

Aurubis generates good results and has high ambitions for the future with its new strategy

- **Operating earnings before taxes (EBT) of €298 million for the fiscal year**
- **Recommended dividend: €1.45 per share**
- **New strategy “Growth, Efficiency & Responsibility” will sustainably improve the result and increase the corporate value**

Hamburg, December 13, 2017 - The Aurubis Group (Aurubis) generated operating earnings before taxes of €298 million in fiscal year 2016/17 (previous year: €213 million). The return on capital employed (ROCE) increased to 15.1 % (previous year: 10.9 %). The supplier of nonferrous metals thereby fulfilled market expectations, as well as its own ambitious forecast.

Aurubis makes use of its opportunities on the market

A significantly increased concentrate throughput compared to the previous year drives the result, although a legally-mandated maintenance shutdown limited the capacities in Hamburg in the first quarter of the fiscal year. In the previous year, a maintenance shutdown at the production site in Pirdop (Bulgaria) also had an impact; however, the capacity optimization carried out in connection with this at the site conversely reflected positively in fiscal year 2016/17. An advantageous input mix as well as good availability of copper concentrates, significantly higher refining charges for copper scrap with a good supply, a higher metal yield with increased metal prices, increased sales of shapes and flat rolled products and a strong US dollar during the fiscal year continue to support the result. The measures implemented from the efficiency enhancement program, whose annual target of €30 million at the minimum was completely met, also contributed to the increase in results.

However, weaker sales prices for sulfuric acid due to oversupply on the markets, lower sales of wire rod and a lower copper premium strained earnings.

“Despite the varied markets we have generated good results, with which we have fulfilled market expectations,” reflected **Jürgen Schachler, Chief Executive Officer of Aurubis AG**. *“We have also achieved initial successes from our efficiency enhancement program. However, further efforts are needed, so that the program can unfold its full potential in the coming years.”*

The IFRS consolidated earnings before taxes (EBT) were €456 million (previous year: €159 million). In contrast to operating earnings, this includes measurement effects due to copper price fluctuations and other factors. Therefore, the operating earnings are decisive for Aurubis in assessing the business performance and managing the company.

Aurubis AG

Ulf Bauer
Vice President
Corporate Communications &
External Affairs
Phone +49 40 7883-2387
u.bauer@aurubis.com

Michaela Hessling
Executive Director Corporate
Communications
Phone +49 40 7883-3053
m.hessling@aurubis.com

Malte Blombach
Senior Communications
Manager
Phone +49 40 7883-3037
m.blombach@aurubis.com

Hovestrasse 50
D-20539 Hamburg

www.aurubis.com

Higher proposed dividend

The Executive Board and Supervisory Board will recommend a dividend of € 1.45 per share at the Annual General Meeting on March 1, 2018. The payout ratio would therefore be 28 % of the operative group earnings (this would correspond to 47 % of Aurubis AG's unappropriated earnings, which so far has been used as the reference value for the payout ratio; previous year 46 %). The dividend yield based on the XETRA closing price of € 68.54 for Aurubis shares as at 9/29/2017 would amount to 2.1 % (previous year: 2.5 %).

Stable result expected in the new fiscal year

In an environment characterized on the whole by economic and political uncertainties, Aurubis expects stable to good demand for copper products in the coming fiscal year due to the analyses of various institutes and associations, especially because copper is an essential material for future technologies such as digitalization or renewable energies. However, the treatment and refining charges benchmark for copper concentrates has not yet been determined; also, the markets for copper scrap and sulfuric acid are difficult to forecast, because they are dependent on many short-term and regional factors.

*"With the continuation of our efficiency enhancement program, we will be able to cushion a portion of these uncertainties," predicts **Jürgen Schachler**. "Therefore we anticipate a result at approximately the same level as 2016/17 for the current fiscal year. Due to our increasing investment activity, we additionally expect a slightly lower operating ROCE."*

The strategy: Growth, Efficiency & Responsibility

The capital expenditure is to a large extent designated for the implementation of the new strategy, with which Aurubis will strengthen its position as a leading international provider of nonferrous metals. The company has defined three areas of focus for this purpose: growth, efficiency and responsibility.

The company wants to initially generate growth from within. For this purpose, Aurubis will on the one hand strengthen the copper business by further developing its competitiveness: *"We will approach this with the continual objective of an optimal cost structure and depth of value added on all sales markets for copper,"* explained **Jürgen Schachler**. On the other hand, Aurubis is building on the processing of increasingly complex primary and secondary raw materials -- and in this way is expanding the supply of additional metals such as nickel, selenium or tellurium. Aurubis plans to double the sales volume of non-copper metals by fiscal year 2022/23.

The Future Complex Metallurgy project provides an important contribution to this, with which Aurubis is expanding its raw material base, which contains lead, sulfur and copper. At the same time, the project is reducing throughput times for precious metals and reducing capacity bottlenecks at the Hamburg site. Aurubis plans to invest approximately € 320 million at the Hamburg and Olen sites, and will create a

total of more than 180 jobs. This project alone will increase the operating result by around € 80 million beginning with fiscal year 2022/23.

New sales channels for recovered metals will likewise be developed and expanded. For example, Aurubis is working together with the South Korean LS Corp on a feasibility study about the possible construction of a production factory for battery-capable nickel sulfate in the Asian country. In total, Aurubis expects sustainably improved results of € 200 million beginning in fiscal year 2022/23 as a result of growth measures.

In order to further increase efficiency, Aurubis has launched multiple initiatives. In addition to the efficiency enhancement program, which already achieved sustainable success in the past fiscal year and will also yield results improvement of around € 200 million by fiscal year 2019/20, these are programs for continuous improvement or for the harmonization of the process landscape across all sites. For this purpose, Aurubis is introducing the “Aurubis Operating System” (AOS), among others. *“With AOS, the Aurubis Group is determining how the company will produce and work in the future; this production system can be compared with the operating system of a computer,”* explains **Jürgen Schachler**. *“This concerns all areas of the Group, whether production or support functions.”*

Responsibility, the third focus area, is likewise an integral component of the new Aurubis strategy. **Jürgen Schachler** says: *“For us, that means responsibility towards all resources and sustainability, towards the people who work with us and for us, and those, with whom we operate our worldwide company, as suppliers, customers and partners, day in and day out.”* In this connection, Aurubis will revise its sustainability strategy and will present it in 2018.

Jürgen Schachler summarizes: *“The overall financial objective of our strategy is, in total, an additional € 400 million operating EBITDA by fiscal year 2022/23.”*

New organization since October 2017

As part of the strategic and more efficient reorientation of the entire Group, Aurubis implemented a new organization at the beginning of the current fiscal year. The new structure is oriented to the core value-added processes at Aurubis and combines organizational activities across the international locations. In this context, Aurubis also introduced the Segments MRP (Metal Refining & Processing) and FRP (Flat Rolled Products), which will be reported on in the future.

You can find the complete report for fiscal year 2016/17 at www.aurubis.com

At a Glance

Key Aurubis Group figures		Q4			Fiscal year		
		2016/17	2015/16	Change	2016/17	2015/16	Change
Revenues	€m	2,851	2,399	19 %	11,040	9,475	17 %
Gross profit	€m	300	282	6 %	1,327	1,004	32 %
Operating gross profit	€m	302	284	6 %	1,169	1,050	11 %
Personnel expenses	€m	113	112	1 %	470	449	5 %
Depreciation and amortization	€m	36	37	-3 %	135	135	0 %
Operating depreciation and amortization	€m	36	36	0 %	132	129	2 %
EBITDA**	€m	122	102	20 %	598	312	92 %
Operating EBITDA**	€m	124	104	19 %	440	358	23 %
EBIT	€m	86	65	32 %	463	177	> 100 %
Operating EBIT	€m	88	68	29 %	308	229	34 %
EBT	€m	85	61	39 %	456	159	> 100 %
Operating EBT*	€m	87	65	34 %	298	213	40 %
Consolidated net income	€m	67	52	29 %	352	124	> 100 %
Operating consolidated net income	€m	75	56	34 %	236	165	43 %
Earnings per share	€	1.48	1.13	31 %	7.80	2.71	> 100 %
Operating earnings per share	€	1.64	1.24	32 %	5.21	3.64	43 %
Net cash flow	€m	289	194	49 %	480	239	> 100 %
Capital expenditure (excl. finance leases)	€m	34	36	-5 %	165	143	15 %
Operating ROCE*	%	-	-	-	15.1	10.9	-
Copper price (average)	US\$/t	6,349	4,772	33 %	5,783	4,767	21 %
Copper price (balance sheet date)	US\$/t	-	-	-	6,485	4,832	34 %
Employees (average)		6,488	6,408	1 %	6,477	6,355	2 %

Net cash flow from the prior year has been adjusted.

* Corporate control parameters.

Comments on the results are presented in the explanatory notes to the results of operations, net assets and financial.

** EBITDA (operating EBITDA) is determined from EBIT (operating EBIT) plus depreciation and amortization (operating depreciation and amortization).

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

Production output/throughput		Q4			Fiscal year		
		2016/17	2015/16	Change	2016/17	2015/16	Change
BU Primary Copper							
Concentrate throughput	1,000 t	620	584	6 %	2,424	2,156	12 %
Copper scrap/blister copper input	1,000 t	28	29	-3 %	108	108	0 %
Sulfuric acid output	1,000 t	607	565	7 %	2,364	2,068	14 %
Cathode output	1,000 t	157	146	8 %	624	584	7 %
BU Copper Products							
Copper scrap/blister copper input	1,000 t	69	78	-12 %	303	311	-3 %
KRS throughput	1,000 t	73	66	11 %	270	254	6 %
Cathode output	1,000 t	136	124	10 %	532	500	6 %
Wire rod output	1,000 t	178	170	5 %	719	758	-5 %
Continuous cast shape output	1,000 t	45	40	13 %	190	172	11 %
Flat rolled products and specialty wire output	1,000 t	59	54	9 %	230	218	6 %

Aurubis - Metals for progress.

Aurubis AG is a leading worldwide provider of non-ferrous metals. The company processes complex metal concentrates, scrap metals and metal-bearing recycling materials into metals of the highest quality. Among other items, Aurubis produces more than 1 million t of copper cathodes annually and from them a variety of copper products such as wire rod, continuous cast shapes, rolled products, strips as well as special wire and copper profiles and copper alloys. In addition, Aurubis is the world's largest copper recycler.

With its range of services, Aurubis is a forerunner in the industry. Its main area of expertise is the processing and optimal recycling of concentrates and recycling materials with complex qualities and consequently it has a broad product portfolio. The portfolio includes precious metals, selenium, lead and a series of other products such as sulfuric acid and iron silicate.

Aurubis has about 6,500 employees, production sites in Europe and the USA, and an extensive service and sales system for copper products in Europe, Asia and North America.

Aurubis' customers include companies in the copper semis industry, the electrical engineering, electronics and chemical industries, as well as suppliers of the renewable energies, construction and automotive sectors.

Aurubis is oriented to sustainable growth and to increasing corporate value: The main focuses of our strategy are on expanding our leading market position as an integrated copper and metal producer, entering new markets by offering metals for industries of the future, utilizing growth opportunities and practicing a responsible attitude when dealing with people, resources and the environment.

Aurubis shares are part of the Prime Standard Segment of the German Stock Exchange and are listed in the MDAX, the Global Challenges Index (GCX) and the Stoxx Europe 600.

Further information at www.aurubis.com