



Aurubis AG

Interim Report

First 6 Months 2016/17

Frankfurt, May 15, 2017


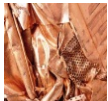
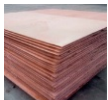






Jürgen Schachler

Executive Board Chairman

Aurubis' strengths include productivity, efficiency, environmental protection and processing expertise

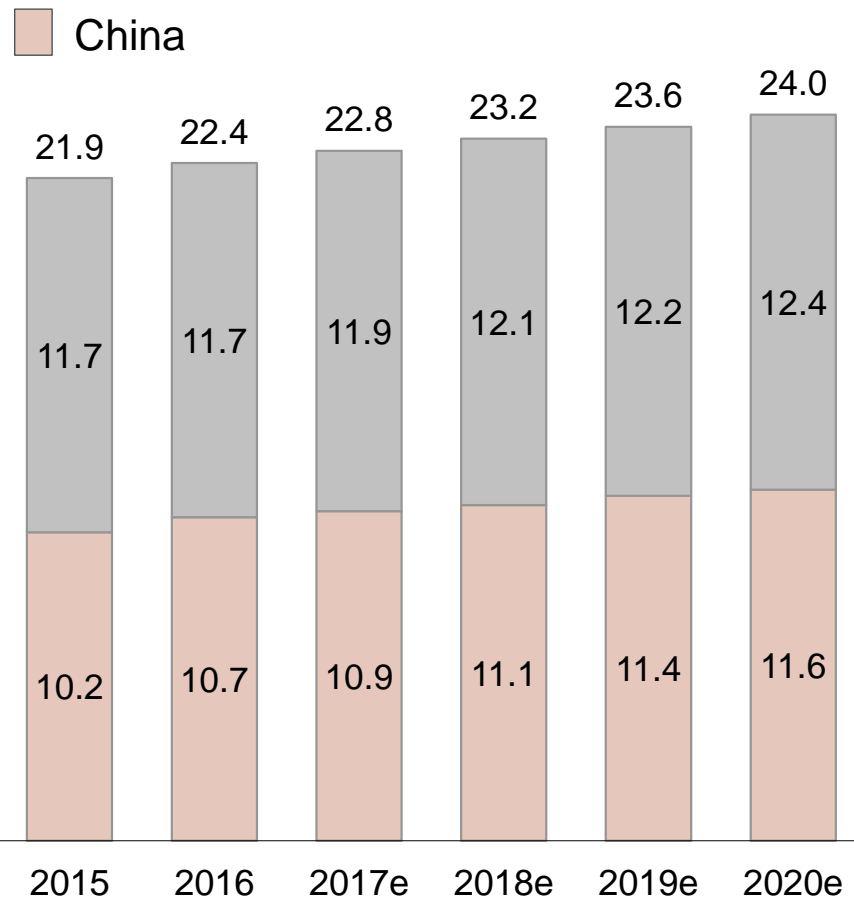
Aurubis: an integrated copper producer



	FY 2015/16	Position
 Custom concentrate processing	2,156,000 t	No. 1 worldwide
 Copper scrap processing	253,000 t	No. 1 worldwide
 Cathode production	1,084,000 t	No. 4 worldwide
 Rod production	758,000 t	No. 1 worldwide
 Shape production	172,000 t	No. 1 in Europe
 Strip production	218,000 t	No. 1 worldwide
 Sulfuric acid production	2,068,000 t	
 Gold production	42 t	
 Silver production	961 t	

Copper demand is rising despite moderate growth expectations for China

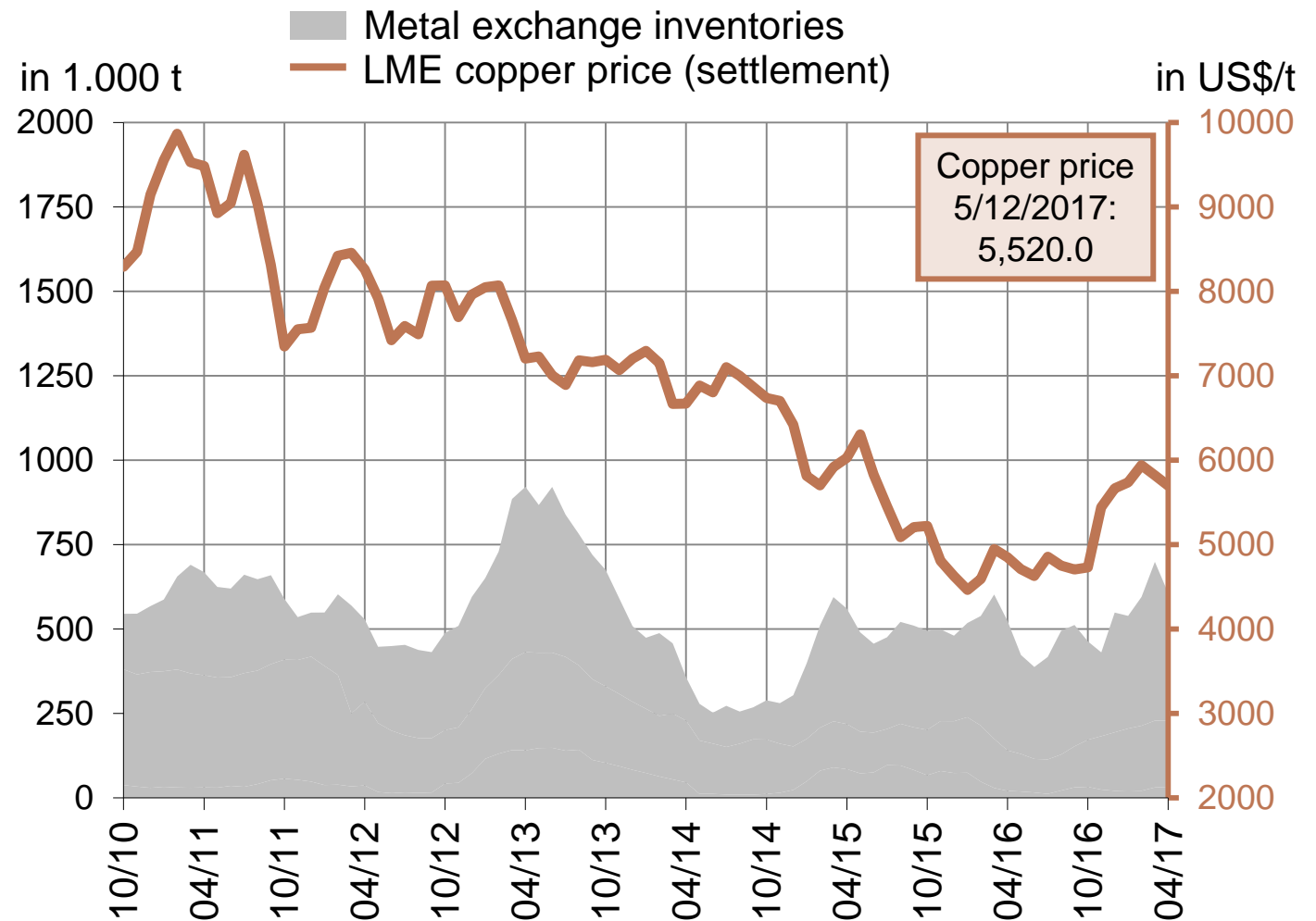
Global copper demand (in million t)



- » China is showing subdued economic growth, but with about 48 % of global need, it continues to be the most important source of demand for copper.
- » The main areas of copper demand are the infrastructure sector and consumer goods.
- » Development in emerging countries and the use of new technologies will push copper demand outside of China in the future as well.

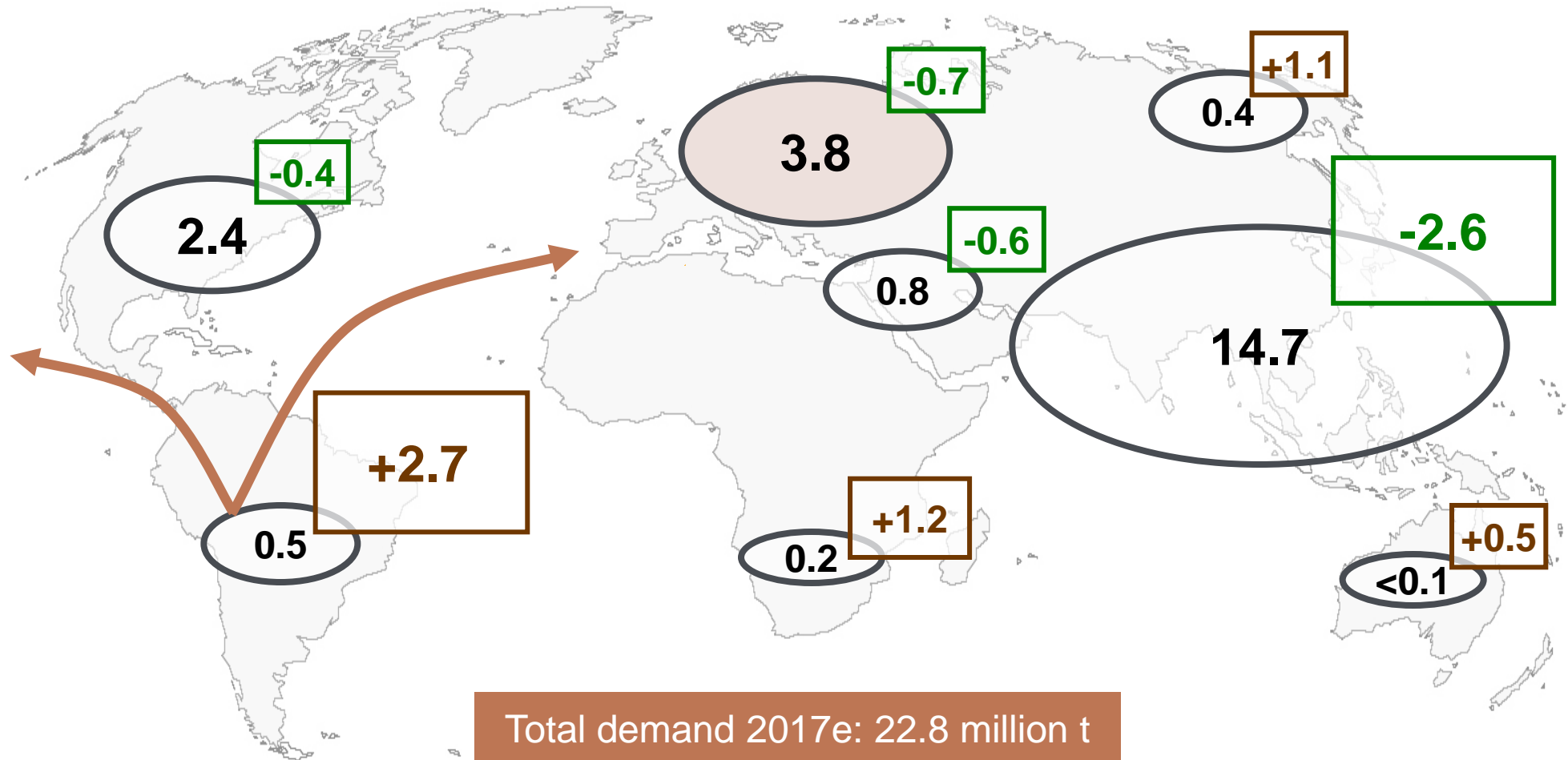
Copper price has shown considerable growth since November 2016

Copper price and metal exchange inventories



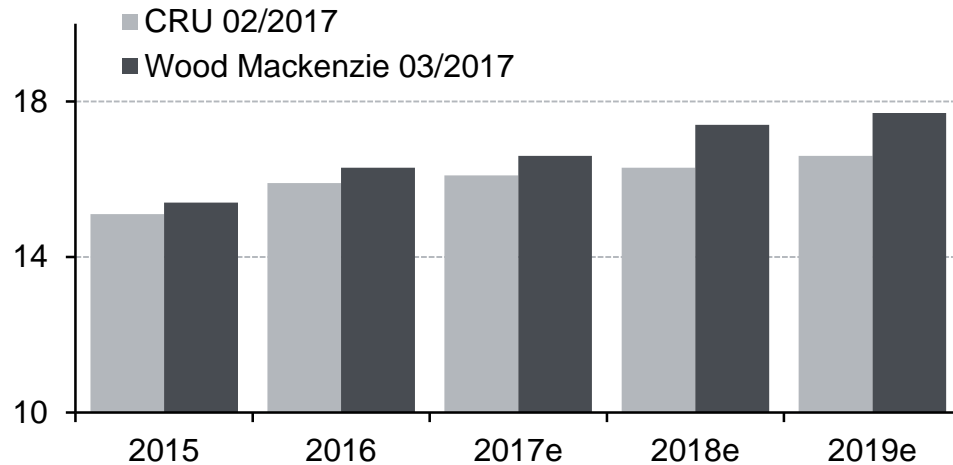
The European copper market traditionally exhibits a cathode deficit

- Copper demand by region in 2017 (in million t)
- Copper surplus/deficit before adjustment (in million t)

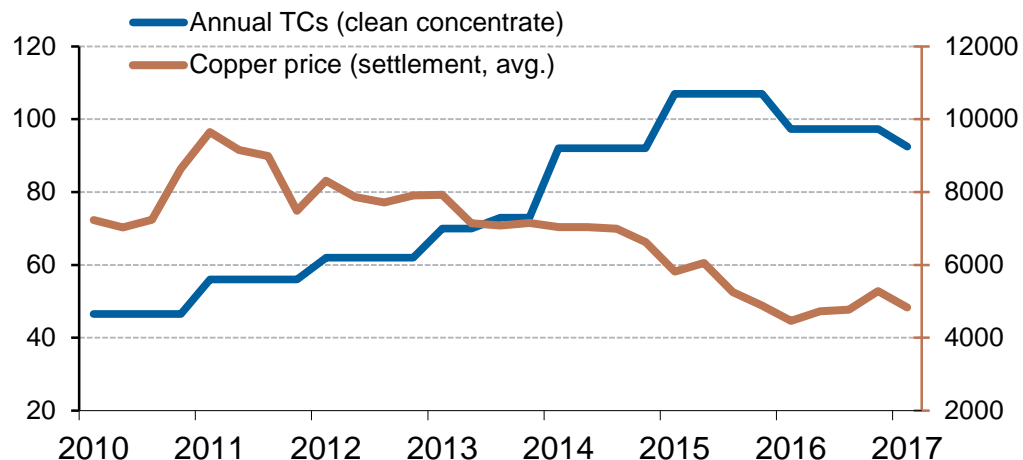


* Adjusted for production losses of 1.2 million t

Mine production of concentrates (in million t Cu content)



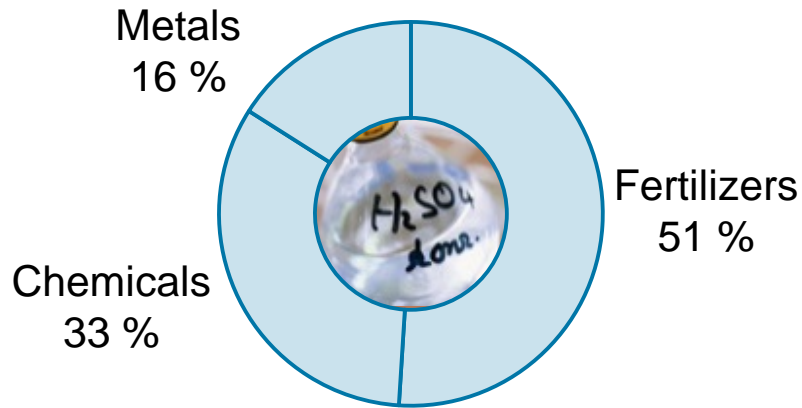
TC trend for copper concentrates (in US\$/t)



- » Framework agreement between Jiangxi Copper and Freeport-McMoRan for 2017 for clean concentrates with TC/RC of US\$ 92.5/9.25 cts becomes a benchmark
- » TC/RC levels vary, however, by complexity of the concentrates
- » New mine capacities coming online increase supply of concentrates
- » TC/RC levels are negatively affected by production disruptions from strikes and export restrictions as well as expanded smelting capacities in China

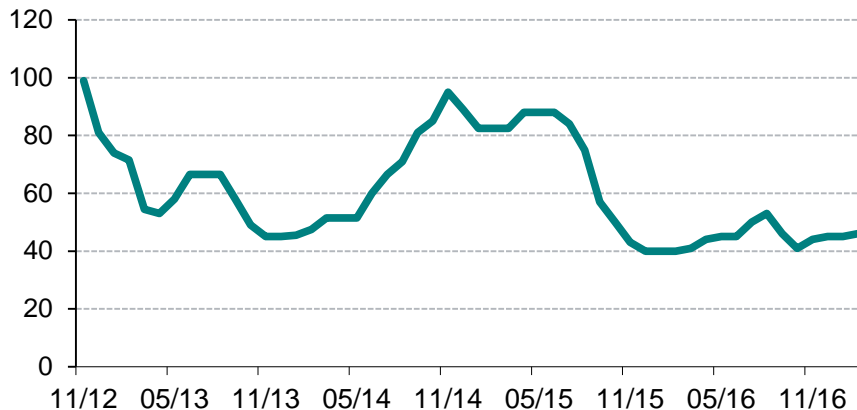
Volatile sulfuric acid markets; the fertilizer industry is the biggest user globally

Aurubis sulfuric acid output by sector/industry FY 2015/16



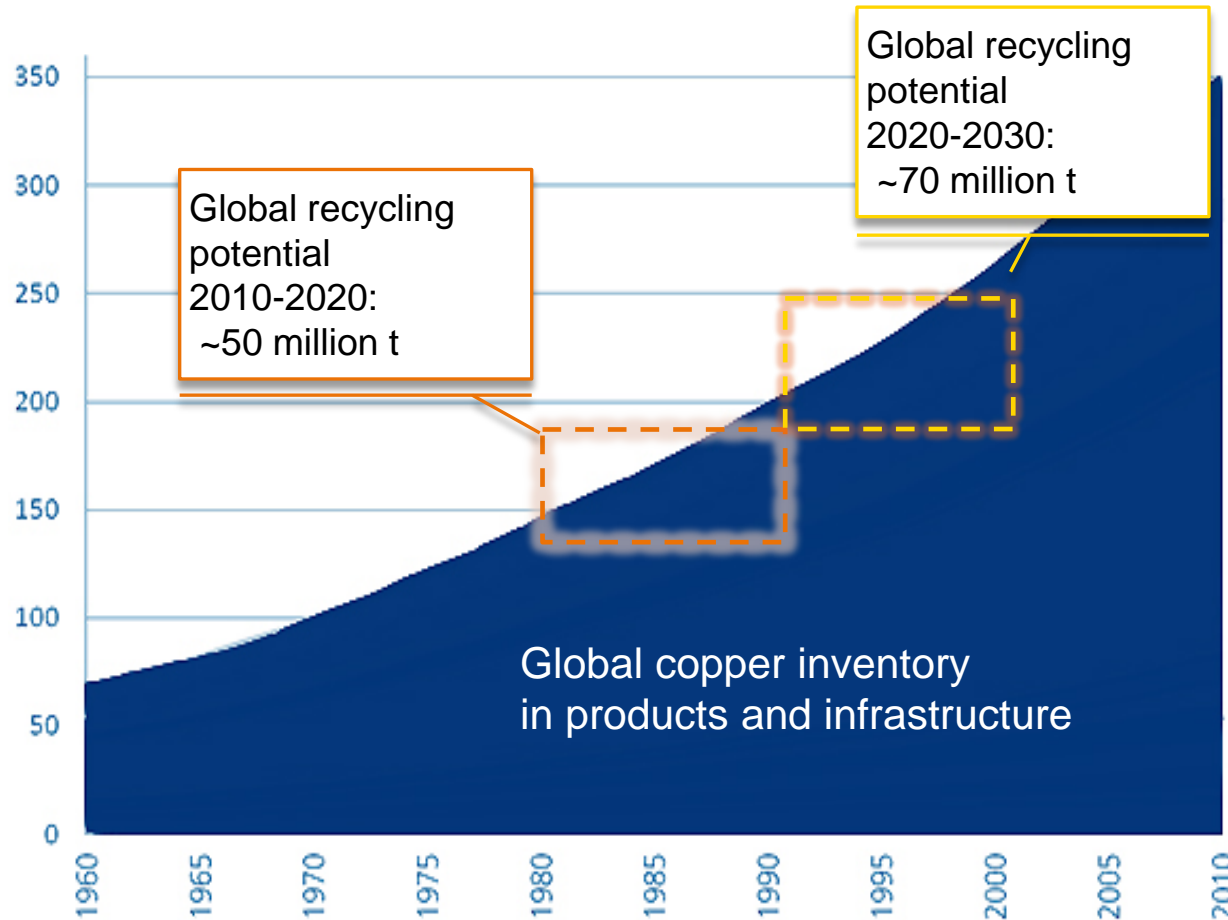
- » At Aurubis, sulfuric acid is a by-product of concentrate processing that is produced during flue gas desulfurization
- » ~1 t of sulfuric acid is produced from ~1 t of concentrates
- » Global market volume 2016 ~270 million t
- » Aurubis produces ~2.1 million t of sulfuric acid per year
- » Sulfuric acid demand is sensitive to global economic developments

Sulfuric acid price (CFR Brazil spot, in US\$/t)



Recycling is increasing but isn't sufficient to cover total copper demand

(in million t)

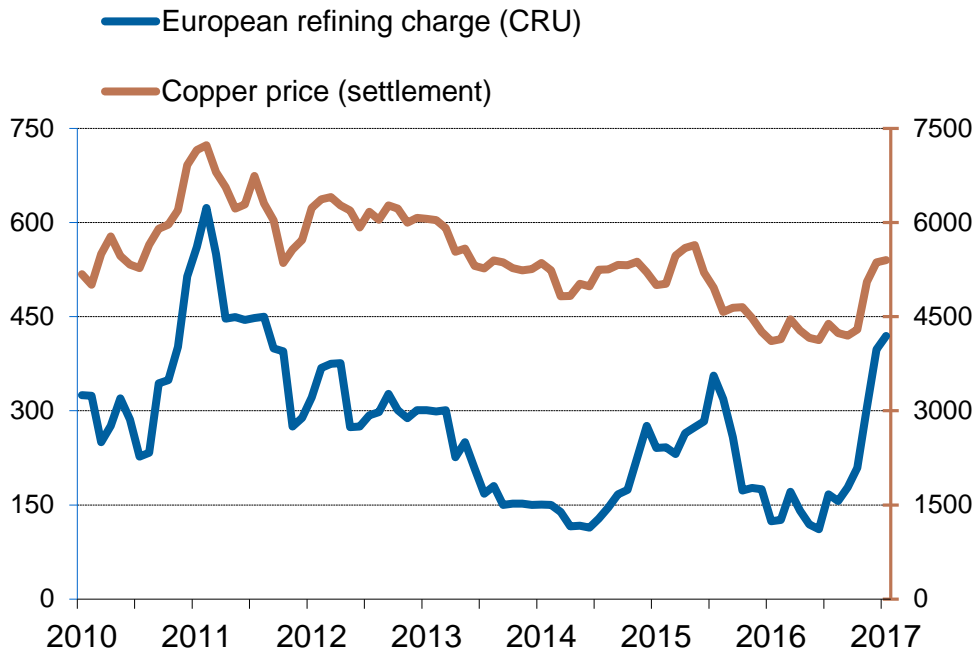


Average lifespan of all copper products: ~33 years, including:

- » Electrical devices: 2-4 years
- » Transformers: 30-40 years
- » Construction: 60-80 years

Today, copper is recycled from products that were manufactured two to three decades ago.

Refining charges for copper scrap and copper price (in €/t Cu)



- » Aurubis processes roughly 700,000 t of recycling materials that contain copper and different kinds of metal
- » The supply of copper scrap fluctuates but has been high since the fall of 2016
- » This has led to a significant increase in refining charges for scrap copper

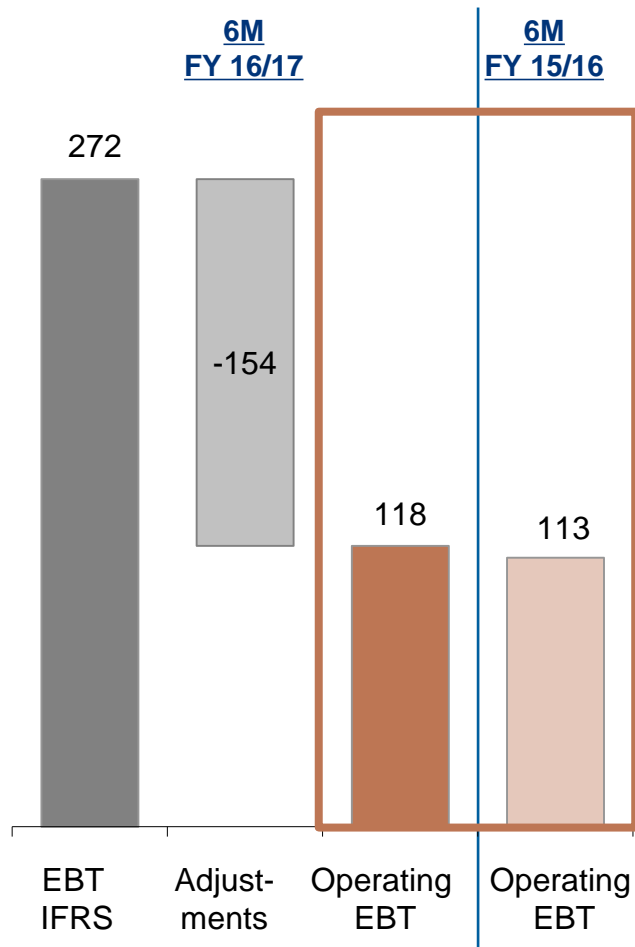
Aurubis fulfills market expectations with good half-year result



	6M FY 2016/17	6M FY 2015/16
Operating EBT (€ million)	118	113
Net cash flow (€ million)	41	-158
Operating ROCE (%) <small>(based on operating EBIT for the last 12 months)</small>	10.4	12.7

High performance of our plants and recycling bolster Aurubis' good result

EBT 6M 2016/17 (in € million, rounded)



Main factors influencing the result

- » Concentrate throughputs at a good level in the previous year, despite the legal maintenance shutdown in October/November 2016 in Hamburg
- » High smelting and refining charges for copper concentrates due to our advantageous input mix
- » Higher income from refining charges for copper scrap and higher throughputs
- » Continued weak sulfuric acid revenues owing to an oversupply on the global markets
- » A higher metal yield due to increased metal prices
- » Lower cathode premium
- » Higher sales for high purity shapes and flat rolled products
- » Weak sales for copper rod
- » Strong US dollar

(operating, based on IFRS)

		6M	6M	Change	
		2016/17	2015/16	Absolute	Relative
Revenues	€m	5,428	4,725	703	15 %
Gross profit	€m	554	526	28	5 %
EBITDA	€m	190	184	6	3 %
EBIT	€m	126	122	4	3 %
EBT	€m	118	113	5	4 %
Consolidated net income	€m	90	83	7	8 %
Net cash flow	€m	41	-158	199	> 100 %
Return on capital employed (ROCE)	%	10.4	12.7	-	-

Reconciliation of statement of financial position/income statement from IFRS (average cost method) to IFRS (operating)

In € million	IFRS (average cost method)	IFRS (operating)	Adjustments
Statement of financial position 03/31/2017			
<u>Total assets</u>	4,326	3,952	-374
<u>Assets</u>			
Fixed assets	1,494	1,447	-47
Deferred tax assets	11	42	31
Inventories	1,920	1,562	-358
<u>Equity and liabilities</u>			
Equity	2,179	1,899	-280
Deferred tax liabilities	197	103	-94
Income statement 10/1/2016 – 03/31/2017			
Change in inventories	118	38	-80
Cost of materials	-4,866	-4,940	-74
Gross profit	708	554	-154
Earnings before taxes	272	118	-154
Income taxes	-64	-28	36
Consolidated net income	208	90	-118

Key financial figures remain stable

(operating, based on IFRS)

	03/31/2017 operating	03/31/2016 operating	Target
Profitability			
ROCE*	10.4 %	12.7 %	15 %
Capital structure			
- Equity ratio (equity / total assets)	48.0 %	47.6 %	> 40 %
- Fixed asset cover (equity / fixed assets)	131.2 %	126.9 %	> 120 %
- Intensity of investment (fixed assets / total assets)	36.6 %	37.5 %	< 40 %
Debt and interest coverage			
- Net debt / EBITDA**	0.4	0.8	< 3
- EBITDA** / net interest expense**	16.4	16.5	> 5
Liquidity			
- Quick ratio (current assets - inventories + finished products + credit lines / current liabilities)	121.6 %	143.0 %	> 100 %

* rolling EBIT for the last 4 quarters

** rolling for the last 4 quarters

BU Primary Copper: Good result with high production performance in Pirdop

Operating results for BU Copper Products (first 6 months 2016/17)

BU Primary Copper	6M 16/17	6M 15/16
EBIT (in €m)	112	95
EBT (in €m)	109	89
ROCE (%)	19.7	18.8

(Quantities in 1,000 t)

Concentrates	1,170	1,199
Copper scrap/ blister copper	56	60
Cathodes	309	303
Sulfuric acid	1,127	1,154
Gold (t)	20	20
Silver (t)	561	457



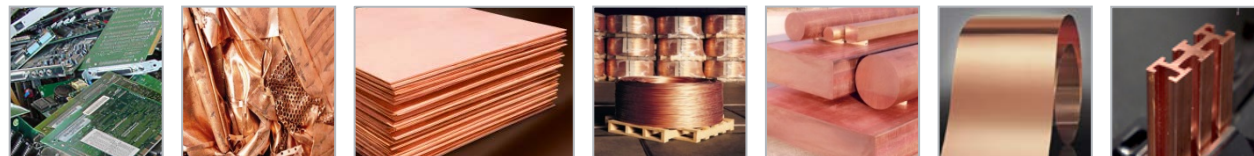
- » Input mix has positive impact on treatment charge level for copper concentrates
- » Weaker sulfuric acid revenues resulting from surplus on the global markets
- » Higher refining charges for copper scrap with very good supply
- » Higher metal yield due to increased metal prices
- » Very high silver output due to higher level of precious metals in input mix
- » Strong US dollar
- » Scheduled maintenance shutdown in Hamburg in Q1 with negative effect on earnings of € 15 million

Operating results for BU Copper Products (first 6 months 2016/17)

BU Copper Products	6M 16/17	6M 15/16
EBIT (in €m)	35	43
EBT (in €m)	30	40
ROCE (%)	7.2	11.1

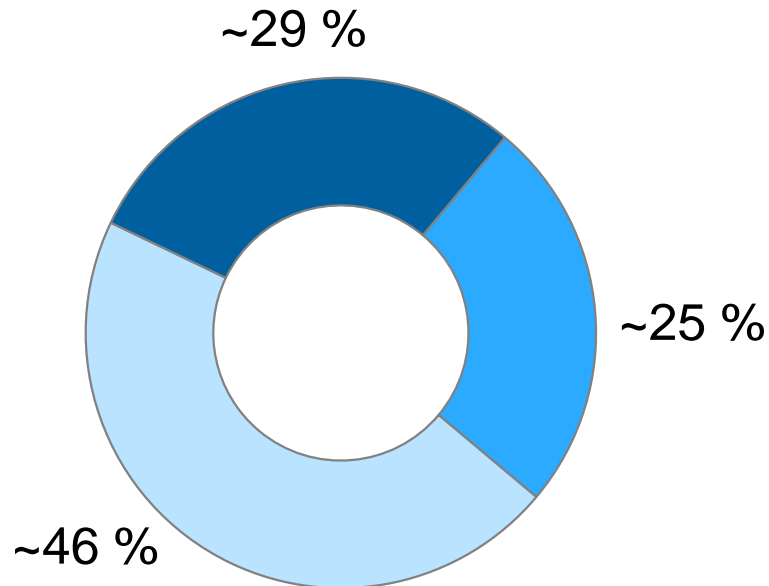
(Quantities in 1,000 t)

Copper scrap/ blister copper	168	150
KRS throughput	122	131
Cathodes	260	254
Rod	355	382
Shapes	94	86
Flat rolled products and wire	110	105



- » Higher refining charges for copper scrap with very good supply
- » Increase in demand for flat rolled products and their preliminary products, shapes
- » Weaker sales for wire rod due to lower demand
- » Cathode markets: high supply, pressure on spot premiums
- » Availability of other recycling materials sufficient, with increasingly intense competition

Shareholder structure as of Nov. 2016

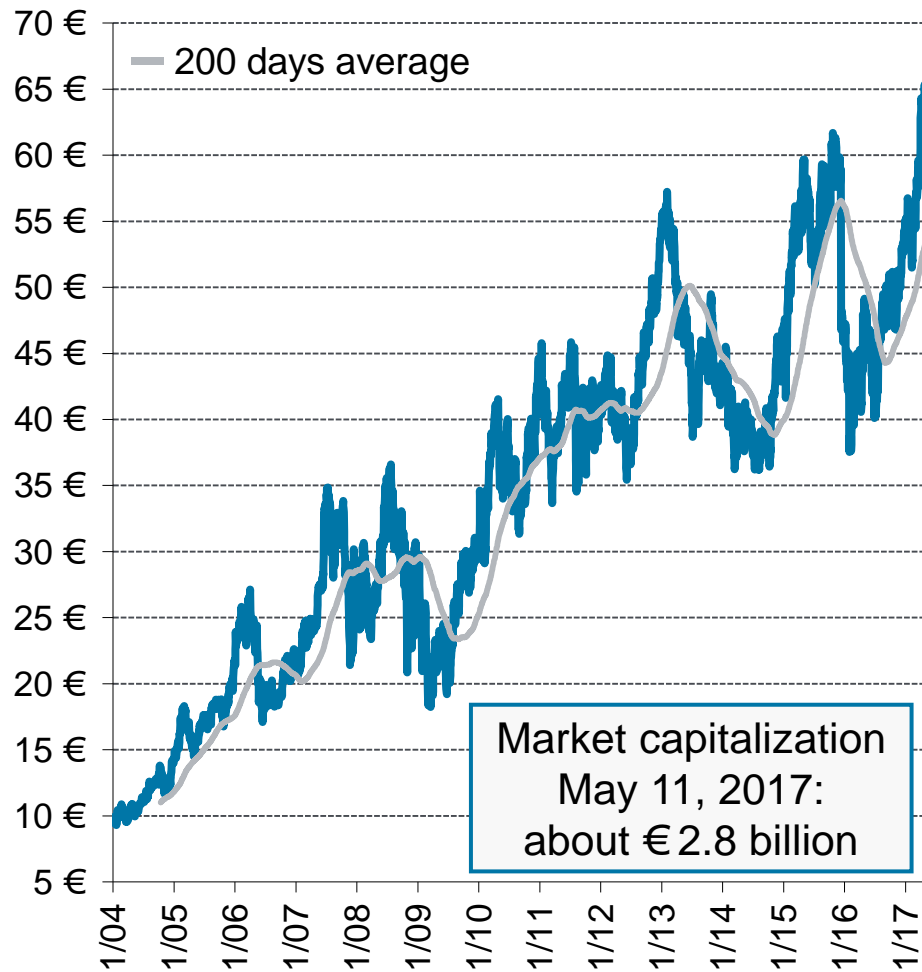


- Salzgitter AG
- Institutional investors
- Retail shareholders

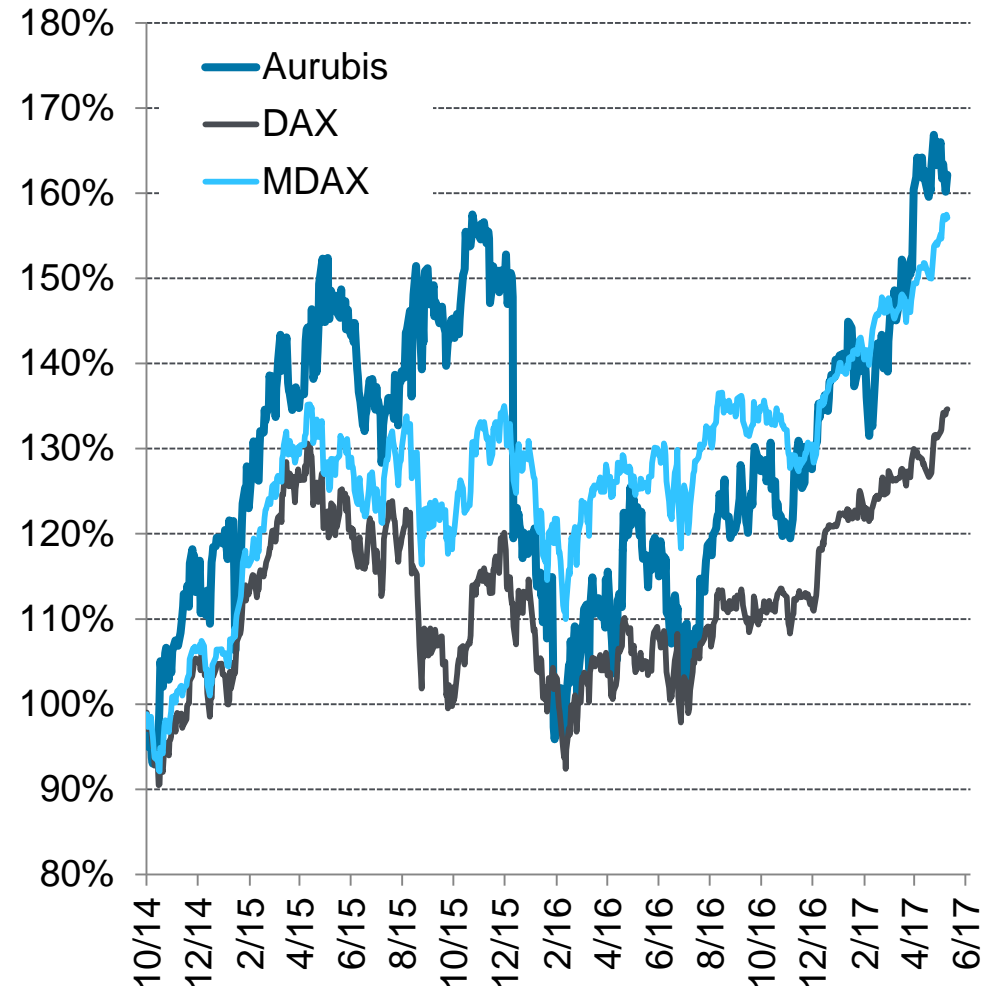
- » IPO in 1998
- » Aurubis shares are in the Prime Standard Segment of the Deutsche Börse
- » Shares are listed in the MDAX and in the Global Challenges Index (GCX)



Closing prices of Aurubis shares (Xetra)



Comparison of Aurubis shares with indices (September 30, 2015 = 100 %)



VISION 2025

Ps

Passion
for metallurgy

VISION 2025

Pg

Metals
for progress

VISION 2025

Tg

Together
with you

Our Vision 2025

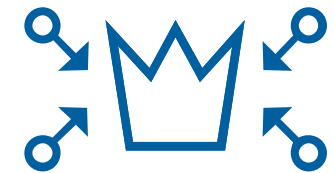


Successful in
20 countries on
3 continents



More Than Copper –
Expertise in
Numerous Metals

**150 Years of
Partnership** –
We Deliver Quality



> 6,400 x

Passion and
Engagement



Comprehensive
Know-how –
Regardless of Location
and Area

150 Years of Tradition



Eyes and Ears Open for
Market Developments



1 |

We excel in metallurgy:

Fostered by innovation, we are the leader in sustainable processing of primary and secondary raw materials.

2 |

We grow:

Building on our copper expertise, we expand our business model and strengthen our geographical footprint, ensuring superior financial performance.

3 |

We are the partner of choice:

Together with our customers and suppliers, we develop value-creating solutions.

4 |

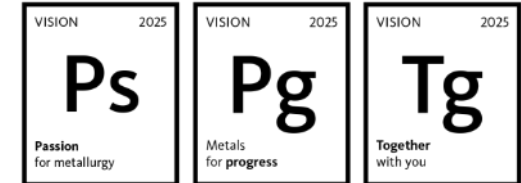
We act as one team:

While strengthening the individual capabilities of each employee, we shape the future of Aurubis as one team.

5 |

We improve every day:

In everything we do, we set continuous improvement as a guiding principle.

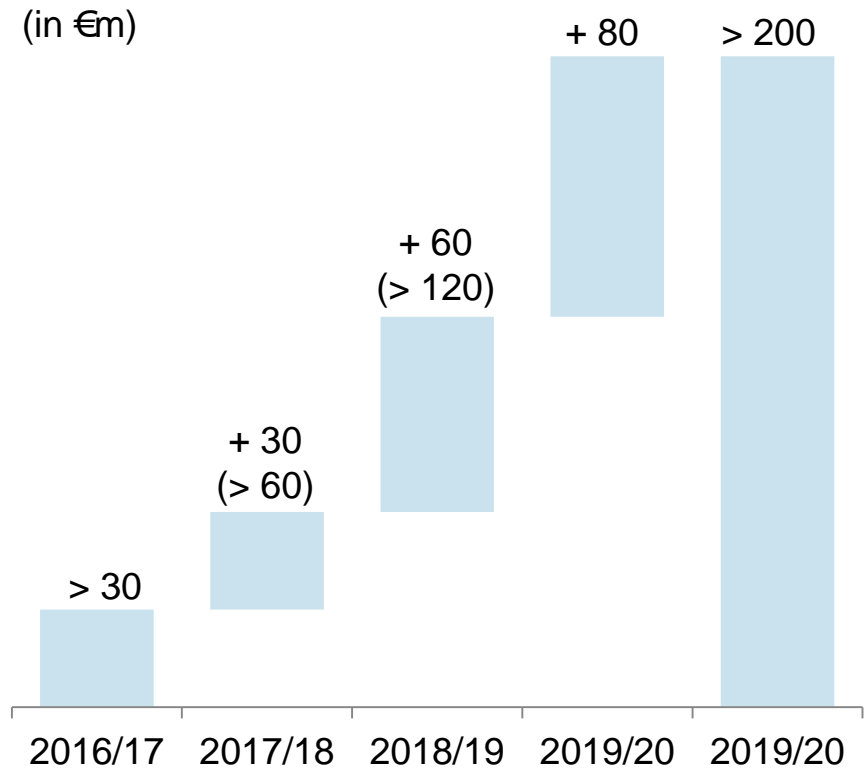
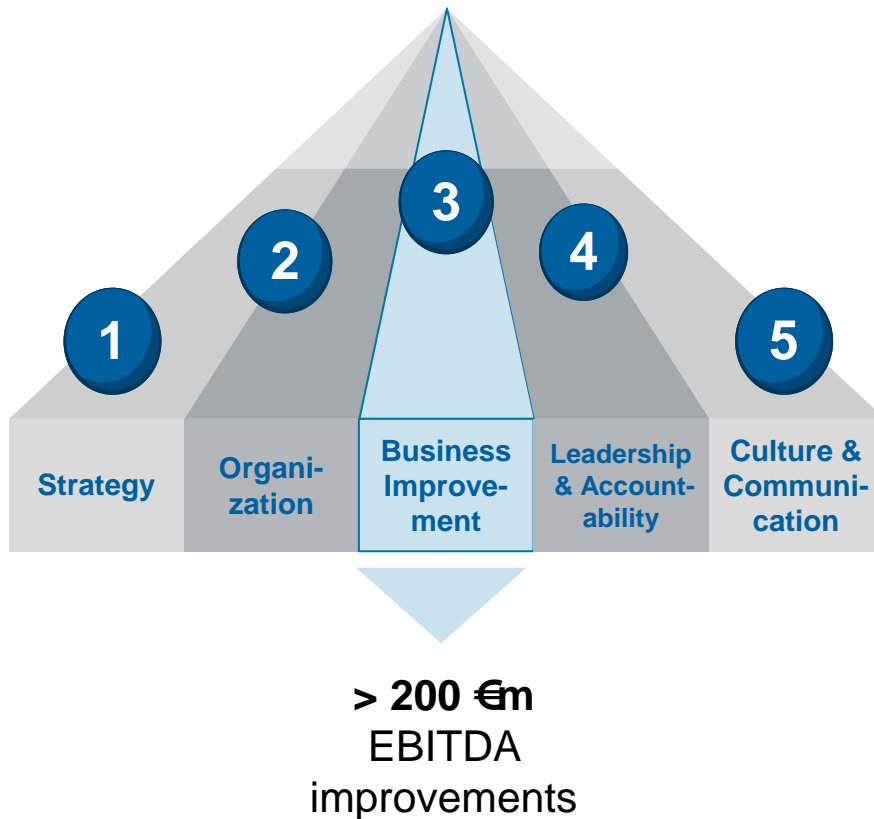




EBITDA increase of more than € 200 million by the end of fiscal year 2019/20 through internal optimization

Transformation program

ONE Aurubis



- » The May 2017 Reuters poll on the average copper price is at US\$ 5,720/t for 2017 and US\$ 5,790/t for 2018
- » Satisfactory treatment and refining charges for copper concentrates
- » High capacity utilization expected at our primary copper smelters
- » Slight increase in sulfuric acid prices
- » Cathode premiums reduced from US\$ 92/t to US\$ 86/t starting in our Q2 2016/17
- » Continued good supply on the copper scrap markets with good refining charges
- » Stable demand at prior-year level expected in copper product business
- » Started initiatives to increase efficiency will influence the earnings trend in the current year, with significant positive contributions to earnings expected in future fiscal years
- » Strong US dollar supports the result

We continue to expect significantly higher operating EBT and slightly higher operating ROCE for the Aurubis Group in fiscal year 2016/17



Overall, we expect significantly higher operating EBT and slightly higher operating ROCE for the Group.

Qualified comparative forecast according to Aurubis' definition

	Change in operating EBT	Operating ROCE delta as a percentage
At prior-year level	± 2 %	± 1.0
Slight	± 3-10 %	± 1-5
Significant	> ± 10 %	> ± 5



Aurubis AG

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First 6 Months 2016/17

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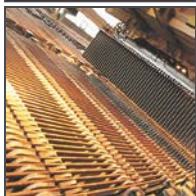
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Financial calendar



- » Quarterly Report First 9 Months 2016/17
- » Annual Report 2016/17

Aug. 10, 2017
Dec. 13, 2017

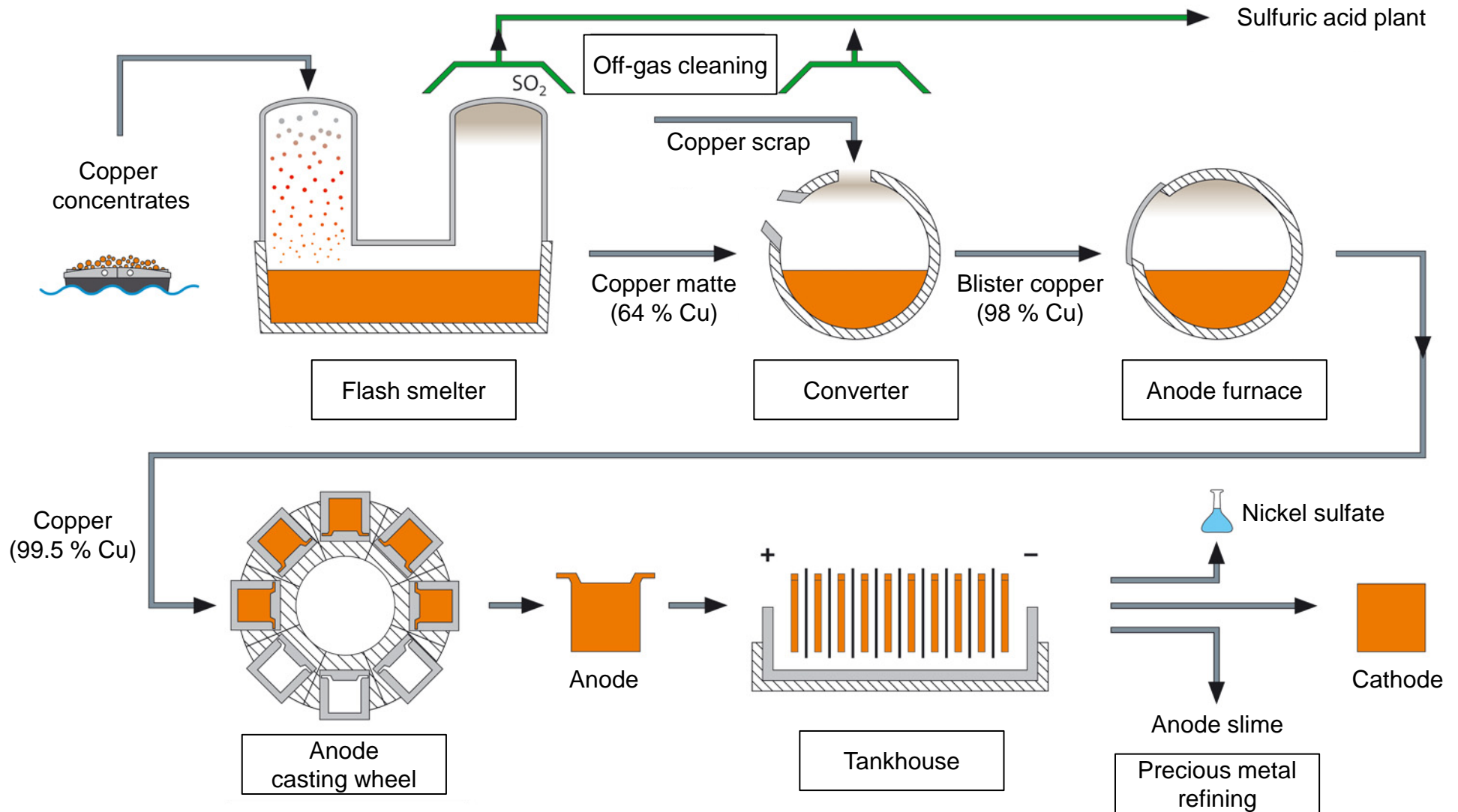


- » Founded in 1866 as Norddeutsche Affinerie AG in Hamburg
- » IPO in 1998
- » Renamed in 2009 after the acquisition of Cumerio

Aurum + Rubrum = the red gold = Aurubis

- » Production sites in European countries and North America, with about 6,450 employees
- » Fourth largest producer of copper cathodes in the world, with an annual output of about 1.1 million t of copper cathodes
- » No. 1 copper recycler in the world
- » Largest rod producer in the world
- » One of the world's leading copper foil and flat rolled product manufacturers
- » Production capacities for approx. 1.3 million t of different copper products
- » Global leader in environmental protection

Annex 2: Primary copper production process



Forward-looking statements

This document contains forward-looking statements that involve risks and uncertainties, including statements about Aurubis' plans, objectives, expectations and intentions. Readers are cautioned that forward-looking statements include known and unknown risks and are subject to significant business, economic and competitive uncertainties and contingencies, many of which are beyond the control of Aurubis. Should one or more of these risks, uncertainties or contingencies materialize, or should any underlying assumptions prove incorrect, actual results could vary materially from those anticipated, expected, estimated or projected.