

# COPPER DRIVES US FORWARD

Annual Report 2011/12



 **Aurubis**

# THE GROUP IN FIGURES

AURUBIS GROUP (IFRS)		2011/12 <sup>1)</sup>	2010/11 <sup>1)2)</sup>	Change in %
<b>INCOME STATEMENT</b>				
Revenues	€ million	13,789	13,336	3.4
EBITDA	€ million	717	655	9.5
Operating EBITDA	€ million	481	440	9.3
EBIT	€ million	586	532	10.2
Operating EBIT	€ million	366	327	11.9
EBT	€ million	516	497	3.8
Operating EBT	€ million	296	292	1.4
Consolidated net income	€ million	363	374	-2.9
Operating consolidated net income	€ million	207	211	-1.9
Net cash flow	€ million	383	418	-8.4
<b>BALANCE SHEET</b>				
Total assets	€ million	4,889	4,531	7.9
Fixed assets	€ million	1,375	1,347	2.1
Capital expenditure	€ million	155	116	33.6
Depreciation and amortization	€ million	131	124	5.6
Equity	€ million	2,197	1,875	17.2
<b>AURUBIS SHARES</b>				
Market capitalization	€ million	2,039	1,717	18.8
Earnings per share	€	8.03	8.51	-5.6
Earnings per share (operating)	€	4.58	4.79	-4.4
Dividend per share <sup>3)</sup>	€	1.35	1.20	12.5
<b>HUMAN RESOURCES</b>				
Number of employees		6,372	6,279	1.5
Personnel expenses	€ million	421	312	3.9

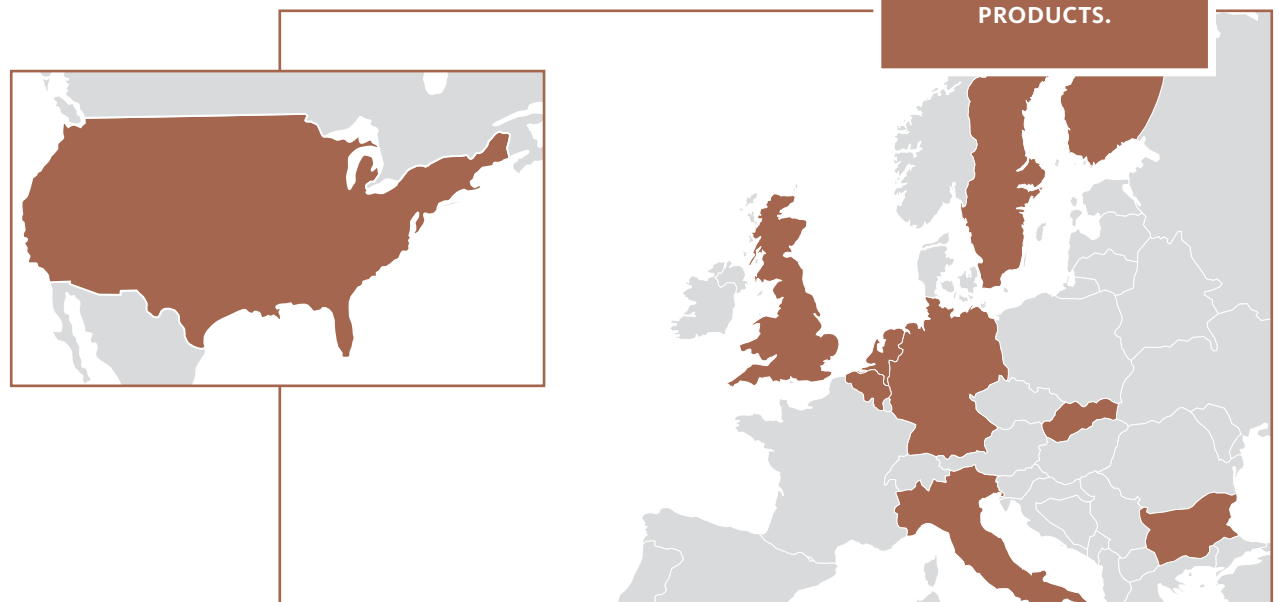
<sup>1)</sup> values "operationally" adjusted by valuation results from the use of the LIFO method instead of the average cost method in accordance with IAS 2, by copper price-related valuation effects on inventories and by effects from the purchase price allocation, mainly property, plant and equipment, from fiscal year 2010/11 onwards

<sup>2)</sup> certain prior-year figures have been adjusted (see p. 133 f)

<sup>3)</sup> 2011/12 figure is the proposed dividend

**AURUBIS** – We are one of the leading copper groups and the world’s largest copper recycler. We exhibit qualities such as intelligent networking, flexible processes, deep knowledge of the markets and new momentum for industrial development.

**COPPER DRIVES US FORWARD.** We work with this material and **strive to improve** constantly. We **consciously move forward step by step**: little by little, we have broadly positioned ourselves along the value-added chain, adding new sites and expanding our copper product range. After all, copper is an important basic material for a number of industries. We respond to changes in market requirements with **new ideas**. The **responsible use of all resources** is an important concern for us in everything we do. Copper will continue to drive us forward in the future as well.



# SEGMENTS

## PRIMARY COPPER

This Business Unit primarily unites the activities concerned with the production of quality copper in the form of marketable copper cathodes from the primary raw material, copper concentrates. It also produces sulfuric acid.

### Main sites

Hamburg (D)  
Olen (B)  
Pirdop (BG)

### Main activities

Processing copper concentrates; producing cathodes, sulfuric acid, iron silicate and other specialty products

Revenues € million 8,458  
EBIT (operating) € million 253  
Employees (avg.) 2,329

## RECYCLING/ PRECIOUS METALS

This Business Unit produces copper cathodes from a wide variety of recycling raw materials. It also produces precious metals and other by-products.

### Main sites

Hamburg (D)  
Lünen (D)  
Olen (B)

### Main activities

Recycling; producing cathodes, precious metals, other specialty products

Revenues € million 4,948  
EBIT (operating) € million 112  
Employees (avg.) 1,118

## COPPER PRODUCTS

This Business Unit processes cathodes into copper products and markets them. End users include the electrical engineering, automotive, mechanical engineering, telecommunications and construction industries.

### Main sites

Avellino (I), Buffalo (USA), Emmerich (D), Finspång (S), Hamburg (D), Olen (B), Pori (FIN), Stolberg (D), Zutphen (NL)

### Main products

Continuous cast wire rod, continuous cast shapes, strips/foils, shaped wires, specialty profiles

Revenues € million 9,619  
EBIT (operating) € million 28  
Employees (avg.) 2,748

## COPPER PRODUCTION

## COPPER PROCESSING

# PRODUCTION

		2010/11	2011/12	Change in %
Copper price LME settlement (avg.)	US\$/t	9,096	7,844	-13.8
Cathodes	1,000 t	1,147	1,147	-
Continuous cast wire rod	1,000 t	785	646	-17.7
Continuous cast shapes	1,000 t	197	164	-16.8
Pre-rolled strip <sup>1)</sup>	1,000 t	202	188	-6.9
Strips	1,000 t	40	207	+417.5 <sup>2)</sup>
Shaped wires	1,000 t	11	10	-9.1
Specialty profiles	t	10,200	8,100	-20.6
Gold	t	35	37	+5.7
Silver	t	1,374	1,222	-11.1

<sup>1)</sup> Sales

<sup>2)</sup> Including strip production following the Luvata RPD integration

## Dear Readers,

Copper drives us forward – we selected this motto for the Annual Report because we took an intensive look inward this year. And there was a reason for this: We have grown a great deal in the past few years, so we are now broadly positioned along significant parts of the copper value-added chain. In the course of this growth we have gained new sites and recently expanded our copper product range. Consolidation is also important after a phase like this. It is crucial to tap production synergies, optimize processes and bring people and different cultures together.

Every individual is an important part of the whole. A feeling of belonging and a sense of responsibility are meaningful components of our success, as employees' identification with the company and its objectives forms a solid basis for first-rate services, products and innovations. We have stood for high-quality copper production for 146 years already and want to continue doing so in the future.

Despite the difficult environment, we have had a strong year. We will continue to build on this, focusing our view outward again.

We are aware of the fact that a growing company changes. But values and culture stabilize this change. One thing unites us: copper as a driving force and the "soul" of our company. You might be surprised to find out what qualities we share with our material.

Best regards



Peter Willbrandt, Chairman of the Executive Board



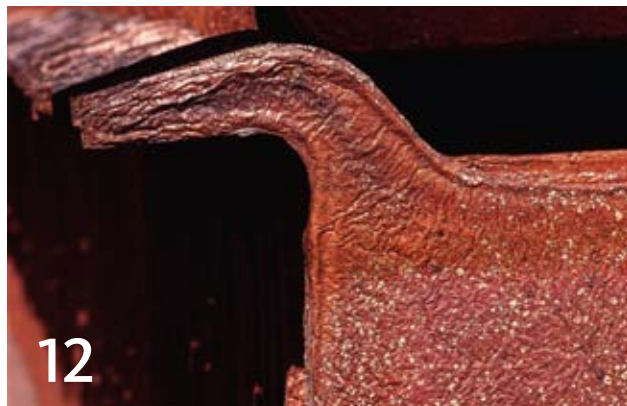
Peter Willbrandt,  
Chairman of the Executive Board

# COPPER DRIVES US FORWARD



## VALUABLE

The value of copper and how Aurubis uses valuable raw materials.



## ADAPTABLE AND VERSATILE

The diverse uses of copper and how Aurubis uses its innovation potential for various purposes.

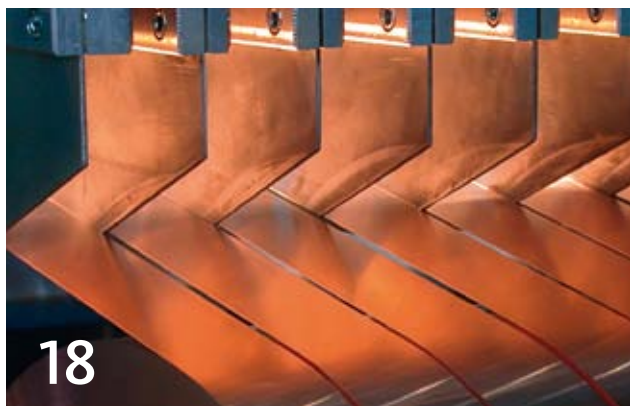
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# COPPER DRIVES US FORWARD

It is the driving force that puts things into motion, the inner power that ensures that everything functions. Just as copper is at the heart of many everyday things and enables modern life, it is also our engine of success. We share various qualities with this raw material in our ideals: copper is a valuable metal that we extract from high-quality raw materials and use to develop premium products. Copper is versatile and adaptable and is therefore always good for innovation. Copper gains purity gradually to reach the highest quality and can be alloyed especially well, features that we also believe are important in our company's development. And copper is sustainable, as it can be recycled as often as desired without a loss of quality. We continuously review and cultivate our processes, intensively transferring the idea of sustainability to the Aurubis Group's economic, ecological and social concerns.







Liquid copper is about 1,200 °C when it flows out of the anode furnace into the casting molds. Cooled with water and air, the metal quickly hardens during its journey with the casting wheel. A copper anode weighs about 400 kg when it leaves the primary smelter a short time later.



## Copper is a valuable metal

COPPER IS A BASIC METAL THAT IS CRUCIAL FOR DEVELOPMENT AND PROGRESS. IT EXHIBITS EXCELLENT ELECTRICAL AND THERMAL CONDUCTIVITY AND THEREFORE PLAYS A FUNDAMENTAL ROLE IN AN IMPORTANT CURRENT ISSUE, THE FUTURE ENERGY SUPPLY.

# VALUABLE

Copper is in high demand – about 20 million tons were used worldwide in 2012. The demand remains high because the industrial metal can be used in a variety of ways, which makes it valuable. The copper price at the end of September 2012 was about US\$ 8,270/t or € 6,400/t on the global market.

Copper is valuable because we need it almost everywhere. The metal is characterized by its excellent electrical and thermal conductivity, which is 1.5 times higher than aluminum and 8 times higher than steel. Although it can be shaped easily, copper is nevertheless extremely robust and highly corrosion-resistant.

Copper and copper alloys can be found in cables, conductor paths on circuit boards, automobiles, heating and air conditioning, integrated circuits and components of transformers and inductors. The metal is also necessary for special applications: because of its high reflectivity in the infrared range, copper is used as a reflector for carbon dioxide laser beams, for example. These are used

to cut, engrave and perforate thin organic materials like plastic, textiles and wood. Copper is therefore vital for fabricating other products as well.

In light of expanding requirements, the question of whether the existing copper resources will be enough to cover growing global demand is posed more and more often. New deposits are still being discovered. However, they are more difficult to tap and the ores are increasingly complex, which requires improved mining methods and particularly efficient resource utilization. The same is true for recycling, as the material compositions are becoming more complex and recovering them is becoming more difficult. Process technology and expert knowledge

are therefore sought after in both areas, as these factors ensure that resources will not be exhausted any-time soon. Copper will always remain valuable because the standard applications on the demand side will likely be supplemented by new copper-intensive technologies.

Over **3.5 million m<sup>2</sup> of copper** are used annually in the

**German construction industry** for building exteriors,

**1 km of copper cable** can be found in every **mid-range car**,

**about 90 %** of absorber surfaces in **solar panels are made of copper sheet**

and roughly **250 t of copper are used in new mobile phones** in Germany every year.

# MINED, PURIFIED AND RECOVERED

## Copper production with sophisticated processes

**Huge, mysterious and expansive. Two massive, high-performance units stand in the middle of a spacious hall. The TBRC (top blown rotary converter) and holding furnace, as they are called in technical jargon, are the new crowning features in the advanced recycling system at Aurubis AG's central recycling site.**

If you take the Lünen exit coming off the A1 autobahn and follow the signs towards downtown, a towering, angular building appears, its lower section hidden in a field of green in front. This building, which shows the way like a lighthouse, contains the first step of the Kayser Recycling System, the smelting furnace. The furnace unit fills up the interior space, which is 20 m tall, and the remaining 50 m extending above are reserved for recovering energy in steam boilers and handling furnace lances that are required for the smelting process. The premises of Aurubis' main recycling site cover 316,000 m<sup>2</sup>. The smelting facility complex is centrally positioned with the KRS building in the middle, surrounded by countless roofed warehouses for secondary raw materials and sampling facilities. Up to 400,000 t of recycling materials are channeled through this collection of storage areas and preparation and smelting plants in various stations – metal-bearing materials of different shapes, compositions and appearances.

“What we see here,” explained Detlef Laser, Head of Sampling and Material Preparation, while indicating a conical, colorful pile of small particles, “is worth much more than it seems. Those used to be circuit boards. They contain not only copper but also precious metals, which we pay for and extract. We're actually like modern treasure hunters

or gold prospectors, except that our treasures are not in the earth but in the raw materials we process – and we of course don't use spades or hand sieves but state-of-the-art, environmentally friendly technology.”

The sampling expert brings up a very interesting issue. Prosperous societies are leaving behind more and more used products that are increasingly made up of smaller and more complex parts. Recycling is the magic word for dealing with this, as well as the key concept when it comes to using this potential for recovering raw materials. So-called “urban mining” sees scrap metal and recycling raw materials as aboveground raw material deposits, and Aurubis is a specialist in unlocking them. The know-how in this sector has grown and expanded continuously over time. The existing facilities are up-to-date and fulfill the highest efficiency and environmental standards. The company is becoming stronger in this area. Playing up its strengths and working towards an outstanding market position in a niche market is the credo. “What we do here is multi-metal recycling, and we do it well,” Detlef Laser remarked. “The ability to process recycling raw materials professionally while taking all environmental protection aspects into account and then holding as many of the valuable materials as possible in our hands at the end – that's what makes us who we are and where we see our future.”



The liquid melt has a copper content of about 95 % when it flows from the new TBRC to the transport ladle after conversion.

## MINED, PURIFIED AND RECOVERED

Copper production with sophisticated processes

A change of scene: copper concentrates are the other pillar of the raw material supply in the Group. Thomas Hölandt, Head Purchaser for Copper Concentrates and Head of BU Primary Copper, summed it up as follows: “The copper mining industry in South America is currently in a transition phase. On the one hand, there are low copper contents in the ore and some of the existing deposits are being exhausted. On the other hand, many new projects have been initiated and developed to a level of mass production. The concentrate supply will rise accordingly.” The International Copper Study Group predicts that the global mine production will increase by over 2 million t of copper in 2012 and 2013. But the type and quality of the deposits are changing. The new ore bodies are frequently smaller than the large deposits of earlier decades. They are often more difficult to tap and are increasingly complex in their geological structure and composition. By-elements in particular pose a problem. Experience and specialist knowledge about treating them is therefore becoming more important. “These factors set the tone when it comes to mining and marketing copper concen-

trates,” Thomas Hölandt explained. “Silver and gold are happily accepted, but not every smelter can deal with undesired elements like fluorine. We invested in a special separation plant, which allowed us to build up an extensive partnership with a new mine that will supply us with copper concentrates in the long term.” Aurubis thus uses its know-how successfully. What the company has developed and implemented in process improvements pays off.

IT DOESN'T  
WORK WITHOUT  
KNOW-HOW:  
THE MAXIMUM  
COPPER YIELD  
CONTAINED IN A  
MATERIAL REQUIRES  
A HIGH TECHNICAL  
RECOVERY STANDARD.

THE COPPER RECOVERY  
PROCESS IS BASED ON THE  
PRINCIPLE OF COPPER  
PURIFICATION AND  
ENRICHMENT.

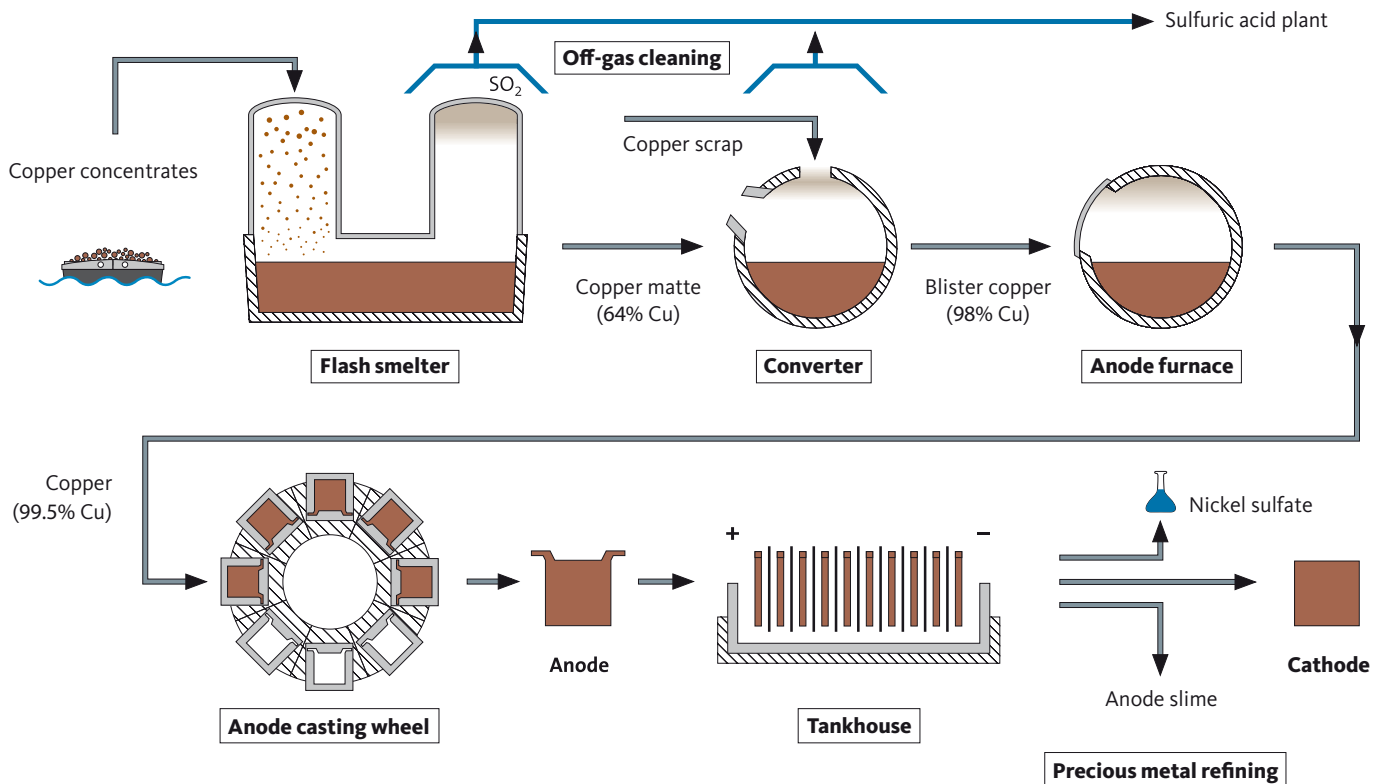
### Copper content under 1%

- » Copper ores are extracted in surface mining and underground mining.
- » After they are crushed and milled, the production routes diverge. Oxidic ores go the hydrometallurgical route via the solvent extraction/electrowinning process, while sulfidic ores are concentrated into copper concentrates by means of flotation.

### 30 % copper content

- » Copper concentrates are an internationally traded commodity and contain about 30 % sulfur and 30 % iron in addition to copper.

# COPPER RECOVERY FROM CONCENTRATES



## 64 % to 98 % copper content

- » Sulfur and iron are removed from the copper concentrates in various smelting steps and the concentrates are melted into copper matte in the flash smelter.
- » In the following converter step, the rest of the sulfur oxide is separated and copper scrap is added as a cooling material. Blister copper is the result.

## 99.5 % copper content

- » In the anode furnace, the copper is purified pyrometallurgically for the last time before being cast into copper anodes.

## > 99.99 % copper content

- » The anodes are the starting product for further purification in the copper tankhouse, where chemical methods are used to recover precious metals from the anode slime and to produce copper cathodes in metal exchange quality.



Copper is  
adaptable and  
versatile.

WITH ITS EXCELLENT AND  
ADAPTABLE PROPERTIES,  
COPPER IS AN IMPORTANT  
BASIC MATERIAL FOR  
COUNTLESS INDUSTRIES.



# *adaptable* and verSatiLe

The structure of copper demand is changing with new product ranges and technical solutions. New material combinations and miniaturization are significant features of this development. Moreover, product lifecycles are becoming shorter. The demand for copper's various qualities is increasing.

Copper is versatile: because of its good electrical conductivity, the metal is ideal for use in electrical devices, electronics and telecommunications. The decentralized energy supply, the increasing interconnectedness of our offices, higher demands for telecommunications in the home, but also high standards for safety and comfort in today's automobiles ensure that copper demand continues to rise. An average of 25 kg of copper is used in a mid-range car these days – and the amount is much higher in luxury vehicles, hybrids and electric cars. Our modern life would be impossible without copper. Its superior qualities as an electrical conductor make copper the perfect material for connecting tiny buttons and transistors in microprocessors, which are essential for modern computer systems. These buttons are becoming smaller and smaller, so more of them are required. This increases their power but makes the wiring more difficult. The thinner and tighter the wiring



*No green energy  
without copper*



*No pure water  
without copper*



*No electrical devices  
without copper*



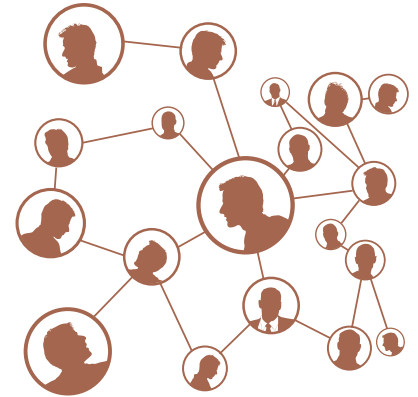
*No church roofs  
without copper*

has to be for semiconductor chips, the more copper is used. Copper enables faster signal transmission in this case.

Copper also has an established position when it comes to architecture and construction: apart from electric mains made of copper, our houses also include copper pipes in water, air conditioning and heating systems. Copper is used in many types of roofs and facades because of its good corrosion resistance and aesthetic properties in particular. In addition, alternative energy producers such as wind energy plants, geothermal energy facilities and fuel cells require copper to transfer power with maximum effectiveness and minimal environmental effects.

# manY sites manY mentalities

Aurubis means “red gold”, 6,300 employees, headquarters in Hamburg, part of the Prime Standard Segment of the Deutsche Börse and listed in the MDAX, production sites in European countries and the USA, an extensive service and sales network for copper products in Europe, Asia and North America, copper concentrate processing and primary copper production in Hamburg and Pirdop, recycling first and foremost in the Lünen recycling center but also at other sites such as Hamburg and Olen, cathode production in Hamburg, Olen, Lünen and Pirdop, a wide variety of different copper products, including continuous cast wire rod in Hamburg, Emmerich, Avellino and Olen, continuous cast shapes in Hamburg, pre-rolled strip and strips in Stolberg, Zutphen, Pori, Finspång and Buffalo, precious metal production in Hamburg, sulfuric acid production in Hamburg and Pirdop, quality and environmental management systems in accordance with international standards such as DIN EN ISO 9001:2008, ISO 14001 and EMAS.



Performance, responsibility, integrity, mutability, appreciation, intercultural teams, a feeling of belonging, decision-making, teamwork, identification, learning from one another, utilizing synergy effects, new resources, leveraging potential, providing leeway in decisions, maintaining flexibility, fostering communication, recognizing complexity, learning to delegate, delineating clear responsibilities, providing targeted information, supporting the working environment, taking initiative, triggering innovations, making improvements, overcoming challenges, supporting training and education, showing care, taking accident protection and safety aspects into account, reliability.

# one Aurubis



The CU is the Aurubis Group's magazine which enables us to inform our employees about issues that are relevant to our company and our industry. It is a key communication tool that helps us maintain the company culture, provide news from the company and make management decisions more transparent.



## manY sites manY mentalities **one** Aurubis

Aurubis AG's headquarters is located in Hamburg in northern Germany. However, it's been a while since "Plattdeutsch", the regional dialect, was widely spoken here. Those who walk through the plant today are likely to hear more and more English terms floating around. This is a direct result of the company becoming more international. "The wind of change is blowing," said Klaus Mantei from the Secondary Smelter/Precious Metals, who celebrated his 40-year anniversary at

the company on June 21, 2012. "I hear it from my colleagues as well: we have a lot more to do with the other Group companies than before, which means that we have to talk to each other somehow. That works best in a language that everyone understands a little bit – English. Of course we're learning from each other and new ideas are springing up. Because of this, I think that the change is good for the company."

Aurubis is now supported by people of nearly every background and educational qualification, of almost every working age and profession, especially after the acquisition of the Luvata Flat Rolled Products Division (RPD) with its various sites.

When many minds come together, there is a great deal of potential for ideas. Making the most of oneself is our motto, not expansion at any cost. At Aurubis, employees make use of



**Process Mechanic**  
Daniel Kuck – makes the melt flow



**Industrial Mechanic**  
Johannes Aslan, apprentice – is learning to restart a gear drive



**Commercial Employee**  
Yong Joo Schulze – keeps an eye on contract fulfillment and tracks raw material deliveries to the plant

Innovation Management for this purpose. A team with eleven members manages activities, structures idea generation processes and makes a selection across sites and divisions.

“What we do is bring ideas to light,” summarized Tim Kurth, the Group Innovation Manager. “We breathe life into them, so to speak. Ideas often develop spontaneously, as a sudden inspiration. People come up with them and then immediately forget them again. We want to grab onto these ideas with Innovation Campaigns.”

There is a set topic and a deadline for the Innovation Campaigns. The ideas are selected at the end of the campaign. Ligia Braga coordinates the Innovation Campaigns and finds the selection process to be the most difficult part: “The ideas come from employees from all of the Group sites. We review every single idea in detail. We can only choose a few of them at the end.” The most valuable ideas are implemented. Whether lower CO<sub>2</sub> emissions, shorter throughput times or productivity and efficiency increases – every improvement comes from an employee and is brought into the Aurubis world with the help of Innovation Management.

Those who walk through the plant these days don't only hear English and feel the wind of change – they sense a creative urge that drives the Group forward and makes it strong from the inside out.

**AS AN INTERNATIONAL COMPANY, WE COMBINE MANY MENTALITIES, CULTURES AND PROFESSIONS UNDER ONE ROOF – FROM TECHNICIANS AND FIREFIGHTERS TO ENGINEERS AND BUSINESSPEOPLE.**



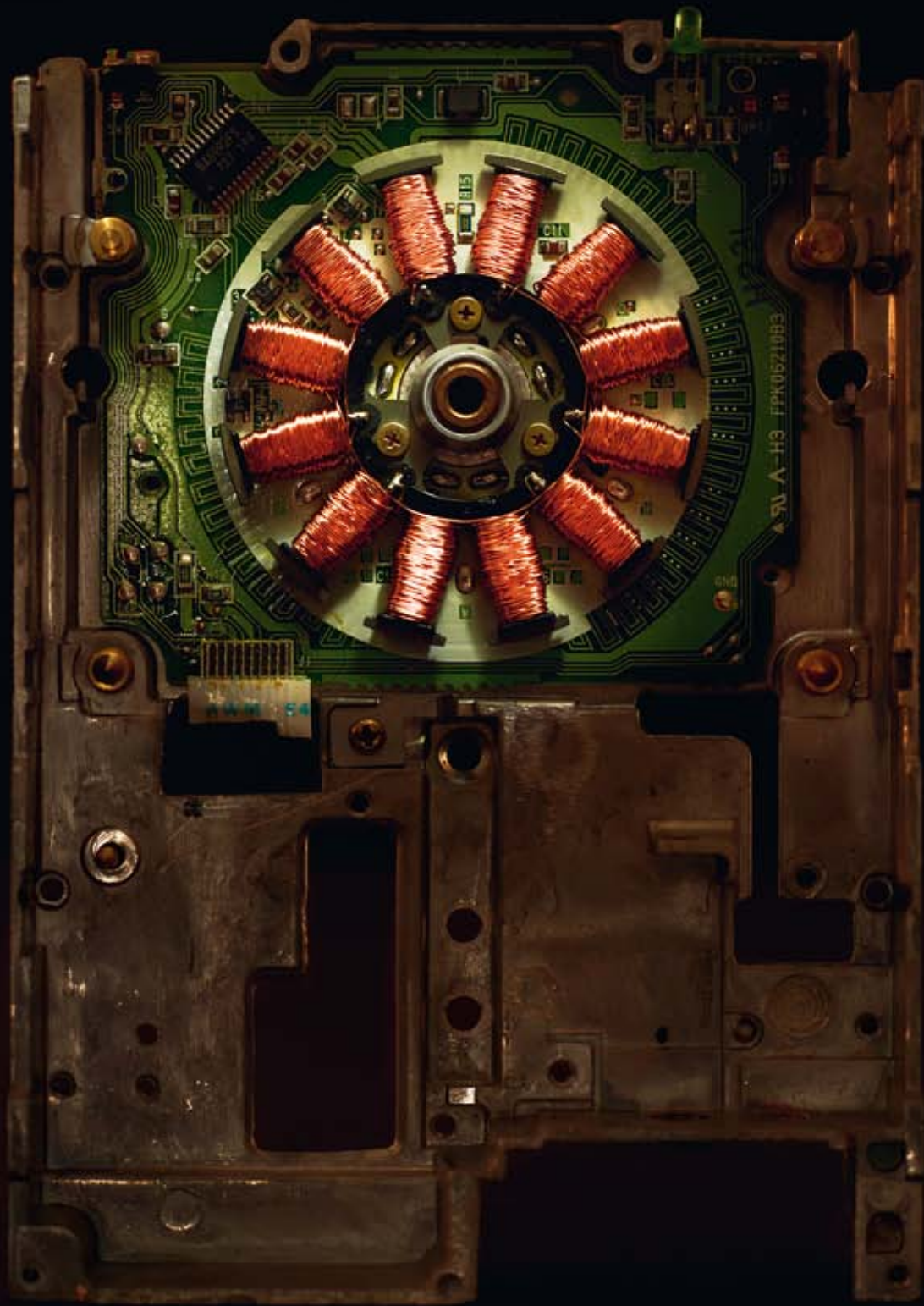
**Plant Fire Department**  
Robert Waehnke – knows how to handle fires and dangerous materials



**Analytical Laboratory**  
Marion Tietze – finds precise, tiny particles and determines contents of intermediates and products



**Medical Services**  
Imke Nagel – has an open ear for patients and gives them thorough check-ups



## Copper makes gradual gains

COPPER QUALITY INCREASES ACROSS DIFFERENT PROCESS STEPS. THE PURITY LEVEL RISES GRADUALLY DURING INDUSTRIAL PRODUCTION.

# GRADUAL GAINS

**Pure copper is rare in nature. Copper is often found in minerals together with other elements such as iron, lead, gold and silver. The pure metal only results after a complex, multi-step production process.**

Copper is recovered industrially using well-engineered technical processes. There are a number of steps between the raw material and the pure metal. The principle of purification is the basis of copper extraction. In primary copper production, iron and sulfur are removed and discharged as products. In recycling, tin, lead and iron are separated from the copper. When copper anodes are cast at the end of the respective multi-step processing procedure, the copper has a purity level of 99%.

The next stage is a chemical process. All of the soluble additions in copper, especially impurities, reduce the conductivity. Valuable precious metals are also found in the copper and have to be separated. As a result, anode copper is converted into cathode copper in an additional electrolytic copper refining step. The copper then has a more than 99.99% copper content and fulfills all of copper's conductivity requirements.

Copper cathodes, on the other hand, are the basis for various copper products. In its purest form, the red metal is largely used in electrical engineering, automobile manufacture, machinery and plant engineering and in construction. It is particularly well-suited for motor coils in electric motors. Its electrical resistance is lower than that of most other metals. Copper can be easily processed into wires, it can withstand high temperatures and it is excellent for recycling when motors have to be replaced. Electric motors are used in electric elevators, for example to open and close doors and to move up and down. Cars are also full of electric motors: the starter activates the combustion engine, while small motors move the windshield wipers, roll the windows up and down and adjust the outside mirrors. Copper cathodes are also the starting material for alloys. When combined with one or more other metals, a new material is created that has completely different, often customized properties. Copper is therefore hard to surpass in its variety of uses.



## “WE WANT TO MULTIPLY OUR STRENGTHS”

When it comes to growth, Aurubis takes a level-headed approach. The company owes it to its employees and its shareholders. After the acquisitions of the past few years, Aurubis is now concentrating on the integration of the new sites, the development of its strip sector and its inner strengths in order to expand them. It is especially important to keep an eye on the big picture in the process – and to include people. Because when complexity intensifies and the number of employees increases, it becomes more difficult for the individual to find his bearings and to feel like an important part of the group. There is a lot to report when it comes to the integration of the new Business Line Flat Rolled Products and Specialty Wire.

It is a traditional custom in Germany and the USA. When the newlyweds have made it through their first year of marriage, they celebrate their “paper anniversary” or “cotton anniversary”. Cotton is soft and keeps the young marriage warm, while the paper is as blank as the couple’s first year together. The paper is not quite as blank when it comes time to report on the first year after the acquisition of the Luvata Rolled Products Division.

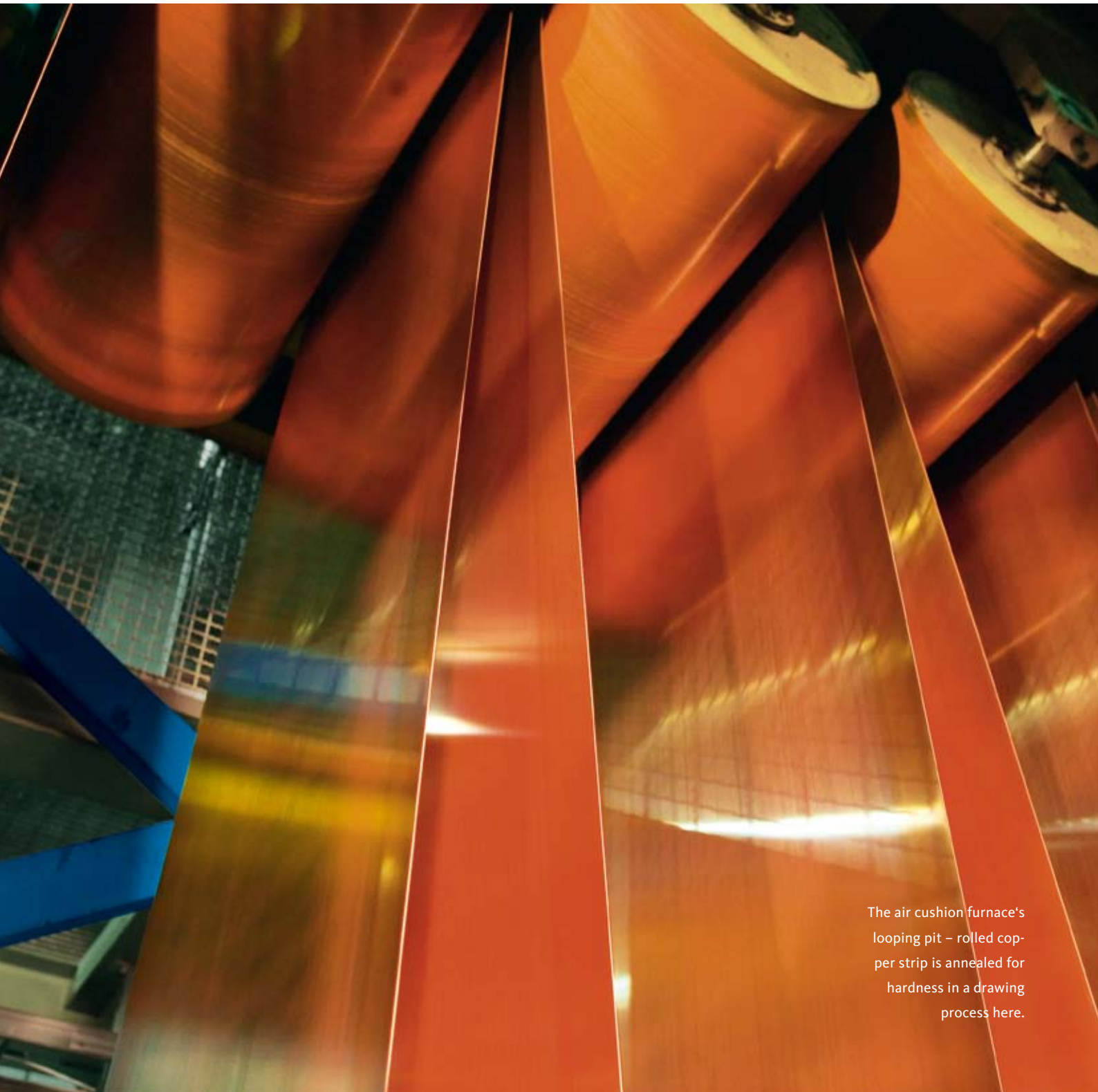
**WITH THE NEW BUSINESS LINE FLAT ROLLED PRODUCTS & SPECIALTY WIRE, AURUBIS IS FORMING NEW PRODUCT CENTERS AND THEREFORE REDUCING COMPLEXITY, OPTIMIZING LOT SIZES, ACCELERATING THROUGHPUT TIMES AND INCREASING PRODUCTION EFFICIENCY.**

A great deal has happened in the meantime. The integration work started quickly after the acquisition in September 2011. According to Ari Ingman, head of the newly created Business Line Flat Rolled Products & Specialty Wire, the integration process is running according to schedule. In light of the complexity of this process, this is an excellent result. “Ultimately, we were dealing with very different sites, cultures, mentalities and products, and it wasn’t so easy to link the systems to Aurubis, the parent company. Equivalent standards had to be attained in risk management, occupational safety and health, in the reporting system and in many other areas. Each site was able to learn from the others, which paid off by benefiting everyone in the end.” The organizational structure is in place and tasks and responsibilities have been established in the meantime.

A lot has happened from a technical standpoint as well. The existing plans for technical development at all of the main sites were reviewed, which led to structural changes and production relocations. “What we discovered convinced us that we could tap optimization potential by combining the old and new sites,” explained Dr. Thomas Sturm, who manages business development. “Consequently, we decided to relocate the production of thin copper strip from Sweden to Zutphen in the Netherlands and to Buffalo in the USA. Apart from this, every rolling mill had a number of products in its







The air cushion furnace's looping pit – rolled copper strip is annealed for hardness in a drawing process here.

Removal of smelting  
residues before  
sampling in the KRS  
furnace unit



portfolio. We're changing that now by gradually specializing in certain product segments. In Stolberg we're concentrating more and more on strips made of copper, brass and high-performance alloys for connectors, which have special requirements. In Zutphen, fabrication is being directed towards copper and brass strip for radiators and other industrial applications, while the focus in our Finnish plant in Pori is on copper strips and plates with higher thickness and width dimensions as well as plates and oxygen-free qualities. The Buffalo site serves the American market with copper and brass strip. The result of this new fabrication structure: less complexity, optimized lot sizes, faster throughput times and ultimately an increase in productivity."

Parallel to this inward view, the focus was also directed outward. The sales and marketing organization was reshaped. At the same time, cooperation with customers in Europe, America and Asia and with the sales offices overseas in particular was intensified in order to publicize the broader product range effectively. The number of the expanded Business Line's active customers has grown to almost 2,500. New, versatile business approaches arose as part of the Aurubis Group's expanded service options, e.g., the combination of product pick-up with the possibility of recycling production waste.

This approach sums up Aurubis' uniqueness today. The integration of 1,300 employees, four rolling mills and a global sales organization contributes to the process of organic, controlled growth to make Aurubis the leading integrated copper company. The variety of things that Aurubis can now do and provide for its business partners distinguishes the company from the competition. In addition to a variety of additional services, the key offerings are:

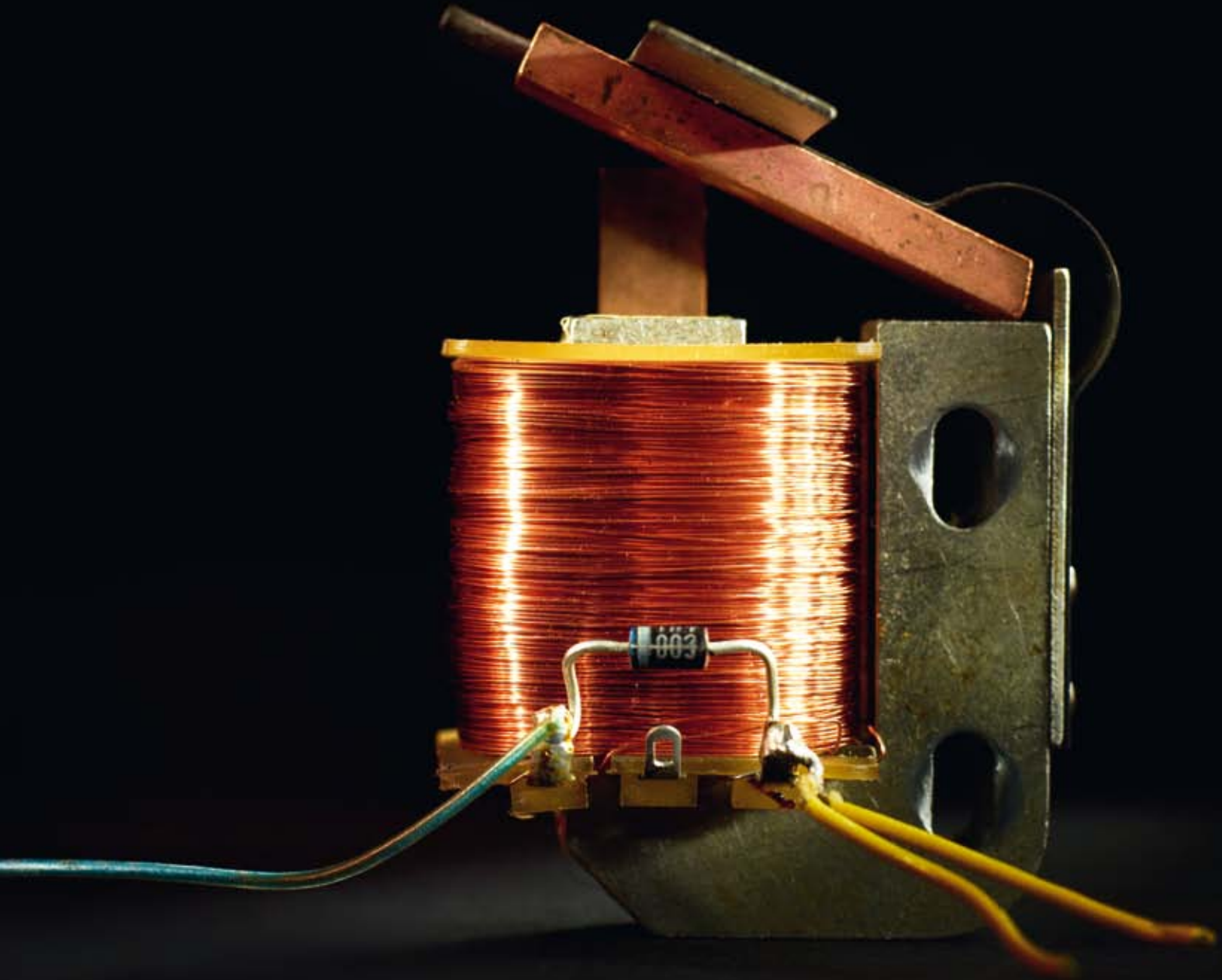
- » Competent, environmentally friendly processing of complex raw materials, whether concentrates from the mining industry or recycling raw materials from production processes and used products
- » The production of exchange-registered copper cathodes of a very high, globally recognized quality

His move from Sweden to Hamburg has paid off: Anders Broberg is proud of what he has achieved. The integration is going according to schedule, in large part due to the very good cooperation with colleagues at the different sites.



- » A service range that extends from high-value standard qualities to specially fabricated custom products.

Aurubis will continue to grow and refine its business model within the framework of its group strategy, deliberately and gradually, focusing on the key business of copper. The objective is an international market presence and the expansion of our excellent position as an integrated copper company.



## Copper is sustainable

COPPER HAS A VERY LONG LIFESPAN. IT IS THE IDEAL MATERIAL IN HOME CONSTRUCTION AND SHIPBUILDING DUE TO ITS HIGH CORROSION RESISTANCE. ITS EXCELLENT RECYCLING PROPERTIES EXTEND ITS LIFESPAN FOR CONTINUOUS RECOVERY WITHOUT A LOSS OF QUALITY. COPPER IS THEREFORE SUSTAINABLE BY NATURE.

# SUSTAINABLE

**There are no differences in quality between copper from new or scrap metal. Copper can be recycled as often as desired in the smelting process without a loss of quality. Base and noble impurities are removed bit by bit to produce pure copper again in the end. The accumulated residues can be recycled, which largely prevents materials from ending up in landfills.**

Humans have used this process of raw material utilization from the very beginning. It truly became significant with industrialization and the rising importance of environmental protection. "Urban mining" is the new buzzword – the use of waste and residue streams to obtain raw materials. A large, densely populated city is viewed as a giant "raw material mine" from this perspective. Furthermore, the procedure ensures closed product and material cycles and therefore protects the environment. The numbers show the importance of this raw material source: 3.5 million t of refined copper alone come from recycling each year, according to the International Copper Study Group. The scrap used in the processing industry plays a role as well.

Recycling not only conserves natural resources but also saves the energy required for ore mining, preparation and transport to the processing site. Qualified recycling often takes place close to areas where copper scrap accumulates. Most scrap is collected in industrialized societies and in places where processing industries are condensed, for example in Europe. A recycling industry has been established here that can draw on long-term experience.

Sustainability is also a feature of copper production from primary raw materials. More and more mining companies are assuming responsibility and pledging to take sustainability principles into account in their mines. Ecological and social aspects play just as much of a role there now as economic issues. These companies are accommodating society's standards, which extend from high transparency to the participation of interest groups in certain decisions.



## HOW AURUBIS SUPPORTS **YOUNG TALENTS** AND EQUIPS ITSELF FOR THE **FUTURE** AND HOW THE INDIVIDUAL ASSUMES **RESPONSIBILITY**.

**How does an industrial company strengthen itself for the future? What success factors has Aurubis defined for itself? Aurubis has always fostered an understanding which today is known as Corporate Social Responsibility. The environment, efficiency and cooperation are three facets that Aurubis has combined for many decades now. The company is currently going a step further and compiling the existing measures in a group-wide sustainability strategy. This is happening in a more tangible way than the term itself lets on:**

The colorful poster makes an impression here. The headline reads “Let’s make our plant greener”, creating a sharp contrast to the utilitarian industrial buildings and functional warehouses in the area. There is very little green here, as one would expect from an old Hamburg industrial landscape. But that is about to change.

Employees and their families have laid the foundation for greener facilities in a large-scale planting campaign. Aurubis sponsored the planting of 50 trees and about 3,500 shoots, assisted by the German Forest Protection Association and in the presence of Hamburg’s Environmental Senator Jutta Blankau. “We took a look at which areas could be a possibility beforehand, and now we’re looking forward to the start of the new growing season in spring 2013,” commented Hamburg Plant Manager Thoralf Schlutzkus on the campaign. “It certainly improves the working environment for our employees. However, we’re also reducing emissions at the same time.”

Another country, another Group site: Pirdop in Bulgaria, where Aurubis operates a large copper smelter. The concepts of environmental protection and sustainability are manifested here as well, not only in fulfilling requirements

but also in additional related projects. “Green Project” is the collective term that Aurubis Bulgaria has used for its sustainability activities for three years. Nicolas Treand, the site manager, said, “We decided on the ‘Green Project’ because we wanted to live the concept of sustainability more actively. Our employees should be included in this and the public should be involved as well. Internally we carried out special training sessions and started awareness campaigns, while externally two information centers were set up in the neighboring cities of Pirdop and Zlatitsa, which help us maintain contact with the local population.”

The individual activities in different areas in the Group are components of a larger whole. The framework for the sustainability strategy was developed in a working group made up of representatives of all of the significant Group sectors with the help of specialist expertise. “We expanded the existing measures with new suggestions from practical experience following a prior analysis of the current situation,” reported Dr. Karin Hinrichs-Petersen. “We developed activities from them for the three areas of ecology, economy and social issues.” The Head of Group Environmental Protection smiles knowingly when she talks about what the copper group has achieved from an ecological aspect: “Aurubis works with innovative and energy-efficient plant technologies and sets environmental protection benchmarks worldwide. We minimize the effects on the resources of water, air and soil. Resource conservation is a basic component of the business model based on the company’s metal recycling sector alone.” The company wants to build on this in the future.



SUSTAINABLE ECONOMIC ACTIVITY MEANS THINKING ABOUT TOMORROW. THIS APPLIES TO ECONOMIC, SOCIAL AND ECOLOGICAL ASPECTS.

As an exchange-listed company, Aurubis pays attention to economic success in addition to environmental protection. “We want to sustainably increase our corporate value, which to us means continuous development. Our growth and profitability target is an ROCE of 15% over a business cycle of five years,” explained Dr. Gabriele Hühn, Head of Corporate Strategy, regarding the economic component of Aurubis’ sustainability strategy.

“Those who want to be successful in the long term have to look left and right and see themselves as part of society,” commented Andrea Sittinger, who is responsible for personnel development in the Group. Aurubis is therefore involved in many social areas everywhere the Group calls home. “Our primary goal is to provide support where it’s most needed: in initiatives in socially deprived areas and in work with children and youth. Young people are very

important to us, which is why we support projects to ease the transition from school to professional life and work together with universities. We offer apprenticeships in 20 vocations. We have 228 apprentices, making up 8% of our workforce. We’re also very interested in preparing young people for management responsibilities early on and initiated the project EXPLORE!”



## DR. HENDRIK ROTH

Deputy Head of Environmental  
Protection  
Aurubis Lünen

Born in 1980, at Aurubis since 2008

His motto: "Only honesty and  
competence create trust and  
convince others in the long term."

# EXPLORE!

## An international development program for Aurubis employees

**To research, investigate, examine – according to the dictionary, these are a few things associated with the term “explore”. And it characterizes very well what Aurubis associates with its international development program for young employees. Fifteen participants from across the Group took part in the first round. Additional rounds will take place in the future. EXPLORE! targets the personal development of each individual but encourages and supports them to think outside the box as well. At the end, the participants have a better understanding of themselves and a good network among their colleagues.**

Everything started about a year ago. Those who passed the multi-step nomination and selection process were able to show what they have. The program includes topics such as project management, personality development, leadership and feedback culture and processes of change. The practical connection comes in the form of fireside chats with guest speakers and managers from the company. In the small group, managers are able to report about their everyday work and their unique experiences on a personal level.

The culmination of the program is the real-life business projects from the company. The results are presented in front of Executive Board members and managers at the end. This is the start of further development for the participants. Two examples illustrate the possibilities after the program.



**REPORT BY DR. HENDRIK ROTH**

After studying chemistry and earning my doctoral degree, I started my career at Aurubis in June 2008. As part of the Environmental Protection Department in Hamburg, I was responsible for registering all of the Group's products and intermediate products with the European Chemicals Agency. This job as the so-called REACH Coordinator is based on an EU directive that stipulates that chemical substances have to be registered and proven to be harmless for the environment. This responsibility was exciting, especially because of Aurubis' international nature. At the beginning I travelled to nearly every production site.

My responsibilities developed further over the years. It was always varied and interesting. However, I was very pleased when Dr. Hinrichs-Petersen recommended me for the EXPLORE! program in spring 2011. I saw this as a significant opportunity.

What I especially liked about the program was the variety of topics. The participants were provided with both foundational knowledge and values that are necessary for successful leadership today. In addition, the program had practical relevance. We worked on concrete Group projects in interdisciplinary teams and presented the results to a large audience at the closing event. In my opinion, some of the suggestions were very well-founded, and I'm anxious to see what becomes of them.

After the program, we all agreed that we wanted to maintain the group to intensify the exchange between divisions and sites.

Towards the end of the program I was asked if I could imagine taking over the position of Head of Environmental Protection from Claus Meyer-Wulf, who is retiring in summer 2013, at our Lünen site. After accepting the position in March 2012, everything went very quickly: I started in May and moved to Dortmund in July. I have one more year to get acclimated to the new job under Dr. Meyer-Wulf and to become familiar with the site. I haven't regretted the switch at all. The new position is exceptionally varied and challenging. My new colleagues in Lünen have given me a very warm welcome, so I felt at home from the very beginning.

**REPORT BY DR. ULRICH LORENZ**

The EXPLORE! program was the beginning of a long journey in a couple of ways. On the one hand, I developed personally and expanded my leadership skills in addition to my specialist knowledge. On the other hand, I moved across the pond and will be spending the next three years in the US plant. As Process Development Manager at the site in Buffalo, I mainly lead project teams in integrating modern fabrication processes. I can utilize my know-how from my work in Germany and learn new things at the same time. Job rotation offers me knowledge transfer this way, which I value a great deal.

As a development engineer at Aurubis, I was primarily responsible for research and development projects for new and advanced strip and wire products for five years. In addition, I advised customers on the use of our products. The insights gained from this consultation were then used for our development work. I was able to add to my specialist knowledge in the EXPLORE! program: we worked in an established group for a longer period of time during the management preparation program. This built trust, and we weren't shy about working on our attitude and conduct together. I benefited from this. For my current position, it was also an advantage that the group was international. I was able to learn a lot of things that help me in my job today. Apart from the group-wide network that the EXPLORE! program provided, I feel much better prepared for work in international project teams. I was thus ready for some of the differences in the working style and customs when I moved in May with my family. We were able to handle the jump across the pond. My wife Beate is reorganizing our household and dealing with everyday situations like a pro. In the evening we have lively talks about our impressions. I can use many of the personal experiences we've had regarding the differences between German and American life in my professional life as well. I therefore think that it's extremely important to transfer your life to the new country and to be open to new mentalities. We've settled in Buffalo both professionally and personally, and I've found a second home here with my family.

# AURUBIS FINISHES A STRONG YEAR

The Aurubis Group's business model has proven itself. After the growth step last year, consolidation and internal optimizations were on the agenda in 2011/12 in order to develop the company with stability. Aurubis AG's Executive Board discusses what made fiscal year 2011/12 so successful in a time of economic uncertainty and how the company will move forward.

Aurubis had a good annual result overall. A good start for you in your new position as Chairman of the Executive Board, Mr. Willbrandt. Are you pleased?

**Peter Willbrandt:** We indeed had a successful fiscal year. With an operating EBT of € 296 million, we concluded the year 1.4% higher than the prior-year level. Revenues rose by 3.4% to € 13,789 million. At € 192 million, gross profit was also up on the prior-year value. That is quite a success. But we

don't want to rest on our laurels because those who stop swimming fall behind. We live the principle of continuous improvement in our processes and with our products at Aurubis. This should carry on in the future as well. Furthermore, despite a new division of responsibilities in the Executive Board, our team works well together. That helps us find consensus quickly and move the company forward together with managers and employees.

What factors influenced the annual result? To what extent did Aurubis AG's integrative business model contribute to the very good overall result?

**Erwin Faust:**

We are fairly unique with our business model. It rests on two very different raw material pillars: copper concentrates on the one hand and various recycling raw materials on the other. We use them to produce copper cathodes, an exchange product that we can



Peter Willbrandt

market internationally. And we generate high value added by fabricating copper products from the cathodes, addressing the final consumer markets more strongly. If one sector is doing poorly, another can maybe balance this out or cushion the blow. That proved to be the case during this reporting year. Raw materials contributed very positively to the result, while the product sector was unsatisfactory due first and foremost to trends in the classic sales markets.

**Do you view the weaker development of the product sector as a direct result of the European debt crisis?**

**Peter Willbrandt:** This was certainly a decisive cause. The negative reports from the global political and economic landscape led to strong uncertainty among customers. They are working with much shorter scheduling periods, planning at shorter notice and living hand-to-mouth in their supply. Furthermore, there are strong regional differences. Southern Europe has been severely shaken by the European debt crisis, but there were weaker sales even in Germany, which has otherwise fared well. We're also affected by this in the renewable energies sector. The sudden and unplanned nuclear phaseout after Fukushima hastily brought on the unplanned energy turnaround. This was actually good for us, as it requires high copper input. The expansion of wind energy, especially with offshore wind farms in the North Sea, is supposed to be the main pillar of this energy turnaround, but it's not moving forward. And the turbines on land can't be used optimally either. The lack of planning and the uncoordinated approach to renewable and conventional power plant capacities lead to



Erwin Faust

uncontrolled costs and uncertainties about the grid stability, which slow us down.

**Dr. Stefan Boel:** ... and that affects our rod sales. The fact that we weren't able to fully use our existing production capacities during the fiscal year had a lot to do with these project delays in addition to the economic situation.

**If it was so difficult in the product sector, what was the situation with the raw material supply?**

**Dr. Michael Landau:** It was exactly the opposite. It developed favorably because of the market and due to the effects of the investments made in the Lünen recycling center. To be more specific: the intensity of scrap collection was high thanks to the ongoing high copper price, and restrained smelter demand and a good supply had a positive impact on concentrates. In Lünen the TBRC – the new furnace unit added to the smelting operations – also performed well. We began normal operations with the unit and were able to put through much more electric and electronic scrap overall. Processing this material provides good contributions to earnings.



Dr. Michael Landau

hard facts like procedures and processes on the one hand, but most importantly, people are also involved. Tasks and responsibilities have to be established in the new arrangement. Ultimately, everyone should know where they stand. In the meantime, the Business Line is also part of our group-wide health and occupational safety program. We've already made considerable progress in this area and have planned additional improvements for the coming year.

**Erwin Faust:** It's evident that our earnings were influenced by more than one factor. Aurubis AG has always taken advantage of this in the past, ultimately providing a good dividend to its shareholders.

How far has the integration process of the former Luvata RPD progressed? Is it still going according to schedule?

**Dr. Stefan Boel:** Yes, it's still going according to schedule. We've really achieved a great deal in the past year. Many company functions had to be integrated and incredibly complex processes had to be harmonized. We were able to leverage potential for improvement by comparing the performance of all of the rolling mills. By specializing the rolling mills – that is, by clearly designating product segments – we did what was necessary to increase productivity. In short: the structure is in place. We meanwhile have a smoothly organized sector. Our goal is now to expand our market position in this new set-up.

**Dr. Michael Landau:** This kind of integration extends to the existing business segments and structures. There are the

#### PETER WILLBRANDT

joined the Group in 1988. After senior positions in the smelter production sectors, he became Director of Metallurgy in 2001 and General Manager of Primary Copper Production in 2004. He was appointed deputy member of the Executive Board on April 1, 2007 and became a full member on April 19, 2008. He was appointed Chairman of the Executive Board on January 1, 2012. In addition, he is responsible for Business Unit Primary Copper.

#### DR. STEFAN BOEL

worked as of 2001 in Product Development and Marketing in the former Copper Division of Umicore S.A. and subsequently became the commercial director of the Umicore plant in Bulgaria. After the demerger of Cumerio from the Umicore Group, Dr. Boel became Vice President Copper Refining and Mining Projects and a member of the Executive Committee. As part of the integration of Cumerio in the Group, he joined the Executive Board on April 19, 2008 and is responsible for Business Unit Copper Products.

### What expectations do you have for fiscal year 2012/13?

**Erwin Faust:** It certainly isn't just a matter of course that we can present our shareholders with a very good result this year. However, we have very high standards for ourselves and will of course try to build on this result in the coming year. Whether we're successful largely depends on how the overall economic environment develops. There are still a few risks in the eurozone.

**Dr. Michael Landau:** I expect that the copper production sector will once again contribute its share to the earnings trend. Under the current conditions, we also expect a full supply for our recycling capacities in the coming year. An easing of the concentrate markets is also expected. It's a favorable situation overall.

**Dr. Stefan Boel:** In the 2012/13 rod and shapes business, a lot will depend on how uneasy the customers are and how fast the investment backlogs clear up in the grid expansion. Moreover, the strip product sector may benefit from our new position on the markets after we've generally concluded the integration of the former Luvata Rolled Products Division. However, the relocation of production from Finspång to Zutphen and Buffalo will be a challenge.

**Peter Willbrandt:** The first quarter of the new fiscal year has been favorable for us so far from an operating perspective. Aurubis is on a good path again and we will do our utmost to keep the company on course and make it even more secure for the future.



Dr. Stefan Boel

#### ERWIN FAUST

held managerial positions in the Volkswagen Group, at VAW Aluminium and as of 2003 at Novelis Europa, a sub-group of Novelis Inc. (formerly Alcan Inc.). As the Chief Financial Officer there, he served on the supervisory committees of the European companies and for a time as the commercial director of the German company. Erwin Faust was appointed Chief Financial Officer on our Group's Executive Board with effect from October 1, 2008.

#### DR. MICHAEL LANDAU

has been employed by the company since 1981. In March 1998 he was appointed deputy member of the Executive Board and has been a full member since June 1, 1999. Dr. Landau has been Director of Industrial Relations since November 9, 2007 and is therefore responsible for Human Resources. Business Unit Recycling/Precious Metals is also his responsibility.

# REPORT OF THE SUPERVISORY BOARD

Dear Shareholders,

The past fiscal year was very successful. The Supervisory Board would like to thank the Executive Board and the employees of Aurubis AG and all of the Group companies for their dedicated work.

## **COLLABORATION BETWEEN SUPERVISORY BOARD AND EXECUTIVE BOARD**

The Supervisory Board performed the functions incumbent upon it by law, the Articles of Association and rules of procedure. It regularly supervised and assisted the Executive Board in an advisory capacity in the management of the Company and supported the organization of the Group's strategic orientation that had been mutually agreed. The joint target of the Executive Board and Supervisory Board was to increase the enterprise value of Aurubis AG and its Group companies long-term.

The Executive Board informed the Supervisory Board regularly in written and verbal reports, promptly and comprehensively, about corporate planning, business development, strategic development and the current situation of the Group including the risk situation, risk management and compliance. The Supervisory Board was also informed about individual deviations of the business performance from the established plans. 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.

## **CONSULTATIONS IN THE SUPERVISORY BOARD**

Four scheduled Supervisory Board Meetings (on January 17, 2012, February 29, 2012, May 25, 2012 and September 21, 2012) were held in fiscal year 2011/12. One resolution was adopted by written consent in lieu of a meeting. Only one

member of the Supervisory Board did not attend one of the meetings. The average participation rate for the Supervisory Board members was therefore nearly 98%.

The topics of regular Supervisory Board consultation in meetings included the business performance, human resources in the Group and the development of the results and the raw material, foreign exchange and energy markets. The Supervisory Board also dealt with the financial situation and the status of capital expenditure. The respective committee chairman also reported on the committees' work and the generated suggestions and results at the meetings.

In the meeting on January 17, 2012 the Supervisory Board determined the compensation for the Executive Board members for fiscal year 2011/12 contingent on the established objectives. Details are explained in this annual report under the 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 2010/11, including the corporate governance report, and the preparations for the 2012 Annual General Meeting. The Executive Board gave a detailed report about the status of the project to optimize the production structure and to relocate production from the Finspång/Sweden site to the plants in Zutphen (Netherlands) and Buffalo (USA).

On February 2, 2012 the Supervisory Board approved the Executive Board resolution to relocate Business Line Bars & Profiles' production from Switzerland to Belgium.

In the Supervisory Board meetings on September 29, 2012 and May 25, 2012 the Executive Board reported on the Group's current business and financial situation after the end of the respective quarter.

The Supervisory Board approved the budget for fiscal year 2012/13 in the meeting on September 21, 2012. Furthermore, the Supervisory Board authorized the “lead refining” replacement investment and the “PKE 2013 Project” (large-scale standstill in concentrate processing) at the Hamburg site. After Dr. Wortberg resigned as Chairman, the shareholder representatives elected Prof. Dr. Fuhrmann as Chairman of the Nomination Committee effective October 1, 2012.

### COMMITTEES

The Supervisory Board set up a total of four permanent committees to fulfill its duties, which effectively supported the work in the meetings. The committees prepared the Supervisory Board’s resolutions and the topics to be considered in the meetings. The Conciliation Committee in accordance with Section 27 paragraph 3 Law on Co-determination did not meet during the reporting year.

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.

Only one member did not participate in one committee meeting.

### WORK ON THE PERSONNEL COMMITTEE

The Personnel Committee met twice in the year under review. In its meeting on January 16, 2012 the Personnel Committee developed a compensation suggestion for the Executive Board’s overall and individual performance in fiscal year 2010/11. Furthermore, the Personnel Committee developed a suggestion regarding compensation for Mr. Willbrandt, the new Chief Executive Officer. In its meeting on September 21, 2012, the Personnel Committee worked on the selection process for Dr. Landau’s successor.

### WORK ON THE AUDIT COMMITTEE

The Audit Committee met four times in the reporting period and considered the separate financial statements for Aurubis AG, the consolidated financial statements and the quarterly reports for the past fiscal year, which were discussed with the Executive Board in each case before being published. The Audit Committee also addressed the monitoring of the accounting process, the effectiveness of the internal control and auditing system and compliance management in the Group. In all of the meetings, the committee dealt with the status of the Federal Financial Supervisory Authority’s procedure. Moreover, the committee dealt intensively with the internal accounting structure during the meeting on February 13, 2012.

Dr. Wortberg, the Chairman of the Audit Committee, has specialist knowledge 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 the focuses of the annual audit 2011/12, specifically (i) the follow-up audit of the IT authorization concept and (ii) the audit of the executed SAP release change on the AG level and, on the level of the former Luvata companies, (i) the audit of the Aurubis Sweden and Aurubis Netherlands SAP server migration to IBM Germany and (ii) the Luvata integration, especially with respect to process mapping, the control test and ensuring the use of unified Group guidelines.

The Audit Committee furthermore monitored the independence of the auditors and obtained the declaration on their independence recommended by the German Corporate Governance Code 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 one Audit Committee meeting and reported on the audit of the annual accounts.

#### **WORK OF THE NOMINATION COMMITTEE**

The Nomination Committee met on September 21, 2012 during fiscal year 2011/12. Dr. Wortberg resigned from his position as Chairman effective September 30, 2012 and suggested Prof. Dr. Fuhrmann as the new Chairman. The Nomination Committee concurred with this suggestion.

#### **CORPORATE GOVERNANCE AND DECLARATION OF CONFORMITY**

The regular efficiency review was performed by the Supervisory Board at its meeting on September 21, 2012.

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 report on corporate governance, which are part of the management report.

On November 9, 2012, the Executive Board and Supervisory Board issued the updated Declaration of Conformity to the Corporate Governance Code in accordance with Section 161 German Companies Act and made it permanently accessible to the public at [www.aurubis.com](http://www.aurubis.com). According to the declaration, Aurubis complies with the Code recommendations with two exceptions. Additional information can be found in the Declaration of Conformity in accordance with Section 161 German Companies Act.

#### **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.

#### **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 GAAP and the consolidated financial statements prepared in accordance with IFRS (International Financial Reporting Standards) for the fiscal year from October 1, 2011 to September 30, 2012 and the management reports for the Company and the Group have been audited by PricewaterhouseCoopers AG, Wirtschaftsprüfungsgesellschaft, Hamburg, in accordance with the resolution passed at the Company's Annual General Meeting on March 1, 2012 and their subsequent appointment as auditors by the Supervisory Board. The auditors have issued an unqualified auditors' report.

The meeting of the Supervisory Board to approve the financial statements was held on December 12, 2012. 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 meeting of the Supervisory Board 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 audit and 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 management reports for the Company and the Group and the Executive Board's recommendation on the utilization of the unappropriated earnings, the Supervisory Board concurred with the results of the audit. The Supervisory Board concluded that no objections need to be raised, based on the results of its review, 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, the management report for Aurubis AG and the consolidated 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

Chief Executive Officer Dr. Bernd Drouven resigned from the Company's Executive Board on December 31, 2011. Mr. Peter Willbrandt was elected Chief Executive Officer of the Company effective January 1, 2012.

We would like to thank Dr. Drouven for his successful service to the Company.

Hamburg, December 12, 2012

The Supervisory Board



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

# SUPERVISORY AND EXECUTIVE BOARDS

## Supervisory Board

**Prof. Dr.-Ing. Heinz Jörg Fuhrmann**, Salzgitter

Chairman

Chairman of the Executive Board of Salzgitter AG, Salzgitter

- » EUROPIPE GmbH, Mülheim<sup>+</sup>  
Member of the Supervisory Board until April 26, 2012
- » KHS AG, Dortmund<sup>+</sup>  
Chairman of the Supervisory Board
- » Mannesmannröhren-Werke GmbH, Mülheim<sup>+</sup>  
Chairman of the Supervisory Board
- » Öffentliche Lebensversicherung Braunschweig,  
Braunschweig  
Member of the Supervisory Board
- » Öffentliche Sachversicherung Braunschweig,  
Braunschweig  
Member of the Supervisory Board
- » Salzgitter Klöckner-Werke AG, Salzgitter<sup>+</sup>  
Chairman of the Supervisory Board  
until December 14, 2011
- » Salzgitter Mannesmann Handel GmbH, Düsseldorf<sup>+</sup>  
Chairman of the Supervisory Board
- » Salzgitter Stahl GmbH, Salzgitter<sup>+</sup>  
Chairman of the Supervisory Board
- » TÜV Nord AG, Hanover  
Member of the Supervisory Board
- » Ets. Robert et Cie S.A.S., Le Thillay  
Member of the Advisory Board
- » EUROPIPE GmbH, Mülheim  
Member of the Shareholders' Committee  
until April 26, 2012

**Dr.-Ing. Ernst J. Wortberg**, Dortmund

Self-employed consultant

**Hans-Jürgen Grundmann**, Seevetal \*

Deputy Chairman

Shop mechanic

Chairman of the Works Council of Aurubis AG

**Jan Eulen**, Kummerfeld \*

District Manager of the Mining, Chemical and Energy

Industrial Union Hamburg/Harburg

- » Honeywell Deutschland Holding GmbH,  
Offenbach

Member of the Supervisory Board

**Dr. Peter von Foerster**, Hamburg

Lawyer

- » Hemmoor Zement AG i.L., Hamburg  
Deputy Chairman of the Supervisory Board
- » Holcim (Deutschland) AG, Hamburg  
Chairman of the Supervisory Board

**Rainer Grohe**, Otterstadt

Professional Supervisory Board Member

- » Graphit Kropfmühl AG, Munich  
Deputy Chairman of the Supervisory Board
- » K+S Aktiengesellschaft, Kassel  
Member of the Supervisory Board
- » PFW Aerospace AG, Speyer  
Deputy Chairman of the Supervisory Board  
since December 5, 2012
- » SASAG AG, Elsteraue  
Member of the Supervisory Board
- » WKV Wasserkraft Volk AG, Gutach/Breisgau  
Member of the Supervisory Board since July 27, 2012

<sup>+</sup> = Group companies

\* = elected by the employees

**Renate Hold**, Hamburg \*

Clerical employee

Deputy Chairman of the Works Council and Chairman of the Group General Works Council of Aurubis AG

**Prof. Dr.-Ing. E. h. Wolfgang Leese**, Kamp-Lintfort

Managing Director of WGL Verwaltung und Beratung GmbH, Kamp-Lintfort

- » MAN Truck & Bus AG, Munich  
Member of the Supervisory Board
- » Schütz GmbH & Co. KGaA, Selters  
Chairman of the Supervisory Board

**Dr. med. Thomas Schultek**, Lübeck \*

Head of Group Health Protection at Aurubis

- » Chairman of the Committee of Executive Representatives at Aurubis AG, Hamburg

**Rolf Schwertz**, Datteln \*

Bricklayer and boiler operator

Deputy Chairman of the Works Council of Aurubis AG, Lünen and Chairman of the Central Representative Council of Employees with Disabilities of Aurubis AG, Hamburg

**Prof. Dr. Fritz Vahrenholt**, Hamburg

Chairman of the Management Board of RWE Innogy GmbH, Essen until June 30, 2012

Chairman of the Supervisory Board of RWE Innogy GmbH, Essen since August 6, 2012

- » Green Exchange, New York  
Member of the Supervisory Board until March 31, 2012
- » Mateco AG, Stuttgart  
Member of the Supervisory Board
- » Putz & Partner Unternehmensberatung, Hamburg  
Member of the Supervisory Board
- » RADAG Rheinkraftwerk Albbruck-Dogern AG, Laufenburg  
Chairman of the Supervisory Board
- » Fraunhofer-Gesellschaft zur Förderung der angewandten Forschung e.V., Munich  
Member of the Senate
- » Körber-Stiftung, Hamburg  
Member of the Advisory Board
- » Novatec Solar GmbH, Karlsruhe  
Member of the Supervisory Board since February 1, 2012
- » Capital Stage AG, Hamburg  
Member of the Supervisory Board since June 21, 2012

**Helmut Wirtz**, Stolberg \*

Managing Director of IG Metall, Stolberg

- » Leoni AG, Nuremberg  
Member of the Supervisory Board

+ = Group companies

\* = elected by the employees

## Supervisory Board Committees

### Conciliation Committee in accordance with Section 27 par. 3 Law on Co-determination

Prof. Dr.-Ing. Heinz Jörg Fuhrmann (Chairman)  
Hans-Jürgen Grundmann (Deputy Chairman)  
Renate Hold  
Dr. Peter von Foerster

### Audit Committee

Dr. Ernst J. Wortberg (Chairman)  
Prof. Dr.-Ing. Heinz Jörg Fuhrmann  
Jan Eulen  
Hans-Jürgen Grundmann

### Personnel Committee

Prof. Dr.-Ing. Heinz Jörg Fuhrmann (Chairman)  
Dr. Peter von Foerster  
Hans-Jürgen Grundmann  
Renate Hold  
Dr. Thomas Schultek  
Prof. Dr. Fritz Vahrenholt

### Nomination Committee

Prof. Dr.-Ing. Heinz Jörg Fuhrmann  
(Chairman since October 1, 2012)  
Rainer Grohe  
Prof. Dr.-Ing. E. h. Wolfgang Leese  
Dr. Ernst J. Wortberg (Chairman until September 30, 2012)

## Executive Board

**Dr. Bernd Drouven**, Hamburg  
born: September 19, 1955  
Chief Executive Officer until December 31, 2011  
appointed until December 31, 2011

**Peter Willbrandt**, Winsen/Luhe  
born: February 16, 1962  
Member of the Executive Board  
Chief Executive Officer since January 1, 2012  
appointed until March 31, 2015

**Dr. Stefan Boel**, Hamme, Belgium  
born: June 9, 1966  
Member of the Executive Board  
appointed until April 30, 2016

**Erwin Faust**, Hamburg  
born: January 4, 1957  
Member of the Executive Board  
appointed until September 30, 2013

**Dr. Michael Landau**, Dahme  
born: July 26, 1950  
Member of the Executive Board,  
Director of Industrial Relations  
appointed until May 31, 2013

# CORPORATE GOVERNANCE

## Declaration and report on corporate governance (part of 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 on behalf of the Supervisory Board – in accordance with Section 3.10 of the German Corporate Governance Code and in accordance with Section 289a paragraph 1 HGB (German Commercial Code) about corporate governance.

### DECLARATION OF CONFORMITY AND REPORTING ON CORPORATE GOVERNANCE

In accordance with Section 161 German Companies Act, the Executive Board and Supervisory Board of a company listed in Germany are obliged to issue an annual declaration to the effect 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 and are being complied with, or to list the recommendations which were or are not being applied and explain why not.

The Executive Board and the Supervisory Board have concerned themselves on several occasions in fiscal year 2011/12 with the topic of corporate governance and jointly issued the updated Declaration of Conformity in accordance with Section 161 German Companies Act on November 9, 2012. The declaration has been made permanently accessible to the public on the Aurubis AG website. All the declarations of conformity issued to date are also permanently accessible to the public there.

### TEXT OF THE DECLARATION OF CONFORMITY 2012

“The Executive Board and Supervisory Board of Aurubis AG declare that the recommendations of the “Government Commission on the German Corporate Governance Code” in the version dated May 26, 2010 were applied in the period from October 1, 2011 to June 15, 2012 and that thereafter the recommendations of the “German Corporate Governance Code” in the version dated May 15, 2012 are being applied with the following exceptions:

- » The contracts with new Executive Board members do not include a severance pay cap in the amount of maximum two years’ compensation in the event of premature termination of the contract, including in the form of so-called (modified) connection clauses. The first contracts of newly appointed Executive Board members only have a term of three years and a severance pay cap for the Executive Board member would not make sense. Furthermore, a severance pay cap would not be legally enforceable for the Executive Board member in many relevant cases. If there is neither a good cause for revoking the appointment in terms of Section 84 paragraph 3 sentence 1 German Companies Act nor a good cause for terminating the employment contract without notice in terms of Section 626 German Civil Code, the service contract with the respective Executive Board member can only be terminated by mutual consent. In this case the Executive Board member is not obliged to agree to a severance pay cap in terms of the Code recommendation. So-called (modified) connection clauses that tie the termination of the Executive Board employment contract to the revocation of the appointment for a good cause and that provide for a corresponding severance pay cap for this case cannot be unilaterally enforced by the Supervisory Board against the will of the Executive Board member concerned (deviation from Code Section 4.2.3 paragraph 4).

- » The Supervisory Board will continue in the future to observe the legal requirements when proposing candidates at the Annual General Meeting and – irrespective of gender – focus on the professional and personal qualifications of the candidates. It is naturally very relevant that the Company's international activities and potential conflicts of interest as well as diversity are taken into account. In doing so, it is however not necessary to specify concrete objectives (deviation from Code Section 5.4.1 paragraphs 2 and 3).

Hamburg, November 9, 2012

For the Executive Board:



Peter Willbrandt  
Chairman

Dr. Michael Landau  
Member

For the Supervisory Board:



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, to which the German Corporate Governance Code relates. 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. 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, in particular, 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 consisted of five and later four members in the fiscal year. Dr. Bernd Drouven was a member of the Executive Board and Chief Executive Officer until December 31, 2011. Mr. Peter Willbrandt was appointed Chief Executive Officer effective January 1, 2012. Mr. Erwin Faust is the Chief Financial Officer. The operating sector is divided into three business units. Dr. Stefan Boel is responsible for Business Unit Copper Products, Dr. Michael Landau for Business Unit Recycling/Precious Metals and Mr. Peter Willbrandt for Business Unit Primary Copper.

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. Deviations in the business performance from previously prepared budgets and targets are discussed in detail and reasons are given.

The Executive Board takes diversity into account when filling management positions in the Company and gives attention to female applicants in particular.

### 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 members of the Executive Board, decides on the compensation system for the Executive Board

members and specifies their respective total compensation. The Personnel Committee submits corresponding suggestions to the Supervisory Board. The Supervisory Board pays attention to diversity in the composition of the Executive Board in terms of Section 5.1.2 of the Corporate Governance Code.

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, in particular those that would significantly change the Company's net assets, financial position and results of operations. In 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, of which six 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 29, 2008.

The Supervisory Board has not specified any concrete objectives regarding its composition. The Supervisory Board will continue in the future to observe the legal requirements when proposing candidates at the Annual General Meeting and – irrespective of gender – focus on the professional and personal qualifications of the candidates. It is naturally very relevant that the Company's international activities, potential conflicts of interest, the age limit for Supervisory Board members, the number of independent Supervisory Board members in terms of Section 5.4.2 of the Corporate Governance Code and diversity are taken into account.

Former Aurubis AG Executive Board members have not been represented in the Supervisory Board thus far. The Supervisory Board has a suitable number of independent members who do not have a personal or professional relationship with the Company, its Supervisory Board or Executive Board, a controlling shareholder or someone connected with an associated company, which could be cause for a significant conflict of interest that is not merely temporary. 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 2013.

### **SUPERVISORY BOARD COMMITTEES**

The Supervisory Board has formed four long-term Committees from its members to prepare and complement its work, in the form of the Personnel Committee, the Audit Committee, the Nomination Committee and the Conciliation Committee. The Committees' tasks as well as their composition and work are specified in detail in the rules of procedure of the Supervisory Board.

#### **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, the preparation of Executive Board contracts and the selection of qualified candidates for

Executive Board positions in the preparation of the 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 primary task of monitoring the accounting process, the effectiveness of the internal control system and the internal auditing system, the annual audit and especially the independence of the auditors, the additional services performed by the auditors, the appointment of the auditors, the determination of the focuses of the audit and the agreement of the fee as well as compliance. 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 Corporate Governance Code. The Nomination Committee has the duty of suggesting suitable candidates to the Supervisory Board so that the Supervisory Board can propose them for election at the Annual General Meeting.

#### **Conciliation Committee**

The Conciliation Committee did not meet during the past fiscal year.

The Committees' compositions are given in the list of Executive and Supervisory Boards 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 included in the list of the Executive and Supervisory Boards in this annual report.



### AVOIDING CONFLICTS OF INTEREST

The mandates of the Supervisory Board members in other legally formed Supervisory Boards and comparable German and foreign controlling bodies are included in the list of the Executive and Supervisory Boards 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 with comparable requirements. Related parties are presented in the notes to the financial statements.

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 Chairman 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. Retention 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, in particular the 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. Over and above the 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 homepage at [www.aurubis.com](http://www.aurubis.com). Each employee is briefed on these group-wide

applicable values and the Code of Conduct and 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 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 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. An Annual General Meeting is held once a year, in which the Executive Board and Supervisory Board give an account of the past fiscal year. The German Companies Act stipulates that an extraordinary General Meeting can be convened in special cases.

Each shareholder who has registered in good time and can provide proof of his entitlement to participate in the Annual General Meeting and exercise his 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 before the Annual General Meeting online. Aurubis AG will give further details in the invitation to the Annual General Meeting.

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

### **CONTROLLING AND RISK MANAGEMENT**

It is also part of good corporate governance that the Company handles risks responsibly. 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. Compliance management was developed further in the fiscal year so as to comply with the requirements resulting from the legal requirements and the Code of Conduct. The Chief Compliance Officer reported 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, which includes the mandatory report on the accounting-related internal control and risk management system issued in accordance with the German Accounting Law Modernization Act (BilMoG).

### **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, half-yearly reports and the quarterly interim reports are generally 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. Apart from an annual

analysts' conference, conference calls are also held for analysts, especially in connection with the publication of quarterly figures. All new matters that are disclosed to the financial analysts and comparable addressees are also made available immediately to the shareholders on the Company's website.

The Company's Articles of Association and Declaration of Conformity and all Declarations of Conformity that are no longer current are likewise available on the website.

Furthermore, immediately after receipt of a relevant notification pursuant to Section 21 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 and interim reports – are combined in a financial calendar. The calendar is published sufficiently in advance and made permanently available on the Aurubis AG website.

### **DIRECTORS' DEALINGS**

In accordance with Section 15a of the German Securities Trading Act, members of the Executive and Supervisory Boards, certain employees in management positions and people closely associated to them have to disclose acquisitions and sales of Company shares and related financial instruments.

The members of the Executive Board have not informed the Company about any notifiable dealings in securities.

The following member of the Supervisory Board informed the Company that she had acquired or sold no-par-value shares in the Company in the period from October 1, 2011 to September 30, 2012:

- » Renate Hold: sold 380 no-par-value shares

The Company then reported this information to the Federal Financial Supervisory Authority and published it. Dealings from past years are published on Aurubis AG's website.

The Executive Board and Supervisory Board held less than 1% of the shares issued by the Company as at September 30, 2011.

#### FINANCIAL REPORTING AND ANNUAL AUDIT

Aurubis AG prepares its consolidated financial statements and 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 German Commercial Code (HGB). The financial statements of Aurubis AG and the consolidated financial statements are compiled by the Executive Board and examined by the auditors and the Supervisory Board. The interim reports and the half-yearly financial 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 AG Wirtschaftsprüfungsgesellschaft, Hamburg, was appointed auditor of the consolidated financial statements 2011/12 and the HGB financial statements 2011/12 of Aurubis AG. Before submitting the proposal for the election of the auditors, the Supervisory Board obtained the declaration from PricewaterhouseCoopers AG Wirtschaftsprüfungsgesellschaft on their independence

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 the compliance with reporting obligations on corporate governance in accordance with Section 161 German Securities Trading 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 2012

The Executive Board



Peter Willbrandt  
*Chairman*



Dr. Michael Landau  
*Member*

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

The following compensation report is part of the Group 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.

The current compensation system has been in effect since the beginning of fiscal year 2009/10. The principle of the compensation provisions is to orient the Executive Board's contracts more strongly to long-term corporate development.

The compensation of the individual Executive Board members is defined in their employment contracts and consists of a series of components, comprising fixed compensation, variable compensation and fringe benefits and pension plans.

#### The various compensation components are as follows:

The compensation of the Executive Board members is made up of fixed and variable components. The fixed parts consist of fixed compensation, the fringe benefits and pension plans. The fixed compensation amounts to € 480,000 for the Chief Executive Officer and € 336,000 for the ordinary members of the Executive Board and is paid out monthly in equal installments. In his first year as Chief Executive Officer,

Mr. Willbrandt received fixed compensation of € 408,000. This will increase to € 480,000 effective January 1, 2013. In addition, the Executive Board members receive fringe benefits in the form of benefits in kind, mainly comprising the value of insurance premiums in accordance with the fiscal guidelines and the use of a company car. The individual Executive Board members must pay tax on these fringe benefits as components of their compensation.

The system for variable compensation consists of two components, which are paid out each year. The first component (Component 1) is dependent on achieving an annual target related to an adjusted average consolidated EBT (earnings before taxes) of three years, in each case related to the current and the two prior fiscal years before the respective fiscal year. The target is an EBT derived from a ROCE of 15%. The target bonus of Component 1 amounts to about 60% of the variable compensation in relation to Component II and can reach a cap of 100%. If the EBT is less than 40% of the target, Component 1 will not be paid. The maximum amount that can be reached from these components is € 600,000 for the Chief Executive Officer and € 400,000 for ordinary members of the Executive Board.

In his first year as Chief Executive Officer, Mr. Willbrandt received variable compensation of € 490,000.

Component II stipulates that an annual assessment of the joint (Component II a) and individual (Component II b) performance of the Executive Board will be carried out by the Supervisory Board. Both components are based on a qualitative criteria-supported assessment of the long-term company management.

The target bonus of Component II has a cap of 100%. At least 50% of the target bonus is always paid out unless the granting of same would be unreasonable in the sense of Section 87 paragraph II Companies Act. The maximum amount to be reached from Components II a and II b amounts to € 200,000 for the Chief Executive Officer and € 140,000 for each of the ordinary members of the Executive Board. In his first year as Chief Executive Officer, Mr. Willbrandt received compensation of € 332,500 from this component.

In addition to this, the Executive Board members received compensation from the Company's incentive plan, which is coming to an end, for the last time during the past fiscal year.

**This plan had two components:**

It was oriented firstly to the performance of Aurubis shares and was triggered when the Aurubis share price had risen by a previously determined percentage during the reference period (usually three years) (Part A, hurdle component). Secondly, the incentive plan was oriented to the performance of Aurubis shares compared with the performance of the CDAX (Part B: performance component). The participation of Executive Board members in the incentive plan was conditional on their continued ownership of a certain number of Aurubis shares. One acquired share was entitled to five options in each case

from Part A and Part B of the plan. The profit per option was limited to the Aurubis share price at the beginning of the term.

The hurdle component (Part A) took into account the performance of Aurubis shares during the reference period (usually three years) and was only triggered once the price had risen by a percentage defined at the beginning of the term (usually an exercise hurdle of 10%). The difference between the price when exercising the option plus the most recent dividend and the price at the beginning of the term multiplied by the number of options was paid out.

The performance component (Part B) took into account the performance of Aurubis shares in relation to the performance of the CDAX and was only triggered if Aurubis shares outperformed the CDAX over a period of three years.

In addition, pension plans have been agreed for the individual Executive Board members, with the exception of Dr. Boel. The pension benefits are determined as a varying percentage of the fixed compensation. The percentage increases based on the length of service on the Board. The pension is payable once the Executive Board member reaches the age of 65 (Mr. Faust und Mr. Willbrandt) or 62 (Dr. Landau) or in the event of their disability. Dr. Boel has a defined contribution pension plan, for which an amount of € 50,000 and, starting December 2012, € 80,000 is paid to an insurance company each year.

The employment contracts of Executive Board members include no change of control clauses. In the event of non-renewal of their Executive Board contracts, Executive Board members (with the exception of Dr. Boel) will under certain conditions receive an early retirement pension. These conditions are fulfilled if the Executive Board member has completed at least five years of service at Aurubis AG and is at least 55 years old (Mr. Faust and Mr. Willbrandt) or has completed either 25 or 15 years of service and is at least 50 years old (Dr. Landau). The provision came into effect for Dr. Drouven starting January 1, 2012. Dr. Drouven receives 2/3 of his average salary of the last 12 months as compensation for the no-competition clause in place until the end of 2012.

Pensions paid before they reach 62 or 65 years, respectively, have the character of an interim payment. Compensation paid to an Executive Board member for activities outside the Aurubis Group after termination of his contract is offset against the pension until he reaches the age of 62 or 65, respectively.

Apart from the defined benefit pension plans for Mr. Faust, Mr. Willbrandt and Dr. Landau and the defined contribution pension plan for Dr. Boel, all the members of the Executive Board, with the exception of Dr. Landau, have an additional defined contribution company pension plan. This pension plan is based on a lump sum single payment. At the end of each fiscal year, € 120,000 for the Chief Executive Officer and € 80,000 for the other three Executive Board members is paid into liability insurances. A total of € 98,750 was paid in for Mr. Willbrandt in his first year as Chief Executive Officer.

The Executive Board members can use the accumulated capital at the earliest when they have reached 60 years of age, but not before ceasing to be employed by the company.

The total compensation paid to active members of the Executive Board for activities in fiscal year 2011/12 amounted to € 5,831,921. In addition, expenditure for pension funds in the amount of € 999,405 was recognized as an expense.

The following table provides details of the compensation of the individual members:

in €	Fixed salary	Variable compensation	Fringe benefits	Compensation from incentive plan	Total	Expenditure for pension funds
Peter Willbrandt	408,000	822,500	23,809	196,910	1,451,219	228,531
Dr. Bernd Drouven *	120,000	250,000	7,580	351,625	729,205	94,970
Dr. Stefan Boel	336,000	680,000	10,701	190,155	1,216,856	130,000
Erwin Faust	336,000	680,000	16,178	156,380	1,188,558	230,016
Dr. Michael Landau	336,000	680,000	33,173	196,910	1,246,083	315,888
<b>TOTAL</b>	<b>1,536,000</b>	<b>3,112,500</b>	<b>91,441</b>	<b>1,091,980</b>	<b>5,831,921</b>	<b>999,405</b>

\* until December 31, 2011

The Company has set up pension provisions on the basis of IFRS for the Executive Board members, with the exception of Dr. Boel. Allocations to the pension provisions for active members of the Executive Board in the year under review amounted to € 660,655. This amount comprises service cost and interest cost. In addition, an amount totaling € 338,750 per fiscal year is paid into an external pension fund for the Executive Board members, with the exception of Dr. Landau.

Former members of the Executive Board and their surviving dependents received a total of € 1,671,312, while € 18,402,655 has been provided for their pension entitlement.

#### COMPENSATION FOR THE SUPERVISORY BOARD

The compensation paid to the Supervisory Board is agreed at the Annual General Meeting and is covered by Section 12 of Aurubis AG's Articles of Association. It is based on the duties and responsibilities of Supervisory Board members as well as the business situation and the Company's business success.

In addition to the reimbursement of expenses incurred while carrying out his office, each member of the Supervisory Board receives a fixed fee of € 40,000 per fiscal year. The Chairman of the Supervisory Board receives twice this amount and his deputy 1.5 times this amount. Supervisory Board members who serve on a Supervisory Board committee receive an additional € 5,000 per fiscal year for each committee served on, not however exceeding € 10,000 per fiscal year. Supervisory Board members who chair a Supervisory Board committee receive an additional € 10,000 per fiscal year per chairmanship, not however exceeding € 20,000 per fiscal year.

In addition to the fixed fee, every member of the Supervisory Board receives an annual bonus linked to the Company's long-term performance of € 250 for every € 1,000,000 of the Company's adjusted earnings before taxes (EBT) in excess of an adjusted EBT of € 50,000,000 per annum on average over the last three fiscal years. The adjusted EBT is the EBT in accordance with IFRS before revaluation of LIFO inventories using the average cost method and without taking into account the effects of copper price fluctuations in the valuation of inventories of the former Cumerio companies. It has averaged € 261 million in the last three fiscal years. The Chairman receives twice and his deputy 1.5 times this amount.

The fixed compensation (excluding compensation for committee membership) and the bonus linked to the Company's long-term performance are limited to € 80,000 per fiscal year for each member of the Supervisory Board. The limit for the Chairman amounts to € 160,000 per fiscal year and € 120,000 per fiscal year for his deputy.

Furthermore, Supervisory Board members receive an attendance fee of € 500 for each meeting of the Supervisory Board and of its committees attended.

The following table provides details of the compensation of the individual members of the Supervisory Board for fiscal year 2011/12:

in €	Fixed compensation	Variable compensation	Compensation for committee membership	Attendance fees	Total
Fuhrmann, Prof. Dr.-Ing. Heinz Jörg	80,000	80,000	20,000	6,000	186,000
Grundmann, Hans-Jürgen	60,000	60,000	10,000	5,000	135,000
Eulen, Jan	40,000	40,000	5,000	4,500	89,500
von Foerster, Dr. Peter	40,000	40,000	10,000	3,500	93,500
Grohe, Rainer	40,000	40,000	5,000	3,000	88,000
Hold, Renate	40,000	40,000	10,000	3,500	93,500
Leese, Prof. Dr.-Ing. Wolfgang	40,000	40,000	5,000	3,000	88,000
Schultek, Dr. Thomas	40,000	40,000	5,000	3,500	88,500
Schwertz, Rolf	40,000	40,000	0	2,500	82,500
Vahrenholt, Prof. Dr. Fritz	40,000	40,000	5,000	3,000	88,000
Wirtz, Helmut	40,000	40,000	0	2,500	82,500
Wortberg, Dr.-Ing. Ernst J.	40,000	40,000	20,000	5,000	105,000
<b>TOTAL</b>	<b>540,000</b>	<b>540,000</b>	<b>95,000</b>	<b>45,000</b>	<b>1,220,000</b>

On this basis, the Supervisory Board members received a total of € 1,220,000.

Hamburg, December 12, 2012

The Executive Board



Peter Willbrandt  
Chairman



Dr Michael Landau  
Member of the Board

The Supervisory Board



Prof. Dr.-Ing. Heinz Jörg Fuhrmann  
Chairman



# AURUBIS SHARES

## EUROPEAN DEBT CRISIS AND UNCLEAR ECONOMIC EXPECTATIONS LEAD TO APPREHENSION ON THE STOCK MARKETS

The global financial and capital markets continued to be influenced by the European debt crisis in fiscal year 2011/12. The result was strong ongoing uncertainty among market participants and high volatility accordingly.

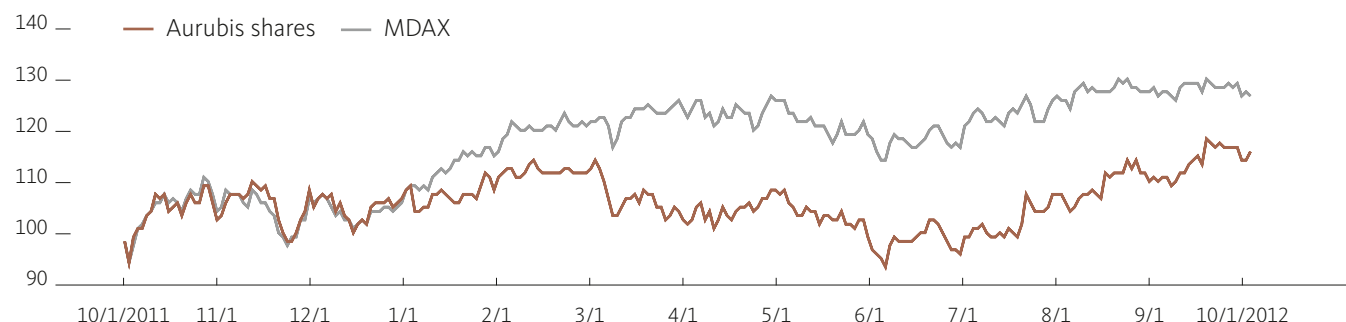
At the beginning of the reporting period, the downgrading of several European countries' credit ratings by rating agencies and the pressure of the financial markets led to a rising interest burden for these countries and therefore had a negative effect on their growth prospects. These developments significantly impacted German and international capital markets. Overall, the German stock market still registered gains in the first half-year, largely due to the fairly good business situation in many companies. This also led to optimism among market participants since the effects of the debt crisis on the economy seemed to be in check.

Investors' mood became gloomy again in the second half-year. In addition to an intensifying budget situation in Greece, the difficult task of forming a government in Athens weighed on the markets as well. At the same time, the imbalance in the Spanish national budget increased tension among investors. Economic data was negative in the USA in particular, but also in China, where economic growth also registered a decline. The mood only improved on the international stock markets towards the end of the reporting period after announcements that the European Central Bank had introduced additional support measures and the Fed in the US had further eased monetary policy. The German Federal Constitutional Court's approval of the ESM aid package also created hope for a solution to the debt crisis.

Aurubis shares initially developed better than the overall market at the beginning of the fiscal year but lagged behind the trend in the German indices in the last nine months. Because of the better share performance during the previous fiscal year, the Aurubis share price improved by only 18.8 % from

## Aurubis share performance compared with the MDAX, from October 1, 2011 to October 1, 2012

indexed to 100 %



\* Aurubis share price on October 1, 2011: € 34.58 = 100 %

October 1, 2011 to September 30, 2012, while the DAX and MDAX rose by 31.2% and 31.6%, respectively. The total market balanced out the weaker trend in 2010/11 during the reporting period.

### AURUBIS AG SHARE PRICE REFLECTS THE GOOD EARNINGS TREND

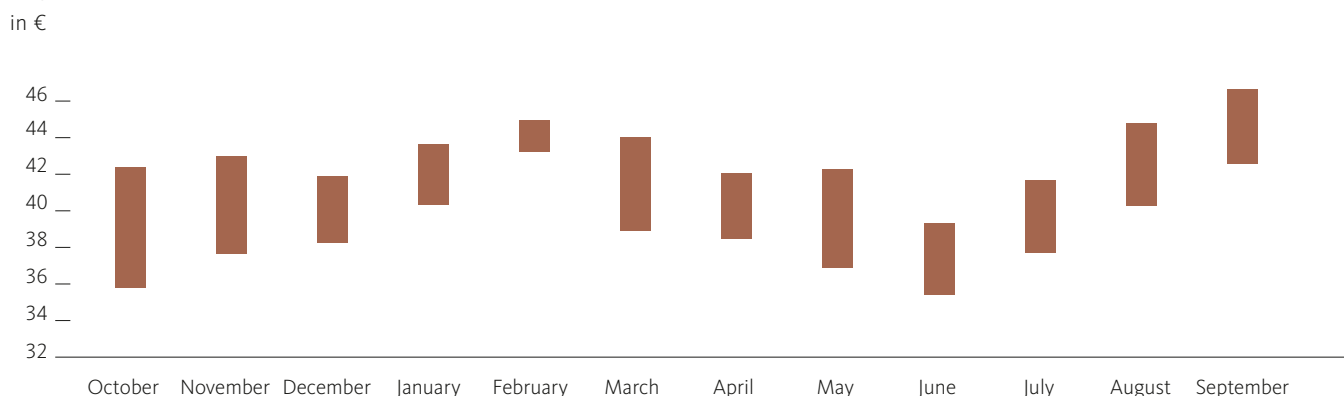
Aurubis shares started the fiscal year at a price of € 37.56 on October 3, 2011 and rose to about € 41 by the end of the calendar year due to the good earnings prospects. The publication of the very good first quarter results supported these expectations and led to a further increase in the share price.

On March 1, 2012 the Annual General Meeting passed a resolution for a dividend payment of € 1.20 per share, so the share was traded excluding dividends starting March 2, 2012. The dividend level corresponded to the capital market's expectations.

Because of the intensification of the sovereign debt crisis and the resulting distortions on the market overall, Aurubis shares were under pressure in the middle of the year and recorded a low for the reporting period of € 35.44 on June 4, 2012. The share price recovered in the fourth quarter again despite on-going concerns about the further trend in the global economy and the stability of the European monetary union. Supported by very good quarterly results and more optimistic stock markets, the shares reached a new all-time high of € 46.60 on September 14, 2012. Aurubis shares ended the year at € 45.35 on September 28, 2012.

The average daily volume traded electronically (Xetra) decreased to about 172,000 shares during the past fiscal year as a result of strong uncertainty in the international stock markets. In fiscal year 2010/11 a total of about 279,000 shares were traded (Xetra).

### Highs and lows of Aurubis shares in fiscal year 2011/12

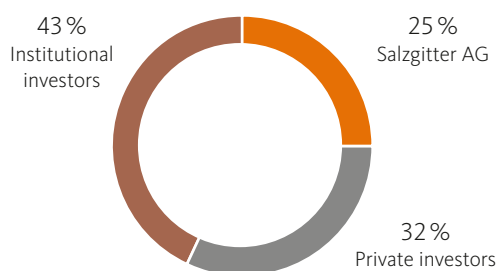


### AURUBIS MAINTAINS ITS STABLE, DIVERSIFIED SHAREHOLDER STRUCTURE

The shareholder structure was generally stable in fiscal year 2011/12. The German steel producer Salzgitter AG maintained its 25 % stake in Aurubis AG. An analysis of the shareholder structure carried out in September 2012 indicated a mostly constant distribution between private shareholders (about 32 % of shares) and institutional investors (roughly 43 % of shares). Most private shareholders reside in Germany. Of the institutional investors, 18 % come from North America, 12 % come from Germany and 4 % come from the UK/Ireland. The shareholder structure is therefore well diversified.

#### Shareholder structure

as of August 29, 2011



### EXECUTIVE BOARD SUGGESTS DIVIDEND OF € 1.35

Aurubis is traditionally known for its shareholder-friendly dividend policy. We want our shareholders to participate in the company's success in accordance with the requirements of a capital-intensive business, taking internal and external growth into account. After demonstrating this by increasing the dividend to € 1.20 per share for fiscal year 2010/11, the Executive Board and the Supervisory Board will recommend increasing the dividend to € 1.35 per share at the Annual General Meeting on February 28, 2013.

### AURUBIS SHOWS STRONG PRESENCE WITH FAR-REACHING INVESTOR RELATIONS ACTIVITIES AGAIN IN FISCAL YEAR 2011/12

An important objective of our Investor Relations work is continuous and open communication with capital market participants. Aurubis AG's good earnings trend and promising development prospects drew the attention of both private and institutional investors again during the past fiscal year. Our focus was on explaining our business model and presenting our differentiated earnings drivers at a number of conferences, roadshows and analyst meetings in significant financial centers in Europe and North America. Furthermore, we promptly explained and discussed our quarterly results and presented the further expectations for the fiscal year in conference calls.

We once again opened our plant doors to our private shareholders in three well attended dialogue events. Like last year, the investors were given the opportunity to tour the Hamburg site as well as the copper recycling center in Lünen and to speak with Aurubis AG's Executive Board and employees. The private investors honored this involvement, awarding Aurubis AG's Investor Relations team the BIRD 2011 prize. This is based on an online survey of private investors initiated by the magazine Börse Online, which allows them to evaluate the quality of IR work among the 160 DAX, MDAX and TecDAX companies.

We provide our shareholders and interested investors with prompt and comprehensive information about the different sectors of the Aurubis Group and the latest business developments on our website [www.aurubis.com](http://www.aurubis.com). We also provide financial reports, presentations and other publications in the download center.

Key figures of Aurubis shares		2011/12 <sup>3)</sup>	2010/11 <sup>3)5)</sup>	2009/10 <sup>3)</sup>	2009/10 <sup>2)</sup>	2008/09 <sup>2)</sup>	2007/08 <sup>2)4)</sup>
Closing price as at fiscal year-end <sup>1)</sup>	in €	45.35	38.19	34.96	34.96	28.48	29.84
Year high (close) <sup>1)</sup>	in €	46.60	45.85	41.53	41.53	31.43	36.60
Year low (close) <sup>1)</sup>	in €	35.44	33.60	26.89	26.89	18.24	21.40
Market capitalization as at fiscal year-end <sup>1)</sup>	in € million	2,039	1,717	1,429	1,429	1,164	1,220
Number of shares as at fiscal year-end	in thousand units	44,956.7	44,956.7	40,869.7	40,869.7	40,869.7	40,869.7
Dividend or recommended dividend	in €	1.35	1.20	1.00	1.00	0.65	1.60
Payout ratio	in %	54	51	48	48	36	23
Operating earnings per share/LIFO	in €	4.58	4.79	2.92	4.69	1.28	5.82
Operating price/earnings ratio as at fiscal year-end/LIFO		9.90	7.97	11.96	7.5	22.3	5.2

<sup>1)</sup> Xetra disclosures

<sup>2)</sup> with revaluation of inventories using the LIFO method

<sup>3)</sup> values "operationally" adjusted by valuation results from the use of the average cost method in accordance with IAS 2, by copper price-related valuation effects on inventories and by effects from the purchase price allocation, mainly property, plant and equipment, from fiscal year 2010/11 onwards

<sup>4)</sup> including Cumerio as of February 29, 2008

<sup>5)</sup> including Luvata RPD as of September 1, 2011

### Information on Aurubis shares

Security identification number:	676650
International Securities Identification Number (ISIN):	DE 000 67 66 504
Stock market segment:	MDAX
Stock exchanges:	Official trading in Frankfurt am Main and Hamburg; unofficial market in Düsseldorf, Stuttgart, Berlin/Bremen
Market segment:	Prime Standard
Issue price:	€ 12.78
Average daily trading volume:	172,000 shares in Xetra trading
Deutsche Börse code:	NDA
Reuters code:	NAFG
Bloomberg code:	NDA_GR

### Analyst coverage 2011/12

Baader Bank	Christian Obst
Bankhaus Lampe	Marc Gabriel
Bank of America/Merrill Lynch	Cedar Ekblom
Commerzbank	Ingo-Martin Schachel
Deutsche Bank	Benjamin Kohnke
Dr. Kalliwoda Research GmbH	Dr. Norbert Kalliwoda
DZ Bank	Dirk Schlamp
Haspa	Ingo Schmidt
Hauck & Aufhäuser	Henning Breiter
HSBC	Thorsten Zimmermann
Independent Research GmbH	Sven Diermeier
Kepler	Rochus Brauneiser
LBBW	Achim Wittmann
MainFirst Bank	Alexander Hauenstein
Morgan Stanley	Alain Gabriel
Nord LB	Holger Fechner
Solventis	Klaus Soer
SRH Alster Research AG	Oliver Drebing
Viscardi Securities	Robert Willis
M.M. Warburg	Eggert Kuls

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# COMPANY AND GENERAL FRAMEWORK

## Corporate structure

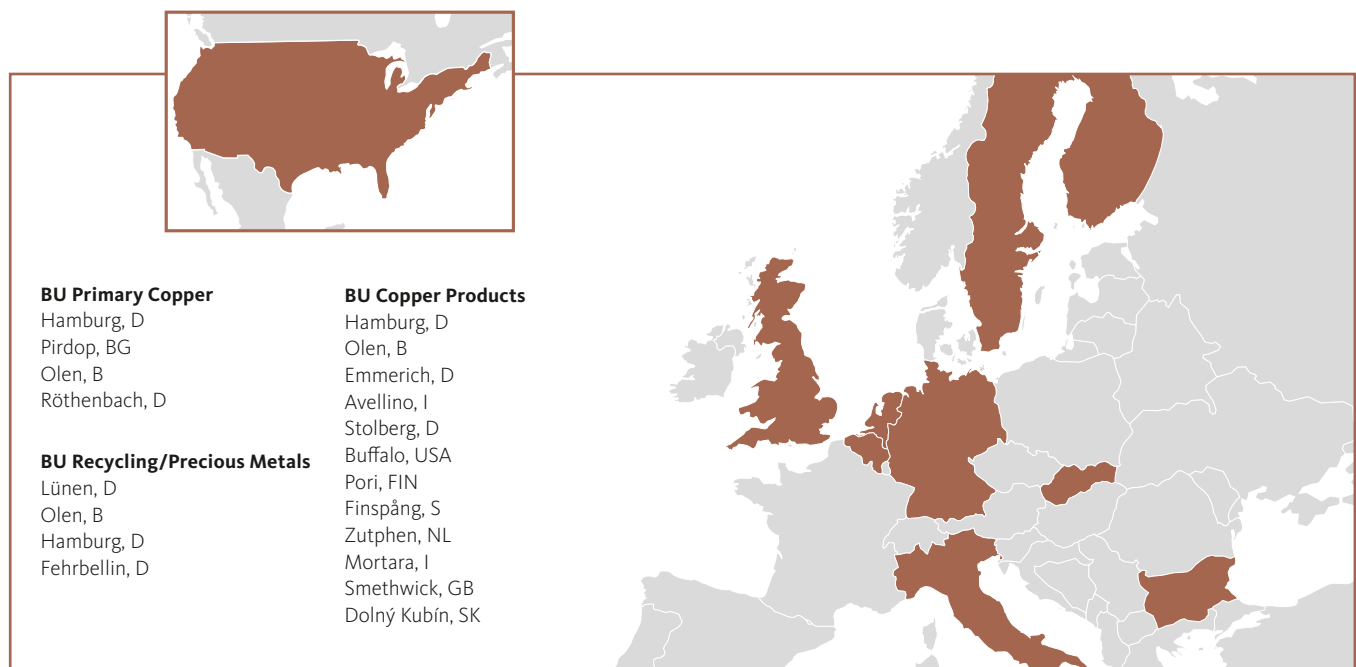
### PERFORMANCE PROFILE: AN INTEGRATED COPPER GROUP WITH AN INTERNATIONAL FOCUS

Aurubis AG is one of the world's leading integrated copper groups with a strong foundation in Europe. Our portfolio includes copper production, metal recycling and copper product fabrication. With these services, the Company is active in significant parts of the value-added chain of the industrial metal, copper. The production of precious metals and specialty products completes our range of services. Aurubis has production sites in Europe and North America. A global sales and service network supports product sales in markets outside of Europe as well. Some 6,400 employees work for Aurubis worldwide.

### BUSINESS MODEL: COPPER PRODUCTION AND PROCESSING UNDER ONE ROOF

The Aurubis Group's business model integrates copper production, recycling and processing. We thus have a unique service structure that is strongly oriented towards the demands of the market. The breadth and depth of Aurubis' range of products and services provides a wide variety of options. The Company offers specialty and standard products as well as comprehensive services. The business model enables great flexibility in the management of raw material procurement, production and sales.

### Geographic presence: Business Unit (BU) production sites in Europe and the USA



Aurubis produces most of its copper from copper concentrates that are sourced outside of Europe and, for our Bulgarian smelter site, in the Black Sea region. Our second raw material base is made up of intermediate products as well as copper scrap and other recycling materials, most of which are sourced in Europe. Special facilities are used to process metal production residues, precious metal-bearing raw materials and electronic scrap.

The copper cathodes produced at the Aurubis sites in Hamburg, Lünen, Olen and Pirdop are a registered trademark on the London Metal Exchange. They are the starting product for fabricating copper products in the Group but can also be marketed on the London Metal Exchange or sold to trade and industry.

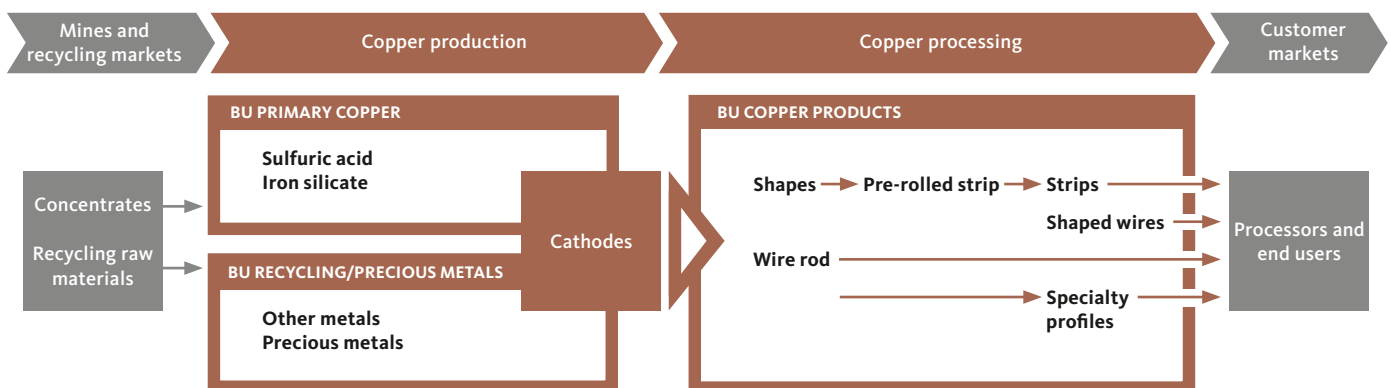
The Group's product portfolio expanded once again after the integration of Luvata's Rolled Products Division (Luvata RPD) acquired in 2011. With a broad geographic presence, we produce a wide range of quality products for a large customer

base, thus increasing value added. The use of the Group's own cathodes guarantees a high degree of delivery reliability for our copper products.

The Group's main product is electrolytic copper wire rod, which is extremely effective in converting and transmitting electricity due to its consistently high electrical conductivity. Customers process it for use in cables, transformers, generators and motors, among other products. The second significant product group is continuous cast shapes, which are used to fabricate strips, foils, sheets, tubes and profiles. We produce rolled products in the third product group, which we expanded with the integration of Luvata RPD. These products vary in dimension, quality and composition. Precision strip with very narrow tolerances and flat copper sheets for architectural applications are part of this product family.

The raw materials Aurubis uses contain other elements in addition to copper. These elements are extracted in our processes to a large extent and manufactured into specialty products, primarily precious metals, sulfuric acid, selenium and iron silicate.

**Business model: integrating copper production and processing**



### GROUP STRUCTURE: THREE OPERATING BUSINESS UNITS WITH CENTRAL MANAGEMENT

The Aurubis Group is managed centrally from the corporate and administrative headquarters in Hamburg, where the main production facilities are also located.

The Group structure is oriented towards its business model, which includes significant parts of the copper value-added chain. Three operating Business Units (BUs) form the organizational framework and provide the reporting basis.

Business Unit **Primary Copper** mainly combines the production facilities for processing copper concentrates and producing copper cathodes at the Hamburg and Pirdop sites as well as copper production at the Olen site. It also includes the production and marketing of sulfuric acid, selenium and iron silicate.

Business Unit **Recycling/Precious Metals** comprises the recycling activities in the Group and is responsible for the production of precious metals. The BU includes the recycling center in Lünen and the secondary smelter and precious metal production facilities in Hamburg. Companies and investments in connected business areas complete the portfolio.

Business Unit **Copper Products** consists of the production and marketing of products from the copper product sectors wire rod, continuous cast shapes, rolled products and specialty products. From an organizational perspective, BU Copper Products is divided into Business Line (BL) Rod+Shapes, BL Flat Rolled Products & Specialty Wire, BL Bars & Profiles and BL Marketing Cathodes. The holding in Schwermetall GmbH & Co. KG is also part of this BU.

### Organizational structure: three operating Business Units with central management



Group Executive Board

CORPORATE FUNCTIONS

BUSINESS UNITS

BUSINESS UNITS		
<p><b>Primary Copper</b></p> <ul style="list-style-type: none"> <li>» Processing copper concentrates</li> <li>» Producing copper cathodes for sale on the metal exchanges</li> <li>» Producing and marketing sulfuric acid, selenium, iron silicate and other specialty products</li> </ul>	<p><b>Recycling/Precious Metals</b></p> <ul style="list-style-type: none"> <li>» Processing recycling raw materials</li> <li>» Producing copper cathodes for sale on the metal exchanges</li> <li>» Producing precious metals and by-products</li> </ul>	<p><b>Copper Products</b></p> <ul style="list-style-type: none"> <li>» Further processing copper cathodes</li> <li>» Marketing copper cathodes</li> <li>» Producing wire rod, shapes, pre-rolled strip, rolled and specialty products</li> </ul>



The significant production sites in Europe are Hamburg, Stolberg and Emmerich (Germany), Olen (Belgium), Zutphen (Netherlands), Finspång (Sweden), Pori (Finland) and Avellino (Italy). Outside of Europe, Aurubis produces strip made of copper and copper alloys in Buffalo (USA). Slitting centers in the United Kingdom, Slovakia, Italy and the Netherlands and a global sales and distribution network complete the BU's performance profile.

Cross-group sectors support the operating divisions with their respective service and administrative functions.

### LEGAL STRUCTURE OF THE GROUP AND MAIN STEPS IN ITS DEVELOPMENT

Aurubis AG was founded in Hamburg in 1866 under the name Norddeutsche Affinerie AG and was renamed as Aurubis AG as a result of a resolution passed at the Company's Annual General Meeting on February 26, 2009. Following various changes in the ownership structure, an IPO was carried out in 1998. Aurubis has been represented in the MDAX and in the Prime Standard of the German Stock Exchange since 2003.

The Group has grown in the past several years as a result of acquisitions and now has a broad corporate base:

- » On December 31, 1999, the majority interest was acquired in Hüttenwerke Kayser AG, a company that had specialized in copper recycling, which was amalgamated with the former Norddeutsche Affinerie AG on October 1, 2003. The Lünen site is the Group's recycling center.
- » With the acquisition of Prymetall GmbH & Co. KG (now called Aurubis Stolberg GmbH & Co. KG) and its 50% holding in Schwermetall Halbzeugwerk GmbH & Co. KG (Schwermetall Halbzeugwerk), Stolberg in fiscal year 2001/02, Aurubis positioned itself further along the value-added chain.
- » Aurubis took over the competitor Cumerio in fiscal year 2007/08, thus taking the first step toward internationalizing the Group. The Company's business model also comprised copper production and processing.
- » The acquisition of the Luvata Group's Rolled Products Division on September 1, 2011 strengthened and expanded the rolled product sector, further globalizing the product business.

In its current structure, the Aurubis Group holds leading international positions in significant areas of the copper value-added chain.

## Corporate strategy

### STRATEGIC DEVELOPMENT TOWARDS BECOMING A LEADING INTEGRATED COPPER GROUP

Aurubis is an international integrated copper group. We cover the significant stages of the copper value-added chain, from production to recycling and processing, and are therefore in a position to supply the markets with high-quality copper and other valuable products efficiently and sustainably. Aurubis contributes considerably to securing and closing raw material cycles. In addition, we are able to maintain complete quality control across the Group's value-added chain. The integration

has provided us with great flexibility in managing raw material procurement and production and has given us a broad customer base in the processing industry.

Aurubis' strategy is oriented towards offering our raw material suppliers and product customers added value and optimal service. We use our expertise in smelting, refining, metal extraction, recycling and copper processing to generate the highest value from various and especially complex raw materials. In the product business, we develop optimized copper products that are in line with market demands.

In **copper production**, we have a strong competitive position due to our combination of concentrate processing and recycling as well as our production expertise and integrated production processes. We are able to process a wide range of materials in an environmentally friendly fashion and to recover the essential elements they contain in a marketable form.

The implementation of new mine projects has led to more complex copper concentrates containing unwanted by-elements on the market. Aurubis sees this as a challenge that can be solved with its many years of high-level processing expertise. This special know-how is being expanded with research and development.

In the **recycling/precious metals** sector, we process increasingly complex raw materials like industrial waste and electronic scrap from the IT and telecommunications sectors in addition to classic recycling materials such as copper and copper alloy scrap and production residues from copper processing. We continuously expand processing capacities for complex recycling raw materials and invest in state-of-the-art, environmentally friendly facilities to utilize as much of these secondary resources as possible. We therefore set global standards for recycling and are an international leader in multi-metal recycling.

In **processing**, our focus is on products with the specific conductive properties of copper and copper alloys, which provide added value for our customers. Following the acquisition of the Luvata Rolled Products Division, we now have a broader product portfolio and a comprehensive sales network extending across Europe, America and Asia. This has enabled us to further optimize our range of services.

We pursue the objectives of sustainable growth and increasing value, focusing on strengthening our expertise in production, process management, raw material procurement and metal management and reviewing new expansion opportunities in growth markets in Europe and beyond. Our global presence provides us with raw material access and customer proximity. We want to actively shape the markets in which we are active and continuously expand our market position. Furthermore, our strategic targets include securing our high international environmental standards and adopting a responsible attitude towards people and resources.

### STRATEGIC INITIATIVES

After acquiring the Luvata Rolled Products Division on September 1, 2011 with the goal of enlarging the copper products sector and participating in industry consolidation, integration was the focus of the expanded Business Line Flat Rolled Products and Specialty Wire during the past fiscal year. First, we introduced a new organizational structure for the division and concluded its functional integration in the Aurubis Group. At the same time, an extensive package of projects and measures was drawn up on the business line level. This included the planned relocation of copper strip fabrication from Finspång to Zutphen and Buffalo, which was initiated to optimize the production structure. We simultaneously worked

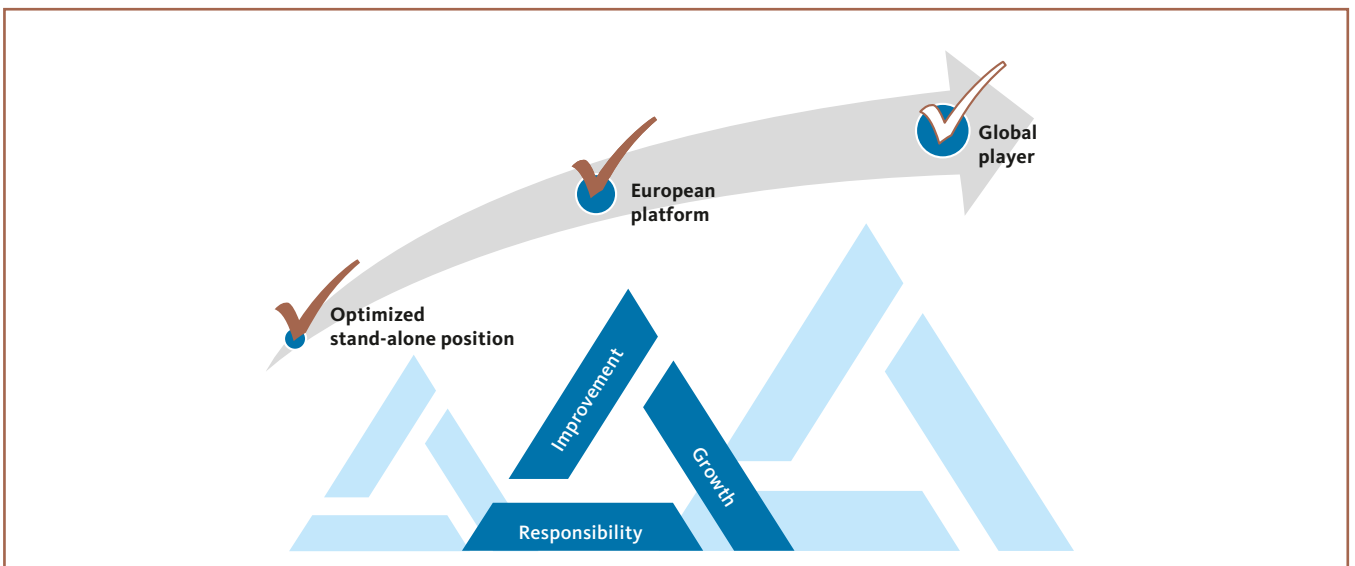
on orienting the sites to optimally targeted product portfolios and realigned the sales organization. The establishment of site-related concentrations and the coordinated approach in our global product sectors went hand in hand. The measures were rounded off with the ongoing optimization of the management system with the purpose of improving management effectiveness in conformity with the requirements of the market, customers, the Business Line and the Group. Overall, the Business Line promoted significant projects to implement the business plan. Aurubis therefore made progress in its path to becoming a leading integrated group.

In Business Line Bars & Profiles, we implemented steps to improve productivity and profitability, in particular the relocation of production from Yverdon-les-Bains (Switzerland) to Olen (Belgium). This corresponded to the plan to establish production focuses at each site. All of the production facilities were successfully transferred during the past fiscal year.

**OPERATING MEASURES TO ENHANCE EFFICIENCY**

In BU Primary Copper, the PRIME project to increase efficiency at the Pirdop site in Bulgaria was converted into a sustainable, continuous improvement process during the past fiscal year. We work on continuously increasing efficiency and optimizing our costs at the other sites as well. Additionally, steps were carried out to expand and improve the technical facilities in Pirdop during the scheduled standstill in September 2012, further strengthening the Aurubis Group's competitive edge in concentrate processing. These measures will increase the concentrate processing capacity by over 20% in 2014. We continued and largely concluded the throughput increase at the Hamburg site during the past fiscal year as part of the RWO Future project. The project increased the processing capacity for copper concentrates in the smelter and expanded cathode production.

**Aurubis is becoming the leading integrated copper producer and processor**



BU Primary Copper is also working on solutions to the challenges mines face in offering the by-elements increasingly found in their concentrates. The work involved in this issue includes optimizing processes in existing facilities as well as developing new processing methods. Aurubis is working on an innovative hydrometallurgical procedure for processing highly impure concentrates that cannot be treated with existing smelting techniques by leaching them.

Various optimization projects were successfully implemented in BU Recycling/Precious Metals, including the hydrometallurgical process expansion for gold refining. This leads not only to faster metal production but to a higher real net output ratio for by-metals. In 2013 we will also start processing all anode slimes that accumulate in the Group internally at the Hamburg site. The required project work is going according to plan.

In BU Copper Products, optimization projects including measures to increase efficiency were coordinated and combined in the flat products sector. The ongoing efficiency program is still being implemented at the Stolberg site and the concentration on higher-value products is being pushed forward simultaneously. Site-specific projects were drawn up in Finland, the USA and the combined Zutphen/Finspång business division. Uniform processes and tools are gradually being introduced in project management as well as for projects and action plans in production and sales.

### **SUSTAINABILITY AS THE FOUNDATION OF CORPORATE DEVELOPMENT**

Sustainable conduct and economic activity are central components of Aurubis' corporate strategy. In both our daily operating business and the implementation of long-term strategic initiatives, we are oriented towards the three principles of responsibility, improvement and growth.

We make continuous improvements to assert and expand our position through innovative solutions in processes, products and services. We assume responsibility for customers, products, employees and society. Aurubis also holds itself accountable when it comes to environmental protection and its use of limited natural resources. This is an element of competitive strength for us. Furthermore, healthy growth and sustainable economic success are decisive criteria for securing the company's future. We know from our more than 145 years of experience that the economy, environmental protection and social affairs are closely related.

Responsibility is one of the Aurubis Group's five corporate values, together with appreciation, performance, integrity and mutability. These values were developed and defined together with employees and employee representatives in a group-wide project.

In spring 2012 we published our third Sustainability Report, "Together", which describes group-wide accomplishments in sustainability in fiscal years 2009/10 and 2010/11 (see [www.aurubis.com/en/responsibility/sustainability](http://www.aurubis.com/en/responsibility/sustainability)). Just like the two previous reports, the current Sustainability Report is oriented to the guidelines of the Global Reporting Initiative (GRI); however, the sites of the former Luvata Rolled Products Division were not assessed using the GRI indicators in the current report.

This year's Environmental Report published in fall 2012 (see [www.aurubis.com/en/responsibility/environment/environmental-report](http://www.aurubis.com/en/responsibility/environment/environmental-report)) explains in detail how we are further developing our top international position in environmental protection in the expanded Group and presents successes, targets and challenges in Group environmental protection. One requirement is that key environmental figures are harmonized across the sites. Key figures relevant for management were defined and are presented in a consolidated form where possible. The corpo-

rate guidelines, the environmental management system and concrete activities in environmental, climate and resource protection are outlined as well. In the course of the functional integration of the new Luvata sites, we incorporated the new divisions in the existing group-wide system. Every production site presented its most significant facts and figures relating to environmental protection and highlighted its achievements, detailed targets and next steps.

Aurubis has been oriented towards sustainability in many areas for a long time. However, the increasing demands in our surrounding environment require us to take a more systematic approach to sustainability. Many of Aurubis' activities are not yet fully appreciated by the general public. We therefore started developing a comprehensive sustainability strategy in fiscal year 2011/12. It focuses on the balance among the economy, the environment and people across the individual phases of our value-added chain: raw materials-processes-products. The next step is to define the strategy more precisely by creating concrete action plans for different issues and developing objectives.

## Legal disclosure requirements

The declaration on corporate governance and the compensation report are part of the consolidated management report. Both are printed at the beginning of this annual report and available on the Company's website at [www.aurubis.com/corporate-governance](http://www.aurubis.com/corporate-governance) and [www.aurubis.com/compensation-report](http://www.aurubis.com/compensation-report).

### DISCLOSURES OF TAKEOVER PROVISIONS

Explanatory report by the Executive Board of Aurubis AG, Hamburg, in accordance with Section 176 paragraph 1 sentence 1 German Companies Act (AktG) on disclosures of takeover provisions pursuant to Sections 289 paragraph 4, 315 paragraph 4 German Commercial Code (HGB) as at the balance sheet date of September 30, 2012. The following disclosures as at September 30, 2012 are presented in accordance with Section 315 paragraph 4 German Commercial Code (HGB).

### 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

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

Salzgitter AG, Salzgitter, notified the Company in accordance with Section 21 paragraph 1 German Securities Trading Act 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.

Accordingly, one direct investment in the capital of Aurubis AG 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.

#### 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 is covered by Sections 84 and 85 German Companies Act and Section 31 Co-determination Act in conjunction with Section 6 paragraph 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. German Companies Act applies. In accordance with Section 11 paragraph 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 paragraphs 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 the Company or companies in which it has an indirect or direct majority interest for a cash contribution as a result of the authorization resolved at the Annual General Meeting on March 1, 2012 under item 8 of the agenda, and

grant a conversion or option right to new no-par-value bearer shares in the Company or establish a conversion obligation. The same applies if the authorization to issue bonds with warrants or convertible bonds is not used after the authorization period expires or if the conditional capital is not used 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 March 2, 2016 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. The Executive Board is, however, 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 nominal value totaling € 38,046,026.24 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 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 paragraph 3 sentence 4 German Companies Act), if the issuing price of 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. An inclusion that has been carried out is cancelled if powers to issue convertible bonds and/or bonds with warrants in accordance with Section 221 paragraph 4 sentence 2 and Section 186 paragraph 3 sentence 4 German Companies Act or to sell own shares in accordance with Section 71 paragraph 1 No. 8 and Section 186 paragraph 3 sentence 4 German Companies Act are granted again at the Annual General Meeting after exercising such powers that have led to inclusion,

- d) 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 11, 2011 the Executive Board of Aurubis AG declared in the scope of a voluntary commitment that it would not make use of the authorizations to exclude shareholders' subscription rights during the duration of the authorization provided in Section 4 paragraph 2 of the Articles of Association insofar as this would lead to the issuing of Aurubis AG shares under the exclusion of subscription rights whose notional value exceeds a total of 20% of the subscribed capital at the time of the Annual General Meeting's resolution, or, if this amount is lower, of the subscribed capital existing at the time the authorization is first used.

This voluntary commitment was made accessible on Aurubis AG's website in the Investor Relations section for the duration of the authorization.

#### Power of the Executive Board to repurchase shares

With a resolution of the Annual General Meeting on March 1, 2012, the Company was empowered until August 31, 2013 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. German Companies 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 also 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 condition that the shares sold excluding the subscription right may not, in accordance with Section 186 paragraph 3 sentence 4 German Companies 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 paragraph 3 sentence 4 German Companies Act. An inclusion that has been carried out is cancelled if powers to issue new shares from authorized capital in accordance with Section 186 paragraph 3 sentence 4 German Companies Act or to issue convertible bonds and/or bonds with warrants in commensurate application of Section

186 paragraph 3 sentence 4 German Companies 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, parts of business entities or 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 March 1, 2012 has been included under agenda item 6 in the invitation to the Annual General Meeting 2012 published in the German Federal Gazette on January 19, 2012.

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

In accordance with section 4 paragraph 3 of the Company's Articles of Association, the subscribed capital is conditionally increased by up to € 52,313,277.44 by issuing up to 20,434,874 new bearer shares without a nominal amount (no-par-value shares), each with notional interest in the subscribed capital of € 2.56 (conditional capital). The conditional increase in capital will be used to grant 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 the Company or companies in which it has an indirect or direct majority interest, for a cash contribution as a result of the authorization resolved at the Annual General Meeting on March 3, 2010 under item 8 of the agenda, and grant a conversion or option right to new no-par-value bearer shares in the Company or establish a conversion obligation. The conditional increase in capital will only be carried out to the extent that option or conversion rights are used or those holders or creditors that are required to convert fulfill their obligation to convert and that the Company's own shares or new shares from the utilization of authorized unissued capital are used for this purpose. The new no-par-value bearer shares are entitled to participate in the profits from the beginning of the fiscal year in which they come into existence through the exercise of option or conversion rights or the fulfillment of conversion obligations. The Executive Board is authorized to define the further details of how the conditional capital increase shall be performed.

The complete text of the resolution dated March 1, 2012 has been included under agenda item 8 in the invitation to the Annual General Meeting 2012 published in the German Federal Gazette on January 19, 2012.



### 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 € 450 million, every lender has an extraordinary right of cancellation if control over the borrower changes.

## Corporate control

### MANAGEMENT RESPONSIBILITY IN THE GROUP

The Executive Board directs the Aurubis Group, which is oriented towards sustainable growth, in alignment with the corporate strategy. The individual Executive Board members apply their specialist and management expertise and their national and international experience for the benefit of the company. There is an intensive exchange and close cooperation within the Executive Board.

The managers in the Group form the central interface between the Executive Board and the employee teams. They motivate and guide their employees to achieve high performance standards with a modern understanding of leadership in an international group environment. The corporate values (Code of Conduct) and the Aurubis management guidelines serve as a framework.

Leadership Feedback was successfully introduced in early 2012 as a management instrument. Because of the positive response, the intensive exchange between managers and their employees will continue on the next management levels in the form of a structured dialogue.

A high-potential program was initiated for young employees in the Group and was successfully concluded in 2012. Targeted development talks were arranged with the participants after the program ended and individual development plans were created to ensure that they held on to what they had learned. In connection with the high-potential program, an internal mentoring initiative started at Aurubis for the first time in 2012. The objective of mentoring is to develop the mentee’s personality and professionalism with the help of the experience and knowledge of mentors within the company. With respect to management development, existing professional programs were supplemented with networking events and new concepts for developing change management were launched.

A joint remuneration structure is important for close cooperation. The remuneration system introduced for the Aurubis management in 2010 proved to be successful and was transferred to non-tariff employees in Germany. Our remuneration system is market-oriented, used group-wide and fulfills international standards.

A balanced composition within the management team is vital to us: women and men, national and international specialists and managers and younger and seasoned employees work closely together across divisions for shared success.

### **CORPORATE CONTROL ON THE BASIS OF RETURN ON CAPITAL EMPLOYED**

The main objective of the management control system is to increase the Aurubis Group's corporate value by generating a positive overall contribution to the enterprise beyond the costs of capital. The basis of the Company's internal management control system is provided by a uniform evaluation of the operating business and the optimization and investment plans, using earnings, balance sheet and financing ratios. Aurubis' capital expenditure guidelines and project management establish the uniform presentation and assessment of various projects across Group entities. Qualitative and strategic criteria are considered as well.

The Aurubis Group reports in accordance with International Financial Reporting Standards (IFRS). When the average cost method is applied, metal price fluctuations systematically lead to considerable discontinuities in the presentation of the Aurubis Group's results of operations, financial position and net assets due to the reporting of changes in the carrying amounts of inventories. In our view, these valuation results lead to an economically inaccurate presentation in the management report. Furthermore, the purchase price

allocation in the course of the acquisition of Luvata's Rolled Products Division resulted in one-time effects that would also lead to a distortion in the Aurubis Group's presentation of the results of operations, financial position and net assets.

In order to present the Aurubis Group's operating success without these valuation effects on internal control systems, internal Group reporting and control are carried out on the basis of an operating result.

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

- » Adjustment by valuation results from the use of the average cost method in accordance with IAS 2
- » Adjustment by copper price-related valuation effects on inventories
- » Adjustment by effects from purchase price allocations, primarily on fixed assets, from fiscal year 2010/11 onwards.

One of the main 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 to fund investments. ROCE is the ratio of earnings before interest and taxes (EBIT) to average capital employed. The internal rate of return (IRR) and the net present value (NPV) are also used to assess investment projects.

On the basis of the operating result used by the Group management for control purposes, the Aurubis Group achieved a ROCE of 20.5% after 18.7% in the previous year due to the improved operating earnings situation (EBIT of € 366 million compared to € 327 million in the previous year).

**SIGNIFICANT LEGAL AND ECONOMIC FACTORS FOR THE BUSINESS**

The Aurubis Group’s operating business is influenced by a number of factors. Trends on the international raw material and copper markets are particularly significant. The economic performance in industrialized countries and emerging markets as well as events on the financial and foreign exchange markets also have a considerable impact. Changes in political conditions, international trade policy and factors related to the environment are also especially relevant for the business.

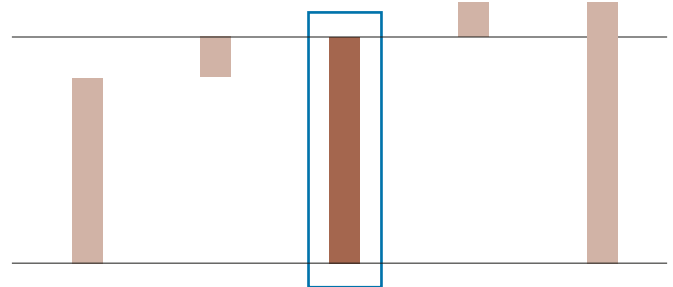
**Copper price, treatment and refining charges, premiums and surcharges**

The copper price reflects the relationship between supply and demand. It is formed first and foremost in trading on the London Metal Exchange (LME), which enables physical transactions, hedging transactions and investment business. It is a benchmark beyond exchange trading and is recognized internationally.

The copper price is the basis of price calculations in both our raw material and product business. This allows for consistent risk management, so the copper price is only a transitory item when measuring operating earnings. Nevertheless, the copper price influences the supply of raw materials and demand, thus indirectly affecting earnings. Furthermore, efficient metal extraction in our plants leads to effects on earnings. They are determined by the metal price, whose volatility leads to fluctuations accordingly.

**Price formation along the value-added chain**

(schematic illustration)



Procurement price for concentrates and recycling raw materials	Treatment and refining charges	Copper price	Cathode premium and shape surcharge	Sales price for copper product
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Treatment and refining charges (TC/RCs) negotiated with suppliers make up the considerable revenue components of a transaction and are an important earnings factor for the Company when procuring copper-bearing raw materials. They fluctuate according to the supply and demand trend in the respective markets, among other factors. They are essentially the compensation 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 European copper cathode premiums and shape surcharges, which are charged for converting cathodes into copper products, are also part of the sales price and are important earnings factors in copper product sales.

### Exchange rates

Financial accounting and reporting are carried out in euros in the Aurubis Group. However, part of the business is invoiced in foreign currencies and is subject to influences from exchange rate fluctuations accordingly: while the recycling business is mainly invoiced in euros, the international concentrate business is based on the US dollar.

We identify exchange rate risks promptly and use them as a basis for hedging decisions. Spot and forward transactions as well as options are used for ongoing hedging.

### Energy

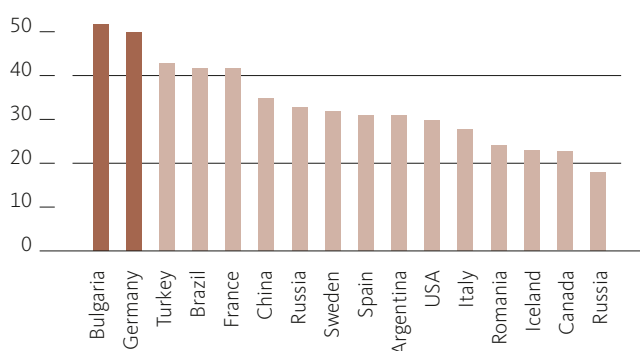
The production processes in the Aurubis Group are energy-intensive. We therefore pursue the fundamental objective of increasing energy efficiency and decreasing specific energy costs. A comprehensive energy management system has been set up at most of the sites to utilize additional energy optimization potential.

#### *Energy price increases only affect Aurubis to a limited extent*

The electricity prices on the German market in fiscal year 2011/12 averaged € 45/MWh (Phelix Day Base) after reaching a high in February 2012. While we have secured a permanent electricity supply for the German sites until 2040 by means of a virtual “power plant slice”, in some countries energy-intensive industry is offered special conditions that lead to prices well below the local electricity exchange prices. This is a disadvantage for Aurubis in international competition because copper is traded on the metal exchanges at uniform prices worldwide, so we cannot pass on additional costs from higher electricity prices to our customers. Aurubis therefore advocates for the compensation of additional local costs, such as reallocation charges for the Renewable Energies Act (EEG), to create uniform conditions.

### Comparison of industrial electricity prices

in €/MWh incl. grid



These electricity prices are actual prices from large-scale consumers and are not average prices (source: KPMG study).

Natural gas prices rose slightly during the course of the year. With weak demand for natural gas in Germany overall, low outputs from Norway and the general uncertainty in economic markets led to price increases.

Most German Aurubis sites were not affected by rising natural gas prices owing to fixed price contracts, however. The natural gas price has been oriented to the current oil price quotation so far. The supply sources are diversifying with the increasing significance of liquefied natural gas and shale gas projects. We therefore assume that natural gas will be less dependent on the oil price in the future.

Both natural gas and electricity purchases increased in fiscal year 2011/12, mainly due to the acquisition of the Luvata Group's Rolled Products Division. The increased demand will continue. We expect consumption amounting to about 1.8 TWh of electricity and roughly 1.3 TWh of gas in fiscal year 2012/13.

*Legal conditions: charges weigh on production costs*

In the past fiscal year there was only a moderate increase in reallocation charges related to the Renewable Energies Act (EEG in German). A strong increase in the reallocation charges is expected in the next several years due to catch-up effects and the strong ongoing expansion of production capacities, however, especially in photovoltaics. Relief is crucial to maintain international competition among electricity-intensive and export-oriented sectors like the copper industry.

A tax comparable to the EEG in Germany is also increasingly affecting our production in Bulgaria. We are trying to cap these costs there as well. The German EEG cannot be transferred to Bulgarian law since it is not a tax in the usual sense. We support the proposal to develop a relief regulation to supplement Bulgarian energy law.

Grid use accounts for about one-third of the electricity price and one-fourth of the gas price. The German Federal Network Agency can increase or decrease grid operators' prices. We receive grid cost relief because we ensure grid stability with our predictable, consistent consumption. Nevertheless, costs rose by about 60% to over € 1 million per year owing to changes in the German Electricity Taxation Act.

*Energy turnaround places pressure on supply security*

Aside from the costs of energy consumption, supply security is a significant aspect for our production processes. We invested a seven-figure amount in fiscal year 2011/12 in order to protect ourselves from the consequences of a possible blackout. For example, we introduced measures in Hamburg (emergency backup generators, measures in the high-temperature facilities to prevent damage due to unplanned cooling, etc.) to avoid irreversible damage from this type of situation. These steps will continue for the upcoming winter 2012/13.

The magnitude of a potential blackout was evaluated and appropriate safety measures were derived at other German sites.

*Disadvantages for Europe: complete compensation of CO<sub>2</sub> costs is on hold*

The European Union introduced emissions trading in 2005 as part of global climate protection. This requires companies that emit carbon dioxide to have the appropriate emission certificates. If a producer does not have enough certificates, it can reduce emissions with environmentally sound technology or purchase additional certificates. The total number of certificates is limited, so extra certificates can only be purchased from other producers whose emissions are lower than the number of certificates they have. The result is a reduction in greenhouse gas emissions.

In addition to the Hamburg site, the sites in Emmerich, Lünen, Olen, Pirdop and Stolberg (Schwermetall) will take part in CO<sub>2</sub> emissions trading starting in 2013. An application for free allocation for direct CO<sub>2</sub> emissions was submitted on time and notification is expected in early 2013.

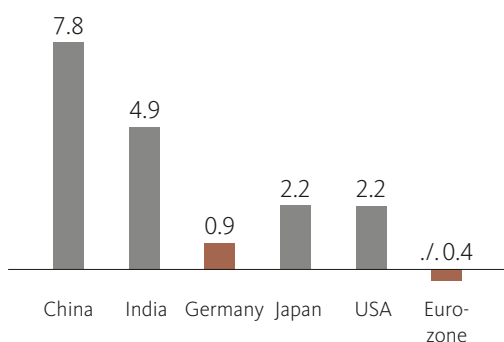
## Economic environment in general and in individual sectors

### GLOBAL ECONOMIC GROWTH DYNAMICS LEVEL OFF

The global economy recovered somewhat in fiscal year 2011/12 but was affected by certain factors that inhibited development. The growth forecasts from the beginning of the year were therefore retracted many times as the year went on. For example, the International Monetary Fund (IMF) revised its July forecast for global economic growth from 3.5% to 3.3% due to the fact that policymakers were not able to reinstate the public's trust in medium-term development. The existing risks of a global economic slump remained high. China, India and other emerging markets were responsible for global economic growth overall. However, the IMF lowered its forecasts in October in this case as well.

### Expected GDP growth 2012

in %



Source: IWF, World Economic Outlook, October 2012

### ECONOMY IN EUROZONE INFLUENCED BY UNCERTAINTY – GERMAN ECONOMY CONTINUES TO GROW

The ongoing trend in the eurozone, which had a considerable influence on the state of the global economy, is viewed as a decisive issue. While the necessary reform processes were introduced and initial successes were recorded, the debt crisis has not been averted once and for all. In the opinion of the Organization for Economic Cooperation and Development (OECD), there is still a risk that a lack of debt reduction, a weak banking system, a strong fiscal tightening and low growth will impede recovery in Europe. The EU's statistics office, Eurostat, confirmed that the economic strength in the currency area fell by 0.2% in spring 2012 despite a limited increase in exports.

The IMF expects a decrease of 0.4% for the year overall. Southern Europe was especially weak. Economic development in Germany is predicted to increase by 0.9%.

### RECOVERY OF US ECONOMY CONTINUES – CHINA LOSES ECONOMIC MOMENTUM

Yet another crucial aspect of global economic development in fiscal year 2011/12 was the situation in the US. The US economic performance nevertheless ended the third quarter of 2012 with a growth rate of 2.0% after an increase of 1.3% in the second quarter. Higher consumer spending and an increase in public expenditure programs contributed to this in particular.

The economic trend in China continued to be very significant for the copper market since the country accounts for about 40% of global copper demand and is the most important driver of global economic growth. The Chinese economy slowed down during the year and had fallen to a growth level of plus 7.4% after plus 7.6% in the previous quarter. The IMF expects growth of 7.8% for the entire year. In light of the usual annual increase of up to 10% and over, this is viewed as fairly serious. Declining exports were a significant cause of the decrease. Although loan policy measures were taken to support the economy and new infrastructure programs were decided on in early September, the effects will not be felt until 2013.

### **GLOBAL COPPER MARKET SHOWS CONSIDERABLE PRODUCTION DEFICIT IN 2012**

Macroeconomic developments were crucial influences on the copper market in 2012. They caused a great deal of insecurity, affecting all market participants, especially consumers of physical copper and copper products as well as institutional investors. Although demand fell in some cases, output was not enough to cover it. The International Copper Study Group calculated a global production deficit of 524,000 t of refined copper for the period from January to July 2012. It expects a production deficit of about 430,000 t for 2012 overall.

### **GROWTH IN COPPER OUTPUT REMAINS INSUFFICIENT**

The production side of the copper market was characterized by volume losses due to different causes: on the mine side, the strike in the Indonesian Grasberg Mine during the first quarter of 2012 reduced quantities. Lower copper contents

in the ores from some older mines also led to decreases. Better production results at other mining sites and the start of production for new projects only compensated for this to a limited extent. Overall, growth in copper mine output will therefore be low in 2012. However, it is already evident that this will change significantly in the coming year, as production is starting up in a number of new projects.

Production declined on the smelter side at the beginning of 2012 owing to ongoing fire damage at a smelter in the Philippines as well as technical disruptions and maintenance standstills. In China, some smelter projects were abandoned due to environmental protection issues. Concentrate availability, which was even lower at the beginning of the year, limited production. At 77.5%, global smelter capacity utilization was very low in the period from January to July 2012.

### **COPPER DEMAND RISES DESPITE ECONOMIC WEAKNESS**

#### **Europe: debt crisis places pressure on copper demand**

The persisting debt crisis in Europe led to high insecurity among copper consumers, which was reflected in lower buying interest. The high copper price also limited purchasing activities. Furthermore, the lack of predictability in light of the variations in the economic environment changed customers' planning and they demanded higher delivery flexibility. Within the EU, the Southern European region was especially affected by the economic slowdown.

In Germany, which is still Aurubis AG's key market for product sales from a geographic perspective, the economic situation in the main consumer industries for copper remained favorable, though losses were evident in those sectors as well:

The German electrical industry had to deal with a 9% decrease in incoming orders from January to August 2012. Production nonetheless increased by 0.5%. However, this figure hides the fact that production was under the prior-year figures in the last few months. The energy turnaround, which was carried out too quickly and without enough planning, and the delayed expansion of the German electricity grid had a negative influence in particular. There was an investment bottleneck in this area, which had an adverse effect on demand for copper rod.

Mechanical engineering in Germany remained separated from the general economic uncertainty in the eurozone. At 84%, the industry's capacity utilization was slightly below the long-term average and its annual production is estimated to be plus 2%.

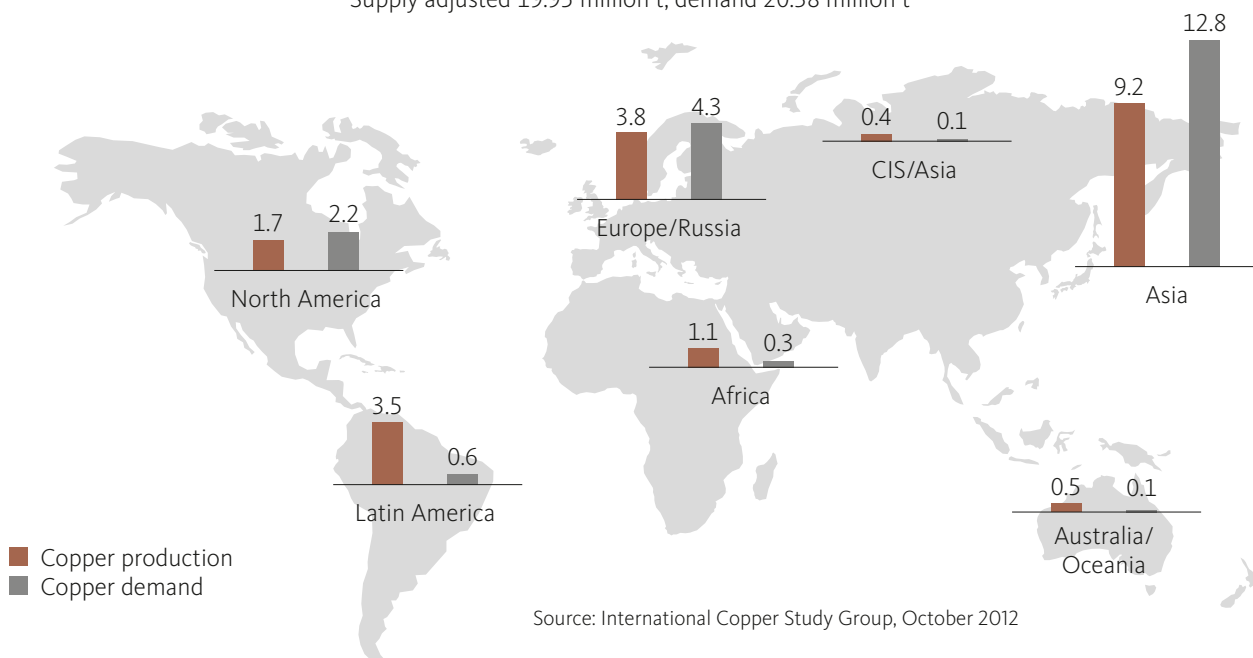
The German automobile sector was robust in the first eight months. The domestic market generally stayed at the prior-year level. Exports maintained their prior-year result as well. Production capacities were well utilized, most recently at 85%.

The construction sector was only slightly affected by the economic slump. The order intake was robust during the course of the year and increased by 7.1% from January to July.

### Expected supply and demand of refined copper in 2012

in million t

Supply adjusted 19.95 million t, demand 20.38 million t





### Asia: weaker economy lowers copper demand dynamics

The situation in the Asian market was influenced first and foremost by the trend in China. About 30 to 40% of copper demand in South Korea and Taiwan directly depends on exports of semis, cable and wire that go first and foremost to China. The weakening of Chinese economic dynamics has therefore had an influence on copper demand in the entire region.

Copper demand in China declined in the first half of 2012 in particular but still reached an above-average growth rate. Imports of refined copper were nevertheless at a high level overall and supported the world market. A total of 2.7 million t were imported from January to September 2012, 50% more than the previous year. However, this is not a decisive parameter for local copper use since the country considerably built up inventories. Additional quantities were bound to financial transactions and there were exports in the second quarter of the calendar year. The different measures to reinvigorate the economy seem to have had an effect, though, as indicated by positive economic indicators. Industrial activities are rising again slowly. The state-supported Chinese market research company Antaika expects the country's copper demand to increase by 4.8% to 7.7 million t in 2012.

### COPPER RAW MATERIAL MARKETS REGISTER GOOD SUPPLY

The supply on the market for copper concentrates improved continuously in 2012. This was due to the good production performance at certain mines, incoming volumes from new projects and moderate demand from copper smelters, which were influenced by a good supply, breakdowns and maintenance standstills. The positive price differential between the London Metal Exchange (LME) and Shanghai Futures Exchange (SHFE) limited purchasing activities among Chinese consumers as well. The TC/RC level therefore increased in the course of the year.

The European copper scrap market generally offered buyers a good supply during the year. The ongoing high copper price in particular increased collection intensity. Purchasing activities were hardly noticeable among Chinese companies. There was a price threshold in this area as well due to the price difference between the LME and the SHFE. Refining charges reached a good level. Other recycling materials were also readily available on the market, so there were good procurement opportunities at high refining charges.

### EXCHANGE INVENTORIES OF COPPER DECREASE – AVAILABILITY LIMITED

The level of copper inventories in storage, both with regard to the amount and regional distribution, is viewed as a significant indicator of demand and availability of volumes on the market. This approach was put into perspective in 2012, however, as stored quantities were increasingly tied to financial transactions and other factors or were not physically available at short notice due to LME regulations. Furthermore, most of the volumes were located in Asia, while hardly any were available in Europe.

A total of 219,400 t were stored in LME warehouses at the end of September 2012. The amount decreased by about 256,000 t, or 54%, during the fiscal year. After a high of 83,000 t at the New York COMEX at the end of February, stocks decreased by 45% to 45,700 t. The Shanghai Futures Exchange recorded stronger volume fluctuations. It reached its yearly high of around 225,000 t in mid-March. In contrast, only 163,000 t were in storage at the end of September 2012.

The stocks located separately from the exchange inventories also received some attention. Most notably, Chinese bonded warehouses supposedly still hold between 650,000 t and 800,000 t of copper, though a large proportion of this is bound to financial transactions.

**COPPER PRICE REMAINS AT A HIGH LEVEL**

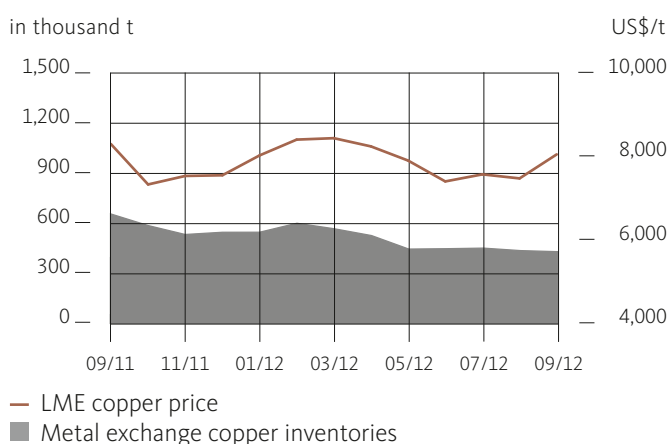
The copper price proved to be robust in fiscal year 2011/12 and uncertainties in the macroeconomic environment were absorbed to a large extent. The fundamental copper market situation, which was characterized by a production deficit, was essential for the lower copper price's overall stability.

The entire price range during the fiscal year extended from US\$ 6,785/t (October 4, 2011) to US\$ 8,658/t (February 28, 2012). The price averaged at roughly US\$ 7,500/t in the first quarter 2011/12 and exceeded the US\$ 8,000/t mark in January. It remained at this higher level until mid-May but then dropped again to its old position of about US\$ 7,500/t. It recovered again in the first half of September, rising once more to over US\$ 8,000/t.

The average copper price during the fiscal year was US\$ 7,844/t (LME settlement). This was a decrease of about 14 % compared to the excellent previous year, which averaged US\$ 9,096/t. Converted into euros, the price decrease was nevertheless lower, about 7 %, due to the changes in the exchange rate.

**Copper price and metal exchange copper inventories**

Until September 30, 2012



# CONSOLIDATED BUSINESS PERFORMANCE 2011/12

## Performance of BU Primary Copper

Business Unit Primary Copper in € million	2011/12 operating	2010/11* operating
Revenues	8,458	8,515
EBIT	253	184
EBT	241	169
Capital expenditure	86	48
Depreciation and amortization	(69)	(71)
Average number of employees	2,329	2,272

\* Certain prior-year figures have been adjusted. See segment reporting on page 182.

BU Primary Copper produces copper cathodes from copper concentrates and recycling raw materials. In addition, intermediates from other smelters are processed, such as blister copper and anodes.

The BU's main production plants include the concentrate processing facilities and electrolytic refining at the Hamburg (Germany) and Pirdop (Bulgaria) sites as well as refining and tankhouse operations in Olen (Belgium).

The BU's earnings are determined first and foremost by treatment and refining charges (TC/RCs) and by revenues from sulfuric acid, which is produced during processing.

### GOOD TREATMENT AND REFINING CHARGES FOR COPPER CONCENTRATES

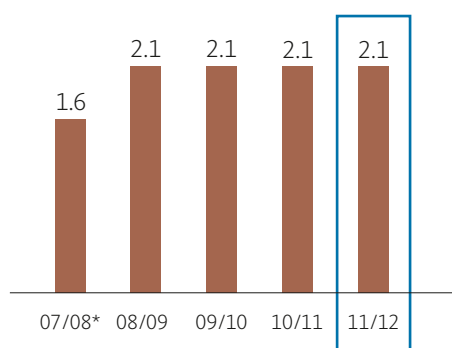
The trend on the international concentrate markets reflected different developments in fiscal year 2011/12. There were initially strikes at large mines in the first half, which reduced the supply. The treatment and refining charges in the spot market reached a very low level afterward. However, we did not have to rely on significant additional purchases during this time thanks to the long-term orientation of our purchasing policy. After the strikes ended, the market recovered and the availability of volumes increased considerably again. The conditions for additional purchases improved. Overall, we distinctly increased proceeds from TC/RCs compared to the previous year. We were also in a position to secure good contractual conditions on the markets for other raw materials like blister copper and copper scrap. The satisfactory supply enabled good capacity utilization in the BU facilities.

### OPTIMIZATION OF RAW MATERIAL INPUT IMPROVES OUR POSITION

The optimization of the raw material input mix was pushed forward in intensive cooperation between the procurement department and the technical plants, which improved our position on the purchasing markets. This was especially true for processing special concentrate qualities and for precious metal-bearing materials, with which we could potentially generate higher profit contributions.

### Concentrate throughput

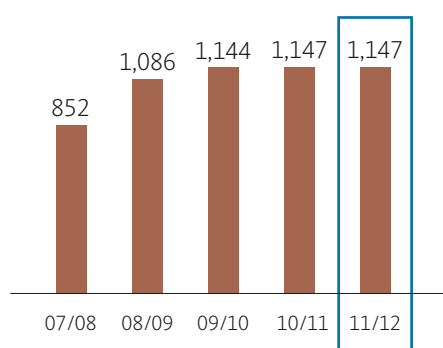
in million t



\* incl. Pirdop as of March 1, 2008

### Cathode output in the Group

in thousand t, BU Primary Copper and BU Recycling/Precious Metals



### GOOD DEMAND FOR SULFURIC ACID SUPPORTS EARNINGS TREND

Our sulfuric acid sales were up on the prior-year level due to the concentrate mix. Because of stabilized demand in the markets, our sulfuric acid revenues slightly exceeded last year's. Momentum came from the fertilizer sector and the chemical industry.

### PRODUCTION VOLUMES AT A HIGH LEVEL

The good supply of copper concentrates and copper scrap ensured high capacity utilization in our production facilities during the entire fiscal year, although we carried out a 23-day scheduled standstill at the Pirdop site in September 2012. This served to implement part of our expansion project "Pirdop 2014" and was used to carry out a full-scale inspection of the facilities.

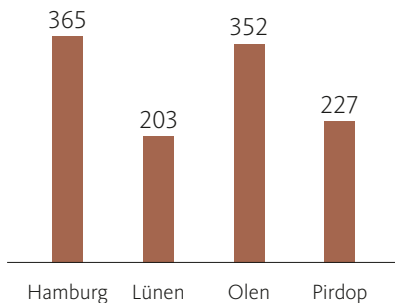
Overall, we processed almost 2.1 million t of copper concentrates in BU Primary Copper, just as much as in the previous year (FY 2010/11: 2.1 million t). Based on the high concentrate throughput, sulfuric acid output was slightly over 2.0 million t (2.0 million t in the previous year).

The processed quantity of copper concentrates reached the prior-year level of 1.1 million t at the Hamburg site (1.1 million t in the previous year). Despite the production break due to a maintenance standstill in September 2012, Pirdop's smelting facilities also achieved the prior-year production result at about 1.0 million t of processed copper concentrates.

We were able to supply copper anodes for the tankhouses belonging to BU Primary Copper during the entire fiscal year, thus ensuring that plant capacities were utilized.

### Cathode output by sites

in thousand t, fiscal year 2011/12



The BU tankhouses' cathode output increased again to 944,000 t (934,000 t in the previous year). The tankhouse in Hamburg produced 365,000 t of copper cathodes despite ongoing renovations and was thus slightly above the prior-year quantity (364,000 t in the previous year). The other BU tankhouses showed very good production results as well. The output in Pirdop, Bulgaria rose to 227,000 t (221,000 t in the previous year) and the volume in Olen, Belgium increased to 352,000 t (349,000 t in the previous year).

We took advantage of the flexibility of our smelting facilities for anode production in the Group during the reporting year in order to enable good operation of all of the tankhouses.

From a technical standpoint, our smelting facilities are set up to be able to produce anodes for all of the Aurubis tankhouses.

### EXCELLENT EARNINGS SITUATION IN BU PRIMARY COPPER

The result in BU Primary Copper in fiscal year 2011/12 improved considerably yet again compared to the good prior-year result. The positive market trend for copper and copper raw materials was decisive for this outcome. The ongoing high demand in the sulfuric acid market also had a favorable effect. The availability of copper concentrates and copper scrap was good and led to a satisfactory trend in treatment and refining charges. Production output increased at all of the BU sites compared to the previous year.

On the whole, BU Primary Copper achieved operating earnings before interest and taxes (EBIT) of € 252.9 million. This is an improvement of € 68.7 million or 37.3 % compared to the previous year. At € 8,458 million, the BU's revenues were roughly at the prior-year level.

The BU had an average of 2,329 employees.

## Performance of BU Recycling/Precious Metals

Business Unit Recycling/Precious Metals in € million	2011/12 operating	2010/11* operating
Revenues	4,948	4,559
EBIT	112	108
EBT	101	100
Capital expenditure	42	55
Depreciation and amortization	(19)	(15)
Average number of employees	1,118	1,058

\* Certain prior-year figures have been adjusted. See segment reporting on page 182.

BU Recycling/Precious Metals comprises all of the business activities dealing with the production of copper cathodes from a very wide range of recycling raw materials. Recycling activities in the Group primarily take place in the recycling center in Lünen, but also at other BU Primary Copper sites, such as Hamburg, Olen and Pirdop. Copper scrap and increasing quantities of a number of complex recycling raw materials, including electronic scrap, are processed using environmentally friendly, efficient and innovative technology.

Subsidiaries and affiliates, such as Elektro-Recycling NORD GmbH, Hamburg (E.R.N., 70 % investment until December 1, 2011, 100 % starting December 2, 2011), CABLO Metall-Recycling & Handel GmbH, Fehrbellin (100 %) and C.M.R. International N.V., Antwerp (50 %), are engaged in raw material preparation and commodity trading.

Aurubis also processes the by-metals contained in the copper raw materials into products in BU Recycling/Precious Metals. These include above all gold, silver and platinum group metals as well as lead, tin, nickel, selenium and other specialty products.

The business performance in BU Recycling/Precious Metals is mainly dependent on the availability of recycling raw materials, the attainable margins and the efficiency of the recycling processes. The economic trend in this sector is thus exposed to the fluctuations on the copper and precious metals markets as well as the economic situation. The state of the market for other metals also plays a role. Aurubis' multi-metal recycling, which recovers as much of the valuable metal contents in the raw materials as possible, results in additional contributions to earnings.

### POSITIVE MARKET ENVIRONMENT SUPPORTS GOOD COPPER SCRAP SUPPLY

The business performance in BU Recycling/Precious Metals was subject to good market conditions overall during the fiscal year. An extensive copper scrap supply allowed for good refining charges and a full ongoing supply for the facilities. The exchange prices for copper supported this trend most of the time. Only at the beginning of the fiscal year did falling prices reduce the copper scrap supply for a short time. The late delivery in the metal trade resulting from this did not have negative effects on the supply for our smelting capacities, however. The material supply on the market was consistently high in the second half-year. The economic weakness in Europe has not resulted in weaker copper scrap availability so far. The markets in North America registered good availability.

Copper scrap demand in China, the largest international competitor on the copper scrap market, stayed at a moderate level during the entire fiscal year.

All in all, the positive market situation for copper scrap enabled the existing recycling capacities to be fully utilized at all of the smelter sites in the Aurubis Group.

#### **HIGH AVAILABILITY OF COMPLEX RECYCLING RAW MATERIALS**

The markets for complex recycling raw materials were positive as well. Last fiscal year, this sector was significantly influenced by the higher capacity following the start-up and successful optimization of the KRS-Plus facilities. The option to process complex raw materials, including electrical and electronic scrap and industrial residues, increased considerably. In addition to low copper contents, complex recycling materials also contain a number of other metals, such as precious metals, nickel, tin, lead and zinc. These metals can be extracted in an especially efficient and environmentally friendly manner as part of our multi-metal recycling concept, contributing to earnings.

The availability of complex recycling raw materials was very good during the entire fiscal year. This was true for the significant supply markets in Germany and Europe as well as abroad. The attainable processing fees reached a good level accordingly.

#### **COMPLETION OF KRS-PLUS PROJECT INCREASES RECYCLING CAPACITIES FOR COMPLEX RAW MATERIALS**

The start-up of KRS-Plus operations in summer 2011 changed the processing structure at the Lünen recycling center and enabled higher throughputs of complex recycling materials.

The metallurgical results achieved with the new KRS-Plus process were convincing with respect to the metal yield and the reduction in metal losses.

Overall, the output of copper anodes, which are cast at the end of pyrometallurgical processing, did not quite reach the very good prior-year level due to various maintenance standstills.

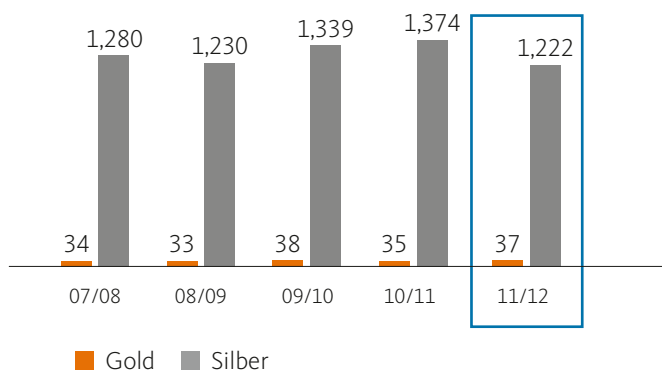
The copper cathode output in Lünen did not completely maintain the very good prior-year level of 213,000 t either. The output was 203,000 t in fiscal year 2011/12.

### ADDITIONAL INCREASE IN THE VOLUME OF PRECIOUS METAL-BEARING RAW MATERIALS

In addition to copper materials, Aurubis also processes precious metal-bearing raw materials. The volume increased distinctly, supported by high precious metal prices and the high availability associated with them. The decrease in silver output is a result of the material mix used, which had a lower silver content in the past fiscal year. Our silver output was 1,222 t accordingly (1,374 t in the previous year). The gold output during the year rose to 37 t (35 t in the previous year).

#### Gold and silver output

in t



### RESULT

The result in BU Recycling/Precious Metals in fiscal year 2011/12 was influenced first and foremost by a positive market environment with good recycling raw material availability. The high copper price led to extensive collection activity and a good willingness to sell among metal traders. The good utilization of the newly created capacities for complex recycling raw materials with higher refining charges also resulted in good contributions to earnings. Treatment charges did not reach the high prior-year level on the whole, however. Our expertise in the efficient extraction of all of the substances contained in processing materials continued to have a positive effect.

At € 112 million, operating earnings before interest and taxes (EBIT) were once again up on the excellent prior-year figure (€ 108 million). Higher throughput quantities and improved metallurgical processes more than compensated for cost increases – especially for energy – as well as a slightly lower treatment charge level overall.

The BU's revenues increased to € 4,948 million (€ 4,559 million in the previous year).

The BU had an average of 1,118 employees during the fiscal year.



## Performance of BU Copper Products

Business Unit Copper Products in € million	2011/12 operating	2010/11* operating
Revenues	9,619	9,657
EBIT	28	62
EBT	10	50
Capital expenditure	27	13
Depreciation and amortization	(27)	(27)
Average number of employees	2,748	1,575

\* Certain prior-year figures have been adjusted. See segment reporting on page 182.

BU Copper Products produces and markets top quality copper products. Copper cathodes produced in the Group are used for this purpose. Copper scrap is also utilized to fabricate flat products.

The strongest product in the Aurubis Group in terms of volume is cast copper wire rod from the AURUBIS ROD brand. It is characterized by the highest electrical conductivity, the best workability and an excellent surface. Rod is the main starting material for the cable and wire industry, which processes it into electrical conductors with a variety of cross-sections.

Aurubis is the leading rod producer worldwide. State-of-the-art production plants are located at the sites in Hamburg (Germany), Olen (Belgium), Avellino (Italy) and Emmerich (Germany). The production plant in Emmerich is operated by Deutsche Giessdraht GmbH, a 60 % Aurubis subsidiary. Furthermore, we produce oxygen-free and low-alloyed wire rod for specialty applications in Olen.

Aurubis manufactures continuous cast copper shapes from the AURUBIS SHAPES brand as a starting product for semi-finished product fabricators and tube rolling mills. We have held a leading position in this area for many years as well, especially when large cast shapes and specialty products of the highest quality are required. In the following value-added stage, our subsidiary Schwermetall Halbzeugwerk GmbH (50 % Aurubis) produces pre-rolled strip for the semis fabricators in the Group. Finished strips are produced from the Group's shapes in Stolberg (Germany), Pori (Finland) and Buffalo (USA). In addition, we fabricate shaped brass wire for the electrical industry in Stolberg.

The sites in Zutphen (Netherlands) and Finspång (Sweden) specialize in innovative vertical strip casting operated exclusively at Aurubis as well as the subsequent strip rolling process. Moreover, Aurubis Belgium in Olen (Belgium) produces copper bars and profiles using the Conform process.

Our customers pay so-called shape surcharges for copper product fabrication on the market, which are added to the copper price. They make up a significant proportion of the revenues in BU Copper Products.

### COPPER PRODUCT MARKETS MORE STRONGLY AFFECTED BY MACROECONOMIC INFLUENCES

In the course of the fiscal year, the growing economic uncertainties in the eurozone and the weak economic trend in important export markets increasingly affected the economic sectors that include our direct customers. Their awareness of risks strongly increased and was reflected in more cautious scheduling and in their search for higher delivery flexibility. For example, although customers in the semis industry were initially somewhat optimistic, this was put into perspective as 2012 went on, as companies in the end customer sector worked below capacity in some cases. Demand was also weak for copper for conductive purposes, including in our customers' export business with Asia. Plug connectors for the

automotive industry were affected as well. The demand level remained stable in the North American market, however. The infrastructure measures expected from the energy turnaround in Germany were delayed.

**AURUBIS ROD in a difficult market environment**

In the AURUBIS ROD product sector, the Group was able to maintain its leading position in a weak market environment. The economic divide between Northern and Southern Europe was very perceptible. The Northern European markets proved to be more stable than the Southern European markets. Spain was especially affected by a serious decline in industrial production and therefore rod demand. The Italian sales market experienced very weak demand during the fiscal year.

Due to accelerated sales market promotion and development outside of Europe, we were able to compensate for the unfavorable trend in our key markets to some extent. Newly developed, market-ready alloys, e.g., for the automotive industry, tapped new areas of demand at the same time. Business stabilized at a low level during the last few months of the fiscal year.

A total of 646,000 t of AURUBIS ROD were produced across the Group in fiscal year 2011/12, an 18 % decrease compared to the previous year (785,000 t). Sales amounted to 640,000 t during the same period, 18 % less than the comparable prior-year period (781,500 t).

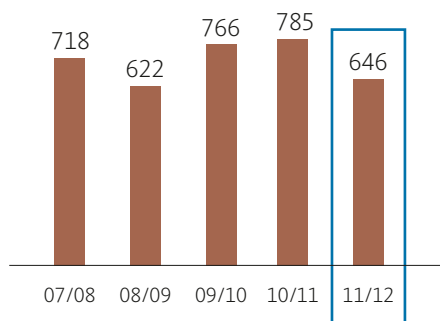
**AURUBIS SHAPES SALES ADJUST TO MODIFIED MARKET SITUATION**

Sales of AURUBIS SHAPES increased compared to the previous year until March 2012. However, there were demand decreases in early summer due to the economic situation, which caused sales volumes to fall below the previous year.

Our customers' demand focuses especially on high-value products with excellent conductivity as well as micro-alloyed products for special applications. In contrast, demand for standard products weakened in some areas.

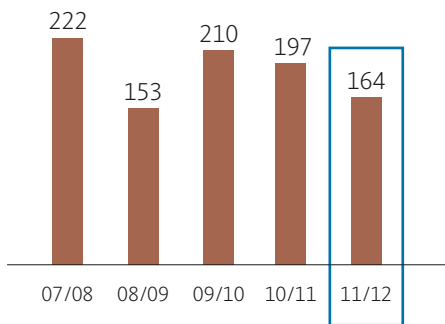
**Wire rod output**

in thousand t



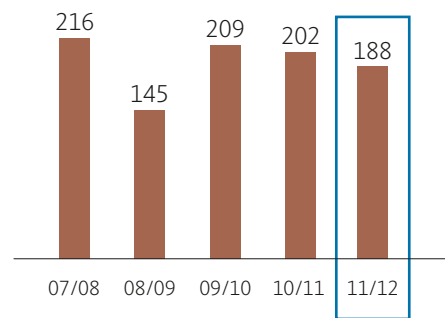
**Continuous cast shape output**

in thousand t



**Pre-rolled strip sales\***

in thousand t



\* incl. Wieland-Werke AG's 50 % share

Shape surcharges developed positively due to the increasingly high-value product mix. The expansion of the product portfolio with respect to the possible dimensions and materials was oriented towards customers' special requirements.

Shapes output amounted to 164,000 t during the fiscal year, a 17 % decline compared to the previous year (197,000 t).

**Fabrication of flat rolled products remains stable**

In addition to intensive integration work as well as optimization and restructuring measures, the first fiscal year after the acquisition of the new sites was influenced first and foremost by the differing economic developments in the significant sales markets of Europe and North America. In Europe the demand trend was comparatively weak after the first quarter of 2011/12, which was subject to seasonal influences. In con-

trast, Aurubis benefited from the positive economic situation in the USA before the momentum there also subsided in the last quarter of the fiscal year.

At about 217,000 t in fiscal year 2011/12, the total output of copper and alloy strip and specialty wire in the Group was nevertheless only slightly below the comparable prior-year figure of 219,000 t. The strip sector's output of around 207,000 t roughly remained at the prior-year level (208,000 t) despite weaker demand overall. In contrast, the specialty wire sector registered a roughly 12 % decrease to 9,600 t. In connection with changes in the product mix following the integration of sales and production, the average shape surcharges were maintained in the difficult market environment with high competitive pressure.

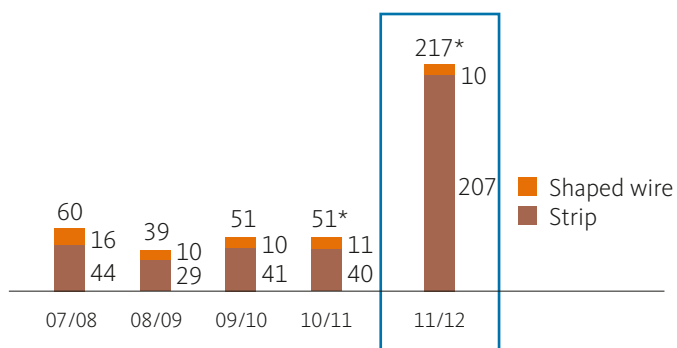
### Incoming orders for pre-rolled strip also stable following slow-down

Incoming orders for pre-rolled strip weakened at the beginning of the fiscal year but remained stable as the year went on. The euro crisis and the related risks led to restrained demand among European customers. Volumes increased slightly among overseas customers compared to the previous year. Sales of specialty materials in particular stayed at an ongoing high level.

In fiscal year 2011/12 Schwermetall Halbzeugwerk sold a total of 187,500 t of strip products made of copper and copper alloys. Sales fell by 7% compared to the previous year. Despite the lower sales volume, the company generated a positive result again.

### Copper strip and shaped wire

in thousand t



\* incl. Luvata RPD as of September 1, 2011

### Bars and profiles business influenced by internal restructuring

Bars and profiles business was influenced by restructuring steps during the fiscal year, which included the relocation of production facilities for bars and profiles from Yverdon-les-Bains (Switzerland) to Olen (Belgium) and centralization of production there. The transfer measures were concluded. The Yverdon-les-Bains site only functions as a sales office now. The restructuring limited bars and profiles output, which amounted to about 8,100 t (10,200 t in the previous year) during the fiscal year.

### RESULT

The earnings of BU Copper Products were strongly affected by the weak economic trend, uncertainties in the market environment and restructuring measures during the fiscal year. These factors were only partially compensated by cost reduction measures. Overall, the BU generated operating earnings before interest and taxes (EBIT) of € 28.2 million, a 54.3% decrease compared to the previous year.

The BU's revenues totaled € 9,619 million in the fiscal year, a decrease of € 38 million compared to the previous year.

The BU had an average of 2,748 employees. The significant increase compared to the previous year (1,575) was due to the integration of the Luvata Rolled Products Division.

# FISCAL SITUATION

## Results of operations, financial position and net assets

### RESULTS OF OPERATIONS

#### Results of operations (operating)

In order to portray the Aurubis Group's operating success independently of valuation influences from the use of the average cost method in inventory valuation in accordance with IAS 2, from copper price-related valuation effects on inventories and from purchase price allocations, primarily on property, plant and equipment from fiscal year 2010/11 onwards for

internal management purposes, the results of operations are first of all presented on the basis of the operating result and then augmented in a second part by the results of operations, financial position and net assets in accordance with IFRS.

The following table shows how the operating result for fiscal year 2011/12 and for the comparable prior-year period are arrived at.

#### Reconciliation of the consolidated income statement

in € million	2011/12 IFRS	2011/12 Adjustment*	2011/12 Operating	2010/11 Operating
<b>Revenues</b>	<b>13,789</b>		<b>13,789</b>	<b>13,336</b>
Changes in inventories of finished goods and work in process	321	(214)	107	86
Own work capitalized	10		10	11
Other operating income	57		57	46
Cost of materials	(12,804)	(23)	(12,827)	(12,535)
<b>Gross profit</b>	<b>1,373</b>	<b>(237)</b>	<b>1,136</b>	<b>944</b>
Personnel expenses	(421)		(421)	(312)
Depreciation and amortization	(131)	17	(114)	(113)
Other operating expenses	(235)		(235)	(192)
<b>Operational result</b>	<b>586</b>	<b>(220)</b>	<b>366</b>	<b>327</b>
Result from investments	0		0	1
Interest income	13		13	14
Interest expense	(54)		(54)	(49)
Other financial result	(29)		(29)	(1)
<b>Earnings before taxes (EBT)</b>	<b>516</b>	<b>(220)</b>	<b>296</b>	<b>292</b>
Income taxes	(153)	64	(89)	(81)
<b>CONSOLIDATED NET INCOME</b>	<b>363</b>	<b>(156)</b>	<b>207</b>	<b>211</b>

\* Adjustment in order to arrive at the operating result

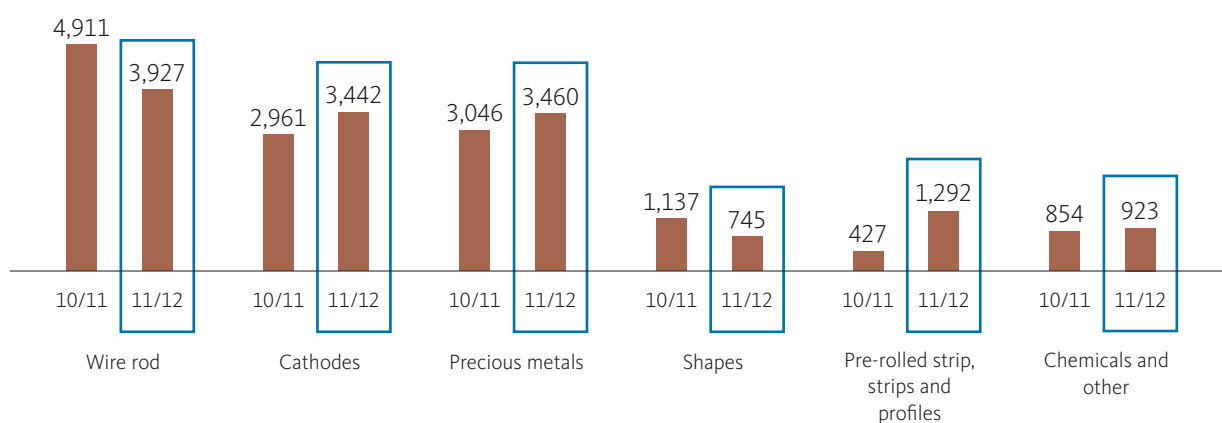
The Aurubis Group's operating consolidated net income of € 207 million in fiscal year 2011/12 was once again at a high level, and only slightly below the previous year's figure (€ 211 million). The good business performance overall was marked by divergent trends in the markets. While our procurement markets registered good availability and prices, the sales markets for our copper products, especially in Europe, were negatively influenced by the debt crisis in Southern European countries. Economic uncertainties also started to emerge in Central Europe in the second half of 2012 due to tension on the financial markets. Overall, sales volumes of copper products throughout Europe declined considerably compared to the previous year. Metal prices remained at a high level overall due to good ongoing global demand.

The IFRS earnings before taxes, which amounted to € 516 million, were adjusted by valuation effects of € -237 million (€ -65 million in the previous year) in the inventories as well as effects of € 17 million (€ -64 million in the previous year) from the allocation of the purchase price for Luvata RPD (Rolled Products Division). The resultant pre-tax operating earnings amount to € 296 million (€ 292 million in the previous year).

Group revenues went up by € 453 million to € 13,789 million (€ 13,336 million in the previous year), representing an increase of 3%. Due to the inclusion of the former Luvata RPD companies for a full fiscal year, the revenues from the newly-acquired strip business largely compensated the decrease in revenues for the copper products rod and shapes owing to economic factors. Furthermore, higher gold prices caused a revenue increase in the precious metal business compared to the previous year.

### Development of revenues by product groups

in € million



**Breakdown of revenues**

in %	2011/12	2010/11
Germany	27	35
European Union	41	46
Rest of Europe	4	4
Other countries	28	15
<b>TOTAL</b>	<b>100</b>	<b>100</b>

Cost of materials went up accordingly by 2%, from € 12,535 million in the previous year to € 12,827 million. After including the increase in inventories and other operating income, the gross profit improved considerably from € 944 million in the previous year to € 1,136 million.

Personnel expenses increased from € 312 million in the previous year to € 421 million in the reporting period, mainly due to the larger number of employees in particular as a result of the integration of Luvata RPD, which was only included for one month in the comparable prior-year period. The personnel expenses were furthermore influenced by the personnel provisions related to the restructuring resolved for the Swedish site and wage increases.

Depreciation and amortization amounted to about € 114 million, and were therefore at the prior-year level (€ 113 million).

Other operating expenses rose from € 192 million in the prior-year period to € 235 million. The increase results in particular from the former Luvata RPD companies (an increase of € 30 million), which were only included pro rata temporis for one month in the comparable prior-year period, as well as higher freight costs.

Operating earnings before taxes amounted to € 296 million in the fiscal year, € 4 million more than in the previous year. Despite the cost increases, the following factors contributed to the good earnings trend compared to the prior-year period:

- » Concentrate throughput was at the prior-year level. Higher treatment charges were recorded at the same time.
- » Increased input quantities of electronic scrap and other recycling materials with high material availability more than compensated for lower copper scrap refining charges.
- » Due to the concentrate mix, sulfuric acid sales increased compared to the previous year at constant high acid prices.
- » There was a good metal yield with high metal prices.
- » Earnings in BU Copper Products were considerably down on the prior-year level due to weak markets for rod and shapes. Flat strip sales were also affected by decreases in demand. Shape surcharges for copper products were at a stable level overall.

Operating earnings before interest and taxes (EBIT) amounted to € 366 million compared to € 327 million in the previous year. Including the financial result, earnings before taxes (EBT) reached € 296 million (€ 292 million in the previous year). Net interest expense increased by € 6 million to € 41 million compared to the previous year (€ 35 million), mainly due to refinancing with a higher provision of liquidity and an extended term structure. The other financial result primarily comprises impairment losses recorded against the carrying values of fixed asset securities.

Consolidated net income of € 207 million (€ 211 million in the previous year) remains after tax.

#### Return on capital

At 20.5 %, the operating return on capital employed (ROCE) was even higher than the good figure for the prior-year period (18.7 %) due to the improved result from operations (EBIT).

#### Results of operations (IFRS)

The Aurubis Group generated consolidated net income of € 363 million in fiscal year 2011/12, which was only slightly below the prior-year figure of € 374 million. The positive contribution to the earnings resulting from the use of the average cost method to measure the inventories in accordance with IAS 2 amounts to € 143 million in the reporting year (€ 124 million in the previous year).

#### Consolidated income statement

in € million	2011/12 IFRS	2010/11 IFRS
<b>Revenues</b>	13,789	13,336
Changes in inventories/own work capitalized	331	159
Other operating income	57	121
Cost of materials	(12,804)	(12,456)
<b>Gross profit</b>	<b>1,373</b>	<b>1,160</b>
Personnel expenses	(421)	(312)
Depreciation and amortization	(131)	(124)
Other expenses	(235)	(192)
<b>Operational result</b>	<b>586</b>	<b>532</b>
Financial result	(70)	(35)
<b>Earnings before taxes (EBT)</b>	<b>516</b>	<b>497</b>
Income taxes	(153)	(123)
<b>CONSOLIDATED NET INCOME</b>	<b>363</b>	<b>374</b>

Certain prior-year figures have been adjusted (see p. 133 f).

Group revenues increased by € 453 million to € 13,789 million during the reporting year, representing an increase of 3 %. As a result of the inclusion of the former Luvata RPD companies for the entire fiscal year, revenues from the newly acquired strip business largely compensated the decrease in revenues for the copper products rod and shapes owing to economic factors. Furthermore, higher gold prices led to an increase in revenues in the precious metal business compared to the previous year.



Other operating income fell from € 121 million in the previous year to € 57 million in fiscal year 2011/12. In the previous year, a negative difference of € 77 million resulted from the acquisition of Luvata RPD.

Cost of materials increased by 3 % from € 12,456 million in the previous year to € 12,804 million. After including the increase in inventories, the gross profit improved considerably from € 1,160 million in the previous year to € 1,373 million.

Personnel expenses increased from € 312 million in the previous year to € 421 million in the reporting period, mainly due to the larger number of employees in particular as a result of the integration of Luvata RPD, which was only included for one month in the comparable prior-year period. The personnel expenses were furthermore influenced by the personnel provisions related to the restructuring resolved for the Swedish site and wage increases.

Depreciation and amortization amounted to about € 131 million, and increased slightly compared to the previous year (€ 124 million), mainly due to the depreciation on the fixed assets of the former Luvata RPD companies, which was only included pro rata temporis for one month in the previous year.

Other operating expenses rose from € 192 million in the prior-year period to € 235 million. The increase results in particular from the former Luvata RPD companies (an increase of € 30 million), which were only included pro rata temporis for one month in the comparable prior-year period, as well as higher freight costs.

At € 586 million, earnings before interest and taxes (EBIT) were € 54 million up on the comparable prior-year figure (€ 532 million). After including the financial result, earnings before taxes amount to € 516 million (€ 497 million in the previous year). Net interest expense increased by € 6 million

to € 41 million compared to the previous year (€ 35 million), mainly due to refinancing with a higher provision of liquidity and an extended term structure. The other financial result primarily comprises impairment losses recorded against the carrying values of fixed asset securities.

Consolidated net income of € 363 million (€ 374 million in the previous year) remains after tax.

#### Return on capital

With capital employed of € 2,410 million and EBIT of € 586 million in accordance with IFRS, the return on capital employed (ROCE) amounts to 24.3 % for the past fiscal year, compared with 23.9 % in the previous year.

#### Return on capital employed (ROCE)

in € million	9/30/2012	9/30/2011
Equity	2,197	1,875
Pension provisions	108	108
Borrowings	774	729
Less: cash and cash equivalents	(669)	(491)
<b>Capital employed as at the balance sheet date</b>	<b>2,410</b>	<b>2,221</b>
Earnings before taxes (EBT)	516	497
Financial result	70	35
<b>Earnings before interest and taxes (EBIT)</b>	<b>586</b>	<b>532</b>
<b>RETURN ON CAPITAL EMPLOYED (ROCE)</b>	<b>24.3 %</b>	<b>23.9 %</b>

Certain prior-year figures have been adjusted (see p. 133 f).

## FINANCIAL POSITION

### Financial position (IFRS)

The task of Group Treasury is to provide optimum liquidity and to control the Group's liquidity to ensure that the balance sheet structure is in equilibrium in the long term. Control and monitoring are carried out on the basis of defined financial ratios. Net debt and liquidity are controlled in the medium and short term by means of regular cash flow forecasts.

The main ratio for controlling debt is debt coverage, which calculates the ratio of net borrowings 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 current ratio of 0.1 in accordance with IFRS is lower than the prior-year figure of 0.4 and once again represents an improved ratio for redemption of the borrowings compared with the previous year.

The interest coverage ratio expresses how net interest expense is covered by earnings before interest, taxes, depreciation and amortization (EBITDA). A good figure of 17.5 was achieved for the past fiscal year.

### Key Group financial ratios

IFRS	9/30/2012	9/30/2011
Net borrowings / EBITDA	0.1	0.4
Interest coverage = EBITDA / net interest expense	17.5	18.7

Certain prior-year figures have been adjusted (see p. 133 f).

Since we use the operating result for control purposes in the Group, the Group's operating key financial ratios are presented as follows:

### Key Group financial ratios

operating	9/30/2012	9/30/2011
Net borrowings / EBITDA	0.2	0.5
Interest coverage = EBITDA / net interest expense	11.7	12.5

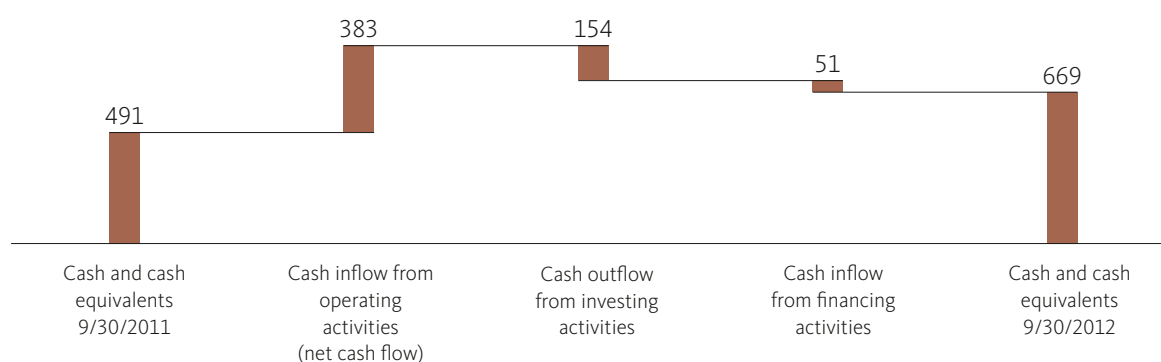
### Analysis of liquidity and funding

The cash flow statement shows the cash flows in the Group and how the funds are generated and used.

The good business performance and the development of the working capital had a positive effect on net cash flow. Although net cash flow, at € 383 million, is € 35 million down on the prior-year figure (€ 418 million), the purchase price for the acquisition of Luvata RPD (€ 159 million) in the previous year was paid first and foremost for the copper inventories and is shown in the cash outflow from investing activities. Capital expenditure (including financial fixed assets) totaled € 169 million in the reporting period (€ 116 million in the previous year, excluding payments for the Luvata RPD acquisition) and primarily consisted of investments in property, plant and equipment. The largest individual investments were the start of the anode slime processing capacity expansion and the subsequent expansion of concentrate processing at the Hamburg site. Initial investments were made to improve and expand the production capacities at the Pirdop site.

## Source and application of funds

in € million



A free cash flow of € 215 million (€ 302 million in the previous year) results after deducting investments in fixed assets from the net cash flow.

Cash outflow from financing activities amounted to € 51 million compared to a cash inflow of € 182 million in the previous year, which was mainly due to a capital increase as well as a net cash inflow from refinancing loans. Interest payments of € 44 million and dividend payments to shareholders and non-controlling shareholders of € 55 million were incurred.

Cash and cash equivalents totaling € 669 million (€ 491 million in the previous year) were available to the Group as at September 30, 2012. Cash and cash equivalents are mainly used for the operating business activities, investing activities and the partial redemption of borrowings.

The Group's borrowings rose to € 774 million as at September 30, 2012 (€ 729 million in the previous year). After deducting cash and cash equivalents of € 669 million, net borrowings amounted to € 105 million as at September 30, 2012, compared with € 238 million in the previous year.

### Net borrowings in the Group

in € million	9/30/2012	9/30/2011
Borrowings	774	729
Less: Cash and cash equivalents	(669)	(491)
<b>NET BORROWINGS</b>	<b>105</b>	<b>238</b>

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

### ANALYSIS OF CAPITAL EXPENDITURE

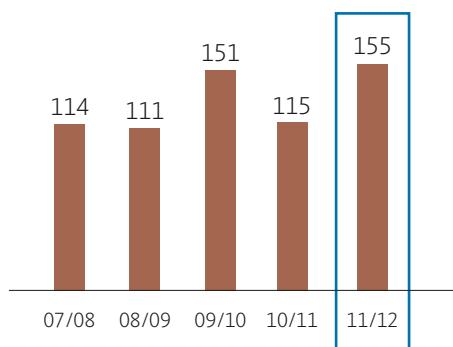
#### BU Primary Copper: capacity expansion and improvement in environmental protection are the focuses of capital expenditure

Capital expenditure in BU Primary Copper totaled € 85.6 million in the past fiscal year, and mainly focused on the expansion of the production capacity, environmental protection and facility maintenance.

Work on the Future RWO project in Hamburg continued according to schedule. The budget for the project, which will take four years, is € 55 million. The project primarily involves modernizing the tankhouse and expanding its capacities. We completed most of the project in the past fiscal year. In addition, the project includes low-level expansion of the concentrate processing capacity in the primary smelter. This sub-project was continued.

#### Capital expenditure

in € million



We dedicated a great deal of capital expenditure to infrastructure at the Hamburg site during the past fiscal year.

At the Pirdop site, capital expenditure was already carried out on the implementation of the Pirdop 2014 project, which includes vital measures to improve environmental protection and increase concentrate processing capacity in the primary smelter there. The project budget is € 44.2 million. Some of the scheduled activities were implemented during the production standstill in September 2012, and the remaining ones will be implemented over the next two years.

Capital expenditure at the Olen site focused on replacements and maintenance, and a noise protection barrier was constructed.

#### BU Recycling/Precious Metals: improvement in precious metal output is most important capital expenditure project

Capital expenditure in BU Recycling/Precious Metals totaled € 42.5 million during FY 2011/12.

In Hamburg, the most important capital expenditure projects were the optimization of the off-gas duct the construction of the new crusher and conveyor in the secondary smelter's electric furnace and the expansion of the hydrometallurgical process for gold refining. All three projects were implemented successfully and on schedule and sustainably improve environmental and employee protection, minimize inventories and make possible the faster production of metal.

The project to process all of the anode slimes that accumulate in the Group internally (ASV 2013) continued according to schedule and is now in the final installation phase. Capital expenditure during the past fiscal year on this project amounted to about € 17 million. The plant is to be commissioned in 2013.

Altogether € 3.0 million related to the construction of a storage hall for bulk material in Hamburg's secondary smelter.

Roughly € 2.5 million was invested in fiscal year 2011/12 in increasing the input of electronic scrap in Lünen.

Preparations are being made to replace the lead refining facilities in order to manage impurities sustainably in the complex metallurgy sector. The old plant is scheduled to be decommissioned at the end of 2014.

**BU Copper Products: capital expenditure goes first and foremost to modernizing facilities and increasing quality**

Capital expenditure in BU Copper Products amounted to € 27.0 million overall.

The focus of investment activities in the BU primarily comprised measures in the Flat Rolled Products Business Line, which reached a total capital expenditure volume of € 16.8 million. They mainly concentrated on modernizing the facilities and improving productivity and quality in preparation for the relocation of production from Finspång to Zutphen and Buffalo.

Capital expenditure in Business Line Rod+Shapes related to small-scale measures to increase the efficiency and flexibility at all five production plants. These already proved to be successful during the second half-year.

In Business Line Bars+Profiles, capital expenditure was connected with the relocation of the production plants from Yverdon-les-Bains to Olen.

**NET ASSETS**

**Net assets (IFRS)**

Total assets increased from € 4,531 million at the end of the previous fiscal year to € 4,889 million as at September 30, 2012, due above all to the renewed increase in copper prices and volumes compared to the previous year and the increase in cash and cash equivalents as at the balance sheet date.

**Consolidated balance sheet structure (IFRS)**

in %	9/30/2012	9/30/2011
Fixed assets	28	30
Inventories	42	39
Receivables, etc.	16	20
Cash and cash equivalents	14	11
	<b>100</b>	<b>100</b>
Equity	45	41
Provisions	14	13
Liabilities	41	46
	<b>100</b>	<b>100</b>

Certain figures as at September 30, 2011 have been adjusted (see p. 133 f)

The Group's equity rose from € 1,875 million as at the end of the previous fiscal year to € 2,197 million as at September 30, 2012, mainly as a result of the consolidated net income of € 363 million in fiscal year 2011/12. This was offset by dividend payments of € 55 million. The equity ratio of 45.0 % was higher overall than the comparable prior-year figure of 41.4 %.

Borrowings increased to € 774 million (€ 729 million in the previous year). Current liabilities amounted to € 234 million (€ 43 million in the previous year) and non-current liabilities amounted to € 540 million (€ 686 million in the previous year).

The decrease in other current liabilities from € 418 million to € 187 million resulted largely from the valuation of derivatives at fair value on the balance sheet date.

#### Net assets (operating)

The difference between fixed assets in accordance with IFRS and operating fixed assets amounted to € -74 million as at September 30, 2012; the difference between inventories in accordance with IFRS and operating inventories was € -832 million. Operating fixed assets thus amounted to € 1,301 million, and operating inventories to € 1,228 million. At the same time, the difference had an impact of € -628 million on equity and of € -278 million on deferred tax liabilities.

#### OVERALL STATEMENT ON THE ECONOMIC SITUATION

The Aurubis Group had a successful fiscal year on the whole in 2011/12 and is economically stable. The developments in the Business Units varied. While the Business Units Primary Copper and Recycling/Precious Metals benefited from good procurement markets and high capacity utilization at the production plants, the business performance in Business Unit Copper Products was influenced by considerable declines in sales volumes in some cases as a consequence of the weakness of the economy. Copper and silver prices were slightly lower during the fiscal year, while gold reached a record level. The sulfuric acid market was at the good prior-year level at the end of the fiscal year. Treatment and refining charges for copper concentrates increased during the year and refining charges for copper scrap attained the good prior-year level. In contrast, sales of copper products, especially in Europe, were considerably down on the previous year. With the expansion of copper cathode production and anode slime processing at the Hamburg site and of concentrate processing at the Pirdop site, we are engaged in important projects that will enable us to strengthen Aurubis' competitive edge and market position further.

# NON-FINANCIAL PERFORMANCE INDICATORS

## Human resources

### PERSONNEL STRATEGY AND MODERN MANAGEMENT

The group-wide personnel strategy was derived from the corporate strategy and revised in 2012 based on current changes. The central Human Resources (HR) Corporate division works with the local HR departments and implements the personnel strategy together. In light of this fact, HR work at Aurubis has made the transition from an operating to a strategic function as an “HR business partner”. Focuses of managers’ HR work included developing management skills, change management and professionalism in communication.

In 2012 the leadership guidelines, which establish company-wide requirements and standards for managers, were supplemented with an additional instrument for professional communication, “Leadership Feedback”. It was successfully introduced in early 2012 and promotes intensive exchange between managers and employees. This type of structured dialogue is important for the Group because managers are significant propagators within the Company and are therefore a gauge for global corporate success. They rely on employee feedback in order to fulfill their responsibilities with respect to objectives and leadership culture.

Aurubis values progress and future viability. The Group therefore has to be flexible with its employees and continue expanding their skills. Active change management means being faster, more effective and closer to the market, suppliers and customers. This requires a great deal of skill, flexibility and creativity – in strategies, in organization, in thinking and acting. Managers gain these abilities with targeted development programs. The Leadership Program enables managers to increase their effectiveness. Apart from the usual programs, supplementary networking events started up as a platform for discussion and for deepening information gleaned from the training. Furthermore, there is a focus on business management topics and professional change management.

A group-wide mentoring initiative started up in 2012 to supplement the training options. Its purpose is to develop participants’ personalities and professionalism with the idea of utilizing experience within the Company. The mentor supports the mentee by passing on professional experience and reflecting on current decisions and conduct. This supports knowledge exchange in the Company and intensifies internal networks.

### SUCCESSOR DEVELOPMENT: INTERNAL PROGRAMS AND COOPERATION WITH PARTNER UNIVERSITIES

A high potential program was initiated for talented young employees in the Group and successfully concluded in 2012. The objective of the program is to enhance participants’ leadership and management skills, to allow them to reflect intensively on their own conduct and to promote cooperation and networking across sites and functions. The participants work on real company projects within the program. Targeted development talks were carried out and individual development plans were drafted with every participant at the end so that they could successfully transfer the knowledge they gained from the program to their every day work.

In addition to developing future managers internally, Aurubis is active at universities. To prepare itself for the lack of qualified workers due to demographic factors, Aurubis works closely together with German partner universities in Freiberg, Aachen, Clausthal-Zellerfeld, Leoben and Hamburg as part of its university marketing. For example, the Group supports young engineers with scholarships, provides support and supervision for thesis projects and dissertations and offers internships. In addition, Aurubis carries out regular excursions and organizes plant tours.

### PROMOTING FEMALE EMPLOYEES IN THE GROUP

Equal opportunities for women and men are a matter of course for Aurubis. This is already outlined in the Code of Conduct. As a production company in the smelter industry, however, Aurubis offers many jobs that are associated with high physical demands and shift work. Women rarely apply for jobs with these kinds of requirements. Additionally, the number of female applicants in technical fields relevant to Aurubis unfortunately remains low. The percentage of female employees in the Group is 11.5%, slightly higher compared to 11.4% last year.

Aurubis pursues the goal of addressing female applicants more strongly in the future and carries out special marketing activities for this purpose. As part of its contact with universities and schools, Aurubis speaks with female students about apprenticeships or job opportunities after completing their studies. The success of these activities is evident among the apprentices in Germany in particular, where females meanwhile account for 15% of the total number of apprentices.

During the past fiscal year, Aurubis also supported female employees in the industrial/technical sector with a workshop series to discuss conduct and communication issues in a male-dominated field.

Furthermore, the Lünen site participated in an EU project to promote future female managers and was involved in the project "More Women in Leadership Positions". Aurubis in Lünen also received certification for its commitment to the issue of combining work and family.

### EMPLOYEE COMPENSATION: INCENTIVES VIA VARIABLE COMPONENTS

#### New management salary system

The new salary system for Aurubis management (in Germany: senior staff) started applying to non-tariff employees in Germany on October 1, 2012. The differing salary and bonus systems in the non-tariff sector were completely revised and carried over into a new, transparent salary system for Aurubis management. This is based on an analytical job evaluation, clearly defined income brackets and a target bonus model with defined levels of performance measurement and weighting, which allow managers to assess how the Group must perform on a Group level, Business Unit level and individual level. The system is assessed internationally in regular intervals for its competitiveness and attractiveness.

The salary system for the management of the new Business Line Flat Rolled Products & Specialty Wire was also gradually introduced starting October 1, 2012.

#### Employee profit-sharing at Aurubis

Employees participate in the Aurubis Group's success. 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 success 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 contribute significantly to company success and are considered in the performance and success-oriented compensation accordingly.



**Employee shares in high demand once again**

Staff at the German sites were again given the opportunity to acquire Aurubis AG shares at a discount during the past fiscal year. A total of 1,731 employees (1,806 in the previous year) acquired a total of 33,970 shares (35,520 in the previous year).

**Incentive plan**

Since 2004 there has been an incentive plan which provides a capital market-oriented compensation component for the Executive Board, management and non-tariff employees in the form of a virtual stock option plan.

The exercise period of the plan's sixth tranche started in spring 2012. The prerequisite for participation is that executives own a certain number of Aurubis shares, depending on their seniority. Since Aurubis shares outperformed the CDAX for this tranche as well, the participants exercised a total of 644,900 options between March and June 2012 and therefore received a special bonus of € 8.593 million as part of the sixth tranche of the incentive plan. The seventh and last tranche of the incentive plan was issued in March 2010. Since the new Executive Board compensation system does not include these compensation components, they will also be phased out for management and non-tariff employees.

**PERSONNEL STRUCTURE**

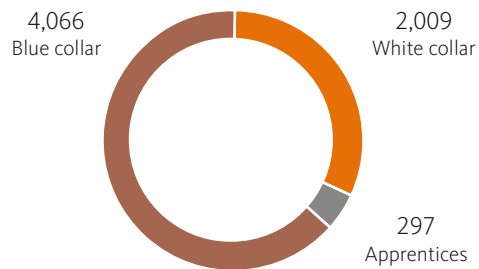
A total of 6,372 employees worked in the Aurubis Group worldwide as at September 30, 2012. Of this number, 57 % are employed in German plants and 43 % work in other countries.

Aurubis Group personnel are mainly dispersed in the following countries:

Germany (3,655), Bulgaria (798), USA (635), Belgium (488), Sweden (220), Finland (198), Netherlands (176), Italy (131).

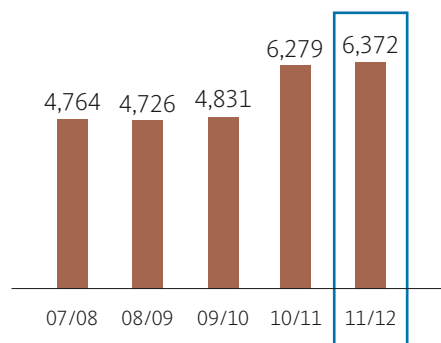
**Aurubis Group personnel structure**

Number as at September 30, 2012: 6,372 (6,279 in the prior year)



**Aurubis Group employees**

Number as at September 30



The Group has 283 apprentices at its German sites making up 7.7 % of the workforce.

**EDUCATION AND TRAINING: QUALIFICATIONS ARE A KEY FACTOR**

Qualified specialists and managers have central importance for Aurubis.

**Your future starts at Aurubis – career information events**

A career information day took place for the first time on June 16, 2012 at our Hamburg site under the motto “Your future starts at Aurubis”. More than 350 interested young people came and received information about Aurubis’ vocational training options and career opportunities at the Apprenticeship Marketplace.

The Apprenticeship Night in Lünen – an event organized by various regional companies, the city of Lünen and the local employment agency on September 28, 2012 – was also a great success. Visitors were able to gather information about the site’s different apprenticeship options here as well.

**New apprenticeship class started in early September 2012**

On September 1, 2012 a total of 62 young women and men started their apprenticeships at Aurubis in Hamburg. The young people are trained in 13 trades and professions in Hamburg. As at the balance sheet date, a total of 228 young people were in apprenticeships in 20 trades and professions at the Hamburg and Lünen sites. Apprentices make up about 8 % of the workforce at the Hamburg and Lünen sites. The retention rate has traditionally been over 95 %.

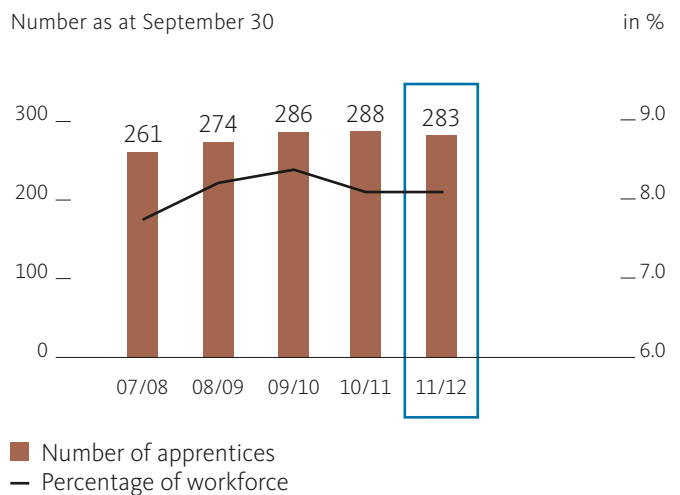
**Apprenticeship program in Bulgaria will continue**

The program initiated in Bulgaria will continue. The training has a technical focus.

**Increasing employees’ qualifications by further training**

Ongoing training for our employees is a central aspect of our HR policy. In fiscal year 2011/12 more than 2,600 employees from Hamburg and Lünen participated in seminars and courses to gain additional knowledge and skills for their jobs. The time spent on vocational training totaled about 45,000 hours. In addition to specialist qualifications, the main topics once again included occupational safety, foreign languages and team and personality development.

**Aurubis Group apprentices and their percentage of the workforce**



### AURUBIS FAMILY SERVICE INITIATED FOR GERMAN SITES

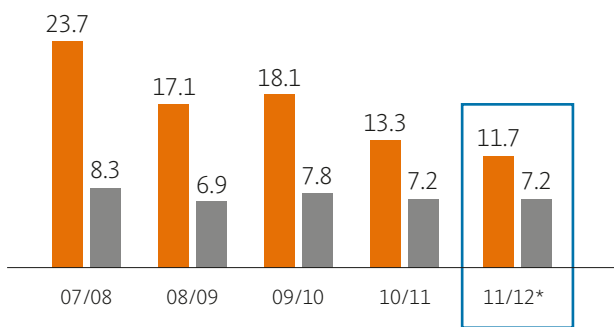
The Aurubis Family Service started on October 1, 2012 to support the balance between family life and work. The company that offers the service provides consultation on issues dealing with childcare and/or family members who require assistance and care.

### HEALTH PROTECTION IN THE GROUP

The accident frequency decreased by 23.2 % in the past fiscal year in accordance with the international recording method based on the number of lost shifts (LTIFR). The absolute number of accidents fell from 148 to 116. There were no work-related fatalities in the Group. The figures included the new sites for the first time.

#### Accident frequency

LTIFR



■ LTIFR (1-n) ■ LTIFR (4-n)

LTIFR (1-n) – accidents with lost time of at least one whole shift  
 LTIFR (4-n) – accidents with lost time of more than three whole shifts  
 (based on 10<sup>6</sup> hours worked)

\* including the former Luvata sites for the first time in 2011/12

The targets of occupational safety and health protection in the Aurubis Group are oriented towards physical and mental well-being and a good environment in the workplace as well as avoiding work-related accidents and illnesses of any kind. Continuous improvements and new approaches relating to technology, organization and conduct are necessary in order to reach these targets.

The Group Safety Steering Committee defined a long-term objective for the entire Group in order to give supervisors the opportunity to implement measures to reduce accident frequency in their divisions in the short, medium and long term. The goal is for the Group to reach this objective by 2022. This long period of time was chosen so that the developments could be implemented sustainably, for example by reducing both the accident frequency and severity.

An important focus during the past fiscal year was the integration of the new sites, taking their different cultures and histories into account.

### THANKS FROM THE EXECUTIVE BOARD

In fiscal year 2011/12 all employees contributed significantly to the company's successful development with their daily dedication.

We would like to offer them our sincere thanks for their commitment and service.

Our thanks also go to the employees' representatives, with whom we worked closely and constructively during the past fiscal year again.

## Research and development

Research and development (R&D) supports the Business Units in implementing their strategy. In addition to intensive cooperation with the production sectors to solve problems in daily business, long-term projects to develop innovative procedures and products are becoming increasingly important in the continuous improvement of these factors. Small teams at the Hamburg site and other Group sites work on these projects across divisions.

Apart from increasing efficiency while taking into account the working capital and the increase in flexibility when processing complex raw materials, important concentrations of R&D work include by-metal extraction from different intermediate products from the copper production process as well as developing and optimizing copper-based products.

R&D expanded its product and process optimization portfolio by implementing simulations carried out by internal experts. Aside from an internal flow simulation, the focus is on improved standardized assessment of process and analysis data with the help of statistical methods.

Intensive cooperation with metallurgical departments at universities in particular continued or increased, for example with chemistry, process technology, metallurgy and metrology institutes. The partnerships encompass a wide range of bilateral projects and doctoral scholarships as well as publicly funded work, e.g., by the German Federal Ministry of Education and Research. Additionally, the Company has very close contact with plant construction firms and technology developers.

### R&D EXPENDITURE AND INVESTMENTS

The expenditure for R&D amounted to about € 8.5 million (€ 8.2 million in the previous year). While most of the expenditure was allocated to projects for process improvement, the allocation to product and process development increased again.

The rising number of projects led to an increase in the number of employees working in R&D. On September 30, 2012 the team was made up of 40 employees total (38 in the previous year excluding Luvata) at different sites, 21 of whom have qualifications in engineering or natural sciences.

### PROCESSING COMPLEX RAW MATERIALS EFFICIENTLY

As in the past few years, one of the key focuses of R&D work for BU Primary Copper and BU Recycling/Precious Metals was to improve the metal yield as part of “continuous improvement”. Within the scope of a publicly funded research project, the active pilot-level trial phase for improving the quality of iron silicate slag from primary copper production ended successfully.

In another project sponsored by the Federal Ministry of Education and Research, successes in processing e-scrap in a pyrometallurgical reactor were achieved together with a partner university. We expect further successful research until the funding period ends.

A new method was also effectively tested in a pilot facility in secondary copper production with the objective of significantly reducing processing times for precious metal-bearing materials in this sector as well.

R&D activities expanded this fiscal year, as the department took initial steps to performing company-wide simulations. The first projects have demonstrated the benefit of having internal experts who support our production and engineering departments in different issues regarding apparatus and plant construction with the help of flow simulation. Another focus in the next few years will be the standardized use of statistical methods with which the existing process and analysis data on process and product optimization can be used.

We are involved in planning a new, modern Technology Center at the Hamburg site in order to develop new procedures for products and raw material processing and to adjust them to Aurubis' requirements. A modern R&D center would provide the option of better analyzing and optimizing processing routes for raw materials or intermediate products with the use of pyrometallurgical and hydrometallurgical procedures.

### **SELECTING SUITABLE MATERIAL WITH OPTIMIZED PROPERTIES INCREASES CUSTOMER BENEFIT**

In Business Unit Copper Products, process and product developments and optimizations are based in large part on suggestions and requirements from customers and markets. This makes cooperation with customers as well as interdisciplinary exchange among the company divisions sales, production, product technology and quality, supply chain and research and development exceedingly important.

The emphasis during the past fiscal year was on working on materials with a good composition of mechanical properties and electrical conductivity.

The low-alloyed copper rod successfully produced by Business Line Rod+Shapes for high-strength wire that is resistant to softening, e.g., for applications in the automotive industry, is currently being sampled by end customers. Higher-alloyed copper alloys were successfully cast in a continuous process for the first time in cooperation with customers. The alloys are also being sampled at the moment.

The ongoing high metal prices were the starting point for a number of projects to use materials with lower metal values in existing and new products.

In the expanded Business Line Flat Rolled Products & Specialty Wire, our patented copper-zinc-iron-tin alloy drew customers' interest. The alloy has comparable properties but saves costs due to its lower metal price.

Work was carried out to reduce products' geometries in order to save costs for customers as well. Proof of process capability and adjustments to the material or the mechanical properties were required to maintain the function of the end products.

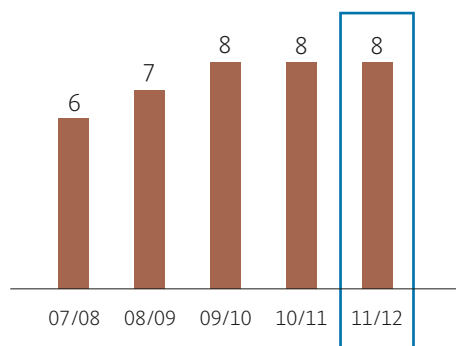
In addition to material issues, surface finishing, for example with molten or electrolytically separated tin, played a significant role as in years past. Another focus apart from optimizing the process capability of a new electroplating method was knowledge transfer within the BL Flat Rolled Products & Specialty Wire sites, especially with regard to surface finishing.

In cooperation with a wire customer, we were able to develop the material BlueBrass®42 for use as erosion wire. The joint patent is currently being reviewed. The product was presented at an international trade fair and customers are testing samples. Initial feedback has been very positive.

A number of products for machine and engine cooling were developed at the technical center in Finspång.

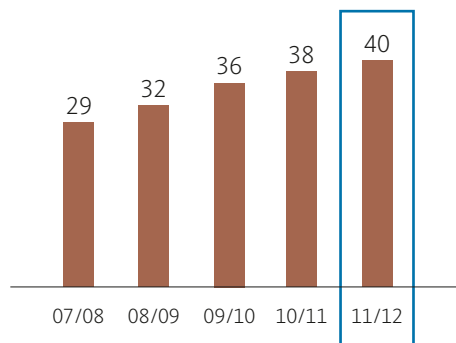
**R&D expenditure**

in € million



**R&D employees**

Number



## Environmental protection

The Aurubis Group is currently one of the most environmentally friendly copper producers in the world. Sustainability, resource efficiency and environmental and climate protection are key targets of Aurubis' corporate strategy and are firmly established in our company guidelines. Energy efficiency and climate protection are constantly developed and improved at all of the sites. The objective is to maintain Aurubis' leading international position and to continue setting benchmarks in climate protection and energy efficiency.

### ENVIRONMENTAL GUIDELINES AND MANAGEMENT SYSTEM: HIGH ENVIRONMENTAL STANDARDS AT AURUBIS

Uniform environmental protection standards are in place at all Aurubis sites. Concrete targets were derived for the individual sites from group-wide targets. The sites regularly report to the Group headquarters on compliance with environmental protection targets, environmental protection measures implemented and the standardized environmental key performance indicators (KPIs).

Certified management systems support the implementation of environmental and climate protection goals. Aurubis' environmental management systems are certified in accordance with

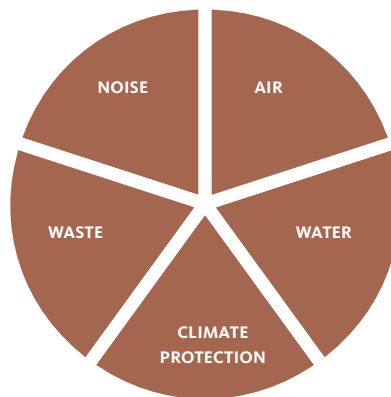
### Targets in Group environmental protection until 2015

#### Noise

- » Target: Reducing noise emissions
- » Example: Erecting a noise barrier in Olen

#### Waste

- » Target: Increasing the recycling rates
- » Examples: Stronger marketing of fayalite in Pirdop
- » Optimizing the separation plant at E. R. N.



#### Air

Target until 2015:

- » Reducing SO<sub>2</sub> emissions in primary copper production by over 80% compared to 2000
- » Reducing dust emissions in copper production by over 90% compared to 2000

#### Water

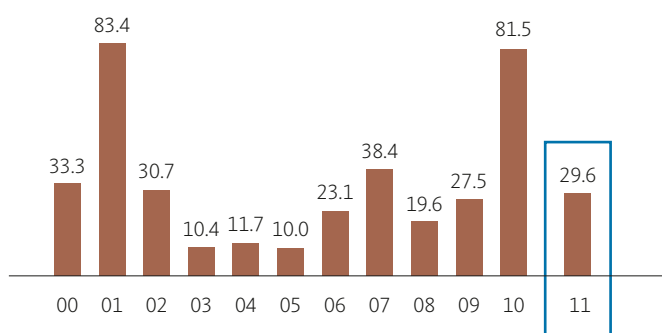
- » Target until 2015: Reducing metal emissions to water in copper production by about 70% compared to 2000
- » Example: Operating new water treatment plants in Pirdop and Lünen

#### Climate protection

- » Target: Continued reduction in CO<sub>2</sub> emissions
- » Examples: Constructing turbines to use waste heat in Hamburg and Lünen
- » Optimizing suction plants at Schwermetall Halbzeugwerk

**Capital expenditure for environmental protection at Aurubis**

in € million



ISO 14001 at most of the individual sites and additionally with EMAS in Hamburg, Lünen and at Schwermetall Halbzeugwerk. Furthermore, several sites work with energy management systems in accordance with ISO 50001. External consultants verify the implementation of environmental protection and the resulting successes annually.

**PROJECTS AND PROGRESS IN ENVIRONMENTAL PROTECTION**

Capital expenditure on modern environmental and plant technologies is required for sustainable environmental protection. In the past several years, about one-third of the Group’s total capital expenditure has been spent on environmental protection activities. Around € 400 million has been allocated to environmental protection measures in primary and secondary copper production since 2000.

The success of the measures at Aurubis is also confirmed by the emissions trend in primary copper production – emissions have been reduced by 84% since 2000, while specific dust emissions for the primary and secondary copper production sectors decreased by 93% (reference year 2000).

The following measures also reduce emissions:

- » In September 2011 a new storehouse for bulk material was inaugurated at the Hamburg site. The capital expenditure volume amounted to about € 7.5 million. The 5,000 m² hall with a crusher and conveyor facility is intended to reduce fugitive emissions in this area by about 70%. The crusher was integrated into the hall concept in summer 2012. The immission situation in the immediate vicinity of the production facilities and surrounding the plant will be further improved as a result.
- » The collection and cleaning of fugitive emissions were optimized in the smelting facilities at the Pirdop site. The capital expenditure project “Aurubis Bulgaria 2014”, which has a volume of € 44.2 million, started in June 2011. The project will be implemented by 2014 and lead to a further emission reduction.
- » At the Lünen site, the KRS-Plus facilities that officially went into operation in July 2011 set a new benchmark in environmental protection. With a capital expenditure volume totaling € 62.5 million, Aurubis spent € 17 million on extensive environmental protection equipment. A highlight of this equipment is the new crane hood, which was installed in a plant of the non-ferrous metals industry for the first time. It collects all of the fugitive emissions from the new furnaces in connection with a closed hall. The start-up went very well and the facility is currently being optimized with regard to its metallurgical results.

Aside from reductions in air emissions, Aurubis also made significant improvements in water pollution control. For example, metal emissions to water in Aurubis’ copper production have decreased from 7.2 to 2.9 g per ton of copper output since 2000, or by 60%. The goal is to achieve a roughly 70% reduction by 2015.

As an energy-intensive company, Aurubis also feels committed to improving climate protection. The Group invests in energy-efficient plant technologies, individual measures to



save additional energy and volunteer projects at all sites. In Hamburg, for instance, Aurubis participates in the city of Hamburg's climate protection program. This led to significant CO<sub>2</sub> emission reductions, as demonstrated by the consolidated climate protection indicators for copper production in the Aurubis Group.

**RESOURCE CONSERVATION**

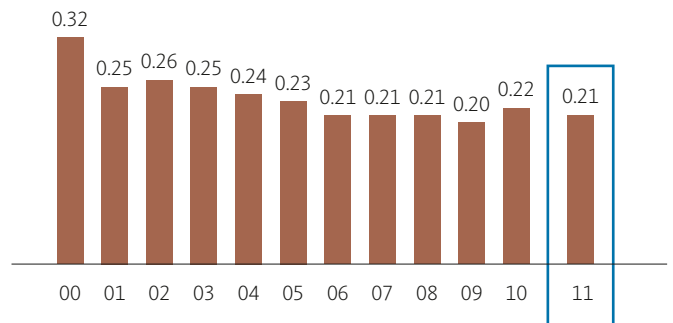
Resource conservation is a significant issue on the European level, based on the idea that environmental protection should extend beyond avoiding and reducing emissions. Increased material efficiency and more effective recycling of waste in particular should lead to progress in resource conservation. On the national level, a German resource efficiency program was developed that relates first and foremost to non-energetic raw materials, such as copper.

Copper is an important raw material. The extraction and use of non-ferrous metals are required for technical progress and a high standard of living. Copper produced in an environmentally friendly manner is also a significant problem solver when it comes to climate protection. Without copper there would be no efficient technologies for renewable energies and thus no energy turnaround. Copper can also be produced in a resource-efficient manner and recycled without a loss of quality.

For a country like Germany that lacks raw materials, copper recycling is an important pillar of copper production. It is becoming a key issue, especially with respect to resource efficiency. Although the constant increase in copper demand cannot be covered by recycling alone, it forms the basis for a sufficient copper supply in Europe together with environmentally friendly copper production from primary raw materials.

**Fuel-related CO<sub>2</sub> emissions from copper production in the Aurubis Group**

in t CO<sub>2</sub>/t copper output



Aurubis pursues goal-oriented environmental protection with state-of-the-art technology. The company obtains raw materials from more than 50 countries worldwide, with a focus on Europe for the recycling sector. A number of recycling raw materials, for example circuit boards, copper pipes and electronic scrap, are purchased and processed as part of Aurubis' multi-metal recycling. Aurubis can almost completely recycle even marginal quantities of copper and precious metals in sophisticated processes. Modern plant technologies ensure minimal effects of production on the resources of water, air and soil. Aurubis converts nearly all of the raw materials from the production processes into marketable products. Waste is effectively avoided and recycled in an environmentally friendly way if possible.

A total of 3.6 million t of raw materials were utilized at Aurubis in 2011 in primary and secondary copper production. About 960,000 t of this amount, or more than one-fourth of the input materials, comprised recycling materials. The proportion of recycling materials in the raw material input has continuously increased from 19% to 27% since 2006.

Aurubis strives to recycle accumulated waste as far as possible. The recycling rate for the sites' production waste reached 99.9% across the Group in 2010.

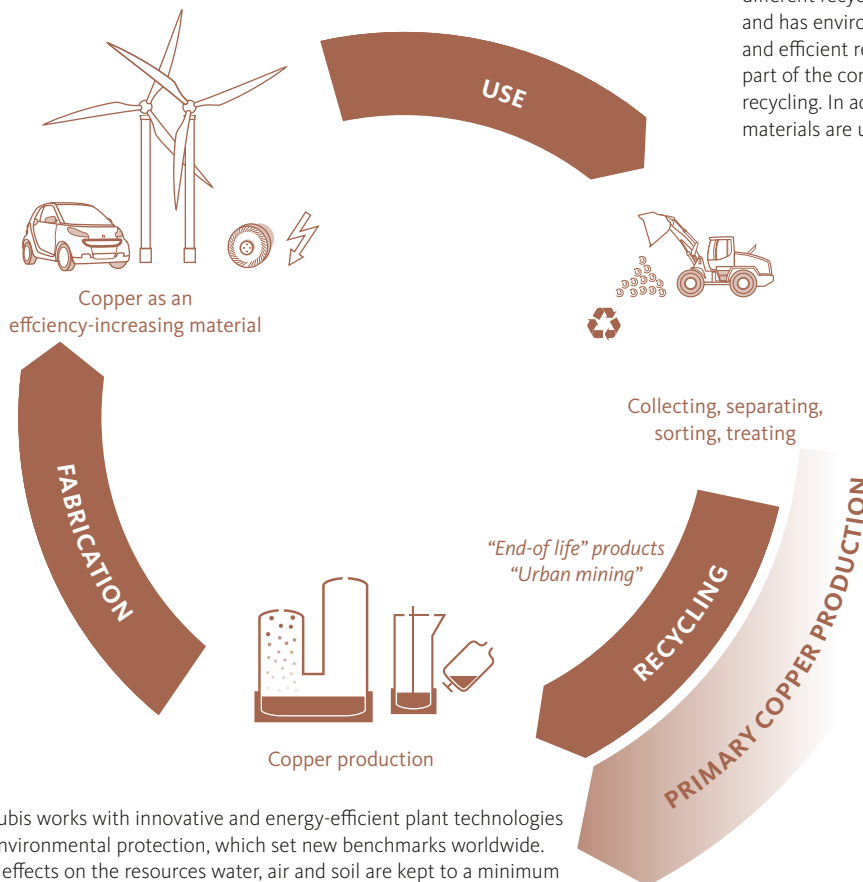
Expanding recycling in the Group helps to close material cycles in an environmentally sound manner and therefore makes an important contribution to sustainable development.

**A VALUABLE CYCLE**

Non-ferrous metals like copper are not used up but instead pass through the recycling process, therefore completely fulfilling sustainability and resource efficiency requirements.

Our Environmental Report 2012 contains more detailed information on environmental protection in the Aurubis Group. [www.aurubis.com/en/responsibility/environment/environmental-report/](http://www.aurubis.com/en/responsibility/environment/environmental-report/)

» No metal besides silver has higher electrical or thermal conductivity than copper. Copper therefore plays a key role in the switch to sustainable energy production as well as increasing the efficiency of products and applications.



» Aurubis processes a number of different recycling raw materials and has environmentally friendly and efficient recycling options as part of the company's multi-metal recycling. In addition, primary raw materials are used to a large extent.

» Aurubis works with innovative and energy-efficient plant technologies in environmental protection, which set new benchmarks worldwide. The effects on the resources water, air and soil are kept to a minimum with the use of the best available technologies and high environmental protection standards.

# RISK MANAGEMENT

## Risk management system

Risks are an integral part of the Aurubis Group's economic activities. We manage and monitor the significant risks with the help of a risk management system (RMS) suited to our business activities. The early identification of these risks and monitoring their development is of major importance. The objective is to limit negative effects on earnings caused by risks as far as possible by appropriate countermeasures. The risks are outlined in a structured way based on their position in the value-added chain and classified based on their likelihood of occurrence and economic significance.

Risk management is an integral component of the centralized and decentralized planning, management and monitoring processes and covers all the Aurubis Group's main sites and business sectors. The planning and management system, regular reporting, an open communication culture and routine audits at the sites make our risk situation transparent.

Risk management officers have been appointed for all sites and business sectors, and form a network within the Group. The Group headquarters in Hamburg manages the network. Group risk management reports directly to the Chief Financial Officer. The RMS is documented in a Group guideline.

## Independent monitoring

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

In addition, the auditors review our RMS to ensure that it adheres to legal requirements. They report the audit results to the Executive Board and the Supervisory Board's Audit Committee.

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

## Explanation of relevant risks

### SUPPLY AND PRODUCTION

The ability to keep the production facilities supplied with raw materials and the availability of these facilities are of the utmost importance for the Aurubis Group. Occurrences that considerably restrict our production processes are thus viewed as significant risks and are countered with appropriate measures.

Most of the raw materials for copper production are in the form of copper concentrates. The remaining materials are composed of recycling raw materials and smelter intermediates. Before processing, these input materials are sampled using recognized analysis techniques to determine their value.

To ensure our supply of copper concentrates, we have concluded long-term agreements with a number of concentrate suppliers from various countries. In this way we are able to minimize the risk of production interruptions caused by possible delivery failures. The risk of volatile treatment and refining charges on the spot market was also limited by the long-term nature of the supply agreements, though the supply at the beginning of the fiscal year was limited due to mine strikes. We still expect copper concentrate availability to recover in the medium term and thus that treatment and refining charges will rise.

The production facilities of BU Recycling/Precious Metals were kept well supplied with copper scrap and other recycling raw materials during the entire fiscal year owing to our extensive international supplier network. The good supply situation was supported by the copper price, which was high overall, though a declining copper price occasionally led to a limited supply. Complex recycling materials such as electronic scrap, which serves in particular as feed material for the Kayser Recycling System (KRS), were also available in sufficient quantities. We view the supply situation on the market for recycling materials positively, though the predictability of copper scrap availability is limited. Temporary volatility cannot be ruled out.

The supply in the production plants in BU Copper Products is mainly covered by copper cathodes produced within the Group. In addition to higher value added, this allows for quality control for copper products during the entire process. We were able to cover the demand for copper cathodes for BU Copper Products internally, therefore ensuring 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 & Specialty Wire.

Plant availability was good overall, though it was reduced at times due to scheduled maintenance standstills and small-scale technical disruptions. Effects on production were limited. During the winter months, unfavorable weather conditions led to ice on the Elbe River and thus logistical issues and reduced throughput in Hamburg's primary smelter. Nevertheless, the effects of these factors were minimized with appropriate countermeasures.

### PRODUCT SALES

The sales situation for copper products weakened considerably in the past fiscal year due first and foremost to the European debt crisis as well as the slow-down in the global economy and related uncertainties. Overall, we registered a considerable decrease across all product groups compared to the previous year.

Cathodes that were not processed internally were sold on the international copper market. Demand for sulfuric acid stabilized at a good level again after a weak period at the beginning of the fiscal year.

We expect stabilized copper product demand and stable development in the sulfuric acid market in the next few months. Positive or negative influences from economic trends are possible, however.

## ENERGY

Energy prices did not change much overall. We are safeguarded against unplanned cost burdens due to unpredictable prices on the electricity exchange owing to our long-term contract, which has been in effect since January 1, 2010. This safeguard corresponds to most of our electricity demand and covers all of the German sites.

Burdens resulting from changes in potential cost drivers such as the eco-tax, the Renewable Energies Act, combined heat and power and the emission trade are still difficult to quantify reliably because of the still uncertain legal situation. In this respect, we expect burdens to increase in the medium term but do not see any threatening economic influences.

We have dealt intensively with the issue of disruptions in the electricity supply all the way to a widespread blackout following the shut-down of a majority of German nuclear power plants. Appropriate countermeasures to reduce possible burdens have been created to absorb the significant follow-up costs of a longer blackout, especially in the winter. We expect that these measures will be able to limit the risks of longer blackouts considerably.

## FINANCES 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. Daily balancing of incoming and outgoing metal quantities from underlying transactions considerably reduces the volumes to be hedged. Backlogs are hedged daily. The same occurs by using financial instruments such as spot and forward contracts for exchange rates and metal prices. Risks from surpluses and deficits are eliminated on a daily basis this way. We have only selected first-rate firms as partners for hedging transactions to minimize the credit risk.

We hedge expected receipts from foreign currencies, especially the US dollar, as far as possible with options and forward transactions. 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. Economically acceptable exchange rate hedges can only be realized for a limited time, however.

Trade accounts receivable are generally hedged by commercial credit insurances or other hedging instruments, e.g., bank guarantees. Internal risks were only permitted to a very limited extent and after review. The development of the outstanding receivables is monitored weekly. During the reporting period there were no significant bad debts. We do not foresee any threatening trends for future development.

The liquidity supply was secured during the past fiscal year. The credit lines at the banks were also sufficient. Covenants arranged with the financing banks were easily complied with. The improvement in working capital management had a positive effect, among other factors. From today's perspective, we regard the liquidity supply as satisfactory and expect to comply with the covenants in the new fiscal year as well. Risks that could result from the sovereign debt crisis in the eurozone are monitored by the treasury function and measures are being prepared for possible scenarios.

## ENVIRONMENTAL PROTECTION, LEGAL ISSUES AND ORGANIZATIONAL ASPECTS

There is always a risk that environmental or regulatory provisions could become more stringent, leading to added costs or limitations in product marketing. Environmental risks resulting from the possible failure to comply with standard values and violations of requirements can have legal consequences. We have focused on the environmentally friendly operation of our production facilities for many years now. The environmental standard is an international benchmark, which is confirmed by certifications in accordance with ISO 14001 and EMAS. We consider ourselves to be well positioned for the future in this regard. Nevertheless, incidents that might have an adverse impact on the environment cannot be completely ruled out.

In a plant with complex processes, employees' specialist knowledge is an important factor to ensure performance quality. Different measures are intertwined with each other so that Aurubis can continue to count on employees' know-how. We build connections to qualified young people through our cooperation and contact with universities and foster the development of talented professionals and managers with qualification measures. We counter legal, tax and compliance risks with organizational procedures and clear management structures. We limit risks regarding the availability, reliability and efficiency of our IT systems with ongoing monitoring and relevant adjustment measures. Occupational safety and health protection have high priority, which is why we focus on continuous training. Alarm plans are in place to counter possible interruptions in the production processes, which can be caused by extraordinary events such as flooding or fire. Routine emergency drills are carried out to train employees. In addition, significant risks are largely covered by insurances.

## Assessment of the Group's risk 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 paragraph 2 German Companies Act in an appropriate manner and that the risk management and monitoring system fulfills all the requirements.

We are convinced that our risk management system is appropriate for controlling relevant risks.

## Internal control system relating to the consolidated accounting process

Report pursuant to Section 315 paragraph 2 No. 5 HGB

The objective of the internal control system (ICS) for the accounting process is to ensure that financial statements complying with regulations are prepared. Aurubis has an internal control and risk management system in which structures and processes related to accounting policies 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 in 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 to the budget and reporting as part of the quarterly controller meeting
- » 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 as a central unit examines the reliability of the accounting practices. 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.

## SUBSEQUENT EVENTS

No events have occurred since the balance sheet date.

## FORECAST REPORT

### Beginning of the fiscal year and further course

The Aurubis Group's new fiscal year started in an environment that continued to be affected by economic uncertainties and volatile markets.

In the past few years, which have been influenced by the global financial and economic crisis and the European debt crisis, it has been apparent that the Aurubis Group has a good, robust position in the business due to its orientation as an integrated copper producer and processor.

With our integrated business model and international activities, we have a great deal of flexibility and are able to balance out weaknesses in individual market segments with good developments in other segments. In an environment shaped by economic insecurity, we are also well equipped for the challenges of the new fiscal year owing to our solid financial strength.

We will continue our growth trajectory and implement strategic measures to strengthen our market position as well as operating measures to increase efficiency. We want to

continue increasing our competitive edge by continuously developing our technological expertise in the existing production processes, improving the efficiency and effectiveness of production flows, introducing innovations and expanding services for our customers.

Furthermore, we are striving to make our activities even more international. We especially see growth potential in regions with a high occurrence of primary raw materials and growing secondary raw material streams as well as regions with increasing demand for copper and copper products. We will also review additional consolidation opportunities in our markets.

Sustainable corporate development is important to us. We take our responsibility towards the environment, employees, society and shareholders seriously. We will therefore continue the activities we have started in the development and implementation of a sustainability strategy.



## Expected development in basic conditions

### GLOBAL ECONOMY PREPARING FOR SUBDUED RECOVERY – RISKS CONTINUE

Although political leaders were elected in North America and China, the two main copper markets, macroeconomic uncertainties remain. The markets still lack reliable conditions. However, there have been positive trends. Overall, the International Monetary Fund's October 2012 outlook expects the global economy to grow by 3.6% in 2013. There is once again a clear gap between advanced economies and developing or emerging countries. While 1.5% growth is predicted for the first group, the forecast for the second group is 5.6%.

The demand trend in China is especially significant for the global copper market since the country accounts for about 40% of global demand for refined copper. The general assumption is that the change in political leadership will have a positive effect on the Chinese economy. Measures that have already been taken, such as the economic program with new infrastructure projects amounting to around one billion yuan (over € 120 billion) that was announced in September, will take effect as well. Investments will be made to expand the railway network among other projects, which should provide momentum for copper demand.

The US showed the first signs of economic recovery in 2012, supported by a slight improvement in the employment situation and higher consumer spending. The US Central Bank predicted 3% economic growth for 2013 in September, while the IMF forecast a 2.1% increase. In order to achieve this level, however, important hurdles have to be overcome. Together with tax increases, the upcoming drastic budget cuts in particular could dampen economic recovery in the US.

In the eurozone, which is also important for general copper demand but especially for our copper product sales, the outlook was clouded by the economic figures for the third quarter of 2012. Since the economic performance declined by 0.1% from July to September and the previous quarter was down by 0.2%, the region was in a recession by definition. Nevertheless, the IMF still assumes in its forecast that the economic performance will increase by 0.2% in 2013.

The circumstances in France and especially in Germany are better than the overall situation. The German economy in particular is predicted to grow 1% in 2013 and the government believes it will be stable and robust.

### GLOBAL COPPER MARKET LIKELY TO HAVE HIGH PRICE LEVEL IN 2013 AS WELL

Apart from ongoing macroeconomic risks, the global copper market will likely be in good shape again in 2013. Many analysts agree with this prediction. According to a Reuters survey of 27 participants, forecasts for 2013 result in an average copper price of almost US\$ 8,300/t. This assumption is supported first and foremost by a smelter output that some view as insufficient and good copper demand, which will primarily gain momentum from China.

The mine output of copper will likely increase considerably due to the start-up of new projects in 2013 and 2014. An increase is also expected in the next step of the value-added chain at copper smelters. Capacities will be built up almost exclusively in Africa and China, however, and the risks from the surrounding environment there are high. In addition, capacity utilization will probably still be low. Longer standstills are planned at some smelters in 2013 and incidents like technical disruptions, strikes and energy supply difficulties cannot be ruled out.

On the demand side, the implementation of large-scale investment programs in China will probably compensate for a weaker trend in Europe and the US. The good copper demand in other emerging markets may contribute to this as well.

The copper volumes stored in the metal exchange warehouses and in bonded warehouses are distributed unevenly across regions. Most are stored in Asia. There are hardly

any quantities at European LME warehouse sites. Storage along the value-added chain is also fairly low due to the high copper price. It should also be taken into account that a large proportion of the stored copper volumes is bound to financial transactions and is not directly available for physical use. This could lead to regional bottlenecks if demand recovers.

From today's perspective, we predict that production and demand of refined copper will be fairly balanced on the world market in 2013 overall. This should form a stable basis for the copper price. Volatility should still be expected, however. In light of the persistent risks in the macroeconomic environment, extraordinary events are also possible.

Foreign exchange markets are also subject to macroeconomic influences to a great extent. As a result, a reliable forecast on the US\$ and euro development cannot be given. Nevertheless, we have already largely hedged our currency risks.

## Expected business performance

### **BU PRIMARY COPPER ANTICIPATES GOOD MARKET TREND**

Copper concentrates are the most important raw material for copper production in BU Primary Copper. We expect a better supply on the international concentrate market in the new fiscal year. The production losses on the market during the reporting year due to strikes and technical issues will not be as much of a problem. Moreover, additional volumes will be available owing to new mine projects and expansions. At the same time, a number of smelters will undergo maintenance standstills, which will reduce concentrate demand. A general increase in the global treatment charge level is therefore expected overall.

For markets of other raw materials like blister copper and copper scrap, we expect a volatile market trend that will be closely connected to future copper price tendencies. The same is true for precious metal-bearing raw materials, whose supply is influenced by the price level for gold and silver, among other factors.

BU Primary Copper continues to anticipate good demand in the international market for sulfuric acid. However, economic changes could affect the fertilizer and chemical sector, thus affecting demand. On the supply side, the standstills expected at copper smelters will reduce the sulfuric acid supply.

We expect good capacity utilization of our production plants at all of the sites for fiscal year 2012/13 on the whole. Nevertheless, we are planning a standstill for our smelter in Hamburg in September/October 2013, during which important primary copper production equipment will be replaced or subject to repairs or inspection. The focus of the replacement measures is the flash smelter, the main primary copper production unit that has been in operation for more than 20 years.

We will also intensively continue developing cost reduction potential to improve our situation in international competition in BU Primary Copper during fiscal year 2012/13.

#### **BU RECYCLING/PRECIOUS METALS EXPECTS GOOD RAW MATERIAL AVAILABILITY**

BU Recycling/Precious Metals successfully expanded its processing options for complex recycling materials by implementing the KRS-Plus project. This increases our expertise in the efficient and environmentally sound processing of various secondary raw materials and strengthens this business sector's competitive position. With a deeply structured procurement organization, we are broadly established in the international supply markets and therefore have good access to the raw materials we use. This enables us to act flexibly and utilize opportunities even when conditions change.

The weaker global economic situation in fiscal year 2011/12 caused declining willingness to purchase copper scrap in some countries, including China. Consequently, the global supply exceeded demand in some cases, which provided us with good supply options. The copper price level is also decisive. We expect the good situation to continue in 2013 – specifically, that the copper scrap supply will stay at a relatively high level supported by a good copper price.

Looking at past experience, the possibility of temporarily volatile copper prices has to be assumed owing to general economic factors and trends on the raw material markets. Nevertheless, we expect a good copper scrap supply and good utilization of our smelting capacities.

We increased our technical input options and processing capacities for complex recycling materials. The availability of these raw materials is comparatively robust, not only because they often result from industry but because they will gain increasing support in the future due to the trend towards more and more complex products on the raw material side.

As a result, we will be able to take even better advantage of the supply of these raw materials overall and therefore expect full utilization of smelting capacities for these materials as well as a growing processing quantity. We also view the conditions for procuring precious metal-bearing materials as good.

With the start-up of a new anode slime processing plant at the end of the fiscal year, all of the Group's anode slimes will be leached and processed metallurgically in Hamburg in the future, which will positively influence the BU's earning power.

#### **BU COPPER PRODUCTS STILL IN A DIFFICULT MARKET ENVIRONMENT**

Despite the current economic trend, Europe is still an important sales market for high-quality copper products. This is due to the export strength of individual countries but also to the urgently needed renovation and expansion of the electricity grid after the energy turnaround in Germany.

In BU Copper Products, we expect demand for rod to stagnate at the level of the last few months at first, but this is influenced by seasonal factors. We expect demand for AURUBIS ROD to increase again slowly at the beginning of 2013, driven primarily by growing demand in the energy cable sector. The enameled wire sector will likely develop robustly again after it has bottomed out.

The effects we expect from the market trend will be accompanied by measures to increase Aurubis' share of European rod demand coverage. As an integrated premium rod producer with four modern production plants, Aurubis is positioned closely to its customers and is highly competitive.

AURUBIS SHAPES business will be developed further with a focus on a reliable supply of high-quality shapes at competitive conditions. In addition, another expansion of the production program in close cooperation with our customers will create the conditions for a positive business trend.

## Expected results of operations

The Aurubis Group will lack a stable, reliable environment in the next two years: there are still risks from the global economic situation, though positive tendencies are foreseeable in individual regions. Momentum for growth stimulation will likely come from China in particular. The economic situation could recover in the US as well if the upcoming problems with spending cuts and tax increases are solved. The economy in the eurozone will still be influenced by the debt crisis, however.

When it comes to pre-rolled strip, the weaker economic growth predicted for Germany, Europe and Asia influences customer orders. We thus expect weaker capacity utilization in this area at the beginning of fiscal year 2012/13.

In the strip product sector, we will first and foremost continue to optimize the production structure and strive to improve earnings in 2012/13. Positive effects will result from relocating copper strip production from Finspång (Sweden) to Zutphen (Netherlands) and Buffalo (USA). Production will be gradually scaled down in Finspång starting in the second half of 2013. At the same time, we will continue site-specific projects to increase productivity and profitability at all of the Business Line's sites.

In strip product sales, we will concentrate on strengthening our sales and marketing activities in Europe, North America and key markets in Asia following the integration. The earnings trend will largely depend on the economic development in the markets.

In light of this situation, a forecast of the expected results of operations is very difficult since there is no basis for a prediction. The business trend in BU Copper Products in particular is impacted by economic uncertainties. There are no clear trends in the significant customer industries, and they tend to plan at short notice. Expectations for the situation in Germany are still more positive than for Southern European countries. We expect product sales to be at least slightly up on the prior-year level.

On the raw material markets, we expect a satisfactory supply of copper concentrates and recycling raw materials, which pave the way for good TC/RCs and full capacity utilization. Copper prices, which are expected to be high, will have a positive effect, as will the expansion of mine production and lower concentrate demand due to scheduled maintenance standstills at smelters. Nevertheless, there are uncertainties about the mines' production performance, as they have been affected by serious disruptions in the past few years in some cases. From today's perspective, the good recent trend in the BUs Primary Copper and Recycling/Precious Metals will likely continue at first. This assumption includes the expectation of an ongoing satisfactory sales situation for sulfuric acid.

## Expected financial position

The trend in the financial position in the past fiscal year was characterized by a stable net cash flow that reflects the good business situation. A reduction in the net working capital contributed to the development of the net cash flow. All in all, net debt decreased by € 133 million to € 105 million. The Company's liquidity in the form of available cash grew from € 494 million to € 669 million. Furthermore, credit lines are available in the scope of a syndicated loan agreement, which were concluded in the past fiscal year at a level of € 350 million for five years. The Company thus has sufficient liquidity

With respect to the cost trend, we do not expect to exceed our budget. One exception is unpredictable influences from changes in legal conditions, e.g., in the energy market and environmental protection.

Overall, we therefore expect a stable earnings trend for the Aurubis Group based on the current business situation, which could nonetheless be affected by economic and regulatory influences in some areas.

If there are no significant changes in the Group's environment, we expect the Company to have satisfactory results of operations in the new fiscal year.

that is not at risk from today's perspective. We do not expect any significant negative impacts on the financial position from operating business for the new fiscal year.

Investing activities are expected to be at the prior-year level during the new fiscal year. Significant projects in the new year include the large-scale repair standstill in the primary smelter and the completion of the anode slime processing expansion at the Hamburg site. In Pirdop, investments will continue in expanding concentrate processing capacities and improving the emission situation.

## Overall conclusion on the expected development of the Aurubis Group

In fiscal year 2011/12, the Aurubis Group held its ground in a difficult environment that was largely influenced by economic uncertainties. In light of these conditions, Aurubis attained a very satisfactory result. The good position in our markets and the integrated company model contributed to this in particular.

Based on a solid financial foundation, these factors will support us in achieving success in a difficult market environment in the coming years as well. Measures have been carried out and planned to improve efficiency and optimize the structure, especially in the product business.

With respect to the trend on the global copper market, we expect that the fundamental conditions will lead to high copper prices in 2013, though there may be price fluctuations again. While we anticipate a good trend for Aurubis on the raw material markets, there are still risks in copper product sales, which are dependent on economic factors. Sulfuric acid sales, which are also important for the Company's results of operation, should continue at a good price level. However, negative influences from economic developments are possible in this area as well.

In our position on the raw material markets, we will continue to rely first and foremost on complex raw material processing in the next few years, both for copper concentrates and recycling materials. We are well positioned in this area and expect a good market supply. The supply of less complex raw material qualities should also be satisfactory in 2013.

We will intensively continue our strategic process and utilize all opportunities to build the Aurubis Group's strengths.

Aurubis therefore has good conditions for maintaining its position, even in the difficult environment that will likely accompany corporate development in the next few years. Risks which cannot be controlled or are hard to control, such as those arising from regulatory issues in the energy sector or environmental protection, could nonetheless lead to negative implications for earnings.

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# CONSOLIDATED INCOME STATEMENT

for the period October 1 to September 30 (IFRS)

in € thousand	Note	2011/12	2010/11
<b>Revenues</b>	1	<b>13,789,247</b>	<b>13,335,808</b>
Changes in inventories of finished goods and work in process		321,124	147,925
Own work capitalized	2	9,595	10,954
Other operating income	3	57,050	121,007
Cost of materials	4	(12,803,530)	(12,456,375)
<b>Gross profit</b>		<b>1,373,486</b>	<b>1,159,319</b>
Personnel expenses	5	(420,929)	(311,718)
Depreciation and amortization	6	(131,555)	(123,696)
Other operating expenses	7	(235,487)	(192,285)
<b>Operational result (EBIT)</b>		<b>585,515</b>	<b>531,620</b>
Result from investments	8	6	706
Interest income	9	12,817	14,272
Interest expense	9	(53,883)	(49,338)
Other financial result	9	(29,382)	(424)
<b>Earnings before taxes (EBT)</b>		<b>515,073</b>	<b>496,836</b>
Income taxes	10	(152,575)	(122,675)
<b>CONSOLIDATED NET INCOME</b>		<b>362,498</b>	<b>374,161</b>
Income attributable to non-controlling interests	11	1,377	1,653
Consolidated net income attributable to Aurubis AG shareholders		361,121	372,508
Basic earnings per share in €	12	8.03	8.51
Diluted earnings per share in €	12	8.03	8.51

Certain prior-year figures have been adjusted (see p. 133 f).



# CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the period October 1 to September 30 (IFRS)

in € thousand	2011/12	2010/11
<b>Consolidated net income</b>	<b>362,498</b>	<b>374,161</b>
Changes recognized directly in equity		
Market valuation of cash flow hedges	(26,357)	(6,102)
Market valuation of investment property	22,600	(8,236)
Changes from translation of foreign currencies	5,916	2,249
Deferred taxes on accumulated other comprehensive income	5,207	(304)
Other changes	7,875	0
<b>Other comprehensive income</b>	<b>15,241</b>	<b>(12,393)</b>
<b>CONSOLIDATED TOTAL COMPREHENSIVE INCOME</b>	<b>377,739</b>	<b>361,768</b>
Consolidated total comprehensive income attributable to Aurubis AG shareholders	376,362	360,115
Consolidated total comprehensive income attributable to non-controlling interests	1,377	1,653

Certain prior-year figures have been adjusted (see p. 133 f).

# CONSOLIDATED BALANCE SHEET (IFRS)

ASSETS				
in € thousand	Note	9/30/2012	9/30/2011	10/1/2010
Intangible assets		90,353	94,391	101,887
Property, plant and equipment		1,249,317	1,221,107	1,109,521
Investment property		0	8	15
Interests in affiliated companies		1,310	1,477	524
Investments		871	645	626
Other financial fixed assets		33,112	28,933	37,942
Financial fixed assets		35,293	31,055	39,092
<b>Fixed assets</b>	13	<b>1,374,963</b>	<b>1,346,561</b>	<b>1,250,515</b>
Deferred tax assets	21	2,867	2,910	5,182
Non-current receivables and financial assets		68,706	66,365	95,565
Other non-current assets		674	567	43
Non-current receivables and other assets	16	69,380	66,932	95,608
<b>NON-CURRENT ASSETS</b>		<b>1,447,210</b>	<b>1,416,403</b>	<b>1,351,305</b>
Inventories	14	2,059,641	1,769,040	1,387,363
Trade accounts receivable	15	524,660	564,415	437,384
Income tax receivables	16	16,244	10,271	24,776
Other current receivables and assets	16	171,269	278,938	182,379
Current receivables and other assets		712,173	853,624	644,539
Short-term security investments	17	364	479	301
Cash and cash equivalents	18	669,306	490,981	147,803
<b>CURRENT ASSETS</b>		<b>3,441,484</b>	<b>3,114,124</b>	<b>2,180,006</b>
<b>TOTAL ASSETS</b>		<b>4,888,694</b>	<b>4,530,527</b>	<b>3,531,311</b>

Certain figures as at 9/30/2011 and 10/1/2010 have been adjusted (see p. 133 f).

## EQUITY AND LIABILITIES

in € thousand	Note	9/30/2012	9/30/2011	10/1/2010
Subscribed capital		115,089	115,089	104,627
Additional paid-in capital		342,782	342,782	187,055
Generated Group earnings		1,747,002	1,431,954	1,104,403
Accumulated other comprehensive income components		(11,491)	(18,857)	(6,464)
Equity attributable to shareholders of Aurubis AG		<b>2,193,382</b>	<b>1,870,968</b>	<b>1,389,621</b>
Non-controlling interests		<b>4,043</b>	<b>4,160</b>	<b>3,859</b>
<b>EQUITY</b>	19	<b>2,197,425</b>	<b>1,875,128</b>	<b>1,393,480</b>
Pension provisions	20	107,823	107,742	74,069
Deferred tax liabilities	21	402,274	350,233	294,786
Other non-current provisions	22	77,664	73,961	50,603
Non-current provisions		<b>587,761</b>	<b>531,936</b>	<b>419,458</b>
Non-current borrowings		540,270	686,183	332,617
Other non-current liabilities		32,747	21,786	16,737
Non-current liabilities	23	<b>573,017</b>	<b>707,969</b>	<b>349,354</b>
<b>Non-current provisions and liabilities</b>		<b>1,160,778</b>	<b>1,239,905</b>	<b>768,812</b>
Other current provisions	22	72,700	<b>64,783</b>	<b>58,321</b>
Current borrowings		234,197	42,830	290,919
Trade accounts payable		1,023,739	868,173	792,530
Income tax liabilities		12,631	22,069	7,947
Other current liabilities		187,224	417,639	219,302
Current liabilities	23	<b>1,457,791</b>	<b>1,350,711</b>	<b>1,310,698</b>
<b>Current provisions and liabilities</b>		<b>1,530,491</b>	<b>1,415,494</b>	<b>1,369,019</b>
<b>TOTAL LIABILITIES</b>		<b>2,691,269</b>	<b>2,655,399</b>	<b>2,137,831</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>4,888,694</b>	<b>4,530,527</b>	<b>3,531,311</b>

Certain figures as at 9/30/2011 and 10/1/2010 have been adjusted (see p. 133 f).

# CONSOLIDATED CASH FLOW STATEMENT

for the period October 1 to September 30 (IFRS)

in € thousand	2011/12	2010/11
<b>Earnings before taxes</b>	<b>515,073</b>	<b>496,836</b>
Depreciation and amortization	161,438	123,696
Change in allowances on current assets	(204,545)	210,955
Change in non-current provisions	(4,769)	6,619
Net losses on disposal of fixed assets	563	801
Valuation of derivatives	(163,097)	188,167
Income from negative difference from acquisition of interests in affiliated companies	0	(77,232)
Result from investments	(6)	(706)
Net interest expense	40,032	34,962
Income taxes paid	(104,145)	(83,783)
Change in receivables and other assets, including short-term security investments	89,478	(30,653)
Change in inventories	(75,781)	(429,742)
Change in current provisions	7,420	3,254
Change in liabilities (excluding borrowings)	121,751	(25,178)
<b>Cash inflow from operating activities (net cash flow)</b>	<b>383,412</b>	<b>417,996</b>
Additions to fixed assets	(168,778)	(115,828)
Payment for the acquisition of interests in affiliated companies	0	(159,097)
Proceeds from disposal of fixed assets	1,578	2,409
Interest received	12,583	14,675
Dividends received	6	706
<b>Cash outflow from investing activities</b>	<b>(154,611)</b>	<b>(257,135)</b>
Proceeds from capital increase	0	169,609
Payment for costs of capital increase	0	(5,050)
Proceeds from issuance of bonds and taking up borrowings	169,325	717,130
Payment for the redemption of bonds and borrowings	(121,433)	(606,602)
Interest paid	(43,832)	(46,482)
Dividends paid	(55,443)	(46,309)
<b>Cash inflow (outflow in the prior year) from financing activities</b>	<b>(51,383)</b>	<b>182,296</b>
Net changes in cash and cash equivalents	177,418	343,157
Changes resulting from changes in exchange rates	907	21
Cash and cash equivalents at beginning of period	490,981	147,803
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	<b>669,306</b>	<b>490,981</b>

Certain prior-year figures have been adjusted (see p. 133 f).

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

in € thousand	Subscribed capital	Additional paid-in capital	Generated group equity	Accumulated comprehensive income components				Equity attributable to Aurubis AG shareholders	Non-controlling interests	Total
				Market valuation of cash flow hedges	Market valuation of financial assets	Exchange differences	Income taxes			
<b>Balance as at 9/30/2010</b>	<b>104,627</b>	<b>187,055</b>	<b>1,021,138</b>	<b>8,679</b>	<b>(16,736)</b>	<b>724</b>	<b>869</b>	<b>1,306,356</b>	<b>3,847</b>	<b>1,310,203</b>
Adjustment pursuant to IAS 8	0	0	83,265	0	0	0	0	83,265	12	83,277
<b>Balance as at 9/30/2010</b>	<b>104,627</b>	<b>187,055</b>	<b>1,104,403</b>	<b>8,679</b>	<b>(16,736)</b>	<b>724</b>	<b>869</b>	<b>1,389,621</b>	<b>3,859</b>	<b>1,393,480</b>
Increase in capital from issuing new shares <sup>1)</sup>	10,462	155,727	0	0	0	0	0	166,189	0	166,189
Dividend payment	0	0	(44,957)	0	0	0	0	(44,957)	(1,352)	(46,309)
Consolidated total comprehensive income	0	0	372,508	(6,102)	(8,236)	2,249	(304)	360,115	1,653	361,768
<b>Balance as at 9/30/2011</b>	<b>115,089</b>	<b>342,782</b>	<b>1,431,954</b>	<b>2,577</b>	<b>(24,972)</b>	<b>2,973</b>	<b>565</b>	<b>1,870,968</b>	<b>4,160</b>	<b>1,875,128</b>
<b>Balance as at 9/30/2011</b>	<b>115,089</b>	<b>342,782</b>	<b>1,431,954</b>	<b>2,577</b>	<b>(24,972)</b>	<b>2,973</b>	<b>565</b>	<b>1,870,968</b>	<b>4,160</b>	<b>1,875,128</b>
Dividend payment	0	0	(53,948)	0	0	0	0	(53,948)	(1,494)	(55,442)
Consolidated total comprehensive income	0	0	368,996	(26,357)	22,600	5,916	5,207	376,362	1,377	377,739
<b>BALANCE AS AT 9/30/2012</b>	<b>115,089</b>	<b>342,782</b>	<b>1,747,002</b>	<b>(23,780)</b>	<b>(2,372)</b>	<b>8,889</b>	<b>5,772</b>	<b>2,193,382</b>	<b>4,043</b>	<b>2,197,425</b>

<sup>1)</sup> The increase in capital was reduced in additional paid-in capital by net transaction costs of € 3,420 thousand. These include an actual tax benefit of € 1,630 thousand from the deductibility of the transaction costs for tax purposes.

Certain figures as at 9/30/2011 and 10/1/2010 have been adjusted (see p. 133 f).

# NOTES TO THE FINANCIAL STATEMENTS

## Basis of presentation

Aurubis Aktiengesellschaft (“Aurubis AG”) is a quoted limited company domiciled 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 and Section 315a paragraph 1 of the German Commercial Code (HGB), the accompanying consolidated financial statements as at September 30, 2012 have been prepared in accordance with the International Financial Reporting Standards (IFRSs) 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. No accounting policies in accordance with German law that do not comply with IFRS have been applied.

The Supervisory Board approved the publication of the consolidated financial statements on December 12, 2012.

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

Current and non-current assets are presented as separate categories in the balance sheet. 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.

Assets and liabilities have been measured as a general rule at amortized acquisition or construction cost. Derivative financial instruments 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 significant areas that have an impact on the measurement and reported amount of the assets and liabilities in the balance sheet, and on income and expenses. Sectors which require the application of estimates and assumptions in particular are presented under “Main estimates and assumptions” on page 137.

## Scope of consolidation

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 balance sheet date by way of full consolidation. The consolidated balance sheet date corresponds to the balance sheet date of Aurubis AG, Hamburg, and all consolidated subsidiaries, with the exception of four consolidated companies, whose balance sheet date is December 31.

Interim financial statements were prepared by these companies as at the consolidated balance sheet date for consolidation purposes.

Accordingly, the financial statements of all significant subsidiaries in which Aurubis AG holds legal and/or de facto control are included in these consolidated financial statements.

Schwermetall Halbzeugwerk GmbH & Co. KG, Stolberg, has been consolidated proportionately in accordance with IAS 31. A 50% investment is held in this entity, which is managed jointly with another partner (joint venture). The accounting policies applied comply with those for the fully consolidated subsidiaries.

Schwermetall Halbzeugwerk's share of the Group's assets as at September 30, 2012 amounted to € 86,973 thousand (€ 80,955 thousand in the prior year), its share of the non-current assets to € 18,120 thousand (€ 19,401 thousand in the prior year) and its share of current assets to € 68,853 thousand (€ 61,554 thousand in the prior year). Its share of non-current liabilities amounted to € 20,418 thousand (€ 18,678 thousand in the prior year) and its share of current liabilities to € 19,344 thousand (€ 19,925 thousand in the prior year). The company contributed € 8,208 thousand (€ 7,521 thousand in the prior year) to the Group's net income in the reporting period, and € 167,263 thousand (€ 171,137 thousand in the prior year) to its revenues.

## Consolidation principles

The separate financial statements of all companies included in consolidation are prepared in accordance with the uniform accounting policies applied in 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 annually for impairment. In accordance with IAS 36, goodwill is not systematically amortized. 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 nine German companies, 15 foreign companies are included in the consolidated financial statements. The financial statements of subsidiaries in foreign currencies were translated to euros in accordance with the concept of the functional currency. In accordance with IAS 21, assets and liabilities in the balance sheet are translated at the mid-market rates on the balance sheet date and the income statement is translated at the average rates for the year. Any resultant translation differences are recognized directly in equity until the possible disposal of the subsidiary.

The same consolidated policies are applied accordingly for proportionally consolidated joint ventures. The consolidation procedures required for transactions between such companies and the remaining group companies are performed proportionately based on the interest in the joint ventures.

## Changes in accounting policies on account of new standards and interpretations

### Accounting policies

#### Standards and interpretations applied for the first time

	Standards/interpretations	Compulsory application in the EU	Adoption by EU Commission	Impact
IAS 24	Related Party Disclosures	1/1/2011	7/20/2010	clarification of the definition of a related party
IFRIC 14	Amendment: Prepayments of a Minimum Funding Requirement	1/1/2011	7/20/2010	none
Various	Improvements to IFRS (2010)	1/1/2011	2/18/2011	none
IFRS 1	Amendment: Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters	7/1/2011	open	none
IFRS 7	Amendment: Financial Instruments: Disclosures – Transfers of Financial Assets	7/1/2011	11/23/2011	expansion of disclosures in the notes when transferring financial assets

#### Standards and interpretations not adopted early

	Standards/interpretations	Compulsory application in the EU	Adoption by EU Commission	Impact
IAS 12	Amendment: Deferred Tax – Recovery of Underlying Assets	1/1/2012	open	none
IAS 1	Amendment: Presentation of Items of Other Comprehensive Income	7/1/2012	6/5/2012	being investigated by Management
Various	Improvements to IFRS (2009 – 2011)	1/1/2013	open	none
IFRS 9	Financial Instruments – Classification and Measurement	1/1/2015	open	being investigated by Management
IFRS 10	Consolidated Financial Statements	1/1/2013*	open	being investigated by Management
IFRS 11	Joint Arrangements	1/1/2013*	open	elimination of proportional consolidation
IFRS 12	Disclosure of Interests in Other Entities	1/1/2013*	open	being investigated by Management
IFRS 13	Fair Value Measurement	1/1/2013	open	being investigated by Management



IAS 27	Separate Financial Statements (rev. May 2011)	1/1/2013	open	being investigated by Management
IAS 28	Investments in Associated Companies and Joint Ventures (rev. May 2011)	1/1/2013	open	being investigated by Management
IAS 19	Employee Benefits (rev. June 2011)	1/1/2013	6/5/2012	elimination of the corridor method, recognition of actuarial profits and losses in other comprehensive income
IFRIC 20	Stripping Costs in the Production Phase of a Surface Mine	1/1/2013	open	none

\* binding application deadline for EU companies will probably be postponed until 1/1/2014

### Adjustment pursuant to IAS 8

The Financial Reporting Enforcement Panel carried out a random audit (i.e., an audit without a particular cause) on the Aurubis consolidated financial statements and the Aurubis management report for fiscal year 2009/10 as part of the German enforcement procedure. The procedure ended with a notification from the Federal Financial Supervisory Authority (BaFin) dated October 2, 2012, which was published in the Börsen-Zeitung on October 30, 2012 and in the electronic German Federal Gazette on October 31, 2012 pursuant to Section 37q paragraph 2 sentence 1 German Securities Trading Act. The BaFin's notification stated that the inventories in the consolidated financial statements for fiscal year 2009/10 and the generated Group earnings before taxes were understated by at least € 29.7 million and that the caption "changes in inventories of finished goods and work in process" in the consolidated income statement was understated by at least € 25.2 million. As a result, the BaFin stated that the accounting for work in process needed to be completely revised.

The understatement of the inventories results from the use of different valuation methods for the raw materials and finished products on the one hand and the work in process (so-called intermediate products) included in the production process on the other. The intermediate products were valued with the average historical acquisition costs due to their inclusion in the process, while the remaining inventories were valued using the average cost method pursuant to IAS 2.25. Work in process comprises a so-called technical base inventory and the intermediate products in production. The base inventory is the inventory that is technically necessary to enable the production system to operate and to ensure the functionality of the production facilities. According to the BaFin's notification, the valuation of the inventory of intermediate products in excess of the base inventory at average historical acquisition costs is inconsistent with IAS 2.

Intermediate products that are used in the production process will therefore be measured similarly to raw materials and finished products by the average method starting in the current fiscal year. A commensurate correction was carried out retrospectively in accordance with IAS 8.41.

As a consequence of the correction, the inventory of intermediate products in excess of the base inventory is valued similarly to the remaining inventories retrospectively and uniformly applying an average cost method in accordance with IAS 2.25. This results in an accumulated valuation effect in inventories of € 197.1 million as at September 30, 2011, which is made up as follows (in € million):

- » € 29.7 million accumulated as at September 30, 2010 pursuant to the BaFin's findings
- » € 91.3 million residual intermediate stocks as at September 30, 2010
- » € 76.1 million subsequent valuation in fiscal year 2010/11

The impact on earnings before taxes in the fiscal year ended September 30, 2011 amounts to € 76.1 million.

In this connection, a retrospective correction to the balance sheet presentation in accordance with IAS 8.41 was also carried out and the technical base inventory was reclassified from inventories to fixed assets. The technical base inventory contained in the intermediate products has been permanently included in Aurubis' facilities since commissioning and is required to maintain the facilities' functionality. No consumption takes place in the course of the production process, as the metals contained in the technical base inventory can be recovered and sold after the plant has permanently shut down. This technical base inventory therefore serves to maintain the functionality of the Company's production facilities permanently and accordingly can be regarded as a fixed asset.

Aurubis appointed an external, independent expert to audit the necessity for and the amount of the technical base inventories for the start-up and maintenance of the operation of the production facilities. As a result of their fixed asset character, Aurubis has recognized the base inventories retrospectively as a component of the production facilities in the fixed assets with their original acquisition costs. The component approach is applied in conjunction with subsequent valuation. The acquisition costs of the fiscal years concerned were recognized in the case of capacity expansions and company acquisitions.

The reporting of the technical base inventory in fixed assets results in a reclassification without impacting profit or loss from inventories to fixed assets of € 250.6 million as at September 30, 2011 and of € 251.2 million as at October 1, 2010.

Quantities that are not part of the technical base inventory continue to be reported in the inventories.

Deferred tax liabilities were calculated retrospectively on the basis of the company-specific tax rates of the subsidiaries affected (see also Note 10).

The prior year comparative figures and the opening balance sheet as at October 1, 2010 were adjusted as prescribed by IAS 8 in the 2011/12 consolidated financial statements.

The quantitative impacts of the corrections on the consolidated financial statements are presented in the following table:

#### Correction of consolidated balance sheet pursuant to IAS 8

in € thousand	9/30/2011 before correction	Correction pursuant to IAS 8		9/30/2011 after correction
		Reclassification	Revaluation	
<b>ASSETS</b>				
Property, plant and equipment	970,502	250,605	0	1,221,107
Inventories	1,822,520	(250,605)	197,125	1,769,040
Raw materials and supplies	879,590	0	(4,752)	874,838
Work in process	607,378	(250,605)	202,120	558,893
Finished goods, merchandise	335,006	0	(243)	334,763
Payments on account of inventories	546	0	0	546
Other non-current and current assets	1,540,380	0	0	1,540,380
<b>TOTAL ASSETS</b>	<b>4,333,402</b>	<b>0</b>	<b>197,125</b>	<b>4,530,527</b>
<b>EQUITY AND LIABILITIES</b>				
Equity	1,740,108	0	135,020	1,875,128
Subscribed capital	115,089	0	0	115,089
Additional paid-in capital	342,782	0	0	342,782
Generated group earnings	1,296,948	0	135,006	1,431,954
Accumulated other comprehensive income components	(18,857)	0	0	(18,857)
Equity attributable to shareholders of Aurubis AG	1,735,962	0	135,006	1,870,968
Non-controlling interests	4,146	0	14	4,160
Deferred tax liabilities	288,128	0	62,105	350,233
Other non-current and current liabilities	2,305,166	0	0	2,305,166
<b>TOTAL ASSETS</b>	<b>4,333,402</b>	<b>0</b>	<b>197,125</b>	<b>4,530,527</b>

**Correction of consolidated balance sheet pursuant to IAS 8**

in € thousand	10/1/2010 before correction	Correction pursuant to IAS 8		10/1/2010 after correction
		Reclassification	Revaluation	
<b>ASSETS</b>				
Property, plant and equipment	858,345	251,176	0	1,109,521
Inventories	1,517,511	(251,176)	121,028	1,387,363
Raw materials and supplies	745,178	0	(6,850)	738,328
Work in process	538,102	(251,176)	127,864	414,790
Finished goods, merchandise	233,057	0	14	233,071
Payments on account of inventories	1,174	0	0	1,174
Other non-current and current assets	1,034,427	0	0	1,034,427
<b>TOTAL ASSETS</b>	<b>3,410,283</b>	<b>0</b>	<b>121,028</b>	<b>3,531,311</b>
<b>EQUITY AND LIABILITIES</b>				
Equity	1,310,203	0	83,277	1,393,480
Subscribed capital	104,627	0	0	104,627
Additional paid-in capital	187,055	0	0	187,055
Generated Group earnings	1,021,138	0	83,265	1,104,403
Accumulated other comprehensive income components	(6,464)	0	0	(6,464)
Equity attributable to shareholders of Aurubis AG	1,306,356	0	83,265	1,389,621
Non-controlling interests	3,847	0	12	3,859
Deferred tax liabilities	257,035	0	37,751	294,786
Other non-current and current liabilities	1,843,045	0	0	1,843,045
<b>TOTAL ASSETS</b>	<b>3,410,283</b>	<b>0</b>	<b>121,028</b>	<b>3,531,311</b>

**Correction of consolidated income statement pursuant to IAS 8**

in € thousand	10/1/2010 – 9/30/2011 before correction	Correction pursuant to IAS 8	10/1/2010 – 9/30/2011 after correction
Changes in inventories of work in process and finished goods	73,926	73,999	147,925
Cost of materials	(12,458,473)	2,098	(12,456,375)
<b>Gross profit</b>	<b>1,083,222</b>	<b>76,097</b>	<b>1,159,319</b>
<b>Operational result</b>	<b>455,523</b>	<b>76,097</b>	<b>531,620</b>
<b>Earnings before taxes</b>	<b>420,739</b>	<b>76,097</b>	<b>496,836</b>
Income taxes	(98,321)	(24,354)	(122,675)
<b>CONSOLIDATED NET INCOME</b>	<b>322,418</b>	<b>51,743</b>	<b>374,161</b>
Income attributable to non-controlling interests	1,651	2	1,653
Consolidated net income attributable to Aurubis AG shareholders	320,767	51,741	372,508
Basic earnings per share in €	7.33	1.18	8.51
Diluted earnings per share in €	7.33	1.18	8.51

**Main estimates and assumptions**

Accounting and valuation in the consolidated financial statements are influenced by a number of estimates and assumptions 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 reviewed for impairment annually in line with the accounting and valuation methods. The attainable amount was calculated on the basis of the value in use (Note 13). The calculation of the value in use requires estimates of the future cash flow in particular on the basis of budget planning. The result of the impairment test during the fiscal year was that there was no impairment. A 10% reduction in the predicted cash flow or a 1% increase in the WACC before taxes from 6.4% to 7.4% would also not result in any allowances.

**Fair values in conjunction with business combinations**

Acquired assets, debts and contingent liabilities are recognized with their fair values in the accounting of business combinations. DCF-based procedures, whose results depend on the assumed future cash flows and other assumptions, are often used. The valuation of contingent liabilities depends significantly on the assumptions with respect to the future resource outflows and the probability of 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 mathematical procedures and are influenced by assumptions specific to the instrument. Detailed information can be found in the section entitled "Additional disclosures on financial instruments" on page 176.

### Pension provisions and other provisions

Obligations from defined benefit pension plans are measured in accordance with actuarial procedures. These procedures are based on several actuarial assumptions, for example the assumed interest rate, the expected return on plan assets, expected income and pension development, employee fluctuations and life expectancy. In the calculation of the assumed interest rate, industrial bonds of the highest credit standing are used whose term corresponds to the duration of the obligations. Current market expectations are also included in determining the expected return from plan assets. Deviations of the actual development from the expectations lead to actuarial profit or loss that could have significant effects on the amount of the pension obligations and the fair value of the plan assets. The application of the corridor method significantly reduces the effect of actuarial profit and loss on the amount of the balance sheet approach, however, and levels it over time.

When balancing other provisions, assumptions are made with regard to the probability of occurrence, the amount and time of the resource outflow, which are naturally characterized by uncertainty.

Other significant estimates are related to calculating the useful lives of intangible assets and property, plant and equipment, the collectability of receivables, the valuation of inventory risks in the inventory as well as the valuation of obligations from share-based compensation.

### Recognition of revenues and expenses

Revenues and other operating income are recognized when control is transferred or the significant risks and rewards of ownership of the goods are transferred to the customer. Processing fees are taken into account in accordance with the stage of completion of the processed material.

Operating expenses are recognized when incurred. Interest income and interest expense are recognized in the periods to which they relate. If income or expenses arise as a result of profit and loss transfer agreements, they are recognized at the end of the respective fiscal year. Interest expense from leasing agreements is calculated using the effective interest method. Dividends to which group companies are entitled are recognized as income at the time that the right to receive them arises.

### Financial instruments

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

**Financial assets** comprise in this connection in particular 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 liabilities. These include in particular bonds and other securitized liabilities, liabilities to banks, trade accounts payable, financial lease liabilities and derivative financial instruments. Financial instruments are generally recognized as soon as a group company of Aurubis AG becomes a contractual party to the regulations of the financial instrument. In the Group, regular way purchases and sales of financial instruments are generally recorded as of the settlement date, i.e., at the date of delivery and transfer of title, and in metal trading at the trade date. Derivative financial instruments are recognized as of the trade date. Financial assets and financial liabilities are generally reported gross (i.e., without being netted). Under prevailing law, quoted metal futures contracts are reported netted, observing matching maturities.

Financial assets are recognized initially 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 balance sheet generally represent the market prices of the financial assets. If these cannot be determined directly by referring to an active market, they are measured with a normal market procedure (valuation model), applying the market parameters specific to the instrument. Non-interest-bearing financial assets with a term exceeding a year are discounted. For financial assets with a remaining term of less than a year, it is assumed that the fair value corresponds with the nominal value. Financial assets in foreign currency are measured on initial recognition with the valid rate for the day and as at the balance sheet date with the selling rate as at the balance sheet date. Financial assets sold without recourse are derecognized.

The non-current receivables reported in **“other financial fixed assets”** are assigned to the category “loans and receivables” and are measured at amortized cost, applying the effective interest method.

On account of their short maturities, **trade accounts receivable** are measured at nominal value, less allowances for bad debts. A distinction is made between specific allowances and lump-sum specific allowances. The allowances take adequate account of the credit risks, which are determined on the basis of historical experience and individual assessments of the risks. Actual defaults result in derecognition of the receivables affected.

Impairments of trade accounts receivable are recorded through an allowance account. The decision as to whether a credit risk should be taken into account by means of an allowance account or a direct reduction of the receivable depends on the reliability of the assessment of the risk situation.

**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 classified as held for trading.

In addition, delivery contracts are concluded at Aurubis for non-ferrous metals not only to cover the expected requirement for raw materials and the expected sale of finished products, but also to exploit price fluctuations between short-term and long-term forward prices. Price-fixed 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.

The fixed-interest securities reported under the current assets, all of which are pledged, are allocated to the **held-to-maturity** category. These held-to-maturity financial instruments are measured at amortized cost.

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

The **“available-for-sale”** category represents in the Aurubis Group 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 fixed asset securities. 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 directly in equity. This does not apply if these are permanent or significant impairment losses and foreign-currency-related changes in the value of debt instruments, which are recognized in profit or loss. The accumulated gains or losses on measurement at fair value that are recorded in equity are only recognized in profit or loss on disposal of the financial assets. If the fair value of non-quoted equity instruments cannot be reliably determined, the interests are measured at cost, if appropriate net of impairment losses.

No financial instruments were reclassified into other measurement categories either in fiscal year 2011/12 or in fiscal year 2010/11.

An impairment loss is recognized in the Aurubis Group 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 balance sheet date. Indications such as considerable financial problems on the part of the debtor can be referred to in order to determine objectively whether impairment has incurred.

For the question of impairment, the existing credit relationships that are assigned to the category “loans and receivables” shall be analyzed and they shall then be measured subsequently at amortized cost. In addition, the financial assets of the held-to-maturity category shall be investigated. It shall be investigated at every balance sheet date 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). Thereby, cash flows from short-term receivables are not discounted, for the sake of simplicity. The carrying amount of the asset shall be reduced to the recoverable amount through profit or loss by a direct write-down or by using an allowance account.

For equity instruments of the “available-for-sale” category, an impairment loss is recognized if fair value is permanently significantly lower than the original cost. The loss is the difference between the current fair value and the carrying amount of the financial instrument. While reversals of impairment losses on debt instruments shall be recognized in profit or loss, in the case of equity instruments they may only be recognized in equity.

**Financial liabilities** are initially recognized at fair value. The directly attributable transaction costs are also recognized for all financial liabilities that are not subsequently measured at fair value and amortized over the term applying the effective interest method. Financial liabilities in foreign currency are valued on initial recognition with the valid rate for the day and as at the balance sheet date with the buying rate as at the balance sheet date.

**Primary financial liabilities**, which include borrowings, trade accounts payable and other primary financial liabilities, are fundamentally measured at amortized cost. If the interest effect is not insignificant, non-interest-bearing liabilities or liabilities at low interest rates with a term exceeding one year are discounted. In the case of liabilities with a term of less than a year, it is assumed that the fair value corresponds with 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. If this is negative, this results 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 non-ferrous metal 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, this is calculated with present value and option price models. As far as possible, the relevant market prices and interest rates observed at the balance sheet 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 directly in equity. Thereby, what is decisive is whether or not the derivative financial instrument is included in an effective hedging relationship. If no **cash flow hedge accounting** exists, the changes in fair values shall be recognized immediately in profit or loss. If on the other hand an effective hedging relationship exists, this will be recognized in other comprehensive income without affecting profit or loss.

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 on 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, IAS 39 requires for the application of the regulations of hedge accounting 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 the changes in the opposite direction in the fair value or the 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 the exposure to variability in 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 market 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 into account deferred taxes. The ineffective portion of the valuation result on the other hand is recognized in profit or loss in the income statement. The general recognition rules for the transactions underlying the hedged cash flows do not change. 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.

The purpose of **fair value hedges** is to hedge the exposure to changes in the fair value of a recognized asset or liability or an unrecognized firm commitment. The Aurubis Group uses fair value hedges in conjunction with interest rate hedging. Thereby, interest rate swaps are used to hedge changes in the fair value of borrowings. In accordance with the regulations on fair value hedge accounting, the derivative financial instru-

ment used as a hedging instrument is recognized at fair value, whereby gains and losses on measurement are recognized in profit or loss in the income statement. For the hedged asset or the hedged liability, changes in the market value resulting from the hedged risk must also be recognized in profit or loss in the income statement. The gains or losses on measurement from the hedged item relating to the hedged risk are recognized in profit or loss together with the gains or losses on the hedging instrument.

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 regulations on hedge accounting. Nevertheless, these hedging relationships comply from an economic point of view with the principles of risk management. Moreover, no hedge accounting is applied in the case of the monetary assets and liabilities recognized in connection with the foreign currency hedging, because the gains and losses on the hedged items that have to be realized on the foreign currency translation in accordance with IAS 21 in profit or loss 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 IAS 39 could under certain circumstances be allocated irrevocably on initial recognition to the subcategory “fair value option”. The Aurubis Group has not made use of the fair value option either for financial assets or for financial liabilities.

### Fixed assets

If intangible assets are acquired, they are recognized at acquisition cost. Internally generated intangible assets that will generate future economic benefit are recognized at their creation cost, if they are technically feasible. They are amortized systematically straight-line over their expected useful lives of generally three years. With the exception of goodwill, the consolidated financial statements do not include any intangible assets with indefinite useful lives.

Property, plant and equipment used in the business operations for more than one year are measured at acquisition or construction cost less systematic depreciation. Technical minimum stocks will be recognized as components of the respective technical equipment and machinery starting this fiscal year. Minimum stocks are quantities of materials that contain metals and are necessary to establish and ensure a production facility's functionality (see the comments on adjustments pursuant to IAS 8 on p. 133 f).

Construction costs include all direct costs as well as a reasonable share of the construction related overheads. Borrowing costs that can be directly allocated to the purchase, construction or production of a qualified asset are capitalized and amounted to € 987 thousand during fiscal year 2011/12 (€ 0 thousand in the prior year). Systematic depreciation is recorded using the straight-line method. The depreciation periods used correspond to the expected economic useful lives in the Group. The following main useful lives are applied:

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.

Leased property, plant and equipment that satisfy the criteria of IAS 17 for a finance lease are recognized within the fixed assets. This is the case if all significant risks and rewards of economic ownership lie with the respective group company. Such property, plant and equipment are recognized at fair value or, if lower, at the present value of the minimum lease payments, and 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. The future lease payment obligations are recognized as a liability at their present value.

Assets that have an indefinite useful life, such as goodwill, are not amortized systematically, but are tested for impairment each year. Furthermore, an assessment is made on every balance sheet date to determine whether there are any indications that the asset could be impaired.

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, an unlimited useful life is assumed. The minimum stocks are therefore not amortized systematically but are instead tested for impairment in connection with the respective production facilities.

Assets that are systematically amortized 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 identi-

fied (cash-generating units). With the exception of goodwill, non-cash assets on which impairment losses were recognized in the past shall be investigated as at each balance sheet date to see whether the impairment losses possibly have to be reversed.

Buildings held as investment property are measured at amortized cost less systematic straight-line depreciation in accordance with the aforementioned useful lives for buildings.

### **Inventories**

Inventories are measured at acquisition or production cost. Production cost includes all direct costs as well as a reasonable share of the production-related overheads. In accordance with IAS 2, all interchangeable inventories are valued applying the average cost method and are recognized as at the reporting date at the lower of cost and net realizable value. Net realizable value is determined as a general rule on the basis of the exchange or market prices as at the balance sheet date or the higher already contractually agreed sales prices if the price-fixed agreements are not already recognized as derivative financial instruments at their fair value at the respective group company.

### **Other non-financial assets**

Other non-financial assets are recognized at amortized cost. Any risk in the non-financial assets is provided for by write-downs.

### **Deferred taxes**

Deferred taxes result from temporary differences between the tax-related carrying amounts of assets and debts 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 and the tax rates expected in the individual countries at the time of realization. These are generally based on the legal situation that applies or that has largely been legally adopted as of the balance

sheet date and is 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 on temporary differences, tax loss carry-forwards and tax credits are recognized at the company entities to the extent that deferred tax liabilities are present. If deferred tax assets exceed deferred tax liabilities, they are recognized to the extent to which it is possible that income that is taxed sufficiently in the future will be available for utilization of these tax assets. The recoverability of the recognized deferred taxes is reviewed individually every year.

Deferred tax liabilities that arise due to temporary differences in connection with investments in subsidiaries and associated companies are recognized unless the time of 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 influence. Changes in deferred taxes in the balance sheet 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 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 can be set off against each other.

### Provisions

Provisions for pension and similar obligations are determined in accordance with the projected unit credit method prescribed by IAS 19 based on actuarial reports. The demographic assumptions applied as well as the expected salary and pension trends and the discount rate to be used are determined on the basis of current estimates as of the balance sheet date. Accordingly, actuarial gains and losses can result from deviations between the actual parameters and the assumptions used for the calculation. In accordance with the corridor method described in IAS 19, actuarial gains and losses at the beginning of the fiscal year are amortized if they exceed 10 % of the defined benefit obligation or the fair value of plan assets at the beginning of the fiscal year. The amount recognized for the period then comprises the amount exceeding the corridor allocated over the remaining working lives of the employees participating in the pension plan. The interest portion included in the pension costs is recorded in the financial result as net interest expense.

Other provisions are recognized for all other uncertain obligations and risks of the Aurubis Group for which an obligation to third parties results from past events, the settlement of which is expected to result in an outflow of cash resources, and the amount of which 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.

### Share-based compensation components

Senior staff and non-tariff staff in the Aurubis Group can participate in a share-based compensation component with cash in lieu, for which the recognition and measurement regulations of IFRS 2 have to be applied. This is a virtual stock option plan.

The resultant liability is measured in accordance at the fair value of the issued options. The resultant personnel expenses are recognized pro rata temporis in profit or loss over the waiting period of the options. The fair value is recalculated for each balance sheet date during the blocking period and until the options are exercised. The basis for this is provided by option price models (binomial model and Monte Carlo

simulation), depending on what was promised by the program, taking into account changes in the measurement parameters. The impact on the financial statements for the current fiscal year and the prior year is shown in the explanations on the personnel expenses in Note 5.

## Notes to the income statement

### 1. Revenues

By product groups	2011/12	2010/11
in € thousand		
Continuous cast wire rod	3,927,302	4,911,162
Copper cathodes	3,442,124	2,961,071
Precious metals	3,459,654	3,045,448
Continuous cast shapes	745,171	1,136,576
Pre-rolled strip, strips and profiles	1,292,376	427,374
Other	922,620	854,177
	<b>13,789,247</b>	<b>13,335,808</b>

A further breakdown of Aurubis Group revenues by Group segments is provided in the segment reporting at the end of this report.

### 2. Own work capitalized

Own work capitalized of € 9,595 thousand (€ 10,954 thousand in the prior year) primarily includes production costs and purchased materials.

### 3. Other operating income

in € thousand	2011/12	2010/11
Cost reimbursements and services for third parties	16,378	13,697
Income from commission and refunded freight payments	7,017	8,178
Damages and indemnities	7,289	2,111
Income from the reversal of provisions	1,091	1,277
Gains on disposal of fixed assets		
Other income	25,275	95,744
of which rent received on investment property	108	108
	<b>57,050</b>	<b>121,007</b>

The income from the disposal of the negative goodwill from the acquisition of Luvata RPD in the amount of € 77,232 thousand is included in the other income for the prior year.

#### 4. Cost of materials

in € thousand	2011/12	2010/11
Raw materials, supplies and merchandises	12,509,078	12,216,460
Cost of purchased services	294,452	239,915
	<b>12,803,530</b>	<b>12,456,375</b>

Certain prior-year figures have been adjusted (see p. 133 f).

Cost of materials developed in line with revenues.

Taking into account the changes in inventories of € 321,124 thousand (€ 147,925 thousand in the prior year), the cost of materials ratio fell slightly to 90.5% (92.3% in the prior year).

#### 5. Personnel expenses and human resources

in € thousand	2011/12	2010/11
Wages and salaries	332,327	247,026
Social security, pension and other benefit expenses	88,602	64,692
	<b>420,929</b>	<b>311,718</b>

The pension expenses primarily comprise allocations to the provisions for pensions and to externally funded pension plans.

A share-based compensation component with cash in lieu has been in force for the Executive Board, senior staff and non-tariff staff in the Aurubis Group since fiscal year 2004/05 in the form of a virtual stock option plan. The prerequisite for participation is that the respective senior staff must hold a certain number of Aurubis shares. The options granted can be exercised after a waiting period of three years, at the earliest however after the third ordinary Annual General Meeting since the commencement of the term of the respective tranche. They must be exercised within a year. The right to exercise the options and the amount of the payments to each participant are determined on the basis of two performance criteria, which depend firstly on the absolute increase in the Aurubis share price and secondly on the performance of Aurubis shares compared with the CDAX as the reference index.

The granted entitlements to share options have developed as follows:

	4th tranche	5th tranche	6th tranche	7th tranche	Total
<b>Outstanding options as at 10/1/2010</b>	<b>8,250</b>	<b>598,200</b>	<b>659,000</b>	<b>522,000</b>	<b>1,787,450</b>
Options granted in the fiscal year	0	0	0	0	0
Options realised in the fiscal year		0	10,100	11,000	21,100
Options expired in the fiscal year	0	0	0	0	0
Options exercised in the fiscal year	8,250	578,850	0	0	587,100
<b>Outstanding options as at 9/30/2011</b>	<b>0</b>	<b>19,350</b>	<b>648,900</b>	<b>511,000</b>	<b>1,179,250</b>
Options exercisable as at 9/30/2011	0	0	0	0	0

	5th tranche	6th tranche	7th tranche	Total
<b>Outstanding options as at 10/1/2011</b>	<b>19,350</b>	<b>648,900</b>	<b>511,000</b>	<b>1,179,250</b>
New options taken up in the fiscal year	0	4,000	4,000	8,000
Options granted in the fiscal year	0	0	0	0
Options realized in the fiscal year	0	8,000	8,000	16,000
Options expired in the fiscal year	0	0	0	0
Options exercised in the fiscal year	19,350	644,900	0	664,250
<b>Outstanding options as at 9/30/2012</b>	<b>0</b>	<b>0</b>	<b>507,000</b>	<b>507,000</b>
Options exercisable as at 9/30/2012	0	0	0	0

The weighted average remaining contract term for all options is 13 months. The average value of the options exercised in the past fiscal year amounted to € 13.49 (€ 14.80 in the prior year).

The resultant personnel expenses from the stock option plan are recognized in profit or loss pro rata temporis over the waiting period of the options. In the past fiscal year these amounted to € 3,335 thousand (€ 8,430 thousand in the prior

year). The options issued are measured at fair value with the help of two option price models (absolute amount by means of a binomial model and relative hurdle by means of a Monte Carlo simulation) both for Aurubis shares and for the CDAX reference index. The share and index performance at future dates is simulated as part of a Monte Carlo simulation. Fair value is recalculated as at each balance sheet date during the blocking period and until the options are exercised, on

the basis of the option price models, taking into account changes in the measurement parameters. The fair value per option right as at September 30, 2012 was between € 3.98 and € 11.40 (between € 5.68 and € 15.47 in the prior year), while the provision for this as of the balance sheet date amounted to € 3,277 thousand (€ 8,905 thousand in the prior year). The following parameters were assumed:

Non-risk interest rate	0.68%
Aurubis AG share price as at valuation date	€ 45.35
Aurubis AG share volatility	40.55%
CDAX performance as at valuation date	635.30
CDAX volatility	29.31%
Aurubis AG/CDAX correlation	81.47%

The expected volatility was determined on the basis of the historical development of the share price, because there were no implicit volatilities.

The average number of employees in the Group during the year was as follows:

	2011/12	2010/11
Blue collar	4,054	3,132
White collar	2,001	1,630
Trainees and apprentices	259	247
	<b>6,314</b>	<b>5,009</b>
thereof number of employees in joint ventures	137	147

## 6. Depreciation and amortization

Depreciation and amortization for the Group on intangible assets and property, plant and equipment totaled € 131,555 thousand (€ 123,696 thousand in the prior year). This comprises depreciation of € 124,799 thousand (€ 113,277 thousand in the prior year) on property, plant and equipment, amortization of € 6,748 thousand (€ 10,412 thousand in the prior year) on intangible assets and depreciation of € 8 thousand (€ 7 thousand in the prior year) on investment property.

In the past fiscal year, depreciation and amortization included impairment losses of € 6,987 thousand (€16,590 thousand in the prior year).

Impairments in the current fiscal year relate not only to intangible assets (€ 2,365 thousand) but also to property, plant and equipment (€ 4,622 thousand). They primarily result from impairment losses on fixed assets of Aurubis Switzerland, SA. In the Business Line Bars and Profiles, production was discontinued at the Yverdon-Les-Bains site at the end of April 2012 as scheduled. The production plant was relocated to Olen, Belgium and integrated in that facility's Business Line's production processes. The recoverable amount of the CGU Bars and Profiles was determined by calculating the fair value less cost to sell, using a WACC of 7.1% after taxes and applying the planned after-tax cash flow from an approved four-year plan. It was determined using both historical data and the expected market performance. The growth rate for extrapolating the last planning year is 0.5%.

For intangible assets, the prior-year impairments mainly result from the complete write-off of the proportional capitalized development costs at CIS Solartechnik GmbH & Co. KG of € 4,466 thousand.

For property, plant and equipment, the impairment largely related to property and buildings, technical facilities and machines as well as facilities under construction at Aurubis Sweden AB amounting to € 10,029 thousand due to measures to optimize and consolidate production capacities for flat rolled copper products.



The impairments affected the copper products segment both in the current fiscal year and in the prior year.

A breakdown of depreciation and amortization on intangible assets, property, plant and equipment and financial assets is provided in the details of changes in fixed assets.

### 7. Other operating expenses

in € thousand	2011/12	2010/11
Selling expenses	99,312	80,933
Administrative expenses	77,874	62,357
Other taxes	2,329	3,819
Sundry operating expenses	55,972	45,176
	<b>235,487</b>	<b>192,285</b>

The selling expenses mainly comprise freight costs.

### 8. Result from investments

in € thousand	2011/12	2010/11
Income from investments	6	706
Income from profit and loss transfer agreements	0	0
	<b>6</b>	<b>706</b>

Income from investments comprises dividends from non-consolidated subsidiaries.

### 9. Interest, similar income and expenses

in € thousand	2011/12	2010/11
Interest income	12,817	14,272
Interest expense	(53,883)	(49,338)
Other financial result	(29,382)	(424)
	<b>(70,448)</b>	<b>(35,490)</b>

Interest and similar expenses include the interest component of the pension expenses in the amount of € 5,863 thousand (€ 4,279 thousand in the prior year).

The other financial result mainly results from impairment losses on fixed asset securities.

### 10. Income taxes

Income taxes comprise income taxes paid or owed and deferred taxes. Income tax expense including deferred taxes is made up as follows:

in € thousand	2011/12	2010/11
Current taxes	95,217	85,356
Deferred taxes	57,358	37,319
	<b>152,575</b>	<b>122,675</b>

Certain prior-year figures have been adjusted (see p. 133 f).

The higher tax charge compared to the prior year is due to the earnings. Current taxes include back-payments for prior years of € 6,750 thousand (€ 497 thousand in the prior year), while deferred taxes include the effects from the corrections of the tax base of € 483 thousand (€ -3,527 thousand in the prior year).

The applicable German corporate income tax for fiscal year 2011/12 foresees a statutory tax rate of 15% (15% in the prior year), plus a solidarity surcharge of 5.5% (5.5% in the prior year). Trade tax at Aurubis AG amounts to 16.59% (16.45% in the prior year) of the taxable income. Trade tax rates of between 10.71% and 17.33% are applicable for the other German group companies. The foreign companies are subject to their national income tax which varies between 10% and 36.31% (10% and 35.98% in the prior year). The “notional interest deduction” is a special feature to be observed in Belgian tax law which results in a lower assessment basis for the current taxes of Aurubis Belgium in the reporting period of € 23,625 thousand (€21,634 thousand in the prior year).

In accordance with IAS 12.81(c), the actual tax expense has to be reconciled to the tax charge that would have resulted if the theoretical tax rates were applied to the reported consolidated pre-tax earnings.

The Group tax position is to a significant degree a combination of international tax rates. As a consequence, the tax rate of the German parent company of 32.42% (32.28% in the prior year) does not form the basis of the calculated group tax rate, but instead a group-wide mixed tax rate of 26.88% (28.96% in the prior year).

**Reconciliation:**

in € thousand	2011/12	2010/11
Earnings before taxes	515,073	496,836
Theoretical tax charge at 26.88% (28.96% in the prior year)	138,462	143,891
Changes in the theoretical tax charge due to:		
changes in tax rate	1,970	8
non-recognition and correction of deferred taxes	(653)	7,454
taxes for prior years	7,234	(3,029)
increase (capitalization) of corporate income tax credit	(134)	(152)
non-deductible expenses	13,726	3,635
non-taxable income	(723)	(721)
notional interest deduction (Belgium)	(8,030)	(7,353)
negative goodwill recognised from the acquisition of Luvata RPD	0	(20,947)
other	723	(111)
<b>INCOME TAXES</b>	<b>152,575</b>	<b>122,675</b>

Certain prior-figures have been adjusted (see p. 133 f).

The increase in non-deductible expenses mainly results from the impairment losses on fixed asset securities.

The effects of the non-recognition and correction of deferred taxes mainly resulted in the prior year from the write-down of temporary differences and the tax loss carryforwards at Aurubis Sweden AB.

The deferred tax assets and deferred tax liabilities result from the following recognition and measurement differences in individual balance sheet items, from tax loss carryforwards and from outside basis differences (OBD):

in € thousand	9/30/2012		9/30/2011	
	Deferred tax assets	Deferred tax liabilities	Deferred tax assets	Deferred tax liabilities
Intangible assets	2,932	3,972	3,129	3,659
Property, plant and equipment	898	131,987	905	140,441
Financial fixed assets	2	62	226	304
Inventories	12,392	314,433	8,183	236,391
Receivables and other assets	1,277	42,897	3,667	100,685
Pension provisions	13,581	0	14,104	6
Other provisions	9,811	1,429	7,766	850
Liabilities	51,858	770	111,708	18,467
Tax loss carryforwards	3,963	0	4,572	0
Outside basis differences	0	571	0	780
Offsetting	(93,847)	(93,847)	(151,350)	(151,350)
<b>PER CONSOLIDATED BALANCE SHEET</b>	<b>2,867</b>	<b>402,274</b>	<b>2,910</b>	<b>350,233</b>

Certain amounts as at 9/30/2011 have been adjusted (see p. 133 f).

Altogether € 48,572 thousand of the deferred tax assets and € 157,752 thousand of the deferred tax liabilities will be realized within the next 12 months. Deferred tax assets of € 48,142 thousand and deferred tax liabilities of € 338,369 thousand will be realized after more than 12 months. The figures represent the values prior to offsetting.

As a result of the retrospective correction in accordance with IAS 8, deferred tax liabilities of € 37,751 thousand, which corresponded to the required correction as at October 1, 2010, were recorded directly in equity. An additional € 24,354 thousand was retrospectively recorded in the 2010/11 consolidated income statement and therefore also affected the profit brought forward as at September 30, 2011. Accordingly, the amount of deferred tax liabilities as at September 30, 2011 compared with the information published in the prior year increased by

altogether € 62,105 thousand. This change relates entirely to the deferred tax liabilities on inventories. At the same time, a change in the reporting of the technical minimum stock from inventories to property, plant and equipment led to the reclassification of deferred tax liabilities of € 32,197 thousand from inventories to property, plant and equipment. The amount of deferred taxes on the inventories compared to the prior year therefore increased net by € 29,908 thousand compared with the prior year.

The amount of deferred taxes resulting from cash flow hedges charged or credited directly in other comprehensive income (OCI) and thus equity has fallen by € 5,207 thousand, after offsetting, compared with the prior year to deferred tax assets of € 5,772 thousand.

In addition, there were exchange rate-related changes in the individual deferred tax positions of the foreign subsidiaries totaling € 67 thousand. Otherwise, the changes in deferred tax assets and liabilities were recognized in profit or loss.

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 assumed in accordance with IAS 12.34 that the tax loss carryforwards will be utilized to the extent that this is probable.

Total tax loss carryforwards amount to € 83,480 thousand (€75,348 thousand in the prior year). No deferred tax assets have been recognized on trade tax loss carryforwards of € 64,166 thousand (€54,196 thousand in the prior year), as the possibility of using them is seen as unlikely from the current perspective. Of the tax loss carryforwards deemed not to be usable, an amount of € 39,865 thousand (€ 42,082 thousand in the prior year) can be carried forward indefinitely and an amount of € 24,301 thousand (€ 12,114 thousand in the prior year) can be used within the next seven years.

The recognition of corporate income tax credits and increases on account of Section 37 German Corporate Income Tax Act resulted in net income of € 134 thousand in the year under review (€ 152 thousand in the prior year).

Deferred tax liabilities of € 571 thousand (€ 786 thousand in the prior year) were set up on the difference between the proportional equity of a subsidiary recognized in the consolidated balance sheet and the investment carrying amount for this subsidiary in the tax base of the parent company (so-called outside basis differences) as at the balance sheet date. No deferred tax liabilities were set up for outside basis differences from accumulated earnings of subsidiaries amounting to € 27,725 thousand (€ 22,777 thousand in the prior year) since the reversal of these differences is unlikely in the foreseeable future.

### 11. Income attributable to non-controlling interests

Of the reported net income for 2011/12 of € 362,498 thousand (€ 374,161 thousand in the prior year), income of € 1,377 thousand (€ 1,653 thousand in the prior year) is attributable to shareholders other than the shareholders of Aurubis AG, Hamburg. This relates to the interests of outside shareholders in Deutsche Giessdraht GmbH, Emmerich and Aurubis Bulgaria AD, Pirdop.

### 12. Earnings per share

Basic earnings per share are calculated by dividing the consolidated net income excluding the non-controlling interests by the weighted average number of shares outstanding during the fiscal year.

in € thousand	2011/12	2010/11
Consolidated net income excluding non-controlling interests	361,121	372,508
Weighted average number of shares (in thousand)	44,957	43,770
<b>BASIC EARNINGS PER SHARE IN €</b>	<b>8.03</b>	<b>8.51</b>

Certain prior-year figures have been adjusted (see p. 133 f).

Diluted earnings per share are determined by adding to the weighted average of the shares outstanding in the fiscal year the maximum number of shares which could be issued if all conversion rights on convertible bonds were 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 correspond for the Aurubis Group with the basic earnings per share.

## Notes to the Balance Sheet

### 13. Fixed assets

The breakdown and development of the Group's intangible assets and property, plant and equipment are presented on pages 190 – 193.

Intangible assets comprise licenses acquired for a consideration and goodwill on consolidation arising in the Aurubis Group. As in the prior year, most of the goodwill relates in the amount of € 6,322 thousand to the cash-generating unit of Prymetall GmbH & Co. KG, Stolberg, and in the amount of € 17,439 thousand to the Copper Products cash-generating unit (CGU) at Aurubis Hamburg.

For the impairment test, the goodwill acquired in conjunction with a business combination is allocated to the CGU, which 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, the goodwill resulting from the acquisition of Prymetall GmbH & Co. KG was allocated to the following CGUs for purposes of the impairment test in accordance with IAS 36:

in € thousand	CGU Aurubis Stolberg	CGU copper products Aurubis Hamburg
9/30/2012	6,322	17,439

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 comprise a planning horizon of four years before transferring to perpetuity. The budget approved by the management forms the basis for the detail planning phase. In the forecast of the cash flows, the budget planning includes the future market and industry expectations as well as experiences from the past.

For the extrapolation of the cash flows beyond the detailed planning period, constant growth rates of 1% (1% in the prior year) were assumed. The growth rate was derived from future expectations and does not exceed the long-term average growth rates of the respective markets.

The weighted average cost of capital is determined on the basis of market data. The WACC for the discounting carried out amounted to 6.4% after taxes or 8.8% before taxes as at September 30, 2012 (5.9% or 8.1% before taxes in the prior year).

As in the prior year, the goodwill was not impaired.

As in the prior year, no development costs were recognized in the Group as at September 30, 2012. Research costs are recognized in profit or loss for the respective periods.

Rented or leased property, plant and equipment totaled € 23,798 thousand (€ 25,969 thousand in the prior year). This mainly consists of ships for the transportation of sulfuric acid as well as facilities for handling, storing and transporting copper concentrates in Brunsbüttel. The carrying amount of the leased facilities includes carrying amounts for ships for transporting copper concentrates and sulfuric acid in the amount of € 7,868 thousand (€8,388 thousand in the prior year) and carrying amounts for the storehouse for storing copper concentrates in Brunsbüttel in the amount of € 6,312 thousand (€ 6,755 thousand in the prior year). Some of the lease payments are adjusted annually based on the indexed price trend for industrial products. The remaining leases are generally based on fixed rental arrangements. Collateral has not been provided for them.

As at September 30, 2012, group fixed assets with a carrying amount of € 17,895 thousand were pledged as security for loans (€ 17,895 thousand in the prior year). Purchase commitments for property, plant and equipment amounted at that date to € 5,578 thousand (€ 6,587 thousand in the prior year).

The fair value of all land and buildings held as investment property amounted to € 1,083 thousand as in the prior year. The fair values are determined on the basis of an appraisal. The rental income expected on this as at September 30, 2012 amounted to € 542 thousand as in the prior year, of which € 108 thousand is due within one year. The directly attributable operating expenses are insignificant.

The interests in affiliated companies and other investments included in the financial fixed assets in the amount of € 2,181 thousand (€ 2,122 thousand in the prior year) are classified as “available-for-sale”. In the past fiscal year, 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. It is not at present planned to sell the interests.

The other loans reported in financial fixed assets include neither overdue nor impaired items.

A detailed overview of the investments included in the financial assets of Aurubis AG is presented at the end of this report.

As regards the other financial fixed assets that are impaired nor in default of payment, there was no indication as at the current balance sheet date that the debtors will not fulfill their payment obligations.

Fixed asset securities still mainly comprise investments in Salzgitter AG, Salzgitter.

Minimum stocks will be recognized in technical equipment and machinery as components of the respective technical equipment and machinery, starting this fiscal year. Minimum stocks are quantities of materials that are necessary to establish and ensure a production facility's functionality (see the remarks on adjustments pursuant to IAS 8 on p. 133 f). A total of € 268,127 thousand was allocated to the technical minimum stock as at September 30, 2012 (€ 250,605 thousand in the prior year).

## 14. Inventories

in € thousand	9/30/2012	9/30/2011
Raw materials and supplies	844,952	874,838
Work in process	692,506	558,893
Finished goods, merchandise	515,246	334,763
Payments on account of inventories	6,937	546
	<b>2,059,641</b>	<b>1,769,040</b>

Values as at 9/30/2011 adjusted in some cases (see p. 133 f)

In the fiscal year, write-ups of € 205,517 thousand were recorded on the inventories (write-downs of € 208,062 thousand in the prior year) due to the higher metal prices.

### 15. Trade accounts receivable

The trade accounts receivable as at September 30, 2012 and as at September 30, 2011 were due within one year.

The age structure of the trade accounts receivable is as follows:

in € thousand	Carrying amount	thereof: neither past due nor impaired as at the balance sheet date	thereof: not impaired as at the balance sheet date and due in the following time bands		
			less than 30 days	between 30 and 180 days	more than 180 days
as at 9/30/2012					
<b>Trade accounts receivable</b>	<b>524,660</b>	496,728	21,165	5,423	1,344
as at 9/30/2011					
<b>Trade accounts receivable</b>	<b>564,415</b>	518,878	40,666	2,418	2,453

The allowances on trade accounts receivable relate to the total write-down on receivables from customers, mainly comprising receivables at Aurubis Belgium nv/sa.

Movements on the allowances for trade accounts receivable are as follows:

in € thousand	9/30/2012	9/30/2011
<b>Specific allowances</b>		
Balance at beginning of fiscal year	3,292	0
Allowances in the period	673	2,586
Additions	1,491	2,687
Reversal	(752)	(472)
Transfers	(89)	370
Exchange rate changes	23	1
<b>BALANCE AT END OF FISCAL YEAR</b>	<b>3,965</b>	<b>3,292</b>

All expenditure and income from allowances and write-offs of trade accounts receivable are shown respectively under other operating expenses or other operating income.

As regards the trade accounts receivable which have neither been impaired nor is payment in arrears, there is no indication as at the balance sheet date that the debtors will not fulfill their payment obligations.

Default risks on trade accounts receivable are largely covered by trade credit insurance. Apart from this, no further significant collateral is available to the Aurubis Group.

## 16. Receivables and other assets

Other receivables and other assets comprise other financial and other non-financial assets.

Other financial assets were made up as follows as at the balance sheet date:

in € thousand	9/30/2012	9/30/2011
<b>Non-current (with residual term of more than 1 year)</b>		
Over-funding of pension funds	22,751	24,134
Derivative financial instruments of the held-for-trading category	31,278	24,373
Derivative financial instruments as hedging instruments as part of hedge accounting	331	5,084
Other non-current financial assets	14,346	12,774
<b>NON-CURRENT FINANCIAL ASSETS</b>	<b>68,706</b>	<b>66,365</b>
<b>Current (with residual term of less than 1 year)</b>		
Derivative financial instruments of the held-for-trading category	51,988	100,702
Derivative financial instruments as hedging instruments as part of hedge accounting	3,333	11,336
Receivables from related parties	7,661	6,726
Other current financial assets	28,926	75,794
<b>CURRENT FINANCIAL ASSETS</b>	<b>91,908</b>	<b>194,558</b>

Receivables from related parties primarily comprise receivables from Schwermetall Halbzeugwerk GmbH & Co. KG, Stolberg, which is consolidated proportionately, and receivables from non-consolidated subsidiaries.

Derivative financial instruments of the held-for-trading category with a term of more than one year are reported as non-current due to their economic hedging relationship.

The other current financial assets include a continuing involvement from late payment risks for factoring transactions of current trade accounts receivable in the amount of € 1,508 thousand (€ 2,301 thousand in the prior year). The level of continuing involvement corresponds to the maximum risk of loss based on the assumption that all receivables open on the balance sheet 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 € 1,823 thousand (€ 2,848 thousand in the prior year) was reported in connection with the continuing involvement. All trade accounts receivable sold to factoring companies have a term under one year, so the fair value of the continuing involvement and the associated liability each correspond to the carrying amount.

Sales of receivables for which Aurubis is not subject to late payment risks do not include any significant continuing involvement and were therefore completely derecognized.

In total, outstanding receivables in the amount of € 198 million (€ 251 million in the prior year) had been sold to factoring companies as at the balance sheet date.

With the exception of the asset amount resulting from the over-funding of pension funds and interest derivatives, there is no interest rate risk for any receivable or other asset.



Further information on the asset resulting from over-funding of pension funds is provided in Note 20 Pension provisions and on the interest derivatives in Note 25 Financial instruments.

The allowances on other financial assets are reported in the following table:

in € thousand	9/30/2012	9/30/2011
<b>Specific allowances</b>		
Balance at beginning of fiscal year	392	499
Allowances in the period	(96)	(107)
Additions	0	0
Reversal	(100)	(107)
Exchange rate changes	4	0
<b>BALANCE AT END OF FISCAL YEAR</b>	<b>296</b>	<b>392</b>

In the past fiscal year, income of € 100 thousand (€ 107 thousand in the prior year) from the reversal of write-downs was recorded on other financial assets and reported in other operating income.

As regards other financial assets that have neither been impaired nor is payment in arrears, there is no indication as of the balance sheet date that the debtors will not fulfill their payment obligations.

The breakdown of other non-financial assets as at the balance sheet date is as follows:

in € thousand	9/30/2012	9/30/2011
<b>Non-current (with residual term of more than 1 year)</b>		
Other non-current non-financial assets	674	567
<b>NON-CURRENT NON-FINANCIAL ASSETS</b>	<b>674</b>	<b>567</b>
<b>Current (with residual term of less than 1 year)</b>		
Receivables from income taxes	16,244	10,271
Other current non-financial assets	79,361	84,380
<b>CURRENT NON-FINANCIAL ASSETS</b>	<b>95,605</b>	<b>94,651</b>

The other current non-financial assets mainly comprise VAT receivables at Aurubis AG, Hamburg, and Aurubis Bulgaria AD, Pirdop.

### 17. Short-term security investments

These are fixed-interest securities and shares in equity funds.

### 18. Cash and cash equivalents

Cash and cash equivalents consist of current accounts and time deposits at banks, as well as cash in hand and checks. Cash at banks mainly comprises euro deposits at various banks.

### 19. Equity

The share capital amounts to € 115,089,210.88 and is divided into 44,956,723 no-par-value bearer shares, each with a notional interest of € 2.56.

The Executive Board is empowered, subject to the approval of the Supervisory Board, to increase the share capital by March 2, 2016 by up to € 57,544,604.16 by issuing new shares once or in several installments for a cash contribution or a contribution in kind.

The share capital has been conditionally increased by up to € 52,313,277.44 by issuing up to 20,434,874 new no-par-value bearer shares with a proportionate notional amount per share of € 2.56 of the share capital (conditional capital increase). It will be used to grant rights to the holders of bonds with warrants and/or convertible bonds and participation rights and/or participating bonds that can be issued by March 2, 2015.

Generated group equity comprises consolidated net income, the retained earnings 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.

The legal reserve of € 6,391 thousand, which is not available for dividend payments, is also included in this amount. The change in generated group equity from € 1,431,954 thousand as at October 1, 2011 to € 1,747,002 thousand as at September 30, 2012 includes the dividend payment of € 53,948 thousand, the consolidated net income for fiscal year 2011/12 of € 361,121 thousand and other changes totaling € 7,875 thousand.

Changes in accumulated other comprehensive income of altogether € 7,366 thousand (€ -12,393 thousand in the prior year) mainly comprise gains and losses of € -26,357 thousand (€ -6,102 thousand in the prior year) on market valuations of derivative financial instruments in conjunction with cash flow hedges and of € 22,600 (€ -8,236 thousand in the prior year) on market valuations of other financial assets.

The amount transferred during the period from other comprehensive income to the consolidated income statement in conjunction with cash flow hedge accounting is € -6,613 thousand (€ 10,229 thousand in the prior year) and is reflected first and foremost in cost of materials. For market valuations of investment property, € 24,972 thousand (€ 465 thousand in the prior year) was transferred from other comprehensive income to the consolidated income statement, which is reported in the other financial result.

The non-controlling interests amounting to € 4,043 thousand (€ 4,160 thousand in the prior year) comprise the interests of non-group shareholders in the equity of a fully consolidated company. This relates as at September 30, 2012 to Deutsche Giessdraht GmbH, Emmerich, and Aurubis Bulgaria AD, Pirdop.

Changes in equity are presented in detail in the consolidated statement of changes in equity.

### Proposed appropriation of earnings

The separate financial statements of Aurubis AG, Hamburg, have been prepared in accordance with German GAAP (HGB – German Commercial Code).

<b>Net income for the year of Aurubis AG</b>	<b>€ 121,581,733.31</b>
Profit brought forward from the prior year	€ 51,093,834.14
Allocations to other revenue reserves	€ 60,000,000.00
<b>Unappropriated earnings</b>	<b>€ 112,675,567.45</b>

We will propose to the Annual General Meeting that Aurubis AG, Hamburg's unappropriated earnings of € 112,675,567.45 be used to pay a dividend of € 1.35 per no-par-value share (= € 60,691,576.05) and that € 51,983,991.40 be carried forward.

A dividend of € 1.20 per share was paid in fiscal year 2011/12, a total of € 53,948,067.60.

### 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 task of Group Treasury is to provide optimum liquidity and to control the Group's liquidity to ensure that the balance sheet structure is in equilibrium in the long term. Control and monitoring are carried out on the basis of defined ratios. Net debt and liquidity are controlled in the medium and short term by regular cash flow forecasts.

One of the main 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 the ratio of EBIT (earnings before interest and taxes) to capital employed as at the balance sheet date. ROCE in the Aurubis Group on the basis of the operating result used by group management for controlling purposes reached 20.5% in the past fiscal year, compared with 18.7% in the prior year, due to the improved operating results of operations (EBIT of € 366 million com-

pared with € 327 million in the prior year). Taking into account the capital employed and EBIT in accordance with IFRS, ROCE amounts to 24.3% for the current fiscal year, compared with 23.9% in the prior year.

### 20. Pension provisions

Retirement benefits for employed persons are granted in the Aurubis Group based on both defined benefit plans and defined contribution plans. The expenditure incurred for these is included in the personnel expenses and interest expense.

The majority of pension benefit plans in the Aurubis Group are defined benefit plans. Both funded and unfunded plans exist.

Actuarial reports were obtained for all pension obligations. The reports take uniform group-wide accounting into consideration while nevertheless accommodating countries' specific features.

The pension obligations were computed on the basis of the following ranges for assumed market discount rates, salary and pension trends:

	9/30/2012	9/30/2011
Discount rate	3.40%	4.02% to 4.80%
Expected salary trend	3% to 5%	3% to 5%
Expected pensions trend	1.8% to 4.25%	1.8% to 5.5%
Expected return on plan assets	4.25% to 7.5%	4.25% to 7.5%
Staff fluctuation	0.00% to 10.00%	0.00% to 10.00%

The assumption of a salary increase of 5% (5% in the prior year) was applied exclusively for the valuation of the pension provision of Aurubis Bulgaria AD, Pirdop.

In the event of over-funded pension plans, the resulting assets are reported under other non-current assets in accordance with IAS 19.58. The net liability recognized in the consolidated balance sheet for defined benefit plans is arrived at as follows:

in € thousand	9/30/2012	9/30/2011	9/30/2010	9/30/2009	9/30/2008
Present value of unfunded pension obligations	71,215	61,952	44,066	40,849	36,566
+ Present value of funded pension obligations	418,084	338,033	300,264	259,799	230,969
<b>= Present value of pension obligations</b>	<b>489,299</b>	<b>399,985</b>	<b>344,330</b>	<b>300,648</b>	<b>267,535</b>
- Fair value of plan assets	(297,643)	(272,086)	(237,790)	(240,806)	(241,743)
- Unrecognized actuarial gains/losses	(106,583)	(44,291)	(57,953)	(14,526)	13,388
<b>= Net obligation recorded in the balance sheet</b>	<b>85,073</b>	<b>83,608</b>	<b>48,587</b>	<b>45,316</b>	<b>39,180</b>
+ Asset in accordance with IAS 19.58	22,750	24,134	25,482	26,134	27,432
<b>PROVISION PER BALANCE SHEET</b>	<b>107,823</b>	<b>107,742</b>	<b>74,069</b>	<b>71,450</b>	<b>66,612</b>

The resultant provision developed as follows:

in € thousand	9/30/2012	9/30/2011
<b>Net provision as at 10/1</b>	<b>107,742</b>	<b>74,069</b>
+ Additions from first-time consolidation	0	31,489
+ Net expense recognized in the income statement	14,996	12,707
- Payments to beneficiaries during the fiscal year (unfunded plans)	(8,776)	(7,149)
- Payments to pension funds during the fiscal year (funded plans) including changes in the asset	(8,007)	(3,548)
+/- Exchange rate difference	1,666	772
+/- Other	202	(598)
<b>PROVISION AS AT 9/30</b>	<b>107,823</b>	<b>107,742</b>

The following amounts were recognized in the income statement for the past fiscal year:

in € thousand	2011/12	2010/11
Current service cost	7,273	6,303
Interest cost on the pension obligations	18,650	14,411
Expected return on plan assets	(12,787)	(10,132)
Actuarial gains and losses	1,169	2,125
Compensation for curtailments	691	0
<b>EXPENSE RECOGNIZED IN PROFIT OR LOSS</b>	<b>14,996</b>	<b>12,707</b>

The actual return on plan assets was € 14,689 thousand higher than expected (€ 9,593 thousand lower in the prior year).

The expected return on plan assets is determined based on the expected average development of the plan assets taking into account the current investment policies for the

respective plans. The expected return on fixed interest securities is based on the gross effective interest rate on the balance sheet date. The expected returns on real estate and shares reflect the expected long-term effective returns in the respective markets.

The plan assets developed as follows:

in € thousand	9/30/2012	9/30/2011	9/30/2010
<b>Fair value of plan assets as at 10/1</b>	<b>272,086</b>	<b>237,790</b>	<b>240,806</b>
Additions from the first-time consolidation of Cumerio	0	42,931	0
Expected return on plan assets	12,787	10,140	9,781
Actuarial gains and losses	15,131	(12,295)	2,245
Pension payments	(15,646)	(12,299)	(11,775)
Contributions made by employer	11,533	4,414	2,043
Exchange rate difference	1,752	1,405	0
Other changes	0	0	(5,310)
<b>FAIR VALUE OF PLAN ASSETS AT END OF FISCAL YEAR</b>	<b>297,643</b>	<b>272,086</b>	<b>237,790</b>

The plan assets include neither the Company's own financial instruments nor owner-occupied real estate.

The plan assets had the following structure:

	9/30/2012	9/30/2011
Fixed interest securities	46 %	43 %
Real estate	29 %	27 %
Shares	14 %	11 %
Other	11 %	19 %
	<b>100 %</b>	<b>100 %</b>

Expenditure for defined contribution plans for the Group retirement pensions amounted to € 26,113 thousand in the year under review (€ 18,733 thousand in the prior year). These include both voluntary undertakings and the employer's contribution made by the Group to the statutory state pension funds.

## 21. Deferred tax liabilities

The breakdown of the deferred tax liabilities is presented in Note 10 Income taxes.

## 22. Other provisions

The individual classes of provisions developed as follows during the past fiscal year:

in € thousand	Balance per 10/1/2011	Additions due to change in scope of consolidation	Used	Released	Allocated	Interest effect	Exchange rate difference	Balance per 9/30/2012
Personnel provisions	110,168	0	46,456	84	53,481	850	956	118,915
Expected losses on onerous contracts	2,198	0	342	0	661	0	0	2,517
Environmental provisions	16,171	0	287	0	567	591	378	17,420
Sundry provisions	10,207	0	5,801	1,007	8,056	0	57	11,512
	<b>138,744</b>	<b>0</b>	<b>52,886</b>	<b>1,091</b>	<b>62,765</b>	<b>1,441</b>	<b>1,391</b>	<b>150,364</b>

The personnel provisions consist mainly of obligations to employees relating to Christmas bonuses, outstanding holiday claims, anniversary bonuses, bridging loans, profit-sharing bonuses and from the early retirement scheme. Provisions for environmental risks were primarily allocated to clean-up measures at the Hamburg and Lünen sites as well as Buffalo,

USA and Zutphen, Netherlands. The provisions have terms of up to 28 years. Various methods are available to carry out these measures. The probable costs are determined taking into account historical experience in comparable cases, existing appraisals and the clean-up methods that will probably be used on the basis of present knowledge.

Commensurate compensation claims of € 6.6 million were recognized for the elimination of environmental damage at the Buffalo and Zutphen sites.

### 23. Liabilities

Financial liabilities as at the balance sheet date were as follows:

in € thousand	9/30/2012	9/30/2011	9/30/2010
<b>Non-current (with residual terms of more than 1 year)</b>			
Borrowings	518,220	662,348	306,899
Liabilities under finance leases	22,050	23,835	25,718
Derivative financial instruments of the held-for-trading category	13,746	11,624	8,805
Derivative financial instruments as hedging instruments as part of hedge accounting	18,364	9,104	7,791
Other non-current financial liabilities	2	138	136
<b>NON-CURRENT FINANCIAL LIABILITIES</b>	<b>572,382</b>	<b>707,049</b>	<b>349,349</b>
<b>Current (with residual terms of less than 1 year)</b>			
Trade accounts payable	1,023,739	868,173	792,530
Borrowings	232,453	40,908	287,699
Derivative financial instruments of the held-for-trading category	28,575	235,708	37,915
Liabilities to related parties	3,432	13,150	5,265
Liabilities under finance leases	1,744	1,922	3,220
Derivative financial instruments as hedging instruments as part of hedge accounting	8,025	2,943	1,730
Other current financial liabilities	41,980	45,753	53,269
<b>CURRENT FINANCIAL LIABILITIES</b>	<b>1,339,948</b>	<b>1,208,557</b>	<b>1,181,628</b>

Social security obligations to pension funds amounting to € 15,547 thousand (€ 13,606 thousand in the prior year) are included in other current financial liabilities.

The liabilities under finance leases include the present value of the minimum lease payments and the contractually guaranteed residual values at the end of the lease term. Payments are due as follows:

in € thousand	9/30/2012				9/30/2011			
	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
Minimum lease payments	2,578	9,334	18,282	30,194	2,818	9,730	20,495	33,043
Interest portion	834	2,740	2,826	6,400	896	2,966	3,424	7,286
Redemption portion	1,744	6,594	15,456	23,794	1,922	6,764	17,071	25,757

The following table shows the contractually agreed undiscounted interest and redemption payments of the non-derivative financial liabilities and the derivative financial instruments with negative fair values made by the Aurubis Group. Derivatives are shown with their net cash flows. From foreign exchange forward transactions with a negative fair value, payments in

the amount of € 928.0 million (€ 770.1 million in the prior year) are matched by receipts in the amount of € 902.8 million (€ 743.1 million in the prior year) as at September 30, 2012. Derivatives with positive fair values qualify as assets and are therefore not included.

in € thousand	Carrying amount as at 9/30/2012	Payments		
		up to 1 year	from 1 to 5 years	more than 5 years
Borrowings	750,673	246,153	551,666	24,652
Liabilities under finance leases	23,794	2,578	9,334	18,282
Trade accounts payable	1,023,739	1,023,739	0	0
Liabilities to related parties	3,432	3,432	0	0
Derivatives of the held-for-trading category	42,321	28,575	13,040	706
Derivatives designated as a hedging instrument for hedge accounting	26,389	8,025	18,364	0
Other financial liabilities	41,982	41,979	3	0
<b>TOTAL</b>	<b>1,912,330</b>	<b>1,354,481</b>	<b>592,407</b>	<b>43,640</b>



in € thousand	Carrying amount as at 9/30/2011	Payments		
		up to 1 year	from 1 to 5 years	more than 5 years
Borrowings	703,257	58,802	487,019	264,643
Liabilities under finance leases	25,757	2,818	9,730	20,495
Trade accounts payable	868,173	868,173	0	0
Liabilities to related parties	13,150	13,150	0	0
Derivatives of the held-for-trading category	247,332	235,708	11,311	313
Derivatives designated as a hedging instrument for hedge accounting	12,047	2,943	9,104	0
Other financial liabilities	45,891	45,753	138	0
<b>TOTAL</b>	<b>1,915,607</b>	<b>1,227,347</b>	<b>517,302</b>	<b>285,451</b>

This presentation does not show any plan figures but only the financial instruments that were held as at September 30, 2012 or September 30, 2011 and for which contractual agreements on the payments existed. Foreign currency amounts are translated at the closing rate.

At subsidiaries, liabilities to loans of € 17,895 thousand (€ 17,895 thousand in the prior year) are secured by mortgages and fixed assets. Financial assets have not been pledged as collateral for liabilities to banks.

Non-financial liabilities as at the balance sheet date are as follows:

in € thousand	9/30/2012	9/30/2011
<b>Non-current (with residual term of more than 1 year)</b>		
Other non-current non-financial liabilities	635	920
<b>NON-CURRENT NON-FINANCIAL LIABILITIES</b>	<b>635</b>	<b>920</b>
<b>Current (with residual term of less than 1 year)</b>		
Other tax liabilities	76,088	86,700
Social security obligations	13,498	12,439
Income tax liabilities	12,631	22,069
Advance payments received on orders	5,119	7,617
Other current non-financial liabilities	10,507	13,329
<b>CURRENT NON-FINANCIAL LIABILITIES</b>	<b>117,843</b>	<b>142,154</b>

Other tax liabilities mainly comprise import-VAT.

## 24. Contingent liabilities and other financial commitments

in € thousand	9/30/2012	9/30/2011
Commitments under tolling agreements	60,403	46,609
Capital commitments	9,132	6,587
Warranty obligations and other contingencies	164,154	225,672
Contingent liabilities under discounted bills	888	1,343
	<b>234,577</b>	<b>280,211</b>

The capital commitments relate exclusively to property, plant and equipment.

Joint ventures account for € 1,059 thousand of the total commitments (€ 344 thousand in the prior year).

Commitments under tolling agreements refer to the value of the metal extracted during the tolling process, which has to be returned by group companies. These obligations are matched by corresponding recourse claims.

Other commitments mainly include long-term agreements for the provision of discharging and handling services by various service providers.

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. The payments are based on price and performance components as well as a contribution to the investment costs of a power plant. Furthermore, there is an oxygen supply contract in place for the Hamburg and Lünen sites until September 30, 2026.

### Financial commitments under leases

As at September 30, 2012, minimum lease payments under operating leases amounted to € 14,429 thousand (€ 16,523 thousand in the prior year). These are due as follows:

in € thousand	less than 1 year	1 to 5 years	more than 5 years	Total
9/30/2012				
<b>Minimum lease payments under operating leases</b>	<b>5,830</b>	<b>8,502</b>	<b>97</b>	<b>14,429</b>
9/30/2011				
<b>Minimum lease payments under operating leases</b>	<b>5,839</b>	<b>10,557</b>	<b>127</b>	<b>16,523</b>

Lease payments in fiscal year 2011/12 recognized as expense amounted to € 6,583 thousand (€4,964 thousand in the prior year).

## 25. Financial instruments

The Aurubis Group is exposed to market risks, liquidity risks and credit 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 risks, commodity price risks and interest rate risks.

### Exchange rate risks

As a result of its business operations, the Aurubis Group is exposed to interest 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 cover the USD. The daily foreign currency positions from underlying transactions are offset against each other each day and remaining open positions are squared by means of foreign exchange derivatives. Aurubis works exclusively with brokers and bankers with good credit standing on all foreign exchange transactions.

Furthermore, foreign currency forward contracts and metal futures contracts as well as foreign currency 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 were recognized in the accompanying financial statements initially in equity in the amount of the effective part of the hedge transaction. These are recognized in profit or loss as soon as the underlying hedged transaction is recognized in profit or loss in the respective fiscal year.

Future receipts in foreign currencies are primarily hedged by forward contracts and options. Fundamental changes in exchange ratios, in particular between the euro and the USD, 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 net exchange risk exposure 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 which are exposed to currency risks. In addition, planned procurement and revenue transactions of the following years are included if these are taken into account in the currency risk management to show the risk position for the following period.

Foreign currency risk	EUR/USD	
	9/30/2012	9/30/2011
in € thousand		
Risk position from recognized transactions	(550,865)	(634,128)
Budgeted revenues	640,990	490,984
Foreign exchange forward contracts	134,778	428,635
Put option transactions	(109,822)	(136,266)
<b>NET EXPOSURE</b>	<b>115,081</b>	<b>149,225</b>

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 for each type of risk the impacts on profit or loss and on equity as at the balance sheet date of a change in the respective risk variable. The impacts for the periods are determined by relating the hypothetical changes in the risk variables to the amount reported as at the balance sheet date. In doing so, it is assumed that the amount reported as at the balance sheet date is representative for the entire year.

For the exchange rate risk, a sensitivity analysis is performed for the foreign currencies which pose a significant risk for the entity, in this instance, the US dollar. For the sensitivity analysis for the currencies, it was assumed that the exchange rate of the euro compared with the US dollar had changed by +/- 10 %.

If the euro had been 10 % stronger or weaker than the US dollar on September 30, 2012 or September 30, 2011 than the rate prevailing on the balance sheet date, equity and net income for the year would have changed to the extent shown in the following table. All relevant balance sheet items have been included in the calculation.

Currency sensitivity	EUR/USD	
	9/30/12	9/30/11
in € thousand		
Closing rate	1.2930	1.3503
<b>Depreciation (EUR against FX)</b>		
Effect on net income	83,885	77,609
thereof budgeted revenues	71,222	54,553
Effect on equity	(37,931)	(16,236)
<b>Appreciation (EUR against FX)</b>		
Effect on net income	(67,614)	(70,112)
thereof budgeted revenues	(58,272)	(44,635)
Effect on equity	30,737	19,534

### Interest rate risks

Interest rate risks arise on account of 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. Interest rate risks are hedged by interest rate swaps and to a small extent by interest rate caps. Interest rate risks are mainly of significance in the financial sector, but not in the operating 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.

In order to benefit from the low level of short-term interest rates, part of a € 125,000 thousand Cumerio Austria bond, which has a fixed interest warrant of 4.875 %, is covered by an interest rate swap. This swap converts the fixed interest warrants into variable interest rate obligations and is designated as a fair value hedge. The changes in the fair value of the interest rate swap are recognized in the income statement, like the changes in the fair value of the underlying instrument attributable to the hedged risk.

Details of how interest rate risks are managed are provided in the risk report in the management report.

The following table shows the net exposure for variable and fixed interest-bearing financial instruments.

Variable interest financial instruments	Total amount		up to 1 year		1 to 5 years		more than 5 years	
	9/30/2012	9/30/2011	9/30/2012	9/30/2011	9/30/2012	9/30/2011	9/30/2012	9/30/2011
in € thousand								
Loans/fixed deposits	593,658	444,285	593,658	444,285	0	0	0	0
Borrowings	(501,548)	(506,670)	(289,798)	(280,170)	(211,750)	(138,000)	0	(88,500)
covered by interest rate swaps	197,750	207,417	26,250	19,167	161,000	89,750	10,500	98,500
floated by interest rate swaps	(62,500)	(62,500)	(62,500)	0	0	(62,500)	0	0
<b>NET EXPOSURE</b>	<b>227,360</b>	<b>82,532</b>	<b>267,610</b>	<b>183,282</b>	<b>(50,750)</b>	<b>(110,750)</b>	<b>10,500</b>	<b>10,000</b>

Interest rate risks are presented in a sensitivity analysis in accordance with IFRS 7, which reflects the effects of a change in market interest rates on interest income and interest expense, on trading profit and trading loss and on equity.

In the event of an increase (decrease) in all relevant interest rates by 100 basis points (50 basis points), equity and earnings as at September 30, 2012 and September 30, 2011 would change as shown by the following table. The same items have been included in the calculation as for the determination of the aforementioned net exposure.

Interest sensitivities	9/30/2012		9/30/2011	
	+100 BP	-50 BP	+100 BP	-50 BP
in € thousand				
Effect on earnings	2,809	918	1,058	(348)
Effect on equity	3,582	(1,715)	4,459	(2,329)

### Other price risks

As a result of its business operations, the Aurubis Group is exposed to commodity price risks. Non-ferrous metals futures contracts and metal options are entered into in particular in order to mitigate these risks. The contracts are mainly focused on the hedging of the copper price. Incoming and outgoing metal quantities from underlying transactions are offset against each other each day and remaining open positions squared by exchange transactions. We work exclusively with brokers and banks with good credit standing on all metal hedge transactions.

If delivery agreements for non-ferrous metals are used both to cover the expected raw material requirement or the expected sale of finished products and to exploit market opportunities that arise due to matching maturities, price-fixed metal delivery agreements have also been recognized in profit or loss as derivative financial instruments. 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 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 valuation of part of this agreement.

The notional amounts for derivative financial instruments for copper, silver, gold, electricity, coal and CO<sub>2</sub>, which result from the total of the notional amounts for the individual purchasing and sales contracts, are as follows:

Notional amounts of derivatives		
in € thousand	9/30/2012	9/30/2011
Copper	1,517,783	2,483,872
Silver	227,933	171,638
Gold	226,002	108,834
Electricity, coal, CO <sub>2</sub>	66,215	87,191*
	<b>2,037,933</b>	<b>2,851,535</b>

\* Prior-year data amended to include coal

Commodity price risks are shown in the form of a sensitivity analysis in accordance with IFRS 7, which reflects the effects of a change in the commodity prices on the net income for the period and on equity.

In the event of a 10% increase (decrease) of all relevant commodity prices, equity and earnings for the year would be changed as at September 30, 2012 and September 30, 2011 as shown in the following table. The calculation includes all derivatives for copper, silver, gold, electricity, coal and CO<sub>2</sub> as at the balance sheet date.

Commodity price sensitivity	Copper		Silver		Gold		Electricity, coal, CO <sub>2</sub>	
	9/30/2012	9/30/2011	9/30/2012	9/30/2011	9/30/2012	9/30/2011	9/30/2012	9/30/2011
in € thousand								
<b>Price increase</b>								
Effect on earnings	41,056	58,697	17,310	10,885	17,397	4,691	4,497	7,279*
Effect on equity	0	0	0	0	0	(83)	0	0
<b>Price decrease</b>								
Effect on earnings	(41,056)	(58,697)	(17,310)	(10,885)	(17,397)	(4,691)	(4,497)	(7,279)*
Effect on equity	0	0	0	0	0	83	0	0

\* Prior-year data amended to include coal

The effects on earnings shown as the metal price sensitivity are compensated for the metals in part or entirely by the valuation of the purchase or sales contracts that are not yet fixed since these positions are valued provisionally at the respective price on the reporting date.

#### Derivative financial instruments

The Aurubis Group uses derivative financial instruments to hedge currency, interest rate and commodity price risks. Provided the criteria for the application of hedge accounting are fulfilled, these are reflected by cash flow hedges. In addition, a swap as part of the hedging of the fair value of an issued bond was designated as a fair value hedge.

Financial derivatives  in € thousand	ASSETS				LIABILITIES			
	9/30/2012		9/30/2011		9/30/2012		9/30/2011	
	Carrying amount	Notional amount	Carrying amount	Notional amount	Carrying amount	Notional amount	Carrying amount	Notional amount
<b>Interest swaps</b>								
without hedging relationship	10	13,250	60	14,250	1,025	15,500	333	7,500
as cash flow hedges	0	0	0	0	12,709	169,000	8,232	185,667
as fair value hedge	2,284	62,500	2,810	62,500	0	0	0	0
<b>Foreign exchange forward contracts</b>								
without hedging relationship	22,060	540,660	46,276	1,196,938	12,614	556,419	23,751	626,729
as cash flow hedges	681	42,033	3,254	65,524	12,553	367,432	3,621	139,683
<b>Foreign currency options</b>								
without hedging relationship	0	0	0	0	0	0	0	0
as cash flow hedges	259	74,232	3,110	139,337	1,116	35,847	0	0
<b>Metal futures contracts</b>								
without hedging relationship	60,657	1,549,103	75,031	732,716	11,287	343,753	214,711	2,165,556
as cash flow hedges	440	3,560	7,246	31,613	11	795	194	958
<b>Other transactions</b>								
without hedging relationship	539	702	3,708	38,946	17,395	66,215	8,537	66,427
as cash flow hedges	0	0	0	0	0	0	0	0

The notional volume of the derivative financial instruments is the sum of the notional amounts of the individual purchase and sales contracts. By contrast, the fair value is based on the measurement of all contracts at the prices on the measurement date. It indicates the potential impact on income of the prompt settlement of all derivatives as at the balance sheet date, ignoring the underlying transactions.

The impact on the earnings of changes in the fair value of financial derivatives which relate to a cash flow hedge is recognized directly in equity in 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 directly in equity in other comprehensive income, amounts to € -27,554 thousand (€ 3,142 thousand in the prior year). The portion that was transferred during the period from equity into the income statement as part of cash flow hedge accounting amounts to € -6,613 thousand (€ 10,229 thousand in the prior year) 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.

No ineffective portions of the change in fair value of the hedge instrument were identified in the fiscal year (€ 0 thousand in the prior year).

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, 2012

Occurrence and impact on income statement in € thousand	Carrying amount	Notional amount	less than 1 year	1 to 5 years	more than 5 years
<b>Interest rate swaps</b>					
Asset value	0	0	0	0	0
Liabilities	12,709	169,000	11,250	157,750	0
<b>Foreign exchange forward contracts</b>					
Asset value	681	42,033	14,136	27,897	0
Liabilities	12,553	367,432	221,745	145,687	0
<b>Foreign currency options</b>					
Asset value	259	74,232	60,056	14,176	0
Liabilities	1,116	35,847	0	35,847	0
<b>Metal future contracts</b>					
Asset value	440	3,560	3,560	0	0
Liabilities	11	795	795	0	0

**Cash flow hedges as at September 30, 2011**

Occurrence and impact on income statement in € thousand	Carrying amount	Notional amount	less than 1 year	1 to 5 years	more than 5 years
<b>Interest swaps</b>					
Asset values	0	0	0	0	0
Liabilities	8,232	185,667	16,667	80,500	88,500
<b>Foreign exchange forward contracts</b>					
Asset values	3,254	65,524	51,362	14,162	0
Liabilities	3,621	139,683	87,220	52,463	0
<b>Foreign currency options</b>					
Asset values	3,110	139,337	107,772	31,565	0
Liabilities	0	0	0	0	0
<b>Metal futures contracts</b>					
Asset values	7,246	31,613	30,158	1,455	0
Liabilities	194	958	958	0	0

The net result of fair value hedges from the measurement of hedge transactions in the reporting period amounted to € -525 thousand (€ -1,359 thousand in the prior year). The net result of connected underlying transactions recognized in the income statement amounted to € 523 thousand in the reporting period (€ 1,358 thousand in the prior year).

### Liquidity risks

Liquidity risks represent the risk that the Company cannot meet its own obligations. The contractually agreed undiscounted interest and redemption payments of the financial liabilities are shown in Note 23.

The adequate supply of the Group with cash and cash equivalents is ensured not only by the Group's strong cash flow but also by the existing short-term and long-term credit lines at our banks. Fluctuations in cash flow can therefore be cushioned. An autonomous executive committee, under the supervision of the Executive Board, monitors Aurubis' liquidity position regularly and promptly. Further management measures taken regarding liquidity risks are described in the risk report in the management report.

### Credit risks

Credit risks exist for all classes of financial instruments, in particular for trade accounts receivable. The Aurubis Group is not exposed to any significant credit risk as regards an individual contractual party. The concentration of the credit risk is limited on account of the wide and heterogeneous customer base. The credit risk from derivative financial instruments is limited since the corresponding contracts are only concluded with contractual parties and banks with a good credit standing.

The customers are classified by their credit rating as part of credit risk management and each customer is given a specific limit.

The carrying amounts of the financial assets in the balance sheet, less any write-downs, represent the maximum potential credit risk without taking into account the value of obtained securities or other risk-mitigating agreements.

Furthermore, to minimize credit risks, we monitor the receivables from our business associates on a daily basis. Apart from the instruments customary on the market, such as letters of credit and guarantees, we also use commercial credit insurance to hedge potential bad debts. If receivables are sold under factoring agreements, this is done without recourse.

**Additional disclosures on financial instruments**

2012

Carrying amounts, valuations and fair values in measurement categories	Measurement category under IAS 39	Carrying amount 9/30/2012	Balance sheet valuation under IAS 39		
			Amortized cost	Fair value recognized in equity	Fair value recognized in profit or loss
in € thousand					
<b>ASSETS</b>					
Interests in affiliated companies	AfS	1,310	1,310	0	0
Investments	AfS	871	871	0	0
Fixed asset securities	AfS	32,948	0	32,948	0
Other financial fixed assets					
Other loans	LaR	164	164	0	0
Trade accounts receivable	LaR	524,660	524,660	0	0
Other receivables and financial assets					
Receivables from related parties	LaR	7,801	7,801	0	0
Over-funding of pension funds	n/a	22,751		0	0
Other financial assets	LaR	43,133	43,133	0	0
Derivative financial assets					
Derivatives without hedging relationship	FAHfT	83,266	0	0	83,266
Derivatives with hedging relationship (hedge accounting)	n/a	3,664	0	1,380	2,284
Short-term security investments	HtM	364	364	0	0
Cash and cash equivalents	n/a	669,306	669,306	0	0
<b>EQUITY AND LIABILITIES</b>					
Borrowings	FLAC	750,673	750,673	0	0
Liabilities from finance leases	n/a	23,794	0	0	0
Trade accounts payable	FLAC	1,023,739	1,023,739	0	0
Payables to related parties	FLAC	3,432	3,432	0	0
Other non-derivative financial liabilities	FLAC	41,982	41,982	0	0
Derivative financial liabilities					
Derivatives without hedging relationship	FLHfT	42,321	0	0	42,321
Derivatives with hedging relationship (hedge accounting)	n/a	26,389	0	26,389	0
thereof aggregated by measurement categories in accordance with IAS 39:					
Loans and receivables (LaR)		575,758	575,758	0	0
Available-for-sale (AfS)		35,129	2,181	32,948	0
Held-to-maturity (HtM)		364	364	0	0
Financial assets held for trading (FAHfT)		83,266	0	0	83,266
Financial liabilities at amortized cost (FLAC)		1,819,826	1,819,826	0	0
Financial liabilities held for trading (FLHfT)		42,321	0	0	42,321

2011

Balance sheet valuation under IAS 17	Balance sheet valuation under IAS 19	Fair Value 9/30/2012	Balance sheet valuation under IAS 39						
			Carrying amount 9/30/2011	Amortized cost	Fair value recognized in equity	Fair value recognized in profit or loss	Balance sheet valuation under IAS 17	Balance sheet valuation under IAS 19	Fair Value 9/30/2011
0	0	1,310	1,478	1,478	0	0	0	0	1,478
0	0	871	645	645	0	0	0	0	645
0	0	32,948	28,768	0	28,768	0	0	0	28,768
0	0	164	165	165	0	0	0	0	165
0	0	524,660	564,415	564,415	0	0	0	0	564,415
0	0	7,801	6,726	6,726	0	0	0	0	6,726
0	22,751	22,751	24,134	0	0	0	0	24,134	24,134
0	0	43,133	88,569	88,569	0	0	0	0	88,569
0	0	83,266	125,075	0	0	125,075	0	0	125,075
0	0	3,664	16,420	0	13,610	2,810	0	0	16,420
0	0	364	479	479	0	0	0	0	479
0	0	669,306	490,981	490,981	0	0	0	0	490,981
0	0	778,561	703,257	703,257	0	0	0	0	709,193
23,794	0	23,794	25,757	0	0	0	25,757	0	25,757
0	0	1,023,739	868,173	868,173	0	0	0	0	868,173
0	0	3,432	13,150	13,150	0	0	0	0	13,150
0	0	41,982	45,891	45,891	0	0	0	0	45,891
0	0	42,321	247,332	0	0	247,332	0	0	247,332
0	0	26,389	12,047	0	12,047	0	0	0	12,047
0	0	575,758	659,875	659,875	0	0	0	0	659,875
0	0	35,129	30,891	2,123	28,768	0	0	0	30,891
0	0	364	479	479	0	0	0	0	479
0	0	83,266	125,075	0	0	125,075	0	0	125,075
0	0	1,847,714	1,630,471	1,630,471	0	0	0	0	1,636,407
0	0	42,321	247,332	0	0	247,332	0	0	247,332

The market value of financial instruments to be recognized at the fair value is as a general rule determined on the basis of quotations on the metal exchanges. If no quotations are available, it is measured applying the process customary on the market (measurement methods) based on instrument-related market parameters.

The fair value is determined on the basis of the discounted cash flow method, which takes into account the individual financial standing and other market aspects in the form of credit and liquidity spreads for the determination of present value.

For derivative financial instruments such as foreign currency forward contracts, metal futures contracts, swaps and options, the fair value is calculated applying present value and option price models. The market prices and interest rates applicable on the balance sheet date that are taken from reliable sources are used as far as possible as input parameters for these models.

No liquid markets exist for loans and receivables that are valued at amortized cost. It is assumed for short-term loans and receivables that the fair value corresponds with the carrying amount. For all other loans and receivables, the fair value is determined by discounting the cash flows expected in the future. The interest rates for which new loans with a corresponding risk structure, original currency and maturity could be taken up are used in this connection for loans.

It is assumed for investments in partnerships and non-quoted limited liability companies that the carrying amount corresponds to the fair value. The fair value could only be reliably determined in conjunction with specific sales negotiations.

Trade accounts payable and the other current financial liabilities generally have a residual term of less than one year, so that the carrying amount approximates the fair value.

The fair values for quoted bonds correspond to the notional values multiplied by the price quotations on the balance sheet date.

The fair values of liabilities to banks are determined as the present values of the payments connected with the liabilities using the respective applicable interest rate structure curve and the Aurubis Group credit spread curve which is broken down into different currencies.

The following table shows the financial instruments for the fair value on which the main parameters of the valuation are based. The individual levels are defined in accordance with IFRS 7 as follows:

- » Level 1: quoted (not adjusted) prices on active markets for identical assets or liabilities.
- » Level 2: processes for which all input parameters which have a significant effect on the fair value are observable either directly or indirectly on the market.
- » Level 3: processes that use input parameters which have a significant effect on the fair value and are not based on observable market data.

**Hierarchical classification of fair values of financial instruments in accordance with IFRS 7 as at September 30, 2012**

Aggregated by classes	Fair value 9/30/2012	Level 1	Level 2	Level 3
in € thousand				
Short-term security investments in fixed assets	32,948	32,948	0	0
Derivative financial assets				
Derivatives without hedging relationship	83,266	0	83,266	0
Derivatives with hedging relationship	3,664	0	3,664	0
<b>ASSETS</b>	<b>119,878</b>	<b>32,948</b>	<b>86,930</b>	<b>0</b>
Derivative financial liabilities				
Derivatives without hedging relationship	42,321	0	42,321	0
Derivatives with hedging relationship	26,389	0	26,389	0
<b>LIABILITIES</b>	<b>68,710</b>	<b>0</b>	<b>68,710</b>	<b>0</b>

**Hierarchical classification of fair values of financial instruments in accordance with IFRS 7 as at September 30, 2011**

Aggregated by classes	Fair value 9/30/2011	Level 1	Level 2	Level 3
in € thousand				
Short-term security investments in fixed assets	28,768	28,768	0	0
Derivative financial assets				
Derivatives without hedging relationship	125,075	0	125,075	0
Derivatives with hedging relationship	16,420	0	16,420	0
<b>ASSETS</b>	<b>170,263</b>	<b>28,768</b>	<b>141,495</b>	<b>0</b>
Derivative financial liabilities				
Derivatives without hedging relationship	247,332	0	247,332	0
Derivatives with hedging relationship	12,047	0	12,047	0
<b>LIABILITIES</b>	<b>259,379</b>	<b>0</b>	<b>259,379</b>	<b>0</b>

**Net earnings in accordance with measurement categories**

in € thousand	2011/12	2010/11
Loans and receivables (LaR)	5,599	12,541
Available-for-sale (AfS)	(29,883)	10
Held-to-maturity (HtM)	0	0
Financial instruments held for trading (FAHfT and FLHfT)	166,898	(80,470)
Financial liabilities at amortized cost (FLAC)	(8,337)	11,263
<b>TOTAL</b>	<b>134,277</b>	<b>(56,656)</b>

The net earnings of the financial instruments held-for-trading mainly include the earnings on metal futures contracts on the exchanges, foreign exchange forward contracts and price-fixed metal delivery transactions treated as derivatives. The purchase or sales contracts that are not yet fixed, which results in a partial compensation effect since they are valued provisionally at the respective price on the reporting date, are not included. Dividends, but not interest, are included in the calculation.

In conjunction with the recognition in profit or loss of the change in value of available-for-sale financial assets, net valuation results of € 22,601 thousand are recorded in equity in 2011/12 (€ -8,236 thousand in the prior year).

**26. Research and development**

Research and development costs of € 8,508 thousand were recognized in profit or loss for the Aurubis Group for fiscal year 2011/12 (€ 8,214 thousand in the prior year).



## Notes to the cash flow statement

The cash flow statement reports the cash flows in the Aurubis Group in fiscal year 2011/12 and in the prior-year comparative period. In accordance with IAS 7, a distinction is made between the cash inflow or cash outflow from operating activities, the cash outflow from investing activities and the cash inflow or cash outflow from financing activities.

Based on earnings before taxes, all non-cash expenses and income, the financial result, income taxes paid and changes in working capital are corrected to derive the cash inflow from operating activities (net cash flow).

The good business performance and the development of working capital had a positive effect on net cash flow. Although at € 383 million, net cash flow is € 35 million down on the prior-year value (€ 418 million), € 159 million was paid for the Luvata RPD acquisition in the prior year, which mainly represents inventories and is shown in cash outflow from investing activities.

The cash outflow from investing activities mainly comprised the purchase of fixed assets. The investments (including fixed financial assets) amounted to € 169 million in the reporting period (€ 116 million in the prior year, excluding payments for the Luvata RPD acquisition) and primarily consisted of investments in property, plant and equipment. The largest investments related to the final expansion of concentrate

processing at the Hamburg site, the expansion of cathode production at the Hamburg site and the first investments in improving and expanding the technical facilities at the Pirdop site (Pirdop 2014).

A free cash flow of € 215 million (€ 302 million in the prior year) results after deducting investments in fixed assets from the net cash flow.

Cash outflow from financing activities in fiscal year 2011/12 resulted from proceeds and payments from taking up and redeeming borrowings, dividend payments and interest paid. Cash outflow from financing activities amounted to € 51 million compared to a cash inflow of € 182 million in the prior year. The cash inflow in the prior year was primarily due to a capital increase as well as a net cash inflow from refinancing loans. Interest payments amounted to € 44 million and dividend payments to shareholders and non-controlling interests to € 55 million.

Overall, the Group had cash and cash equivalents of € 669 million as at September 30, 2012 (€ 491 million in the prior year).

## Segment reporting

in € thousand	Primary Copper segment		Recycling/Precious Metals segment		Copper Products segment	
	2011/12 operating	2010/11 operating	2011/12 operating	2010/11 operating	2011/12 operating	2010/11 operating
Revenues						
Total revenues	8,457,665	8,514,915	4,948,165	4,559,472	9,619,034	9,656,769
Inter-segment revenues	7,621,037	7,751,943	1,580,146	1,604,619	50,410	59,332
Revenues with third parties	836,628	762,972	3,368,019	2,954,853	9,568,624	9,597,437
EBITDA	321,665	255,096	131,121	122,883	54,897	88,639
Depreciation and amortisation	(68,739)	(70,863)	(19,280)	(14,831)	(26,744)	(27,109)
EBIT	252,926	184,233	111,841	108,052	28,153	61,530
Result from investments	0	0	0	700	6	6
Interest income	26,552	33,168	1,332	1,479	21,564	21,829
Interest expense	(38,353)	(47,910)	(11,713)	(10,088)	(39,639)	(33,672)
Other financial result	0	0	0	0	0	0
Earnings before taxes	241,125	169,491	101,460	100,143	10,084	49,693
Income taxes						
<b>CONSOLIDATED NET INCOME</b>						
Return on capital employed (ROCE) in %	38.6	22.0	47.5	75.9	3.5	8.3
Capital expenditure on intangible assets and property, plant and equipment	85,591	47,525	42,452	55,166	27,040	12,950
Average number of employees	2,329	2,272	1,118	1,058	2,748	1,575

Certain prior-year figures have been adjusted (see p. 133 f).

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 Executive Board of Aurubis AG.

Three reportable segments, which differ as regards production process or their products and are managed separately, have been identified. The "other" column includes 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 applied for the consolidated financial statements. Internal control is carried out on the basis of the operating result. The operating result of the respective Business Unit follows after adjusting the results in accordance with IFRS by

- » Valuation results from the application of the LIFO method instead of the average cost method in accordance with IAS 2
- » Copper price-related valuation effects on inventories
- » Effects from purchase price allocations, primarily on fixed assets, starting in fiscal year 2010/11

Other		Total		Reconciliation/consolidation		Group total	
2011/12 operating	2010/11 operating	2011/12 operating	2010/11 operating	2011/12 IFRS	2010/11 IFRS	2011/12 IFRS	2010/11 IFRS
27,570	31,730						
11,594	11,184						
15,976	20,546	13,789,247	13,335,808	0	0	13,789,247	13,335,808
(26,606)	(26,912)	481,077	439,706	235,993	215,610	717,070	655,316
(167)	(219)	(114,930)	(113,022)	(16,625)	(10,674)	(131,555)	(123,696)
(26,773)	(27,131)	366,147	326,684	219,368	204,936	585,515	531,620
0	0	6	706	0	0	6	706
42	285	49,490	56,761	(36,673)	(42,489)	12,817	14,272
(351)	(581)	(90,056)	(92,251)	36,173	42,913	(53,883)	(49,338)
(29,882)	0	(29,882)	0	500	(424)	(29,382)	(424)
(56,964)	(27,427)	295,705	291,900	219,368	204,936	515,073	496,836
						(152,575)	(122,675)
						<b>362,498</b>	<b>374,161</b>
						24.3	23.9
85	0	155,168	115,641	0	(769)	155,168	114,872
119	104	6,314	5,009	0	0	6,314	5,009

The presentation of the segment reporting corresponds with the internal reporting.

In fiscal year 2011/12 there were changes in the allocation of revenues between the segments and in the allocation of the average number of employees to the segments. The corresponding prior-year figures were adjusted accordingly to ensure the comparability of the fiscal years.

The reconciliation to the average cost method used in the consolidated financial statements is shown in the reconciliation/consolidation column. A total of € –182 thousand (€ –42 thousand in the prior year) is allocated to consolidation in earnings before taxes, while € 219,550 thousand (€ 204,978 thousand in the prior year) is allocated to reconciliation to the average cost method.

The Group generates most of its revenues with business associates in countries in the European Union. The breakdown of revenues by regions is based on the location of the customers, and is as follows:

#### Revenues by regions

in € thousand	2011/12	2010/11
Germany	3,719,142	4,650,988
Other European Union states	5,621,233	6,076,638
Rest of Europe	559,539	502,764
Asia	1,802,864	880,284
America	1,624,394	857,606
Other	462,075	367,528
<b>GROUP TOTAL</b>	<b>13,789,247</b>	<b>13,335,808</b>

The breakdown of capital expenditure and non-current assets by regions is based on the location of the respective assets:

#### Information on regions

in € thousand	Capital expenditure		Non-current assets	
	2011/12	2010/11	2011/12	2010/11
Germany	98,950	95,083	695,403	645,746
Bulgaria	30,635	10,204	377,932	382,368
Belgium	9,198	6,388	184,133	183,385
Rest of Europe	7,433	2,880	84,318	108,032
North America	8,952	317	33,177	27,030
<b>GROUP TOTAL</b>	<b>155,168</b>	<b>114,872</b>	<b>1,374,963</b>	<b>1,346,561</b>

The locations in the rest of Europe are mainly places of business 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. The product is copper cathodes that can be traded on the metal exchanges.

### Recycling/Precious Metals segment

Copper-bearing recycling materials and input materials containing precious metals are utilized as the raw materials for the production of copper in the Recycling/Precious Metals segment. In addition to copper cathodes that can be traded on the metal exchanges, gold, silver and platinum group metal products are produced in this segment.

During the copper production process, a variety of products is produced in these two segments from the natural by-elements in the raw materials, such as sulfuric acid and iron silicate stone.

The majority of the copper cathodes produced in the Primary Copper and Recycling/Precious Metals segments are passed on to the Copper Products segment, where they are processed into copper products and marketed externally. This accounts for most of the revenues in the Copper Products segment. The Primary Copper segment therefore generates most of its revenues within the Group.

Precious metals, sulfuric acid and iron silicate stone are by contrast primarily sold to external customers.

The production of high-grade selenium products and the environmentally friendly dismantling of cable and sale of the resultant granules are also performed in the Recycling/Precious Metals segment.

### Copper Products segment

The Copper Products segment includes all sectors involved in the production and marketing of wire rod, continuous cast shapes, pre-rolled strip, strips and profiles and copper trading. The copper cathodes produced in the Primary Copper and Recycling/Precious Metals segments mainly serve as the starting products for these products. Most of the products from the Copper Processing segment are sold to customers in Europe.

### 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 with 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 groups is provided in the information on revenues (Note 1).

Operating EBIT (earnings before interest and taxes) represents earnings before taxes, adjusted for the net interest allocated to the segment and the income from investments. Based on this, operating EBITDA (earnings before interest, taxes, depreciation and amortization) is operating EBIT plus the depreciation and amortization on the intangible assets and the property, plant and equipment of the segment.

Impairment losses of altogether € 8,238 thousand (€ 10,930 thousand in the prior year) were recognized on assets, comprising € 7 thousand (€ 488 thousand in the prior year) relating to the Primary Copper segment, € 144 thousand (€ 29 thousand in the prior year) relating to the Recycling/Precious Metals segment and € 8,087 thousand (€ 10,413 thousand in the prior year) relating to the Copper Products segment. The impairment losses in the Primary Copper segment of € 7 thousand and the impairment losses in the Recycling/Precious Metals segment of € 144 thousand related, as in the prior year, exclusively to impairment losses on current assets. In the Copper Products segment, impairment losses of

€ 6,987 thousand were recognized on fixed assets (€ 6,561 thousand in the prior year) and impairment losses of € 1,100 thousand were recognized on current assets (impairment losses of € 3,852 thousand in the prior year).

The average number of employees for each segment includes the employees of all companies that were fully or proportionately consolidated in the accompanying financial statements.

## Other disclosures

### Related parties

In accordance with IAS 24, related parties are regarded as all persons and entities that are influenced by or that can influence the Company.

The employees' representatives on the Supervisory Board received compensation in line with the market for their employment at Aurubis AG.

Employees of the proportionately consolidated companies have been included proportionately in accordance with the Group's holding. Employees who became part of the Group in the course of the fiscal year are included in accordance with the duration of their employment in the Group. Personnel expenses were reported accordingly.

In the Aurubis Group, various group companies purchase various services from and provide various services to related companies as part of their normal business activities. Such deliveries and services are charged at market prices. Services are charged on the basis of existing contracts.

The following amounts from related companies were not consolidated:

in € thousand	Income	Expenses	Receivables	Liabilities
Joint ventures	38,747	10,942	3,389	446
Subsidiaries	135,819	135,808	154	2,944

No individual shareholders of Aurubis AG apart from Salzgitter AG exercise a significant influence on the Aurubis Group. The relationships to the Executive Board and Supervisory Board are disclosed below.

At the balance sheet date there were letters of comfort totaling € 4,500 thousand to hedge bank liabilities of C.M.R. International N.V., Antwerp, an affiliated company which was not included in the scope of consolidation.

## Disclosures on the Executive Board and Supervisory Board

### Total compensation

The total compensation of the active Executive Board members for fiscal year 2011/12 amounted to € 5,831,921 and included a fixed component for the past fiscal year of € 1,536,000, fringe benefits of € 91,441, a variable component of € 3,112,500 and a payment from the incentive plan of € 1,091,980. In addition, expenditure for pension provisions in the amount of € 999,405 was recognized as an expense.

Former members of the Executive Board and their surviving dependents received a total of € 1,671,312, while € 18,402,655 has been provided for their pension entitlement.

The compensation of the Supervisory Board for fiscal year 2011/12 amounted to € 1,220,000.

Details of the individual compensation of the members of the Executive Board and the Supervisory Board are provided in the compensation report.

### Shareholdings

Members of the Supervisory Board hold 6,324 shares (6,665 shares in the prior year) and members of the Executive Board 8,000 shares (11,800 shares in the prior year) in Aurubis AG.

## Notifiable securities transactions

### Directors' dealings

In accordance with Section 15a German Securities Trading Act, the members of the Executive Board and the Supervisory Board must disclose the acquisition and sale of shares in the Company.

Members of the Executive Board did not carry out any notifiable securities transactions during the reporting period.

The following member of the Supervisory Board informed the Company that she had acquired or sold no-par-value shares in the Company in the period from October 1, 2011 to September 30, 2012:

- » Renate Hold: sold 380 no-par-value shares

The Company then reported this information to the Federal Financial Supervisory Authority and published it.

The Executive Board and Supervisory Board hold less than 1% of the shares issued by the Company.

## Declaration of conformity with the German Corporate Governance Code in accordance with Section 161 German Companies Act

The declaration required under Section 161 German Companies Act 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 paragraph 1 No. 8 German Companies Act

Deutsche Bank AG London, London, England, informed us on January 11, 2012 pursuant to Sections 21 and 24 German Securities Trading Act in connection with Section 32 (2) InvG that the voting rights of its subsidiary, DWS Investment GmbH, had fallen below the 3% threshold on January 6, 2012 and at the time amounted to 2.882% of the voting rights (representing 1,295,644 voting rights) in Aurubis AG.

BlackRock, Inc., New York, USA, informed us on May 21, 2012 pursuant to Sections 21 and 24 German Securities Trading Act that the voting rights of BlackRock, Inc., had fallen below the 3% threshold on May 14, 2012 and at the time amounted to 2.69% of the voting rights (representing 1,210,871 voting rights) in Aurubis AG.

The voting rights are attributed to BlackRock, Inc., pursuant to Section 22 paragraph 1 sentence 1 No. 6 German Securities Trading Act in connection with Section 22 paragraph 1 sentence 2 German Securities Trading Act.

BlackRock Financial Management, Inc., New York, USA, informed us on May 21, 2012 pursuant to Sections 21 and 24 German Securities Trading Act that the voting rights of BlackRock Financial Management, Inc., had fallen below the 3% threshold on May 14, 2012 and at the time amounted to 2.67% of the voting rights (representing 1,198,643 voting rights) in Aurubis AG.

The voting rights are attributed to BlackRock Financial Management, Inc., pursuant to Section 22 paragraph 1 sentence 1 No. 6 German Securities Trading Act in connection with Section 22 paragraph 1 sentence 2 German Securities Trading Act.

BlackRock Holdco 2, Inc., Wilmington, DE, USA, informed us on May 21, 2012 pursuant to Sections 21 and 24 German Securities Trading Act that the voting rights of BlackRock Holdco 2, Inc., had fallen below the 3% threshold on May 14, 2012 and at the time amounted to 2.67% of the voting rights (representing 1,198,643 voting rights) in Aurubis AG.

The voting rights are attributed to BlackRock Holdco 2, Inc., pursuant to Section 22 paragraph 1 sentence 1 No. 6 German Securities Trading Act in connection with Section 22 paragraph 1 sentence 2 German Securities Trading Act.

BlackRock, Inc., New York, USA, informed us on June 26, 2012 pursuant to Sections 21 and 24 German Securities Trading Act that the voting rights of BlackRock, Inc., had exceeded the 3% threshold on June 20, 2012 and at the time amounted to 3.04% of the voting rights (representing 1,366,248 voting rights) in Aurubis AG.

The voting rights are attributed to BlackRock, Inc., pursuant to Section 22 paragraph 1 sentence 1 No. 6 German Securities Trading Act in connection with Section 22 paragraph 1 sentence 2 German Securities Trading Act.

BlackRock Financial Management, Inc., New York, USA, informed us on June 26, 2012 pursuant to Sections 21 and 24 German Securities Trading Act that the voting rights of BlackRock Financial Management, Inc., had exceeded the 3% threshold on June 20, 2012 and at the time amounted to 3.01% of the voting rights (representing 1,352,739 voting rights) in Aurubis AG.

The voting rights are attributed to BlackRock Financial Management, Inc., pursuant to Section 22 paragraph 1 sentence 1 No. 6 German Securities Trading Act in connection with Section 22 paragraph 1 sentence 2 German Securities Trading Act.

BlackRock Holdco 2, Inc., Wilmington, DE, USA, informed us on June 26, 2012 pursuant to Sections 21 and 24 German Securities Trading Act that the voting rights of BlackRock Holdco 2, Inc., had exceeded the 3% threshold on June 20, 2012 and at the time amounted to 3.01% of the voting rights (representing 1,352,739 voting rights) in Aurubis AG.

The voting rights are attributed to BlackRock Holdco 2, Inc., pursuant to Section 22 paragraph 1 sentence 1 No. 6 German Securities Trading Act in connection with Section 22 paragraph 1 sentence 2 German Securities Trading Act.

BlackRock Financial Management, Inc., New York, USA, informed us on August 6, 2012 pursuant to Sections 21 and 24 German Securities Trading Act that the voting rights of BlackRock Financial Management, Inc., had fallen below the 3% threshold on July 31, 2012 and at the time amounted to 2.99% of the voting rights (representing 1,345,996 voting rights) in Aurubis AG.

The voting rights are attributed to BlackRock Financial Management, Inc., pursuant to Section 22 paragraph 1 sentence 1 No. 6 German Securities Trading Act in connection with Section 22 paragraph 1 sentence 2 German Securities Trading Act.



BlackRock Holdco 2, Inc., Wilmington, DE, USA, informed us on August 6, 2012 pursuant to Sections 21 and 24 German Securities Trading Act that the voting rights of BlackRock Holdco 2, Inc., had fallen below the 3 % threshold on July 31, 2012 and at the time amounted to 2.99 % of the voting rights (representing 1,345,996 voting rights) in Aurubis AG.

The voting rights are attributed to BlackRock Holdco 2, Inc., pursuant to Section 22 paragraph 1 sentence 1 No. 6 German Securities Trading Act in connection with Section 22 paragraph 1 sentence 2 German Securities Trading Act.

BlackRock, Inc., New York, USA, informed us on August 15, 2012 pursuant to Sections 21 and 24 German Securities Trading Act that the voting rights of BlackRock, Inc., had fallen below the 3 % threshold on August 9, 2012 and at the time amounted to 2.94 % of the voting rights (representing 1,323,745 voting rights) in Aurubis AG.

The voting rights are attributed to BlackRock, Inc., pursuant to Section 22 paragraph 1 sentence 1 No. 6 German Securities Trading Act in connection with Section 22 paragraph 1 sentence 2 German Securities Trading Act.


**Auditors' fees**

The following fees were recorded as expenses for the fiscal year 2011/12 or the prior year for services rendered by the group auditors, PricewaterhouseCoopers AG Wirtschaftsprüfungsgesellschaft:

in € thousand	2011/12	2010/11
Audit services	1,243	1,345
Other assurance and valuation services	6	123
Tax services	9	15
Other services	470	1,097
<b>TOTAL</b>	<b>1,728</b>	<b>2,580</b>


Hamburg, December 12, 2012

The Executive Board

  
Peter Willbrandt

  
Erwin Faust

  
Dr. Michael Landau

  
Dr. Stefan Boel

## Group fixed assets

as at September 30, 2012

in € thousand	Acquisition or construction costs 10/1/2011	Additions in the fiscal year	Disposals	Transfers
<b>Intangible assets</b>				
Franchises, industrial property rights and licenses	110,569	1,454	(11,177)	13
Goodwill	43,170	0	0	0
Payments on account for intangible assets	101	1,268	0	(21)
	<b>153,840</b>	<b>2,722</b>	<b>(11,177)</b>	<b>(8)</b>
<b>Property, plant and equipment</b>				
Land and buildings	562,109	6,027	(1,990)	8,869
Technical equipment and machinery	1,744,225	31,609	(14,121)	39,767
Other equipment, factory and office equipment	74,866	7,018	(3,993)	1,152
Leased assets	35,053	94	(161)	0
Payments on account for assets under construction	68,032	107,792	0	(49,780)
	<b>2,484,285</b>	<b>152,540</b>	<b>(20,265)</b>	<b>8</b>
	<b>2,638,125</b>	<b>155,262</b>	<b>(31,442)</b>	<b>0</b>

Fair value or exchange differences (net)	Acquisition or construction cost 9/30/2012	Depreciation, amortization and write-downs 9/30/2012	Carrying amount 9/30/2012	Carrying amount 9/30/2011	Systematic depreciation and amortization in the fiscal year	Impairment losses in the fiscal year
24	100,883	(36,848)	64,035	69,320	(4,384)	(2,365)
0	43,170	(18,200)	24,970	24,970	0	0
0	1,348	0	1,348	101	0	0
24	145,401	(55,048)	90,353	94,391	(4,384)	(2,365)
587	575,602	(303,762)	271,840	274,595	(16,007)	(1,692)
1,672	1,803,152	(998,418)	804,734	831,914	(96,439)	(2,669)
48	79,091	(55,785)	23,306	21,084	(5,773)	(101)
1	34,987	(11,189)	23,798	25,969	(1,958)	(160)
80	126,124	(485)	125,639	67,546	0	0
2,388	2,618,956	(1,369,639)	1,249,317	1,221,108	(120,177)	(4,622)
2,412	2,764,357	(1,424,687)	1,339,670	1,315,499	(124,561)	(6,987)

## Group fixed assets

as at September 30, 2011

in € thousand	Acquisition or construction costs 10/1/2010	Additions due to changes in the scope of consolidation	Additions in the fiscal year	Disposals	Transfers
<b>Intangible assets</b>					
Franchises, industrial property rights and licenses	108,085	381	1,952	(392)	27
Goodwill	43,170	0	0	0	0
Payments on account for intangible assets	57	0	71	0	(27)
	<b>151,312</b>	<b>381</b>	<b>2,023</b>	<b>(392)</b>	<b>0</b>
<b>Property, plant and equipment</b>					
Land and buildings	495,960	37,061	16,434	(2,828)	14,531
Technical equipment and machinery	1,600,332	69,549	37,621	(20,093)	55,793
Other equipment, factory and office equipment	70,693	1,677	5,333	(3,623)	758
Leased assets	43,710	0	112	(8,786)	0
Payments on account for assets under construction	81,409	4,108	53,460	(33)	(71,082)
	<b>2,292,104</b>	<b>112,395</b>	<b>112,960</b>	<b>(35,363)</b>	<b>0</b>
	<b>2,443,416</b>	<b>112,776</b>	<b>114,983</b>	<b>(35,755)</b>	<b>0</b>

Values for technical equipment and machinery adjusted in some cases (see p. 134 f)

Fair value or exchange differences (net)	Acquisition or construction cost 9/30/2011	Depreciation, amortization and write-downs 9/30/2011	Carrying amount 9/30/2011	Carrying amount 9/30/2010	Systematic depreciation and amortization in the fiscal year	Impairment losses in the fiscal year
516	110,569	(41,249)	<b>69,320</b>	76,860	(5,516)	(4,896)
0	43,170	(18,200)	<b>24,970</b>	24,970	0	0
0	101	0	<b>101</b>	57	0	0
<b>516</b>	<b>153,840</b>	<b>(59,449)</b>	<b>94,391</b>	<b>101,887</b>	<b>(5,516)</b>	<b>(4,896)</b>
951	562,109	(287,514)	<b>274,595</b>	225,557	(14,249)	(5,547)
1,023	1,744,225	(912,311)	<b>831,914</b>	755,010	(80,200)	(5,609)
28	74,866	(53,782)	<b>21,084</b>	18,504	(4,944)	(52)
17	35,053	(9,084)	<b>25,969</b>	29,041	(2,190)	0
170	68,032	(486)	<b>67,546</b>	81,409	0	(486)
<b>2,189</b>	<b>2,484,285</b>	<b>(1,263,177)</b>	<b>1,221,108</b>	<b>1,109,521</b>	<b>(101,583)</b>	<b>(11,694)</b>
<b>2,705</b>	<b>2,638,125</b>	<b>(1,322,626)</b>	<b>1,315,499</b>	<b>1,211,408</b>	<b>(107,099)</b>	<b>(16,590)</b>

## Investments as per Section 313 no. 2 HGB as at September 30, 2012

Company name and registered office	% of capital held	Currency	Held directly by	Equity in '000	Net earnings in '000
1 Aurubis AG		EUR			
<b>Fully consolidated companies</b>					
2 Aurubis Belgium nv/sa, Brussels	100	EUR	1	980,733	47,302 <sup>1)</sup>
3 Aurubis Holding Sweden AB, Stockholm	100	SEK	2	365,025	(247) <sup>1)</sup>
4 Aurubis Sweden AB, Finspång	100	SEK	3	343,872	(31,087) <sup>1)</sup>
5 Aurubis Finland Oy, Pori	100	EUR	2	26,072	(778) <sup>1)</sup>
6 Aurubis Holding USA LLC, Buffalo	100	USD	2	29,030	(827) <sup>1)</sup>
7 Aurubis Buffalo Inc., Buffalo	100	USD	6	71,048	8,485 <sup>1)3)</sup>
8 Aurubis Netherlands BV, Zutphen	100	EUR	2	31,907	(3,864) <sup>1)</sup>
9 Aurubis Mortara S.p.A., Mortara (formerly: Luvata Mortara S.p.A.)	100	EUR	2	4,200	495 <sup>1)4)</sup>
10 Cumerio Austria GmbH, Vienna	100	EUR	1	152,030	14,981 <sup>1)</sup>
11 Aurubis Bulgaria AD, Pirdop	99.77	EUR	10	635,045	139,804 <sup>1)</sup>
12 Aurubis Engineering EAD, Sofia	100	EUR	10	437	15 <sup>1)</sup>
13 Aurubis Italia Srl, Avellino	100	EUR	1	16,960	279 <sup>1)</sup>
14 Aurubis Switzerland SA, Yverdon-les-Bains	100	CHF	1	(28,269)	(18,961) <sup>1)</sup>
15 Aurubis Stolberg GmbH & Co. KG, Stolberg	100	EUR	1	28,253	6,244
16 Aurubis U.K. Ltd., Smethwick	100	GBP	15	1,741	142 <sup>1)</sup>
17 Aurubis Slovakia s.r.o., Dolny Kubin	100	EUR	15	573	(156) <sup>1)</sup>
18 CABLO Metall-Recycling & Handel GmbH, Fehrbellin	100	EUR	1	5,339	2,529
19 Peute Baustoff GmbH, Hamburg	100	EUR	1	379	277
20 RETORTE GmbH Selenium Chemicals & Metals, Röthenbach	100	EUR	1	5,079	2,565
21 E.R.N. Elektro-Recycling NORD GmbH, Hamburg	100	EUR	1	5,941	2,748 <sup>2)</sup>
22 Aurubis Product Sales GmbH, Hamburg	100	EUR	1	96	89
23 Deutsche Giessdraht GmbH, Emmerich	60	EUR	1	6,831	2,407
<b>Proportionately consolidated companies</b>					
24 Schwermetall Halbzeugwerk GmbH & Co. KG, Stolberg	50	EUR	15	59,652	17,971

Company name and registered office	% of capital held	Currency	Held directly by	Equity in '000	Net earnings in '000
<b>Non-consolidated companies</b>					
25 Aurubis Stolberg Verwaltungs-GmbH, Stolberg	100	EUR	1	31	0
26 Hüttenbau-Gesellschaft Peute mbH, Hamburg	100	EUR	1	87	0
27 Aurubis Hong Kong Ltd., Hong Kong	100	HKD	2	9,832	(135)
28 Aurubis Metal Products (Shanghai) Co., Ltd, Shanghai	100	CNY	27	2,164	954
29 Aurubis Rus LLC, St. Petersburg	100	RUB	2	(1,253)	(1,413)
30 Aurubis Canada Metals Inc., Vancouver	100	CAD	1	56	6
31 Retorte do Brasil, Joinville	51	BRL	20	1,597	501
32 C.M.R. International N.V., Antwerp	50	EUR	1	2,322	71
33 VisioNA GmbH, Hamburg	50	EUR	1	25	(1)
34 Schwermetall Halbzeugwerk GmbH, Stolberg	50	EUR	15	26	12
35 JoSeCo GmbH, Kirchheim/Swabia	33	EUR	20	205	(12)

<sup>1)</sup> Equity and net earnings are based on the IFRS reporting package since statutory or country-specific financial statements are not yet available.

<sup>2)</sup> With the purchase agreement dated December 2, 2011, the investment was raised from 70% to 100%.

<sup>3)</sup> Aurubis Niagara Falls Inc., Buffalo, was merged with Aurubis Buffalo Inc., Buffalo, during the fiscal year.

<sup>4)</sup> Aurubis Mortara SRL, Mortara, was merged with Aurubis Mortara S.p.A., Mortara (formerly: Luvata Mortara S.p.A.), during the fiscal year.

## AUDITORS' REPORT

We have audited the consolidated financial statements prepared by the Aurubis AG, Hamburg, comprising the statement of financial position, income statement and statement of comprehensive income, statement of changes in equity, cash flow statement and the notes to the consolidated financial statements, together with the group management report for the business year from 1 October 2011 to 30 September 2012. The preparation of the consolidated financial statements and the group management report in accordance with the IFRSs, as adopted by the EU, and the additional requirements of German commercial law pursuant to § (Article) 315a Abs. (paragraph) 1 HGB ("Handelsgesetzbuch": German Commercial Code) and supplementary provisions of the articles of incorporation is the responsibility of the parent Company's Board of Managing Directors. Our responsibility is to express an opinion on the consolidated financial statements and on the group management report based on our audit.

We conducted our audit of the consolidated financial statements in accordance with § 317 HGB and German generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer (Institute of Public Auditors in Germany) (IDW). Those standards require that we plan and perform the audit such that misstatements materially affecting the presentation of the net assets, financial position and results of operations in the consolidated financial statements in accordance with the applicable financial reporting framework and in the group management report are detected with reasonable assurance. Knowledge of the business activities and the economic and legal environment of the Group and expectations as to possible misstatements are taken into account in the determination of audit procedures. The effectiveness of the accounting-related internal control system and the evidence supporting the disclosures in the consolidated financial statements and the group management report are examined primarily on a test basis within the framework of the audit. The audit includes assessing the annual financial statements of those entities included in

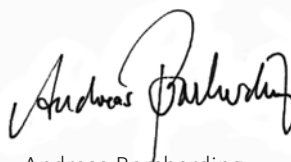
consolidation, the determination of the entities to be included in consolidation, the accounting and consolidation principles used and significant estimates made by the Company's Board of Managing Directors, as well as evaluating the overall presentation of the consolidated financial statements and the group management report. We believe that our audit provides a reasonable basis for our opinion.

Our audit has not led to any reservations.

In our opinion based on the findings of our audit the consolidated financial statements comply with the IFRSs as adopted by the EU, the additional requirements of German commercial law pursuant to § 315a Abs. 1 HGB and supplementary provisions of the articles of incorporation 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. The group management report is consistent with the consolidated financial statements and as a whole provides a suitable view of the Group's position and suitably presents the opportunities and risks of future development.

Hamburg, 12 December 2012

PricewaterhouseCoopers  
Aktiengesellschaft  
Wirtschaftsprüfungsgesellschaft



Andreas Borchering  
Wirtschaftsprüfer  
(German Public Auditor)



ppa. Christian Kaußen  
Wirtschaftsprüfer  
(German Public Auditor)



## 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 assets, liabilities, financial position and profit or loss of the Group, and the group 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, 2012

The Executive Board



Peter Willbrandt



Erwin Faust



Dr. Michael Landau



Dr. Stefan Boel

## GLOSSARY

### Anodes

The end product of pyrometallurgical copper production. Positive polarized electrodes of a tankhouse cell. Copper content about 99.5%.

### Anode furnace

A furnace used in pyrometallurgical copper refining.

### Anode slimes

A product of the copper tankhouse which settles on the bottom of a tankhouse cell. Contains precious and non-soluble components of the anode, including silver, gold, selenium and lead in particular.

### Blister copper

Unrefined porous copper. During solidification, dissolved gases form small blisters in the copper. Blister copper is also purchased as a raw material.

### Collection points

Companies and industrial enterprises where metal-bearing production residues accumulate.

### COMEX

Commodity exchange located in New York on which copper and other materials are traded. Especially important for the American market.

### Commodity

A term for materials mostly traded on the exchanges, including non-ferrous metals such as copper, tin and lead as well as precious metals, but also crude oil, grain and coffee.

### Compliance

Compliance means conforming to a specification or policy that has been clearly defined. Apart from laws, directives and other standards, it also refers to corporate guidelines (e.g., codes of conduct).

### Contango

The normal status of commodity futures contracts on the exchange in which the price for prompt deliveries is below the forward price for future delivery (taking storage costs into account). The opposite of backwardation.

### Continuous casting

Continuous casting produces a continuous strand. During the casting process, a flying saw separates individual bars in different lengths. These so-called continuous cast products with varying cross-sections are processed by rolling and extrusion into plates, foils and tubes.

### Continuous cast wire rod

Semi-finished product produced in a continuous process for the fabrication of copper wire. Standard diameter: 8 mm. Other dimensions can also be supplied.

### Converter

Metallurgical furnace in which metal production or refining processes are typically carried out through oxidation. Copper matte from the flash smelter is treated in the converter into blister copper.

### 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 (0.5 to 4% copper content), the ores are enriched in processing facilities into concentrates (copper content of 25 to 40%) after extraction from the mine.

### Copper tankhouse

In the copper tankhouse an electrochemical process, the last refining stage in copper recovery, takes place. 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 dissolved in the electrolyte. Copper from the solution is deposited on the cathode with a purity of 99.99%. More precious metals (e.g., silver and gold) and insoluble components settle as so-called anode slimes on the bottom of the tankhouse cell.

### Flash smelter

First phase in the processing of copper concentrate. The concentrate, which is suspended in a reaction shaft, reacts with oxygen and is melted through the heat released. Sulfur and iron are separated into intermediate products. The copper is then enriched in the copper matte (copper content about 65%).

### Iron silicate

A by-product of copper production in the refining process. Formed using sand from iron chemically bonded to copper concentrates and recycling raw materials. Is mainly used in the construction industry as granules/sand or in a lumpy form.

### KRS

Kayser Recycling System; a state-of-the-art recycling plant in Lünen for the treatment of a wide range of copper-bearing secondary raw materials.

### KRS-Plus

Expansion of the existing KRS facility that includes a top blown rotary converter and a slag separation and holding furnace.

### LME

London Metal Exchange: the most important metal exchange in the world with the highest turnover.

### Primary copper

Copper recovered from copper ores.

### 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 and are ideal for recycling.

### RWO

The primary smelter at Aurubis AG's production site in Hamburg.

### Secondary copper

Copper produced from recycled material.

### Settlement price

Official cash selling rate on the LME. Price basis in annual sales agreements.

### Shape surcharge

Fee for processing copper cathodes into copper products.

### Smelter

A part of a plant or company in which crude metal or bullion is recovered. Typical products are lead bullion or blister copper.

### Spot market

Daily business; market for prompt deliveries.

### Sustainable Development

Lasting future-oriented development targeted since the 1992 UN Conference as being the most sensible ideal of the way forward in environmental protection.

### Top blown rotary converter (TBRC)

A single-stage pyrometallurgical facility for the recovery of precious metals from the anode slimes in the copper tankhouse.

### Treatment and refining charges (TC/RCs)

Compensation which Aurubis receives for the processing of copper concentrates and other raw materials into copper.

## 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 tax) 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 tax) 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 the 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 the 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 average capital employed. It therefore represents the efficiency with which capital was utilized to generate earnings in the period under review.

## 3-YEAR OVERVIEW

Operating		2011/12 <sup>1)2)3)</sup>	2010/11 <sup>1)2)3)</sup>	2009/10 <sup>1)3)</sup>
<b>Income statement</b>				
Revenues	€ million	13,789	13,336	9,865
EBITDA	€ million	717	655	638
Operating EBITDA	€ million	481	440	293
EBIT	€ million	586	532	532
Operating EBIT	€ million	366	327	187
EBT	€ million	516	497	504
Operating EBT	€ million	296	292	159
Consolidated net income	€ million	363	374	367
Operating consolidated net income	€ million	207	211	121
Net cash flow	€ million	383	418	85
<b>Balance sheet</b>				
Total assets	€ million	4,889	4,531	3,531
Fixed assets	€ million	1,375	1,347	1,251
Capital expenditure	€ million	155	116	195
Depreciation and amortization	€ million	131	124	106
Equity	€ million	2,197	1,875	1,393

<sup>1)</sup> amounts adjusted "operationally" by valuation results from the use of the LIFO method instead of the average cost method in accordance with IAS 2, by copper price-related valuation effects on inventories and by effects from the purchase price allocation, mainly property, plant and equipment, from fiscal year 2010/11 onwards

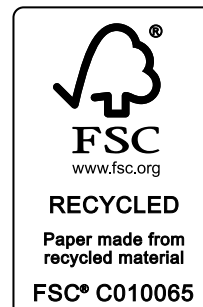
<sup>2)</sup> including Luvata RPD from September 1, 2011 onwards

<sup>3)</sup> certain prior-year figures have been adjusted (see p. 133 f)

## FINANCIAL CALENDAR 2013

<b>2/14/2013</b>	Interim Report on the First 3 Months of Fiscal Year 2012/13
<b>2/28/2013</b>	Annual General Meeting
<b>5/14/2013</b>	Interim Report on the First 6 Months of Fiscal Year 2012/13
<b>8/13/2013</b>	Interim Report on the First 9 Months of Fiscal Year 2012/13

The Company's fiscal year starts on October 1 and ends on September 30.



# IMPRINT

If you would like more information,  
please contact:

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## **Investor Relations**

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Claus Marklseder (page 9)  
Aurubis (pages 3, 21, 25), GettyImages (page 2)

Cover: Marcel Stotzka, Maintenance Foreman  
for Production Engineering


Copper-driven objects  
Cover: mobile phone  
Page 6: computer fan  
Page 12: tape recorder relay  
Page 18: electric motor in a DVD drive  
Page 24: switch

## **Print**

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## **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.

The background of the page is a large, abstract image of a copper refinery. It features a dark, industrial interior with bright, glowing orange and yellow light emanating from rectangular openings, likely representing molten copper or a furnace. The overall color palette is dominated by dark greens and blues, contrasted with the intense heat colors of the molten metal.

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