of a premature termination of an Executive Board position without good cause, a severance payment will be made within the scope of the new compensation system. Such payment is limited to two years' total annual compensation in accordance with the German Corporate Governance Code recommendations, and does not provide compensation for any time period longer than the remaining term of the employment contract. The employment contracts for the Executive Board members do not contain Change of Control clauses.

Executive Board compensation target structure

G 10

Function	Ordinary Executive Board member	
	Recommendation	
	Target	Maximum
Basic compensation	€ 420,000	€ 420,000
+ annual variable compensation[1]	€ 272,000	€ 340,000
= Target cash compensation	€ 692,000	€ 760,000
+ Deferred stock[1]	€ 136,000	**€ 255,000[2]**
+ Performance Cash Plan	€ 272,000	€ 340,000
= Target direct compensation	€ 1,100,000	€ 1,355,000

[1] Annual variable compensation = 2/3 of the annual bonus; deferred stock = 1/3 of the annual bonus.
[2] Additional leverage in maximum deferred stock with share price increase of +50 % (maximum).

Hamburg, December 12, 2017

The Executive Board

Jürgen Schachler
Chairman

Dr. Stefan Boel
Member

The Supervisory Board

Prof. Dr.-Ing. Heinz Jörg Fuhrmann
Chairman

Aurubis Shares on the Capital Market

See Glossary, **page 209.**

Stock markets at a high level

At the beginning of fiscal year 2016/17, events on the stock markets were driven by the European Central Bank's ongoing relaxed monetary policy and by hopes that, under the newly-elected president Donald Trump, the US economy would enjoy even stronger growth. At the turn of the year, the *DAX* closed at 11,481 points and also continued to soar in 2017, with a tailwind from Wall Street. Additionally supported by good economic data from Germany, it reached an all-time high of 12,951 points on June 20, 2017 but slid again in August, at times below the threshold of 12,000 points. Among the factors to negatively impact the markets were profit taking, a surprisingly strong euro, the fear of a swift change in monetary policy at the European Central Bank, and the tensions between North Korea and the USA. The continued growth course in the euro zone, combined with the associated higher expectations for corporate earnings, as well as a euro that weakened in the course of renewed hope for a continuation of the US interest rate increase cycle allowed the DAX to once again climb to 12,829 points on September 29, 2017.

Aurubis shares outperform leading stock indices

Aurubis shares developed very positively in the fiscal year and, with an increase in value of 37 %, surpassed both the DAX (+22 %) and the MDAX (+20 %). After a slow start with an annual low of € 46.79 on November 4, 2016, Aurubis shares gained ground, supported by the upward trend on the stock markets as well as the Group's positive forecast for the fiscal year, up to € 55.85 on March 1, 2017. After announcing the Vision 2025 and the efficiency enhancement program at the Annual General Meeting on March 2, 2017, shares surged to a new all-time high of € 63.28 on March 31, 2017 for the first time in the fiscal year. Supported by the intensive capital market communication regarding the Vision 2025, good quarterly results, positive analysts' estimates as well as developments in the commodities sector, in the further course of the fiscal year the share price reached a new all-time high of € 79.29 on September 12, 2017. Negative analysts' estimates as well as a temporary weakening in the commodities sector put an end to the increase and resulted in a share price that decreased to € 66.60 on September 26.

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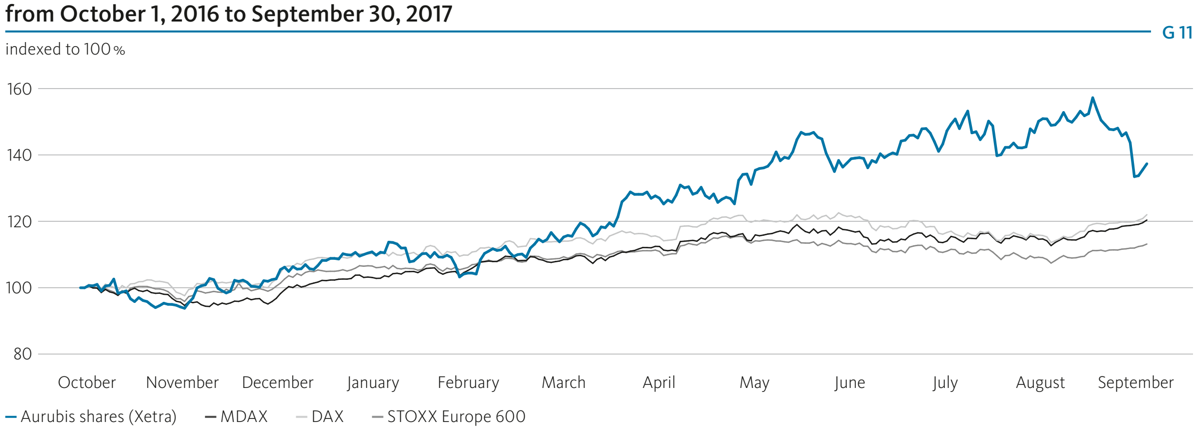
Aurubis share performance compared with the DAX, MDAX and STOXX Europe 600 from October 1, 2016 to September 30, 2017

G 11



The share price ended the fiscal year slightly up at € 68.54 on September 29, 2017. Market capitalization therefore increased to € 3,081 million as at fiscal year-end (previous year: € 2,242 million).

Investing in Aurubis shares proved profitable not only from a short-term, fiscal-year perspective, but also from the perspective of long-term investors. Shareholders who invested a converted amount of € 1,000 at the time of Aurubis' initial public offering in 1998 and reinvested the dividends they received (without a tax deduction) into Aurubis shares had a portfolio value of € 6,906 at the end of September 2017. This is a 591 % increase in value or a total annual return of 10.72 %. The *MDAX* recorded a 450 % increase in value during the same period.

Effective September 18, 2017, Aurubis shares were accepted into the STOXX Europe 600, in which the 600 largest companies from 18 European countries are represented.

Trading volume of Aurubis shares slightly below previous year

At 200,869 shares, the average daily Xetra trading volume was slightly below the previous year's level (previous year: 204,776 shares).

Aurubis has a well-diversified shareholder structure

An analysis of the shareholder structure carried out in October 2017 showed that institutional investors increased to 50 % (previous year: 46 %). Growth was primarily recorded in North America and the rest of Europe. The majority of institutional investors are located abroad. The proportion of shares held by retail investors increased to 34 % (previous year: 29 %).

See Glossary, **page 209.**

In the course of redeeming an exchangeable bond issued for Aurubis shares, Salzgitter AG reduced its shareholdings from 25.00 % to 15.75 % according to the voting rights notification on October 27, 2017.

Key figures of Aurubis shares

T 006

		2016/17 [2]	2015/16 [2]	2014/15 [2]	2013/14 [2]	2012/13 [2]
Closing price as at fiscal year-end [1]	in €	68.54	49.88	56.90	39.16	44.80
Year high (close) [1]	in €	78.47	61.68	59.68	49.49	57.24
Year low (close) [1]	in €	46.79	37.54	36.43	36.19	38.68
Market capitalization as at fiscal year-end [1]	in € million	3,081	2,242	2,558	1,761	2,014
Number of shares as at fiscal year-end	in thousand units	44,956.7	44,956.7	44,956.7	44,956.7	44,956.7
Dividend or recommended dividend	in €	1.45	1.25	1.35	1.00	1.10
Payout ratio [3]	in %	28	34	24	45	53
Dividend yield	in %	2.1	2.5	2.4	2.6	2.5
Operating earnings per share	in €	5.21	3.64	5.68	2.17	2.06
Operating price/earnings ratio as at fiscal year-end		13.16	13.70	10.02	18.05	21.75

[1] Xetra disclosures.
[2] Values have been "operationally" adjusted for measurement effects deriving from the use of the average cost method in accordance with IAS 2 and from copper price-related measurement effects on inventories, as well as from purchase price allocation impacts, primarily on property, plant and equipment, commencing from fiscal year 2010/11 onwards.
[3] In fiscal year 2016/17, the payout ratio definition was changed compared to the previous year. The new basis is the operating net result and no longer Aurubis AG's unappropriated earnings.

Executive Board and Supervisory Board suggest a dividend of € 1.45

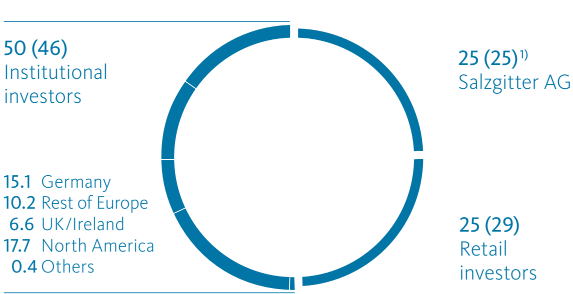
The express objective of our dividend policy is to involve the shareholders in the company's success adequately and consistently. The Executive Board and Supervisory Board will recommend a dividend of € 1.45 at the Annual General Meeting on March 1, 2018. This corresponds to a payout ratio of 28 % of Aurubis AG's operating consolidated net income (previous year: 34 %). In fiscal year 2016/17, we changed the definition of the payout ratio. The new basis is the operating consolidated net income, and no longer the Aurubis AG's unappropriated earnings. With this, we are in accordance with the usual presentation in the MDAX. The dividend yield based on the closing price as at September 29, 2017 amounts to 2.1 % (previous year: 2.5 %).

Intensive capital market communication due to strong interest in our new Vision 2025

In fiscal year 2016/17, the strong interest in our new Vision 2025, in our good earnings and share price trends, as well as in the varied development in our sub-markets led to intensive communication with capital market participants. Through various channels, we informed institutional and retail investors as well as other interested individuals promptly, continuously and purposefully about our business trends and, about areas of potential for the Aurubis Group.

Shareholder structure G 12

in % (prior-year figures in parentheses)



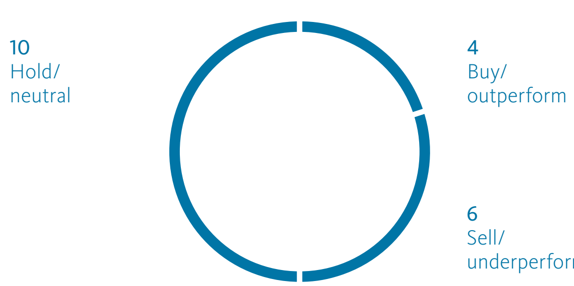
[1)] Reduced to 15.75 %, according to voting rights notification from October 26, 2017

Dialogue with institutional investors was once again a key part of our capital market communications this fiscal year, and involved numerous telephone conferences and individual meetings, as well as capital market conferences and roadshows held at the main financial centers in Europe and North America. Here, the Executive Board together with the Investor Relations department explained in detail Aurubis Group's current business situation as well as the company's new Vision 2025. When the quarterly reports were published, investors and analysts communicated with the Executive Board and management representatives via a live event and conference calls. Moreover, many investors were informed about our processes, operating facilities and products during visits to our Hamburg site.

A total of 20 international financial analysts regularly published recommendations and analyses about Aurubis' shares during fiscal year 2016/17. The ratings were as follows at the end of the fiscal year:

Overview of analyst recommendations G 13

Number as at September 30, 2017



Dialogue with our retail shareholders is also important for Aurubis. Our two events held in Hamburg and Lünen enabled retail shareholders to learn more about the Group's current development and economic environment by allowing them to tour our sites and talk to our management and employees. We also held additional presentations for retail shareholders at events organized by private shareholder associations. Participation in our Annual General Meeting on March 2, 2017 was again pleasingly high, with about 1,500 shareholders.

Current information on the development of the company is available on our *website*. We provide financial reports, analyst presentations and additional publications in the download center.

Information on Aurubis shares

T 007

Security identification number	676650
International Securities Identification Number (ISIN)	DE 000 67 66 504
Stock market segment	MDAX
Stock exchanges	Regulated market: Frankfurt am Main and Hamburg; unofficial market: Berlin, Düsseldorf, Hanover, Munich, Stuttgart, Tradegate
Market segment	Prime Standard
Issue price	€ 12.78
Average daily trading volume	200,869 shares in Xetra trading
Börse code	NDA
Reuters code	NAFG
Bloomberg code	NDA_GR

Analyst coverage 2016/17

T 008

Baader Bank	Christian Obst
Bankhaus Lampe	Marc Gabriel
Bank of America/Merrill Lynch	Alexander Berglund
Berenberg	Fawzi Hanano
Commerzbank	Ingo-Martin Schachel
Credit Suisse	James Gurry
Deutsche Bank	Katja Filzek
DZ Bank	Dirk Schlamp
Exane BNP Paribas	Daniel Lurch
Goldman Sachs	Eugene King
Haspa	Ingo Schmidt
Hauck & Aufhäuser	Henning Breiter
Independent Research GmbH	Sven Diermeier
Kepler Cheuvreux	Rochus Brauneiser
LBBW	Jens Münstermann
Macquarie Research	Alon Olsha
Morgan Stanley	Dan Shaw
NordLB	Holger Fechner
Quirin Bank AG	Klaus Soer
M.M. Warburg	Eggert Kuls

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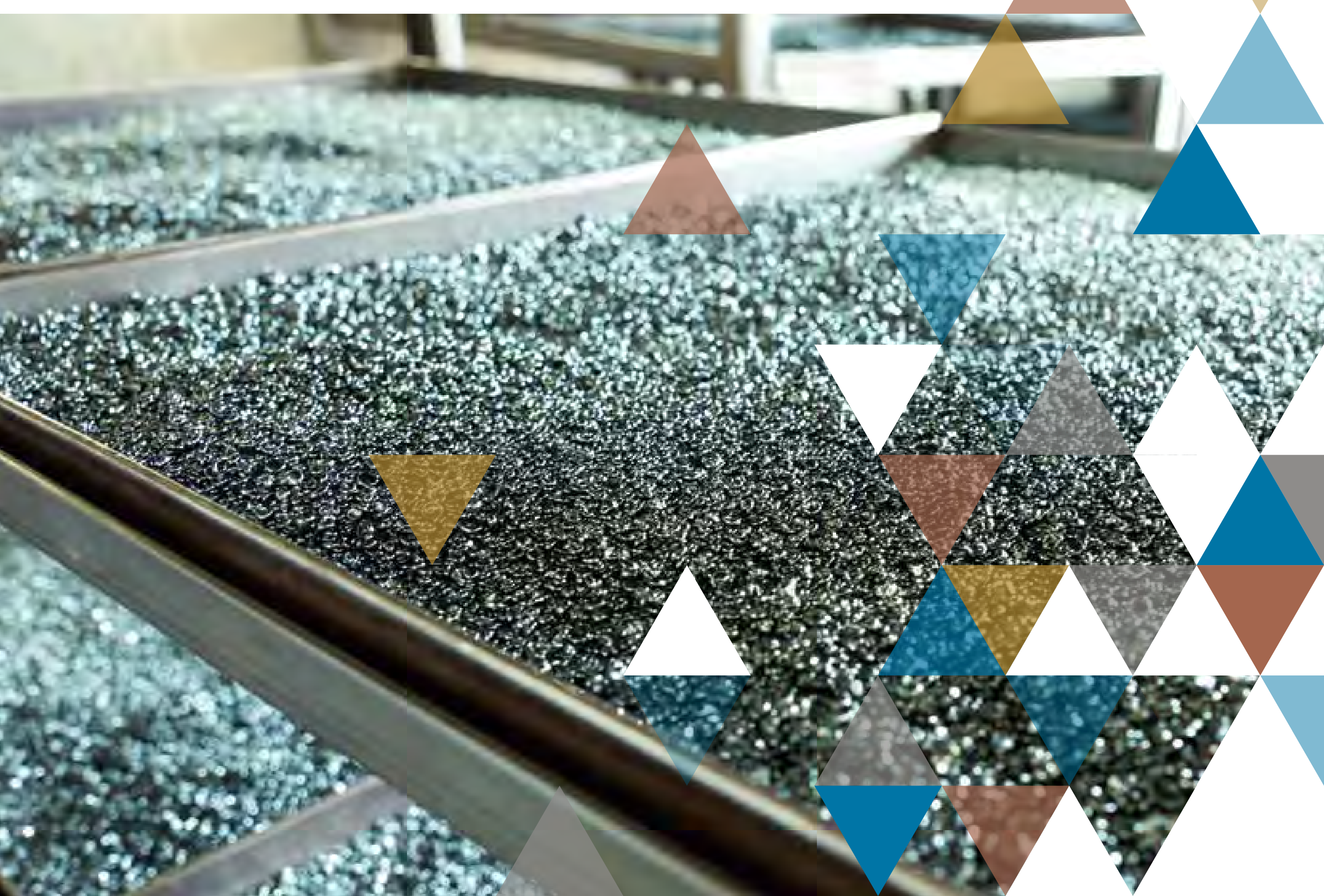
Combined Management Report



Foundations of the Group

Business model of the Group

Business activities

Aurubis AG is an integrated copper group whose main activities are copper concentrate processing, metal recycling and fabrication of a variety of copper products. The manufacturing of precious metals and specialty products completes our product range.

The company's headquarter, which is also home to key production facilities, is located in Hamburg (Germany). The Group's sites are primarily located in Western Europe, with larger production centers in Germany, Belgium and Bulgaria. Outside of Europe, Aurubis also has a production site in the US and a global sales and service network.

About 6,500 employees work for Aurubis worldwide.

Business model

The Aurubis Group's current business model, which was also relevant for the 2016/17 financial year, links the production and processing of copper. The necessary raw materials are purchased, as the company doesn't have its own mines or stakes in mines. Aurubis primarily processes copper concentrates that are mined from ores and sourced on the global market. The processing of purchased intermediates, copper scrap and other metal-bearing *recycling materials* plays an important role as well.

See Glossary, **page 210.**

The product portfolio mainly comprises standard and specialty products made of copper and copper alloys. These include *copper cathodes*, the product format traded on the international metal exchanges. They are the starting product for fabricating additional copper products, but they can also be sold directly. In further processing, Aurubis has manufacturing capabilities for continuous cast copper wire rod, *continuous cast shapes*, rolled products, strip, specialty wire and profiles.

See Glossary, **page 208.**

See Glossary, **page 208.**

Additional products result from the processing of copper by-elements contained in the raw materials. In particular, this includes precious metals, sulfuric acid and *iron silicate*.

See Glossary, **page 209.**

Aurubis' direct customers include companies from the copper semis industry, the electrical and electronics sector and the chemical industry as well as suppliers from the renewable energies, construction and automotive sectors.

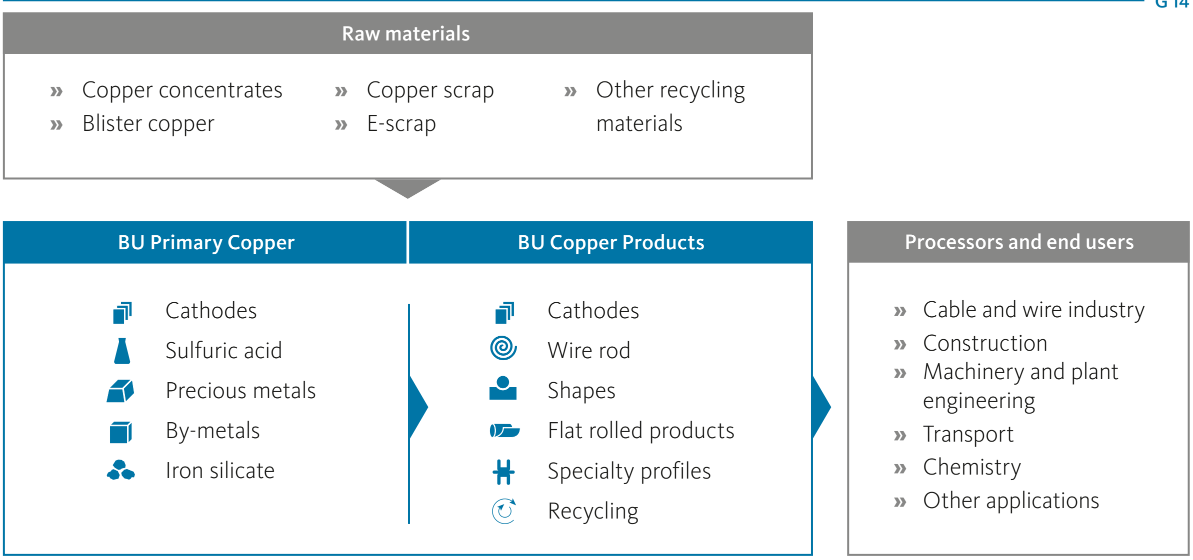
In fiscal year 2016/17, a comprehensive development process resulted in our Vision 2025, which was presented at the Annual General Meeting on March 2, 2017. This resulted in a business model, which expands the previous model. In this connection, Aurubis continues to position itself along the value chain, but is expanding the focus on copper with a broader multi-metal approach. In the future this means that in addition to copper, other metals will be extracted from purchased raw materials and intermediate products, and processed into value-added saleable products.

Group structure

In fiscal year 2016/17, the Aurubis Group's organizational structure was oriented to the underlying copper-based business model. Two operational Business Units (BUs) – BU Primary Copper and BU Copper Products – formed the Group's basic organizational structure, on which basis the segment reporting according to IFRS 8 for fiscal year 2016/17 took place.

- **BU Primary Copper** mainly combines the production facilities for processing copper concentrates and copper scrap, as well as the production of copper cathodes. This BU is also responsible for the production and marketing of precious metals, sulfuric acid and iron silicate.
- **BU Copper Products** produces and markets *continuous cast wire rod*, continuous cast shapes, pre-rolled and finished strip as well as specialty products. From an organizational perspective, the product business is divided into Business Lines (BLs) Rod & Shapes, Flat Rolled Products, Bars & Profiles and Marketing Cathodes. Recycling is also organizationally assigned to the BU.

Business model in fiscal year 2016/17: Integration of copper production and copper processing G 14



The primary locations continued to be Hamburg, Lünen, Stolberg (Germany), Olen (Belgium), Zutphen (Netherlands), Pori (Finland), Avellino (Italy) and Buffalo (USA). We also own a 60 % share of Deutsche Giessdraht GmbH in Emmerich, and a 50 % share of Schwermetall Halbzeugwerk GmbH in Stolberg. Processing centers in the United Kingdom, Slovakia and Italy, as well as a global sales and distribution network, complete the product business.

Group-wide functions supported the operating Business Units. The *Supply Chain Management* division, which was responsible for raw material management as well as the sale of sulfuric acid and other specialty products across the Group, should be emphasized in particular.

A list of shareholdings pursuant to Section 313 (2) of the German Commercial Code (HGB) as at September 30, 2017 is provided in the notes to the financial statements.

Since October 1, 2017, Aurubis has had a new organizational structure, which will also be reflected in the reporting for the new fiscal year 2017/18. The previous division into the Business Units Primary Copper and Copper Products will lapse. In the future, reporting will be based on the two operational Business Segments Metal Refining & Processing and Flat Rolled Products (FRP).

The Segment Metal Refining & Processing includes the Commercial and Operations divisions. The Commercial division combines all market-relevant organizational units, and is therefore responsible for the purchase of raw materials and the sales of products. The Operations division is responsible for the production of all basic products and metals, as well as for their further processing into other products, such as continuous cast wire rod and continuous cast shapes.

See Glossary, **page 210.**

The second Segment, Flat Rolled Products, will continue in its previous Business Line structure.

The organizational core, which is geared toward supporting the value chain, will be framed by the central functions Corporate Development and Technology, as well as by supporting units such as Human Resources and Finance & Controlling.

See Glossary, **page 209 und 210.**

Significant influencing factors relevant to the business

The significant factors specific to the business are the *treatment and refining charges* for raw materials, the copper price, copper premiums and *shape surcharges* for copper products as well as sales revenues for sulfuric acid. Furthermore, efficient *metal gains* in our plants can lead to effects on earnings.

www.lme.com

See Glossary, **page 209.**

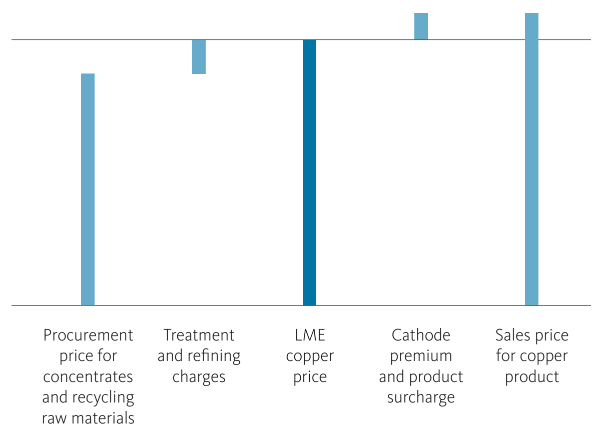
The copper price is formed first and foremost on the *London Metal Exchange (LME)*, which facilitates physical transactions, hedging and investment business. The price represents a benchmark beyond exchange trading and is the basis for establishing prices in the raw material and product business.

Treatment and refining charges are negotiated with suppliers when purchasing copper-bearing raw materials. Their development depends on the respective supply and demand structure on the global markets. Essentially, this refers to discounts on the purchase price for turning raw materials into the commodity exchange product, copper cathodes, as well as other metals.

The metal exchange and market quotation for copper serves as the price basis for our copper product sales. The premium and shape surcharges, which are charged for converting cathodes into copper products, are also part of the sales price.

Pricing along the value chain G 15

Schematic illustration



External factors, which also influence business development, include first and foremost the economic performance in key countries and activities on the international financial markets; the political, legal and societal conditions; changes in the exchange rate and interest rate level; and the situation on our relevant markets.

Corporate control

Control system

The management control system's main objective is to increase the Aurubis Group's corporate value. For this purpose, a positive overall contribution to the enterprise as a whole will be generated beyond the costs of capital.

Corporate control parameters

In order to measure financial success for the medium and long term within the scope of value-oriented corporate control, Aurubis uses the following central control parameters:

- operating consolidated earnings = operating *EBT (Earnings Before Taxes)*
- operating return on capital employed = operating *ROCE (Return on Capital Employed)* of the Group.

These parameters are regularly presented to the Executive Board and are utilized for internal control purposes. The Executive Board's variable compensation is based on these parameters.

The Aurubis Group reports in accordance with International Financial Reporting Standards (IFRS). The past amendment to IAS 2 for an exclusive application of the FIFO or average cost method was not implemented by the Aurubis Group for internal control purposes, in order to avoid metal price fluctuations resulting from valuation according to the average cost method. These are valuation effects, which in our opinion can be eliminated for an understanding of the Aurubis Group's business activities and results from an operational perspective. Furthermore, one-time effects resulted from purchase price allocations, which would also lead to a distortion in the Aurubis Group's presentation of the results of operations, financial position and net assets.

Internal Group reporting and control are carried out on the basis of the operating result. This is to present the Aurubis Group's success independently of these valuation effects on internal control systems.

The operating result is derived from the IFRS results of operations by:

See Glossary, **page 211.**

- adjusting for valuation results from the use of IAS 2. The metal price fluctuations resulting from the application of the average cost method are eliminated in the same manner as devaluations relating to the reporting date and appreciations in value of copper inventories.
- adjusting for the impact of purchase price allocations, primarily on fixed assets, since fiscal year 2010/11.

Operating return on capital employed (ROCE)

T 009

in € million	9/30/2017	9/30/2016
Fixed assets excluding fixed assets and investments measured using the equity method	1,375	1,343
Inventories	1,387	1,494
Trade accounts receivable	357	242
Other receivables and assets	216	211
– Trade liabilities	–905	–798
– Provisions and other liabilities	–388	–379
Capital employed as at the balance sheet date	**2,042**	**2,114**
Earnings before taxes (EBT)	298	213
Financial result	10	16
Earnings before interest and taxes (EBIT)	**308**	**229**
Return on capital employed (operating ROCE)	**15.1 %**	**10.9 %**

Operating ROCE shows the ratio of operating earnings before interest and taxes (EBIT) to operating capital employed as at the balance sheet date and indicates the return on capital employed.

Corresponding to the calculation of the operating result, operating capital employed is derived by adjusting the balance sheet items in accordance with IFRS by the effects previously mentioned.

A reconciliation of the balance sheet and income statement from IFRS to operating figures is provided in the Economic Report of the Management Report.

Research, development and innovation

At Aurubis, the Research, Development and Innovation division is primarily focused on the processing of raw materials and on metal production. Primary and secondary raw materials, which are becoming increasingly complex in composition, make it unavoidable for us to further develop the existing methods. This also requires the design of new processes and procedures. In our manufacturing, the product range is currently being further optimized. The Research, Development and Innovation division, with its 67 employees, supported the projects in the individual sectors with its work in 2016/17.

A central strategic project in the fiscal year was Future Complex Metallurgy (FCM). Its goal is to increase the throughput for complex input materials by means of innovative processes. Furthermore, it should enable the processing of complex primary and secondary raw materials, which previously were not employable at Aurubis. We have therefore developed a metallurgical process which, among other things, improves the recovery of copper and precious metals from intermediate products.

A further key area of activity with long-term orientation was the optimization of existing core processes in the primary copper production sector. This relates to the improvement of process stability and process control, and the optimization of the metal yield. We have combined metallurgical expertise, modern characterization, modeling and simulation methods, as well as online analytics for this purpose. The aim was to drive forward the automatization of the procedures and to further increase process efficiency.

The mathematical modeling of complex material flows was also an important component of our work. Such modeling is aimed at optimizing operational production planning with regard to commercial and technical aspects. The corresponding planning tools have in the meantime been implemented in the areas of procurement and production planning. In the next step we will work on refining and adjusting material flows at the operational level.

The recovery of precious metals from raw materials is a significant performance factor for Aurubis. The production processes present here are therefore subject to constant review and were the object of investigations regarding improvement measures.

Experiments were conducted in order to further reduce metal content in iron silicate. This serves to improve closed-loop circulation of recyclable materials and to increase profitability.

In the area of electrometallurgy, we have worked on optimizing our electrolytic processes. Further increases in current density and by-metal output will be achieved by examining of the anodes.

The developmental activities in the Flat Rolled Products division were primarily dominated by electromobility. In particular, product developments were boosted in the areas of power electronics and connectors, which are based on low-alloy, highly conductive copper alloys and oxygen-free copper.

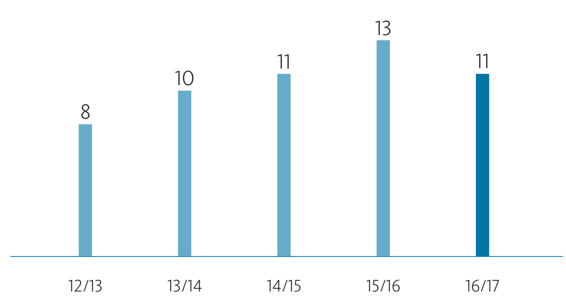
A further research focus in the connector area was new coating systems for automotive applications.

The development of our lead-free alloy family "Blue Brass" for machining applications continued to progress favorably. In the areas of both wire and strip, further individual solutions for various product segments were developed and brought to the market.

The Aurubis Group's R&D expenditures in fiscal year 2016/17 amounted to € 11 million, compared to € 13 million in reporting year 2015/16.

R&D expenditures G 16

in € million



Human resources

Personnel strategy

Competent, productive and enthusiastic employees form the basis of the Aurubis Group's commercial success and further development. Our personnel strategy is embedded in our business strategy and based on our corporate values. It is continuously developed together with the operating entities. In the process, internal changes as well as changes and trends on the labor markets and in society are taken into account.

In fiscal year 2016/17, the main focus of our personnel work was the active participation in and support of the ONE Aurubis transformation program, with which the corporate vision for 2025 is to be implemented. Acting as a team, continuous improvement, awareness of competitive requirements as well as performance factors and influences – for us, these are all essential prerequisites for making the vision a reality. In the course of this, we want to design our work processes and responsibilities more effectively and achieve an understanding of roles, so that every individual employee works with entrepreneurial spirit in their respective work area without losing sight of team orientation and unified Group policies.

For the further development of our management's competencies, we began a series of workshops at the end of 2016 for the group-wide promotion, development and harmonization of leadership, which goes beyond mere management, and to sustainably instill the resulting leadership culture in the Group. Measures for establishing a culture of constructive feedback were also implemented.

Cross-site and cross-functional projects and initiatives served to improve communication among our specialists and managers during the fiscal year. In this way, cooperation in the Group was further promoted, synergies were created and a culture of learning from one another for the purpose of continuous improvement was established.

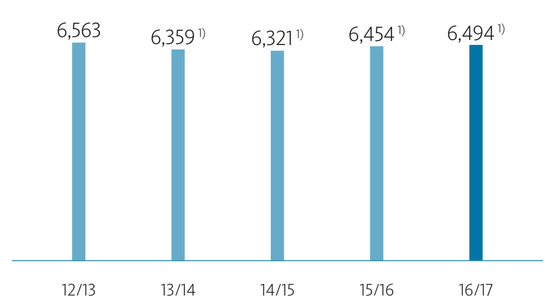
Personnel structure

A total of 6,494 employees worked in the Aurubis Group worldwide as at September 30, 2017. Of this number, 56 % were employed at German sites and 44 % worked in other countries.

Aurubis Group personnel are mainly dispersed among the following countries: Germany (3,638), Bulgaria (855), USA (675), Belgium (580), the Netherlands (298), Finland (245) and Italy (126).

Aurubis Group employees G 17

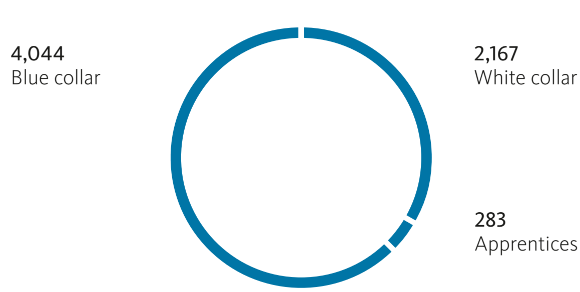
Number as at 9/30



[1] Excluding Schwermetall Halbzeugwerk GmbH & Co. KG.

Aurubis Group personnel structure G 18

Number as at 9/30/2017



Diversity and promotion of female employees

In order to achieve sustainable economic success, we strive to promote greater diversity within our company, in terms of cultures, internationality, professional skills, age groups and genders.

Equal opportunities for men and women are not just stipulated by Aurubis' *Code of Conduct*. The *"Gender Equality Charter,"* which was signed within the scope of the social partnership with the employee representatives, is still valid for us.

With the law for equal participation of men and women in management positions in the private sector and in public service, a target of 20 % female managers in each of the first two management levels respectively was defined. We have largely achieved this at the first management level, with 19.4 %. At the second management level, we exceeded the target: 20.4 % of our managers there are female.

The proportion of female applicants for technically-oriented jobs is currently low. Aurubis is therefore pursuing the goal of raising interest for technical occupations among women, and recruiting them for these roles. It does this through a range of measures, such as partnerships with schools and participation in initiatives such as *"mint:pink"*.

In total, the proportion of female employees in the Group is 12.4 %, and has increased slightly in comparison with the prior-year level of 12.1 %.

Employee compensation and profit-sharing

Aurubis has a uniform compensation system for its management. This compensation system is based on an analytical job evaluation, on clearly established income brackets and on a target bonus model with defined levels of performance measurement and weighting. These factors allow managers to assess what performance is required at the Group, functional and individual levels and now such performance is to be evaluated.

Performance and success-oriented compensation is a fundamental element of the remuneration system at Aurubis AG. Motivated, high-performance employees make a decisive contribution to the Company's achievements and value. The performance of the individual is always assessed in connection with the performance of the team, the department or the production sector. The individual performance and collective team performance serve as parameters in this case. Both are considered in the performance-oriented compensation accordingly.

In order to promote identification with the company, we also gave employees at the German sites the opportunity to acquire a limited number of Aurubis AG shares at favorable conditions in 2017. 913 employees took advantage of this offer.

www.aurubis.com

www.ccre.org/docs/charte_egalite_en.pdf

Personnel recruitment

We are confronting demographic change with an expansion of our personnel recruitment activity. Cooperation with partner universities has been expanded. We have sought out new universities on the basis of the study programs offered, which satisfy the changing requirements of new occupational fields. In Hamburg, we provide about 50 student internships annually; in Stolberg, we provide about 35. The enhanced offerings for young potential employees are rounded off with scholarships and supervised thesis papers.

www.mintpink.de

In order to selectively target school leavers and future trainees, multiple visits to career fairs in the vicinity of Hamburg, Stolberg and Lünen took place. Aurubis also held its own events at the respective locations. This included presentations given by the Lünen and Stolberg plants during the "Night of Apprentices."

Education and training

Significant investment decisions for forward-looking training at Aurubis were represented by the new construction projects for training centers in Hamburg and Lünen that began during the fiscal year. The training workshop in Lünen, whose new buildings will also later house the Occupational Safety and Technology divisions, will be ready for occupancy in 2018. In Hamburg we expect to be able to inaugurate the new Innovation and Training Center in 2019, in which Research and Development will also be located. Conducting training with new teaching and learning methods, in addition to increased training capacity, are planned in both cases. Here, we want to use in-house training measures to offset the increased need for specialists due to demographic change.

As at September 30, 2017, Aurubis employed 213 trainees and interns in the Group. This is equivalent to 7.2 %. In the new training year, which started on September 1, 2017, a total of 75 young people began their apprenticeships at Aurubis AG in 14 different vocational professions.

See Glossary, **page 208.**

The integration and training of registered refugees is important to us. Along with the ten teenagers in the internship model AV 10-Plus, they are being introduced to preparation for training in diverse vocational sectors. For the 12 participants from the final training year in Hamburg, this meant three work days per week in the training workshop and two school days. Eight of the participants were accepted as apprentices; the others entered into external apprenticeships.

To reinforce cooperation within the Group, there was an apprentice exchange across the sites during the fiscal year. This made it possible for the trainees to gain intercultural experience and to apply foreign language skills in a real-life work situation abroad.

Staff and organizational development

In order to advance our vision and strategy, we rely on a learning organization. The development of our employees is a top priority. We have developed and adjusted the training offerings in our leadership and qualification program to the Group's needs accordingly. In particular, options for managers at the foreman level retained a high profile. Once again, employees took part in a number of technical/specialist training measures.

In a learning organization, there is a need for new insights in learning and training. Learning is geared toward the needs of companies and employees, and is increasingly becoming the responsibility of the learner. In addition to qualification and development programs for the development of necessary competencies, e.g. in the areas of the *Aurubis Operating System (AOS)* and in project management, we are increasingly relying on the offers from platforms for networking and exchanging best practices (e.g. expert panels and online learning groups). We take flexible competency enhancement into account with short formats such as "Learn & Go" on the intranet and video learning.

Thanks from the Executive Board

Fiscal year 2016/17 demanded much of our employees. We initiated and occupied ourselves with numerous measures and projects, which will also position Aurubis on a sound economic base in the coming years. This has already led to changes. Others will follow. Our employees have contributed to the processes of development and change in fiscal year 2016/17 with a great deal of dedication. Their strong commitment has shown that they want to contribute actively to the future organization of Aurubis. We would like to express our very special thanks for this and for their high motivation. Naturally, these thanks also include the close and constructive collaboration with the Aurubis Group employee representatives.

Sustainability, environmental protection, energy and climate, occupational health

Sustainability as part of the company strategy

Sustainable conduct and economic activities rank among the central components of Aurubis' company strategy and management. This involves having a conscientious attitude towards our environment and limited natural resources. It also includes responsible interactions with employees, suppliers, customers, neighbors and the plant areas and communities where Aurubis is active.

The foundation of our operating business is responsible business practices. Together with solid growth, this forms the foundation for long-term economic success and as such, for a secure future for the company.

We act on the basis of legal requirements, internal guidelines and management systems, voluntary commitments as well as our corporate values, *PRIMA*. The letters spell the German word "prima," meaning "great." They stand for: performance, responsibility, integrity, mutability and appreciation.

Aurubis respects human rights and advocates for their protection. Compliance with the internationally recognized core labor standards of the *International Labour Organization (ILO)* are of fundamental significance. We have been committed to the *United Nations Global Compact* since December 2014, and at the same time are pledged to contributing to the implementation of its principles. Aurubis reports on the current state of the implementation annually in the context of the progress report.

We are listed in the sustainability index "Global Challenges Index" and, in January 2017, once again achieved Prime Status with oekom research, one of the leading rating agencies in the area of sustainability.

Sustainability as part of the corporate culture

We integrate sustainability topics in the corporate culture throughout the Group and across all business processes. With a variety of measures, we contribute to minimizing potential negative effects of business activities on the environment, our employees and society as much as possible from the outset. Additionally, we have made knowledge about sustainability topics an integral part of training in the Group.

We developed a comprehensive Sustainability Strategy in fiscal year 2012/13 and therein established the main areas of activity. On this basis, we developed targets in the categories of the economy, the environment and people, as well as action plans and measures for individual areas. Many of these have already been implemented. For example, various copper-based materials and innovations were developed, the emission targets set for water and air were achieved and the proportion of complex recycling materials processed was expanded further. Additionally, we once again increased energy efficiency and occupational safety measures, dealt more intensively with responsibility in the supply chain and reinforced dialogue with our interest groups around Europe, for instance regarding the topic of the circular economy. In 2017 we began to revise our sustainability strategy. In this context we will bring the relevant issues up to date and set new targets.

See Glossary, **page 210.**

www.ilo.org

www.unglobalcompact.org

The growing interest and increasing requirements from the surrounding environment validate our actions. Meanwhile, our customers are attaching more value to topics such as environmentally sound products, climate protection, modern production processes and a responsible and reliable supply of raw materials. In addition to investors, our customers are also paying heightened attention to whether Aurubis participates in environmental protection initiatives such as the *"CDP" (formerly Carbon Disclosure Project)*. In 2015, the CDP honored us as "Best Newcomer Germany." In 2016, we improved our position once again and were admitted to the "Leadership" category with the good result of A–. Additionally, the CDP classified Aurubis as one of the top 7 MDAX companies.

www.cdp.net

See Glossary, **page 208.**

Corporate environmental protection topics

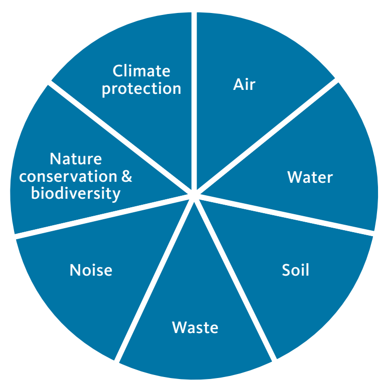
G 19

Climate protection
» Reduction of CO_2 emissions by 100,000 t CO_2 through energy efficiency projects
» Example: use of industrial waste heat for district heating in Hamburg

Nature conservation & biodiversity
» Improvement of nature conservation at the production sites
» Example: participation in NABU's "UnternehmensNatur" project in Hamburg

Noise
» Reduction of noise emissions, especially for new technical projects

Waste
» Increase of recovery rates
» Example: increased marketing of fayalite in Pirdop (Bulgaria)



Air
» Reduction of dust emissions by 10 % in comparison with 2012
» Example: reduction of diffuse emissions in the KRS area in Lünen

Water
» Reduction of metal emissions to water in primary copper production by 10 % compared to 2012
» Example: optimization of the rainwater treatment facility in Lünen

Soil
» Reduction of introduction of harmful substances to soil
» Example: extensive reinforcement of the factory premises in Lünen

See Glossary, **page 209.**

In the area of recycling, demands from both the political sector and from various interest groups have also risen further. In this area, resource efficiency, environmentally-friendly recycling management and multi-metal recycling solutions play a role. In November 2016 we held the third Sustainability Day at Aurubis. Together with representatives from politics, business and society, we are discussing and giving talks on the topics of recycling and the circular economy.

See Glossary, **page 208.**

Comprehensive sustainability reporting

In April 2016, we published the fifth Aurubis Group Sustainability Report. It provides an extensive and detailed sustainability balance of fiscal years 2013/14 and 2014/15. We also orient ourselves to the internationally-recognized reporting standard of the *Global Reporting Initiative (GRI)*. It contributes to making the company's reporting on sustainability and the Sustainability Strategy more transparent and easier to compare. In addition to relevant key parameters, successes, targets and the extent to which they are achieved, as well as challenges are presented. The current Sustainability Report follows the reporting requirements of the GRI's G4 Standards.

With the updating of our Sustainability Strategy and the existing sustainability communication, we are well prepared to additionally comply with the EU policy regarding nonfinancial reporting *("CSR directive")*, which we are required to adopt as of fiscal year 2017/18.

Environmental protection in the Group

We take responsibility for protecting our environment and our climate. Our production facilities therefore comprise modern and energy-efficient plant technology, which additionally complies with very high environmental standards. In this way, we preserve natural resources and maintain a clean environment for future generations. We pursue this standard at all of the production sites in the Aurubis Group and across all of our business processes. We have set targets in environmental protection, defined corresponding key figures and established measures to achieve the targets across the Group. The effectiveness of these targets and measures is reviewed continuously.

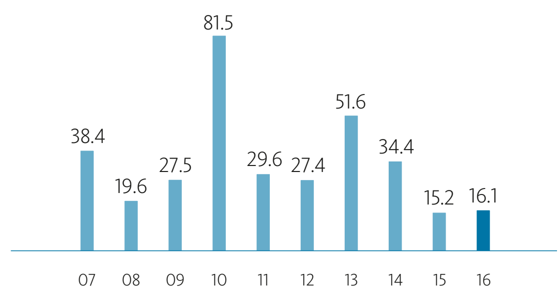
We use Group-wide environmental management systems in order to implement corresponding measures and achieve the targets for protection of the environment and climate. Well worth mentioning here is the certification according to DIN ISO 14001, as well as our participation in the *EMAS* environmental management system – the Eco-Management and Audit Scheme. We record the targets, evaluate the deviations, and initiate necessary corrective measures, whose effectiveness we monitor continuously.

Moreover, we have implemented and certified energy management systems in accordance with DIN ISO 50001 at several sites. An annual external audit offers us the opportunity to have the successful implementation of environmental protection confirmed by an independent third party and to quickly recognize possible potential for improvement.

A significant foundation for environmentally-friendly production is the efficient use of raw materials. Multi-metal production and the recycling of complex input materials form the basis for responsible and demand-oriented production at Aurubis.

Capital expenditure for environmental protection in Aurubis copper production G 20

in € million



We strive to protect the environment from possible long-term negative impacts of our actions. For this reason, Aurubis has invested more than € 540 million in environmental protection measures in *primary and secondary copper production* since 2000. In doing so, we particularly address the questions of water pollution control, soil conservation, climate protection and immission protection.

See Glossary, **page 210.**

In fiscal year 2016/17, we reduced specific dust emissions for primary and secondary copper production by approximately 95 % and the SO_2 emissions in primary copper production by approximately 85 %, compared with reference year 2000.

Aurubis has also achieved significant improvements in the area of water pollution control. Since 2000, we have been able to reduce metal emissions to water in copper production processes by 85 %, from 7.2 to 1.1 g/t of copper output.

www.ce-force.eu/

In the future, we will make further efforts in order to become cleaner, more efficient and more sustainable. For this purpose, we have updated the environmental targets and standardized our sustainability targets. The subject area "nature conservation and biodiversity" has been incorporated as a new focus into our environmental protection targets.

Aurubis led an open dialogue with authorities and citizens across the Group again in fiscal year 2016/17. We additionally participated in the following diverse environmental projects:

www.copperalliance.eu

ec.europa.eu/environment/eussd/smgp/

www.aurubis.com

www.mobilprofit.de

- Together with the overarching European metal industry association Eurometaux and the *European Copper Institute (ECI)*, Aurubis is participating in the three-year testing and development phase of the European Commission's *Product Environmental Footprint (PEF)*. The goal of this collaboration is to develop and test the methods for determining the environmental footprint. On this basis, the European Commission is striving to create a single market for "environmentally-friendly products" and "environmentally-friendly organizations."
- In Hamburg, we have been a member of the Environmental Partnership since 2003 and a member of the Partnership for Air Quality and Low-emission Mobility, which is coordinated by the city of Hamburg. The goal of the partnership is to reduce nitrogen dioxide emissions, which are caused by transport in particular. We also successfully participated in the German model project *"Mobil.Pro.Fit®"* in cooperation with the B.A.U.M. e.V. The goal of the project is to develop a sustainable and climate-friendly mobility concept.
- Furthermore, we participated in the European research project *"FORCE – Cities cooperating for circular economy"* along with 22 national and international partners. The project pursues the goal of developing new concepts for avoiding and treating waste for the material flows plastic, biomass, electrical and electronic waste material, and wood. Aurubis supports the project with its expertise as a multi-metal recycler. In doing so, we aim to improve the recycling of strategic metals – e.g. copper, gold, silver and lead – by developing an optimal collection and dismantling system for electrical and electronic waste equipment.

Our Environmental Report and Environmental Declaration contain more information on environmental protection in the Aurubis Group. They are available on the *company website* in the "Responsibility" section.

Energy supply, energy efficiency and climate change issues are of fundamental importance

Copper production is a very energy-intensive process. Thus, influences from the energy sector were of significant importance for us in fiscal year 2016/17 again. Three developments were the focus of attention for Aurubis: the German energy transition, the implementation of the EU Energy Efficiency Directive and the third trading period of the European Union Emissions Trading Scheme.

All companies that emit carbon dioxide must have the corresponding rights for this. These local additional CO_2 costs reduce the competitiveness of European industry in an international comparison. To balance these effects, so-called carbon leakage sectors were established, including the copper industry. This status currently softens the effect of the general reduction of allocated CO_2 certificates to a great extent.

In order to protect the copper industry from disadvantages in international competition, the European Union (EU) has already authorized limited compensation for electricity price increases stemming from CO_2 emissions trading. Some EU member states, including Germany, have adopted corresponding funding guidelines. Due to EU regulations for the copper industry, however, the compensation approved in Germany is only 50 % effective. This leads to a significant remaining load due to CO_2 costs, despite our existing carbon leakage protection.

We have developed an energy management system at all of the Aurubis Group's main German sites. We also carry out energy audits and are certified in accordance with DIN EN ISO 50001. We therefore fulfill the basic conditions to continue being subject to a lower EEG (German Renewable Energies Act) reallocation charge and lower energy/electricity taxes. Furthermore, we support knowledge sharing beyond the factory gates with regular energy management and energy efficiency workshops as well as our involvement in the energy efficiency network of the *WirtschaftsVereinigung Metalle Germany*, in other industry associations in Hamburg and within the local networks at primary Aurubis locations, among others.

The city of Hamburg is striving to reduce its CO_2 emissions by 40 % in 2020 and by 80 % in 2050, as compared to the base year of 1990. Furthermore, it would like to make its district heating supply more climate-compatible in the medium term. The city also plans on using industrial waste heat for this purpose. At the Aurubis site in Hamburg, we have identified CO_2-free waste heat potential for a district heating supply of around 60 MW and approximately 500 GWH per year at the sulfuric acid plant. The building development area HafenCity East is located in the vicinity of our Hamburg plant, and is therefore ideally located to use our waste heat for its heat supply. On February 17, 2017, a supply contract was signed according to which the area will take one third of our waste heat for this purpose. For this, Aurubis extracts heat that is formed when sulfur dioxide is converted to sulfuric acid. This industrial waste heat is nearly free of CO_2, and utilizing it will avoid more than 20,000 t of CO_2 emissions annually at the Hamburg location. Additional heat extraction with CO_2 savings potential of approximately 140,000 t CO_2 per year would also be possible.

At the beginning of fiscal year 2016/17, the electricity supply was significantly reduced, particularly through the malfunction of conventional plants in Europe. These circumstances in turn led to a short-term strong increase in prices on the electricity exchanges. This development had little influence on Aurubis. We counter electricity price risk at the German locations by means of a long-term supply contract.

www.wvmetalle.de

Currently, pronounced east-west and north-south disparities exist for German transmission network fees. With the Grid Fee Structure Modernization Act (German abbreviation: NEMoG) , the foundation has been laid for an incremental (from 2019 to 2023) nationwide standardization of transmission network fees. Expenses for the offshore connection will be separated from the network fees and financed by a levy. It is to be expected that the network fees will initially decrease because of this, although a cost shift from north or east to west results. Because Aurubis pays significantly reduced network fees at the Hamburg and Lünen locations due to its consistent electricity consumption profile, these effects have an insignificant impact. A cost increase due to the offshore levy is not expected because this levy is limited for energy-intensive companies.

See Glossary, **page 209.**

In Bulgaria, the additional electricity costs were reduced significantly during the fiscal year. This was chiefly a result of the introduction of an asset relief scheme for energy-intensive companies from the costs of promoting renewable energy according to EU subsidy guidelines.

In the past fiscal year, the wholesale prices for natural gas stabilized at the low level of the previous year. The good supply situation in Europe as well as the effects of the ongoing low oil prices were the reason for this. Despite sinking domestic production, we also expect a good natural gas supply in Europe in the future, especially as a result of the start of LNG (Liquefied Natural Gas) imports from the US to Europe in the past fiscal year.

We investigated and developed considerable savings potential in water supply and treatment in fiscal year 2016/17. The basis for this was a comparison of methods and key figures between various locations. In addition to the technical optimizations, an improved approach to water consumption also led to lower water and water treatment costs.

Health protection in the Group

The responsibility of Corporate Occupational Safety & Health is to provide technical, organizational and personal conditions that prevent work-related accidents and illnesses.

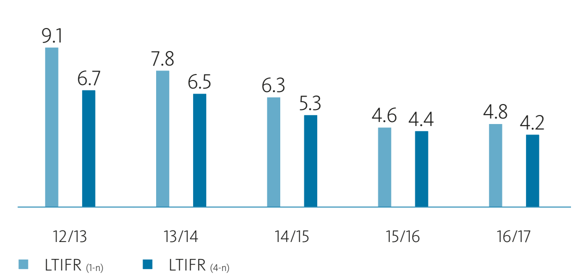
Our accident rate, which had been in steady decline for six years, flattened out over the past fiscal year. The accident rate is referred to the acronym *LTIFR* $_{(1\text{-}n)}$, which stands for "Lost Time Injury Frequency Rate" and represents the number of work-related accidents with at least one lost shift per one million hours worked. With regard to Aurubis employees, the LTIFR $_{(1\text{-}n)}$ for fiscal year 2016/17 was at 4.8, compared with 4.6 in the previous year. The absolute number of accidents was at 47, compared with 45 in the previous year.

We have been setting short-term and medium-term occupational safety targets since 2010 and are working towards our "Vision Zero"; that is, a completely accident-free work environment. Within this framework, we have reviewed the original medium-term fixed target of limiting the LTIFR (1-n) to ≤ 3.0 by 2022 at the latest. We have set the objective of decreasing the LTIFR to less than 1.0.

Accident frequency

G 21

LTIFR = Lost Time Injury Frequency Rate



LTIFR $_{(1\text{-}n)}$ – accidents with lost time of at least one whole shift
LTIFR $_{(4\text{-}n)}$ – accidents with lost time of more than three whole shifts

Economic Report

General economic conditions

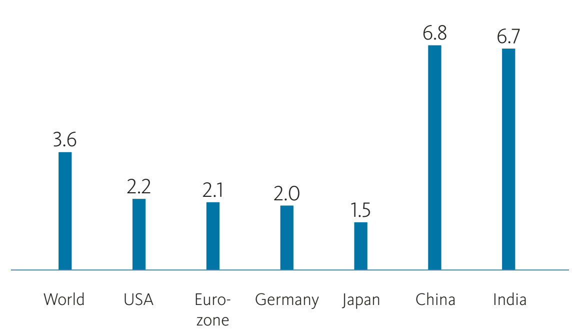
After the global economy showed weak development in calendar year 2016, there was a recovery in fiscal year 2016/17. The upward trend that began in the second half of 2016 strengthened further in the first half-year 2017. In its autumn forecast, the *International Monetary Fund (IMF)* therefore expects an increase of 3.6 % for global economic growth in 2017 and is improving its spring forecast by 0.1 percentage points.

However, this is accompanied by an unbalanced development, because sections of the economy did not fully follow the positive trend. In particular, developing countries that export commodities and oil face a difficult environment. The IMF estimates a wider recovery in developed economies, as well as in individual emerging markets (mostly in Asia), and considers three quarters of the global economy to be participating in the positive development.

As compared with spring 2017, there were positive revisions for the euro zone as well as for Asian and European emerging economies. This compensated for the slight weakening in the USA and Great Britain.

Expected GDP growth 2017 G 22

in %



Source: International Monetary Fund, Oct. 2017

The IMF sees growth of 2.1 % for the euro zone and 2.0 % for Germany in 2017. It is as such increasing its spring forecast by 0.4 % respectively. Increased exports and good consumer demand were mentioned as driving forces. The federal government also raised its forecast for Germany from 1.5 % in the spring to 2.0 %.

www.imf.org

This was followed by the IMF's slightly lower revaluation of economic growth for the USA, with 2.2 %. The sentiment among companies and consumers was good; however, the course of US politics held risks.

In China, the economy grew more strongly than expected, partially due to good exports. With 6.8 %, economic growth is expected to be slightly more than the April estimate of 6.6 % and the previous year's level of 6.7 %.

Global financial markets also showed positive development in 2017. Stock markets were in a upwards trend; the US Federal Reserve repeatedly raised prime rates; in Europe, the European Central Bank adhered to its zero-interest policy but announced a reduction in bond purchases for 2018.

Conditions specific to the industry

Aurubis is mainly active on the international copper market and its sub-markets. These vary considerably in some cases.

Copper concentrates are offered by mining companies and trading companies on the global market. Here, Aurubis is a buyer competing with other primary copper smelters, which are chiefly located in China and Japan.

Aurubis primarily procures copper and metal-bearing raw materials for recycling on the European market. Metal trading companies are the main actors on the supplier side, though some recycling materials also reach us directly from product manufacturers. On the demand side, we mainly compete with other copper and metal smelters, as well as metal processors that also utilize materials for recycling.

Copper cathodes serve as the basis for trade on the international metal exchanges. While Aurubis is one of the largest producers with an annual output of 1.2 million t of copper cathodes, it doesn't hold a significant position relative to the overall market for refined copper, currently around 24 million t.

The sales markets for copper products are also distinctly fragmented, with a number of companies that mainly belong to the cable and wire industries, as well as the semi-finished product sector.

Sulfuric acid, which is produced in the course of our processes, is a particularly relevant by-product. Customers and competitors in this area are very diverse. The customers include companies in the chemical, fertilizer and mining industries.

Aurubis' individual markets were subject to various developments during fiscal year 2016/17:

In contrast with 2016, the international market for copper concentrates in 2017 developed less favorably, particularly in the first half-year. Whereas the previous year did not see any larger production disruptions in mines due to strikes, accidents or unusual weather conditions, such disruptions were registered in 2017.

According to the International Copper Study Group (ICSG), mining output for copper in 2017 is expected to be approximately 2 to 3 % lower and amount to 19.9 million t. This has an impact on global concentrate output for 2017, with minus 2.5 % in comparison with the previous year. In contrast, the research company CRU expects a decline in mining output of 1.2 %, and minus 0.3 % for concentrate output.

Volume shortfalls resulted primarily from wage dispute strikes in the first quarter of 2017, among them the lengthy walkouts in South America and Indonesia. Unlike the previous year, there was also a lack of larger new and expansion project start-ups. Beginning in the second quarter of 2017, an improvement in the market situation slowly began, and the market for copper concentrates returned to a more balanced relationship between production and demand. The good supply of copper scrap and, on the demand side, multiple production shutdowns at smelters also contributed to this.

The European market for recycling raw materials once again proved to be a buyers' market for smelters during the fiscal year. The supply volume for copper scrap remained high overall in all significant regions for scrap trading. The increased copper prices resulted in good volume flow from the collection and treatment activities in the metal trade. On the demand side, this was accompanied by a good supply situation for smelters and other consumers, as well as by restrained buying interest. The restrictions planned in China regarding the import of copper scrap gave rise to questions. However, no clear answers were given by the Chinese authorities by the end of the fiscal year. Volumes of complex raw materials for recycling, such as electrical and electronic scrap, were also readily available on the market.

Refined copper output was affected by multiple scheduled and unscheduled production standstills at smelters in fiscal year 2016/17, including those in Chile, Japan, the USA and China. These were in contrast with capacity growth in the People's Republic and, in the time period from January to July 2017, good utilization of refining capacity (84 %). Also significant was the good availability of copper scrap, which according to ICSG estimates will lead to a 4 % increase in secondary production in 2017. Overall, the organization expects that global production of refined copper in 2017 will amount to approximately 1 % more than the previous year.

On the demand side for refined copper, there was very little change in the first seven months of 2017 compared with the previous year. At 13.7 million t, the level achieved was almost equivalent to that of the corresponding period in 2016. For the entire year, the ICSG expects an increase in global demand of approximately 1 %, to 23.7 million t. Larger uncertainties are associated with the calculation of the actual copper demand in China. Growth estimates range from 1–4 %.

To some extent, copper cathode inventory levels on the metal exchanges fluctuated significantly during the fiscal year. This was repeatedly attributed to larger volume entry and exit on the part of individual trading companies. After 542,858 t at the beginning of the fiscal year, a total of approximately 577,000 t was stored at the LME, COMEX and SHFE metal exchanges as at September 29, 2017. Additionally, copper inventories in Chinese bonded warehouses reached 500,000 t at the end of the fiscal year.

According to the ICSG, there was a production deficit of 163,000 t on the global market for refined copper in the first seven months of 2017. After taking seasonal effects and changes to the bonded warehouse inventories in China into account, the deficit was 93,000 t. The ICSG expects a production deficit of 131,000 t for the entire 2017 year.

On the international market for continuous cast wire rod, which accounts for about 75 % of global cathode output worldwide, there were fluctuations in production and demand from quarter to quarter in the course of the fiscal year. After a weaker fourth quarter in 2016, the first quarter of 2017 once again fell back significantly. Higher output and demand were seen from April to June 2017; however, both decreased again in the final quarter of the fiscal year (July to September). Supported by good economic development, the center of recovery was in Asia and Western Europe.

After the initial weak start in fiscal year 2016/17 on the global market for sulfuric acid, a narrowing of the market later led to higher prices. The growth in demand came primarily from the copper industry, where sulfuric acid is used in mining for the processing of specific ores, as well as in the fertilizer industry. For parts of the fiscal year, production disruptions and maintenance downtime at smelters had an impact, which limited the availability of sulfuric acid.

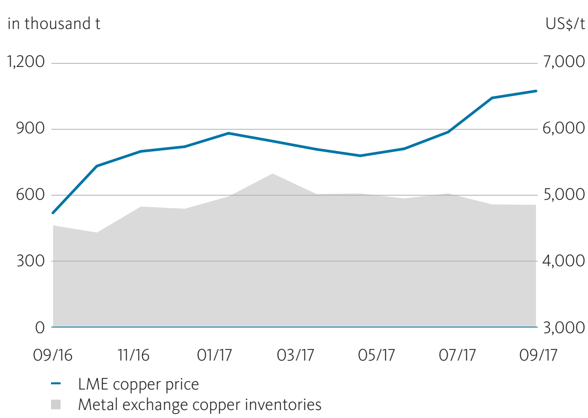
The copper price on the London Metal Exchange recovered significantly in fiscal year 2016/17. This was initially due to assumptions about a possible infrastructure program in the USA, and more recently the result of the assumptions about good copper demand in China. On the whole, investor interest in the commodities sector increased. Following a copper price of US$ 4,807/t *(settlement)* at the beginning of October 2016 and developments marked by price fluctuations, the fiscal year closed with an *LME* copper price of US$ 6,485/t (settlement). The lowest value of the year was US$ 4,620.50/t (October 24, 2016) and the highest was US$ 6,904/t (September 5, 2017). The average value for the fiscal year was US$ 5,781/t (previous year: US$ 4,767/t).

See Glossary, **page 210.**

www.lme.com

Copper price and metal exchange copper inventories G 23

up to 9/30/2017



Economic development within the Aurubis Group

Results of operations of the Aurubis Group

Results of operations (operating)

In order to portray the Aurubis Group's operating success independently of measurement influences for internal management purposes, the presentation of the results of operations, net assets and financial position in accordance with IFRS is supplemented by the results of operations and net assets explained on the basis of operating values.

In this context, measurement influences include effects on inventories and fixed assets. In order to adjust for measurement influences deriving from the application of IAS 2, metal price fluctuations resulting from the use of the average cost method are eliminated along with devaluations and revaluations of copper inventories as at the reporting date. Furthermore, there is an adjustment for the effect of measurement influences deriving from purchase price allocations (PPA) carried out since the 2010/11 fiscal year.

The following table shows how the respective operating results for the 2016/17 fiscal year and for the comparative prior-year period have been determined.

Reconciliation of the consolidated income statement

T 010

in € million	2016/17 IFRS	2016/17 Adjustment for inventory effects	2016/17 Adjustment for effects from PPA	2016/17 Operating	2015/16 IFRS	2015/16 Adjustment for inventory effects	2015/16 Adjustment for effects from PPA	2015/16 Operating
Revenues	**11,040**	**0**	**0**	**11,040**	**9,475**	**0**	**0**	**9,475**
Changes in inventories of finished goods and work in process	5	−70	0	−65	97	23	0	120
Own work capitalized	9	0	0	9	9	0	0	9
Other operating income	47	0	0	47	58	0	0	58
Cost of materials	−9,774	−88	0	−9,862	−8,635	23	0	−8,612
Gross profit	**1,327**	**−158**	**0**	**1,169**	**1,004**	**46**	**0**	**1,050**
Personnel expenses	−470	0	0	−470	−449	0	0	−449
Depreciation and amortization of intangible assets and property, plant and equipment	−135	0	3	−132	−135	0	6	−129
Other operating expenses	−259	0	0	−259	−243	0	0	−243
Operational result (EBIT)	**463**	**−158**	**3**	**308**	**177**	**46**	**6**	**229**
Result from investments measured using the equity method	11	−3	0	8	6	2	0	8
Interest income	3	0	0	3	3	0	0	3
Interest expense	−20	0	0	−20	−27	0	0	−27
Other financial expenses	−1	0	0	−1	0	0	0	0
Earnings before taxes (EBT)	**456**	**−161**	**3**	**298**	**159**	**48**	**6**	**213**
Income taxes	−104	43	−1	−62	−35	−11	−2	−48
Consolidated net income	**352**	**−118**	**2**	**236**	**124**	**37**	**4**	**165**

Adjustment for measurement effects deriving from the use of the average cost method in accordance with IAS 2 and for impacts from purchase price allocations, primarily on property, plant and equipment, from fiscal year 2010/11 onwards.

The Aurubis Group generated operating consolidated earnings before taxes (EBT) of € 298 million in fiscal year 2016/17 (previous year: € 213 million). The business performance was influenced by a significantly higher concentrate throughput than in the previous year, despite the legally required maintenance shutdown in the first quarter of 2016/17 in Hamburg. The previous year had been affected by the major shutdown and the associated optimization of capacity at the Pirdop site, which had a positive impact in the current fiscal year. In addition, we were able to achieve significantly higher refining charges for copper scrap in a good supply environment. We were also able to benefit from an advantageous input mix as well as good availability for copper concentrates. By contrast, sulfuric acid prices were weaker due to a surplus on the global markets, particularly in the first half of the fiscal year. Shapes and flat rolled products recorded sales levels that were generally above those of the previous year, while the copper premium was lower. Only wire rod sales volumes were below the prior-year level. The business performance was also impacted by increased metal yields and higher metal prices. Moreover, our efficiency enhancement program had a positive effect on the result. As in the previous year, Aurubis was again able to benefit from a strong US dollar in this year.

IFRS earnings before taxes of € 456 million were adjusted for inventory measurement effects of € –161 million (previous year: € 48 million) (Sum of the following items: changes in inventories of finished goods and work in process, cost of materials and the result from investments measured using the equity method) as well as for effects deriving from a purchase price allocation since 2010/11 of € 3 million (previous year: € 6 million) in order to achieve operating earnings before taxes of € 298 million (previous year: € 213 million).

The Group's revenues increased by € 1,565 million to € 11,040 million during the reporting period (previous year: € 9,475 million). This development was primarily due to the higher average copper price compared to the previous year.

Breakdown of revenues

T 011

in %	2016/17	2015/16
Germany	35	35
European Union	36	38
Rest of Europe	5	3
Other countries	24	24
Total	**100**	**100**

The inventory change of € –65 million (previous year: € 120 million) was primarily caused by a reduction in copper inventories.

In a manner corresponding to the development of revenues, the cost of materials increased by € 1,250 million, from € 8,612 million in the previous year to € 9,862 million.

After taking own work capitalized and other operating income into account, the residual gross profit was € 1,169 million (previous year: € 1,050 million).

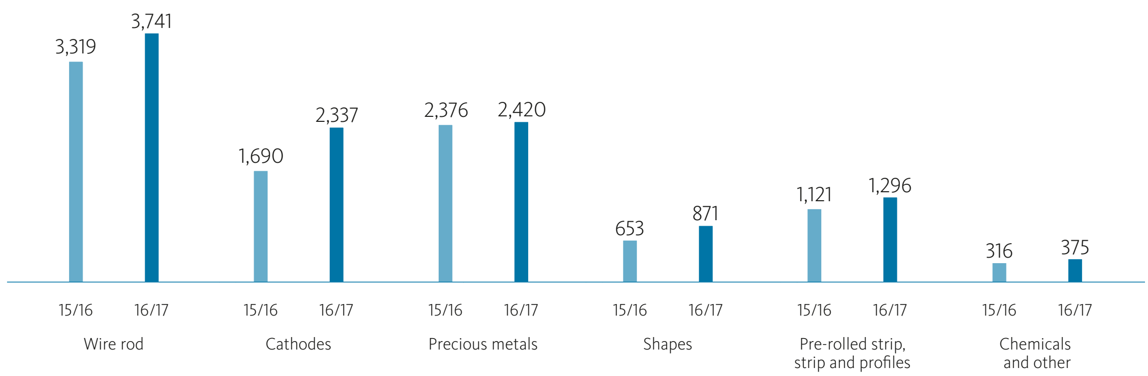
Personnel expenses rose from € 449 million in the previous year to € 470 million in the current reporting period. The increase was due in particular to wage tariff increases and a higher number of employees.

At € 132 million, depreciation and amortization of fixed assets was slightly above the prior-year level (€ 129 million).

Development of revenues by products

G 24

in € million



Other operating expenses were € 259 million compared to € 243 million in the previous year. The increase was caused in particular by higher transport costs.

The operational result before interest and taxes (EBIT) therefore totaled € 308 million (previous year: € 229 million).

The net interest expense was € 17 million compared to € 24 million in the previous year. The decrease was primarily due to lower interest rates combined with a slightly lower level of gross debt.

After taking the financial result into account, operating earnings before taxes (EBT) were € 298 million (previous year: € 213 million). The following significant factors were decisive for the reported fiscal year's development compared to the previous fiscal year:

» Significantly higher concentrate throughput than in the previous year, despite the legally required maintenance shutdown in the first quarter of 2016/17 in Hamburg. The previous year had been affected by the major shutdown and the associated optimization of capacity at the Pirdop site, which had a positive impact in the current fiscal year,
» an advantageous input mix and good availability of copper concentrates,
» significantly higher refining charges for copper scrap with a good supply,
» weaker sales prices for sulfuric acid due to a surplus on the global markets, particularly in the first half of the fiscal year,
» a higher metal yield with increased metal prices,
» a lower copper premium,
» higher sales volumes for continuous cast shapes and flat rolled products,
» weaker sales volumes for wire rod,
» positive contributions from our efficiency enhancement program,
» the strong US dollar.

Operating earnings before taxes are significantly above those of the previous year, and thus correspond to the forecast in the last Annual Report.

Operating consolidated net income of € 236 million remained after tax (previous year: € 165 million). Operating earnings per share amounted to € 5.21 (previous year: € 3.64).

Results of operations (IFRS)

The Aurubis Group generated a consolidated net result of € 352 million in fiscal year 2016/17 (previous year: € 124 million).

Consolidated Income Statement

T 012

in € million	2016/17 IFRS	2015/16 IFRS
Revenues	**11,040**	**9,475**
Changes in inventories/ own work capitalized	14	106
Other operating income	47	58
Cost of materials	−9,774	−8,635
Gross profit	**1,327**	**1,004**
Personnel expenses	−470	−449
Depreciation and amortization of intangible assets and property, plant and equipment	−135	−135
Other operating expenses	−259	−243
Operational result (EBIT)	**463**	**177**
Financial result	−7	−18
Earnings before taxes (EBT)	**456**	**159**
Income taxes	−104	−35
Consolidated net income	**352**	**124**

The Group's revenues increased by € 1,565 million to € 11,040 million during the reporting period (previous year: € 9,475 million). This development was primarily due to the higher average copper price compared to the previous year.

The inventory changes decreased by € 92 million, compared with the previous year, to € 5 million (previous year: € 97 million) and were primarily attributable to a reduction of copper inventories, which was partially offset by higher copper prices.

In light of higher revenues, the cost of materials increased by € 1,139 million, from € 8,635 million in the previous year to € 9,774 million.

After taking own work capitalized and other operating income into account, the residual gross profit was € 1,327 million (previous year: € 1,004 million).

Personnel expenses rose from € 449 million in the previous year to € 470 million in the current reporting period. The increase was due in particular to wage tariff increases and a higher number of employees.

As in the previous year, depreciation and amortization of fixed assets amounted to € 135 million.

Other operating expenses were € 259 million compared to € 243 million in the previous year. The increase was caused in particular by higher transport costs.

Earnings before interest and taxes (EBIT) were therefore € 463 million (previous year: € 177 million).

The change in the consolidated result according to IFRS was driven by the material effects already enumerated in the reporting on the operating results of operations. In addition, the metal price trend influenced the change in the IFRS consolidated result. The use of the average cost method leads to metal price valuations that are close to market prices. Metal price volatility therefore has a direct effect on the change in inventories/cost of materials and thus on the IFRS gross profit. This is independent of the operating performance and is not relevant to the cash flow.

The net interest expense was € 17 million compared to € 24 million in the previous year. The decrease was primarily due to lower interest rates combined with a slightly lower level of gross debt.

After taking the financial result into account, earnings before taxes amounted to € 456 million (previous year: € 159 million). Consolidated net income of € 352 million remained after tax (previous year: € 124 million). Earnings per share amounted to € 7.80 (previous year: € 2.71).

Net assets of the Aurubis Group

Net assets (operating)

The following table shows the derivation of the operating statement of financial position as at September 30, 2017, and as at September 30, 2016.

Reconciliation of the consolidated statement of financial position

T 013

in € million	9/30/2017 IFRS	9/30/2017 Adjustment for inventory effects	9/30/2017 Adjustment for effects from PPA	9/30/2017 Operating	9/30/2016 IFRS	9/30/2016 Adjustment for inventory effects	9/30/2016 Adjustment for effects from PPA	9/30/2016 Operating
ASSETS								
Fixed assets	1,489	−11	−34	1,444	1,450	−8	−38	1,404
Deferred tax assets	6	25	0	31	10	48	0	58
Non-current receivables and other assets	32	0	0	32	26	0	0	26
Inventories	1,752	−366	0	1,386	1,700	−206	0	1,494
Current receivables and other assets	511	0	0	511	369	0	0	369
Cash and cash equivalents	571	0	0	571	472	0	0	472
Total assets	**4,361**	**−352**	**−34**	**3,975**	**4,027**	**−166**	**−38**	**3,823**
EQUITY AND LIABILITIES								
Equity	2,366	−254	−25	2,087	1,991	−134	−28	1,829
Deferred tax liabilities	205	−98	−9	98	151	−32	−10	109
Non-current provisions	307	0	0	307	386	0	0	386
Non-current liabilities	344	0	0	344	357	0	0	357
Current provisions	39	0	0	39	32	0	0	32
Current liabilities	1,100	0	0	1,100	1,110	0	0	1,110
Total equity and liabilities	**4,361**	**−352**	**−34**	**3,975**	**4,027**	**−166**	**−38**	**3,823**

Adjustment for measurement effects deriving from the use of the average cost method in accordance with IAS 2 and for impacts from purchase price allocations, primarily on property, plant and equipment, from fiscal year 2010/11 onwards.

Total assets increased from € 3,823 million as at September 30, 2016, to € 3,975 million as at September 30, 2017, due in particular to higher trade accounts receivable at the reporting date.

The Group's equity increased by € 258 million, from € 1,829 million as at the end of the last fiscal year to € 2,087 million as at September 30, 2017. This was largely due to the operating consolidated net income of € 236 million and effects recognized with no impact on profit or loss, deriving from the remeasurement of pension obligations. The dividend payment of € 58 million had an offsetting effect. Overall, the operating equity ratio (the ratio of equity to total assets) was 52.5 % compared to 47.8 % as at the end of the previous fiscal year.

The decrease in non-current provisions resulted from a decrease in pension liabilities due to the effects deriving from remeasurement mentioned above.

Borrowings declined, due to the repayment of a bonded loan, from € 495 million as at September 30, 2016, to € 351 million as at September 30, 2017.

Development of borrowings

T 014

in € million	9/30/2017	9/30/2016
Non-current bank borrowings	317	321
Non-current liabilities under finance leases	23	16
Non-current borrowings	**340**	**337**
Current bank borrowings	8	156
Current liabilities under finance leases	3	2
Current borrowings	**11**	**158**
Borrowings	**351**	**495**

Return on capital (operating)

The ROCE shows the return on the capital employed in the operating business or for an investment.

Operating ROCE (taking operating EBIT for the last 12 months into account) increased slightly from 10.9 % in the previous year to 15.1 % in the current fiscal year. This was particularly due to the significantly higher operating earnings. The figure thereby corresponds to the Group forecast in the last Annual Report.

Operating return on capital employed (ROCE)

T 015

in € million	9/30/2017	9/30/2016
Fixed assets excl. financial assets and investments measured using the equity method	1,375	1,343
Inventories	1,387	1,494
Trade accounts receivable	357	242
Other receivables and assets	216	211
– Trade accounts payable	–905	–798
– Provisions and other liabilities	–388	–379
Capital employed as at the reporting date	**2,042**	**2,114**
Earnings before taxes (EBT)	298	213
Financial result	10	16
Earnings before interest and taxes (EBIT)	**308**	**229**
Return on capital employed (operating ROCE)	**15.1 %**	**10.9 %**

Net assets (IFRS)

Total assets increased from € 4,027 million as at the end of the past fiscal year to € 4,361 million as at September 30, 2017, due in particular to higher trade accounts receivable at the reporting date.

Structure of the statement of financial position of the Group

T 016

in %	9/30/2017	9/30/2016
Fixed assets	34	36
Inventories	40	42
Receivables, etc.	13	10
Cash and cash equivalents	13	12
	100	**100**
Equity	54	49
Provisions	13	14
Liabilities	33	37
	100	**100**

The Group's equity increased by € 375 million, from € 1,991 million as at the end of the last fiscal year to € 2,366 million as at September 30, 2017. This was largely due to the consolidated net income of € 352 million and effects recognized with no impact on profit or loss, deriving from the remeasurement of pension obligations. The dividend payment of € 58 million had an offsetting effect. Overall, the equity ratio (the ratio of equity to total assets) was 54.2 % compared to 49.4 % as at the end of the previous fiscal year.

The decrease in non-current provisions resulted from a decrease in pension liabilities due to the effects deriving from remeasurement mentioned above.

Borrowings declined, due to the repayment of a bonded loan, from € 495 million as at September 30, 2016, to € 351 million as at September 30, 2017.

Development of borrowings

T 017

in € million	9/30/2017	9/30/2016
Non-current bank borrowings	317	321
Non-current liabilities under finance leases	23	16
Non-current borrowings	**340**	**337**
Current bank borrowings	8	156
Current liabilities under finance leases	3	2
Current borrowings	**11**	**158**
Borrowings	**351**	**495**

Return on capital (IFRS)

The operating result is used for control purposes within the Group. The operating ROCE is explained in the section "Return on capital (operating)."

Financial position of the Aurubis Group

The Group's liquidity sourcing is secured through a combination of the Group's cash flow, short-term and long-term borrowings, as well as lines of credit available from our banks. Existing credit facilities and lines of credit can be utilized to compensate for fluctuations in the cash flow development at any time.

The development of the Aurubis Group's liquidity position is monitored regularly on a timely basis. Control and monitoring are carried out on the basis of defined key ratios.

The main key financial ratio for controlling debt is debt coverage, which calculates the ratio of net borrowings (borrowings less cash and cash equivalents) to earnings before interest, taxes, depreciation and amortization (EBITDA) and shows the number of periods required to redeem the existing borrowings from the Group's income – assuming an unchanged earnings situation.

The interest coverage ratio expresses how the net interest expense is covered by earnings before interest, taxes, depreciation and amortization (EBITDA).

Our long-term objective is to achieve a well-balanced debt structure. In this context, we consider debt coverage <3 and interest coverage >5 to be well balanced.

We use the operating result for control purposes within the Group. Accordingly, the Group's key operating financial ratios are presented as follows:

Operating Group financial ratios

T 018

	9/30/2017	9/30/2016
Debt coverage = net borrowings/EBITDA	−0.5	0.1
Interest coverage = EBITDA/net interest	26.1	14.6

Additional control measures related to liquidity risks are outlined in the Risk and Opportunity Report in the Combined Management Report.

Analysis of liquidity and funding

The cash flow statement shows the cash flows within the Group. It highlights how funds are generated and used.

The net cash flow as at September 30, 2017, amounted to € 480 million, compared to € 239 million in the previous year. The increase in net cash flow resulted primarily from the significantly higher earnings.

Investments in fixed assets (including financial fixed assets) amounted to € 165 million in the reporting period (previous year: € 143 million). The largest individual investment related to our long-term electricity supply agreement. With this individual investment, we reduced the ongoing costs of long-term electricity consumption. Plans for securing the electricity supply to our German production sites remain intact.

After deducting investments in fixed assets from the net cash flow, the free cash flow amounted to € 315 million (previous year: € 96 million). The cash outflow from investing activities totaled € 155 million (previous year: € 128 million).

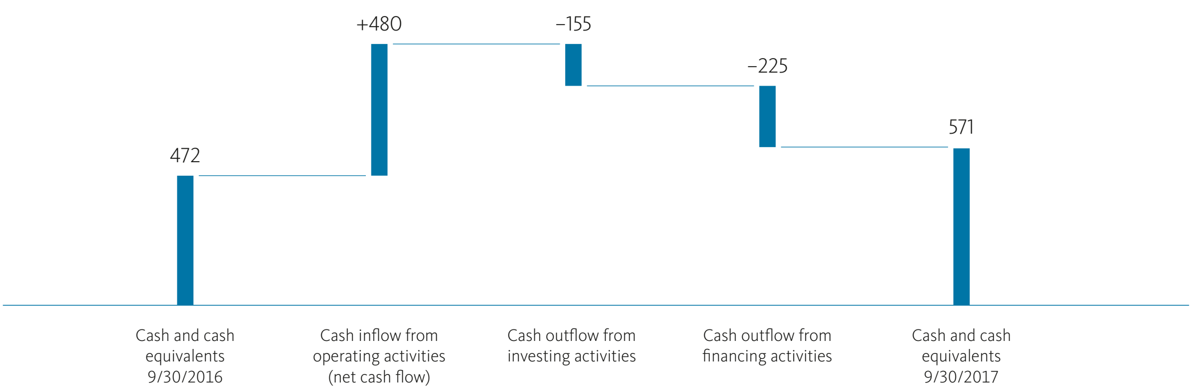
The cash outflow from financing activities amounted to € 225 million (previous year: € 92 million) and includes the repayment of a bonded loan of € 136 million due to maturity.

Cash and cash equivalents of € 571 million were available to the Group as at September 30, 2017 (previous year: € 472 million). Cash and cash equivalents are utilized for operating business activities, investing activities and the redemption of borrowings.

Source and application of funds

G 25

in € million



Net borrowings amounted to € –220 million as at September 30, 2017 (previous year: € 23 million).

Net borrowings in the Group

T 019

in € million	**9/30/2017**	9/30/2016
Borrowings	351	495
– Cash and cash equivalents	571	472
Net borrowings	**–220**	**23**

In addition to cash and cash equivalents, the Aurubis Group has unutilized credit line facilities and thus has adequate liquidity reserves. Parallel to this, within the context of factoring agreements, the Group makes use of the sale of receivables without recourse as an off-balance-sheet financial instrument.

Business performance in the Business Units

Business Unit Primary Copper

Key Figures

T 020

in € million	**2016/17 operating**	2015/16 operating
Revenues	6,320	5,325
EBIT	241	154
EBT	236	143
Capital expenditure	124	104
Depreciation and amortization	– 86	– 83
Operating ROCE	26.6 %	16.4 %
Capital employed	905	939
Avg. number of employees	2,780	2,750

See Glossary, **page 210.**

Business performance and earnings trend

The main factors driving earnings in the BU Primary Copper are treatment and refining charges (TC/RCs) that are negotiated as surcharges on the purchase price of the metals for converting raw materials into the exchange product – copper cathodes – and other metals. Additional earnings components include revenues from precious metal and sulfuric acid sales, the cathode premium and the metal gain.

In fiscal year 2016/17, the BU Primary Copper generated operating earnings that were significantly above the previous year's earnings. The previous year was influenced by the major shutdown and associated capacity optimization at the Pirdop site, which had a positive effect during the ongoing fiscal year.

An advantageous input mix, good availability of copper concentrates and higher refining charges for copper scrap contributed positively to the Business Unit's earnings improvement. A higher metal gain with higher metal prices, as well as the ongoing strength of the US dollar, also had a positive effect.

In total, the BU Primary Copper generated operating earnings before taxes (EBT) of € 236 million in the fiscal year, exceeding the previous year's figure by € 93 million. This was in line with the forecast made in the Annual Report 2015/16.

At 26.6 % (previous year: 16.4 %), the ROCE also showed significant improvement, and was also in line with the forecast.

At € 6,320 million, the BU's revenues were € 995 million above the previous year. This was primarily due to higher metal prices.

Raw material markets

Satisfactory treatment and refining charges for copper concentrates

The international copper concentrate market was characterized by an overall satisfactory supply during the past fiscal year. At the beginning of the fiscal year, the availability of copper concentrates on the *spot market* declined, particularly due to the inventory build-up at Chinese smelters. A market recovery began due to the end of strikes and export restrictions, but only in the course of the fiscal year. Treatment and refining charges in spot business remained under the level of long-term contracts, and were at a somewhat lower level compared to the previous year.

We were able to secure a good concentrate supply for our smelting operations in Hamburg and Pirdop, and continued to be in a position to enter into additional long-term supply contracts.

Good availability of copper scrap leads to higher refining charges

Metal prices had increased since the beginning of the fiscal year, particularly the copper price, and this positively influenced copper scrap availability and lead to higher refining charges. Our facilities were completely supplied under good conditions due to the higher copper scrap supply.

Slight recovery on the sulfuric acid markets

At the beginning of the fiscal year, the market for sulfuric acid was initially characterized by sustained oversupply in light of weak global demand. However, supply decreased by the end of the first half-year as a result of shutdowns at smelters and sulfur burners, which led to an increase in prices. The positive price trend on the spot market continued at a low level until the end of the fiscal year.

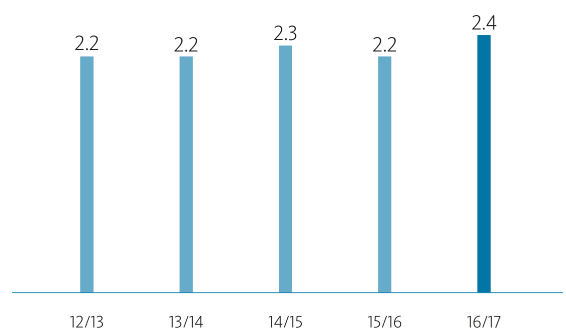
Production

Throughput and output volumes exceeded those of the previous year, in particular due to very good performance in Pirdop

A good supply of copper concentrates and recycling materials ensured that our production facilities were utilized during the entire fiscal year. The BU Primary Copper processed a total of approximately 2.4 million t of copper concentrate (previous year: 2.2 million t), more than in all previous fiscal years. The copper scrap input in the BU was 96,000 t (previous year: 91,000 t).

Concentrate throughput G 26

in million t



The Hamburg site processed approximately 1.1 million t of copper concentrate, thus reaching the prior-year level despite a scheduled shutdown. The throughput of 1.3 million t at the Pirdop site was significantly above the previous year's figure (1.0 million t). On the one hand, this was due to the negative impact of the major shutdown in the previous year; on the other hand, this was implemented as an optimization measure and had a positive effect on production.

Corresponding to the concentrate throughput, the sulfuric acid output was 2.4 million t, above the previous year's level of 2.1 million t.

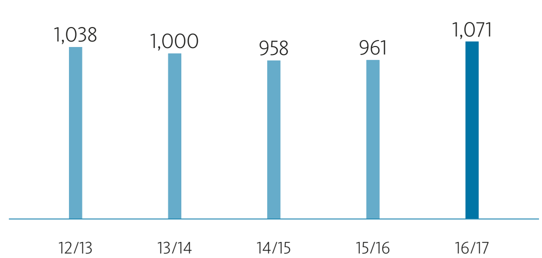
At 624,000 t, cathode output in the BU Primary Copper was higher than the previous year's figure (584,000 t).

The tankhouse in Hamburg produced 394,000 t of cathodes during the fiscal year (previous year: 370,000 t). The tankhouse in Pirdop generated an output volume of 230,000 t (previous year: 214,000 t).

The use of input materials containing precious metals led to a very good silver output of 1,071 t, significantly above the previous year's level of 961 t. Gold output was at the previous year's level of 42 t.

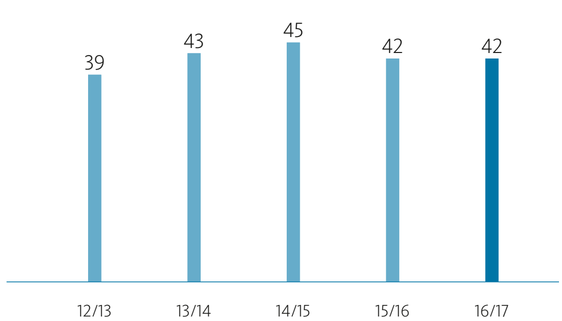
Silver output G 27

in t



Gold output G 28

in t



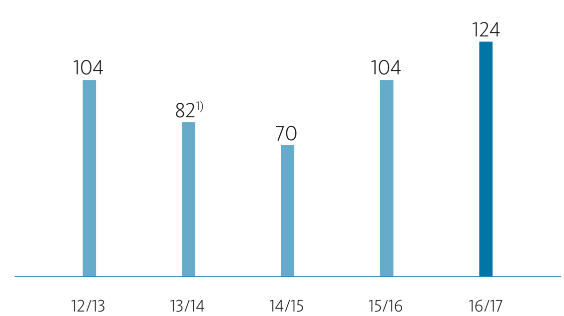
Capital expenditure

Capital expenditure in the BU Primary Copper amounted to € 124 million in the past fiscal year (previous year: € 104 million).

The focus of the capital expenditure was on long-term electricity sourcing. Furthermore, investments were made in measures within the framework of the scheduled maintenance shutdown in Hamburg, in a project to supply district heat, as well as in the ongoing optimization of our Bulgaria site. In addition, investments were made to improve environmental protection and the infrastructure at the sites.

Capital expenditure in the BU Primary Copper G 29

in € million



1) Adjusted due to change in Group structure.

Business Unit Copper Products

Key Figures

T 021

in € million	2016/17 operating	2015/16 operating
Total revenue	9,149	7,531
EBIT	105	106
EBT	100	101
Capital expenditure	50	40
Depreciation and amortization	−44	−44
Operating ROCE	9.6 %	9.4 %
Capital employed	1,101	1,130
Number of employees (average)	3,397	3,335

Certain prior-year figures have been adjusted.

Business performance and earnings trend

In addition to the copper premium, a significant earnings component within BU Copper Products is the so-called shape surcharge, which is levied for processing copper cathodes into copper products.

In the recycling business, earnings are generated above all through refining charges (deduction from the purchase price of the metal) and the additional metal yield.

Overall, BU Copper Products generated operating earnings before taxes (EBT) of € 100 million in fiscal year 2016/17 (previous year: € 101 million). The operating EBT was therefore at the previous year's level and not slightly over the 2015/16 operating EBT, as forecast.

With 9.6 %, the ROCE was at the previous year's level (previous year: 9.4 %) and therefore remained within the scope of the forecast.

The following developments contributed to the BU Copper Products' result:

At US$ 86/t, the copper premium for 2017 was lower than in the previous year (US$ 92/t).

After a slow start in the first quarter of the fiscal year, sales of continuous cast wire rod developed positively again in the course of the year. The previous year's level was exceeded significantly for shapes. Surcharges for both were above the previous year's level. In Business Line Flat Rolled Products, the sales volume increased perceptibly in comparison with the previous year.

The recycling business in Lünen and Olen profited from a good supply of copper scrap and other recycling raw materials with correspondingly high refining charges in the reporting year.

Product markets

The fiscal year was characterized by a very satisfying market environment for shapes and by restrained sales of wire rod. The latter was influenced by inventory corrections in the cable sector, which caused demand to remain below our expectations. The main reason for this was a change in standards for cable within the European Union with regard to their fire resistance, which lead to uncertainties on the part of customers. However, this effect is temporary and we expect a stable market in the following year. Geopolitical influences in the Middle East additionally caused incoming orders to be lower than expected. In contrast to this, we were able to record very positive sales of shapes.

Demand for flat rolled products developed positively in the markets significant for us. The automotive and electrical industries provided strong growth momentum. Only in the radiator segment did the market recovery not occur as desired.

Recycling markets

The increasing metal prices positively influenced copper scrap availability, leading to higher refining charges. We were able to fully supply our facilities at attractive conditions due to the higher copper scrap supply.

Competition for complex recycling materials increased, particularly in Asia. This raw material category includes industrial residues and electrical and electronic scrap, for example. These materials have a lower copper content and contain additional nonferrous metals, as well as precious metals.

Throughput and output

Copper scrap input increases significantly

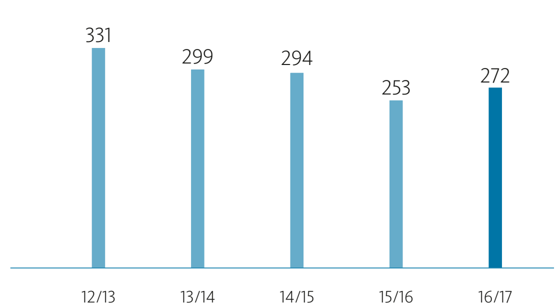
Input of copper scrap in the BU Copper Products took place mainly in our recycling plant in Lünen and took the good market availability into account. It was at approximately 176,000 t during the fiscal year, surpassing the comparative volume of the previous year (162,000 t) significantly.

See Glossary, **page 209.**

Complex recycling material input in the Kayser Recycling System *(KRS)* at the Lünen site increased to 270,000 t (previous year: 254,000 t).

Copper scrap input in the Group G 30

in thousand t

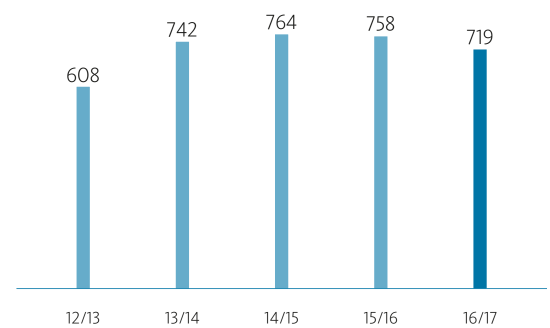


AURUBIS ROD output below previous year's figure

Due to demand, the Group's four AURUBIS ROD plants produced 719,000 t in fiscal year 2016/17. This corresponds to a decline of 5% compared to the previous year (previous year: 758,000 t).

Continuous cast wire rod output G 31

in thousand t

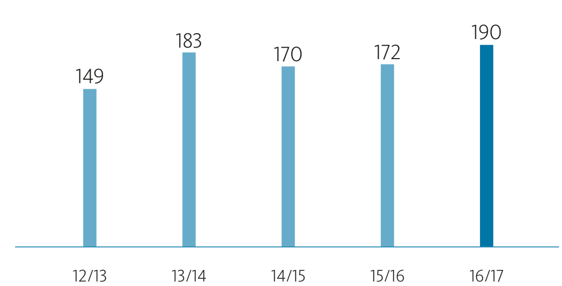


Significantly higher output in AURUBIS SHAPES

All in all, AURUBIS SHAPES had an output of 190,000 t during the fiscal year. This represented a significant increase of 11% compared to the previous year (172,000 t).

Continuous cast shape output G 32

in thousand t



Flat rolled products output increased

At 220,000 t, the output of flat rolled products in fiscal year 2016/17 was about 6 % higher than in the previous year (208,000 t). All of the sites continued to work on implementing the programs to improve efficiency and to enhance productivity and quality.

Bars and profiles output stable

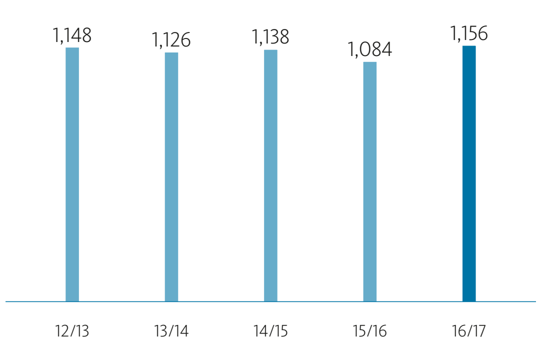
At 12,500 t, output for bars and profiles was in fiscal year 2016/17 on a par with the previous year's level of 12,400 t.

Cathode output surpasses previous year's level

Cathode output in the BU Copper Products was 532,000 t in fiscal year 2016/17 and therefore approximately 6 % higher than in the previous year (499,000 t).

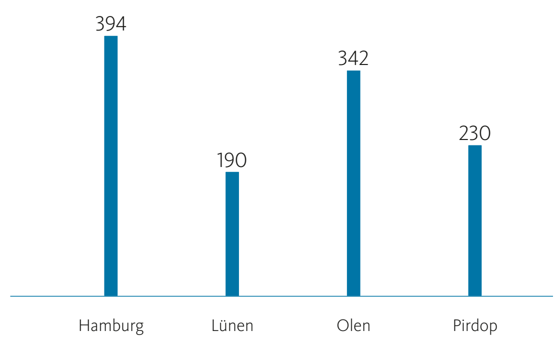
Cathode output in the Group G 33

in thousand t, BU Primary Copper and BU Copper Products



Cathode output in the Group by sites G 34

in thousand t, fiscal year 2016/17

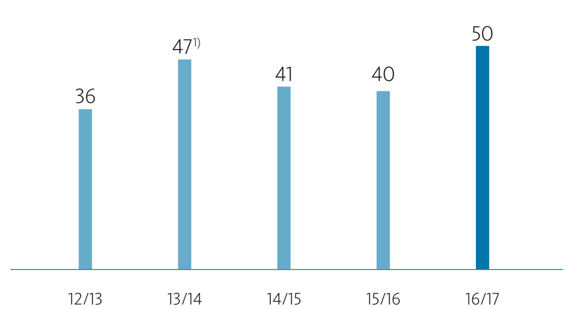


Capital expenditure

Capital expenditure in the BU Copper Products was € 50 million in fiscal year 2016/17 (previous year: € 40 million). The focus of the capital expenditure was on long-term electricity sourcing. In addition, investments were made to improve the areas of efficiency, energy, environmental protection, product quality and infrastructure.

Capital expenditure in BU Copper Products G 35

in € million



[1] Adjusted due to change in Group structure.

Executive Board assessment of the Aurubis Group during fiscal year 2016/17

The Aurubis Group generated a result in fiscal year 2016/17 that was significantly higher than the previous year's result. The statements made regarding the amount of the result for fiscal year 2016/17 in the outlook included in the last Annual Report and in the Quarterly Reports were confirmed. We increased our consolidated operating earnings before taxes to € 298 million (previous year: € 213 million).

Favorable developments in sub-markets and initial contributions to earnings from the efficiency enhancement program contributed to this. In particular, the situation on the copper scrap market had a positive impact. This was characterized by high supply levels, which allowed for good refining charges in purchasing. The higher metal yield with increased metal prices also had a positive effect. The efficiency enhancement program target set for the fiscal year of € 30 million operating EBITDA (minimum) within the scope of ONE Aurubis was met.

The internal operating ROCE target of 15 % for the entire Group was achieved.

The business development for the BU Primary Copper was characterized by good availability of input materials on the markets and a correspondingly good supply situation. The production disruptions at mines, which at times had an impact on the international concentrate market, did not directly affect us. The supply of the facilities was always secure, with satisfactory treatment and refining charges. Concentrate processing in our primary smelters reached a high of approximately 2.4 million t. A good supply enabled refining charges for copper scrap to rise significantly. The volume processed also increased. On this basis, cathode output was also above the previous year's level. Other earnings-relevant factors for the BU Primary Copper results were the strong US dollar as well as the higher metal yield with increased metal prices.

Developments in the BU Copper Products varied. High refining charges also had a positive effect on copper scrap. On the other hand, lower copper premiums strained the result. Production and sales of wire rod decreased due to lower demand, but this was counterbalanced by good business with shapes. The efficiency enhancement measures in the Business Line Flat Rolled Products continued successfully.

Net cash flow was at a very good level, with € 480 million (previous year: € 236 million).

The Aurubis Group's balance sheet structure continues to be very robust. The equity ratio (operating) is 52.5 % (previous year: 47.8 %). Net borrowings were at € –219 million (previous year € 23 million).

Results of operations, net assets and financial position of Aurubis AG

General information

In order to supplement our Aurubis Group reporting, we explain the development of Aurubis AG in the following section. Aurubis AG is the parent company of the Aurubis Group and is based in Hamburg with production sites in Hamburg and Lünen. Apart from managing the Aurubis Group, the business activities of Aurubis AG also particularly include primary copper production and recycling, as well as copper product and precious metal production. The separate financial statements of Aurubis AG have been prepared in accordance with the requirements of the German Commercial Code (Handelsgesetzbuch, HGB) and the German Stock Corporation Act (Aktiengesetz, AktG). The primary differences to the Group financial statements prepared in accordance with IFRS principles are in the accounting treatment of fixed assets, the measurement of inventories, the measurement of financial instruments and the accounting treatment of pension provisions.

The Aurubis Group is managed across all companies at Group level through Business Units (BUs), using operating EBT and operating ROCE as the financial performance indicators. These indicators are also used for Aurubis AG's operating activities, which are a significant component of the Group. To this extent, the development and forecast of the financial performance indicators at the Business Unit and Group levels at the same time represent the development and forecast for Aurubis AG as an individual company.

The analysis of the development for the financial performance indicators outlined above during the fiscal year and the related forecast for the following year are provided in the Economic Report and the Forecast Report for the entire Group. Statements regarding the risk situation and opportunities can be found in the Group's Risk and Opportunity Report.

Results of operations

Income Statement

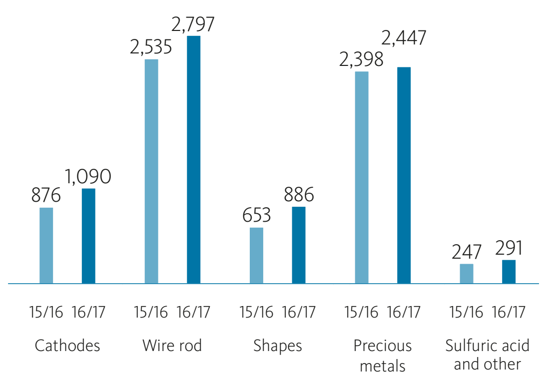
T 022

in € million	2016/17	2015/16
Revenues	**7,511**	**6,709**
Changes in inventories/ own work capitalized	−42	53
Other operating income	76	71
Cost of materials	−6,948	−6,302
Gross profit	**597**	**531**
Personnel expenses	−240	−220
Depreciation and amortization of intangible assets and property, plant and equipment	−51	−48
Other operating expenses	−159	−131
Operational result (EBIT)	**147**	**132**
Financial result	50	34
Result of normal business activities (EBT)	**197**	**166**
Taxes	−48	−32
Net income for the year	**149**	**134**

The business performance of Aurubis AG in the 2016/17 fiscal year was positively influenced in comparison to the previous year by higher refining charges on the copper scrap markets as well as by a metal yield slightly below that of the previous year, accompanied by higher metal prices. Concentrate throughput was at the previous year's level; for treatment and refining charges, the strong US dollar had a particularly positive impact on the result. However, in contrast to the previous year, lower revenues for sulfuric acid were generated. Lower revenues from the sale of copper products due to reduced demand also had a negative impact on the result.

Development of Aurubis AG revenues by product groups G 36

in € million



Revenues increased by € 802 million to € 7,511 million during the reporting year (previous year: € 6,709 million). This development was primarily driven by higher sales revenues for copper-bearing and precious metal-bearing products due to pricing.

With a cost of materials ratio (cost of materials/(revenues + changes in inventories)) at the prior-year level, and taking into account the change in inventories, own work capitalized and other operating income, the gross profit increased by a total of € 66 million to € 597 million during the reporting year (previous year: € 531 million).

Personnel expenses increased in the past fiscal year by € 20 million to € 240 million (previous year: € 220 million). The increase was especially attributable to higher collective wage agreement rates and an increased number of employees.

Depreciation and amortization of fixed assets increased by € 3 million to € 51 million (previous year: € 48 million). The increase resulted particularly from completed investments in the area of technical equipment and machinery, as well as buildings.

Taking other operating expenses into account, the operational result (EBIT) therefore amounted to € 147 million (previous year: € 132 million).

The financial result for the reporting year was € 50 million (previous year: € 34 million). This includes dividends from subsidiaries of € 14 million (previous year: € 35 million) as well as write-ups of equity interests of € 55 million. Furthermore, write-ups of € 7 million with respect to securities classified as fixed assets were recorded in the period reported, due to factors related to the reporting date. The financial result also included net interest expenses of € 26 million.

After taking a tax expense of € 48 million (previous year: € 32 million) into account, annual net income amounted to € 149 million (previous year: € 134 million). At a level of 24 %, the effective tax rate was above that of the previous year (19 %) due to a change in the earnings structure.

With respect to the impact of the initial application of the Accounting Directive Implementation Act on the disclosures concerning the results of operations of Aurubis AG, we make reference to the explanations given in the notes to Aurubis AG's separate financial statements.

Net assets

Fixed assets increased in the fiscal year by € 111 million to € 2,065 million (previous year: € 1,954 million). The increase resulted particularly from higher investments in intangible assets as well as write-ups of long-term financial assets.

The € 52 million decrease in inventories to € 753 million (previous year: € 805 million) resulted primarily from lower inventories of finished and intermediate products as at the balance sheet date.

Overall, total assets rose by € 189 million to € 3,743 million compared to the prior year. Therefore, the share of fixed assets was unchanged from the previous year at 55 % (previous year: 55 %), while inventories accounted for 20 % (previous year: 23 %) and receivables and other assets accounted for 11 % of total assets (previous year: 10 %).

Due to the result, equity increased by € 92 million to € 1,456 million (previous year: € 1,364 million). The equity ratio remained at the prior-year level of 39 %.

Provisions increased by a total of € 11 million to € 261 million. The growth was particularly due to higher pension provisions.

Bank borrowings decreased significantly by € 152 million to € 327 million (previous year: € 479 million). This was particularly attributable to the repayment of a bonded loan of € 136 million. Trade accounts payable increased by € 54 million to € 533 million due to factors related to the reporting date. Payables to affiliated companies primarily comprise borrowings, which increased within the context of normal financial transactions, from € 845 million to € 1,012 million. Other liabilities increased slightly from € 17 million to € 20 million.

Balance sheet structure of Aurubis AG

T 023

in %	9/30/2017	9/30/2016
Fixed assets	55	55
Inventories	20	23
Receivables, etc.	11	10
Cash and cash equivalents	14	12
	100	**100**
Equity	39	38
Provisions	7	7
Liabilities	54	55
	100	**100**

Aurubis uses assets under the terms of leasing agreements that are not recognized as assets in the balance sheet. Financial commitments deriving from leases amounted to € 10 million. Apart from this, financial commitments under long-term storage and handling agreements amounted to € 117 million.

Financial position

As at September 30, 2017, after including bank borrowings of € 327 million (previous year: € 479 million), receivables and payables to subsidiaries deriving from refinancing of € 830 million (previous year: € 615 million) and deducting cash and cash equivalents of € 519 million (previous year: € 433 million), net borrowings amounted to € 638 million (previous year: € 661 million).

Analysis of liquidity and funding

In the 2016/17 fiscal year, the net cash flow increased by € 115 million to € 186 million. The main reason for this was the reduction of working capital as a result of lower inventories.

The cash outflow for investments in fixed assets was € 108 million (previous year: € 43 million). Investments in intangible assets of € 55 million primarily involve a long-term electricity supply agreement. In the area of property, plant and equipment, investments were made not only in various infrastructure and improvement measures, but also in connection with a district heating project.

The cash inflow from financing activities of € 8 million (previous year: cash outflow of € 22 million) is primarily attributable to an increased take-up of loans from subsidiaries in the context of the existing cash pooling arrangements. An offsetting factor was the repayment of a bonded loan of € 136 million, due to maturity.

Cash and cash equivalents at the end of the reporting period amounted to € 519 million (previous year: € 433 million). In addition to cash and cash equivalents, Aurubis AG has unutilized credit line facilities and thus has adequate liquidity reserves. Furthermore, within the context of factoring agreements, Aurubis AG sells receivables without recourse as a financing instrument.

Capital expenditure

In the past fiscal year, investments of € 108 million were made at the Hamburg and Lünen sites (previous year: € 51 million). In addition to investments of € 50 million in a long-term electricity supply agreement, investments of € 5 million were made within the scope of the scheduled maintenance shutdown in the primary copper production sector, as well as € 4 million in a district heating delivery project. At the same time, investments were made in various infrastructure and improvement measures in the Hamburg and Lünen plants.

Risk and Opportunity Report

Integrated risk and opportunity management

Risks and opportunities are elements of our business activities and are essential to the company's success. As part of our operating business activities and our strategic management, we weigh opportunities and risks against one another and ensure that they remain balanced. We try to identify and evaluate opportunities as early as possible.

Aurubis AG's risk and opportunity situation depends significantly on the Aurubis Group's risk and opportunity situation. Therefore the statements of the Company's management on the overall assessment of the risk and opportunity situation also summarize Aurubis AG's risk and opportunity situation.

Risk management system

Our objective in risk management is to manage and monitor the risks associated with our business with the help of a risk management system (RMS) suited to our activities. The early identification and observation of risk development is of major importance. Furthermore, we strive to limit negative effects on earnings caused by risks by implementing appropriate and economically sound countermeasures.

Risk management is an integral component of the centralized and decentralized planning, management and monitoring processes and covers all of the Aurubis Group's main sites, business sectors and central functions. The planning and management system, the risk reporting, the open communication culture and the risk reviews at the sites create risk awareness and transparency regarding our risk situation.

Risk management officers have been appointed for all sites, business sectors and central functions, and they form a network within the Group. The Group headquarters in Hamburg manages the network. The RMS is documented in a corporate policy.

Standard risk reporting takes place bottom-up each quarter using a uniform, group-wide reporting format. Within this format the identified risks and risks beyond a defined threshold are explained and evaluated on the basis of their probability of occurrence and their business significance, and measures to manage them are outlined. The risks registered with Group headquarters are qualitatively aggregated into significant risk clusters by Corporate Risk Management and reported to the entire Executive Board. The report also establishes the basis for the report to the Audit Committee as well as external risk reporting.

Potential effect on earnings

T 024

in € million	> 1	> 5	> 20	> 50
Likelihood				
high	medium	medium	high	high
medium	low	medium	medium	high
low	low	low	medium	medium
unlikely	low	low	low	medium

In the report to the Executive Board and the Audit Committee, the qualitatively aggregated risk clusters are assessed with due regard to risk management measures (net perspective) based on their probability of occurrence and the potential effect on earnings pursuant to the spreads included in the table, and are classified as low, medium or high.

Independent monitoring

The RMS is subject to routine monitoring and review. Internal Audit monitors risk management and compliance with the internal control system using systematic audits. As a process-independent authority, they contribute to the correctness and improvement of the business processes, and the effectiveness of the installed systems and controls.

In addition, the auditors review our early risk detection system to ensure that it adheres to legal requirements. They report the audit results to the Executive Board and the Audit Committee.

Furthermore, the Audit Committee deals intensively with risk management issues. The risk management officer regularly informs the committee together with the Executive Board about current developments.

Explanation of relevant risks

The risks associated with our business are explained in the following sections according to our risk clusters. The main measures and instruments we use to counter these risks are also described here. We have separately indicated risks and risk-relevant issues that we currently classify as potentially medium to high.

Supply and production

The ability to keep the production facilities supplied with raw materials and the availability of these facilities are of central importance for the Aurubis Group. We limit the risks connected to this with the following measures:

To ensure the supply of copper concentrates for our facilities, we have concluded long-term agreements with a number of concentrate suppliers from various countries. In this way we are able to significantly reduce the risk of production interruptions caused by possible delivery failures. The risk of volatile treatment and refining charges on the spot market is also limited by the long-term nature of the agreements.

Overall, the recycling facilities were well-supplied during the past fiscal year, thanks to our extensive international supplier network. From today's standpoint, we also expect a full supply situation and utilization of the facilities for fiscal year 2017/18. There are ongoing refining charge volatilities due to the general metal price trend, the collecting behavior and inventory management of the metal trade, the international economic situation and competition for the secondary raw materials relevant for Aurubis.

We also counter risks within the supply chain with our Business Partner Screening. Using this instrument, existing and potential business partners are analyzed to assess their integrity in relation to social and ecological criteria, among other factors. The focus of our interest is on topics such as compliance, corruption, human rights violations and environmental aspects. The decision to enter into a contract with business partners with increased risk will only be made after extensive review, and in consultation with the Sustainability and Compliance departments.

The material supply for facilities producing copper products takes place mainly using copper cathodes manufactured within the Group. This allows us to generate higher added value and to simultaneously control the quality of copper products during the entire process. Copper cathode demand for the Segment Copper Products was mostly covered internally during the fiscal year. We were therefore additionally able to ensure our delivery reliability and the quality of our products. We also procured a sufficient volume of copper-bearing raw materials for the production plants of Business Line Flat Rolled Products. In this case we also expect a similar situation for the coming fiscal year.

Plant availability was satisfactory overall. At times it was limited due to planned and unplanned maintenance operations.

We took organizational measures to handle potential incidents that could result from events such as flooding or fire. Among these were alarm plans or regular exercises for the purpose of training our employees. We also addressed the risk of malfunctions with regular maintenance work and by keeping critical replacement parts on hand.

Taking our described measures into consideration, from the current perspective we regard the risk of insufficient supply as “medium” and the risk of strongly limited availability of our production facilities as “low.”

We deal with logistics risks by implementing a thorough, multi-step acceptance process for service providers, by avoiding single sourcing as far as possible, and by preventively developing back-up solutions. We have an international network of qualified service providers at our disposal and, for instance, prevent weather-related risks in the transport chain by minimizing contingency risks through contractual arrangements that provide for appropriate alternatives.

Sales

In addition to supply and production risks, the Aurubis Group also faces sales risks, which we classify as “medium.”

The yearly average for wire rod shipment volumes was slightly under that of the previous year. The main reason for this was a change in fire resistance standards for cables within the European Union, which led to uncertainty on the part of customers. However, this effect is temporary and we expect a stable market in the coming year.

For shapes, which are mainly used for flat products and pipes, demand was significantly higher than in the previous year. There is nothing that currently indicates a weakening of the very good level.

At the beginning of the fiscal year, prices for sulfuric acid came under pressure due to seasonal conditions. During the second quarter, a shortage occurred due to smelter shutdowns. Driven by strong demand, prices increasingly recovered in the further course of the fiscal year, particularly on the spot market.

Cathodes that Aurubis did not process further internally were sold on the international copper cathode market.

Business partners on the sales side are also assessed via the Business Partner Screening. The statements made in the previous section “Supply and production” can be referenced regarding this.

Energy

Energy prices increased slightly in the past fiscal year. We are safeguarded in the long term by our electricity contract, which has been in effect since 2010. This covers most of our electricity demand across the most important German sites. We also deal with fundamental supply security as well as the potential and limitations of more flexible energy sourcing which arise due to the increasing, volatile feed-in of renewable energies.

Burdens resulting from changes in potential cost drivers such as the German Renewable Energies Act (EEG), the emissions trade, grid charges and the eco-tax are generally difficult to quantify reliably because of the ongoing uncertainty of the legal situation and the changing political conditions. We expect the tax burden to remain at the current level in the medium term due to the EEG and KWKG amendment (Combined Heat and Power Generation Act) 2017, as well as the Grid Fee Structure Modernization Act (NEMoG). According to present knowledge, there will be no significant additional charges from the state aid investigation regarding the network charge exemption in the past periods.

The fundamental retention of the special carbon leakage status for certain sectors starting in 2021 with regard to the allocation of emission trading allowances and CO_2 electricity price compensation stands out politically. The completion of the decision-making process is still pending. However, we expect to see a rise in CO_2 costs due to increases in CO_2 prices resulting from the supply shortage of available CO_2 certificates in the coming trading period (2021–2030). This circumstance was envisaged by politicians with the goal of complying with the Paris climate accord. In addition to the European regulations, an increase in the CO_2 price is also being discussed in Germany. We expect costs to increase in the medium term overall, which could lead to significant strains.

On the customer side, increasing demands for transparent goals and strategies as relating to effective production processes, energy and CO_2 efficiency could represent an influence on future copper product sales, particularly in terms of customer acquisition and retention. We are countering this with steps such as annual climate reporting and the evaluation of this reporting by means of the CDP.

In the future, the topic of energy and the associated risks, currently classified as “medium,” will also remain very important for Aurubis as an energy-intensive company.

Finance and financing

Metal price and exchange rate fluctuations represent a potential risk in the buying and selling of metals. This risk is substantially reduced with foreign exchange and metal price hedging. Metal backlogs are hedged daily with financial instruments such as spot and forward contracts. The same occurs by using spot and forward exchange contracts to hedge foreign currencies. Foreign exchange risks from exchange rate fluctuations are also minimized on a daily basis this way. We have only selected good credit-worthy firms as partners for hedging transactions to minimize the credit risk.

We hedge expected receipts from foreign currencies, especially the US dollar, with options and forward exchange transactions in some cases. We will continue this in the future as well and expect that we can reduce the risks from metal price and exchange rate fluctuations to a reasonable level with these measures.

Credit risks from trade accounts receivable were largely hedged by commercial credit insurances. Internal risks were only permitted to a very limited extent and after review. The development of the outstanding receivables was monitored closely. During the reporting period there were no significant bad debts. We also do not foresee any threatening trends for the future.

The liquidity supply is very important for the Aurubis Group and was secured during the past fiscal year. The credit lines at the banks were also sufficient. From the current perspective, we expect a corresponding trend for the new fiscal year as well. Overall, we classify the finance and financing risks as "medium."

Environmental protection and other aspects

There is always a risk that environmental or regulatory provisions could become more stringent, leading to added costs or limitations in product fabrication and marketing. This means that there is a risk that increasingly strict environmental legislation will restrict the marketing of iron silicate. We want to achieve greater flexibility on the sales market by expanding our granulation capacities, among others.

In addition, environmental risks resulting from the possible failure to comply with thresholds and from violations of requirements can have legal consequences. We ensure the environmentally sound operation of our production facilities also to counter this. We are an international leader in environmental protection, which is confirmed by annual certifications in accordance with DIN ISO 14001 and EMAS, for example. We consider ourselves to be well positioned for the future in this regard. Nevertheless, operational incidents that could have an adverse impact on the environment cannot be completely ruled out. Overall, we classify the environmental risks as "medium."

In a plant with complex processes, employees' specialist knowledge is an important factor in terms of ensuring performance quality. We have established different measures that are intertwined with each other so that Aurubis can continue to count on employees' know-how. Among these are partnerships with universities through which we establish ties with qualified young people, and qualification measures through which we foster the development of professionals and managers within the company.

Occupational safety and health protection are high priority areas for us. We focus on individual responsibility, detailed hazard assessments and training, as well as on short-term and medium-term goals with the objective of achieving our Vision Zero – that is, no accidents.

The violation of laws can have serious consequences for Aurubis as a Group and also for its employees and business partners. Therefore we consistently follow all legal requirements. Significant compliance risks are identified, analyzed and communicated by Compliance Management. We counter legal and tax risks with organizational procedures and clear management structures. We are closely following political discussions on tax issues, for example on financial transaction and capital tax, as well as their possible effects. In the anti-trust proceedings that were pending against Aurubis in Bulgaria, the ruling – positive for us – is now definitively legally binding.

Aurubis is additionally subject to IT risks that can impact the areas of supply, production and sales. These risks were taken into consideration in the company's risk assessment. From the current perspective, these are of downstream importance due to the subsequently described risk-minimization measures employed.

We limit the risks of decreased IT system availability with continuous monitoring, technical precautions and necessary adjustments. We counter the risks of possible incidents or disasters with the redundant design of our IT infrastructure and with data recovery and continuity plans. We minimize the risks that can result from unauthorized access to company data and from cybercrime by restricting access rights, carrying out security reviews and using modern security technologies.

Furthermore, selected risks are largely covered by insurances. We rely on the expertise of an external insurance broker for this purpose.

Internal control system relating to the consolidated accounting process

(Report pursuant to Section 289 (5) and Section 315 (2) No. 5 of the German Commercial Code (HGB), in connection with Art. 80 of the Introductory Act to the Commercial Code (EGHGB))

The objective of the internal control system (ICS) for the accounting process is to ensure that financial statements are prepared in compliance with regulations. Aurubis has an internal control and risk management system in which structures and processes related to the accounting process are defined and implemented in the organization. This ensures that the Group accounting procedures are reliable and performed correctly, that business transactions are thoroughly reported in a timely manner as prescribed by law and in the Articles of Association, and that legal norms and internal guidelines on accounting are observed. Amendments to laws and accounting standards are continuously analyzed for their relevance for the consolidated financial statements, and resultant changes are incorporated into the Group's internal processes and systems.

Principles of the internal control system related to accounting policies

As the parent company, Aurubis AG prepares the Aurubis Group's consolidated financial statements. The financial reporting of the consolidated Group companies that are included in the consolidated financial statements takes place prior to this process. These Group companies prepare their financial statements locally and transfer them via a defined uniform group-wide data model to the Corporate Accounting Department. The Group companies are responsible for compliance with the valid group-wide guidelines and procedures, as well as for the correct and timely execution of the accounting-relevant processes and systems.

The internal control system includes the following main principles:

- Ensuring standardized accounting procedures in the preparation of the separate financial statements of Aurubis AG by systematically implemented controls, which are supported by manual accounting controls and other authorization and approval procedures (separation of functions, access regulations and limitations, the use of the dual control principle, guidelines on payment transactions).
- Ensuring uniform group accounting procedures in accordance with IFRS by the application of uniform accounting regulations and work instructions, central audit of reporting packages, analysis of deviations from the budget and reporting as part of the quarterly finance meetings.
- Inclusion of external accounting and internal reporting by all Group companies in a uniform consolidation and reporting system.
- Overall consolidation of the consolidated financial statements by the Corporate Accounting Department, which centrally performs the consolidation measures, coordination and monitoring of the timely and procedural input.
- Giving the Group companies support in accounting procedures by having a central contact person in Corporate Accounting.
- Clarification of special technical questions and complex issues related to specific cases with an external consultant.

Internal audit as process-independent risk observation

The internal audit examines the reliability of the accounting practices, among other items. In particular, existing internal accounting policies and the adherence to them in practice are assessed. The internal audit additionally provides information about risks that arise from identifiable deviations and advises on adjustment measures.

Opportunity management system

In addition to risk management, opportunity management is an important element of the Aurubis Group's centralized and decentralized planning, management and control processes. The objective is to identify internal and external potentials that could positively impact our economic success early on. These potentials are assessed and weighed against the risks associated with them. The next step is to define initiatives and measures to help put these potentials into effect. The process of identifying and assessing opportunities is part of our annual integrated strategy and planning process.

In order to promptly recognize opportunities that arise, we continually monitor and analyze the supply and demand aspects of our markets, the competitive landscape, as well as global trends. Utilizing opportunities is a daily management responsibility – on the level of both the operational areas and the Group.

Explanation of relevant opportunities

Rising global demand for copper and technology metals

Copper is one of the most important metallic raw materials. Demand for copper is aligned with world economic growth, especially in the electrical, electronics, construction and automotive industries. Global trends such as increasing energy scarcity, rising urbanization, the growth of the world's middle class, digitalization and electromobility will continue to not only increase copper demand in the long term, but also the demand for technology metals such as tellurium, nickel, platinum and palladium. If the economy and the demand for our products develop more favorably than currently expected in the markets relevant for us, this could have a positive influence on the Aurubis Group's earnings.

Positive development in treatment and refining charges and market prices for our products

The Aurubis Group's earnings situation will be largely determined by the treatment and refining charges for copper concentrates, copper scrap and recycling materials, and by the market prices for our products, such as sulfuric acid. If treatment and refining charges and market prices for our products develop more favorably than currently forecast, this could positively impact the Aurubis Group's earnings.

Increasing significance of sustainability and resource efficiency

Aurubis is the worldwide leading recycler of copper and complex secondary raw materials. In light of the rising importance of resource efficiency with regard to sustainability, we expect demand for recycling solutions to continue growing. This is also supported and promoted by national and international law. Thanks to our recycling activities and proximity to our copper product customers, we consider ourselves to be in a position to offer expanded solutions for closed recycling systems. If national and international recycling regulations become broader and demand for recycling solutions in our markets increases more strongly than expected, this could positively affect the Aurubis Group's procurement situation and therefore its earnings.

Further development of expertise in complex raw material processing

Both primary and secondary raw materials are becoming more complex, in that their copper contents are decreasing and the concentrations of tramp elements and impurities are increasing. A particular strength of Aurubis already consists of processing complex primary and secondary raw materials. Indeed, the company's FCM project is dedicated to just this and contributes to achieving efficient and resource-friendly production processes for the raw materials of the future. If we build up additional competencies in this area, this could positively influence the Aurubis Group's earnings.

Continuous improvement of processes and cost position as well as achievement of synergies

Our markets are globally competitive. Operating excellence is therefore exceedingly important for us. We continuously work on optimizing our processes and improving our cost position. Furthermore, we are always identifying and implementing the synergy potential arising from our position along the value chain. If we go beyond the targets connected to initiated improvement measures, this could have a positive impact on the Aurubis Group's earnings.

Capacity expansion, linked with internationalization

We see additional growth potential in the expansion of our processing capacities in regions with favorable conditions, and in promoting greater proximity to our procurement and sales markets. We will continue investing in our existing sites but will also strive to further expand our supplier and production networks. If we are in a position to expand our capacities even more and/or with lower capital expenditure than expected, this could positively affect the Aurubis Group's earnings.

Development of solutions for customers and suppliers

We work closely with our suppliers and customers at all levels of our value chain. This includes developing individual customer products, providing additional services, processing specific raw materials and offering additional closed recycling solutions. If the customer and supplier demand for our solutions is stronger than forecast, this could have a positive effect on the Aurubis Group's earnings.

Innovations from future research and development activities

In the scope of our research and development activities, we work on innovations that create a competitive advantage for us in the future. For example, we're working on making our processing methods more resource-efficient and on expanding our expertise in processing *complex materials* and extracting additional metals.

See Glossary, **page 208.**

Assessment of the Group's risk and opportunity situation

No substantial risks arose in the reporting year. There were no particular structural changes in the Group's risks. According to our current assessment, there are no risks that endanger the Company's continued existence.

Both the Audit Committee and the auditors ascertained that the Executive Board and Supervisory Board have taken the measures prescribed by Section 91 (2) of the German Stock Corporation Act in an appropriate manner and that the legally required risk management and monitoring system fulfills all the requirements.

For a complete overview of company activities, the opportunities of the Group have to be considered in addition to the risks. The existing opportunities in the Aurubis Group are comparable to those of the previous year. We are confident that we will be able to utilize the opportunities presented by our business portfolio, our expertise and our ability to innovate. At the same time, these factors put us in a position to successfully counter existing risks. Furthermore, we are convinced that we have the appropriate processes, measures and instruments in place to identify important opportunities and to manage relevant risks.

Forecast Report

The statements made in the Forecast Report are based on our assessments of the overall economic conditions, of global copper market trends, and of Aurubis' raw material and product markets. These assessments, in turn, are based on analyses by economic research institutes, organizations and industry associations, as well as on internal market analyses. The forecasts for the future business performance shown here are aligned with the Segment targets as well as the opportunities and risks posed by the expected market conditions and competitive situations in the forecast period of October 1, 2017 to September 30, 2018. The opportunities and risks affecting the Aurubis Group are explained in detail in the Risk and Opportunity Report. Our forecasts are regularly adjusted. The following statements are based on our knowledge in December 2017.

From our current perspective, there are a number of special factors that could influence the Aurubis Group's markets. These include, in addition to general economic developments, political and monetary policy developments in the USA. In China, largely stable development is to be expected. In Europe, monetary policy and Brexit, i.e. the British people's vote to leave the EU, with the accompanying events and consequences, could also have an impact. In Europe, the 2017 elections which took place in Germany, France and Austria have the potential for changes. Increasing protectionism as well as the political crises in the MENA region (Middle East and North Africa) and the conflict potential in North Korea continue to be relevant.

Overall economic development

After the more positive global economic trend estimate in 2017, the IMF made an upward correction in its autumn forecast, also for the following year. Compared to earlier estimates, 2018 growth is now estimated to be plus 3.7 %, instead of 3.6 %. However, the organization at the same time suggests that risks continue to exist, particularly in relation to political uncertainty. Other factors include possible stress resulting from a change in monetary policy, increasing protectionism, financial turbulence in emerging markets and low inflation in developed countries.

The assumed progress in the emerging markets and developing countries will once again contribute positively to global economic growth. The *IMF* estimates economic growth of 4.9 % in these countries in 2018, following 4.6 % in 2017. High commodities prices supported the increase. The upward trend in Asian countries may also reach the prior-year level of 6.5 % again. This is also the case in China, which is important for the copper market.

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In contrast, the outlook for developed countries is generally subdued, which can be seen in a reduced growth rate of 2.0 % compared to 2.2 % in 2017. There are differing forecasts for the large economic areas of the USA and the euro zone. For the USA, a good financial situation and strong business and consumer confidence point to continued good development, so that a slight increase to 2.3 % is expected for 2018 (2017: 2.2 %). In the euro zone, the IMF sees 2018 economic growth as occurring somewhat more moderately after the previous year's high, and estimates it at 1.9 % (2017: 2.1 %). This also applies for Germany, where a decline from 2.0 % to 1.8 % could occur. The concrete impact of Brexit continues to be a significant risk factor in the European Union.

The influences from European and German energy and environmental policy, which are important for us, are difficult to forecast in detail.

Development on the markets relevant to our business

General copper market

The fundamental situation on the copper market offered analysts good reason to assume that a high copper price level is also to be expected for 2018. However, price volatility will remain a feature of the market. Market experts' estimates range from around US$ 6,500/t to US$ 7,000/t. In October 2017, prices of approximately US$ 7,000/t (settlement) were attained on individual days at the London Metal Exchange.

Much will again depend on how production development at the copper smelters presents itself. China is once more the central focus. According to a Chinese producer, capacity growth at Chinese smelters will decrease in the current Five-Year Plan for the country. Additionally, tightened financial conditions are complicating the implementation of planned private smelter projects, which previously accounted for a majority of new capacities. Only one new project is expected to be realized in 2018. It should also be noted that the start-up phase continues for a long time before full capacity utilization is achieved.

The International Copper Study Group (ICSG) anticipates a 2.5 % increase in the global output of refined copper for 2018, attributing this to the resumption of temporarily halted production, among other factors. Risks that could have a negative effect on production (should they occur) continue to exist. As in the previous year, these include strikes, technical disturbances or maintenance shutdowns.

Because copper is an essential material for economic development in core branches such as the electrical and automotive industries or construction, good demand can also be expected for 2018. Solid economic growth in countries with the strongest demand, among them China, the USA and Europe, is providing direction here.

Representing 48 % of global demand, China has the strongest copper needs worldwide. A majority of this continues to come from investments in infrastructure projects, among them energy grid projects that are relevant for copper use. Emphasis should be placed on the Chinese government's "One Belt, One Road" program, which has already led to contracts for cable manufacturers. In the Chinese automotive sector, there is also growth potential for copper applications. The ICSG expects China's copper demand to increase by around 3 % in 2018.

According to the ICSG, the global market for refined copper will have an estimated slight production deficit overall in 2018. This should amount to 105,000 t and, against the backdrop of a 24-million-ton market, amounts to a largely balanced relationship. As in the past, unforeseen developments can lead to major changes. From today's perspective, however, the expectation of a slight production deficit in light of foreseeable developments on the production and demand side appears to be justified. Others, such as the International Wrought Copper Council (the international industry association of copper and copper alloy products) or the research companies CRU and Wood Mackenzie also view the 2018 copper market as largely balanced or expect a slight production deficit.

The copper inventories at the metal exchanges decreased at the beginning of the new fiscal year and cannot be classified as excessively high. After the end of the 2016/17 fiscal year there was a decline of 7,000 t to approximately 570,000 t in October. In the Chinese bonded warehouse in Shanghai, a further estimated 460,000 t were in storage at the end of October.

Markets for copper concentrates, recycling and sulfuric acid

Copper concentrates make up a large part of the supply of raw materials for copper production at Aurubis. There is a global market for copper concentrates in which mining companies, traders and primary smelters are active. The primary smelters are largely those that don't have their own mines or mine stakes. Copper concentrates are generally sourced through long-term supply contracts. The treatment and refining charges agreed in these contracts are based on the annual benchmarks for purer qualities but deviate from these benchmarks depending on complexity. The first larger contract concluded for delivery in the entire year 2018 between a mine and a concentrate smelter serves as a benchmark.

We continue to anticipate good availability of copper concentrates on the global market. It is to be expected that the mines will make full use of their production capacities, especially due to the copper price increases seen since the beginning of the fiscal year. Supported by our position on the market and our supplier diversification, we are confident that we will be able to secure a good supply once again. The expected treatment and refining charges will likely move to a satisfactory level.

For copper scrap, the market situation improved further after the end of fiscal year 2016/17 due to the continued high copper price, as well as declining demand from China. However, falling metal prices can lead to a market change with declining refining charges in the short term.

Sulfuric acid sales are mostly dependent on short-term developments; this is reflected in the duration of the contracts. In addition, sales options are very different from region to region due to the varying conditions. Aurubis supplies the global sulfuric acid market, with a focus on Europe, North America and North Africa. The relationship between local sales and exports fluctuates depending on market circumstances.

Markets for copper products

The situation on the markets for copper products in the coming months will strongly depend on how the overall economy in Europe and the individual sector economies develop. The following developments are evident:

The German Electrical and Electronics Manufacturers' Association, in its last forecast for the global electrical and electronics products market dating from mid-2017, confirms 4 % growth for the years 2017 and 2018, respectively, for the sector. This forecast was based on 53 countries, which together comprise approximately 97 % of the global market. Europe accounts for 17 % of the global market. Growth of 2 % is expected for 2018; this rate also applies for Germany.

According to the European Automobile Manufacturer's Association, demand for automobiles in the EU increased by by 4.7 % in the first half of 2017, with more than 8 million newly registered cars. As a result, the primary markets recorded growth from 3 % (France) to almost 9 % (Italy). Germany achieved a 3.1 % increase. After two good years, the association expects European demand for automobiles to grow by only 1.5 to 2 % in 2017. The German Automobile Manufacturer's Association expects 4 % growth for Germany. Premiums for switching from diesel-powered automobiles are favorable for the situation. This is expected to also lead to good automobile demand in 2018. The intensifying discussion regarding e-mobility is not expected to have a significant impact on our sales markets in 2018.

The good economic situation in construction developed better than expected in 2017, according to statements from the German construction industry. For the entire year 2017, a 6 % nominal revenue increase in the main construction sector is expected. The industry association expects a further increase of 5.5 % for 2018. Positive driving forces are the acute need for additional housing and increasing local investments.

Based on these forecasts, we expect stable to good economic development in 2018 in the three most important sectors for copper applications. However, political and economic developments may influence the respective market situation decisively.

Wire rod business is generally somewhat weaker in the first quarter of a new fiscal year due to seasonal factors, whereas we expect stable to slightly increasing demand for the second quarter. The upward trend is continuing in the Southern European markets, and Northern Europe appears stable. Demand is developing well in North Africa and South-East Europe. We expect the economic situation in the automobile and construction user industries to continue at a high level. Demand from cable producers, particularly for energy cables, did not meet expectations in 2017 but light growth is probable in 2018.

With regard to market development for copper shapes, we expect the very strong product demand to continue. This could reach the very high level from 2017. From the current perspective, the positive demand trend for lower-oxygen and higher-alloyed materials will continue.

See Glossary, **page 208.**

The situation is stable in the specialty product sector, to which bars and profiles also belong. We expect strong competitive pressure for standard products in 2018, but sales of specialty applications and alloys will continue to be good.

For flat rolled products, we see the following developments: The US economy, whose development is crucial for our plant there, is expected to improve slightly in 2018. This could support the copper business there. In the European market for flat rolled products, we expect a stable demand situation at a high level, with further opportunities for growth in important sub-markets.

Business and earnings expectations for the Aurubis Group

As the remarks about the overall economic trend and the development on the markets relevant to our business indicate, the Aurubis Group's fiscal year 2017/18 will, from our current perspective, once again be influenced by a good market environment.

For fiscal year 2017/18, no major maintenance shutdowns are planned. We expect good material supply in our raw material markets.

No larger new projects are expected for 2018 on the concentrate markets; however, market research companies estimate the probability of disturbances caused by strikes to be lower than in the previous year. In addition, a higher copper price could have a beneficial effect on mine output. Due to our market positioning and our supplier diversification, we expect a good supply with satisfactory treatment and refining charges.

The development of the copper scrap and *blister copper* supply can't be gauged. Business in this area, particularly for copper scrap, is conducted with short timelines and is therefore dependent on influences that are difficult to forecast. Higher metal and copper prices, which analysts expect in some cases, could nevertheless help to keep the supply at a high level. Our broad market position absorbs supply risks in this case as well. In the first quarter of 2017/18, we are supplied with good refining charges. We will continue to pursue the closing-the-loop approach in fiscal year 2017/18. This involves, for example, selling copper products to customers and, at the same time, taking back their resulting production scrap for our recycling, closing the materials cycle in doing so.

Sulfuric acid sales also depend on short-term developments. The terms of the contracts are therefore also short. In addition, sales options are very different from region to region, with conditions varying accordingly. Aurubis supplies the global sulfuric acid market, with a focus on Europe and South America. The relationship between our local sales and the exports fluctuates depending on market circumstances. The current insights for the first quarter of 2017/18 signalize a stable situation with slightly higher prices.

Sales of free cathode volumes on the market are based on the planned processing of our cathode output in the Group.

Adequate statements about the development of the copper product business in the new fiscal year are only possible to a limited extent since the negotiation season for 2018 sales contracts hasn't ended yet. One factor that is already clear is the copper premium Aurubis has established for European wire rod and continuous cast shape customers for the coming calendar year. This was kept at the previous year's level of US$ 86/t. We are therefore taking into account the expected customer demand for annual contracts in European operations.

In light of the good economic situation in the relevant sectors, we expect to be able to conclude the negotiation season for copper products with appropriate contracts. Good customer relationships in our key markets support this. We will also continue expanding our business with new customers.

Overall, there could be quarterly differences as in previous years. This is due to seasonal factors, but may also be caused by disruptions in equipment or operating processes. The business performance of the first quarter of a fiscal year in particular is shaped by special features related to the period, including subdued customer orders and changes in raw material deliveries.

In fiscal year 2016/17, we kicked off different initiatives and individual measures within the Group to strengthen Aurubis further. These are contained in the ONE Aurubis transformation program, with which we want to achieve our Vision 2025. Aurubis is currently the market leader in many areas – these positions will be further developed over the long term. It was decided to continue the FCM project in this way. It is a major component of the new multi-metal approach and is associated with major investments. We plan to realize the FCM facilities at the Olen (Belgium) and Hamburg sites. In the coming years, Aurubis will develop from a copper group into a multi-metal group.

The future development and forecast of Aurubis AG coincides with the general statement on the Aurubis Group.

Expected financial situation

The net cash flow in the past fiscal year was € 480 million. Strains from cash outflows from investing activities amounted to € 155 million for the fiscal year (previous year: € 128 million). Overall, net borrowings decreased significantly to € –219 million, following € 23 million in the previous year. Gross borrowings declined in the course of the fiscal year, from € 495 million in the previous year to € 351 million in the reporting year, primarily due to scheduled repayments. Available cash increased from € 472 million to € 570 million. The Company has additional liquidity through lines of credit amounting to € 350 million from a syndicated loan agreement running until 2022. Aurubis therefore has sufficient liquidity that is not at risk from today's perspective. We expect the robust financial situation from the operating business to continue in the coming fiscal year. We intend to settle the scheduled payments due during fiscal year 2017/18 with the existing liquidity.

General statement on the future development of the Aurubis Group

For 2018 annual contracts, the market conditions for copper concentrates weren't fixed at the time of reporting.

- In fiscal year 2017/18, the market trend for copper scrap and sulfuric acid continues to be difficult to forecast due to the short-term nature of the business.
- The 2018 copper premium of US$ 86/t is unchanged from the previous year.
- We expect stable-to-good copper product demand based on industry forecasts.
- We expect an additional € 30 million (minimum) from the efficiency enhancement program, which is associated with ongoing optimizations at all sites.
- We expect high plant availability for fiscal year 2017/18.

Beginning with fiscal year 2017/18, we will report in both the Metal Refining & Processing and the Flat Rolled Products Segments, in accordance with the new organization. For forecasting purposes, the operating earnings and operating ROCE from the past fiscal year 2016/17 were transferred from the old segmentation to the new *segmentation*.

See **page 57.**

In the Metal Refining & Processing Segment, we expect operating EBT at the previous year's level for fiscal year 2017/18 (fiscal year 2016/17: € 334 million) and a slightly lower operating ROCE, compared to the previous year (fiscal year 2016/17: 20.8 %).

In the Flat Rolled Products Segment, we expect significantly higher operating EBT for fiscal year 2017/18 (fiscal year 2016/17: € 2 million) and a slightly higher operating ROCE, compared to the previous year (fiscal year 2016/17: 0.7 %).

Overall, we expect operating EBT at the previous year's level and a slightly lower operating ROCE for the Aurubis Group in fiscal year 2017/18 compared to the reporting year.

Qualified comparative forecast according to Aurubis' definition for the operating ROCE

T 025

	Delta ROCE as a percentage
At prior-year level	± 0 to 1.0
Slight	± 1.1 to 4.0
Significant	> ± 4.0

Qualified comparative forecast according to Aurubis' definition for operating EBT

T 026

	Change in operating EBT
At prior-year level	± 0 to 5.0 %
Slight	± 5.1 to 15.0 %
Significant	> ± 15.0 %

The definitions for the qualified comparative prognoses were adjusted in comparison with the *previous year*. In our view, the adjusted definitions take into consideration the fluctuations of our business more accurately than previously. The previously valid definitions can be found in our past financial reports.

annualreport2015-16.
aurubis.com/html

Forward-looking statements

This document contains forward-looking statements about our current forecasts of future events. Words such as "anticipate," "assume," "believe," "predict," "expect," "intend," "can/could," "plan," "project," "should" and similar terms indicate such forward-looking statements. These statements are subject to a number of risks and uncertainties. Some examples include unfavorable developments in the global economic situation, especially political developments in the USA, Europe and China, a tightening of the raw material supply and a decline in demand in the main copper sales markets. Further risks include a deterioration of our refinancing options on the credit and finance markets, unavoidable events beyond our control such as natural disasters, acts of terror, political unrest and industrial accidents, and their effects on our sales, purchasing, production and financing activities, changes in exchange rates, a drop in acceptance for our products resulting in impacts on the establishment of prices and the utilization of processing and production capacities, price increases for energy and raw materials, production interruptions due to material bottlenecks, employee strikes or supplier bankruptcies, successful implementation of measures to reduce costs and enhance efficiency, the business outlook for our significant holdings, the successful implementation of strategic cooperation and joint ventures, amendments to laws, ordinances and official regulations, as well as the outcomes of legal proceedings and other risks and uncertainties, some of which are described in the Risk and Opportunity Report in this Annual Report. If one of these uncertainties or difficulties occurs, or if the assumptions underlying the forward-looking statements prove to be wrong, the actual results could deviate considerably from the results mentioned or implicitly expressed in these statements. We do not intend, nor do we assume the obligation, to update forward-looking statements continuously, as these statements are based solely on the circumstances on the day of publication.

Legal Disclosures

Declaration on corporate governance pursuant to sections 289a and 315 (5) HGB (German Commercial Code) in conjunction with Art. 80 EGHGB (Introductory Act of the German Commercial Code)

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The declaration on corporate governance and the compensation report are part of the Combined Management Report. Both are printed at the beginning of this Annual Report and are available on the company's *website*.

Takeover-related disclosures and explanations

Explanatory report by the Executive Board of Aurubis AG, Hamburg, in accordance with Section 176 (1) sentence 1 of the German Stock Corporation Act (AktG) and Section 26i of the Introductory Act of the German Stock Corporation Act (EGAktG) on disclosures of takeover provisions pursuant to Section 289 (4) and Section 315 (4) of the German Commercial Code as well as Section 80 of the Introductory Act of the German Commercial Code (EGHGB) as at the balance sheet date of September 30, 2017

The following disclosures as at September 30, 2017 are presented in accordance with Section 289 (4) and Section 315 (4) of the German Commercial Code.

Composition of the subscribed capital

The subscribed capital (share capital) of Aurubis AG amounted to € 115,089,210.88 as at the balance sheet date and was divided into 44,956,723 no-par-value bearer shares, each with a notional value of € 2.56 of the subscribed capital.

Each share grants the same rights and one vote at the Annual General Meeting. There are no different classes of shares.

Shareholdings exceeding 10 % of the voting rights before the balance sheet date

One indirect shareholding in Aurubis AG exceeds 10 % of the voting rights:

Salzgitter AG, Salzgitter, notified the Company in accordance with Section 21 (1) of the German Securities Trading Act (WpHG) on August 29, 2011 that its voting interest in Aurubis AG had exceeded the threshold of 25 % of the voting rights on August 29, 2011 and amounted to 25.002 % of the voting rights (representing 11,240,000 votes). Of this total, 25.002 % of the voting rights (representing 11,240,000 votes) are attributed to Salzgitter AG via Salzgitter Mannesmann GmbH, Salzgitter.

Thus, direct participation in Aurubis AG's capital existed as at the balance sheet date, which exceeds 25 % of the voting rights. According to the notification of Salzgitter AG, Salzgitter, dated August 29, 2011, Salzgitter Mannesmann GmbH, Salzgitter, has held 25.002 % of the voting rights (representing 11,240,000 votes) since August 29, 2011.

Shareholdings exceeding 10 % of the voting rights after the balance sheet date

Since October 25, 2017, the following indirect participation in Aurubis AG's capital exists, which exceeds 10 % of the voting rights:

Salzgitter AG, Salzgitter, notified the company in accordance with Section 21 (1) of the German Securities Trading Act on October 26, 2017 that its voting interest in Aurubis AG on October 25, 2017 amounts to 15.751 % of the voting rights (corresponding to 7.081,263 votes). Of these, Salzgitter AG has 15.751 % of the voting rights (corresponding to 7.081,263 votes) are attributed to Salzgitter AG via Salzgitter Mannesmann GmbH, Salzgitter.

Accordingly, there is one direct shareholding in the capital of Aurubis AG that exceeds 10 % of the voting rights: Salzgitter Mannesmann GmbH, Salzgitter, has held 15.751 % of the voting rights (corresponding to 7,081,263 votes) since October 25, 2017, according to the notification of Salzgitter AG, Salzgitter, dated October 26, 2017.

Appointment and removal of Executive Board members and amendments to the Articles of Association

The appointment and removal of members of the Executive Board of Aurubis AG are covered by Sections 84 and 85 of the German Stock Corporation Act and Section 31 of the of the German Codetermination Law (MitbestG) in conjunction with Section 6 (1) of the Articles of Association. Amendments to the Articles of Association are subject to the approval of the Annual General Meeting. The resolution at the Annual General Meeting is passed by a majority that must comprise at least three quarters of the subscribed capital represented in the vote; Section 179 et seq. of the German Stock Corporation Act applies. In accordance with Section 11 (9) of the Articles of Association, the Supervisory Board is authorized to resolve amendments to the Articles of Association that only relate to their wording. Furthermore, the Supervisory Board is empowered to adjust Section 4 of the Articles of Association after the complete or partial execution of the subscribed capital increase in accordance with the respective claim to the authorized capital and after the authorization expires. It is also empowered to adjust the wording of Section 4 (1) and (3) of the Articles of Association in accordance with the respective issuing of new no-par-value bearer shares to the holders or creditors of convertible bonds and/or bonds with warrants, profit participation rights or participating bonds (or combinations of these instruments), which are issued by Aurubis or by companies in which it has an indirect or direct majority interest in return for a cash contribution and as a result of the authorization resolved upon at the Annual General Meeting on March 2, 2017 under item 6 of the agenda. It is also empowered to grant a conversion or option right to new no-par-value bearer shares in the company or to establish a conversion obligation. The same applies if the authorization to issue bonds with warrants or convertible bonds is not exercised after the authorization period expires or if the conditional capital is not utilized after the deadlines for exercising option or conversion rights or for fulfilling conversion or option obligations have expired.

Power of the Executive Board to issue shares

In accordance with Section 4 paragraph 2 of the Articles of Association, the Executive Board is empowered, with the approval of the Supervisory Board, to increase the Company's subscribed capital in the period until February 23, 2021 by issuing up to 22,478,361 new no-par-value shares in exchange for a cash contribution and/or a contribution in kind once or in several installments by up to € 57,544,604.16. The shareholders shall always be granted a subscription right. The new shares can also be acquired by one or more credit institutions with the obligation of offering them to shareholders for subscription. However, the Executive Board is authorized, subject to the approval of the Supervisory Board, to exclude shareholder subscription rights once or on several occasions:

a) inasmuch as it is necessary to exclude subscription rights for possible fractional amounts.

b) up to an arithmetical face value totaling € 23,017,840.64 if the new shares are issued for a contribution in kind.

c) for capital increases against cash contributions up to an arithmetical nominal value totaling € 11,508,920.32 or, if this amount is lower, by a total of 10 % of the subscribed capital (the "maximum amount") existing when this power was exercised for the first time (in each case taking into account the possible use of other authorizations to exclude the subscription right in accordance with or in the corresponding application of Section 186 (3) sentence 4 of the German Stock Corporation Act), if the issuing price for the new shares is not significantly lower than the price of company shares in the same category on the stock exchange at the time when the issuing price is finally fixed.

   The subscribed capital allotted to the shares that are issued or have to be issued to fulfill convertible bonds and/or bonds with warrants that are issued after February 24, 2016 pursuant to Section 186 (3) sentence 4 of the German Stock Corporation Act excluding the subscription rights or that are sold after February 24, 2016 pursuant to Section 186 (3) sentence 4 of the German Stock

Corporation Act must be included in this maximum amount. It shall not be included if authorizations to issue convertible bonds and/or bonds with warrants pursuant to Section 221 (4) sentence 2 and Section 186 (3) sentence 4 of the German Stock Corporation Act or to sell own shares in accordance with Section 71 (1) No. 8 and Section 186 (3) sentence 4 of the German Stock Corporation Act are granted again at the Annual General Meeting after exercising such powers that have led to inclusion.

d) up to an arithmetical face value totaling € 23,017,840.64, inasmuch as it is necessary to grant holders or creditors of bonds with warrants or convertible bonds issued by the company relating to shares a subscription right for new shares to the same extent as they would be entitled after exercising their option or conversion rights.

In the resolution dated February 9, 2016 the Executive Board of Aurubis AG declared in the scope of a voluntary commitment, that it would only make use of the authorizations to exclude shareholders' subscription rights during the duration of the authorization provided in Section 4 (2) of the Articles of Association insofar as the shares to be issued may not exceed 20 % of the subscribed capital, neither at the point in time when the authorization becomes effective nor at the time of utilization. At the abovementioned 20 % threshold, hypothetical own shares shall be taken into account until the issue of new stocks without granting subscription rights, which are sold under exclusion of subscription rights, as well as such shares, which are to be issued with a conversion or option right or conversion obligation for the purpose of servicing bonds, provided the bonds are issued excluding the preemptive rights of shareholders. If and to the extent that the share-holders at the Annual General Meeting reissue this authorization to exclude subscription rights after an authorization to exclude subscription rights has been exercised, leading to offsetting against the 20 % limit previously mentioned, the off-setting that has been carried out is no longer included.

This voluntary commitment was made accessible on Aurubis AG's *website* for the duration of the authorization.

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Power of the Executive Board to repurchase shares

With a resolution of the Annual General Meeting on February 28, 2013, the Company was empowered until February 27, 2018 to repurchase its own shares (treasury shares) up to a total of 10 % of the current subscribed capital. Together with other own shares held by the company or attributable to it in accordance with Section 71a et seq. of the German Stock Corporation Act, the shares acquired by the company based on this authorization shall at no time exceed 10 % of the company's current subscribed capital. The acquisition of shares for the purpose of trading with own shares is excluded. The Executive Board is empowered to use shares in the company that are purchased on account of this power for all legally permitted purposes, and in particular for the following purposes:

a) Own shares that have been acquired can also be sold in a way other than a sale via the stock exchange or by means of an offer to all of the shareholders, if the shares are sold in return for a cash payment at a price that is not materially lower than the stock market price of the company's shares of the same category at the time of the sale; the subscription rights of the shareholders are excluded. This power shall however only apply on the condition that the shares sold excluding the subscription right may not, in accordance with Section 186 (3) sentence 4 of the German Stock Corporation Act, exceed 10 % of the subscribed capital, either at the time this becomes effective or at the time of exercise of this power (the "upper limit"), in each case taking into account the possible use of other authorizations to exclude the subscription right in accordance with or in the corresponding application of Section 186 (3) sentence 4 of the German Stock Corporation Act. An inclusion that has been carried out is canceled if powers to issue new shares from authorized capital in accordance with Section 186 (3) sentence 4 of the German Stock Corporation Act or to issue convertible bonds and/or bonds with warrants in commensurate application of Section 186 (3) sentence 4 of the German Stock Corporation Act are granted again at the Annual General Meeting after exercising such powers that have led to inclusion.

b) Own shares that have been acquired can also be sold in a way other than a sale via the stock exchange or by means of an offer to all of the shareholders, if this is carried out in return for a contribution in kind by a third party, especially in conjunction with the acquisition of business entities, of parts of business entities or of participating interests in business entities by the company itself or by a business entity dependent on it or majority owned by it, and in conjunction with business combinations, or to fulfill conversion rights or obligations relating to conversion or option rights issued by the Company or Group entities of the Company; the subscription rights of the shareholders are in each case excluded.

c) Own shares acquired can be withdrawn entirely or in part without a further resolution of the Annual General Meeting. They can also be withdrawn applying simplified proceedings without a reduction in capital by adjusting the proportionate notional share of the remaining no-par-value shares in the subscribed capital of the Company.

The complete text of the resolution dated February 28, 2013 has been included under agenda item 7 in the invitation to the Annual General Meeting 2013 published in the German Federal Gazette on January 15, 2013.

Power of the Executive Board to issue convertible bonds and shares from conditional capital

The subscribed capital shall be conditionally increased by up to € 57,544,604.16 by issuing up to 22,478,361 new bearer shares without a nominal amount (no-par-value shares), each with notional interest in the subscribed capital of € 2.56 (Conditional Capital 2017). The conditional capital increase will only be carried out to the extent that the holders or creditors of conversion and/or option rights from convertible bonds, bonds with warrants, profit participation rights or participating bonds (or a combination of these instruments), which are issued against cash by the Company or by its affiliates due to the authorization passed by the participants of the Annual General Meeting on March 2, 2017 until March 1, 2022, exercise their conversion or option rights, or the holders or creditors of the convertible bonds (or profit participation rights or participating bonds with a conversion obligation) issued by the Company or by its affiliates due to the authorization passed by the participants of the Annual General Meeting on March 2, 2017 until March 1, 2022 fulfill their conversion obligation or shares are offered, and to the extent that own shares or other forms of fulfillment are not utilized for this purpose. The new no-par-value bearer shares shall be entitled to participate in the profits from the beginning of the fiscal year in which they come into existence through the exercise of conversion or option rights, through the fulfillment of conversion or option obligations or through the exercise of rights to offer. To the extent legally permitted, the Executive Board can, subject to the approval of the Supervisory Board, establish the profit participation of new shares in a way that deviates from Section 60 (2) of the German Stock Corporation Act (AktG).

The complete text of the resolution dated March 2, 2017 has been included under agenda item 6 in the invitation to the Annual General Meeting 2017 published in the German Federal Gazette on January 17, 2017. It is intended that this authorization be renewed at the next Annual General Meeting.

Significant conditional agreements concluded by the company

In the event that a single person or a group of persons acting together should acquire more than 50 % of the shares or the voting rights in Aurubis AG, every syndicate lender from the agreement with a banking syndicate (“the Syndicated Loan”) on a credit line totaling € 350 million, which primarily serves to finance the working capital of the Group, shall be entitled to cancel his participation in the Syndicated Loan and to demand immediate repayment of the amounts owed to him.

Within the scope of various bonds totaling € 300 million, every lender has an extraordinary right of cancellation if control over the borrower changes.

Consolidated Financial Statements

Consolidated Income Statement

for the period from October 1 to September 30 (IFRS)

T 027

in € thousand	Note	12 months 2016/17	12 months 2015/16
Revenues	1	**11,040,100**	**9,474,706**
Changes in inventories of finished goods and work in process	2	5,431	97,546
Own work capitalized	3	8,726	8,752
Other operating income	4	47,236	57,801
Cost of materials	5	−9,774,166	−8,635,277
Gross profit		**1,327,327**	**1,003,528**
Personnel expenses	6	−470,489	−448,584
Depreciation and amortization of intangible assets and property, plant and equipment	7	−135,210	−134,803
Other operating expenses	8	−259,137	−243,322
Operational result (EBIT)		**462,491**	**176,819**
Result from investments measured using the equity method	9	10,932	6,351
Interest income	10	2,715	2,868
Interest expense	10	−19,575	−27,373
Other financial income	11	220	257
Other financial expenses	11	−720	−107
Earnings before taxes (EBT)		**456,063**	**158,815**
Income taxes	12	−103,679	−35,296
Consolidated net income		**352,384**	**123,519**
Consolidated net income attributable to Aurubis AG shareholders		350,883	121,852
Consolidated net income attributable to non-controlling interests	13	1,501	1,667
Basic earnings per share (in €)	14	7.80	2.71
Diluted earnings per share (in €)	14	7.80	2.71

Consolidated Statement of Comprehensive Income

for the period from October 1 to September 30 (IFRS)

T 028

in € thousand	Note	**12 months 2016/17**	12 months 2015/16
Consolidated net income		**352,384**	**123,519**
Items that are reclassifiable to profit or loss in the future			
Measurement at market of cash flow hedges	24, 30	25,688	28,050
Measurement at market of financial investments		6,728	5,092
Changes deriving from translation of foreign currencies		−1,816	−1,127
Income taxes	12	−6,110	−6,786
Items that are not reclassifiable to profit or loss			
Remeasurement of the net liability deriving from defined benefit obligations	24, 26	81,698	−94,358
Income taxes	12, 24	−26,440	30,445
Financial assets accounted for using the equity method – Remeasurement of the net liability deriving from defined benefit obligations, after taxes	12, 24, 26	183	−498
Other comprehensive income/loss		**79,931**	**−39,182**
Consolidated total comprehensive income		**432,315**	**84,337**
Consolidated total comprehensive income attributable to Aurubis AG shareholders		430,478	83,258
Consolidated total comprehensive income attributable to non-controlling interests		1,837	1,079

Consolidated Statement of Financial Position

(IFRS)

Assets

T 029

in € thousand	Note	9/30/2017	9/30/2016
Intangible assets	15	131,618	84,740
Property, plant and equipment	16	1,269,836	1,288,155
Investment property	17	7,955	8,515
Financial fixed assets	18	29,680	23,414
Investments measured using the equity method	19	50,223	45,012
Deferred tax assets	25	5,747	10,418
Non-current financial assets	22	30,094	23,080
Other non-current non-financial assets	22	2,226	2,468
Non-current assets		**1,527,379**	**1,485,802**
Inventories	20	1,752,272	1,700,205
Trade accounts receivable	21	357,403	242,106
Other current financial assets	22	100,096	75,503
Other current non-financial assets	22	53,300	51,487
Cash and cash equivalents	23	570,569	471,874
Current assets		**2,833,640**	**2,541,175**
Total assets		**4,361,019**	**4,026,977**

Equity and liabilities

T 030

in € thousand	Note	9/30/2017	9/30/2016
Subscribed capital	24	115,089	115,089
Additional paid-in capital	24	343,032	343,032
Generated Group earnings	24	1,870,573	1,520,781
Accumulated other comprehensive income components	24	33,955	9,465
Equity attributable to shareholders of Aurubis AG		2,362,649	1,988,367
Non-controlling interests	24	3,097	2,769
Equity		**2,365,746**	**1,991,136**
Pension provisions and similar obligations	26	243,682	322,000
Other non-current provisions	27	63,678	64,038
Deferred tax liabilities	25	205,134	150,847
Non-current borrowings	28	340,266	337,112
Other non-current financial liabilities	28	2,752	18,788
Non-current non-financial liabilities	28	1,213	1,201
Non-current liabilities		**856,725**	**893,986**
Current provisions	27	39,013	32,310
Trade accounts payable	28	905,083	797,710
Income tax liabilities	28	19,959	4,522
Current borrowings	28	11,068	158,131
Other current financial liabilities	28	129,729	117,702*
Other current non-financial liabilities	28	33,696	31,480*
Current liabilities		**1,138,548**	**1,141,855**
Total equity and liabilities		**4,361,019**	**4,026,977**

* Figures as at September 30, 2016 have been adjusted (see Note 28).

Consolidated Cash Flow Statement

for the period from October 1 to September 30 (IFRS)

T 031

in € thousand	Note	12 months 2016/17	12 months 2015/16
Earnings before taxes		**456,063**	**158,815**
Depreciation and amortization of fixed assets	7	135,210	134,803
Change in allowances on receivables and other assets		1,768	1,994
Change in non-current provisions		1,276	2,180
Net losses on disposal of fixed assets		3,070	909
Measurement of derivatives		10,187	−39,672
Other non-cash items		4,404	−2,530
Expenses and income included in the financial result		5,361	15,440
Income taxes received/paid		−62,384	−98,641
Change in receivables and other assets		−129,288	88,790
Change in inventories (including measurement effects)		−57,023	−68,009
Change in current provisions		6,713	−2,364
Change in liabilities (excluding financial liabilities)		104,506	47,094*
Cash inflow from operating activities (net cash flow)		**479,863**	**238,809**
Payments for investments in fixed assets	15, 16	−165,045	−143,143
Proceeds from the disposal of fixed assets		680	8,530
Interest received		2,715	2,868
Dividends received	11, 19	6,169	3,865
Cash outflow from investing activities		**−155,481**	**−127,880**
Proceeds deriving from the take-up of financial liabilities		109,582	42,029
Payments for the redemption of bonds and financial liabilities		−263,163	−54,891
Interest paid		−14,066	−17,353*
Dividends paid	24	−57,705	−61,780
Cash outflow from financing activities		**−225,352**	**−91,995**
Net change in cash and cash equivalents		99,030	18,934
Changes resulting from movements in exchange rates		−335	−31
Cash and cash equivalents at beginning of period		471,874	452,971
Cash and cash equivalents at end of period	23	**570,569**	**471,874**

* Prior-year figures have been adjusted (see Notes to the Consolidated Cash Flow Statement).
The Notes relating to the Consolidated Cash Flow Statement are provided on p. 185.

Consolidated Statement of Changes in Equity

T 032

in € thousand	Subscribed capital	Additional paid-in capital	Generated Group equity	Accumulated other comprehensive income components[1]: Measurement at market of cash flow hedges	Accumulated other comprehensive income components[1]: Measurement at market of financial investments	Accumulated other comprehensive income components[1]: Currency translation differences	Accumulated other comprehensive income components[1]: Income taxes	Equity attributable to Aurubis AG shareholders	Non-controlling interests	**Total equity**
Balance as at 9/30/2015	**115,089**	**343,032**	**1,523,444**	**−33,994**	**0**	**11,688**	**6,542**	**1,965,801**	**2,778**	**1,968,579**
Dividend payment	0	0	−60,692	0	0	0	0	−60,692	−1,088	−61,780
Consolidated total comprehensive income/loss	0	0	58,029	28,050	5,092	−1,127	−6,786	83,258	1,079	84,337
of which consolidated net income	0	0	121,852	0	0	0	0	121,852	1,667	123,519
of which other comprehensive income/loss	0	0	−63,823	28,050	5,092	−1,127	−6,786	−38,594	−588	−39,182
Balance as at 9/30/2016	**115,089**	**343,032**	**1,520,781**	**−5,944**	**5,092**	**10,561**	**−244**	**1,988,367**	**2,769**	**1,991,136**
Balance as at 9/30/2016	**115,089**	**343,032**	**1,520,781**	**−5,944**	**5,092**	**10,561**	**−244**	**1,988,367**	**2,769**	**1,991,136**
Dividend payment	0	0	−56,196	0	0	0	0	−56,196	−1,509	−57,705
Consolidated total comprehensive income/loss	0	0	405,988	25,688	6,728	−1,816	−6,110	430,478	1,837	432,315
of which consolidated net income	0	0	350,883	0	0	0	0	350,883	1,501	352,384
of which other comprehensive income/loss	0	0	55,105	25,688	6,728	−1,816	−6,110	79,595	336	79,931
Balance as at 9/30/2017	**115,089**	**343,032**	**1,870,573**	**19,744**	**11,820**	**8,745**	**−6,354**	**2,362,649**	**3,097**	**2,365,746**

[1] The items included here are reclassifiable to profit or loss in the future.
Explanations relating to equity are provided in Note 24 to the Consolidated Financial Statements.

Notes to the Consolidated Financial Statements

General disclosures

Aurubis AG is a quoted corporate entity with a registered office in Germany.

As required by Regulation (EC) No. 1606/2002 of the European Parliament and the Council, dated July 19, 2002, on the application of international accounting standards, in conjunction with Section 315a (1) of the German Commercial Code (HGB), the accompanying consolidated financial statements as at September 30, 2017 are prepared in accordance with the International Financial Reporting Standards (IFRS) approved and published by the International Accounting Standards Board (IASB), as adopted by the European Union. The interpretations of the International Financial Reporting Interpretations Committee (IFRIC) have been taken into account.

The Supervisory Board released the consolidated financial statements for publication after they were approved on December 12, 2017.

The consolidated financial statements have been prepared in euros. If nothing to the contrary is indicated, all amounts are shown in thousands of currency units.

Current and non-current assets and liabilities are presented as separate categories in the statement of financial position. In this context, current assets and current liabilities are expected to be realized within twelve months of the balance sheet date or are held primarily for trading purposes.

As a general rule, assets and liabilities have been measured at amortized cost. Derivative financial instruments, investment property and "available-for-sale" financial assets are measured at fair value.

The preparation of consolidated financial statements in accordance with IFRS furthermore requires the Executive Board and authorized employees to make estimates and assumptions in certain significant areas. These have an impact on the measurement and reported amount of the assets and liabilities in the statement of financial position, and on related income and expenses.

Sectors which particularly require the application of estimates and assumptions are presented under "Main estimates and assumptions" on page 134.

This report may include slight deviations in the totals due to rounding.

Significant accounting principles

Scope of consolidation

As in the previous fiscal year, in addition to the parent company, Aurubis AG, Hamburg, 22 further companies in which Aurubis AG, Hamburg, holds the majority of the voting rights either directly or indirectly, and thus has control, were included in the consolidated financial statements as at the reporting date by way of full consolidation. The reporting date for the consolidated financial statements corresponds to the balance sheet date of Aurubis AG, Hamburg, and all consolidated subsidiaries, with the exception of three consolidated companies. The balance sheet date of these subsidiaries is December 31. These companies prepared interim financial statements for consolidation purposes as at the reporting date of the consolidated financial statements.

Accordingly, the financial statements of all significant subsidiaries which Aurubis AG controls are included in these consolidated financial statements.

Pursuant to IFRS 11.24, in conjunction with IAS 28, Schwermetall Halbzeugwerk GmbH & Co. KG, Stolberg, a producer of pre-rolled strip, has been accounted for using the equity method. A 50 % investment is held in this entity, which is managed jointly with another partner (joint venture).

Consolidation principles

The separate financial statements of all companies included in consolidation are prepared in accordance with the uniform accounting policies that are applied within the Aurubis Group. The financial statements of the main companies included in the consolidated financial statements have been audited by independent auditors.

Capital consolidation is performed as at the acquisition date using the acquisition method, whereby the acquisition cost of the acquired interest is offset against the fair values of acquired assets and liabilities of the subsidiary at that time. Any unallocated difference on the asset side is recognized as goodwill and tested at least annually for impairment. In accordance with IAS 36, goodwill is not amortized on a scheduled basis. Negative goodwill is recognized immediately in profit or loss following a reassessment of the fair values.

Receivables, liabilities and contingent liabilities, and revenues, other income and expenses between Group companies are eliminated. Profits resulting from transactions between Group companies are eliminated, if material.

In addition to eight German companies, 15 foreign companies are included in the consolidated financial statements. In accordance with the functional currency concept, the financial statements of subsidiaries prepared in foreign currencies were translated into euros, as the euro is Aurubis AG's reporting currency. Transactions in foreign currencies are converted into the functional currency at the exchange rate at the time of the transaction or, in the case of subsequent measurement, at the time of such measurement. Foreign currency transactions are conducted primarily in US dollars. The average US dollar exchange rate during fiscal year 2016/17 was 1.10526 US$/€. The exchange rate as at September 30, 2017 was 1.18060 US$/€. Gains and losses resulting from the fulfillment of such transactions, as well as from the conversion of monetary assets and liabilities designated in a foreign currency as at the reporting date, are recorded in profit and loss in the cost of materials unless they have to be accounted for in equity as qualified cash flow hedges or net investments in foreign business operations. In fiscal year 2016/17, foreign currency conversion differences totaling € 1.3 million (net) were recognized as income. In accordance with IAS 21, assets and liabilities in the statements of financial position of subsidiaries reporting in a foreign currency are translated at the mid-market rates applicable at the reporting date and the income statement is translated at the average rates for the fiscal year. Any resultant translation differences are recognized directly in equity until the possible disposal of the subsidiary.

Joint ventures are accounted for in accordance with IFRS 11 using the equity method. Profits deriving from upstream/downstream transactions with Group companies are eliminated proportionally.

Recognition of revenues

Revenues are mainly generated from the sale of metals and copper products. The revenues are recognized when control and the significant risks and rewards of ownership of the goods are transferred to the customer, if the amount of revenues can be reliably determined and the economic benefit deriving from the transaction is probable. Bonuses granted in the fiscal year are deducted from revenues.

Financial instruments

A **financial instrument** is a contract that simultaneously gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

In this connection, financial assets particularly comprise cash and cash equivalents, equity instruments held in other entities (e.g., investments or share portfolios), trade accounts receivable, other loans and receivables granted, and primary and derivative financial instruments that are held for trading. Financial liabilities generally establish a contractual obligation to deliver cash or other financial assets. These include in particular bonds and other securitized liabilities, liabilities to banks, trade accounts payable, finance lease liabilities and derivative financial instruments. Within the Group, regular way purchases and sales of primary financial instruments are generally recorded as at the settlement date, i.e., at the date of delivery and transfer of title. Derivative financial instruments are recognized as at the trade date. Financial assets and financial liabilities are generally reported gross (i.e., without being netted).

Financial assets are recognized if Aurubis has a contractual right to receive cash and cash equivalents or other financial assets from another company. Financial liabilities are always initially recognized at fair value. Thereby, in the case of financial assets that will not be measured subsequently at fair value through profit or loss, the transaction costs directly attributable to the purchase have to be taken into account. The fair values recognized in the statement of financial position represent the market prices of the financial assets to the extent that these can be determined directly by reference to an active market. Otherwise, they are measured using normal market procedures (valuation models), applying the market parameters specific to the instrument. Non-interest-bearing financial assets with a term exceeding one year are discounted. For financial assets with a residual term of less than one year, it is assumed that the fair value corresponds to the nominal value. Financial assets designated in foreign currency are measured on initial recognition with the valid rate applicable at the date of the transaction and as at the reporting date with the then applicable mid-market rate. Financial assets are derecognized if the contractual rights to payments from the financial assets no longer exist or all opportunities and risks are essentially transferred. Any financial assets sold without recourse were derecognized.

The non-current receivables reported as "Other financial fixed assets" are assigned to the category "loans and receivables" and, if significant, are measured at amortized cost, applying the effective interest method.

On account of their short terms to maturity, trade accounts receivable are measured at nominal value, less allowances for doubtful debts. The allowances take adequate account of credit default risks, which are determined on the basis of past experience and individual assessments of the risks. Actual defaults result in derecognition of the receivables affected.

Impairment losses relating to trade accounts receivable are recorded in an allowance account. The decision as to whether a credit default risk is recorded using an allowance account or through direct reduction of the receivables depends on how reliable the assessment of the risk situation is.

Financial assets held for trading are measured at fair value. These include derivative financial instruments that are not included in an effective hedging relationship in accordance with IAS 39 and therefore have to be compulsorily classified as "held for trading."

In addition, delivery contracts are concluded in the Aurubis Group for non-ferrous metals to cover the expected requirement for raw materials and also for the sale of finished products. In the process, physical delivery contracts may be terminated by making compensation payments due to changes in demand. Fixed-price metal delivery contracts are therefore also recognized as derivative financial instruments. Since these are not included in an effective hedging relationship in accordance with IAS 39, they are similarly classified as "held for trading."

Gains or losses resulting from the subsequent measurement of "held for trading" financial assets are recognized in profit or loss.

Other financial assets are allocated to the category "loans and receivables" and, to the extent that they are non-current, are measured at amortized cost, applying the effective interest method.

Cash and cash equivalents have a remaining term on initial recognition of up to three months and are measured at nominal value.

Within the Aurubis Group, the "**available-for-sale**" category represents the residual amount of primary financial assets that fall under IAS 39 and are not assigned to another category. They include the interests in affiliated companies that are reported under financial fixed assets, other investments and securities classified as fixed assets. They are generally measured at fair value, which is derived from the stock market price, provided a price quoted in an active market is available. Subsequent gains and losses resulting from measurement at fair value are recognized in equity as a component of other comprehensive income. This does not apply if these are permanent or significant impairment losses, which are recognized in profit or loss. The accumulated gains or losses deriving from measurement at fair value that are recorded as a component of other comprehensive income are only recognized in profit or loss upon disposal of the financial assets. If the fair value of non-quoted equity instruments cannot be reliably determined, the interests are measured at acquisition cost (net of impairment losses, if appropriate).

No financial instruments were reclassified into other measurement categories either in fiscal year 2016/17 or in fiscal year 2015/16.

Within the Aurubis Group, an impairment loss is recognized if the carrying amount of a financial asset is higher than the present value of the future cash flows. The test of whether impairment exists is carried out at every reporting date. Indications such as considerable financial problems on the part of the debtor are taken into account in order to determine objectively whether evidence of impairment exists.

In order to resolve the question of impairment, the existing credit relationships that are assigned to the category "loans and receivables" need to be analyzed and then measured subsequently at amortized cost. At every reporting date, an investigation is required in order to assess whether there are objective indications of impairment that should be recognized in the financial statements. The amount of the loss is calculated as the difference between the carrying amount of the asset and the present value of the expected future cash flows, discounted with the original effective interest rate of the financial instrument (recoverable amount). In this connection, for the sake of simplicity, cash flows from short-term receivables are not discounted. The carrying amount of the asset is reduced to the recoverable amount by means of a direct write-down or by using an allowance account and the reduction is recognized in profit or loss.

For equity instruments of the "available-for-sale" category, an impairment loss is recognized if there are considerable adverse changes in the issuer's environment or the fair value is significantly lower than the original cost for a long period. The loss is determined as the difference between the current fair value and the carrying amount of the financial instrument. While reversals of impairment losses on debt instruments are to be recognized in profit or loss, in the case of equity instruments they may only be recognized in equity.

Financial liabilities are recognized if there is a contractual obligation to transfer cash and cash equivalents or other financial assets to another company. Financial liabilities are always initially recognized at fair value. The directly attributable transaction costs are also deducted for all financial liabilities that are not subsequently measured at fair value and are amortized over the term of the liability applying the effective interest method. Financial liabilities denominated in foreign currency are measured on initial recognition with the valid rate applicable at the date of the transaction and as at the reporting date with the then applicable mid-market rate.

Primary financial liabilities, which include borrowings, trade accounts payable and other primary financial liabilities, are generally measured at amortized cost. If the interest effect is not insignificant, non-interest-bearing liabilities, or liabilities bearing low interest rates, with a residual term exceeding one year, are discounted. In the case of liabilities with a residual term of less than a year, it is assumed that the fair value corresponds to the settlement amount.

Liabilities under finance leases are recognized on inception of the lease at the lower of the present value of the leasing payments and the fair value of the leased asset. In subsequent periods, the redemption portions included in the leasing payments reduce the corresponding liabilities.

Derivative financial instruments that are not included in effective hedging relationships must be classified as "held-for-trading" and therefore recognized at fair value through profit and loss. Negative amounts result in the recognition of a financial liability.

The Aurubis Group uses derivative financial instruments to hedge interest rate and foreign currency risks and to hedge commodity price risks.

Derivative financial instruments are measured at fair value. This represents the market value and can be both positive and negative. If the market value is not available, the fair value is calculated utilizing present value and option price models. As far as possible, relevant market prices and interest rates observed at the reporting date, which are derived from recognized sources, are used as the opening parameters for these models.

Changes in the fair values of derivative financial instruments are recognized either through profit or loss in the income statement or in equity as a component of other comprehensive income. The decisive factor hereby is whether or not the derivative financial instrument is included in an effective hedging relationship. If no cash flow hedge accounting relationship exists, the changes in fair values are to be recognized immediately in profit or loss. If, on the other hand, an effective cash flow hedging relationship exists, such changes will be recognized in equity as a component of other comprehensive income.

In order to avoid fluctuations in the income statement due to the different measurement of hedged items and hedging instruments, IAS 39 includes special regulations relating to hedge accounting. The aim of these hedge accounting regulations is to record gains and losses on hedging instruments and hedged items so that they compensate one another as far as possible.

In addition to documentation, as a prerequisite for the application of the regulations of hedge accounting, IAS 39 requires proof of an effective hedging relationship. Hedge effectiveness means that changes in fair value (for fair value hedges) or changes in cash flow (for cash flow hedges) of the hedged items are compensated by changes in the opposite direction in the fair value or by changes in the cash flows of the hedging instruments, in each case relating to the hedged risk.

The purpose of derivatives that are used as hedging instruments in conjunction with a cash flow hedge is to hedge future cash flows. A risk with regard to the amount of future cash flows exists in particular for loans at floating interest rates and planned transactions that are highly likely to occur. Derivative financial instruments used in conjunction with cash flow hedge accounting are recognized at fair value. The gain or loss on measurement is split between an effective and an ineffective portion. The effective portion is the portion of the gain or loss on measurement that represents an effective hedge of the cash flow risk. This is recognized directly in equity under a special heading (cash flow hedge reserve), after taking deferred taxes into account. The ineffective portion deriving from measurement is recognized on the other hand in profit or loss in the income statement. The general accounting rules applicable to the transactions underlying the hedged cash flows remain unchanged. Following the termination of the hedging relationship, the amounts recorded in the reserve are always transferred to the income statement when gains or losses in connection with the hedged item are recognized in profit or loss or when the underlying transaction is not actually expected to occur anymore.

The Aurubis Group furthermore enters into hedging relationships that do not satisfy the strict requirements of IAS 39 and cannot therefore be accounted for in accordance with the hedge accounting regulations. Nevertheless, from an economic point of view, these hedging relationships comply with the principles of risk management. Moreover, hedge accounting is also not applied in the case of the monetary assets and liabilities recognized in connection with foreign currency hedging, because the foreign currency translation gains and losses on the hedged items that need to be realized in profit or loss in accordance with IAS 21 are accompanied by gains and losses on the derivative hedging instruments and more or less compensate one another in the income statement.

Financial assets and financial liabilities that fall under the scope of IAS 39 could under certain circumstances be allocated irrevocably to the subcategory "fair value option" upon initial recognition. The Aurubis Group has not made use of the fair value option either for financial assets or for financial liabilities.

The **fair value** of financial instruments is determined pursuant to the regulations of IFRS 13 covering measurement at fair value. The fair value of financial instruments quoted in active markets is calculated based on price quotations insofar as these are prices used in routine and current transactions. Where no prices quoted in active markets are available, the Aurubis Group uses measurement procedures to determine the fair value of financial instruments. Consequently, the input parameters applied in measurement procedures are based where possible on observable data derived from the prices of relevant financial instruments traded in active markets. The use of these measurement procedures requires estimates and assumptions on the part of the Aurubis Group, the scope of which depends on the price transparency of the financial instrument and its market, and the complexity of the instrument. Management regularly analyzes the methods and influencing factors used to determine the fair value to ensure that they are appropriate. Additional information about the main estimates and assumptions used to determine the fair value can be found in the section "Additional disclosures on financial instruments."

Intangible assets

If intangible assets are acquired, they are recognized at acquisition cost. Internally generated intangible assets that provide future economic benefits are recognized at their cost of generation if the criteria for their recognition as an asset are fulfilled. They are amortized on a straight-line basis over their expected useful lives of between three and eight years. Amortization charges relating to investments made in connection with an electricity supply contract are shown under cost of materials. With the exception of goodwill, the consolidated financial statements do not include any intangible assets with indefinite useful lives.

Property, plant and equipment

Items of property, plant and equipment used in the business operations for more than one year are measured at cost less depreciation. Such assets also include spare parts and maintenance equipment used for more than one period. Technical minimum stocks are recognized as components of the respective technical equipment and machinery. These stocks are quantities of materials that contain metals and are necessary to establish and ensure a production facility's functionality for its intended use. Minimum stocks are not subject to scheduled depreciation, as they do not deteriorate or age.

Construction costs include all costs that can be directly attributed to the asset. Borrowing costs that can be directly allocated to the purchase, construction or production of a qualifying asset are capitalized. Borrowing costs of € 27 thousand (previous year: € 138 thousand) were capitalized in the fiscal year reported, applying a financing cost rate of 1.7 % (previous year: 2.7 %). Depreciation is charged using the straight-line method. In this context, depreciation periods used correspond to the expected economic useful lives of the assets, as applicable within the Group. The following main useful lives are applied:

T 033

Buildings	25 to 40 years
Site installations	10 to 25 years
Technical equipment and machinery	5 to 20 years
Technical minimum stock	unlimited useful life
Factory and office equipment	3 to 20 years

General overhauls or maintenance measures resulting in the replacement of components are recognized as an asset if it is probable that future economic benefits will flow to the Group and the costs can be measured reliably.

Leasing

Leased items of property, plant and equipment that satisfy the criteria of IAS 17 for a finance lease are recognized as fixed assets. This is the case if all significant risks and rewards of economic ownership lie with the respective Group company. Such items of property, plant and equipment are recognized at fair value or, if lower, at the present value of the minimum lease payments, and are depreciated using the straight-line method over the lease term or, if it is expected that ownership will be obtained at the end of the lease term, over the economic useful life of the respective assets. The future lease installment payment obligations are recognized as a liability at their present value or current market value. The lease installment is divided into an interest component and a redemption component, to ensure that the lease liability bears interest at a constant rate. The non-current part of the leasing obligation is recorded under non-current financial liabilities and the current part is recorded under current financial liabilities. The interest component of the leasing rate is recognized in the income statement, leading to a constant interest charge over the term of the leasing agreement.

Investment property

Investment property is property that is held for the purpose of earning rental income and/or increasing value, and not for producing or delivering goods, performing services or carrying out administrative tasks, or that is held to be sold by the company in the course of its usual business activities.

Aurubis' investment property represents a property site consisting of land and buildings belonging to Aurubis Switzerland SA. The real estate is accounted for at its fair value.

Impairment of non-financial assets

Intangible assets that have an indefinite useful life, such as goodwill, are not amortized on a scheduled basis but are subjected to an annual impairment test. Furthermore, an assessment is made at every reporting date to determine whether there are any indications that the asset could be impaired. In the same way, items of property, plant and equipment are tested for impairment if there are any indications of such impairment.

Since the metals contained in the minimum stock can be recovered and the utilization potential of the minimum stock is not subject to wear and tear as it is not used in the production process, an unlimited useful life is assumed. The minimum stocks are therefore not amortized on a scheduled basis but are instead tested for impairment in conjunction with the respective production facilities if there are any indications of such impairment.

Assets that are amortized on a scheduled basis are tested for impairment if events or changes in circumstances indicate that the carrying amount might not be recoverable. Impairment losses are recorded in the amount by which the carrying amount exceeds the recoverable amount. The recoverable amount is the higher of the fair value of the asset less costs to sell and its value in use. For impairment tests, assets are combined at the lowest level for which cash flows can be separately identified (cash-generating units). With the exception of goodwill, non-monetary assets on which impairment losses were recognized in the past are reviewed as at each reporting date to ascertain whether the impairment losses possibly need to be reversed.

Inventories

Inventories are measured at acquisition or production cost. In this context, production cost includes all direct costs as well as a systematically allocated share of the production-related overheads.

The acquisition costs of copper concentrates and raw materials for recycling are determined by deducting the treatment and refining charges negotiated with the supplier from the purchase value of the metal. Treatment and refining charges are deductions that are made due to the processing of ore concentrates and raw materials for recycling into copper and precious metals.

In the smelters, work in process is measured by initially measuring the metal content. The equivalent cost of the processing that is still required for production of the fine metal is deducted from this figure. In this manner, the costs incurred during the production process are successively recognized as a component of the total production cost. This procedure applies to the production of copper, precious metals and by-metals.

When it comes to the production of copper products, in addition to the metal components, the incurred costs of further processing copper into special formats such as wire rod, shapes and rolled products are taken into consideration for the measurement of finished goods by way of a surcharge calculation.

Inventories are measured using the average cost method in accordance with IAS 2. This is recognized as at the reporting date at the lower of cost and net realizable value. Net realizable value is determined on the basis of quoted commodity exchange or market prices as at the reporting date.

Other non-financial assets

Other non-financial assets are recognized at amortized cost. Write-downs are made to the extent that the non-financial assets are at risk.

Income taxes

The tax expense of a period is made up of current and deferred taxes. Taxes are recognized in the income statement unless they are related to items that were recognized as a component of other comprehensive income. In this case, the taxes are also recognized as a component of other comprehensive income.

The Aurubis Group companies are subject to taxation in many countries around the world. The actual tax expense is calculated by applying the tax regulations of the individual countries that are applicable as at the reporting date.

Deferred taxes result from temporary differences between the tax-related carrying amounts of assets and liabilities and those taken into account in the IFRS financial statements as well as from tax loss carryforwards. They are calculated using the balance sheet-oriented liability method by applying the tax rates expected in the individual countries at the time of realization. These rates are generally based on legislation that has been enacted, or substantially enacted, as at the reporting date and which are expected to be applicable at the time of realization of the deferred tax receivable or the settlement of the deferred tax liability.

Deferred tax assets deriving from temporary differences, tax loss carryforwards and tax credits are recognized by the respective company entities to the extent that deferred tax liabilities exist. If deferred tax assets exceed deferred tax liabilities, they are recognized to the extent that it is probable that sufficient taxable income will be available in the future to ensure the utilization of these tax assets. The recoverability of the recognized deferred taxes is reviewed on an individual basis each year.

Deferred tax liabilities that arise due to temporary differences in connection with investments in subsidiaries and associated companies are recognized unless the point in time for the reversal of the temporary differences can be determined by the Group and it is likely that the temporary differences will not reverse in the foreseeable future due to this determining influence.

Changes in deferred taxes in the statement of financial position generally lead to deferred tax expense or income. If circumstances that entail a change in deferred taxes are recognized directly in equity or in other comprehensive income, the change in deferred taxes is also taken into account directly in equity or in other comprehensive income.

Deferred tax assets and deferred tax liabilities are offset if they relate to income taxes levied by the same taxation authority and they can be set off against each other.

Provisions

Provisions for pensions and similar obligations are determined in accordance with the projected unit credit method prescribed by IAS 19, based on actuarial reports. In this connection, the demographic assumptions applied, as well as expected salary and pension trends and the interest rate to be used, are determined on the basis of current estimates as at the reporting date. Accordingly, actuarial gains and losses can result from deviations between the actual parameters as at the reporting date and the assumptions used for the calculation. These actuarial results – as well as revenues from plan assets that are not included in net interest – are recognized immediately and completely as they arise and are disclosed as generated Group earnings in equity. Past service cost is recognized immediately as an expense.

To determine the net obligation deriving from defined benefit plans, the fair value of the plan assets is deducted from the present value of the pension obligations.

Other provisions are set up for all other uncertain obligations and risks of the Aurubis Group provided that a related obligation to third parties results from a past event, the settlement of which is expected to result in an outflow of cash resources, and the respective amount can be reliably estimated. If the effect of the time value of money is material, non-current provisions are recognized at their present value.

Other non-financial liabilities

Other non-financial liabilities are recognized at amortized cost.

Changes in accounting and measurement methods due to new standards and interpretations

The following standards which affected the Group were applied for the first time in fiscal year 2016/17.

Standards and interpretations compulsorily applied for the first time

T 034

	Standard/Interpretation	Compulsory application in the EU	Adoption by EU Commission	Impact
IAS 1	Amendments: Disclosure Initiative	1/1/2016	12/18/2015	Clarifications on the materiality of the presentation and disclosure of information in IFRS financial statements. Standards on the presentation of subtotals, the structure of the notes to the financial statements and information about accounting methods. The Statement of Comprehensive Income was adjusted to cover the separate dislosure of the remeasurement of the net liability deriving from defined benefit obligations (after taxes) for financial fixed assets accounted for using the equity method.
IAS 16 IAS 38	Amendments: Clarification of Acceptable Methods of Depreciation and Amortization	1/1/2016	12/2/2015	no impacts
Various	Annual Improvements to IFRS (2012–2014 cycle)	1/1/2016	12/2/2015	no impacts

The following standards are to be applied to all fiscal years beginning after October 1, 2016. They were not adopted early in the consolidated financial statements.

Standards and interpretations not adopted early

T 035

	Standard/Interpretation	Compulsory application in the EU	Adoption by EU Commission	Impact
IAS 7	Amendments: Consolidated Cash Flow Statement Cash Flow Statement	1/1/2017	11/6/2017	More detailed disclosures on changes in liabilities deriving from financing activities that may, for example, be presented in a reconciliation table. Based on the currently available information, Aurubis does not expect any further material effects to derive from these amendments to IAS 7.
IAS 12	Recognition of Deferred Tax Assets for Unrealized Losses; Follow-up project from the Annual Improvements to IFRS (2012–2014 cycle)	1/1/2017	11/6/2017	no impacts

	Standard/Interpretation	Compulsory application in the EU	Adoption by EU Commission	Impact
IFRS 12	Annual Improvements to IFRS (2014–16 cycle)	1/1/2017	open	no impacts
IFRS 9	Financial Instruments – Classification and Measurement	1/1/2018	11/25/2016	A detailed description of the impacts follows the overview in this table
IFRS 15	Revenue from Contracts with Customers	1/1/2018	9/22/2016	A detailed description of the impacts follows the overview in this table
IFRS 15	Amendments: Revenue from Contracts with Customers	1/1/2018	10/31/2017	A detailed description of the impacts follows the overview in this table
IFRS 1 IAS 28	Annual Improvements to IFRS (2014–2016 cycle)	1/1/2018	open	no impacts
IFRS 2	Amendments: Share-based Payment	1/1/2018	open	no impacts
IFRS 4	Amendments: Insurance Contracts	1/1/2018	11/3/2017	no impacts
IAS 40	Amendments: Investment Property	1/1/2018	open	no impacts
IFRIC 22	Foreign Currency Transactions and Advance Consideration	1/1/2018	open	Translation of advance consideration received or paid in a foreign currency into the functional currency at the spot exchange rate on the day of payment. Aurubis does not expect any material effects.
IFRIC 23	Uncertainty over Income Tax Treatments	1/1/2019	open	no impacts
IFRS 16	Leases	1/1/2019	10/31/2017	This standard regulates the accounting treatment for leases. IFRS 16 replaces the previously applicable IAS 17 as well as three leasing-related interpretations. The application of IFRS 16 is compulsory for all companies using IFRS and is generally valid for all leases. IFRS 16 provides for a single accounting model for the lessee. Accordingly, all assets and liabilities deriving from leasing agreements must be recognized in the lessee's statement of financial position except for those with a term of 12 months (or less) or those that can be classified as low value assets (optional). For the lessor, the accounting model prescribed by IFRS 16 does not differ materially from the requirements of IAS 17. For accounting purposes, a distinction must still be made here between finance and operating leases. As Aurubis is only required to apply IFRS 16 in fiscal year 2019/20, it is not yet possible to provide information about future impacts.
IFRS 17	Insurance Contracts	1/1/2021	open	The standard regulates the principles covering recognition, measurement, reporting and disclosures for insurance contracts within the scope of the standard. IFRS 17 will replace the previously applicable IFRS 4. Based on our current understanding, Aurubis does not expect any material effects.
IFRS 10 IAS 28	Amendments: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	postponed indefinitely	open	being investigated by management

IFRS 9

IFRS 9 "Financial Instruments" amends the accounting requirements for the classification and measurement of financial assets, the impairment of financial assets and for hedge accounting.

The classification and measurement of financial assets are determined on the basis of the business model in use and the structure of the cash flows. In this connection, a financial asset is initially classified as either measured "at amortized cost," "at fair value through other comprehensive income" or "at fair value through profit and loss."

The classification is initially based on the allocation of financial assets according to the business model. For this purpose, Aurubis examined the financial assets in the financial year under review and determined which of them were held for the purpose of collecting contractual cash and cash equivalents "held to collect", which were "held to collect and sell", and which could not be allocated to any of the two categories "other".

Based on current knowledge, it was determined that trade receivables held for sale within the context of factoring arrangements would be classified as "held to collect and sell". These receivables are therefore to be measured at market value.

For equity instruments that are not classified as "held for trading", measurement at fair value through OCI (FVOCI) category can be optionally selected. In future, gains or losses in other comprehensive income will not be reclassified to the income statement and no impairment assessment will be made in this respect. From a current perspective, Aurubis intends to allocate fixed asset securities to the FVOCI category.

In addition to the allocation based on the business model, an initial analysis was also carried out with regard to the characteristics of the contractual cash flows of the underlying financial assets on the basis of the so-called SPPI criteria (Solely Payment of Principal and Interest). In the case of financial assets, it was therefore examined whether the contractual cash flows solely represent payments of principal and interest on the principal amount outstanding.

Based on the investigations carried out to date, Aurubis does not anticipate any material effects on accounting and measurement to result from the revised classification of financial assets under IFRS 9. The classification of financial liabilities under IFRS 9 is largely unchanged from the current accounting requirements that are applicable under IAS 39.

The determination of any impairment and the creation of risk provisions changes from an incurred loss model to an expected credit loss model. The general approach stipulates a three-stage process for determining risk provisions. Depending on the counterparty's credit default risk, the model requires different levels of impairment assessment at these various stages. A simplified approach for the recognition of impairment losses is available for certain financial instruments, such as trade receivables. In this context, a risk provision is established for the entire term of the financial instrument at the time it is acquired.

In the year under review, Aurubis conducted a comprehensive analysis to determine risk provisioning using a so-called "cohort model" for the simplified approach' based on data from the last three fiscal years. Actual historical bad debt losses were applied to the outstanding receivables, taking into account forward looking information.

The expected debt default model is also applicable to other financial instruments measured at amortized cost, such as bank balances, loans receivable and other receivables, insofar as these represent financial instruments.

The so-called “single-loss rate approach” is also being reviewed with regard to materiality. In this approach, only a simplified default rate is applied to the basic related population.

From a current perspective, based on our investigations, we do not expect any material effects to derive from the application of the expected credit loss model.

The expansion of designation options is regulated within the scope of hedge accounting. In addition, IFRS 9 eliminates the quantitative limits for the effectiveness test. The requirements for documentation and disclosure are broadened.

In future, the currency risk – the so-called “cross-currency basis spread” (CCBS) – will have to be calculated separately for forward exchange transactions and cross-currency swaps, where these are so designated accordingly.

The CCBS corresponds to the default risk for currency, which is included in the swap rates of the respective currency. These are used to calculate the fair values. The CCBS has an impact on the effectiveness of a hedging relationship, as it is only to be taken into account for the hedging transaction and not the underlying hedged transaction. From a current perspective, we primarily only expect related adjustments in other comprehensive income.

IFRS 15

IFRS 15 regulates the point in time and amount at which revenues from customer contracts are to be recognized and the extent of the required disclosures in the notes to the financial statements. The new standard does not differentiate between different types of contracts and activities performed, but establishes uniform criteria for when a performance obligation is to be recognized as revenue. Accordingly, revenue is recognized when the customer obtains control of the agreed goods and services and can derive benefit from them. Revenues are measured at the amount of consideration expected to be received by the company. In this context, the determination of revenues is based on a five-stage model that must be applied to all contracts with customers.

In the last fiscal year, management had already commenced an initial analysis of the impact of the new requirements in anticipation of this. In the current fiscal year, this impact analysis was continued based on qualitative analyses, or respective contract reviews, as well as structured interviews with the various sales areas.

Key contract types were identified in the sales areas for this purpose. Together with the findings deriving from the structured interviews, these were evaluated with regard to possible changes in accounting under IFRS 15 and the results of this analysis were documented. Based on this, the actual need for adaptation is currently being examined.

The performance obligations entered into by Aurubis primarily relate to the transfer of goods. Revenue will therefore usually normally be recognized by applying a time-based approach.

Based on current knowledge, the transport of goods as a possible separate contractual obligation with period-related fulfillment represents an insignificant volume within the Group, which is why Aurubis does not anticipate any material effects on the recognition of revenue in this respect.

From a current perspective, the presentation of price adjustments for contracts with customers that had not yet been fixed at the previous reporting date will be made as a separate disclosure within the note on revenues.

Overall, we currently do not expect any material impact on the Aurubis Group to derive from the IFRS 15 accounting requirements since revenues are primarily generated from the sale of metals and copper products.

For the transition to IFRS 15, we currently expect the modified retrospective method to be applied.

Significant estimates and assumptions

Accounting and measurement in the consolidated financial statements are influenced by a large number of estimates and assumptions, which are based on past experience as well as additional factors, including expectations about future events. All estimates and assessments are subject to continuous review and re-evaluation. The use of estimates and assumptions is especially necessary in the following areas:

Impairment of goodwill

Goodwill is tested for impairment at least annually in line with the accounting policies. In this context, the recoverable amount is calculated on the basis of the value in use (Note 15). The calculation of the value in use in particular requires estimates of future cash flows on the basis of calculations made for planning purposes. The impairment test of the Aurubis Hamburg Copper Products cash-generating unit (CGU) resulted in no impairment of goodwill either in the current or past fiscal year. A 10 % reduction in the predicted cash flows or an increase of 0.5 percentage points in the WACC after taxes – from 5.1 % to 5.6 % – would also not result in the requirement to recognize any impairment losses.

Fair values in conjunction with business combinations

Acquired assets, liabilities and contingent liabilities are recognized with their fair values when accounting for business combinations. Discounted cash flow (DCF)-based procedures, the results of which depend on assumed future cash flows and other assumptions, are often used in this context. The measurement of contingent liabilities depends significantly on the assumptions with respect to the future resource outflows and the probability of their occurrence.

Fair values of derivatives and other financial instruments

The fair values of financial instruments for which there are no quoted prices in an active market are determined on the basis of financial calculation procedures and are influenced by assumptions specific to the instrument. Estimates have a particularly significant influence when the fair value needs to be determined for financial instruments for which at least one significant parameter is not based on observable market data (Level 3 of the fair value hierarchy). The selection and application of suitable parameters and assumptions require an assessment by management. Extrapolation and interpolation procedures have to be applied in particular when data are derived from uncommon market transactions.

Detailed information can be found in the section entitled "Additional disclosures on financial instruments" on page 176.

Accounting for inventories

Various estimates have to be made in connection with the accounting treatment of inventories. For example, individual estimation procedures are applied when quantifying inventories as well as in the determination of the metal yield content.

Pension provisions and other provisions

Within the Aurubis Group, retirement benefits for employees are provided on the basis of both defined benefit plans and defined contribution plans.

Obligations deriving from defined benefit pension plans are measured in accordance with actuarial procedures. These procedures are based on several actuarial assumptions, such as, for example, the assumed interest rate, expected salary and pension developments, employee fluctuations and life expectancy. For the purposes of determining the assumed interest rate, high-quality corporate bonds with commensurate terms and currencies are used as a source of reference. Deviations of the actual development from the assumptions at the beginning of the reporting period lead to remeasurement of the net liability.

When recognizing other provisions, assumptions are made with regard to the probability of the occurrence and the amount and timing of the outflow of resources, which by their nature are subject to uncertainty.

Other significant estimates relate to the determination of the useful lives of intangible items of assets and property, plant and equipment, the collectability of receivables and the measurement of inventory risks within inventories.

Notes to the Income Statement

1. Revenues

T 036

Analysis by product group in € thousand	2016/17	2015/16
Continuous cast wire rod	3,740,631	3,318,489
Precious metals	2,419,959	2,375,531
Copper cathodes	2,337,340	1,689,657
Strips, profiles and shapes	1,296,059	1,121,388
Continuous cast products	871,386	653,388
Chemicals and other products	374,725	316,253
	11,040,100	**9,474,706**

A further breakdown of Aurubis Group revenues by Group segments is provided in the context of segment reporting.

2. Changes in inventories of finished goods and work in process

T 037

in € thousand	2016/17	2015/16
Finished goods	–5,360	–86,800
Work in process	10,791	184,346
	5,431	**97,546**

The changes in inventories in the year reported were due to decreased inventory volumes in the intermediate product sector, which were compensated by price effects. The changes in inventories in the previous year were primarily due to increased inventory volumes in the intermediate product sector.

3. Own work capitalized

Own work capitalized of € 8,726 thousand (previous year: € 8,752 thousand) primarily includes production costs and purchased materials.

4. Other operating income

T 038

in € thousand	2016/17	2015/16
Cost reimbursements	26,003	22,910
Income from commissions and refunded freight expenses	7,800	7,391
Damage claims and indemnities	1,685	9,134
Income deriving from the reversal of provisions	456	502
Other income	11,292	17,864
	47,236	**57,801**

5. Cost of materials

T 039

in € thousand	2016/17	2015/16
Raw materials, supplies and merchandise	9,477,085	8,352,990
Cost of purchased services	297,081	282,287
	9,774,166	**8,635,277**

The cost of materials ratio, represented by the ratio of the cost of materials to revenues and changes in inventories, was 88.5 % (previous year: 90.2 %).

6. Personnel expenses and human resources

T 040

in € thousand	2016/17	2015/16
Wages and salaries	364,998	349,592
Social security, pension and other benefit expenses	105,491	98,992
	470,489	**448,584**

Pension expenses include allocations to the provisions for pensions.

The average number of employees in the Group during the year was as follows:

T 041

	2016/17	2015/16
Blue collar	4,057	4,017
White collar	2,159	2,083
Trainees and apprentices	261	255
	6,477	**6,355**

7. Depreciation and amortization

Depreciation and amortization for the Group on intangible assets and property, plant and equipment totaled € 135,210 thousand (previous year: € 134,803 thousand). This comprises depreciation of € 133,021 thousand (previous year: € 133,051 thousand) on property, plant and equipment and amortization of € 2,189 thousand (previous year: € 1,752 thousand) on intangible assets.

No impairment losses were recognized on intangible assets and property, plant and equipment during the current or previous fiscal year.

The depreciation and amortization of intangible assets and property, plant and equipment of € 139,695 thousand disclosed in the tables showing changes in assets include depreciation on investments in connection with an electricity supply contract of € 4,485 thousand, which is disclosed under cost of materials.

A breakdown of depreciation and amortization of intangible assets and property, plant and equipment is provided in the details of changes in the Group's fixed assets (see Notes 15 and 16).

8. Other operating expenses

T 042

in € thousand	2016/17	2015/16
Selling expenses	110,329	100,476
Administrative expenses	87,256	83,544
Other taxes	2,843	2,703
Sundry operating expenses	58,709	56,599
	259,137	**243,322**

The selling expenses mainly comprise freight costs.

9. Result from investments measured using the equity method

The result from investments measured using the equity method of € 10,932 thousand (previous year: € 6,351 thousand) comprises the 50 % holding in Schwermetall Halbzeugwerk GmbH & Co. KG, Stolberg.

10. Interest

T 043

in € thousand	2016/17	2015/16
Interest income	2,715	2,868
Interest expense	−19,575	−27,373
	−16,860	**−24,505**

The interest income mainly derives from interest-bearing customer receivables.

The interest expense primarily results from borrowings. Among other items, the interest expense includes the net interest deriving from defined benefit plans, amounting to € 3,964 thousand (previous year: € 5,470 thousand).

11. Other financial result

T 044

in € thousand	2016/17	2015/16
Other financial income	220	257
Other financial expense	–720	–107
	–500	**150**

Other financial items during the fiscal year mainly derive from write-downs on investments. As in the previous year, income results primarily from securities.

12. Income taxes

Income taxes comprise both actual income taxes as well as deferred taxes. Tax liabilities and receivables primarily include obligations or claims from domestic and foreign income taxes from previous years and the current year. Income taxes consist of the following:

T 045

in € thousand	2016/17	2015/16
Current taxes	77,912	44,802
Deferred taxes	25,767	–9,506
	103,679	**35,296**

Current taxes include expenses of € 942 thousand (previous year: € –1,665 thousand) and deferred taxes include expenses of € 257 thousand (previous year: € –626 thousand) from earlier fiscal years.

The recognition of corporate income tax credits and increases pursuant to Section 37 of the German Corporate Income Tax Act (KStG) resulted in net income of € 25 thousand in the year reported (previous year: € 49 thousand).

The deferred tax expense of € 25,767 thousand (previous year: € –9,506 thousand) results from the change in temporary differences in the statement of financial position as well as from tax loss carryforwards. The difference between the tax expense in the year reported and the tax credit in the previous year reflects the influence of inventory measurement differences.

Applicable German tax legislation for fiscal year 2016/17 foresees a statutory corporate income tax rate of 15 % (previous year: 15 %), plus a solidarity surcharge of 5.5 % (previous year: 5.5 %). The trade tax rate applicable for Aurubis AG amounts to 16.59 % (previous year: 16.59 %) of the respective taxable income. For the other German Group companies, trade tax rates between 11.09 % and 17.33 % (previous year: 11.09 % and 17.33 %) are applicable. The foreign companies are subject to their respective national income tax rates, which vary between 10 % and 35.98 % (previous year: 10 % and 35.98 %).

The Group taxes include tax effects from foreign subsidiaries to a significant degree. As a consequence, the tax rate of the German parent company of 32.41 % (previous year: 32.41 %) is not applied as the Group tax rate for calculation purposes, but a Group-wide mixed tax rate of 22.58 % (previous year: 23.07 %) is used instead. As in the prior year, the main contributions to earnings come from Aurubis AG and Aurubis Bulgaria in roughly equal shares.

The actual income tax expense of € 103,679 thousand (previous year: € 35,296 thousand) was € 682 thousand higher (previous year: € 1,349 thousand lower) than the expected income tax expense of € 102,997 thousand (previous year: € 36,645 thousand). The difference between the expected and the actual income tax expense is due to the reasons outlined in the following reconciliation:

Reconciliation

T 046

in € thousand	2016/17	2015/16
Earnings before taxes	**456,063**	**158,815**
Theoretical tax charge at 22.58 % (previous year: 23.07 %)	**102,997**	**36,645**
Changes in the theoretical tax charge due to:		
– changes in tax rate	223	97
– non-recognition and correction of deferred taxes	241	2,804
– taxes for previous years	1,199	–2,291
– non-deductible expenses	2,491	2,751
– non-taxable income	–642	–240
– notional interest deduction (Belgium)	–2,763	–3,963
– outside basis differences	295	–296
– effects deriving from consolidation of items using the equity method	–385	–233
– other	23	22
Income taxes	**103,679**	**35,296**

Effects from the non-recognition and correction of deferred taxes totaling € 241 thousand (previous year: € 2,804 thousand) mainly result from non-recognized loss carryforwards which accounted for € 393 thousand (previous year: € 2,969 thousand). The remaining amount of € –152 thousand includes corrections deriving from loss carryforwards not recognized in previous years as well as adjustments to loss carryforwards and unrecognized loss carryforwards in the current year. The "notional interest deduction" is a special feature to be observed under Belgian tax law, which results in a lower assessment basis for the current taxes of Aurubis Belgium NV/SA in the reporting period amounting to € 8,129 thousand (previous year: € 11,660 thousand).

The recognized deferred tax assets and deferred tax liabilities result from the following recognition and measurement differences in individual items in the statement of financial position, from tax loss carryforwards and from outside basis differences (OBD):

T 047

	9/30/2017		9/30/2016	
in € thousand	Deferred tax assets	Deferred tax liabilities	Deferred tax assets	Deferred tax liabilities
Intangible assets	7,896	204	3,372	210
Property, plant and equipment	974	109,460	631	111,013
Financial fixed assets	2	371	2	345
Financial fixed assets accounted for using the equity method	105	3,135	149	2,471
Inventories	23,257	188,989	14,022	160,131
Receivables and other assets	5,911	32,750	2,261	22,079
Pension provisions	61,962	3,647	86,815	2,780
Other provisions	8,875	579	9,171	489
Liabilities	31,912	5,960	29,919	1,244
Tax loss carryforwards	5,764	0	14,646	0
Outside basis differences	0	950	0	655
Offsetting	−140,911	−140,911	−150,570	−150,570
Consolidated statement of financial position	**5,747**	**205,134**	**10,418**	**150,847**

€ 29,168 thousand (previous year: € 16,283 thousand) of the deferred tax assets and € 221,740 thousand (previous year: € 182,210 thousand) of the deferred tax liabilities will be realized within the next twelve months. Deferred tax assets of € 117,490 thousand (previous year: € 144,705 thousand) and deferred tax liabilities of € 124,305 thousand (previous year: € 119,207 thousand) will be realized after more than twelve months. These figures represent the amounts prior to offsetting.

The following table presents the tax effects on components of other comprehensive income:

T 048

	9/30/2017		9/30/2016	
in € thousand	Balance	Change	Balance	Change
Deferred taxes				
Derivatives	−4,663	−6,314	1,651	−5,924
Pension provisions	12,281	−26,484	38,765	30,563
Total	**7,618**	**−32,798**	**40,416**	**24,639**
Current taxes	−1,691	204	−1,895	−862
Exchange rate differences	**−619**	**−26**	**−593**	**293**

Furthermore, there were changes affecting net income, amounting to € −365 thousand in the individual deferred tax positions of the foreign subsidiaries due to exchange rates (previous year: € 39 thousand).

Deferred tax assets are only recognized to the extent to which the respective benefits will probably be realized. Based on the forecast profit expectations of the subsidiaries, it is probable that the tax loss carryforwards will be utilized in conformity with IAS 12.34.

Loss carryforwards existed totaling € 124,770 thousand (previous year: € 165,931 thousand). Deferred tax assets were recognized in respect of income tax losses of € 27,559 thousand (previous year: € 58,309 thousand) to the extent that deferred tax liabilities were available or if the companies concerned had positive future earnings forecasts.

No deferred tax assets were set up with respect to loss carryforwards of € 97,211 thousand (previous year: € 107,621 thousand), as the possibility of utilizing them is believed to be unlikely from a current perspective. Of the tax loss carryforwards deemed not to be utilizable, an amount of € 23,988 thousand (previous year: € 31,806 thousand) can be carried forward indefinitely, an amount of € 19,044 thousand (previous year: € 22,771 thousand) can be utilized within the next seven years and an amount of € 54,179 thousand (previous year: € 53,045 thousand) can be utilized within the next nine years.

Deferred tax liabilities of € 950 thousand (previous year: € 655 thousand) were set up with respect to the differences between the proportional equity of subsidiaries recognized in the consolidated statement of financial position and the investment carrying amounts for these subsidiaries shown in the tax-based records of the respective parent company (so-called outside basis differences) as at the reporting date. No deferred tax liabilities were set up for outside basis differences deriving from undistributed earnings of subsidiaries amounting to € 16,114 thousand (previous year: € 11,745 thousand), since the reversal of these differences is unlikely in the foreseeable future.

13. Consolidated net income attributable to non-controlling interests

Of the reported consolidated net income for 2016/17 of € 352,384 thousand (previous year: € 123,519 thousand), a share of income of € 1,501 thousand (previous year: € 1,667 thousand) is attributable to shareholders other than the shareholders of Aurubis AG, Hamburg. This relates to the non-controlling interests in Deutsche Giessdraht GmbH, Emmerich and Aurubis Bulgaria AD, Pirdop.

14. Earnings per share

Basic earnings per share are calculated by dividing the consolidated net earnings excluding the non-controlling interests by the weighted average number of shares outstanding during the fiscal year.

T 049

	2016/17	2015/16
Consolidated net income attributable to Aurubis AG shareholders (in € thousand)	350,883	121,852
Weighted average number of shares (in thousand units)	44,957	44,957
Basic earnings per share (in €)	**7.80**	**2.71**
Diluted earnings per share (in €)	**7.80**	**2.71**

Diluted earnings per share are determined by augmenting the weighted average of the shares outstanding during the fiscal year to include the maximum number of shares that could have been issued if all conversion rights on convertible bonds had been exercised. Where applicable, the consolidated net income is increased at the same time by the interest expense incurred on convertible bonds less the corresponding taxes.

Since conversion rights on convertible bonds existed neither in the reporting year nor in the prior year, the diluted earnings per share for the Aurubis Group correspond to the basic earnings per share.

Notes to the statement of financial position

15. Intangible assets

The development of the costs of acquisition or generation and the accumulated amortization and impairment-related write-downs of the intangible assets are as follows:

Costs of acquisition or generation

T 050

in € thousand	10/1/2016	Additions	Disposals	Transfers	9/30/2017
Intangible assets					
Franchises, industrial property rights and licenses	105,802	49,521	–885	1,312	155,750
Goodwill	43,170	0	0	0	43,170
Payments on account for intangible assets	1,594	4,031	0	–1,312	4,312
	150,566	**53,552**	**–885**	**0**	**203,232**

Amortization and impairment losses

T 051

in € thousand	10/1/2016	Amortization and impairment losses for the fiscal year	Disposals	Transfers	9/30/2017
Intangible assets					
Franchises, industrial property rights and licenses	–41,304	–6,674	885	0	–47,092
Goodwill	–24,522	0	0	0	–24,522
Payments on account for intangible assets	0	0	0	0	0
	–65,826	**–6,674**	**885**	**0**	**–71,614**

Carrying amount

T 052

in € thousand	9/30/2017	9/30/2016
Intangible assets		
Franchises, industrial property rights and licenses	108,658	64,498
Goodwill	18,648	18,648
Payments on account for intangible assets	4,312	1,594
	131,618	**84,740**

Costs of acquisition or generation

T 053

in € thousand	10/1/2015	Additions	Disposals	Transfers	9/30/2016
Intangible assets					
Franchises, industrial property rights and licenses	103,849	1,068	−134	1,019	105,802
Goodwill	43,170	0	0	0	43,170
Payments on account for intangible assets	1,086	1,526	1	−1,019	1,594
	148,105	**2,594**	**−133**	**0**	**150,566**

Amortization and impairment losses

T 054

in € thousand	10/1/2015	Amortization and impairment losses for the fiscal year	Disposals	Transfers	9/30/2016
Intangible assets					
Franchises, industrial property rights and licenses	−39,685	−1,752	133	0	−41,304
Goodwill	−24,522	0	0	0	−24,522
Payments on account for intangible assets	0	0	0	0	0
	−64,207	**−1,752**	**133**	**0**	**−65,826**

Carrying amount

T 055

in € thousand	9/30/2016	9/30/2015
Intangible assets		
Franchises, industrial property rights and licenses	64,498	64,164
Goodwill	18,648	18,648
Payments on account for intangible assets	1,594	1,086
	84,740	**83,898**

Intangible assets comprise licenses acquired for a consideration, primarily in connection with a long-term electricity supply contract, as well as goodwill on consolidation arising in the Aurubis Group.

The largest individual investment (€ 46,981 thousand) related to our long-term electricity supply agreement.

As in the prior year, most of the goodwill (€ 17,439 thousand) is attributable to the Aurubis Hamburg Copper Products cash-generating unit (CGU).

Aurubis carries out an impairment test on goodwill at least annually. For the impairment test on goodwill, the goodwill acquired in conjunction with a business combination is allocated to the CGU that is expected to benefit from the synergies of the business combination. If the carrying amount of the CGU to which the goodwill was allocated exceeds its recoverable amount, a commensurate impairment loss is recognized on the allocated goodwill.

As in the prior year, there was no requirement to recognize an impairment loss for the Aurubis Hamburg Copper Products CGU.

The recoverable amount is the higher of the fair value less costs to sell and the value in use. Aurubis determines the recoverable amount on the basis of the value in use. The value in use is determined by means of discounting future cash flows after taxes with a risk-adjusted discount rate (WACC) after taxes (discounted cash flow method).

The cash flow estimates cover a planning horizon of four years before transferring to perpetuity. The cash flows were established within the scope of a qualified planning process including use of internal company values based on past experience and extensive market knowledge, and they take into consideration management's assessment and estimates regarding the future development of the regional market.

In addition to the weighted capital costs, the significant assumptions used to calculate the value in use are the forecast earnings trend and the sustainable growth rate of the terminal value at a level of 1 %. The growth rate was derived from future expectations and does not exceed the long-term average growth rates of the respective markets.

The WACC used for discounting purposes amounted to 5.1 % after taxes or 7.2 % before taxes as at September 30, 2017 (previous year: 5.7 % after taxes or 8.1 % before taxes).

As in the prior year, there was no requirement to recognize impairment losses on intangible assets with a limited useful life.

Capitalized development costs of € 381 thousand (previous year: € 0 thousand) were recognized during the fiscal year. Research costs are recognized in profit or loss for the respective periods (see Note 31).

16. Property, plant and equipment

The costs of acquisition or construction and the accumulated depreciation and impairment losses on property, plant and equipment are as follows:

Costs of acquisition or construction

T 056

in € thousand	10/1/2016	Exchange rate differences	Additions	Disposals	Transfers	9/30/2017
Property, plant and equipment						
Land and buildings	650,508	−536	10,015	−4,570	7,068	662,485
Technical equipment and machinery	2,057,740	−3,453	32,431	−28,777	57,779	2,115,720
Other equipment, factory and office equipment	90,880	−363	6,719	−5,776	995	92,455
Leased assets	34,678	0	9,600	−279	0	43,999
Payments on account for assets under construction	66,593	−220	62,209	0	−65,842	62,740
	2,900,398	**−4,572**	**120,974**	**−39,402**	**0**	**2,977,399**

Depreciation and impairment losses

T 057

in € thousand	10/1/2016	Exchange rate differences	Depreciation and impairment losses for the fiscal year	Disposals	Transfers	9/30/2017
Property, plant and equipment						
Land and buildings	−357,174	74	−19,591	4,103	0	−372,588
Technical equipment and machinery	−1,174,399	1,644	−103,657	25,678	0	−1,250,734
Other equipment, factory and office equipment	−63,212	329	−7,516	5,594	0	−64,805
Leased assets	−17,037	0	−2,257	279	0	−19,015
Payments on account for assets under construction	−422	1	0	0	0	−421
	−1,612,244	**2,048**	**−133,021**	**35,654**	**0**	**−1,707,563**

Carrying amount

T 058

in € thousand	9/30/2017	9/30/2016
Property, plant and equipment		
Land and buildings	289,897	293,334
Technical equipment and machinery	864,986	883,341
Other equipment, factory and office equipment	27,650	27,668
Leased assets	24,984	17,641
Payments on account for assets under construction	62,319	66,171
	1,269,836	**1,288,155**

Costs of acquisition or construction

T 059

in € thousand	10/1/2015	Exchange rate differences	Additions	Disposals	Transfers	9/30/2016
Property, plant and equipment						
Land and buildings	625,463	−180	14,277	−6,896	17,844	650,508
Technical equipment and machinery	2,006,512	−265	21,413	−72,391	102,471	2,057,740
Other equipment, factory and office equipment	88,396	−47	6,445	−4,591	677	90,880
Leased assets	34,671	−1	773	−765	0	34,678
Payments on account for assets under construction	89,207	6	98,396	−24	−120,992	66,593
	2,844,249	**−487**	**141,304**	**−84,667**	**0**	**2,900,399**

Depreciation and impairment losses

T 060

in € thousand	10/1/2015	Exchange rate differences	Depreciation and impairment losses for the fiscal year	Disposals	Transfers	9/30/2016
Property, plant and equipment						
Land and buildings	−343,898	172	−18,391	6,548	−1,605	−357,174
Technical equipment and machinery	−1,135,109	359	−104,915	65,714	−448	−1,174,399
Other equipment, factory and office equipment	−61,836	42	−7,835	4,365	2,052	−63,212
Leased assets	−15,892	0	−1,910	764	1	−17,037
Payments on account for assets under construction	−432	10	0	0	0	−422
	−1,557,167	**583**	**−133,051**	**77,391**	**0**	**−1,612,244**

Carrying amount

T 061

in € thousand	9/30/2016	9/30/2015
Property, plant and equipment		
Land and buildings	293,334	281,565
Technical equipment and machinery	883,341	871,403
Other equipment, factory and office equipment	27,668	26,560
Leased assets	17,641	18,779
Payments on account for assets under construction	66,171	88,775
	1,288,155	**1,287,082**

In the previous fiscal year, technical equipment and machinery included disposals of minimum stocks of € 6,072 thousand (net) that were transferred to inventories.

Depreciation in the current fiscal year does not include any impairment losses.

Rented or leased items of property, plant and equipment totaled € 24,984 thousand (previous year: € 17,641 thousand). The carrying amount of the leased facilities includes carrying amounts of € 5,268 thousand (previous year: € 5,788 thousand) for ships used for transporting copper concentrates and sulfuric acid, and carrying amounts of € 4,097 thousand (previous year: € 4,540 thousand) for the warehouse used for storing copper concentrates in Brunsbüttel.

Some of the lease payments are adjusted annually based on the indexed price trend for industrial products. The lease agreements are mainly based on fixed rental arrangements. Collateral has not been provided for them.

In addition, the leased facilities include a new lease agreement for a warehouse used for the storage and handling of copper concentrates in Bulgaria. This results in the addition of € 9,000 thousand or a respective carrying amount at the end of the year of € 8,800 thousand.

The terms of this contract provide for fixed installment payments over a fixed period. No collateral has been provided.

No property, plant and equipment was pledged as security for loans within the Group as at September 30, 2017, and September 30, 2016. Purchase commitments for property, plant and equipment amounted to € 69,335 thousand as at September 30, 2017 (previous year: € 41,126 thousand).

Minimum stocks are recognized in technical equipment and machinery as components of the respective technical equipment and machinery. Minimum stocks are quantities of materials that are necessary to establish and ensure a production facility's continuing functionality for its intended use. A total of € 291,381 thousand was attributable to the technical minimum stock as at September 30, 2017 (previous year: € 291,381 thousand).

17. Investment property

Aurubis' investment property represents a property site with buildings belonging to Aurubis Switzerland SA.

The property is measured at its fair value. The fair value was determined by an external, independent and qualified real estate assessor applying RICS Valuation Professional Standards and amounted to € 7,955 thousand as at September 30, 2017 (previous year: € 8,515 thousand). The property was measured on the basis of the investment method, in which the potential market value is derived from capitalized net income (using comparable transactions). Due to the limited availability of market data and/or data and measurement parameters that are not directly observable on the market (such as market rents and rates of return), the fair value measurement of the investment property is classified as Level 3 in the measurement hierarchy according to IFRS 13.

The change in fair value leads to a loss of € –135 thousand (previous year: a gain of € 2,530 thousand). The loss for the current fiscal year is recognized in profit or loss as a component of the other financial result.

The following table shows the development in the carrying amount of investment property:

T 062

in € thousand	**9/30/2017**	9/30/2016
Balance as at October 1	8,515	0
Transfers from assets held for sale	0	5,956
Loss/gain from the change in fair value	–135	2,530
Exchange rate impacts	–425	29
Balance as at September 30	**7,955**	**8,515**

For segment reporting purposes, this property is disclosed under the Copper Products segment.

18. Financial fixed assets

T 063

in € thousand	9/30/2017	9/30/2016
Interests in affiliated companies	1,419	1,418
Investments	174	637
Other financial fixed assets	28,087	21,359
	29,680	**23,414**

The interests in affiliated companies and investments included in the financial fixed assets in the amount of € 1,593 thousand (previous year: € 2,055 thousand) are classified as "available-for-sale." In the fiscal year reported, all interests in affiliated companies were measured at amortized cost since it would only be possible to ascertain the market value reliably within the context of concrete sales negotiations. These interests are not quoted and there is no active market. There is no current intention to sell the interests.

An overview of the investments included in the financial assets of Aurubis AG, Hamburg, is presented at the end of this report.

Other financial fixed assets primarily include fixed asset securities, which mainly comprise investments in Salzgitter AG, Salzgitter, and are classified as "available for sale."

19. Investments accounted for using the equity method

Schwermetall Halbzeugwerk GmbH & Co. KG, Stolberg, is a joint venture in which Aurubis holds a 50 % interest. It is operated as a joint venture with a partner and is assigned to BU Copper Products. The business objective of the company is the fabrication and marketing of pre-rolled strip made of copper and copper alloys. Pursuant to IFRS 11.24, in conjunction with IAS 28, Schwermetall Halbzeugwerk GmbH & Co. KG is accounted for using the equity method.

The next two tables summarize the financial information of Schwermetall Halbzeugwerk GmbH & Co. KG in accordance with IFRS. Furthermore, the reconciliation of the summarized financial information to the investment carrying amount can be derived from the table. The financial information provided in the table represents the total figures for the company (i.e. 100 %).

Summarized statement of financial position

T 064

in € thousand	2016/17	2015/16
Current assets	**127,017**	**106,106**
of which: Cash and cash equivalents	283	502
Non-current assets	**46,459**	**48,736**
Current liabilities	**45,966**	**37,096**
of which: Current financial liabilities (with the exception of trade accounts payable as well as other liabilities and provisions)	25,483	16,257
Non-current liabilities	**26,532**	**28,739**
of which: Non-current financial liabilities (with the exception of trade accounts payable as well as other liabilities and provisions)	18,013	19,838
Net assets	**100,978**	**89,007**
Proportional net assets (50 %)	50,489	44,504
Elimination of unrealized intra-Group profits	149	149
Effects deriving from the supplementary tax balance sheet	–415	359
Carrying amount as at September 30, accounted for using the equity method	**50,223**	**45,012**

Summarized statement of comprehensive income

T 065

in € thousand	2016/17	2015/16
Revenues	369,335	315,635
Depreciation and amortization	5,242	5,360
Interest income	691	487
Interest expense	1,403	2,016
Income tax expense	3,209	2,957
Net income from continuing operations	23,317	12,841
Other comprehensive income/loss	552	–1,490
Total comprehensive income	23,869	11,351
Proportional share of total comprehensive income (50 %)	**11,935**	**5,676**
Dividends received	5,950	3,600

Reconciliation of the combined financial information

T 066

in € thousand	2016/17	2015/16
Net assets as at October 1	89,007	84,856
Profit/loss of the period	23,317	12,841
Other comprehensive income/loss	552	−1,490
Distribution	−11,900	−7,200
Net assets as at September 30	100,976	89,007
Share of joint ventures (50 %)	50,489	44,504
Elimination of unrealized intra-Group profits	149	149
Effects deriving from the supplementary tax balance sheet	−415	359
Carrying amount	**50,223**	**45,012**

20. Inventories

T 067

in € thousand	9/30/2017	9/30/2016
Raw materials and supplies	702,605	654,644
Work in process	642,922	634,927
Finished goods, merchandise	405,363	409,151
Payments on account of inventories	1,382	1,483
	1,752,272	**1,700,205**

As at the reporting date, write-downs of € 10,248 thousand were recorded against inventories (previous year: € 13,605 thousand).

21. Trade accounts receivable

The trade accounts receivable as at September 30, 2017, and as at September 30, 2016, were due within one year.

The age structure of the trade accounts receivable is as follows:

T 068

in € thousand	Carrying amount	of which: neither written down as at the reporting date nor overdue	of which: not written down as at the reporting date and overdue in the following time spans: less than 30 days	between 30 and 180 days	more than 180 days
as at 9/30/2017 Trade accounts receivable	**357,403**	304,694	42,460	6,695	3,554
as at 9/30/2016 Trade accounts receivable	**242,106**	215,133	17,368	6,741	2,864

Movements on the allowances for trade accounts receivable that were not covered by commercial credit insurance were as follows:

T 069

in € thousand	9/30/2017	9/30/2016
Specific allowances Balance as at October 1	**2,946**	**3,505**
Changes in allowances during the period	102	–559
Additions	105	98
Reversal	0	–652
Exchange rate impacts	–3	–5
Balance as at September 30	**3,048**	**2,946**

All expenses and income deriving from allowances and write-offs of trade accounts receivable are shown respectively under other operating expenses or other operating income.

As regards the balances of trade accounts receivable that are neither impaired nor overdue, there is no indication as at the reporting date that the debtors will not fulfill their payment obligations.

Default risks on trade accounts receivable are largely covered by commercial credit insurance.

22. Other receivables and other assets

Other receivables and other assets comprise both other financial and other non-financial assets.

Non-current receivables and other assets are made up as follows as at the reporting date:

T 070

in € thousand	9/30/2017	9/30/2016
Non-current (with a residual term of more than 1 year)		
Derivative financial instruments of the held-for-trading category	5,195	1,539
Derivative financial instruments held as hedging instruments in the context of hedge accounting	3,459	1,516
Other non-current financial assets	21,440	20,025
Non-current financial assets	**30,094**	**23,080**
Other non-current non-financial assets	2,226	2,468
Other non-current non-financial assets	**2,226**	**2,468**

Current receivables and other assets are made up as follows as at the balance sheet date:

T 071

in € thousand	9/30/2017	9/30/2016
Current (with a residual term of less than 1 year)		
Derivative financial instruments of the held-for-trading category	28,089	28,817
Derivative financial instruments held as hedging instruments in the context of hedge accounting	18,878	972
Receivables from related parties	19,187	14,484
Sundry other current financial assets	33,942	31,230
Other current financial assets	**100,096**	**75,503**
Income tax receivables	6,842	6,918
Sundry other current non-financial assets	46,458	44,569
Other current non-financial assets	**53,300**	**51,487**

The sundry other current non-financial assets mainly comprise VAT receivables of Aurubis Bulgaria AD, Pirdop.

The disclosed receivables from related parties primarily comprise receivables from Schwermetall Halbzeugwerk GmbH & Co. KG, Stolberg, which is accounted for using the equity method, and receivables from non-consolidated affiliated companies.

The sundry other current financial assets include a continuing involvement arising from del credere risks with factoring companies and late payment and currency risks deriving from current trade accounts receivable in the amount of € 22,210 thousand (previous year: € 13,881 thousand). The level of continuing involvement corresponds to the maximum risk of loss, mainly based on the assumption that all receivables open on the reporting date that were sold remain outstanding for the entire period for which Aurubis can be held responsible for the late payment risk.

A liability of € 23,719 thousand was reported in connection with the continuing involvement (previous year: € 15,322 thousand). All trade accounts receivable sold to factoring companies have a term of less than one year, meaning that the fair value of the continuing involvement and the associated liability each correspond to the carrying amount.

All of the receivables covered by two factoring contracts for which the main opportunities and risks were transferred to the purchaser of the receivables were completely derecognized. For one of the contracts, the maximum loss Aurubis has to bear from credit risks is limited to a purchase price reduction. This is retained by the buyer at the time of sale of the receivables and is ultimately repaid in the amount of the unused portion. The purchase price reduction for the sold and derecognized receivables (nominal volume: € 12,664 thousand) amounts to € 1,500 thousand as at September 30, 2017 (previous year: € 1,358 thousand) and is included in sundry other financial assets. A total of € 434 thousand (previous year: € 382 thousand) was recorded as an expense deriving from the sale of the receivables.

In total, outstanding receivables of € 253 million (previous year: € 266 million) had been sold to factoring companies as at the reporting date.

With the exception of interest derivatives, there is no interest rate fluctuation risk deriving from any receivable or other asset. Further information on the interest derivatives is provided in Note 30.

The allowances on other financial assets are reported in the following table:

T 072

in € thousand	9/30/2017	9/30/2016
Specific allowances		
Balance as at October 1	**1,152**	**850**
Changes in allowances during the period	−63	302
Additions	0	1,198
Reversal	0	−900
Exchange rate impacts	−63	4
Balance as at September 30	**1,089**	**1,152**

In the previous year, income of € 900 thousand was recorded deriving from the reversal of write-downs on other financial assets.

As regards other financial assets that are neither impaired nor overdue, there is no indication as at the reporting date that the debtors will not fulfill their payment obligations.

23. Cash and cash equivalents

Cash and cash equivalents consist of current account balances with banks, as well as commercial paper with a term of up to one month, cash in hand and checks. Cash at banks mainly comprises euro balances.

24. Equity

The share capital amounted to € 115,089,210.88 and is divided into 44,956,723 no-par-value shares, each with a notional amount of € 2.56. The share capital is fully paid in.

The Executive Board is empowered, subject to the approval of the Supervisory Board, to increase the share capital by February 23, 2021, by up to € 57,544,604.16 once or in several installments.

The share capital has been conditionally increased by up to € 57,544,604.16 by issuing up to 22,478,361 new no-par-value shares with a proportionate notional amount per share of € 2.56 of the share capital (conditional capital increase). It will be used to grant shares to the holders or creditors of conversion and/or option rights from convertible bonds, bonds with warrants, profit participation rights or participating bonds (or combinations of these instruments) that can be issued by March 1, 2022.

Generated Group equity comprises consolidated net income, the revenue reserves of all Group companies, the accumulated unappropriated earnings of the subsidiaries since their initial consolidation and the accumulated amounts resulting from consolidation adjustments recognized in profit or loss. In addition, the effects deriving from the remeasurement of the net liability resulting from the defined benefit pension plans (after taxes), which are recorded directly in equity, are also included.

The legal reserve of € 6,391 thousand, which is not available for distribution, is also included in this amount. The change in generated Group equity from € 1,520,781 thousand as at September 30, 2016, to € 1,870,573 thousand as at September 30, 2017, includes the dividend payment of € 56,196 thousand, positive effects of € 55,105 thousand (after taxes) recognized in equity deriving from the remeasurement of the net liability resulting from the defined benefit pension plans and the consolidated net income for fiscal year 2016/17 of € 350,883 thousand.

Changes in accumulated other comprehensive income totaling € 24,490 thousand (previous year: € 25,229 thousand) mainly comprises gains and losses of € 25,688 thousand (previous year: € 28,050 thousand) deriving from the measurement of derivative financial instruments at market prices in conjunction with cash flow hedges.

An amount of € −10,677 thousand (previous year: € −33,561 thousand) was transferred during the period from other comprehensive income to the consolidated income statement in conjunction with cash flow hedge accounting, which is primarily reflected in the cost of materials.

The non-controlling interests amounting to € 3,097 thousand (previous year: € 2,769 thousand) comprise the interests of non-Group shareholders in the equity of two companies that are fully consolidated by Aurubis AG. As at September 30, 2017, the companies concerned are Deutsche Giessdraht GmbH, Emmerich and Aurubis Bulgaria AD, Pirdop. The change in non-controlling interests includes a proportional share of the dividend payment, amounting to € 1,509 thousand, effects of € 336 thousand deriving from the remeasure-ment of the net liability resulting from the defined benefit pension plans (after taxes), which are recorded directly in equity, and € 1,501 thousand of the consolidated net income for fiscal year 2016/17.

Changes in equity are presented in detail in the consolidated statement of changes in equity.

Proposed distribution of profits

The separate financial statements of Aurubis AG, Hamburg, have been prepared in accordance with German GAAP (HGB – German Commercial Code).

T 073

in €	
Net income for the year of Aurubis AG	**148,539,080.49**
Unappropriated earnings brought forward from the prior year	65,816,116.25
Allocations to other revenue reserves	74,200,000.00
Unappropriated earnings	**140,155,196.74**

A proposal will be made to the Annual General Meeting that Aurubis AG's unappropriated earnings of € 140,155,196.74 are used to pay a dividend of € 1.45 per no-par-value share (= € 65,187,248.35) and that € 74,967,948.39 be carried forward.

A dividend of € 1.25 per share was paid in fiscal year 2016/17, totaling € 56,195,903.75.

Additional information on capital management

The main purpose of management control is to increase the corporate value of the Aurubis Group, in that a positive contribution to the enterprise as a whole is generated beyond the capital costs. The Group's liquidity sourcing is secured through a combination of the Group's cash flow, borrowings, as well as lines of credit available from our banks. Existing credit facilities and lines of credit can compensate for fluctuations in the cash flow development at any time. The objective is to keep the Group's debt structure in equilibrium in the long term. Control and monitoring are carried out on the basis of defined key ratios. Net debt and liquidity are controlled in the medium and short term by means of regular cash flow forecasts.

One of the main key ratios used to determine and compare profitability is ROCE (return on capital employed), which reflects the efficiency with which the capital is utilized in the operating business or for investments. ROCE is defined as the ratio of EBIT (earnings before interest and taxes) to capital employed as at the reporting date. Capital employed comprises equity and interest-bearing liabilities, less cash and cash equivalents.

The Aurubis Group's operating ROCE increased slightly from 10.9 % in the previous year to 15.1 % in the current fiscal year. This was particularly due to the significantly higher operating earnings.

All external requirements under financial covenants were fulfilled in the fiscal year reported.

25. Deferred taxes

The breakdown of the deferred tax liabilities is presented in Note 12.

26. Pension provisions and similar obligations

Within the Aurubis Group, retirement benefits for employees are provided on the basis of both defined benefit plans and defined contribution plans.

The majority of defined benefit plan obligations in the Aurubis Group relate to Germany and the US. On the one hand, these represent individual contractual direct obligations. On the other hand, the Group provides benefits in the form of defined benefit obligations within collective plans. Both funded and unfunded plans exist.

In Germany, the Group provides eligible employees with pension benefits as well as disability and surviving dependent benefits. These are provided to a great extent through pension and support funds,
the assets of which may solely be utilized to satisfy the Aurubis Group's pension obligations.

Generally, the amount of the pension benefit per qualified year of service is determined as a percentage of a pensionable salary. In Germany, pensions are reviewed every three years and adjusted, where necessary, in a manner corresponding to the price index development.

In Germany, the company pension plan for new employees hired after September 29, 2003, was converted to the form of defined contribution plans. Processing is carried out by an external pension fund and an insurance company.

Furthermore, a subsidiary in the US grants employees pension, health care and life insurance benefits for the period after retirement under specific conditions related to age and duration of employment with the company. These retirement benefits are based on collective agreements that only apply to unionized employees. These represent lifelong pension benefits whose level depends on the duration of employment. The amount of the benefits does not depend on the salary. Health care benefits are provided after the employee leaves the company until an established minimum age. While the pension commitments are mainly financed through the specific assets of a separate pension fund, there is no separate fund for the health care and life insurance benefits provided in the US.

Within the Group, actuarial reports were obtained for all pension obligations. The reports take uniform Group-wide accounting policies into consideration, while nevertheless reflecting special country-specific circumstances.

In addition to the mortality tables published by Prof. Dr. Klaus Heubeck ("Richttafeln 2005G"), the following market discount rates, salary and pension trends were used as a basis to calculate the pension obligations in Germany:

T 074

in %	9/30/2017	9/30/2016
Discount rate	1.80	1.10
Expected salary development	2.75	2.75
Expected pension development	1.60	1.60

A discount rate of 3.67 % was taken as a basis for the measurement of the pension provision of Aurubis Buffalo, Inc., Buffalo (previous year: 3.37 %). Salary and pension trends are not relevant for the calculation of the pension obligations of the US subsidiary.

The net pension provision for defined benefit obligations disclosed in the consolidated statement of financial position as at September 30, 2017, and September 30, 2016, is as follows:

T 075

in € thousand	9/30/2017	9/30/2016
Present value of pension obligations	570,537	638,439
of which funded	442,188	496,440
– Fair value of plan assets	326,855	316,439
Net carrying amount on September 30	**243,682**	**322,000**
of which disclosed as assets	0	0
of which disclosed as liabilities	243,682	322,000

The net liability for benefit obligations, taking into account separate reconciliations for the present value of the defined benefit obligation as well as the plan assets, is derived as follows:

Development of the present value of the pension obligations

T 076

in € thousand	9/30/2017	9/30/2016
Present value of unfunded benefit obligations	141,999	125,007
Present value of funded benefit obligations	496,440	417,974
Present value of the pension obligations as at October 1	**638,439**	**542,981**
Effects deriving from the transfer of obligations	0	4,982
Current service cost	13,794	11,186
Past service cost	377	0
Loss from settlements	20	82
Interest cost on the pension obligations	8,202	13,954
Remeasurements	−62,616	103,066
Actuarial gains/losses from demographic assumptions	0	−360
Actuarial gains/losses from financial assumptions	−67,676	106,797
Actuarial gains/losses from adjustments based on experience	5,060	−3,371
Benefits paid	−19,708	−21,051
Payments for settlements	−4,837	−16,910
Exchange rate difference	−3,136	149
= Present value of the pension obligations as at September 30	**570,535**	**638,439**

The present value of the defined benefit pension obligation includes € 54,473 thousand (previous year: € 58,930 thousand) in obligations for a US subsidiary, € 16,517 thousand (previous € 16,874 thousand) of which relate to health care and life insurance benefits.

The loss from settlements results from the transfer of obligations from the defined benefit pension plans of the US subsidiary to an external insurance company.

Development of the plan assets

T 077

in € thousand	2016/17	2015/16
Fair value of the plan assets as at October 1	**316,439**	**321,209**
Effects deriving from the transfer of assets	0	4,460
Interest income	4,238	8,484
Remeasurement effects	19,623	7,873
Benefits paid	−12,983	−14,298
Payments for settlements	−4,837	−16,910
Contributions made by employer	6,309	5,376
Exchange rate difference	−1,934	245
Fair value of the plan assets as at September 30	**326,855**	**316,439**

Development of the net liability

T 078

in € thousand	2016/17	2015/16
Net liability as at October 1	**322,000**	**221,772**
Loss deriving from the transfer of obligations	0	522
Current service cost	13,794	11,186
Past service cost	377	0
Loss from settlements	20	82
Net interest result	3,964	5,470
Remeasurement effects	−82,239	95,193
Benefits paid	−6,725	−6,753
Employer contributions to the plan	−6,309	−5,376
Exchange rate difference	−1,200	−96
Net liability as at September 30	**243,682**	**322,000**

The remeasurement effects are directly recorded in other comprehensive income and are disclosed under generated Group equity. The net interest result is disclosed under interest expense. In contrast, the other components of the pension expenses (current and past service cost and the loss deriving from settlements) are recorded in personnel expenses.

In Germany, the defined benefit plans are primarily administered through processes in operation within the pension fund and the benefit fund. In this context, the pension fund is overseen by the German Federal Financial Supervisory Authority (BaFin).

Regulations related to the pension fund's capital investment portfolio are established by the "Ordinance on the Investment of Restricted Assets of Insurance Undertakings (Investment Ordinance)." The Investment Ordinance regulates the permitted quantitative distribution and mix of capital investments for the pension fund. A large portion of the pension fund's assets are invested in a segmented special fund. The contributions are calculated in accordance with the current technical business plan.

The risk capital investments (equity instruments and debt instruments with a rating lower than investment grade) may account for a maximum of 35 % of the carrying amount of the coverage assets. The real estate rate is a maximum of 25 % of the coverage assets' carrying amount. Derivatives are primarily used for hedging purposes. The risk of longevity is taken into account by the actuary, after performing a review, by adjusting the biometric parameters where necessary.

The benefit fund is also oriented to the Investment Ordinance with respect to permitted capital investments. The contributions are within the range of the tax-related possibilities.

In the US, the defined benefit plan is financed by outsourced fund assets. The investment strategy in the US aims at a distribution of the plan assets comprising 60 % shares and 40 % fixed rate securities. In order to avoid an uncontrollable risk concentration, investment in other asset classes (e.g. commodities, real estate, venture capital) is not permitted.

The plan assets in the Group are made up as follows:

T 079

in € thousand	9/30/2017	9/30/2016
Cash and cash equivalents	3,173	16,464
Equity instruments	71,193	50,532
Debt instruments	115,527	114,488
Real estate	126,782	127,247
Reinsurance policies	3,857	3,279
Other current net assets	6,323	4,429
Total plan assets	**326,855**	**316,439**

The plan assets include neither internal financial instruments nor real estate used internally. The equity and debt instruments held via security funds are allocated to their corresponding investment classes in the overview.

Market prices are generally available for the equity instruments as a result of their respective quotations on an active market. The fair value of € 71,193 thousand (previous year: € 50,532 thousand) includes € 20,117 thousand (previous year: € 20,272 thousand) for plan assets of a US subsidiary.

The debt instruments are also regularly traded on an active market. The fair value of € 115,527 thousand (previous year: € 114,488 thousand) includes € 13,129 thousand (previous year: € 13,436 thousand) for plan assets of a US subsidiary.

Real estate is held directly and is located exclusively in Germany. There is no active market from which market prices can be derived.

The company is subject to various risks in connection with the defined benefit plans. The company is subject to general actuarial risks in particular, such as the risk of longevity, the risk of interest rate changes and, to a small extent, a risk of inflation.

Sensitivity analysis
The following sensitivity analysis shows the effect of changes in the parameters on the present value of the defined benefit obligations. Each change in a significant actuarial assumption was analyzed separately, i.e., if one parameter varied, the other parameters remained constant. Possible correlation effects between the individual assumptions are not taken into consideration:

T 080

		Effect on the obligation			
		9/30/2017		9/30/2016	
in € thousand	Change in parameter	Increase	Decrease	Increase	Decrease
Actuarial interest rate	± 50 basis points	−43,905	48,699	−52,939	59,590
Expected salary development	± 50 basis points	9,224	−9,902	11,882	−12,325
Expected pension development	± 50 basis points	30,307	−28,863	36,471	−34,278
Life expectancy	± 1 year	24,270	−25,558	29,212	−30,242

The undiscounted pension payments are expected to fall due within the following time bands:

T 081

in € thousand	**9/30/2017**	9/30/2016
Less than 1 year	21,145	21,323
Between 1 and 5 years	92,586	90,550
More than 5 years	701,948	706,955
Total	**815,679**	**818,828**

The weighted average duration of obligations from defined benefit plans as at September 30, 2017, is 16.5 years (previous year: 17.7 years).

The expense for defined contribution pension plans amounted to € 24,342 thousand in the year reported (previous year: € 23,637 thousand). These include both voluntary commitments and the employer's contribution made by the Group to statutory pension schemes.

27. Other provisions

T 082

	Non-current		Current		Total	
in € thousand	**9/30/2017**	9/30/2016	**9/30/2017**	9/30/2016	**9/30/2017**	9/30/2016
Personnel provisions	45,539	46,486	24,469	22,755	70,008	69,241
Expected losses on onerous contracts	0	0	3,777	3,452	3,777	3,452
Environmental provisions	16,470	15,885	2,181	2,225	18,651	18,110
Sundry provisions	1,669	1,667	8,586	3,878	10,255	5,545
	63,678	**64,038**	**39,013**	**32,310**	**102,691**	**96,348**

The individual classes of provisions developed as follows during the fiscal year reported:

T 083

in € thousand	Balance as at 10/1/2016	Used	Released	Allocated	Interest effect	Exchange rate difference	**Balance as at 9/30/2017**
Personnel provisions	69,241	−22,261	−101	22,889	328	−88	70,008
Expected losses on onerous contracts	3,452	−3,420	0	3,745	0	0	3,777
Environmental provisions	18,110	−780	0	1,460	94	−233	18,651
Sundry provisions	5,545	−2,948	−355	8,017	0	−4	10,255
	96,348	**−29,409**	**−456**	**36,111**	**422**	**−325**	**102,691**

The personnel provisions consisted mainly of obligations to employees relating to anniversary bonuses, temporary assistance benefits and those deriving from early retirement agreements. Provisions for environmental risks primarily relate to clean-up measures at the Lünen site as well as in Buffalo (USA) and Zutphen (Netherlands). The provisions have terms of up to 24 years. The probable costs were determined taking into account past experience in comparable cases, existing appraisals and the clean-up methods that will be used on the basis of present knowledge.

28. Liabilities

Financial liabilities as at the reporting date are as follows:

T 084

in € thousand	9/30/2017	9/30/2016
Non-current (with a residual term of more than 1 year)		
Bank borrowings	317,297	321,225
Liabilities under finance leases	22,969	15,887
Non-current borrowings	**340,266**	**337,112**
Derivative financial instruments of the “held-for-trading” category	1,007	17,122
Liabilities to related parties	950	0
Derivative financial instruments held as hedging instruments in the context of hedge accounting	795	1,666
Other non-current financial liabilities	**2,752**	**18,788**
Non-current financial liabilities	**343,018**	**355,900**
Current (with a residual term of less than 1 year)		
Trade accounts payable	905,083	797,710
Trade accounts payable	**905,083**	**797,710**
Bank borrowings	8,467	156,209
Liabilities under finance leases	2,601	1,922
Current borrowings	**11,068**	**158,131**
Derivative financial instruments of the “held-for-trading” category	32,368	18,110
Liabilities to related parties	1,139	2,157
Derivative financial instruments held as hedging instruments in the context of hedge accounting	0	5,796
Sundry other current financial liabilities	96,222	91,639
Other current financial liabilities	**129,729**	**117,702**
Current financial liabilities	**1,045,880**	**1,073,543**

The liabilities under finance leases include the present value of the lease installments and the contractually guaranteed residual values at the end of the lease term. Payments are due as follows:

T 085

	9/30/2017				9/30/2016			
in € thousand	less than 1 year	1 to 5 years	more than 5 years	**Total**	less than 1 year	1 to 5 years	more than 5 years	**Total**
Expected lease payments	3,752	13,377	16,668	**33,797**	2,546	8,764	9,970	**21,280**
Interest portion	1,151	3,696	3,380	**8,227**	624	1,843	1,004	**3,471**
Redemption portion	2,601	9,681	13,288	**25,570**	1,922	6,921	8,966	**17,809**

The finance leasing agreements include both extension and purchase options, as well as price adjustment clauses.

The following table shows the Aurubis Group's contractually agreed undiscounted interest and redemption payments for non-derivative financial liabilities and the discounted net cash flows of the derivative financial instruments with negative fair values.

Payments in the amount of € 378.8 million (previous year: € 311.9 million) deriving from forward foreign exchange transactions with a negative fair value are matched by receipts of € 373.3 million as at September 30, 2017 (previous year: € 304.5 million). Derivatives with positive fair values qualify as assets and are therefore not included.

T 086

in € thousand	Carrying amount as at 9/30/2017	Payments less than 1 year	Payments 1 to 5 years	Payments more than 5 years
Bank borrowings	325,764	8,467	317,297	0
Liabilities under finance leases	25,570	2,601	9,681	13,288
Trade accounts payable	905,083	905,083	0	0
Liabilities to related parties	2,089	1,139	950	0
Derivatives of the "held-for-trading" category	33,375	32,368	1,007	0
Derivatives designated as hedging instruments for hedge accounting purposes	795	0	795	0
Sundry other financial liabilities	96,222	96,222	0	0
Total	**1,388,898**	**1,045,880**	**329,730**	**13,288**

T 087

in € thousand	Carrying amount as at 9/30/2016	Payments less than 1 year	Payments 1 to 5 years	Payments more than 5 years
Bank borrowings	477,434	156,209	205,725	115,500
Liabilities under finance leases	17,809	1,923	3,677	12,209
Trade accounts payable	797,710	797,710	0	0
Liabilities to related parties	2,157	2,157	0	0
Derivatives of the "held-for-trading" category	35,232	18,110	17,122	0
Derivatives designated as hedging instruments for hedge accounting purposes	7,461	5,795	1,666	0
Sundry other financial liabilities	91,640	91,640	0	0
Total	**1,429,443**	**1,073,544**	**228,190**	**127,709**

The presentation above shows the financial instruments that were held as at September 30, 2017, and September 30, 2016, respectively, and for which contractual agreements on the payments existed. Foreign currency amounts are translated at the closing rate.

Aurubis had no bank borrowings secured by mortgages and fixed assets. Financial assets have not been pledged as collateral for bank borrowings.

Non-financial liabilities as at the reporting date are as follows:

T 088

in € thousand	9/30/2017	9/30/2016
Non-current (with a residual term of more than 1 year)		
Non-current non-financial liabilities	1,213	1,201
Non-current non-financial liabilities	**1,213**	**1,201**
Current (with a residual term of less than 1 year)		
Income tax liabilities	19,959	4,522
Income tax liabilities	**19,959**	**4,522**
Other tax liabilities	13,289	13,223
Social security obligations	8,526	5,758
Advance payments received on orders	4,884	5,220
Sundry other current non-financial liabilities	6,998	7,279
Other current non-financial liabilities	**33,697**	**31,480**
Current non-financial liabilities	**53,656**	**36,002**

Other tax liabilities mainly comprise VAT liabilities.

Due to the financial liability nature of personnel obligations, related other current non-financial liabilities in the previous year, amounting to € 7,946 thousand, were reclassified to other current financial liabilities.

29. Other financial commitments

T 089

in € thousand	9/30/2017	9/30/2016
Capital expenditure commitments	69,335	41,126
Obligations under long-term contracts	237,331	164,598
Warranty obligations	1,285	1,709
Commitments relating to discounted bills of exchange	1,341	1,016
	309,292	**208,449**

The capital expenditure commitments mainly relate to property, plant and equipment.

Obligations under long-term contracts are mainly related to the provision of transport and handling services by various service providers. The increase results mainly from obligations for the storage and handling of copper concentrates in Bulgaria.

In addition, an agreement has been concluded with an energy utility for the cost-based procurement of one billion kilowatt hours of electricity per annum over a term of 30 years commencing in 2010.

Furthermore, the Group has long-term oxygen supply contracts in place for various sites.

Financial commitments under leases

As at September 30, 2017, commitments under operating leases amounted to € 31,305 thousand (previous year: € 30,497 thousand). These are due as follows:

T 090

in € thousand	less than 1 year	1 to 5 years	more than 5 years	Total
9/30/2017 Commitments under operating leases	9,165	15,252	6,888	**31,305**
9/30/2016 Commitments under operating leases	8,174	13,170	9,153	**30,497**

Lease payments in fiscal year 2016/17 recognized as expense amounted to € 8,078 thousand (previous year: € 7,658 thousand).

30. Financial instruments

The Aurubis Group is exposed to market risks, liquidity risks and default risks as a result of the use of financial instruments.

Market risks

Market risks arise as a result of a possible change in risk factors that lead to a decrease in the market value of the transactions affected by these risk factors. The following groups of general risk factors are relevant for the Aurubis Group: currency exchange rate risks, interest rate risks and other price risks.

Currency exchange rate risks

As a result of its business operations, the Aurubis Group is exposed to currency exchange rate fluctuations. Changes in exchange rates can lead to losses in the value of financial instruments. Foreign currency forward and option contracts are concluded to limit currency risks. These mainly relate to the US dollar. For this purpose, the daily foreign currency positions from underlying transactions are offset against each other each day and any remaining open positions are squared by means of foreign exchange derivatives. Aurubis works exclusively with business partners with good credit standing on all foreign exchange transactions.

Furthermore, foreign currency forward and option contracts were concluded in the past fiscal year to hedge future receipts. Provided the criteria for cash flow hedges were fulfilled, the results of these hedge transactions are recognized in the accompanying financial statements initially in other comprehensive income in the amount of the effective part of the hedge transaction.

These results are recognized in profit or loss as soon as the underlying hedged transaction is recognized in profit or loss. Fundamental shifts in currency relationships, in particular between the euro and the US dollar, can, however, only be hedged for a limited time.

Information on the management of exchange rate risks is provided in the Risk Report in the Management Report.

The foreign currency risk constitutes a cash flow risk and represents the risk position for the following period. This corresponds to the net amount of the nominal volume of the non-derivative and derivative financial instruments held, which are exposed to exchange rate risks. In addition, planned revenue transactions of the following periods are included to the extent that these are taken into account for currency risk management purposes to show the risk position for the following period.

Foreign currency risk

T 091

	EUR/USD	
in € thousand	**9/30/2017**	9/30/2016
Risk position deriving from recognized transactions	–845,444	–592,946
Budgeted revenues	539,182	768,540
Forward foreign exchange contracts	601,500	290,495
Put option transactions	–132,136	–172,028
Net exposure	**163,102**	**294,061**

IFRS 7 requires a sensitivity analysis to be performed for each type of risk to indicate the market risks. The use of sensitivity analyses determines the potential impacts on profit or loss and on equity, as at the reporting date, of a change in the respective risk variable for each type of risk. The impacts for the periods are determined by relating the hypothetical changes in the risk variables to the amount reported as at the reporting date. In doing so, it is assumed that the amount reported as at the reporting date is representative for the entire year.

In order to determine the exchange rate risk, a sensitivity analysis is performed for the foreign currencies that pose a significant risk for the business, in this instance, the US dollar. For the purpose of the sensitivity analysis for the currencies, it was assumed that the exchange rate of the euro compared with the US dollar would change by ±10 %, respectively.

If the euro had been 10 % stronger or weaker against the US dollar on September 30, 2017, or September 30, 2016, as compared to the closing rate prevailing on the reporting date, then – from a foreign currency risk perspective – equity and net income for the year would have changed to the extent shown in the following table. All relevant recognized foreign currency items have been included in the calculation, as well as the budgeted revenues of the following period that were considered in the foreign currency risk exposure assessment.

Currency sensitivity

T 092

	EUR/USD	
in € thousand	**9/30/2017**	9/30/2016
Closing rate	1.1806	1.1161
Devaluated rate (EUR against USD)	**1.0625**	**1.0045**
Effect on earnings	57,466	83,845
of which budgeted revenues	59,909	85,393
of which non-derivative transactions	27,258	9,478
of which derivative transactions	–29,701	–11,026
Effect on equity	–22,030	–32,931
Appreciated rate (EUR against USD)	**1.2987**	**1.2277**
Effect on earnings	–49,101	–64,491
of which budgeted revenues	–49,017	–69,867
of which non-derivative transactions	–24,385	–3,645
of which derivative transactions	24,301	9,021
Effect on equity	23,021	21,125

Interest rate fluctuation risks

Interest rate fluctuation risks arise due to potential changes in market interest rates and can result in a change in the fair value of fixed-interest financial instruments and interest payment fluctuations for variable interest rate financial instruments. Any interest rate risks that arise are hedged by interest rate swaps. Interest rate fluctuation risks are of significant importance in the financial sector. Provided the criteria for cash flow hedges are fulfilled for the hedging of variable interest payments, the results of these hedge transactions are initially recognized in other comprehensive income in the amount of the effective portion of the hedge transaction. They are recognized in profit or loss as soon as the underlying hedged transaction is recognized in profit or loss in the respective fiscal year.

Details of how interest rate fluctuation risks are managed are provided in the Risk Report in the Management Report.

The table below shows the net exposure for variable interest-bearing risk positions.

Variable interest-bearing risk positions

T 093

	Total amount		less than 1 year		1 to 5 years		more than 5 years	
in € thousand	**9/30/2017**	9/30/2016	**9/30/2017**	9/30/2016	**9/30/2017**	9/30/2016	**9/30/2017**	9/30/2016
Loans/time deposits	526,309	438,092	526,309	438,092	0	0	0	0
Other risk positions	−299,050	−303,088	−228,050	−232,088	−71,000	−58,000	0	−13,000
of which hedged against the interest rate risk	71,000	71,000	0	0	71,000	58,000	0	13,000
Net exposure	**298,259**	**206,004**	**298,259**	**206,004**	**0**	**0**	**0**	**0**

In accordance with IFRS 7, interest rate fluctuation risks are presented in a sensitivity analysis, which reflects the effects of a change in market interest rates on interest income, interest expense and equity.

In the event of an increase (decrease) in all relevant interest rates by 100 basis points (50 basis points), equity and earnings for the year as at September 30, 2017, and September 30, 2016, would change as shown by the following table. The same items have been included in the calculation as were considered for the determination of the net exposure presented above.

Interest rate sensitivities

T 094

	9/30/2017		9/30/2016	
in € thousand	+100 BP	−50 BP	+100 BP	−50 BP
Effect on earnings	3,758	−2,533	2,024	−1,672
Effect on equity	1,286	−660	1,846	−954

Other price risks

As a result of its business operations, the Aurubis Group is exposed to commodity price risks. Among other measures, non-ferrous metals futures contracts are entered into in order to mitigate these risks. The contracts are mainly focused on the hedging of the copper price. For this purpose, incoming and outgoing metal quantities from underlying transactions are offset against each other each day and remaining open positions are squared by means of metal exchange transactions. We work exclusively with business partners with good credit standing on all metal hedge transactions.

If price-fixed metal delivery agreements for non-ferrous metals, which are contracted to cover the expected raw material requirement or the expected sale of finished products, are accounted for as derivative financial instruments, then market value changes in these are recognized in profit or loss. Gains and losses from the contrary development of the fair value of the hedged items and the hedge transactions are therefore recognized directly in profit or loss.

Details of metal price risk management processes are provided in the Risk Report in the Management Report.

The Aurubis Group has secured its electricity consumption by concluding a long-term agreement with an energy utility. Aurubis is exposed to an electricity price risk from the measurement of part of this agreement.

The nominal volumes of the derivative financial instruments covering copper, silver, gold, as well as electricity, coal and CO_2, which result from the gross total of the nominal amounts of the individual purchasing and sales contracts, are as follows.

Nominal volumes of the derivatives

T 095

in € thousand	9/30/2017	9/30/2016
Copper	1,186,467	1,015,407
Silver	91,615	97,680
Gold	368,403	398,173
Electricity, coal, CO_2	82,869	94,598
	1,729,354	**1,605,858**

In accordance with IFRS 7, commodity price risks are shown in the form of a sensitivity analysis, which reflects the effects of a change in the commodity prices on the net income for the period.

In the event of a 10 % increase (decrease) in all relevant commodity prices, earnings for the year would be changed as at September 30, 2017, and September 30, 2016, as shown in the following table. The calculation includes all derivatives for copper, silver, gold, as well as electricity, coal and CO_2 as at the balance sheet date.

Commodity price sensitivity

T 096

	Copper		Silver		Gold		Electricity, coal, CO_2	
in € thousand	**9/30/2017**	9/30/2016	**9/30/2017**	9/30/2016	**9/30/2017**	9/30/2016	**9/30/2017**	9/30/2016
Price increase								
Effect on earnings	37,720	26,637	6,367	5,310	25,232	27,630	3,876	4,118
Price decrease								
Effect on earnings	−37,720	−26,637	−6,367	−5,310	−25,232	−27,630	−3,876	−4,118

The effects on earnings shown in the commodity price sensitivity table for metals are partially or completely compensated through the measurement of the purchase or sales contracts that are not yet fixed, since these positions are provisionally measured at the respective price on the reporting date.

Derivative financial instruments

The Aurubis Group uses derivative financial instruments to hedge exchange rate, interest rate and other price risks. Provided the criteria for the application of hedge accounting are fulfilled, these are reflected by cash flow hedges.

Financial derivatives

T 097

	Assets				Liabilities			
	9/30/2017		9/30/2016		9/30/2017		9/30/2016	
in € thousand	Carrying amount	Nominal volume	Carrying amount	Nominal volume	Carrying amount	Nominal volume	Carrying amount	Nominal volume
Interest rate swaps								
without a hedging relationship	0	0	0	0	0	0	0	0
as cash flow hedges	0	0	0	0	795	71,000	1,457	71,000
Foreign exchange forward contracts								
without a hedging relationship	5,229	572,747	2,646	458,959	5,479	378,628	1,675	225,412
as cash flow hedges	20,123	260,325	2,257	214,263	0	0	5,719	80,462
Foreign currency options								
without a hedging relationship	0	0	0	0	0	0	0	0
as cash flow hedges	2,214	140,390	231	71,385	0	0	286	98,377
Metal futures contracts								
without a hedging relationship	23,010	725,486	25,841	774,802	27,818	1,002,548	16,692	777,100
as cash flow hedges	0	0	0	0	0	0	0	0
Other transactions								
without a hedging relationship	5,045	79,357	1,869	6,171	78	3,536	16,865	88,427
as cash flow hedges	0	0	0	0	0	0	0	0

The nominal volume of the derivative financial instruments is the sum of the nominal amounts of the individual purchase and sales contracts. By contrast, the fair value is based on the measurement of all contracts at the prices applicable on the measurement date. It indicates the potential impact on income of the prompt settlement of all derivatives as at the balance sheet date, without considering the hedged transactions.

The impact on earnings of changes in the fair value of financial derivatives that relate to a cash flow hedge is recognized in equity through other comprehensive income in the amount of the effective portion.

The effective portion of the changes in the value of derivative financial instruments, which was recognized in equity through other comprehensive income in the period reported, amounted to € 15,010 thousand (previous year: € −5,510 thousand). The amount that was transferred during the period from equity into the income statement in the context of cash flow hedge accounting was € −10,677 thousand (previous year: € −33,561 thousand) and is mainly included in the income statement item “Cost of materials.”

The ineffective portion of the fair value change is by contrast recognized directly in profit or loss.

As was the case in the previous year, no ineffective portions of the change in fair value of the hedge instruments were identified that had to be recognized during the fiscal year reported.

The following two tables show when the cash flows from cash flow hedges will occur and when they will influence the income statement:

Cash flow hedges as at September 30, 2017

T 098

Occurrence and impact on income statement in € thousand	**Carrying amount**	Nominal volume	less than 1 year	1 to 5 years	more than 5 years
Interest rate swaps					
Assets	**0**	0	0	0	0
Liabilities	**795**	71,000	0	71,000	0
Foreign exchange forward contracts					
Assets	**20,123**	260,325	217,609	42,716	0
Liabilities	**0**	0	0	0	0
Foreign currency options					
Assets	**2,214**	140,390	140,390	0	0
Liabilities	**0**	0	0	0	0

Cash flow hedges as at September 30, 2016

T 099

Occurrence and impact on income statement in € thousand	**Carrying amount**	Nominal volume	less than 1 year	1 to 5 years	more than 5 years
Interest rate swaps					
Assets	**0**	0	0	0	0
Liabilities	**1,457**	71,000	0	58,000	13,000
Foreign exchange forward contracts					
Assets	**2,257**	214,263	129,234	85,029	0
Liabilities	**5,719**	80,462	80,462	0	0
Foreign currency options					
Assets	**232**	71,385	28,528	42,857	0
Liabilities	**286**	98,377	56,442	41,935	0

Liquidity risks

Liquidity risks represent the risk that the business cannot meet its own obligations. The contractually agreed undiscounted interest and redemption payments of the financial liabilities are shown in Note 28.

The adequate sourcing of the Group with cash and cash equivalents is ensured not only by the Group's cash flow but also by the existing short-term and long-term credit lines with our banks. Fluctuations in cash flow can therefore be cushioned. An autonomous executive committee monitors the development of Aurubis' liquidity position on a timely and regular basis and reports to the Executive Board. Further management measures taken regarding liquidity risks are described in the Risk Report in the Management Report.

Default risks

Default risks exist for all classes of financial instruments, in particular for trade accounts receivable. The concentration of the credit risk is limited due to the wide-ranging and heterogeneous customer base. The largest individual customer account receivable balances are regularly controlled. The credit risk arising from derivative financial instruments is limited since the corresponding contracts are only concluded with contractual parties and banks that have a good credit standing.

The customers were classified by their credit rating within the context of the credit risk management process and each customer was given a specific credit limit.

The carrying amounts of the financial assets in the statement of financial position, less any write-downs, represent the maximum potential default risk without taking into account the value of any securities received or other risk-mitigating agreements.

Furthermore, to minimize default risks, we monitor the receivables from our business associates on a regular basis. Apart from instruments that are customary within the market, such as letters of credit and guarantees, we also make particular use of commercial credit insurance to safeguard against potential bad debts. If receivables are sold under factoring agreements, this is done without recourse.

Additional disclosures for financial instruments

Carrying amounts, valuations and fair values by measurement category in € thousand	Measurement category under IAS 39	2016/17 Carrying amount 9/30/2017	Measurement in the statement of financial position under IAS 39 Amortized cost	Fair value recognized in equity	Fair value recognized in profit or loss
Assets					
Interests in affiliated companies	AfS	1,419	1,419	0	0
Investments	AfS	174	174	0	0
Fixed asset securities	AfS	28,039	0	28,039	0
Other financial fixed assets					
Other loans	LaR	48	48	0	0
Trade accounts receivable	LaR	357,403	357,403	0	0
Other receivables and financial assets					
Receivables from related parties	LaR	19,187	19,187	0	0
Other financial assets	LaR	55,382	55,382	0	0
Derivative financial assets					
Derivatives without a hedging relationship	FAHfT	33,284	0	0	33,284
Derivatives with a hedging relationship (hedge accounting)	n/a	22,337	0	22,337	0
Cash and cash equivalents	LaR	570,569	570,569	0	0
Equity and liabilities					
Bank borrowings	FLAC	325,764	325,764	0	0
Liabilities under finance leases	n/a	25,570	0	0	0
Trade accounts payable	FLAC	905,083	905,083	0	0
Payables to related parties	FLAC	2,089	2,089	0	0
Other non-derivative financial liabilities	FLAC	96,221	96,221	0	0
Derivative financial liabilities					
Derivatives without a hedging relationship	FLHfT	33,375	0	0	33,375
Derivatives with a hedging relationship (hedge accounting)	n/a	795	0	795	0
of which aggregated by measurement categories in accordance with IAS 39					
Loans and receivables (LaR)		1,002,589	1,002,589	0	0
Available-for-sale (AfS)		29,632	1,593	28,039	0
Financial assets held for trading (FAHfT)		33,284	0	0	33,284
Financial liabilities at amortized cost (FLAC)		1,329,157	1,329,157	0	0
Financial liabilities held for trading (FLHfT)		33,375	0	0	33,375

T 100

		2015/16					
			Measurement in the statement of financial position under IAS 39				
Measurement in the statement of financial position under IAS 17	Fair value 9/30/2017	Carrying amount 9/30/2016	Amortized cost	Fair value recognized in equity	Fair value recognized in profit or loss	Measurement in the statement of financial position under IAS 17	Fair value 9/30/2016
0	n/a	1,418	1,418	0	0	0	n/a
0	n/a	637	637	0	0	0	n/a
0	28,039	21,311	0	21,311	0	0	21,311
0	48	48	48	0	0	0	48
0	357,403	242,106	242,106	0	0	0	242,106
0	19,187	14,575	14,575	0	0	0	14,575
0	55,382	51,147	51,147	0	0	0	51,147
0	33,284	30,356	0	0	30,356	0	30,356
0	22,337	2,488	0	2,488	0	0	2,488
0	570,569	471,874	471,874	0	0	0	471,874
0	335,898	477,434	477,434	0	0	0	493,376
25,570	25,570	17,809	0	0	0	17,809	17,809
0	905,083	797,710	797,710	0	0	0	797,710
0	2,089	2,157	2,157	0	0	0	2,157
0	96,221	83,693	83,693	0	0	0	83,693
0	33,375	35,232	0	0	35,232	0	35,232
0	795	7,462	0	7,462	0	0	7,462
0	1,002,589	779,750	779,750	0	0	0	779,750
0	28,039	23,366	2,055	21,311	0	0	21,311
0	33,284	30,356	0	0	30,356	0	30,356
0	1,339,291	1,360,994	1,360,994	0	0	0	1,376,936
0	33,375	35,232	0	0	35,232	0	35,232

The market value of financial instruments to be recognized at fair value is as a general rule determined on the basis of quotations on the metal or other relevant exchanges. If no such quotations are available, measurement is carried out applying a process that is customary for the market (measurement methods), based on instrument-specific market parameters and interest rates drawn from recognized sources.

If observable input parameters are not available or only partially available, the fair value is calculated on the basis of appropriate measurement methods. In the Aurubis Group, this applies in particular to the extrapolation of market data for electricity and coal, with due regard to market information about price determination and liquidity considerations. If insufficient market information is available, management's best estimate for a certain input parameter is used to determine the value. Thus, if observable input parameters are not available or only partially available on the market, the measurement process is significantly influenced by the use of estimates and assumptions.

Due to the predominantly short-term nature of cash and cash equivalents, trade accounts receivable and payable, other receivables of the category "loans and receivables," payables to related parties and other non-derivative financial liabilities, an assumption is made that the fair values correspond to the carrying amounts.

An assumption has been made for investments in non-corporate entities and non-quoted corporate entities that the carrying amount corresponds to the market value. It would only be possible to reliably determine the market value in conjunction with specific sales negotiations.

Pursuant to IFRS 13, the following tables show the measurement methods used to determine the fair value for Level 1, Level 2 and Level 3 as well as the main non-observable parameters that were used for measurement.

In this connection, the individual levels are defined in accordance with IFRS 13 as follows:

- Level 1: : quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: procedures under which all input parameters with a significant effect on the fair value are observable either directly or indirectly in the market.
- Level 3: procedures that use input parameters which have a significant influence on the fair value and are not based on observable market data.

Financial instruments from Level 1 measured at fair value T 101

Type	Measurement method
Fixed asset securities	Exchange quotations

Financial instruments from Level 2 measured at fair value

T 102

Type	Measurement method and applied input parameters
Foreign exchange forward contracts	Par method, taking into account actively traded forward rates and the currently valid interest rate for discounting purposes as at the reporting date
Foreign currency options	Black-Scholes model. Calculation based on the exchange rates as at the reporting date, taking into account the expected volatility of the respective exchange rate during the term of the option and customary market interest rates
Interest rate swaps	Discounted cash flow method. This adds together the present value of the expected future cash flows and discounts them, utilizing a market-conform interest rate
Metal futures contracts	Discounted cash flow method, taking into account actively traded metal forward rates and customary market interest rates for discounting purposes as at the reporting date
Other transactions	Discounted cash flow method. Discounting of the expected future cash flows over the remaining term of the contracts, based on use of current market interest rates

Financial instruments from Level 2 not measured at fair value

T 103

Type	Measurement method and applied input parameters
Borrowings	Discounted cash flow method. Discounting of expected future cash flows with currently applicable interest rates for financial liabilities with comparable conditions and residual terms

Financial instruments from Level 3 measured at fair value

T 104

Type	Measurement method	Significant non-observable measurement parameters	Interdependence between significant non-observable parameters and fair value
Energy supply contract	Discounted cash flow method	Extrapolation of market data for electricity and coal	The fair value would be higher (lower) if: – the price for electricity increased more (less) than expected – the price for coal increased less (more) than expected

If the parameters used for measurement fall into different levels of the measurement hierarchy, the fair value measurement is fully classified as belonging to the lowest level to which an input parameter is attributed, where this parameter significantly influences the entire fair value.

If there are any reclassifications to other levels in the measurement hierarchy, the Aurubis Group accounts for these as at the beginning of the relevant fiscal year.

The following overview shows the main measurement parameters that provide the basis for those financial instruments that are accounted for at fair value and presented in the Notes to the Consolidated Financial Statements.

Hierarchical classification of fair values of financial instruments in accordance with IFRS 7 as at September 30, 2017

T 105

Aggregated by classes in € thousand	Fair value 9/30/2017	Level 1	Level 2	Level 3
Fixed asset securities	**28,039**	**28,039**	**0**	**0**
Derivative financial assets				
Derivatives without a hedging relationship	33,284	0	29,088	4,196
Derivatives with a hedging relationship	22,337	0	22,337	0
Assets	**83,660**	**28,039**	**51,425**	**4,196**
Bank borrowings	**335,898**	**0**	**335,898**	**0**
Derivative financial liabilities				
Derivatives without a hedging relationship	33,375	0	33,375	0
Derivatives with a hedging relationship	795	0	795	0
Liabilities	**370,068**	**0**	**370,068**	**0**

Hierarchical classification of fair values of financial instruments in accordance with IFRS 7 as at September 30, 2016

T 106

Aggregated by classes in € thousand	**Fair value 9/30/2016**	Level 1	Level 2	Level 3
Fixed asset securities	**21,311**	**21,311**	**0**	**0**
Derivative financial assets				
Derivatives without a hedging relationship	30,356	0	30,356	0
Derivatives with a hedging relationship	2,488	0	2,488	0
Assets	**54,155**	**21,311**	**32,844**	**0**
Bank borrowings	**493,376**	**0**	**493,376**	**0**
Derivative financial liabilities				
Derivatives without a hedging relationship	35,232	0	18,456	16,776
Derivatives with a hedging relationship	7,462	0	7,462	0
Liabilities	**536,070**	**0**	**519,294**	**16,776**

There were no reclassifications between the individual levels in fiscal year 2016/17 or in the previous year.

The following overview shows a reconciliation of the financial instruments measured at fair value and classified in Level 3:

Reconciliation of financial instruments in Level 3 as at September 30, 2017

T 107

Aggregated by classes in € thousand	Balance as at 10/1/2016	Sales/purchases	Profits (+)/ losses (–) recorded in the income statement	**Balance as at 9/30/2017**	Profits (+)/ losses (–) for derivatives held at the reporting date
Derivative liabilities without a hedging relationship	–16,776	14,135	2,641	**0**	0
Derivative assets without a hedging relationship	0	1,598	2,598	**4,196**	2,598

Reconciliation of financial instruments in Level 3 as at September 30, 2016

T 108

Aggregated by classes in € thousand	Balance as at 10/1/2015	Profits (+)/ losses (–) recorded in the income statement	**Balance as at 9/30/2016**	Profits (+)/ losses (–) for drivatives held at the reporting date
Derivative liabilities without a hedging relationship	–19,304	2,528	**–16,776**	2,528

Gains and losses from derivative financial instruments classified as Level 3 concern part of an energy supply contract and are reflected in the income statement reporting line “Cost of materials.” In connection with our agreement for the long-term sourcing of electricity, a derivative was redeemed and a new derivative was acquired.

The fair value of these financial instruments is partially based on non-observable input parameters, which are largely related to the price of electricity and coal. If the Aurubis Group had taken possible alternative measurement parameters as a basis for measuring the relevant financial instruments on September 30, 2017, the recorded fair value would have been € 7,056 thousand (previous year: € 7,965 thousand) higher in the case of an increase in the electricity price and a decrease in the coal price by 20 %, respectively, at the end of the term or € 5,866 thousand (previous year: € 6,337 thousand) lower in the case of a decrease in the electricity price and an increase in the coal price by 20 %, respectively, at the end of the term. In order to calculate the maximum impacts which can arise from the relative uncertainty in the determination of the fair values of financial instruments whose measurement is based on non-observable parameters, the Aurubis Group remeasures such financial instruments by incorporating parameters that are at the outer limits of the range of resonably possible alternatives for non-observable input data. Since it is nevertheless unlikely that a scenario will arise in which all of the non-observable parameters are at the outer limits of the range of reasonably possible alternatives at the same time, the estimated values previously mentioned should exceed the actual uncertainty factors when determining the fair value as at the reporting date. Thus, the disclosures shown do not represent a prediction or an indication of any future changes in the fair value.

Offsetting options for derivative financial assets and liabilities
The financial instruments that Aurubis enters into are subject to netting agreements with financial institutions that include a mutual right of offset. However, these agreements do not fulfill the criteria for offsetting in the statement of financial position, as the netting right can only be utilized if one of the contracting parties defaults.

The following table shows the financial assets and liabilities in the Aurubis Group that are subject to offsetting options.

Offsetting options for derivative financial assets and liabilities

T 109

in € thousand	2016/17	2015/16
Financial assets		
Gross amount of financial assets in the statement of financial position	55,621	32,845
Financial instruments that qualify for offsetting in the statement of financial position	0	0
Net value of financial assets in the statement of financial position	55,621	32,845
Offsettable due to framework agreements	−13,192	−9,994
Total net value of financial assets	**42,429**	**22,851**
Financial liabilities		
Gross amount of financial liabilities in the statement of financial position	−34,170	−42,694
Financial instruments that qualify for offsetting in the statement of financial position	0	0
Net value of financial liabilities in the statement of financial position	−34,170	−42,694
Offsettable due to framework agreements	13,192	9,994
Total net value of financial liabilities	**−20,978**	**−32,700**

Net earnings by measurement category

T 110

in € thousand	2016/17	2015/16
Loans and receivables (LaR)	20,924	16,033
Available-for-sale (AfS)	−281	183
Financial instruments held for trading (FAHfT and FLHfT)	95,708	82,195
Financial liabilities at amortized cost (FLAC)	−15,022	5,363
	101,329	**103,774**

The net earnings of the financial instruments held for trading mainly include the gains/losses deriving from metal futures contracts on the exchanges and forward foreign exchange contracts, as well as from price-fixed metal delivery transactions treated as derivatives. Purchase or sales contracts that are not yet fixed, which result in a partial compensation effect since they are measured provisionally at the respective price on the reporting date, are not included. Dividends, but not interest, are included in the calculated earnings. The foreign currency impact deriving from items accounted for at amortized cost, which is included in the net result in fiscal year 2016/17, amounts to € 6,029 thousand (previous year: € 23,083 thousand).

In conjunction with the recognition in equity of the change in value of "available-for-sale" financial assets, net measurement impacts of € 6,728 thousand (previous year: € 5,092 thousand) were recorded in other comprehensive income in fiscal year 2016/17.

31. Research and Development

Research and development costs of € 11,330 thousand were recognized in profit or loss for the Aurubis Group for fiscal year 2016/17 (previous year: € 12,733 thousand). In addition, capitalized development costs of € 381 thousand (previous year: € 0 thousand) were recognized during the fiscal year.

Notes to the Consolidated Cash Flow Statement

The Consolidated Cash Flow Statement reports the cash flows in the Aurubis Group in fiscal year 2016/17 and in the prior-year comparative period. In accordance with IAS 7, a distinction is made between the cash inflow from operating activities, the cash outflow from investing activities and the cash outflow from financing activities.

Commencing with earnings before taxes, adjustment is made for all non-cash expenses and income, the financial result (consisting of the result from investments measured using the equity method, interest expense, interest income and other financial expenses and income), income taxes paid out and changes in working capital to arrive at the cash inflow from operating activities (net cash flow).

The net cash flow as at September 30, 2017, amounted to € 480 million, compared to € 239 million in the previous year. The increase in net cash flow resulted primarily from the significantly higher earnings.

Investments in fixed assets (including financial fixed assets) amounted to € 165 million in the reporting period (previous year: € 143 million). The largest individual investment related to our long-term electricity supply agreement. With this individual investment, we reduced the ongoing costs of long-term electricity consumption. Plans for securing the electricity supply for our German production sites remain intact.

After deducting investments in fixed assets from the net cash flow, the free cash flow amounted to € 315 million (previous year: € 96 million). The cash outflow from investing activities totaled € 155 million (previous year: € 128 million).

The cash outflow from financing activities amounted to € 225 million (previous year: € 92 million) and includes the repayment of a bonded loan of € 136 million due to maturity. Non-cash measurement effects deriving from hedging instruments of € 2,547 thousand were reclassified in the previous year from the cash outflow from financing activities to the cash inflow from operating activities because of their operating nature.

Cash and cash equivalents of € 571 million were available to the Group as at September 30, 2017 (previous year: € 472 million). Cash and cash equivalents are utilized for operating business activities, investing activities and the redemption of borrowings.

Segment reporting

in € thousand	Primary Copper Segment 2016/17 operating	Primary Copper Segment 2015/16 operating	Copper Products Segment 2016/17 operating	Copper Products Segment 2015/16 operating	Other 2016/17 operating	Other 2015/2016 operativ
Revenues						
Total revenues	6,319,684	5,325,180	9,148,858	7,531,198	14,396	11,670
Inter-segment revenues	3,726,295	2,788,892	713,814	601,851	2,728	2,599
Revenues with third parties	2,593,389	2,536,288	8,435,044	6,929,347	11,668	9,071
EBITDA	327,376	237,827	149,184	150,658	−36,485	−30,672
Depreciation and amortization	−86,475	−83,496	−43,916	−44,403	−1,507	−974
EBIT	240,901	154,331	105,269	106,254	−37,992	−31,645
Interest income	4,210	4,346	9,691	8,471	91	60
Interest expense	−8,921	−15,925	−21,736	−21,416	−195	−41
Result from investments measured using the equity method	0	0	7,468	7,536	0	0
Other financial income	0	0	0	5	220	252
Other financial expense	−85	−100	−635	−7	0	0
Earnings before taxes	236,105	142,652	100,056	100,842	−37,877	−31,373
Income taxes						
Consolidated net income						
Return on capital employed (ROCE) (in %)	26.6	16.4	9.6	9.4		
Capital expenditure on intangible assets and property, plant and equipment	124,058	103,524	50,468	40,375	0	0
Average number of employees	2,780	2,750	3,397	3,335	300	270

Prior-year figures have been partially adjusted to reflect changes in allocations between segments.
Regarding the basic derivation of the ROCE, we refer to the Combined Management Report (p. 59).

T 111

Total		Reconciliation/consolidation		Group total	
2016/17 operating	2015/16 operating	**2016/17 IFRS**	2015/16 IFRS	**2016/17 IFRS**	2015/16 IFRS
11,040,100	9,474,706	0	0	11,040,100	9,474,706
440,075	357,813	157,627	–46,191	597,701	311,622
–131,897	–128,873	–3,313	–5,930	–135,210	–134,803
308,177	228,940	154,314	–52,121	462,491	176,819
13,992	12,877	–11,277	–10,009	2,715	2,868
–30,852	–37,382	11,277	10,009	–19,575	–27,373
7,468	7,536	3,464	–1,185	10,932	6,351
220	257	0	0	220	257
–720	–107	0	0	–720	–107
298,284	212,121	157,778	–53,306	456,063	158,815
				–103,679	–35,296
				352,384	**123,519**
174,526	143,899	0	0	174,526	143,899
6,477	6,355	0	0	6,477	6,355

We report on the operating segments in the same way as in the internal reporting to the chief operating decision makers. The chief operating decision makers are defined as the full Executive Board of Aurubis AG.

The Aurubis Group is divided into two reportable segments, which differ as regards their production processes and their products, and are managed separately. The “other” column discloses central administrative income and costs that cannot be directly allocated to one of the reportable segments.

The internal reporting is generally based on the accounting policies in accordance with IFRS, which are applied in the consolidated financial statements. For internal management purposes, the IFRS-based results are reconciled to the operating result. The operating result of the Group and of the respective Business Unit is determined by adjusting the IFRS-based results for:

» Measurement impacts deriving from the use of IAS 2. In this context, metal price fluctuations resulting from the application of the average cost method are eliminated, as well as write-downs or the appreciations in value of copper inventories that are made at the reporting date.
» Effects deriving from purchase price allocations, primarily on fixed assets, commencing in fiscal year 2010/11.

The presentation of the segment reporting corresponds to the internal reporting.

The reconciliation to the IFRS-based consolidated financial statements is shown in the reconciliation/consolidation column. In this connection, a total of € −423 thousand (previous year: € 524 thousand) in earnings before taxes (EBT) derives from consolidation impacts, while € 158,201 thousand (previous year: € −53,830 thousand) derives from reconciliation to the IFRS EBT.

The Group generates most of its revenues with business associates in countries within the European Union. The breakdown of external revenues by region is based on the location of the customers, and is as follows:

T 112

in € thousand	**2016/17**	2015/16
Germany	3,913,465	3,306,555
Other European Union countries	3,936,135	3,576,941
Rest of Europe	517,530	316,060
Asia	1,168,391	1,087,737
America	1,067,605	774,556
Other	436,974	412,857
Group total	**11,040,100**	**9,474,706**

The breakdown of capital expenditure (excluding finance leases) and non-current assets by region is based on the location of the respective assets:

T 113

	Capital expenditure		Fixed assets	
in € thousand	**2016/17**	2015/16	**2016/17**	2015/16
Germany	117,580	59,052	866,018	812,079
Bulgaria	23,021	57,640	334,955	347,287
Belgium	11,933	12,175	169,655	168,754
Other European countries	7,104	8,456	75,660	77,329
North America	5,407	5,819	43,023	44,386
Group total	**165,045**	**143,143**	**1,489,311**	**1,449,836**

The locations in other European countries are mainly operational sites within the European Union.

Primary Copper Segment

Copper production ranges from the procurement of copper-bearing and precious metal-bearing raw materials to the production of marketable metals. In the Primary Copper Segment, copper concentrates are mainly used as the raw material for copper production. In addition, copper scrap is also used, amongst other materials.

The products are copper cathodes that can be traded on the metal exchanges, as well as gold and silver products that originate from the raw materials as well as from the additional precious metal-bearing input materials processed. During the copper production process, a variety of products, which are derived from the natural by-elements in the raw materials, are produced and sold in this segment, such as sulfuric acid and iron silicate stone. Furthermore, the Primary Copper Segment produces high-quality selenium products.

Revenues in the Primary Copper Segment consist both of revenues generated within the Group (since all of the copper cathodes produced are sold to the Copper Products Segment) and of precious metal sales to external customers. In addition, sulfuric acid and iron silicate stone are sold to external customers.

Copper Products Segment

The Copper Products Segment includes copper production from copper-bearing recycling materials and all sectors involved in the production and marketing of wire rod, continuous cast shapes, strip and profiles, as well as specialty products. The copper cathodes produced in this segment and the Primary Copper Segment mainly serve as the starting products for these products. Products produced by this segment are sold to customers worldwide.

Segment data

The revenues of the individual segments consist of inter-segment revenues and of revenues with third parties outside the Group. The total third party revenues of the individual segments correspond to the consolidated revenues of the Group. The prices and conditions for products and services exchanged between Group companies and segments correspond to those with non-related parties.

A breakdown of the revenues by product group is provided in the information on revenues (Note 1).

Operating EBIT (earnings before interest and taxes) represents operating earnings before taxes, adjusted for the financial result attributable to the segment. Based on this, operating EBITDA (earnings before interest, taxes, depreciation and amortization) is operating EBIT adjusted for depreciation and amortization of intangible assets and property, plant and equipment belonging to the segment.

In total, impairment losses amounting to € 10,614 thousand were recognized in respect of assets (previous year: reversals of impairment losses amounting to € 15,773 thousand), of which € 7,051 thousand (previous year: reversals of impairment losses amounting to € 10,849 thousand) related to the Primary Copper Segment and € 3,563 thousand (previous year: reversals of impairment losses amounting to € 4,924 thousand) related to the Copper Products Segment. As was the case with the reversals of impairment losses in the previous year, the impairment losses recognized in the Primary Copper Segment related exclusively to current assets. In the Copper Products Segment, all reversals of impairment losses in the fiscal year reported again related to current assets.

The average number of employees for each segment includes all the employees of companies that were consolidated in the accompanying consolidated financial statements.

Other disclosures

Disclosures concerning relationships to related parties

In accordance with IAS 24, related parties are regarded as all individual persons and entities that can be influenced by, or that can themselves influence, the Company.

The employees' representatives on the Supervisory Board received compensation for their employment at Aurubis AG at a level that is normal for the market.

Within the Aurubis Group, various Group companies purchase different types of services from and provide different types of services to related companies as part of their normal business activities. Such delivery and service relationships are conducted using market prices. In the case of services, these are charged on the basis of existing contracts.

The following amounts relate to a joint venture accounted for using the equity method:

9/30/2017

T 114

in € thousand	Income	Expenses	Receivables	Liabilities
Schwermetall Halbzeugwerk GmbH & Co. KG	120,050	29,863	7,848	887

9/30/2016

T 115

in € thousand	Income	Expenses	Receivables	Liabilities
Schwermetall Halbzeugwerk GmbH & Co. KG	48,667	26,228	3,526	834

The following amounts relate to non-consolidated related companies:

9/30/2017

T 116

in € thousand	Income	Expenses	Receivables	Liabilities
Joint ventures	122	0	109	0
Subsidiaries	7,894	1,164	3,289	1,141

9/30/2016

T 117

in € thousand	Income	Expenses	Receivables	Liabilities
Joint ventures	49	6,824	48	0
Subsidiaries	4,296	1,564	2,587	1,233

With the exception of Salzgitter AG, no individual shareholders of Aurubis AG are able to exercise a significant influence on the Aurubis Group.

Salzgitter Group companies account for € 2,758 thousand in expenses for the fiscal year (previous year: € 1,998 thousand). As at the reporting date, there were related liabilities of € 3 thousand (previous year: € 116 thousand).

As at the reporting date, no letters of comfort had been issued to related parties.

Subsequent Events

No significant events have occurred since the reporting date.

Disclosures concerning the Executive Board and Supervisory Board

Total compensation

The total compensation of the active Executive Board members for fiscal year 2016/17 amounts to € 4,589,106 and, in addition to a fixed component in the amount of € 1,268,250, includes fringe benefits of € 54,033 and a variable component of € 2,458,719. In addition, expenditures for pension provisions in the amount of € 808,104 (IFRS) were recognized in the income statment.

Mr. Faust receives a one-time payment in the amount of € 400,000 within the scope of a contract termination agreement, fixed compensation for the period from July 1 – September 30, 2017 in the amount of € 99,750 as well as variable compensation for one year of € 62,344 and multiannual variable compensation of € 115,188.

Former members of the Executive Board and their surviving dependents received a total of € 2,099,400; € 27,554,891 has been provided for their pension entitlement.

The compensation of the Supervisory Board for fiscal year 2016/17 amounted in total to € 1,493,000.

Details of the individual compensation of the members of the Executive Board and the Supervisory Board are presented and explained in the compensation report.

Reportable securities transactions

Directors' dealings

In accordance with Art. 19 Market Abuse Regulation (EU No 596/2014), the members of the Executive Board and the Supervisory Board must disclose the acquisition and sale of shares in the Company. This does not apply if the total transactions per person do not reach an amount of € 5,000 per calendar year.

One member of the Supervisory Board carried out share transactions in the period from October 1, 2016, to September 30, 2017:

» Dr. Thomas Schultek: inheritance of 200 shares.

The members of the Executive Board did not acquire or sell any no-par-value shares in the Company during the period from October 1, 2016, to September 30, 2017.

Declaration of conformity with the German Corporate Governance Code in accordance with Section 161 German Stock Corporation Act (AktG)

The declaration required under Section 161 German Stock Corporation Act (AktG) has been issued by the Executive Board and the Supervisory Board and has been made permanently accessible to the shareholders on the Company's website.

Notification pursuant to Section 160 (1) No. 8 German Stock Corporation Act

Up to the date of preparation of the annual financial statements, Aurubis AG had received the following voting rights notifications from shareholders with respect to exceeding and falling below the relevant notification thresholds, in accordance with Section 21 (1) German Securities Trading Act (WpHG):

Shareholder structure

T 118

Shareholders	Threshold in %	Stake in %	Relevant threshold date	Date of publication
Dimensional Holdings Inc., Santa Monica, USA	> 3	3.01	1/21/2008	2/4/2008
Salzgitter Mannesmann GmbH, Salzgitter[3], Germany	> 25	25.002	8/29/2011	8/29/2011
UBS AG, Zurich, Switzerland	< 5	4.99	3/4/2013	3/20/2013
Norges Bank, Oslo, Norway[1]	< 3	2.95	10/7/2016	10/12/2016
Norges Bank, Oslo, Norway[1]	> 3	3.05	10/20/2016	10/25/2016
Norges Bank, Oslo, Norway[1]	< 3	2.84	10/26/2016	11/2/2016
Norges Bank, Oslo, Norway[1]	> 3	3.02	11/8/2016	11/11/2016
Allianz Global Investors GmbH, Frankfurt am Main, Germany	> 3	3.07	11/18/2016	11/24/2016
Norges Bank, Oslo, Norway[1]	< 3	2.476	12/8/2016	12/15/2016
Allianz Global Investors GmbH, Frankfurt am Main, Germany	> 5	5.06	3/31/2017	4/6/2017
Allianz Global Investors GmbH, Frankfurt am Main, Germany	< 5	4.99	7/11/2017	7/14/2017
Allianz Global Investors GmbH, Frankfurt am Main, Germany	< 5	4.87	7/13/2017	7/17/2017
BlackRock, Inc., Wilmington, DE, USA[2]	> 3	3.03	8/23/2017	8/31/2017
BlackRock, Inc., Wilmington, DE, USA[2]	< 3	2.84	9/5/2017	9/12/2017
BlackRock, Inc., Wilmington, DE, USA[2]	> 3	3.14	9/7/2017	9/14/2017
BlackRock, Inc., Wilmington, DE, USA[2]	> 3	3.92	9/15/2017	9/22/2017
Salzgitter Mannesmann GmbH, Salzgitter[3]	< 20	15.751	10/25/2017	10/27/2017

[1] The shares are attributable to the state of Norway, represented by its Ministry of Finance; the transaction was conducted via the Norges Bank.
[2] Held directly, or indirectly through subsidiaries.
[3] The shares are attributable to Salzgitter AG, Salzgitter.

The voting rights notifications are available at: www.aurubis.com/en/en/corp/about-aurubis/corporate-governance/voting-rights-notifications.

Notifications from previous fiscal years are available online at www.aurubis.com under the heading “Investor Relations.”

Disclosures concerning auditors' fees

The following fees were recorded as expenses for fiscal year 2016/17 and the prior year for services rendered by the global PricewaterhouseCoopers network:

T 119

in € thousand	2016/17	2015/16
Financial statement auditing services	1,107	1,017
Other assurance services	32	72
Tax advisory services	128	115
Other services	38	63
Total	**1,305**	**1,267**

Of these, the following fees related to services rendered by PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft:

T 120

in € thousand	2016/17	2015/16
Financial statement auditing services	693	596
Other assurance services	32	70
Tax advisory services	118	114
Other services	10	9
Total	**853**	**789**

Tax advisory services related primarily to advice provided in connection with intra-Group transfer prices. In addition, the auditor provided additional assurance services that were contractually agreed upon or requested voluntarily.

Investments

pursuant to Section 313 (2) German Commercial Code (HGB) as at September 30, 2017

	Company name and registered office	% of capital held directly and indirectly	Held directly by
1	Aurubis AG		
	Fully consolidated companies		
2	Aurubis Belgium NV/SA, Brussels	100	1
3	Aurubis Holding Sweden AB, Stockholm	100	2
4	Aurubis Sweden AB, Finspång	100	3
5	Aurubis Finland Oy, Pori	100	2
6	Aurubis Holding USA LLC, Buffalo	100	2
7	Aurubis Buffalo Inc., Buffalo	100	6
8	Aurubis Netherlands BV, Zutphen	100	2
9	Aurubis Mortara S.p.A., Mortara	100	2
10	Cumerio Austria GmbH, Vienna	100	1
11	Aurubis Bulgaria AD, Pirdop	99.86	10
12	Aurubis Engineering EAD, Sofia	100	10
13	Aurubis Italia Srl, Avellino	100	1
14	Aurubis Switzerland SA, Yverdon-les-Bains	100	1
15	Aurubis Stolberg GmbH & Co. KG, Stolberg	100	1
16	Aurubis U.K. Ltd., Smethwick	100	15
17	Aurubis Slovakia s.r.o., Dolny Kubin	100	15
18	CABLO Metall-Recycling & Handel GmbH, Fehrbellin	100	1
19	Peute Baustoff GmbH, Hamburg	100	1
20	RETORTE GmbH Selenium Chemicals & Metals, Röthenbach	100	1
21	E.R.N. Elektro-Recycling NORD GmbH, Hamburg	100	1
22	Aurubis Product Sales GmbH, Hamburg	100	1
23	Deutsche Giessdraht GmbH, Emmerich	60	1
	Companies accounted for using the equity method		
24	Schwermetall Halbzeugwerk GmbH & Co. KG, Stolberg	50	15

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	Company name and registered office	% of capital held directly and indirectly	Held directly by
	Non-consolidated companies		
25	Aurubis Stolberg Verwaltungs-GmbH, Stolberg	100	1
26	Hüttenbau-Gesellschaft Peute mbH, Hamburg	100	1
27	Aurubis Hong Kong Ltd., Hong Kong	100	2
28	Aurubis Metal Products (Shanghai) Co., Ltd, Shanghai	100	27
29	Aurubis Rus LLC, St. Petersburg	100	2
30	Aurubis Canada Metals Inc., Vancouver	100	1
31	BCPC B.V., Zutphen	100	1
32	Retorte do Brasil, Joinville	51	20
33	C.M.R. International N.V., Antwerp	50	1
34	Schwermetall Halbzeugwerk GmbH & Co. KG, Stolberg	50	15
35	JoSeCo GmbH, Kirchheim/Swabia	50	20
36	Aurubis Middle East FZE, Dubai	100	22
37	Aurubis Turkey Kimya Anonim Sirketi, Istanbul	100	11

Hamburg, December 12, 2017

The Executive Board

Jürgen Schachler
Chairman

Dr. Stefan Boel
Member

Responsibility Statement

To the best of our knowledge, and in accordance with the applicable reporting principles, the Consolidated Financial Statements give a true and fair view of the net assets, financial position and results of operations of the Group, and the Combined Management Report includes a fair review of the development and performance of the business and the position of the Group, together with a description of the principal opportunities and risks associated with the expected development of the Group.

Hamburg, December 12, 2017

The Executive Board

Jürgen Schachler	Dr. Stefan Boel
Chairman	Member

Independent Auditors' Report

To Aurubis AG, Hamburg

Report on the Audit of the Consolidated Financial Statements and the Group Management Report

Audit Opinions

We have audited the consolidated financial statements of Aurubis AG, Hamburg, and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 30 September 2017 and the consolidated statement of income, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the financial year from 1 October 2016 to 30 September 2017 and notes to the consolidated financial statements, including a summary of significant accounting policies. In addition, we have audited the group management report of Aurubis AG, which is combined with the Company's management report, for the financial year from 1 October 2016 to 30 September 2017. The Corporate Governance Statement pursuant to § (Article) 289a HGB ("Handelsgesetzbuch": German Commercial Code) and § 315 Abs. (paragraph) 5 HGB and the Corporate Governance Report according to section 3.10 of the German Corporate Governance Code have not been audited by us with regard to content according to the German legal requirements.

In our opinion, based on the findings of our audit,

» the accompanying consolidated financial statements comply, in all material respects, with IFRS, as adopted by the EU, and the additional requirements of German commercial law pursuant to § 315a Abs. 1 HGB and give a true and fair view of the net assets and financial position of the Group as at 30 September 2017 as well as the results of operations for the financial year from 1 October 2016 to 30 September 2017 in accordance with these requirements and
» the accompanying group management report as a whole provides a suitable view of the Group's position. In all material respects, the group management report is consistent with the consolidated financial statements, complies with the German legal requirements and suitably presents the opportunities and risks of future development. Our audit opinion on the group management report does not cover the content of the Corporate Governance Statement and the Corporate Governance Report mentioned above.

According to § 322 Abs. 3 Satz (sentence) 1 HGB, we state that our audit has not led to any reservations with respect to the propriety of the consolidated financial statements and the group management report.

Basis for Audit Opinions

We conducted our audit of the consolidated financial statements and the group management report in accordance with § 317 HGB and the EU Audit Regulation (No 537/2014) under consideration of the German generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer (Institute of Public Auditors in Germany) (IDW). Our responsibilities under those provisions and standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements and of the Group Management Report" section of our auditor's report. We are independent of the Group entities in accordance with provisions under EU law as well as German commercial law and professional requirements, and we have fulfilled our other German ethical responsibilities in accordance with these requirements. Furthermore, we declare in accordance with Article 10 (2) f) of the EU Audit Regulation that we have not provided any prohibited non-audit services referred to in Article 5 (1) of the EU Audit Regulation. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions on the consolidated financial statements and the group management report.

Key Audit Matters in the Audit of the Consolidated Financial Statements

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the financial year from 1 October 2016 to 30 September 2017. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our audit opinion thereon, and we do not provide a separate audit opinion on these matters.

In our view, the matters of most significance in our audit were as follows:

❶ **Accounting treatment of hedging instruments**

❷ **Deriving and presenting financial measures**

❸ **Pension obligations and plan assets**

Our presentation of these key audit matters has been structured in each case as follows:

① Matter and issue

② Audit approach and findings

③ Reference to further information

Hereinafter we present the key audit matters:

❶ Accounting treatment of hedging instruments

① The companies of the Aurubis Group use a variety of derivative financial instruments to hedge against currency, commodity and interest rate risks arising from their ordinary business activities. Management's hedging policy is documented in corresponding internal guidelines and serves as the basis for these transactions. Currency risk mainly reflects revenue and costs of materials denominated in foreign currency. The risk of changes in commodities prices focuses on copper prices in purchasing and selling metal. The risk of changes in interest rates results from floatingrate financing. Derivative financial instruments are recognized at fair value as of the balance sheet date. The positive fair value of the derivative financial instruments used as hedges amounts to EUR 55.6 million as of the balance sheet date and the negative fair value amounts to EUR 34.2 million.

Insofar the derivative financial instruments used by the Aurubis Group are effective hedges of future cash flows in the context of hedging relationships in accordance with the requirements of IAS 39, the corresponding changes in value are recognized directly in equity over the duration of the hedging relationships. As of the balance sheet date, a cumulative positive net amount of EUR 19.7 million was recognized outside profit or loss as expenses and income before taxes on income. We believe that these matters were of particular importance for our audit due to the high complexity and number of hedging transactions as well as the extensive accounting and measurement requirements of IAS 39.

② We involved specialists from our Corporate Treasury Solutions (CTS) area in the audit of the accounting including the effects of the various hedging instruments on equity and profit or loss. Together, among other things we gained an understanding of the processes relating to derivative financial instruments and assessed the internal control system, including the internal monitoring of compliance with the hedging policy.

In auditing the fair values we also assessed the measurement methods applied using market data and the underlying contractual data. With respect to the hedging of expected future cash flows, we mainly carried out a retrospective assessment of past hedge effectiveness and assessed the expected future hedge effectiveness as well as the corresponding effectiveness tests.

We obtained bank and broker confirmations and made our own calculations in order to assess completeness and to examine the fair values of the recorded transactions. We satisfied ourselves that, overall, the hedging instruments were appropriately accounted for and measured.

③ The disclosures on hedging instruments can be found in note "30 Financial instruments" to the consolidated financial statements.

❷ Deriving and presenting financial measures

① The Aurubis Group uses operating earnings before taxes (EBT) and the operating return on capital employed (ROCE) as financial measures for the purposes of management and analysis. Both measures are calculated in accordance with the definition and approach presented in the notes on segment reporting by means of adjusting the corresponding IFRS results for measurement impacts deriving from the application of IAS 2 and effects deriving from purchase price allocations. The consolidated financial statements of Aurubis AG included adjustments to EBT in the amount of EUR 158 million and to capital employed to calculate the ROCE in the amount of EUR 268 million (indirectly by adjusting the individual items in the statement of financial position excluding investments measured using the equity method). The Company uses EBT and ROCE as core financial performance indicators in its capital market communication. They are also used as a measure of target achievement for the annual performance-related remuneration of the Aurubis Group's employees. Against this background, the adjustments to operating earnings before taxes and the operating return on capital employed were of particular importance during our audit since they are based on the Aurubis Group's internal accounting guidelines and there is a risk of bias in management's judgment.

② Our audit included assessing the calculation of EBT and ROCE, and critically evaluating the identification and definition of non-operational measurement influences taken into account by management. Based on the findings of our audit and the information provided to us by management, we examined whether the adjustments had been applied in accordance with the definition and approach presented in the notes on segment reporting. We satisfied ourselves that the adjustments applied to EBT and ROCE by management were in line with the notes on segment reporting and had been applied consistently.

③ The disclosures on deriving and presenting financial measures can be found in the section entitled "Economic development in the Aurubis Group" in the combined management report.

❸ Pension obligations and plan assets

① Pension provisions amounting to EUR 243.7 million are reported in the consolidated financial statements, comprising the net amount of the obligations under various pension plans (EUR 570.6 million) and the fair value of plan assets (EUR 326.9 million). The majority of these provisions relate to old-age and transitional pension commitments in Germany. Obligations under defined benefit plans are measured using the projected unit credit method. This requires in particular that assumptions be made as to long-term salary and pension trends, average life expectancy and staff fluctuations. Furthermore, the discount rate is derived on the basis of the return on high-quality corporate bonds issued in currencies and with maturities that match those of the underlying obligations. Changes to these measurement assumptions are recognized directly in equity as remeasurements. The plan assets largely comprise real estate assets, which are measured at fair value based on real estate appraisals. From our point of view, these matters were of particular importance during our audit because the recognition and measurement of these items – which are significant in terms of their total amount – are based to a large extent on estimates and assumptions made by the Company's management.

② Our audit included among other procedures evaluating the actuarial reports obtained. Due to the specific features of the actuarial calculations, we were assisted by pensions specialists from our People & Organization area (T&L P&O). In order to use the reports for the purposes of our audit, we assessed the professional qualification of the external actuaries as well as the measurement methods and assumptions used. On this basis, among other things we checked the numerical data, the actuarial parameters, the calculation of the provisions as well as the disclosures in the consolidated statement of financial position and the notes to the consolidated financial statements based on the actuarial reports. Our audit of the fair value of the plan assets was carried out in particular on the basis of real estate appraisals, bank and fund confirmations as well as other evidence of assets, which we evaluated. Based on our audit procedures, we satisfied ourselves that the estimates and assumptions made by management were substantiated and sufficiently documented.

③ The disclosures on pension obligations and plan assets can be found in note "26 Pension provisions and similar obligations" to the consolidated financial statements.

Responsibilities of Management and the Supervisory Board for the Consolidated Financial Statements and the Group Management Report

Management is responsible for the preparation of the consolidated financial statements, which comply, in all material respects, with IFRS, as adopted by the EU, and the additional German legal requirements applicable under § 315a Abs. 1 HGB, and give a true and fair view of the net assets, financial position and results of operations of the Group in accordance with these requirements. Furthermore, management is responsible for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern. In addition, management is responsible for disclosing, as applicable, matters related to going concern. Furthermore management is responsible for using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Moreover, management is also responsible for the preparation of the group management report, which as a whole provides a suitable view of the Group's position and is consistent in all material respects with the consolidated financial statements, complies with German legal requirements and suitably presents the opportunities and risks of future development. Furthermore, management is responsible for such policies and procedures (systems) as management determines are necessary to enable the preparation of a group management report in accordance with the applicable German legal requirements and to provide sufficient appropriate evidence for the assertions in the group management report.

The supervisory board is responsible for overseeing the Group's financial reporting process for the preparation of the consolidated financial statements and the group management report.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements and the Group Management Report

Our objective is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and whether the group management report as a whole provides a suitable view of the Group's position as well as, in all material respects, is consistent with the consolidated financial statements as well as the findings of our audit, complies with German legal requirements and suitably presents the opportunities and risks of future development, as well as to issue an auditor's report that includes our audit opinions on the consolidated financial statements and the group management report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with § 317 HGB and the EU Audit Regulation under consideration of the German generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer (Institute of Public Auditors in Germany) (IDW) will always detect a material misstatement. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence economic decisions of users taken on the basis of these consolidated financial statements and this group management report.

Throughout the audit we exercise professional judgment and maintain professional skepticism. We also:

» Identify and assess the risks of material misstatement of the consolidated financial statements and the group management report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our audit opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

» Obtain an understanding of internal control relevant to the audit of the consolidated financial statements and the policies and procedures relevant to the audit of the group management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an audit opinion on the effectiveness of those systems.

» Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

» Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements and the group management report or, if such disclosures are inadequate, to modify our respective audit opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

» Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that the consolidated financial statements give a true and fair view of the net assets and financial position as well as the results of operations of the Group in accordance with IFRS, as adopted by the EU, and the additional German legal requirements applicable under § 315a Abs. 1 HGB.

» Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express audit opinions on the consolidated financial statements and the group management report. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinions.

- Evaluate whether the group management report is consistent with the consolidated financial statements, its compliance with the German legal requirements and the view it provides of the Group's position.
- Perform audit procedures on the prospective information presented by management in the group management report. Based on sufficient and appropriate audit evidence, we hereby, in particular, evaluate the material assumptions used by management as a basis for the prospective information and the appropriate derivation of the prospective information from these assumptions. We are not issuing a separate audit opinion on the prospective information or the underlying assumptions. There is a significant, unavoidable risk that future events deviate significantly from the prospective information.

We communicate with those charged with governance, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter.

Other legal and regulatory requirements

Other Disclosures pursuant to Article 10 of the EU Audit Regulation

We were appointed as group auditor by the Annual General Meeting on 2 March 2017. We were engaged by the Supervisory Board on 11 July 2017. We have acted uninterruptedly as the group auditor of Aurubis AG, Hamburg, since financial year 2008/2009.

We confirm that the audit opinions contained in this auditor's report are consistent with the additional report to the audit committee referred to in Article 11 of the EU Audit Regulation (German Longform Report).

Responsible Auditor

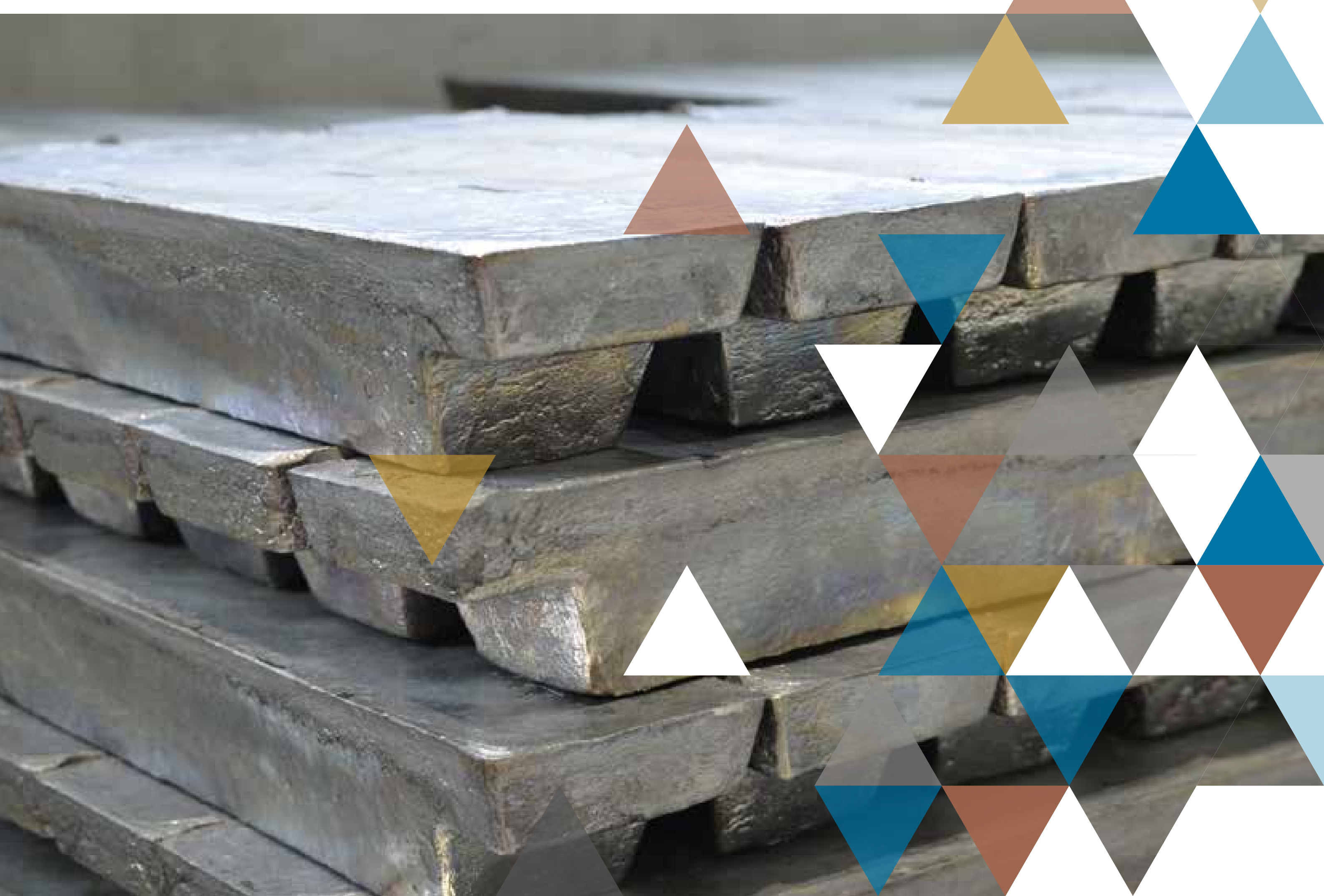
The auditor responsible for the audit is Claus Brandt.

Hamburg, 12 December 2017

PricewaterhouseCoopers GmbH
Wirtschaftsprüfungsgesellschaft

Claus Brandt	Alexander Fernis
Wirtschaftsprüfer	Wirtschaftsprüfer
(German Public Auditor)	(German Public Auditor)

Further Information



Glossary

Aurubis Operating System (AOS)
Management system for achieving continuous and sustainable process improvement

Blister copper
Unrefined porous copper. During solidification, dissolved gases form small blisters in the copper. Blister copper is also purchased as a raw material

CDP
The CDP (formerly Carbon Disclosure Project) is a non-profit organization with the objective of encouraging companies and towns to publish their environmental data. Once a year, the CDP collects data and information about CO_2 emissions, climate risks, as well as reduction targets and strategies from companies on a voluntary basis with the use of questionnaires

Complex materials
Both primary and secondary raw materials are becoming more complex, i.e. their copper content is decreasing and their concentration of by-elements and impurities is increasing

Compliance
Compliance means conforming to certain rules. Apart from laws, directives and other standards, it also refers to corporate guidelines (e.g. codes of conduct)

Continuous cast shapes
Products manufactured from endless strands produced in a continuous casting process. Continuous cast shapes are processed into sheets, foils, profiles and tubes by rolling and extrusion

Continuous cast wire rod
Semi-finished product produced in a continuous process and used for the fabrication of copper wire. Standard diameter: 8 mm. Other dimensions are also available

Copper cathodes
Quality product of the copper tankhouse (copper content: 99.99 %) and the first marketable product in copper production which can be sold on the metal exchanges

Copper concentrates
A product resulting from the processing (enriching) of copper ores, the Aurubis Group's main raw material. Since copper is found almost exclusively in ores, in compound form and in low concentrations (usually below 1 % copper content), the ores are enriched in processing facilities into concentrates (copper content of 25 to 40 %) after production in the mine

Copper premium
Surcharge for high-quality cathodes, which are used for the production of continuous cast wire rod and continuous cast shapes, among others

CSR directive
Corporate Social Responsibility Directive 2014/95/EU on the disclosure of non-financial and diversity information

DAX
The DAX (an abbreviation of "Deutscher Aktienindex", or "German Stock Index") is the main German stock index. It reflects the development of the 30 largest and strongest companies (related to free float market capitalization and order book volume) that are listed in the Prime Standard of the Frankfurt Stock Exchange

EMAS
Eco-Management and Audit Scheme, also known as the EU eco-audit. EMAS was developed by the European Union and is a joint system comprising environmental management and environmental auditing for organizations that want to improve their environmental performance. The EMAS Regulation (Eco-Audit Regulation) gives companies a key role in responsibly handling their direct and indirect environmental impacts

Emerald
Core project for the optimization of the flat-rolled products segment

Future Complex Metallurgy (FCM)
New, innovative metallurgical procedure for the processing of complex raw materials

GRI
The Global Reporting Initiative (GRI) is a participatory procedure for developing regulations for the sustainability reports of large companies, small and medium-sized enterprises (SMEs), governments and NGOs

Iron silicate
A by-product of copper production in the refining process. Formed using sand from iron that is chemically bonded to copper concentrates and recycling raw materials. Mainly used in the construction industry as granules/sand or in lump form

KRS
Kayser Recycling System: a modern recycling plant in Lünen for the treatment of a wide range of copper-bearing secondary raw materials

LME
London Metal Exchange: the most important metal exchange in the world, with the highest turnover

LTIFR
Lost time injury frequency rate (accident frequency)

MDAX
The MDAX (from "mid-cap DAX") is a German stock index introduced on January 19, 1996. It includes 50 companies – primarily from classic industries – that follow the DAX stocks in the ranking of free float market capitalization and stock market turnover. The MDAX thus reflects the price trend of shares in medium-sized companies located or primarily active in Germany (mid-caps)

Metal gain
Metal yield that a smelter can extract beyond the paid metal content in the raw input materials

ONE Aurubis
Transformation program for achieving the Vision 2025

PRIMA
Performance, Responsibility, Integrity, Mutability, Appreciation. The first letters of these values spell the German word “prima”, meaning “great”

Primary copper production
Production of copper from copper concentrates

Recycling materials
Materials in a closed-loop economy. They arise as residues from production processes or during the preparation of end-of-life products and rejects

Secondary copper production
Production of copper from recycling materials

Settlement
Official cash selling rate on the LME. Price basis in annual sales agreements

Shape surcharge
Fee for the processing of copper cathodes into copper products

Spot market
Daily business, market for prompt deliveries

Supply Chain Management
SCM is a process-oriented management approach that comprises all of the flows of raw materials, semi-finished products, final products and information along the value and supply chain, from raw material suppliers to final customers, and pursues the objective of resource optimization for all divisions in the company that are part of the supply chain

Tankhouse
In the tankhouse an electrochemical process, the last refining stage in metal recovery, takes place. For copper, anodes and cathodes are hung in a sulfuric acid solution (electrolyte) and connected to an electric current. Copper and baser elements (e.g. nickel) are then dissolved on the anode in the electrolyte. Copper from the solution is deposited on the cathode with a purity of 99.99 %. Precious metals (e.g. silver and gold) and insoluble components settle as “anode slimes” on the bottom of the tankhouse cell

Treatment and refining charges (TC/RCs), refining charges (RCs)
Surcharges on the purchase price of metals, charged for turning these raw materials into the commodity exchange product – copper cathodes – and other metals

Glossary of financial terms

Capital employed
Capital employed is the sum of equity, provisions for pension liabilities and financial liabilities, less cash and cash equivalents

EBIT
EBIT (earnings before interest and taxes) is an indicator of a company's operative earning power, ignoring its capital structure

EBITDA
EBITDA (earnings before interest, taxes, depreciation and amortization) is an indicator of a company's operative earning power, ignoring its capital structure and propensity to invest

EBT
EBT (earnings before taxes) is an indicator of a company's earning power

Free cash flow
Free cash flow is the generated surplus of cash and cash equivalents, taking into account cash-related changes in working capital, and after deducting capital expenditure. It is available for a company's dividend and interest payments as well as for the redemption of financial liabilities

Net cash flow
Net cash flow is the generated surplus of cash and cash equivalents after taking into account cash-related changes in working capital. It is available for payments in conjunction with a company's investing and financing activities

Net financial liabilities
Net financial liabilities consist of long and short-term financial liabilities, less cash and cash equivalents

ROCE
ROCE (return on capital employed) is the ratio of EBIT to capital employed as at the balance sheet date. It describes the efficiency with which capital was utilized during the reporting period

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4-year Overview

Aurubis Group (IFRS)

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in € million	2016/17[1]	2015/16[1]	2014/15[1]	2013/14[1]
Results				
Revenues	11,040	9,475	10,995	11,241
EBITDA	598	312	336	216
Operating EBITDA	440	358	500	288
EBIT	463	177	200	88
Operating EBIT	308	229	370	167
EBT	456	159	170	58
Operating EBT	298	213	343	137
Consolidated net income	352	124	134	44
Operating consolidated net income	236	165	257	99
Net cash flow	480	239	365	401
Consolidated statement of financial position				
Total assets	4,361	4,027	4,044	3,943
Fixed assets	1,489	1,450	1,440	1,468
Capital expenditure	165	143	112	128
Depreciation and amortization	135	135	136	128
Equity	2,366	1,991	1,969	1,877

[1] Values have been "operationally" adjusted for measurement effects in accordance with IAS 2. Metal price fluctuations resulting from the application of the average cost method are thereby eliminated in the same manner as devaluations relating to the reporting date and appreciations in value of copper inventories. For fixed assets, the adjustment takes place in tangible fixed assets for measurement influences from purchase price allocations (PPA), commencing from fiscal year 2010/11 onwards.
Certain prior-year figures have been adjusted.

Financial Calendar

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December 13, 2017	Annual Report 2016/17
December 13, 2017	Press Conference on Fiscal Year 2016/17
February 13, 2018	Quarterly Report on the First 3 Months 2017/18
March 1, 2018	Annual General Meeting
May 15, 2018	Interim Report on the First 6 Months 2017/18
August 9, 2018	Quarterly Report on the First 9 Months 2017/18
December 11, 2018	Annual Report 2017/18
December 11, 2018	Press Conference on Fiscal Year 2017/18

Our fiscal year starts on October 1 and ends on September 30.

Imprint

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Paper
Printed on FSC-certified paper. By using FSC paper, we are actively supporting the preservation of our forests, promoting plant and wildlife protection and are taking a stand against human exploitation of forest resources.

Disclaimer
This Annual 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.

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Metals for Progress

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