



**Aurubis AG Annual General Meeting  
Fiscal Year 2015/16**

**on March 2, 2017  
at the Inselparkhalle**

**Jürgen Schachler  
Executive Board Chairman**

**Check against delivery!**

## **Slide 1: Aurubis AG Annual General Meeting**

Aurubis AG shareholders, ladies and gentlemen, honored guests.

Welcome to the Aurubis AG Annual General Meeting here at the Inselparkhalle in Hamburg-Wilhelmsburg.

Since our IPO in 1998, we've always held our Annual General Meetings at the Congress Center Hamburg.

However, the CCH will be renovated extensively in the next few years. As a result, we found a – in my opinion – very suitable alternative here for our 2017 Annual General Meeting.

I'm pleased about your strong interest in our Annual General Meeting and in our company.

And I'd like to warmly welcome you today, also on behalf of my Executive Board colleague Stefan Boel and our employees.

I'd like to extend a very special welcome to our former Executive Board and Supervisory Board members, as well as to the representatives of our customers, suppliers and business partners, the shareholder representatives and the media.

My Executive Board colleague Erwin Faust can't join us today, unfortunately. He went on sick leave in September 2016. Due to his health situation, we don't expect him back in our company before April.

I surely speak on behalf of everyone here today when I wish him a continued, complete recovery.

Ladies and gentlemen,

I've served as Executive Board Chairman since July 1, 2016.

When I introduced myself to you at last year's Annual General Meeting, I said that we wanted to draw Aurubis out further into the world, but that this would require some changes.

We've now worked on this task.

We considered where we are today – what our mission is – and we have developed the Vision 2025 for the Group based on this. In the vision, we outlined our ambitions for our goals until the year 2025. I'll go into this in more detail later in my overview.

For now, however, allow me to take a brief look back.

## **Slide 2: Aurubis' business model: Productivity, efficiency, environmental protection and processing expertise**

With Aurubis, I've encountered a profitable company with a strong balance sheet and a successful business model.

Today, we're the market leader in many sectors! Our employees are skilled, motivated and committed.

I have an especially positive impression of the significant potential that Aurubis still holds. We've made a conscious decision to continue leveraging this potential together in the next several years.

We'll leave familiar paths in the process. Each of us is called on to reach his or her personal limits. Occasionally, we will also have to modify our individual perspectives and habits.

Because in our daily work, we can and have to improve continuously.

I'm strongly convinced that we will sustainably enhance the company's value and performance with our Vision 2025 and the strategy derived from it.

This will make us even more successful overall. And your share of Aurubis AG will become even more valuable than it already is.

## **Slide 3: 150 Years of Aurubis – 150 Years of the Future.**

Ladies and gentlemen,

2016 was an exciting year for us. We celebrated a milestone anniversary. Aurubis turned 150 years old!

We're 150 years old and still relevant. How many companies can claim the same?

We're proud of this success story and of course celebrated the occasion fittingly.

We hosted an official ceremony in Hamburg, where we welcomed about 400 guests from the entire world.

In the summer, we held a huge employee celebration for our staff and their families in Hamburg, with perfect weather.

But there were also celebrations at our other sites as well. Our Lünen site turned 100 years young, Buffalo in the US turned 110 and Pori – in Finland – turned 50. In the political centers of Berlin and Brussels, we were congratulated by politicians and representatives of the governmental ministries and the media.

Furthermore, as we mentioned last year at this time, we took the anniversary year as an opportunity to put together a book extensively covering our 150-year history, in collaboration with a historical commission and many former employees.

A big “thank you” once again to everyone who contributed to this.

Since April 28, 2016, exactly 150 years after Norddeutsche Affinerie was founded, the book, which includes interesting aspects of the company’s history and of course quite a bit of Hamburg’s economic history, has been available for purchase. You can find more information about it at our information booth in the foyer on the ground floor.

#### **Slide 4: Agenda: Fiscal year 2015/16**

Ladies and gentlemen,

The Annual Report of the 150th year of our company history has been available for several days now.

We presented a result that aligned with the expectations we announced at the start of the fiscal year.

It was significantly below the record of the previous year. The main reasons for this decline were as follows:

The scheduled repair shutdown at our Bulgarian site in Pirdop, as well as weak copper scrap and sulfuric acid markets, reduced earnings in particular.

This is why we believe that we still achieved a respectable result, all things considered.

What impacted us in the past fiscal year?

The global economy slowed down – the International Monetary Fund reduced the growth forecast from 3.2 % in 2015 to 3.1 % in 2016.

As you know, Aurubis is active worldwide. We mainly purchase our copper concentrates in South America and most recycling materials in Europe.

On the other side, our cathodes and our products are sold in international markets, with our sulfuric acid primarily going to the global chemical and fertilizer markets.

We continuously monitor metal price and currency developments and hedge them with risk management measures.

Nevertheless, not every development can be hedged.

Due to our broad business model and the influence of, in some cases, very different markets, the positive and negative changes often balance each other out. They lead to the stable business model that all of you have invested in.

I'd now like to show you how our key sub-markets developed.

**Slide 5: FY 2015/16: Secure concentrate supply, with treatment and refining charges at a good level**

The concentrate markets developed positively.

The mines produced at a high level, which always tends to lead to increasing treatment and refining charges when demand is constant. New projects started up in Peru and Mexico in particular. At the same time, there were hardly any strikes or natural disasters that would have restricted mine activity.

Our technical and metallurgical expertise allows us to process complex copper concentrates. In this context, complex means that the chemical composition includes a higher concentration of accompanying elements. The concentrates contain elements that are more difficult to recover and process from a metallurgical perspective, whether with regards to the environmental protection technology utilized or in the purity of the metals that are supposed to be recovered.

Because regardless of the input materials, our goal is to always produce high-purity copper and other metals.

Mines pay us higher treatment and refining charges for complex materials. We have a competitive advantage over other smelters due to our specialized expertise.

**Slide 6: Sulfuric acid in FY 2015/16: The fertilizer industry was the largest consumer; markets very volatile**

Aurubis produces sulfuric acid as a by-product of primary copper production at the smelters in Hamburg, Germany, and Pirdop, Bulgaria.

Thanks to the roughly 30 % sulfur content in the copper concentrates, we produce sulfuric acid automatically, so to speak. Our customers mainly come from the fertilizer and chemical industry. In this global market, however, we only have a market share of about 1 %. The prices in this area can fluctuate quite a bit, and can only be forecast roughly three months in advance.

2015/16 was a weak sulfuric acid year for us. The surplus in South and Central America was triggered by growing capacities and significantly drove down prices in some cases.

At the same time, European fertilizer output, and thus demand for sulfuric acid, was relatively weak. This intensified the pressure on prices.

## **Slide 7: European cathode premium**

On the international cathode markets, customers pay a premium for the delivery of physical copper.

The level of this premium is determined by the supply of and demand for refined copper.

For calendar year 2016, we had to reduce our Aurubis Cathode Premium from US\$ 110/t to US\$ 92/t. As a reminder, we produce about 1.1 million t of copper each year.

Pressure on premiums increased worldwide as the year went on. Due to our long-term customer relationships in the product sector and our reliable service, we were nevertheless able to successfully realize our premium on the market.

## **Slide 8: FY 2015/16: Copper scrap supply limited due to metal prices, with pressure on refining charges**

The relatively low copper price during the fiscal year led to a considerably limited supply of copper scrap, a material with a relatively high proportion of copper, during the fiscal year.

Low metal prices overall, for example for steel and aluminum scrap, put a general damper on our suppliers' willingness to collect and part with material. This of course impacted us as well. On the whole, there was very little material available, with corresponding pressure on refining charges. In contrast, the market situation for other recycling materials was stable for the most part.

## **Slide 9: Continuous cast wire rod and shapes**

The situation on the European rod and shapes markets was also stable.

We were able to expand our market position with customers in the cable, automotive and enameled wire industry and are viewed in the industry as a reliable business partner with high product and service quality.

## **Slide 10: Successful scheduled maintenance shutdown in Pirdop, Bulgaria**

The extensive scheduled maintenance shutdown at our site in Pirdop, Bulgaria, also had a clear influence on our earnings.

Those of you who have known Aurubis for a while know that this large-scale overhaul has to be carried out every 10 to 12 years.

On April 14, 2016, we started the biggest renovation measures that the Pirdop plant had ever experienced.

A total of 52 companies and roughly 1,200 workers successfully completed the shutdown in just 54 days. This was recognized as a benchmark in the industry.

With two years of prep time, the initial planning work had already started in 2014.

The objective for the planning and execution was to secure smooth operation of all relevant facilities for the next 10 years. Overall, 11 installations were replaced under the highest occupational safety and environmental protection standards. Measures this extensive hadn't been carried out in Pirdop since 1986.

We are also proud of the fact that there were no accidents during the project.

Around € 44 million capex volume in 50 days – this was a very ambitious plan from the outset.

Worldwide, refitting work like this in the metal industry serves as a measuring stick for a company's reliability and efficiency.

I'm happy to say it once again to our colleagues in Bulgaria: Well done! Or as they would say in Bulgaria: Bravo!

### **Slide 11: Aurubis' 2015/16 results align with market expectations**

Let me now provide an overview of our past fiscal year.

At € 213 million, operating earnings before taxes were significantly below the previous year's record of € 343 million.

We had included this in our forecast at the start of the fiscal year.

The net cash flow was at a good level of € 236 million, about 35 % below the previous year. Apart from a lower operating result, the main reason was the build-up of inventories of intermediate products.

This build-up took place to prepare for a legally mandated maintenance shutdown required every 3 years in Hamburg, which was carried out in October 2016, the current fiscal year.

The scope of this shutdown can't be compared to the shutdown in Pirdop, however.

The return on capital employed in fiscal year 2015/16 amounted to 10.9 %, significantly below our target of 15 %, which we had also predicted.

We don't want to settle for this in the future, of course.

## **Slide 12: Very strong financial ratios in the Aurubis Group continue**

Ladies and gentlemen,

Aurubis' financial reliability is also crucial for our suppliers, customers and lenders.

On the next slide, I'd like to show you the Aurubis Group's most important KPIs.

While our result was clearly below the previous year, we luckily achieved all of the goals we had set, apart from return on capital employed.

At 0.1, our debt coverage was at prior-year level. The Group is nearly debt-free, with net financial liabilities of € 23 million.

So once again this year, I can present to you a company in extremely robust financial shape.

The balance sheet presented is healthy, stable and resilient.

We are proud of this fact. We are building on this foundation. And we are looking confidently to the future.

## **Slide 13: Business performance in the individual Business Units varied**

The development in our two Business Units was as follows.

Business Unit Primary Copper achieved operating earnings before taxes – EBT – of € 143 million and was thus 44 % below the previous year.

The ROCE was 16.4 %, exceeding the target of 15 %. The production figures were of course below the previous year due to the shutdown in Pirdop.

Business Unit Copper Products' operating EBT was € 101 million during the fiscal year and was thus € 29 million under the previous year.

On the raw material side, the copper scrap markets were weak, as I already mentioned.

This influenced the recycling business in Lünen, Germany, and Olen, Belgium, in particular.

We are generally able to compensate for a lack of scrap volumes with blister copper purchased on the international market.

However, the refining charges are lower than those for copper scrap. The facilities' capacity utilization was nevertheless satisfactory in fiscal year 2015/16.

A key factor driving earnings in Business Unit Copper Products was once again the good business performance in Business Line Rod & Shapes.

At 9.7 %, the return on capital employed in Business Unit Copper Products didn't reach our 15 % target, though. This is also an important task for the future.

**Slide 14: Consistent with dividend policy, Executive Board and Supervisory Board propose a dividend of € 1.25**

Aurubis shareholders,

I'd now like to present to you our dividend recommendation.

The express objective of Aurubis' dividend policy is to allow the shareholders to take part in the company's success adequately and consistently.

Our results of operations in the past fiscal year have led to the Executive Board and Supervisory Board's dividend recommendation of € 1.25 today.

The payout ratio is 46 %. On average over the last five years, Aurubis has thus maintained its 50 % payout policy. The dividend yield based on the closing price on September 30, 2016 is 2.5 % – this figure was just 2.4 % in the previous year.

I believe that this is a very interesting dividend yield in the current interest rate environment.

And – Aurubis shares are a very attractive investment.

If you had invested a converted amount of € 1,000 in 1998, the year of the IPO, and invested all of the dividends you had earned in Aurubis shares, your deposit statement on September 30, 2016 would have shown € 6,693.

This is a 570 % increase in value, or a total annual return of nearly 11 %.

I think that this value is, without a doubt, very respectable!

I can only hope that we have shareholders here in this room who have pursued exactly this investment strategy with Aurubis.

To these shareholders I say: Congratulations!

**Slide 15: Development of Aurubis share price**

Our share price developed in alignment with our results and with the weaker commodity sector overall in fiscal year 2015/16.

On September 30, 2016, the price was € 49.88, or 12 % below the prior-year record – as a comparison, the DAX rose by 9 % in this period, and the MDAX by 12 %.

By the end of the first quarter of our new fiscal year 2016/17 on December 31, 2016, the price had risen again to € 54.80. This morning, the price was ....[\(ADD LATER\)](#)

The target prices for the Aurubis share published by our 20 active analysts are currently between € 48 and € 66.50.

So the analysts believe there is definitely room to grow.

### **Slide 16: Other important topics during the past fiscal year**

Ladies and gentlemen,

What else was important to us in the past year – what did we work on, and what motivated us?

Like other companies, we are also addressing the question of what opportunities ongoing digitalization offers Aurubis. Some interesting examples of this include GPS-controlled ship monitoring systems to better manage the entire value chain, or the possibilities of online trading platforms for raw materials and products.

We are always discussing the optimization of our processes, for instance when it comes to utilizing complex input materials.

Project Scope minimizes technical bottlenecks within Aurubis' processes using mathematical models, for example. The best value contribution can be determined by taking market circumstances and the best combination of raw materials into account. The use of complex raw materials, such as concentrates with higher impurity levels, can thus considerably enhance our result.

In this context, we are continuing our Project FCM, which stands for "Future Complex Metallurgy". We are currently working on a detailed review of the technical concept, the optimal integration at our sites and the permit situation. We also communicate with colleagues in other industries to learn from best practice examples and to think outside the box.

The Aurubis Innovation Day, which includes internal employees from our international sites, employees from Research and Development and external specialists, is a tried and true platform for this purpose.

## **Slide 17: Sustainability is a fundamental issue at Aurubis**

In the area of sustainability, Aurubis took part in the Carbon Disclosure Project survey for the second time in 2016. The purpose of this survey is to answer complex questions in connection with carbon dioxide emissions, reduction targets and strategies, as well as climate risks and opportunities.

After we were awarded the distinction of “Best Newcomer” in 2015, we improved to become “Index Leader” within the MDAX in 2016 – that is to say, we’re in the first division of climate reporting.

We achieved a good ranking because Aurubis presented a convincing Sustainability Strategy, including targets and measures, and the Sustainability, Corporate Energy & Climate Affairs and Corporate Environmental Protection Departments do excellent work together.

This distinction isn’t just important for our customers – our investors are also becoming increasingly interested in sustainable investments.

I’d therefore like to give a special thanks to all of the employees who so successfully worked on this project.

We received an award for energy efficiency from the German Energy Agency in November 2015. We invested in a condensation turbine at our Lünen plant. The turbine converts our production facilities’ waste heat into electricity and the residual heat is used for other processes. This enables optimal energy utilization. The turbine produces about 14 % of the Lünen site’s electricity or, expressed in other words, the average electricity required for about 6,500 three-person households.

Energy, the use of energy and our approach to this resource are central issues for Aurubis.

We are confronted with a great deal of regulation on both the European Union level and in the EU member states in which we operate.

The European Parliament just submitted its vote on the future of the Emission Trading System in Europe. The discussion will now continue with the European Council and the European Commission. We are observing this process very closely because it offers some opportunities – copper is the metal of the energy transition, after all – but also risks when it comes to Europe as a center of industry.

What is most important for me, however, is this: What do we as Aurubis achieve ourselves, on the basis of our own strength?

## **Slide 18: Use of Aurubis Hamburg's industrial waste heat to supply Hafencity East**

We are proud and very pleased that we signed a contract here in Hamburg with enercity Contracting Nord GmbH two weeks ago regarding the provision of industrial waste heat to Hamburg's Hafencity East.

In the future, we will thus be able to reduce carbon dioxide ( $\text{CO}_2$ ) by up to 20,000 t and provide a significant portion of the local heat supply in Hamburg. In the first step, we have contractually agreed to provide one-third of our capacities to start with. We're still working on the other two-thirds because we shouldn't waste the energy that we have, the energy that is formed in our processes. This isn't a sustainable approach in the long run.

## **Slide 19: Q1 2016/17**

Ladies and gentlemen, we reported the result of Q1 of our new fiscal year on February 13.

## **Slide 20: Aurubis fulfills expectations in Q1 of fiscal year 2016/17**

Like in past years – due to seasonal factors and as expected – we had a low quarterly result in Q1 but a good start to the new fiscal year.

Operating earnings before taxes amounted to € 18 million and the return on capital employed was 9.5 % after the first three months.

But we have to view these figures in context:

1. The result was influenced by temporary negative measurement effects in inventories. The significant increase in metal prices from early October to late December 2016 compared to the previous year led to this effect on the balance sheet date. This effect amounts to about € 26 million in the Group. We expect this to balance out slightly in Q2 – but only completely in the course of the fiscal year.
2. Due to a maintenance shutdown for the waste heat boiler, which is legally mandated every three years, we lost an earnings contribution of about € 15 million. During the shutdown in October/November, we weren't able to put any concentrate through and thus couldn't produce any sulfuric acid.

Without these two effects, we would have generated a very good operating EBT of € 60 million in our Q1.

When it comes to copper scrap, there are also positive developments to report from our raw material markets. Due to the higher metal prices in our Q1, the supply of copper scrap rose significantly, which led to higher refining charges at the same time.

### **Slide 21: Aurubis confirms earnings forecast for 2016/17**

We haven't changed anything in our outlook for fiscal year 2016/17, and we confirm our forecast.

We expect a significantly, or more than 10 %, higher operating EBT and a 1 to 5 percentage point increase in return on capital employed compared to the previous year.

Ladies and gentlemen,

How will our current business progress until the end of September?

### **Slide 22: Aurubis confirms earnings forecast for 2016/17**

We anticipate a continued good supply of copper concentrates with satisfactory treatment and refining charges for us.

At the same time, the concentrate throughputs will increase after the shutdown in Hamburg, and we anticipate high capacity utilization for the rest of the fiscal year.

In the international sulfuric acid market, we haven't been able to see an improvement in the price situation due to the supply surplus.

Based on the demand situation, we reduced the cathode premium for calendar year 2017 from US\$ 92/t to US\$ 86/t.

On the copper scrap markets, we also expect considerably higher refining charges starting in our second quarter, after supply has recovered. It isn't possible to forecast whether this situation will continue until fiscal year-end.

We expect a good sales trend for our copper product segment. We anticipate solid demand at prior-year level in Business Line Rod & Shapes, and we expect relatively stable demand on the strip product markets.

The strong US dollar will continue to support our earnings positively.

And the copper price? Opinions diverge considerably in some cases. The last Reuters poll included estimates from 31 metal analysts and averaged US\$ 5,364/t for 2017 and US\$ 5,437/t for 2018. The copper price is currently 6,040 US\$/t.

## **Slide 23: Outlook – Vision – ONE Aurubis transformation program**

Ladies and gentlemen. Honored guests.

Not all of you, but some of you, can remember May 25, 1961.

John F. Kennedy announced the goal, by the end of the decade, of a manned US space flight to the moon, man's first steps on the moon and the successful return of the astronauts. "It is time for this nation to take a clearly leading role in space achievement," Kennedy said at that time.

A vision. And the vision was accomplished!

Years later, Steve Jobs founded Apple with Steve Wozniak in 1976 and expressed his vision: "I want to develop a computer for the rest of us."

Today, there's hardly a household that doesn't have a computer, and Apple made a notable contribution to this phenomenon.

The vision was accomplished!

## **Slide 24: Our starting position – Why do companies need a vision?**

For me, a vision is the idea of an ambitious future state of affairs that compels us to already now take action and show commitment on the way to implementing the vision.

Visions have always inspired and motivated people. Wanting and striving to achieve a goal, either alone or with others, provides an enormous push and releases a great deal of positive energy.

Ladies and gentlemen,

In late 2015, I knew that my next assignment would be at Aurubis starting July 1, 2016.

I therefore had some time to think about this new position, to read a lot and to take part in a number of discussions to prepare me for what would likely lie ahead for me and for Aurubis in the next several years.

I think that reflecting on how we prepare our future and achieve our goals to make them a reality is one of the most important responsibilities of Aurubis' Executive Board Chairman.

Aurubis is strong. Aurubis is relevant. Aurubis has a proud history and a strong, secure future.

Nevertheless, when I've asked my colleagues: "What does this future look like? Where do you, and where do we, actually want to go together?" the answers have led to a number of ideas and approaches.

For this reason, we started placing our Group under scrutiny shortly after I arrived.

And by “scrutiny”, I don’t mean stress or any kind of test, but rather something more like a visit to the doctor, a health and fitness check-up, which we should all undergo at regular intervals.

A check-up that provides us with the insight that we’re either perfectly healthy and fit and could compete in the Olympics. Or that maybe we’re not perfectly healthy yet and there’s room for improvement – but we can work on our fitness and our risk factors.

### **Slide 25: Where we are: What makes us strong**

The starting point for the Aurubis check-up was encouraging:

- 150 years old,
- present and active worldwide,
- a market leader in a number of segments,
- valued by customers and partners,
- a strong shareholder base,
- a record year behind us and
- financially healthy as a group.

### **Slide 26: Our approach in the second half of 2016**

The Aurubis management agreed on three initiatives in summer 2016, which we took on in the second half of the year already:

- We carried out a survey among our employees,
- we analyzed and assessed our processes, systems and the organization and
- we strengthened the organization’s focus on the topic of continuous improvement.

These initiatives quickly led to two concrete results:

- We developed a vision for Aurubis that describes where we want to stand in the year 2025 and
- we established a new department to address the issues of transformation and continuous improvement in the Group in a structured way, moving these aspects forward.

Allow me to start by presenting some of the results of the first three initiatives before I explain the targets and paths that we want to pursue until 2025.

## **1. Employee survey**

We surveyed about 1,100 Group employees in a questionnaire that addressed the direction, performance and capacity for renewal at Aurubis. We connected and compared the results with the large-scale employee survey carried out in 2013. The employees' overall responses showed us that Aurubis' key strengths lie in its relationships to partners and customers, to markets and to the public.

But we can improve when it comes to providing the company with a clear direction and leadership.

We directly adopted both aspects as homework. Good initial results are available, for example in the form of our Vision 2025.

## **2. Diagnosis of our processes, systems and organization**

We carefully examined our processes, our systems and our organization in two phases. Overall, we determined that Aurubis has significant potential to improve internally.

Examples include:

- A stronger harmonization of processes, which are often too diversified and too locally focused.
- Learning from each other more and thus improving the exchange of knowledge and processes across all of our sites.
- However, it is also important to actively avoid redundant work, which we will address by more strongly coordinating and centralizing roles with clear responsibilities.

## **3. Continuous improvement**

With a pilot project at the Hamburg site, we demonstrated in fall 2016 how helpful and motivating it can be to take a close look at everyday activities, including those that seem insignificant.

In every work area, our employees can ask over and over again each day: What can I do better to make the bigger picture, the entire Group, even more successful?

The aspect that personally motivated me in particular was the positive feedback of the employees involved. They told me: "That is a valuable approach that really helped me. We should roll out this principle in the Group." And that's exactly what we'll do.

Ladies and gentlemen,

With these three initiatives and the initial results behind us, we followed up with 40 managers from nearly all of the Aurubis sites in November and December 2016 and wondered:

"Okay. We now have a better idea of where we stand. We know what our strengths are, but also our weaknesses. How should Aurubis look in the future? What direction should we go?" We answered this question with our "Vision 2025" for the Aurubis Group.

### **Slide 27: Where we are: What the vision should achieve**

Why does a company like Aurubis need a vision?

A vision provides us with an objective and a framework. It tells us where we want to stand at a certain point in time, what will set us apart and how we would describe ourselves.

It serves as a motivator on the path to this objective and should push us every day. And it is our common goal!

We aren't talking about our goal for Hamburg, Pirdop or Pori. We're talking about our Group as a whole.

The vision is therefore a compass, a motor and a binding force at the same time.

And we'd like to present it to you today for the first time.

### **MOOD FILM**

### **Slide 28: Our Vision 2025**

Ladies and gentlemen, honored guests.

**Passion for metallurgy.**

**Metals for progress.**

**Together with you.**

When we're asked in the year 2025 where Aurubis stands, we want to refer to these three statements and say:

"Yes, that's us. That's our unique feature. When you hear these three key statements together in 2025, you should think of us, of Aurubis. I feel a passion for metallurgy and for metals. Metals that I know enable progress, from a company that is close to its employees, customers and suppliers, as well as to the countries and societies in which we work and operate."

Now, hopefully you're saying: nicely said, it reads well and goes straight to the heart of things.

But maybe you'll also ask me: What are the concrete ideas behind it? What can I as a shareholder expect from Aurubis now and in the next several years?

## **Slide 29: Our vision: How we understand it**

I'd like to explain that to you in more detail based on the vision's five key messages, which should provide more insight into what we mean concretely.

## **Slide 30: We excel in metallurgy**

- 1. “We excel in metallurgy: Fostered by innovation, we are the leader in sustainable processing of primary and secondary raw materials.”**

Metallurgy is our passion. We're number 1 in this area – worldwide. We drive innovations in our metallurgical sector because we hold the expertise, the knowledge for this internally. As a result, there is no company that surpasses Aurubis when it comes to processing primary and secondary raw materials – including of course recycling materials – regardless of how simple or complex the materials may be.

And we will combine this unique feature with our emphasis on sustainability, our focus on the balance among people, our business and the environment, areas in which we will continue to advance and serve as an example.

## **Slide 31: We grow**

- 2. “We grow: Building on our copper expertise, we expand our business model and strengthen our geographical footprint, ensuring superior financial performance.”**

Copper has always been our main area of expertise, and it will remain a central metal of the Aurubis Group.

But we are capable of more. Gold and silver, nickel, selenium and other metals have been an established component of our portfolio for a long time now. We can and want to build this up even more within the scope of our metallurgical expertise. We are pursuing the next logical step, from a copper producer to a multi-metal producer, and will broaden our position in this direction.

We will broaden our portfolio, for example with metals that are in demand for forward-looking applications, or with more advanced metal refining.

What does that mean? We will grow internally and externally, using our financial strength to become larger and even more successful. This could include the expansion of existing capacities, but also acquisitions if they make sense and are a good fit in terms of context and geography.

It doesn't make any sense for us to become a mining company. This isn't part of our expertise in metallurgy, and we won't pursue it. But smelting, the upstream position and the associated value flow downstream – this is where our strength lies: we smelt metals and manufacture products.

This also means consistently utilizing the opportunities provided by advanced information technology. With our Project Scope, which I mentioned earlier, we kicked off a digitalization process about two years ago. This path will push us ahead to stronger digitalization and provide new options that we will enthusiastically embrace.

### **Slide 32: We are the partner of choice**

- 3. “We are the partner of choice: Together with our customers and suppliers, we develop value-creating solutions.”**

We already have excellent relationships with our customers and suppliers. We are a partner of choice. But we believe that we can continue to improve in this aspect as well.

Together with our suppliers and customers, we want to more intensively develop joint solutions that create value for all parties. Tailoring these solutions to specific needs and enhancing the value of our services for each customer will also play a crucial role.

The topic of digitalization along our value chain and our network of suppliers and customers are also key.

### **Slide 33: We act as one team**

- 4. “We act as one team: While strengthening the individual capabilities of each employee, we shape the future of Aurubis as one team.”**

Our staff knows that I have one wish: that our 6,500 employees form one Aurubis team. Together.

Each employee works as if Aurubis was his or her own company. As if we had 6,500 individual entrepreneurs.

We're still somewhat removed from this target at the moment. And even if it sounds a bit idealistic, I certainly don't want to give up the idea. It requires a general cultural shift and the will of each individual to take part in it.

This additional personal responsibility, as I've often experienced it, enhances job satisfaction and enthusiasm in everyday work. It increases commitment and motivation and ultimately secures the company's success to the benefit of every shareholder and employee.

This is why the topic of continuous improvement is also a top priority for our employees in all areas. If each one of us continues to improve, the entire Aurubis team will also improve.

#### **Slide 34: We improve every day**

5. ***"We improve every day: In everything we do, we set continuous improvement as a guiding principle."***

Asking yourself every day what you can do better is a business platitude.

But every day we realize how exhausting it can be to question ourselves over and over and to accept better as the enemy of good.

We will therefore continue to work on our production and administrative processes, which have to be as efficient as possible. We will call for continuous improvement at every level of the Group and in all functions, and we will develop a general feedback culture at all levels, which will consistently encourage us to learn from the past and to look ahead in order to better ourselves.

This also applies to an area that is more important to me than any other: the safety of our colleagues in the workplace.

And this is what I ask from everyone: that safety take the highest priority. My vision within this context is very simple – zero accidents.

Ladies and gentlemen,

My overview of our Vision 2025 has demonstrated our ambitions to you.

We want to attain these objectives and announce this with pride in 2025 – just as John F. Kennedy might have said in 1969 – “Vision accomplished.”

Now it's time to tread this path. If we fail to take action today and continue to operate our business as we always have, we will miss our target. We might continue to be good, but certainly not great.

This isn't what we want, so we're starting the transformation program **“ONE Aurubis”** within the Group.

## **Slide 35: Our approach: How we achieve the vision**

“ONE Aurubis”, which is divided into five pillars, will accompany us for the next five years and is the prerequisite for achieving Vision 2025.

In the process, we will focus on the following five issues in particular:

- the further development and implementation of the Aurubis strategy, the detailed path to the vision,
- the organization,
- the improvement of our processes,
- employee development and
- company culture and communication.

Allow me to provide a few remarks on each of these five aspects.

### **1. Further development and implementation of the Aurubis strategy**

We will spend 2017 revising the Aurubis strategy from 2013. I don't imagine that we'll completely change it, let alone get rid of it completely. But we will adjust and detail it to align it with our vision and our ambitions.

This will keep us busy until the end of our fiscal year 2016/17 and will also apply to the functional strategies on which the Group's success is based.

I'm thinking about the topic of human resources, for instance. Implementing our vision means that the best metallurgy experts with the strongest expertise work at Aurubis. The path to a Group of 6,500 entrepreneurs has to be prepared and supported. And in the next employee survey, we want to do much better in the areas of direction and leadership than in 2016.

I'm also thinking about our IT department. Industry 4.0 may be a frequently used term in the meantime, but that doesn't make it wrong. We believe that further digitalization holds real opportunities for a metal group with a rich tradition. We're called on to develop and take advantage of these opportunities.

### **2. The organization**

We will take a look at the Group's current organizational structure this year and align it with the vision and the strategy.

We will position ourselves in a way that enables us to achieve our goals to the greatest possible extent.

Furthermore, we will continue to work on the topics of roles and responsibilities among the management team and the employees to attain the synergies that we need for the road ahead.

The plan is to make and implement a decision by the end of the current fiscal year.

### **3. Improvement of our processes**

A significant result of our analysis phase in the second half of 2016 was that we see additional potential to improve internally by making systems and processes more efficient.

As a result, we established the “Transformation and Business Improvement” team.

The team will address the issue of business process optimization in particular in the coming years, providing Aurubis with internal project management.

Various projects have already been kicked off, and we will integrate projects that are already underway. I already outlined the pilot project at the Hamburg plant.

So what does all of this mean exactly? How specific can we be at the moment?

We have set an ambitious, strategic, medium-term target for the next three years.

To express it in figures: based on today's conditions, we would like to improve our EBITDA by the end of fiscal year 2019/20 with internal optimization measures generating more than € 200 million.

Just to remind you: our EBITDA was € 358 million in the past fiscal year 2015/16 and € 500 million in the record year preceding it.

As you can imagine, more than € 200 million is very ambitious, but it is feasible.

We want to reach this objective with a variety of steps, for example

- throughput increases resulting from improved capacity utilization and stability,
- optimizations in the areas of energy and material procurement,
- efficiency enhancements in our maintenance processes and
- process improvements in our transversal functions.

These optimizations will be carried out across all of our sites around the world.

I am confident – just like my colleagues – that we'll accomplish this goal.

All of our employees are called on to make a personal contribution. The Executive Board and all of the company's managers will be benchmarked on this basis.

### **4. Management and employee development**

Our employees, our 6,500 future entrepreneurs, shared their opinions with us in fall 2016. We take the results seriously.

Management and direction are issues about which our employees said: Aurubis can improve.

We've started working on these issues but have also asked our colleagues to continue providing feedback and accompanying us on our path.

We will carry out a 360-degree feedback process for the Executive Board and the Group's first and second management levels, adjusting our Leadership Program to the results in order to become even more efficient. In a 360-degree feedback process, a manager receives feedback from his or her team, his or her colleagues at the same level and his or her supervisor, all at the same time – so more or less from all directions. This is why we refer to it as a 360-degrees process.

We've started to more strongly integrate, and in some cases replace, individual targets with joint targets that the departments can pursue together.

This reinforces cooperation, teamwork and joint effort towards success.

## 5. Culture and communication

And finally, ladies and gentlemen, there are always the following questions as well: How do we interact with each other? How do we talk to each other and communicate in a way that includes each person?

It's helpful that Aurubis is still a young, international group. We continue to grow closer and to understand each other better.

Things are headed in the right direction, but still need to be fostered constantly so that we can one day say: yes, that's it, the Aurubis culture, in which I feel comfortable and enjoy working. Whether in Pirdop, Lünen, Olen, Avellino or Hamburg – and of course at all the other sites.

Ladies and gentlemen, honored guests.

You've been very attentive, and I'd like to thank you for that.

The past **150 years of Aurubis**, they're history. A successful history that we're proud of. It has made us to the group that we are today, and countless individuals have contributed to this with their ideas and their commitment, enabling our success. For this, we say "thank you".

The Aurubis **Vision 2025** is the next step. We have put our ambitions into words and are committed and motivated to fulfill this promise, which is also a promise to all of you here today.

**ONE Aurubis** will be our path to this goal, which we will continue to pursue each day, step by step. There's no reason to stumble in haste, but there are many good reasons not to dawdle. We know this, and we will act accordingly.

I want to thank you very much for your participation today and for your trust in Aurubis.

We take this trust seriously and, at the same time, view it as an obligation to pursue new values in the future.

Values that we hold dear because they:

- were created with passion
- and enable progress:
- together.

Thank you very much for your attention. I look forward to hearing your questions and discussing with you.