



Financial Statements of Aurubis AG 2016/17

The Management Report of Aurubis AG is combined with the Management Report of the Aurubis Group in accordance with Section 315 (3) German Commercial Code (HGB) and is presented in the Aurubis Group's Annual Report.

The annual financial statements and the Combined Management Report of Aurubis AG for fiscal year 2016/17 are published in the electronic Federal Gazette (Bundesanzeiger).

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Balance Sheet

as at September 30, 2017

Assets

in € thousand	Note	9/30/2017	9/30/2016
Fixed assets			
Purchased concessions, industrial property rights and similar rights and assets, and licenses for such rights and assets		109,356	63,672
Goodwill		478	956
Payments on account		4,293	1,569
Intangible assets		114,127	66,197
Land and buildings		162,576	163,477
Technical equipment and machinery		241,376	245,181
Other equipment, factory and office equipment		18,484	16,839
Payments on account and assets under construction		30,682	25,755
Property, plant and equipment		453,118	451,252
Interests in affiliated companies		1,470,195	1,414,867
Investments		15	515
Fixed asset securities		27,878	21,293
Other loans		32	30
Financial fixed assets		1,498,120	1,436,705
	1	2,065,365	1,954,154
Current assets			
Raw materials and supplies		239,213	244,183
Work in process		396,927	430,849
Finished goods, merchandise		116,687	130,331
Advance payments made		35	0
Inventories	2	752,862	805,363
Trade accounts receivable		192,369	112,728
Receivables from affiliated companies		189,467	235,036
Receivables from companies in which investments are held		7,975	3,592
Other assets – of which receivables with a residual term of more than one year: € 0 thousand (previous year: € 0 thousand)		15,833	9,458
Receivables and other assets	3	405,644	360,814
Cash and bank balances	4	518,866	432,968
		1,677,372	1,599,145
Prepaid expenses and deferred charges		76	93
Total assets		3,742,813	3,553,392

Equity and liabilities

in € thousand	Note	9/30/2017	9/30/2016
Equity			
Subscribed capital			
– Conditional capital € 57,545 thousand (previous year: € 52,313 thousand)		115,089	115,089
Additional paid-in capital		349,086	349,086
Revenue reserves			
Legal reserve		6,391	6,391
Other revenue reserves		845,294	771,094
Unappropriated earnings		140,155	122,012
	5	1,456,015	1,363,672
Provisions			
Pension provisions and similar obligations		148,898	137,410
Provisions for taxes		7,934	704
Other provisions		103,911	111,199
	6	260,743	249,313
Liabilities			
Bank borrowings			
– of which with a residual term up to one year: € 8,903 thousand (previous year: € 156,299 thousand)		327,184	478,799
Advance payments received on orders			
– of which with a residual term up to one year: € 4,026 thousand (previous year: € 4,072 thousand)		4,026	4,072
Trade accounts payable			
– of which with a residual term up to one year: € 532,753 thousand (previous year: € 478,653 thousand)		532,753	478,653
Payables to affiliated companies			
– of which with a residual term up to one year: € 640,744 thousand (previous year: € 736,563 thousand)		1,141,694	961,563
Other liabilities			
– of which from taxes: € 6,759 thousand (previous year: € 7,757 thousand)			
– of which for social security obligations: € 3,749 thousand (previous year: € 1,711 thousand)			
– of which with a residual term up to one year: € 20,398 thousand (previous year: € 17,320 thousand)		20,398	17,320
	7	2,026,055	1,940,407
Total equity and liabilities		3,742,813	3,553,392

Income Statement

from October 1, 2016, to September 30, 2017

in € thousand	Note	9/30/2017	9/30/2016
Revenues	10	7,510,851	6,709,269
Decrease/increase in inventories of finished goods and work in process		-48,843	47,148
Own work capitalized		6,702	6,068
Other operating income	11	76,421	71,198
Cost of materials	12		
a) Cost of raw materials, supplies and merchandise		6,720,923	6,123,089
b) Cost of purchased services		227,514	178,557
		6,948,437	6,301,646
Personnel expenses	13		
a) Wages and salaries		201,784	189,840
b) Social security contributions, pension and other benefit expenses – of which for pensions: € 2,212 thousand (previous year: € -3,495 thousand)		38,655	30,077
		240,439	219,917
Depreciation, amortization of intangible assets and property, plant and equipment	14	50,712	48,019
Other operating expenses	15	158,764	130,792
Income from investments and write-ups of interests in affiliated companies – of which from affiliated companies: € 69,419 thousand (previous year: € 50,347 thousand)	16	69,419	50,347
Income and reversals of impairment losses from other securities and loans reported under financial fixed assets	17	6,805	5,346
Other interest and similar income – of which from affiliated companies: € 6,199 thousand (previous year: € 4,627 thousand)	18	7,347	6,110
Write-downs of financial assets and securities classified as current assets	19	557	100
Interest and similar expenses – of which to affiliated companies: € 3,170 thousand (previous year: € 3,198 thousand)	20	33,316	28,538
Income taxes	21	47,009	31,357
Earnings after income taxes		149,468	135,117
Other taxes		929	884
Net income for the year		148,539	134,233
Unappropriated earnings brought forward from the prior year		65,816	54,879
Allocations to other revenue reserves		74,200	67,100
Unappropriated earnings		140,155	122,012

Notes to the Financial Statements

1. General Disclosures

The financial statements of Aurubis AG, Hamburg, for the fiscal year from October 1, 2016, to September 30, 2017, have been prepared in accordance with the requirements of the German Commercial Code (Handelsgesetzbuch, HGB) for large corporations and the relevant standards of the German Stock Corporation Act (Aktiengesetz, AktG) and are prepared in thousands of euros, for the first time taking into account the Accounting Directive Implementation Act (BilRUG). In accordance with the transitional provisions of the BilRUG, the previous years' figures have not be adjusted, which is why the comparability with the previous year is limited. The effects on the previous year are presented in the corresponding positions in the explanatory notes for the income statement.

The income statement has been prepared using the nature of expenditure format.

The annual financial statements of Aurubis AG, the Aurubis consolidated financial statements and the Combined Management Report for Aurubis AG and the Aurubis Group for fiscal year 2016/2017 have been published together with the report of the Supervisory Board and the suggested appropriation of earnings in the Federal Gazette (Bundesanzeiger) at www.bundesanzeiger.de. The declaration required under Section 161 German Stock Corporation Act (AktG) has been issued by the Executive Board and the Supervisory Board and has been made permanently accessible to the shareholders on the Company's website.

Aurubis AG, headquartered in Hamburg, Germany, is registered with the District Court of Hamburg under Commercial Register number HR B No. 1775.

2. Accounting Policies

Fixed assets

Intangible assets are recognized at their costs of acquisition or generation and are amortized on a pro rata temporis basis. The costs of generation include directly allocable costs and a proportionate share of overheads.

Property, plant and equipment are measured at acquisition or construction cost. The construction cost of self-constructed assets

includes directly allocable costs and a proportionate share of overheads. Movable fixed assets are generally depreciated on a straight-line basis over their normal operational useful life. Low-value movable items, costing individually up to € 150 acquired since January 1, 2008, are fully depreciated in the year of acquisition. A collective item has been set up for low-value items with individual acquisition or construction costs of between € 150 and € 1,000. This collective item is depreciated over a period of five years. Impairment losses are recorded if assets need to be recognized at a lower value. Spare parts and maintenance equipment that are used for longer than one period are recorded as items of property, plant and equipment.

Financial fixed assets are stated at acquisition cost or their lower fair value. Rights under pension liability insurance policies for Executive Board members are netted with the provisions for pension entitlement.

Current assets

Inventories are measured at acquisition/production cost or at current market values as at the balance sheet date, if lower. Production cost includes all direct costs as well as a systematically allocated share of the production-related overheads.

The acquisition costs of copper concentrates and raw materials for recycling are calculated by deducting the treatment and refining charges negotiated with the supplier from the purchase value of the metal. Treatment and refining charges are fees that are charged for processing ore concentrates and raw materials for recycling into copper and precious metals.

Work in process is measured by initially measuring the metal content. The equivalent cost of the processing that is still required for production of the fine metal is deducted from this figure. In this manner, the costs incurred during the production process are successively recognized as a component of the total production cost. This procedure applies to metal production.

In the case of copper products, both the metal components and the costs incurred for further processing the copper into special formats – such as wire rod, shapes and rolled products – are taken into consideration for the measurement of finished goods by applying a calculated surcharge.

Metal inventories are accounted for using the LIFO method.

Receivables and other assets are recognized at cost. Aurubis monitors all risks associated with receivables. If circumstances become known which lead to a conclusion that any particular receivables are subject to risks that exceed the normal credit risk, then such risks are taken into account by Aurubis by setting up a specific allowance.

Emission rights that have been allocated without payment are recognized at a pro memoria value.

Cash and cash equivalents are accounted for at their nominal values.

Expenditures before the balance sheet date that represent expenses for a definite period after this date are recognized as **prepaid expenses and deferred charges**.

Subscribed capital

The subscribed capital is accounted for at nominal value.

Provisions and liabilities

Aurubis AG's **pension obligations** deriving from entitlements and current pensions are calculated at the present value of their settlement amounts by applying the projected unit credit method, using an interest rate of 3.77%. The interest rate is based on the average market interest rate for the past 10 years, assuming a residual term of 15 years, as published by the German Federal Bank. Expected future increases in pensions and remuneration of 1.6% p.a. and 2.75% p.a. respectively were also taken into account, as well as a fluctuation probability of 0% to 10%, depending on the age structure.

Pensions are provided to a great extent through pension and support funds whose assets may solely be utilized to satisfy Aurubis AG's pension obligations. Both the pension and support funds receive allocations, as permitted by German tax regulations. Provisions have been set up to cover the unfunded portion of these obligations. The same calculation parameters were used for this purpose as were used for the other pension provisions. In determining the provision, the securities held as fund assets are recognized at current market value and leased property is valued by applying a capitalized earnings procedure.

The company pension plan was converted to the form of a defined contribution plan for employees hired after September 29, 2003. Since then, processing has been carried out by an external pension fund and an insurance company.

The **remaining provisions** cover all identifiable risks and uncertain obligations, including potentially onerous transactions; they are recognized in the balance sheet with their settlement amount pursuant to Section 253 (1) sentence 2 clause 2 German Commercial Code (HGB). Provisions with a residual term of more than one year were discounted pursuant to Section 253 (2) sentence 1 German Commercial Code (HGB) in conjunction with Section 253 (2) sentences 4 and 5 German Commercial Code (HGB), applying an average interest rate for the past seven fiscal years, as published by the German Federal Bank.

All **liabilities** are stated at their settlement amounts.

Receipts before the balance sheet date that represent income for a definite period after this date are recognized as **deferred income**.

Currency conversion

Bank balances designated in foreign currencies are measured at the mean rate of exchange as at the balance sheet date.

Current foreign currency receivables and payables (with a term of up to one year) are accounted for at the exchange rate at the time they occur, taking into consideration any profits and losses deriving from rate changes as at the balance sheet date. Non-current foreign currency receivables and payables (with a term of over one year) are recognized at the exchange rate at the time they occur, taking into consideration any losses deriving from rate changes as at the balance sheet date.

Income and expenses from the realization of foreign currency receivables and payables are recognized in other operating income and expenses.

Deferred taxes

Deferred taxes derive from differences between the carrying amounts of assets, liabilities, prepaid expenses, deferred charges and deferred income as recognized for statutory accounting purposes and those recognized for tax-based accounting purposes, as well as from tax loss carryforwards. Any overall tax burden is recognized as a deferred tax liability. Any tax relief deriving from this may be recognized as a deferred tax asset.

For Aurubis AG, deferred tax liabilities particularly result from measurement differences for items of property, plant and equipment as well as from the currency measurement of receivables and liabilities. These were netted against deferred tax assets deriving from measurement differences, primarily relating to provisions. If there is a net surplus of deferred tax assets over liabilities, the option to recognize them provided by Section 274 (1) sentence 2 German Commercial Code (HGB) is not applied and no deferred tax assets are disclosed. As at the balance sheet date on September 30, 2017, the resultant balances were:

in € thousand	9/30/2017	9/30/2016
Deferred tax assets	46,838	43,345
Deferred tax liabilities	-13,930	-14,410
Total	32,908	28,935

Deferred taxes are computed based on a rate of 32.42% (previous year: 32.42%), which is the expected income tax rate at the time the temporary differences reverse (15.83% for corporate income tax including the solidarity surcharge and 16.59% for trade tax).

Derivatives and measurement units

Aurubis AG and the Aurubis Group companies are exposed to currency, interest rate and commodity price risks in the course of their business. The Company deploys derivative financial instruments to hedge these risks. The use of derivative financial instruments is limited to the hedging of the Group's operating business and associated monetary investments and financing transactions.

Currency risks are primarily hedged through the deployment of forward foreign exchange contracts and foreign currency options. Interest rate swaps are particularly used to hedge interest rate risks. Aurubis AG contracts derivative financial instruments with external contractual partners in the context of the hedging of commodity price risks in order to hedge the market prices of raw materials and the energy required for operational business purposes.

The deployment of derivative financial instruments has the objective of reducing, to a large extent, the impacts on earnings and cash flows that can result from changes in exchange rates, interest rates and commodity prices.

Derivative financial instruments are subject to a price change risk due to the possibility of fluctuations in the underlying parameters such as currencies, interest rates and commodity prices. In the process, use is made of the possibility to compensate losses in value due to contrary effects deriving from the hedged items.

The nominal volume of the derivative financial instruments is determined as the sum of all purchase and sales contracts. The market values of forward foreign currency contracts are determined on the basis of current European Central Bank reference rates, taking into account the forward premiums or discounts, and those for metal future contracts on the basis of LME price quotations. Foreign exchange and metal options are valued using price quotations or option price models. The market values of the interest hedging transactions are determined by discounting future expected cash flows, using the market interest rates applicable for the remaining term of the financial instruments.

The non-ferrous metal transactions used to hedge the metal prices, as well as the forward exchange contracts connected with these, are included in the measurement of the respective measurement units for each type of metal. These financial instruments therefore also influence the measurement of trade accounts payable and receivable, as well as inventories.

3. Notes to the Balance Sheet

(1) Fixed assets

Intangible assets include usage rights acquired for a fee, primarily in connection with a long-term electricity supply contract. In addition, this includes goodwill resulting from the amalgamation with Hüttenwerke Kayser AG. Intangible assets are amortized on a scheduled basis over their remaining useful lives. Goodwill is amortized on a straight-line basis over its expected useful life.

Additions of € 108.2 million were recorded under intangible assets and property, plant and equipment. Investments in intangible assets primarily involve additions in connection with an agreement for the long-term sourcing of electricity. Investments in property, plant and equipment involve not only investments within the scope of the planned downtime in primary copper production, but also investments in connection with a district heating project.

A schedule showing the share interests disclosed as financial assets is shown on page 28 of these notes to the financial statements.

As the ultimate Group holding company, Aurubis AG monitors any signs of impairment in its financial assets. During the fiscal year, on the basis of current multi-year plans, Aurubis AG recognized reversals of impairment losses on the investment carrying amount for Aurubis Stolberg GmbH & Co. KG, of € 34.5 million, for Aurubis Belgium NV/SA, of € 18.8 million and for Retorte GmbH of € 2.0 million using the DCF method. In addition, the investment in CMR International N.V. was written down by € 0.6 million.

The carrying amount of fixed asset securities as at September 30, 2017, originally amounted to € 21.3 million, whereas their fair value as at the balance sheet date amounted to € 27.9 million. A reversal of an impairment loss of € 6.6 million was accordingly recognized on this basis.

The changes in fixed assets are shown on pages 26 and 27 of the notes to the financial statements.

(2) Inventories

in € thousand	9/30/2017	9/30/2016
Raw materials and supplies	239,213	244,183
Work in process	396,927	430,849
Finished goods, merchandise	116,687	130,331
Payments on account	35	0
	752,862	805,363

The € 52.5 million decrease in inventories results primarily from the € 33.9 million decline in work in process as well as from the € 13.6 million decline in finished goods. The decline in inventories of anodes compared to the previous year's reporting date was of particular relevance with respect to the lower figure for work in process. The lower value for inventories of finished goods is attributable to a reduction in inventories of cathodes.

Write-downs to lower market value as at the balance sheet date, amounting to € 11.3 million, relate only to by-product metals.

The difference between the current market value as at the reporting date and our measurement, using the LIFO method, amounted to € 702.9 million.

(3) Receivables and other assets

in € thousand	Residual term		Total
	less than 1 year	more than 1 year	9/30/2017
Trade accounts receivable	192,369	0	192,369
Receivables from affiliated companies	83,841	105,626	189,467
Receivables from companies in which investments are held	7,975	0	7,975
Other assets	15,833	0	15,833
	300,018	105,626	405,644

in € thousand	Residual term		Total
	less than 1 year	more than 1 year	9/30/2016
Trade accounts receivable	112,728	0	112,728
Receivables from affiliated companies	88,717	146,319	235,036
Receivables from companies in which investments are held	3,592	0	3,592
Other assets	9,458	0	9,458
	214,495	146,319	360,814

Trade accounts receivable increased by € 79.7 million compared to the previous year, from € 112.7 million to € 192.4 million, primarily due to pricing in the area of copper products. The volume of receivables sold in conjunction with factoring agreements decreased compared to the prior year and amounted to € 99.8 million (previous year: € 120.7 million). The factoring arrangements are used to finance the receivables, while at the same time reducing the default risk.

Receivables from affiliated companies of € 189.5 million are made up of trade accounts receivable of € 7.9 million (previous year: € 5.0 million) and receivables deriving from financial transactions of € 181.6 million (previous year: € 230.0 million).

The receivables from companies in which investments are held, amounting to € 8.0 million (previous year: € 3.6 million), mainly comprise receivables from Schwermetall Halbzeugwerk GmbH & Co. KG, deriving from deliveries of goods.

Almost all of the outstanding trade accounts receivable had been settled by the time of preparation of the financial statements.

Other assets primarily include tax receivables in the amount of € 5.7 million.

Emission rights that have been allocated without payment are recognized at a pro memoria value. The fair value of the rights not yet utilized for the allocation period amounts to € 2.2 million (previous year: € 1.1 million).

(4) Cash and bank balances

This item includes cash on hand, balances at banks and commercial papers with a term of up to one month.

(5) Equity

The share capital amounted to € 115,089,210.88 and is divided into 44,956,723 no-par-value shares, each with a notional amount of € 2.56.

The Executive Board is empowered, subject to the approval of the Supervisory Board, to increase the Company's share capital by February 23, 2021, by up to € 57,544,604.16 once or in several installments.

The share capital has been conditionally increased by up to € 57,544,604.16 by issuing up to 22,478,361 new no-par-value shares with a proportionate notional amount per share of € 2.56 of the share capital (conditional capital). It will be used to grant shares to the holders or creditors of conversion and/or option rights from convertible bonds, bonds with warrants, profit participation rights or participating bonds (or combinations of these instruments) that can be issued by March 1, 2022.

An amount of € 74,200,000.00 has been allocated from the net income for the year to other revenue reserves. € 6,391,148.51 of the required legal reserve, amounting to 10% of the subscribed capital, is included in the revenue reserves. The remaining amount of the equity is made up by the share premium that is disclosed as additional paid-in capital.

The transition to the discount interest rate for the pension provision pursuant to Section 253 (6) sentence 1 German Commercial Code (HGB) results in a difference of € 32.4 million. This amount is subject to a dividend distribution restriction pursuant to Section 253 (6) sentence 2 German Commercial Code (HGB) if no other free reserves are available.

The unappropriated earnings as at September 30, 2017, include the profit of € 65,816,116.25 brought forward from the prior year.

(6) Provisions

in € thousand	9/30/2017	9/30/2016
Pension provisions and similar obligations	148,898	137,410
Provisions for taxes	7,934	704
Other provisions		
Personnel-related	74,061	68,066
Maintenance	915	1,461
Environmental protection measures	7,945	7,907
Sundry provisions	20,990	33,765
	103,911	111,199
	260,743	249,313

As in the prior year, the pension obligations were measured at the present value of their settlement amount by applying the projected unit credit method, taking into account expected future increases in pensions and remuneration. In addition to Prof. Dr. Klaus Heubeck's "2005G" mortality tables, the following parameters provided the basis for the computation of the pension obligations:

Discount rate	3.77 %
Expected income development	2.75 %
Expected pension development	1.60 %
Staff fluctuation rate (tiered according to age distribution)	0.00 % to 10.00 %

The difference between the measurement of the pension provision applying the 10-year average interest rate and applying the 7-year average interest rate pursuant to Section 253 (6) sentence 1 German Commercial Code (HGB) amounted to € 32.4 million. Profits may only be distributed if the freely available reserve plus any profit carried forward, or less any loss carryforward, which remains after the distribution, corresponds at a minimum to this difference.

Expenses deriving from the pension scheme are included in personnel costs. The interest expense deriving from the obligation and any income arising from the change in the present value of the cover assets are offset in the financial result. Any expenses deriving from interest rate changes are also included in the financial result.

Expenses of € 18.6 million, deriving from the accrual of interest discount on the pension obligations, include € 10.0 million in expenses from the change in the discount rate. These expenses were offset by income of € 58 thousand deriving from the fund assets.

To the extent that the pension obligations for Executive Board members have been reinsured, the fair value of the reinsurance claims is offset against them. The fair value of the fund assets was € 3.9 million as at the reporting date (previous year: € 3.3 million) and corresponded to their amortized cost. Thus, the amount required to settle the total pension obligations was € 152.8 million as at the balance sheet date (previous year: € 140.7 million).

The increase in tax provisions mainly relates to income taxes on the taxable income of the fiscal year.

The increase in personnel-related provisions particularly results from higher provisions for transitional and anniversary payments to employees, due to lower discounting interest rates, and an allocation of provisions for success-related remuneration.

The provision for deferred maintenance relates to scheduled repairs for the first three months after the balance sheet date.

The other remaining provisions primarily contain provisions for impending losses from onerous contracts as well as provisions for outstanding invoices. The decrease in other provisions is primarily due to lower provisions for onerous contracts. Of this, € 15.6 million is in connection with a long-term electricity supply agreement.

The change in the non-current provisions for environmental protection measures, due to the modified measurement requirements under the BilMoG, led to a situation in which the provisions were overstated by € 524 thousand as at October 1, 2010. Since the amount that would have been released needs to be allocated again by December 31, 2024, at the latest, use has been made of the option available under Article 67 (1) sentence 2 of the Introductory Act to the German Commercial Code (EGHGB), and the provision has been retained. As at September 30, 2017, the amount overprovided was € 62 thousand.

(7) Liabilities

in € thousand	Residual term			Total
	less than 1 year	1 to 5 years	more than 5 years	9/30/2017
Bank borrowings	8,903	318,281	0	327,184
Advance payments received on orders	4,026	0	0	4,026
Trade accounts payable	532,753	0	0	532,753
Payables to affiliated companies	640,744	500,950	0	1,141,694
Other liabilities	20,398	0	0	20,398
– of which taxes	6,759	0	0	6,759
– of which for social security contributions	3,749	0	0	3,749
	1,206,824	819,231	0	2,026,055

in € thousand	Residual term			Total
	less than 1 year	1 to 5 years	more than 5 years	9/30/2016
Bank borrowings	156,299	207,000	115,500	478,799
Advance payments received on orders	4,072	0	0	4,072
Trade accounts payable	478,653	0	0	478,653
Payables to affiliated companies	736,563	225,000	0	961,563
Other liabilities	17,320	0	0	17,320
– of which taxes	7,757	0	0	7,757
– of which for social security contributions	1,711	0	0	1,711
	1,392,907	432,000	115,500	1,940,407

Bank borrowings declined by € 151.6 million in comparison to the previous year as a result of the repayment of a bonded loan.

Trade accounts payable increased by € 54.1 million to € 532.8 million due to factors related to the reporting date and price (previous year: € 478.7 million).

In addition to trade accounts payable of € 129.8 million (previous year: € 116.7 million), payables to affiliated companies of € 1,141.7 million include payables of € 1,011.9 million deriving from financial transactions with subsidiaries (previous year: € 844.9 million).

(8) Derivatives and measurement units

Derivative financial instruments used to hedge currency risks

Aurubis AG uses forward foreign exchange contracts and foreign currency options to hedge currency risks. A focus of the hedging measures is to hedge the risk of changes in value deriving from futures transactions (hedged transactions). This is achieved using macro-hedges. Aurubis AG concluded forward foreign exchange contracts with a nominal volume of € 634.4 million to hedge currency risks from LME exchange transactions. They have a residual term of up to seven months. The net negative fair market value as at the balance sheet date amounted to € 1.4 million. They are matched by changes in value from the hedged items included in the measurement unit in the same amount.

They are accounted for by applying the net hedge presentation method, and as a result were not recognized in the balance sheet. The effectiveness of the measurement unit is determined by comparing the net position of the hedged transactions included in the macro-hedge with the net position of the forward foreign exchange contracts included in the portfolio.

Forward foreign exchange contracts and foreign currency options in the form of micro-hedges were concluded to hedge highly probable revenues from treatment and refining charges, copper premiums and product surcharges in USD against the risk of changes in the cash flow. They have a residual term of up to 24 months, a nominal volume of € 206.9 million and a net positive market value of € 12.0 million.

They are matched by changes in value from the hedged items included in the measurement unit in the same amount. The expected volume of treatment charge revenues, copper premiums and product surcharges in USD is based on an annual budget reflecting expected business trends, which is authorized by the Company's management. There is thus a high probability that these transactions will occur.

They are accounted for by applying the net hedge presentation method. As a result, the portion of the changes in value included in the measurement unit was not recognized in the balance sheet. The effectiveness of the measurement unit is determined by using the cumulative dollar-offset method.

Further measurement units were set up separately for each currency pair in the form of portfolio hedges to hedge currency risks at Group companies deriving from traded-on forward foreign exchange contracts and foreign currency options, as well as for forward foreign exchange contracts concluded to hedge the open currency risk position determined on each day of trading.

The latter items hedge the respective net risk position for a day of trading on the exchanges so that a 1:1 allocation to the respective hedged transactions (e.g. trade accounts receivable and trade accounts payable, advance payments made and received) is not possible.

For the EUR/USD currency pair, this portfolio held traded-on foreign currency options with a residual term of up to twelve months. They include the respective purchase and sale options for US\$ 81.0 million with an equivalent value of € 72.8 million.

They are accounted for by applying the net hedge presentation method. Since the foreign currency options included in this measurement unit are in each case 1:1 mirrored transactions, the portion of the changes in value included in the measurement unit was not recognized in the balance sheet. Furthermore, in this portfolio, forward foreign exchange contracts with a residual term of up to 24 months existed for this currency pair. Respective USD purchases and sales of US\$ 790.2 million are counterbalanced by contracted

EUR purchases of € 674.7 million and EUR sales of € 674.9 million within this measurement unit. They are accounted for by applying the net hedge presentation method.

The effectiveness of the measurement unit is determined for the positions concluded in foreign currency by matching these with the contracted EUR amounts that are to be later used to process the forward foreign exchange contracts. Additional measurement units for other currency pairs only existed to a minor extent.

Derivative financial instruments used to hedge interest rate fluctuation risks

Interest rate swaps in the form of payer swaps were concluded to hedge cash flow risks deriving from borrowings with variable interest rates. They have residual terms until 2022 corresponding with the liabilities. They have a nominal volume of € 71.0 million and a net negative market value of € 0.8 million. They were included in the form of micro-hedges in measurement units covering liabilities reported in the balance sheet. The fair values of the interest rate swaps are matched by changes in the value of the hedged items included in the measurement unit in the same amount. They are accounted for by applying the net hedge presentation method. As a result, the portion of the changes in value included in the measurement unit was not recognized in the balance sheet. The effectiveness of the measurement unit is determined by using the cumulative dollar-offset method.

Derivative financial instruments used to hedge metal and other price risks

Aurubis AG used futures contracts to hedge metal price risks. These mainly relate to copper.

A main focus of the hedging measures is to hedge price-fixed, pending purchase and sales delivery transactions against the risk of changes in value due to a change in the metal price. This is achieved using a macro-hedge. Aurubis AG concluded LME futures contracts with a nominal volume of € 1.5 billion in order to hedge metal price risks deriving from pending delivery transactions. They have a residual term of up to 27 months. Their net positive fair market value as at the

balance sheet date amounted to € 9.6 million. To the extent that this is not offset by changes in the value of the hedged items included in the measurement unit in the same amount, this is taken into account in the measurement of the delivery purchases and sales also included in the measurement unit which have already been delivered but not price-fixed. The closed position is accounted for by applying the net hedge presentation method. The effectiveness of the measurement unit is determined by comparing the volumes and prices of the hedged items and hedging instruments included in the macro-hedge.

Aurubis AG uses commodity futures and commodity swaps to hedge other price risks.

In the context of hedging other price risks, variable price components included in the procurement of electricity were particularly hedged in the form of micro-hedges against the risk of changes in cash flows. Commodity futures and commodity swaps existed with a residual term of up to 27 months and a nominal volume of € 3.6 million and a net positive market value of € 0.8 million. They are matched by changes in value from the hedged items included in the measurement unit in the same amount. They are accounted for by applying the net hedge presentation method. As a result, they were not recognized in the balance sheet. Evidence of the effectiveness of the measurement unit is provided in that the critical contract terms for the hedged item and the hedging instrument are an exact match (critical terms match).

Provisions of € 0.5 million and € 0.1 million have been set up to cover respective anticipated losses from forward exchange and metal delivery transactions.

(9) Contingent liabilities and other financial commitments

in € million	9/30/2017	9/30/2016
Contingent liabilities		
Letters of comfort	23.2	17.2
– of which for affiliated companies	23.2	17.2
Other financial commitments		
Capital expenditure commitments	60.1	31.1
Sundry other financial commitments	126.9	139.0

The notional values disclosed for contingent liabilities did not lead to recognition, as a claim is not expected due to the contractual partners' economic development.

Other financial commitments of € 99.3 million relate to long-term transport and handling agreements with a residual term of ten years (previous year: € 112.0 million). Other financial commitments of € 17.5 million relate to long-term tank storage handling agreements with a residual term of eight years (previous year: € 19.6 million).

An agreement remains in place 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. In addition, there is a long-term agreement for the supply of oxygen.

4. Notes to the Income Statement**(10) Revenues**

in € thousand	2016/17	2015/16
Analysis by product group		
Copper cathodes	1,090,231	876,035
Wire rod	2,796,747	2,535,069
Shapes	886,077	653,277
Precious metals	2,447,254	2,398,341
Sulfuric acid	34,412	37,189
Other	256,130	209,358
	7,510,851	6,709,269

In the year reported, 48.7% of the revenues were generated in the German market, 39.7% in other member states of the European Union, 2.7% in Asia, 5.0% in North America and 3.9% in other countries. The higher revenues are primarily attributable to higher metal prices for copper-bearing and precious metal-bearing products.

The revenues for wire rod and shapes also include revenues for "Wandelkathoden" (copper on account), which are delivered in the requested sizes following receipt of the customers' specifications.

Applying the definition of revenues according to the BilRUG requirements, the revenues in the previous fiscal year would have amounted to € 6,742 million.

(11) Other operating income

in € thousand	2016/17	2015/16
Income deriving from the reversal of provisions	1,180	2,805
Gains on disposal of property, plant and equipment	278	23
Cost reimbursements	1,708	31,923
Compensation and damages	1,386	8,995
Other income	71,869	27,452
	76,421	71,198

Other operating income includes € 6.0 million (previous year: € 8.2 million) of income relating to prior periods. Amongst other items, this includes income deriving from the reversal of allowances on receivables, income from the reversal of unneeded provisions and income deriving from compensation claims. Other income includes gains of € 66.7 million deriving from the measurement and realization of foreign currency receivables and payables (previous year: € 16.8 million).

Applying the definition of other operating income according to the BilRUG requirements, the other operating income in the previous fiscal year would have amounted to € 39.0 million.

(12) Cost of materials

in € thousand	2016/17	2015/16
Raw materials, supplies and merchandise	6,720,923	6,123,089
Cost of purchased services	227,514	178,557
	6,948,437	6,301,646

The cost of materials increased by € 646.8 million in a manner corresponding to the increase in revenues. The cost of materials ratio was nearly unchanged at 93.0 % (previous year: 93.2 %).

Applying the definition of cost of materials according to the BilRUG requirements, the cost of materials in the previous fiscal year would have amounted to € 6,338 million.

(13) Personnel expenses and human resources

in € thousand	2016/17	2015/16
Wages and salaries	201,784	189,840
Social security contributions, pension and other benefit expenses	38,655	30,077
– of which for pensions	2,212	–3,495
	240,439	219,917

The increase in personnel expenses in the past fiscal year is mainly attributable to an increase in wages and salaries. The increase was primarily caused by increases in collective wage agreement rates as well as an increase in the number of employees.

The average number of employees during the year was as follows:

	2016/17	2015/16
Blue collar	1,656	1,645
White collar	1,070	1,020
Trainees and apprentices	184	185
	2,910	2,850

(14) Depreciation, amortization of intangible fixed assets and property, plant and equipment

Depreciation and amortization increased, by a total of € 2.7 million compared to the previous year, to € 50.7 million, mainly in the areas of technical equipment and machinery as well as buildings. The depreciation and amortization of intangible assets and property, plant and equipment of € 55.3 million disclosed in the table showing changes in fixed assets includes depreciation on investments made in connection with an electricity supply contract, amounting to € 4.6 million, which is disclosed under cost of materials.

(15) Other operating expenses

Other operating expenses of € 158.8 million (previous year: € 130.8 million) primarily include administrative and marketing expenses, fees, insurance, rents and leasing expenses.

In addition, other operating expenses include losses of € 72.8 million deriving from the measurement and realization of foreign currency receivables and payables (previous year: € 13.3 million) and expenses relating to prior periods of € 3.6 million (previous year: € 0.7 million). The expenses relating to prior periods mainly comprise losses on the disposal of fixed assets of € 2.9 million (previous year: € 0.7 million).

Applying the definition of other operating expenses according to the BilRUG requirements, the other operating expenses in the previous fiscal year would have amounted to € 94.8 million.

(16) Income from investments and write-ups of interests in affiliated companies

in € thousand	2016/17	2015/16
Income from investments	14,091	35,347
– of which from affiliated companies	14,091	35,347
Write-ups of interests in affiliated companies	55,328	15,000
	69,419	50,347

The income from investments comprises € 3.5 million from investments abroad and € 10.6 million from investments in Germany.

On the basis of current multi-year plans, reversals were recognized on impairment losses on the investment carrying amount for Aurubis Stolberg GmbH & Co. KG, of € 34.5 million, for Aurubis Belgium NV/SA, of € 18.8 million and for Retorte GmbH, of € 2.0 million.

(17) Income and reversals of impairment losses from other securities and loans reported under financial fixed assets

in € thousand	2016/17	2015/16
Income and reversals of impairment losses from other securities and loans reported under financial fixed assets	6,805	5,346

A remeasurement of the securities classified as fixed assets with the exchange rate as at the balance sheet date led to a reversal of an impairment loss of € 6.6 million.

(18) Other interest and similar income

in € thousand	2016/17	2015/16
Other interest and similar income	7,347	6,110
– of which from affiliated companies	6,199	4,627
	7,347	6,110

(19) Write-downs of financial assets and securities classified as current assets

in € thousand	2016/17	2015/16
Write-downs of investments	557	100

Write-downs of investments of € 0.6 million relate to CMR International N.V..

(20) Interest and similar expenses

in € thousand	2016/17	2015/16
Interest and similar expenses	33,316	28,538
– of which to affiliated companies	3,170	3,198
	33,316	28,538

Interest expense includes expenses from the unwinding of discount on other provisions in the amount of € 0.9 million (previous year: € 1.0 million).

Furthermore, interest and similar expenses include interest components of € 18.6 million included in the allocation to the pension provisions (previous year: € 8.2 million).

(21) Income taxes

The results of ordinary business activity are burdened by income taxes of € 47.0 million (previous year: € 31.4 million). This results in an effective tax rate of 24.0% (previous year: 18.9%). The lower effective tax rate compared to the nominal tax rate is due to differences between the financial statements prepared for commercial accounting purposes and those prepared for tax purposes.

Other Disclosures

Declaration of conformity with the German Corporate Governance Code in accordance with Section 161 German Stock Corporation Act (AktG)

The declaration required under Section 161 German Stock Corporation Act (AktG) has been issued by the Executive Board and the Supervisory Board and has been made permanently accessible to the shareholders on the Company's website.

Notifications pursuant to Section 160 (1) No. 8 German Stock Corporation Act (AktG)

As at September 30, 2017, we had received the following voting rights notifications from shareholders with respect to exceeding and falling below the respective notification thresholds of 3%, 5% and 25% in accordance with Section 21 (1) German Securities Trading Act (WpHG):

Shareholder structure

Shareholders	Stake in %	Relevant threshold date	Date of publication
Dimensional Holdings Inc., Santa Monica, USA	3.01	1/21/2008	2/4/2008
Salzgitter Mannesmann GmbH, Salzgitter ³⁾	25.002	8/29/2011	8/29/2011
UBS AG, Zurich, Switzerland	4.99	3/4/2013	3/20/2013
Norges Bank, Oslo, Norway ¹⁾	2.95	10/7/2016	10/12/2016
Norges Bank, Oslo, Norway ¹⁾	3.05	10/20/2016	10/25/2016
Norges Bank, Oslo, Norway ¹⁾	2.840	10/26/2016	11/2/2016
Norges Bank, Oslo, Norway ¹⁾	3.02	11/8/2016	11/11/2016
Allianz Global Investors GmbH, Frankfurt am M.	3.07	11/18/2016	11/24/2016
Norges Bank, Oslo, Norway ¹⁾	2.476	12/8/2016	12/15/2016
Allianz Global Investors GmbH, Frankfurt am M.	5.0600	3/31/2017	4/6/2017
Allianz Global Investors GmbH, Frankfurt am M.	4.99	7/11/2017	7/14/2017
Allianz Global Investors GmbH, Frankfurt am M.	4.87	7/13/2017	7/17/2017

Shareholders	Stake in %	Relevant threshold date	Date of publication
BlackRock, Inc., Wilmington, DE, USA ²⁾	3.03	8/23/2017	8/31/2017
BlackRock, Inc., Wilmington, DE, USA ²⁾	2.84	9/5/2017	9/12/2017
BlackRock, Inc., Wilmington, DE, USA ²⁾	3.140	9/7/2017	9/14/2017
BlackRock, Inc., Wilmington, DE, USA ²⁾	3.920	9/15/2017	9/22/2017
Salzgitter Mannesmann GmbH, Salzgitter ³⁾	15.75	10/25/2017	10/27/2017

¹⁾ The shares are attributable to the state of Norway, represented by its Ministry of Finance; the transaction was conducted via the Norges Bank.

²⁾ Held directly or indirectly through subsidiaries.

³⁾ The shares are attributable to Salzgitter AG, Salzgitter.

The voting rights notifications are available at:

<https://www.aurubis.com/en/about-aurubis/corporate-governance/voting-rights-notifications>.

Section 25 German Securities Trading Act (WpHG) includes a comparable notification obligation corresponding to Section 21 (1) German Securities Trading Act (WpHG) with respect to financial instruments that grant their owner an unconditional right to unilateral acquisition of shares with voting rights. Moreover, Section 25a German Securities Trading Act introduced an additional notification obligation as at February 1, 2012: this extends to financial and other instruments that enable their owner, virtually or commercially, to purchase shares connected with voting rights. The notifications submitted to the Company in accordance with Sections 25 and 25a German Securities Trading Act (WpHG) can be accessed via the Company's website or via the online platform of Deutsche Gesellschaft für Ad-hoc-Publizität mbH.

Fees and services rendered by the auditor

The following fees were recorded as expenses in fiscal year 2016/17 for services rendered by the auditors:

Financial statement auditing services	€ 514 thousand
Other assurance services	€ 31 thousand
Tax advisory services	€ 118 thousand
Other services	€ 10 thousand
	€ 673 thousand

The fee for the financial statement auditing services rendered by PwC related primarily to the audit of the consolidated financial statements of the Aurubis Group as well as to the review of the separate financial statements of Aurubis AG and its subsidiaries. The tax advisory services related primarily to advice provided in connection with intra-group transfer pricing. In addition, PwC provided assurance services that were contractually agreed upon or voluntarily.

Investments

The full list of investments is disclosed on page 28.

Supplementary report

No significant events occurred after the balance sheet date.

Information concerning the Executive Board and the Supervisory Board

Executive Board

Jürgen Schachler, Hamburg

Born: July 31, 1954, German citizen

Executive Board Chairman and Director of Industrial Relations

Segment Primary Copper until September 30, 2017

Segment Metal Refining & Processing since October 1, 2017
appointed from July 1, 2016 until June 30, 2019

Dr. Stefan Boel, Hamme, Belgium

Born: June 9, 1966, Belgian citizen

Executive Board Member

Segment Copper Products until September 30, 2017

Segment Flat Rolled Products since October 1, 2017

appointed from April 19, 2008 until April 30, 2021

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

Erwin Faust, Hamburg, until June 30, 2017

Born: January 4, 1957, German citizen

Chief Financial Officer

appointed from October 1, 2008 until

originally September 30, 2018

- » Aurubis Belgium NV/SA, Brussels, Belgium
Director

Supervisory Board

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

Chairman

Chairman of the Executive Board of Salzgitter AG, Salzgitter[#]

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

⁺ Group companies of Salzgitter AG

^{*} elected by the employees

[#] stock exchange-listed company

Renate Hold-Yilmaz, Hamburg *

Deputy Chairwoman
Commercial Employee
Chairwoman of the Works Council of Aurubis AG

Burkhard Becker, Hattingen

Member of the Executive Board of Salzgitter AG, Salzgitter[#]

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

Dr. Bernd Drouven, Hamburg

Former Chief Executive Officer of Aurubis AG

- » NITHH GmbH, Hamburg
Chairman of the Supervisory Board

Jan Koltze, Kummerfeld *

District Manager of the Mining, Chemical and Energy Industrial Union
Hamburg/Harburg

- » ESSO Germany GmbH, Hamburg
Member of the Supervisory Board
- » Exxon Mobil Central Europe Holding GmbH, Hamburg
Member of the Supervisory Board

Dr.-Ing. Joachim Faubel, Hamburg *

Employee in Corporate Controlling at Aurubis AG

Dr. Sandra Reich, Singapore

Director, Head of German Desk, NORD/LB Singapore Branch,
Norddeutsche Landesbank Girozentrale, Singapore

Dr. med. Dipl.-Chem. Thomas Schultek, Lübeck *

Head of Corporate Health Protection at Aurubis AG

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

Rolf Schwertz, Datteln *

Bricklayer and boiler operator
Member of the Works Council of Aurubis AG, Lünen, and Chairman of
the Central Representative Council of Employees with Disabilities of
Aurubis AG, Hamburg

Prof. Dr. Fritz Vahrenholt, Hamburg

Chairman of the Deutsche Wildtier Stiftung, Hamburg

- » Capital Stage AG, Hamburg^{*}
Member of the Supervisory Board

Ralf Winterfeldt, Hamburg *

Power electronics technician
Chairman of the General Works Council of Aurubis AG,
Deputy Chairman of the Works Council of Aurubis AG

Dr.-Ing. Ernst J. Wortberg, Dortmund

Self-employed consultant

+ Group companies of Salzgitter AG

* elected by the employees

stock exchange-listed company

Supervisory Board Committees

Conciliation Committee in accordance with Section 27 (3) German Codetermination Act

Prof. Dr.-Ing. Heinz Jörg Fuhrmann (Chairman)
 Renate Hold-Yilmaz (Deputy Chairwoman)
 Dr. Sandra Reich
 Ralf Winterfeldt

Audit Committee

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

Personnel Committee

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

Nomination Committee

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

Technology Committee

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

Total compensation

The total compensation of the active Executive Board members for fiscal year 2016/17 amounts to € 4,589,106 and for the past fiscal year includes, in addition to a fixed component in the amount of € 1,268,250, fringe benefits of € 54,033 and a variable component of € 2,458,719. In addition, expenditures for pension provisions in the amount of € 839,821 were recognized as an expense.

Mr. Faust receives a one-time payment in the amount of € 400,000 within the scope of contract termination, fixed compensation for the time period for the time period from July 1 – September 30, 2017 in the amount of € 99,750 as well as variable compensation for one year in the amount of € 62,344 and variable compensation based on several years in the amount of € 115,188.

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

The compensation of the Supervisory Board for fiscal year 2016/17 amounted in total to € 1,493,000.

Details of the individual compensation of the members of the Executive Board and the Supervisory Board are provided in the compensation report.

Reportable securities transactions

Directors' dealings

In accordance with Art. 19 Market Abuse Regulation (EU No. 596/2014), the members of the Executive Board and the Supervisory Board must disclose the acquisition and sale of shares in the Company. This does not apply if the total transactions per person do not reach an amount of € 5,000 per calendar year.

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

- » Dr. Thomas Schultek / inheritance in the amount of 200 no-par-value shares.

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

The Executive Board and Supervisory Board together hold less than 1% of the shares issued by the Company.

Changes in Fixed Assets

as at September 30, 2017

in € thousand	Costs of acquisition, generation or construction 10/1/2016	Additions	Disposals	Transfers	Costs of acquisition, generation or construction 9/30/2017
Purchased concessions, industrial property rights and similar rights and assets, and licenses for such rights and assets	90,962	51,228	777	977	142,390
Goodwill	7,172	0	0	0	7,172
Payments on account	1,569	3,701	0	-977	4,293
Intangible assets	99,703	54,929	777	0	153,855
Land and buildings	454,822	6,748	2,922	3,349	461,997
Technical equipment and machinery	986,806	18,387	15,983	13,863	1,003,073
Other equipment, factory and office equipment	62,613	4,651	4,859	1,336	63,741
Payments on account and assets under construction	25,755	23,475	0	-18,548	30,682
Property, plant, and equipment	1,529,996	53,261	23,764	0	1,559,493
Interests in affiliated companies	1,484,747	0	0	0	1,484,747
Investments	1,001	57	1,043	0	15
Fixed asset securities	58,287	0	0	0	58,287
Other loans	30	16	14	0	32
Financial fixed assets	1,544,065	73	1,057	0	1,543,081
Fixed assets	3,173,764	108,263	25,598	0	3,256,429

Accumulated depreciation, amortization and write-downs 10/1/2016	Depreciation, amortization and write-downs in the current fiscal year	Disposals	Write-ups	Accumulated depreciation, amortization and write-downs 9/30/2017	Carrying amount 9/30/2017	Carrying amount 30.09.2016
27,290	6,521	777	0	33,034	109,356	63,672
6,216	478	0	0	6,694	478	956
0	0	0	0	0	4,293	1,569
33,506	6,999	777	0	39,728	114,127	66,197
291,345	10,534	2,458	0	299,421	162,576	163,477
741,625	33,585	13,513	0	761,697	241,376	245,181
45,774	4,244	4,761	0	45,257	18,484	16,839
0	0	0	0	0	30,682	25,755
1,078,744	48,363	20,732	0	1,106,375	453,118	451,252
69,880	0	0	55,328	14,552	1,470,195	1,414,867
486	557	1,043	0	0	15	515
36,994	0	0	6,585	30,409	27,878	21,293
0	0	0	0	0	32	30
107,360	557	1,043	61,913	44,961	1,498,120	1,436,705
1,219,610	55,919	22,552	61,913	1,191,064	2,065,365	1,954,154

Investments

pursuant to Section 285 No. 11 German Commercial Code (HGB) as at September 30, 2017

	Company name and registered office	% of capital held directly and indirectly	Held directly by	Equity in € thousand	Annual result in € thousand	Note
1	Aurubis AG					
	Fully consolidated companies					
2	Aurubis Belgium NV/SA, Brussels	100	1	1,011,003	28,946	*
3	Aurubis Holding Sweden AB, Stockholm	100	2	36,173	-2	*/**
4	Aurubis Sweden AB, Finspång	100	3	11,142	-1,045	*/**
5	Aurubis Finland Oy, Pori	100	2	27,270	3,951	*
6	Aurubis Holding USA LLC, Buffalo	100	2	25,077	880	*/**
7	Aurubis Buffalo Inc., Buffalo	100	6	52,917	6,727	*/**
8	Aurubis Netherlands BV, Zutphen	100	2	-8,509	-1,022	*
9	Aurubis Mortara S.p.A., Mortara	100	2	3,929	961	*
10	Cumerio Austria GmbH, Vienna	100	1	567,644	101,295	*
11	Aurubis Bulgaria AD, Pirdop	99.86	10	493,868	176,540	*
12	Aurubis Engineering EAD, Sofia	100	10	31	6	*
13	Aurubis Italia Srl, Avellino	100	1	10,419	1,562	*
14	Aurubis Switzerland SA, Yverdon-les-Bains	100	1	-22,930	-862	*/**
15	Aurubis Stolberg GmbH & Co. KG, Stolberg	100	1	49,677	13,724	*
16	Aurubis U.K. Ltd., Smethwick	100	15	2,518	205	*/**
17	Aurubis Slovakia s.r.o., Dolny Kubin	100	15	593	82	*
18	CABLO Metall-Recycling & Handel GmbH, Fehrbellin	100	1	10,612	3,376	*
19	Peute Baustoff GmbH, Hamburg	100	1	423	255	*
20	RETORTE GmbH Selenium Chemicals & Metals, Röthenbach	100	1	4,105	1,587	*
21	E.R.N. Elektro-Recycling NORD GmbH, Hamburg	100	1	4,580	259	*
22	Aurubis Product Sales GmbH, Hamburg	100	1	704	149	*
23	Deutsche Giessdraht GmbH, Emmerich	60	1	6,072	3,134	*
	Companies accounted for using the equity method					
24	Schwermetall Halbzeugwerk GmbH & Co. KG, Stolberg	50	15	104,349	23,317	*

* Disclosed equity and net earnings are based on the IFRS reporting package since German statutory or country-specific financial statements are not yet available.

** Local currency converted into EUR at the applicable closing rate or average rate as at September 30, 2017.

*** German statutory or country-specific financial statements as at December 31, 2016.

	Company name and registered office	% of capital held directly and indirectly	Held directly by	Equity in € thousand	Annual result in € thousand	Note
Non-consolidated companies						
25	Aurubis Stolberg Verwaltungs-GmbH, Stolberg	100	1	35	2	
26	Hüttenbau-Gesellschaft Peute mbH, Hamburg	100	1	87	0	
27	Aurubis Hong Kong Ltd., Hong Kong	100	2	995	-7	**/**
28	Aurubis Metal Products (Shanghai) Co., Ltd, Shanghai	100	27	122	-23	**/**
29	Aurubis Rus LLC, St. Petersburg	100	2	11	1	**/**
30	Aurubis Canada Metals Inc., Vancouver	100	1	58	0	**
31	BCPC B.V., Zutphen, Netherlands	100	1	-9	-13	
32	Retorte do Brasil, Joinville	51	20	887	58	**/**
33	C.M.R. International N.V., Antwerp	50	1	-2,178	11	
34	Schwermetall Halbzeugwerk GmbH, Stolberg	50	15	39	12	
35	JoSeCo GmbH, Kirchheim/Schwaben	50	20	159	23	***
36	Aurubis Middle East FZE, Dubai	100	22	100	16	**/**
37	Aurubis Turkey Kimya Anonim Sirketi, Istanbul	100	11	29	2	

* Disclosed equity and net earnings are based on the IFRS reporting package since German statutory or country-specific financial statements are not yet available.

** Local currency converted into EUR at the applicable closing rate or average rate as at September 30, 2017.

*** German statutory or country-specific financial statements as at December 31, 2016.

Proposed appropriation of earnings

in € thousand	2016/17
Net income for the year of Aurubis Aktiengesellschaft	148,539,080.49
Profit brought forward from the prior year	65,816,116.25
Allocations to other revenue reserves	74,200,000.00
Unappropriated earnings	140,155,196.74

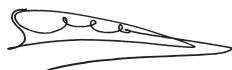
A proposal will be made to the Annual General Meeting that Aurubis AG's unappropriated earnings of € 140,155,196.74 are used to pay a dividend of € 1.45 per no-par-value share (= € 65,187,248.35) and that € 74,967,948.39 be carried forward.

Hamburg, December 12, 2017

The Executive Board



Jürgen Schachler
Chairman



Dr. Stefan Boel
Member

Independent Auditors' Report

To Aurubis AG, Hamburg

Report on the Audit of the Annual Financial Statements and the Management Report

Audit Opinions

We have audited the annual financial statements of Aurubis AG, Hamburg, which comprise the balance sheet as at 30 September 2017 and the income statement for the financial year from 1 October 2016 to 30 September 2017 and the notes to the financial statements, including the accounting and measurement methods presented therein. In addition, we have audited the management report of Aurubis AG, which is combined with the Group's management report, for the financial year from 1 October 2016 to 30 September 2017. The Corporate Governance Statement pursuant to § (Article) 289a HGB ("Handelsgesetzbuch": German Commercial Code) and § 315 Abs. (paragraph) 5 HGB and the Corporate Governance Report according to section 3.10 of the German Corporate Governance Code have not been audited by us with regard to content according to the German legal requirements.

In our opinion, based on the findings of our audit,

- » the accompanying annual financial statements comply, in all material respects, with the requirements of German commercial law applicable to corporations and give a true and fair view of the net assets and financial position of the Company in accordance with German principles of proper accounting as at 30 September 2017 as well as the results of operations for the financial year from 1 October 2016 to 30 September 2017 and
- » the accompanying management report as a whole provides a suitable view of the Company's position. In all material respects, this management report is consistent with the annual financial statements, complies with the German legal requirements and suitably presents the opportunities and risks of future development. Our audit opinion on the management report does not cover the content of the Corporate Governance Statement and the Corporate Governance Report mentioned above.

According to § 322 Abs. 3 Satz (sentence) 1 HGB, we state that our audit has not led to any reservations with respect to the propriety of the annual financial statements and the management report.

Basis for Audit Opinions

We conducted our audit of the annual financial statements and the management report in accordance with § 317 HGB and the EU Audit Regulation (No 537/2014) under consideration of the German generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer (Institute of Public Auditors in Germany) (IDW). Our responsibilities under those provisions and standards are further described in the "Auditor's Responsibilities for the Audit of the Annual Financial Statements and of the Management Report" section of our auditor's report. We are independent of the Company in accordance with provisions under EU law as well as German commercial law and professional requirements, and we have fulfilled our other German ethical responsibilities in accordance with these requirements. Furthermore, we declare in accordance with Article 10 (2) f) of the EU Audit Regulation that we have not provided any prohibited non-audit services referred to in Article 5 (1) of the EU Audit Regulation. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions on the annual financial statements and the management report.

Key Audit Matters in the Audit of the Consolidated Financial Statements

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the annual financial statements for the financial year from 1 October 2016 to 30 September 2017. These matters were addressed in the context of our audit of the annual financial statements as a whole, and in forming our audit opinion thereon, and we do not provide a separate audit opinion on these matters.

In our view, the matter of most significance in our audit was as follows:

- ① **Accounting treatment of hedging instruments**
- ② **Pension obligations and plan assets**
- ③ **Measurement of shares in affiliated companies**

Our presentation of this key audit matter has been structured as follows:

- ① Matter and issue
- ② Audit approach and findings
- ③ Reference to further information

Hereinafter we present the key audit matters:

① **Accounting treatment of hedging instruments**

- ① Aurubis AG uses a variety of derivative financial instruments to hedge against currency, commodity and interest rate risks arising from its ordinary business activities. Management's hedging policy is documented in corresponding internal guidelines and serves as the basis for these transactions. Currency risk mainly reflects revenue and costs of materials denominated in foreign currency. The risk of changes in commodities prices focuses on copper prices in purchasing and selling metal. The risk of changes in interest rates results from floating-rate financing.

The positive fair value of all of the instruments used by Aurubis AG for hedging purposes amounts to € 40.5 million as of the balance sheet date, the negative fair value amounts to € 19.0 million. As far as possible, the derivative financial instruments are combined with the respective hedged items into hedging relationships in accordance with § 254 HGB; in application of the net hedge presentation method, this means that the hedging instruments are not recognized in the balance sheet for the duration of the hedging relationship. Insofar a hedging relationship is ineffective and results in a net loss, a provision for expected losses is recognized. We believe that these matters were of particular importance for our audit due to the high complexity and number of hedging transactions as well as the extensive accounting and measurement requirements.

- ② We involved specialists from our Corporate Treasury Solutions (CTS) area in the audit of the accounting, including the effects of the various hedge relationships on profit or loss. Together, among other things we gained an understanding of the processes relating to derivative financial instruments and assessed the internal control system, including the internal monitoring of compliance with the hedging policy. In auditing the fair values we also assessed the measurement methods applied using market data and the underlying contractual data. With respect to the hedging of expected future cash flows, we mainly carried out a retrospective assessment of past hedge effectiveness and assessed the expected future hedge effectiveness as well as the corresponding effectiveness tests. We obtained bank and broker confirmations and made our own calculations in order to assess completeness and to examine the fair values of the recorded transactions. We satisfied ourselves that, overall, the hedging instruments were appropriately accounted for and measured.
- ③ The disclosures on hedging instruments can be found in note 3 (8) to the financial statements.

2 Pension obligations and plan assets

- ① Pension provisions of € 148.9 million were reported in the annual financial statements of Aurubis AG; these comprise the net amount of direct obligations under various pension plans amounting to € 108.0 million and the fair values of plan assets amounting to € 3.9 million as well as the € 44.8 million indirect obligation due to the excess of plan obligations over plan assets for a welfare fund. The pension plan obligations resulting from direct and indirect pension commitments are measured using the projected unit credit method. This requires in particular that assumptions be made as to long-term salary and pension trends, average life expectancy and staff fluctuations. The plan assets of Aurubis AG and the assets of the welfare fund primarily comprise real estate assets, which are measured at fair value based on real estate appraisals. From our point of view, these matters were of particular importance during our audit because the recognition and measurement of these items – which are significant in terms of their total amount – are based to a large extent on estimates and assumptions made by the Company's management.
- ② Our audit included among other procedures evaluating the actuarial reports obtained from Aurubis AG. Due to the specific features of the actuarial calculations, we were assisted by pensions specialists from our People & Organization area (T&L P&O). In order to use the reports for the purposes of our audit, we assessed the professional qualification of the external actuaries as well as the measurement methods and assumptions used. On this basis, among other things we checked the numerical data, the actuarial parameters, the calculation of the provisions as well as the disclosures in the balance sheet and the notes to the financial statements based on the actuarial reports. Our audit of the fair value of the plan assets and assets of the welfare fund was carried out in particular on the basis of real estate appraisals, bank and fund confirmations as well as other evidence of assets, which we evaluated. Based on our audit procedures, we satisfied ourselves that the estimates and assumptions made by management were substantiated and sufficiently documented.
- ③ The disclosures on pension obligations and plan assets can be found in note 3 (6) to the financial statements.

3 Measurement of shares in affiliated companies

- ① Shares in affiliated companies amounting to € 1,470 million (39.3% of total assets) are recognized under the "Financial fixed assets" balance sheet item in the annual financial statements of Aurubis AG. Shares in affiliated companies are measured in accordance with German commercial law at the lower of cost or fair value. The fair values are calculated using discounted cash flow models as the present values of the expected future cash flows according to the planning projections prepared by management. Expectations relating to future market developments and assumptions about the development of macroeconomic factors are also taken into account. The discount rate used is the individually determined cost of capital for the relevant financial asset. On the basis of the values determined and supplementary documentation, it was necessary to reverse write-downs in the total amount of € 55.3 million in the fiscal year.

The outcome of this valuation is dependent to a large extent on the estimates made by management of the future cash flows, and on the respective discount rates and rates of growth employed. The valuation is therefore subject to material uncertainty. Against this background and due to the highly complex nature of the valuation and its material significance for the Company's net assets and results of operations, this matter was of particular importance in the context of our audit.

- ② As part of our audit, we reviewed the methodology employed for the purposes of the valuation, among other things. In particular, we assessed whether the fair values had been appropriately determined using discounted cash flow models in compliance with the relevant measurement standards. We based our assessment, among other things, on a comparison with general and sector-specific market expectations as well as on the management's detailed explanations regarding the key planning value drivers underlying the expected cash flows. With the knowledge that even relatively small changes in the discount rate applied can have a material impact on the enterprise value calculated in this way, we also focused our testing in particular on the valuation parameters used to determine the discount rate applied, and evaluated the measurement model. Taking into consideration the information available, we believe that the valuation parameters and underlying assumptions used by management are appropriate overall for the purpose of measuring the shares in affiliated companies.
- ③ The disclosures on financial assets can be found in note 3 (1) to the financial statements.

Responsibilities of Management and the Supervisory Board for the Annual Financial Statements and the Management Report

Management is responsible for the preparation of the annual financial statements which comply, in all material respects, with the requirements of German commercial law applicable to corporations and give a true and fair view of the net assets, financial position and results of operations of the Company in accordance with German principles of proper accounting. Furthermore, management is responsible for such internal control as management determines in accordance with German principles of proper accounting is necessary to enable the preparation of annual financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the annual financial statements, management is responsible for assessing the Company's ability to continue as a going concern. In addition, management is responsible to disclose, as applicable, matters related to going concern. Furthermore, management is responsible for using the going concern basis of accounting unless this conflicts with actual or legal circumstances.

Moreover, management is also responsible for the preparation of the management report, which as a whole provides a suitable view of the Company's position and is consistent in all material respects with the annual financial statements, complies with German legal requirements and suitably presents the opportunities and risks of future development. Furthermore, management is responsible for such policies and procedures (systems) as management determines are necessary to enable the preparation of a management report in accordance with the applicable German legal requirements and to provide sufficient appropriate evidence for the assertions in the management report.

The supervisory board is responsible for overseeing the Company's financial reporting process for the preparation of the annual financial statements and the management report.

Auditor's Responsibilities for the Audit of the Annual Financial Statements and the Management Report

Our objective is to obtain reasonable assurance about whether the annual financial statements as a whole are free from material misstatement, whether due to fraud or error, and whether the management report as a whole provides a suitable view of the Company's position as well as, in all material respects, is consistent with the annual financial statements as well as the findings of our audit, complies with German legal requirements and suitably presents the opportunities and risks of future development, as well as to issue an auditor's report that includes our audit opinions on the annual financial statements and the management report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with § 317 HGB and the EU Audit Regulation under consideration of the German generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer (Institute of Public Auditors in Germany) (IDW) will always detect a material misstatement. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence economic decisions of users taken on the basis of these annual financial statements and this management report.

Throughout the audit we exercise professional judgment and maintain professional skepticism. We also:

- » Identify and assess the risks of material misstatement of the annual financial statements and the management report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our audit opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- » Obtain an understanding of internal control relevant to the audit of the annual financial statements and the policies and procedures relevant to the audit of the management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an audit opinion on the effectiveness of those systems of the Company.
- » Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- » Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual financial statements and the management report or, if such disclosures are inadequate, to modify our respective audit opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- » Evaluate the overall presentation, structure and content of the annual financial statements, including the disclosures, and whether the annual financial statements represent the underlying transactions and events in a manner that the annual financial statements give a true and fair view of the net assets and financial position as well as the results of operations of the Company in accordance with German principles of proper accounting.
- » Evaluate whether the management report is consistent with the annual financial statements, its compliance with the German legal requirements and the view it provides of the Company's position.

- » Perform audit procedures on the prospective information presented by management in the management report. Based on sufficient and appropriate audit evidence, we hereby, in particular, evaluate the material assumptions used by management as a basis for the prospective information and the appropriate derivation of the prospective information from these assumptions. We are not issuing a separate audit opinion on the prospective information or the underlying assumptions. There is a significant, unavoidable risk that future events deviate significantly from the prospective information.

We communicate with those charged with governance, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the annual financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter.

Other legal and regulatory requirements

Other Disclosures pursuant to Article 10 of the EU Audit Regulation

We were appointed as auditor by the Annual General Meeting on 2 March 2017. We were engaged by the Supervisory Board on 11 July 2017. We have acted uninterruptedly as the auditor of Aurubis AG, Hamburg, since financial year 2009/2010.

We confirm that the audit opinions contained in this auditor's report are consistent with the additional report to the audit committee referred to in Article 11 of the EU Audit Regulation (German Longform Report).

Responsible Auditor

The auditor responsible for the audit is Claus Brandt.

Hamburg, 12 December 2017

PricewaterhouseCoopers GmbH
Wirtschaftsprüfungsgesellschaft

Claus Brandt
Wirtschaftsprüfer
(German Public Auditor)

Alexander Fernis
Wirtschaftsprüfer
(German Public Auditor)

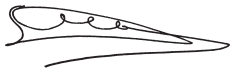
Responsibility Statement

To the best of our knowledge, and in accordance with the applicable reporting principles, the annual financial statements give a true and fair view of the net assets, financial position and results of operations of the Company, and the Combined Management Report includes a fair review of the development and performance of the business and the position of the Company, together with a description of the principal opportunities and risks associated with the expected development of the Company.

Hamburg, December 12, 2017



Jürgen Schachler
Chairman



Dr. Stefan Boel
Member



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Metals for Progress

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