

FINANCIAL STATEMENTS  
OF AURUBIS AG 2015/16

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 2015/16 are published in the electronic Federal Gazette (Bundesanzeiger).

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# Balance Sheet

as at September 30, 2016

## Assets

in € thousand	Note	9/30/2016	9/30/2015
<b>Fixed assets</b>			
Purchased concessions, industrial property rights and similar rights and assets, and licenses for such rights and assets		63,672	63,290
Goodwill		956	1,434
Payments on account		1,569	1,080
<b>Intangible assets</b>		<b>66,197</b>	<b>65,804</b>
Land and buildings		163,477	146,738
Technical equipment and machinery		245,181	252,511
Other equipment, factory and office equipment		16,839	15,518
Payments on account and assets under construction		25,755	34,287
<b>Property, plant and equipment</b>		<b>451,252</b>	<b>449,054</b>
Interests in affiliated companies		1,414,867	1,399,867
Investments		515	615
Fixed asset securities		21,293	24,300
Other loans		30	56
<b>Financial fixed assets</b>		<b>1,436,705</b>	<b>1,424,838</b>
	1	<b>1,954,154</b>	<b>1,939,696</b>
<b>Current assets</b>			
Raw materials and supplies		244,183	224,566
Work in process		430,849	345,877
Finished goods, merchandise		130,331	168,277
<b>Inventories</b>	2	<b>805,363</b>	<b>738,720</b>
Trade accounts receivable		112,728	140,164
Receivables from affiliated companies		235,036	163,750
Receivables from companies in which investments are held		3,592	3,780
Other assets – of which receivables with a residual term of more than one year: € 0 thousand (previous year: € 7 thousand)		9,458	48,518
<b>Receivables and other assets</b>	3	<b>360,814</b>	<b>356,212</b>
<b>Cash and bank balances</b>	4	<b>432,968</b>	<b>426,128</b>
		<b>1,599,145</b>	<b>1,521,060</b>
<b>Prepaid expenses and deferred charges</b>		<b>93</b>	<b>120</b>
<b>Total assets</b>		<b>3,553,392</b>	<b>3,460,876</b>

## Equity and liabilities

in € thousand	Note	9/30/2016	9/30/2015
<b>Equity</b>			
Subscribed capital			
– Conditional capital € 52,313 thousand (previous year: € 52,313 thousand)		115,089	115,089
<b>Additional paid-in capital</b>		<b>349,086</b>	<b>349,086</b>
<b>Revenue reserves</b>			
Legal reserve		6,391	6,391
Other revenue reserves		771,094	703,994
<b>Unappropriated earnings</b>		<b>122,012</b>	<b>115,571</b>
	5	<b>1,363,672</b>	<b>1,290,131</b>
<b>Provisions</b>			
Provisions for pensions and similar obligations		137,410	141,847
Provisions for taxes		704	35,906
Other provisions		111,199	111,064
	6	<b>249,313</b>	<b>288,817</b>
<b>Liabilities</b>			
Bank loans and overdrafts			
– of which with a residual term of up to one year: € 156,299 thousand (previous year: € 22,800 thousand)		478,799	486,925
Advance payments received on orders			
– of which with a residual term of up to one year: € 4,072 thousand (previous year: € 2,402 thousand)		4,072	2,402
Trade accounts payable			
– of which with a residual term of up to one year: € 478,653 thousand (previous year: € 528,632 thousand)		478,653	528,631
Payables to affiliated companies			
– of which with a residual term of up to one year: € 736,563 thousand (previous year: € 446,427 thousand)		961,563	847,377
Payables to companies in which investments are held			
– of which with a residual term of up to one year: € 0 thousand (previous year: € 1,157 thousand)		0	1,157
Other liabilities			
– of which from taxes: € 7,757 thousand (previous year: € 4,257 thousand)			
– of which for social security: € 1,711 thousand (previous year: € 3,380 thousand)			
– of which with a residual term of up to one year: € 17,320 thousand (previous year: € 15,403 thousand)		17,320	15,403
	7	<b>1,940,407</b>	<b>1,881,895</b>
<b>Deferred income</b>		<b>0</b>	<b>33</b>
<b>Total equity and liabilities</b>		<b>3,553,392</b>	<b>3,460,876</b>

# Income Statement

for the period from October 1, 2015 to September 30, 2016

in € thousand	Note	9/30/2016	9/30/2015
<b>Revenues</b>	10	<b>6,709,269</b>	<b>7,527,802</b>
Increase in inventories of finished goods and work in process		47,148	48,132
Own work capitalized		6,068	3,877
Other operating income	11	71,198	58,997
Cost of materials	12		
a) Cost of raw materials, supplies and merchandise		6,123,089	6,883,064
b) Cost of purchased services		178,557	180,999
		<b>6,301,646</b>	<b>7,064,063</b>
Personnel expenses	13		
a) Wages and salaries		189,840	180,869
b) Social security, pension and other benefit expenses – of which for pension expenses € –3,495 thousand (previous year: € 43,974 thousand)		30,077	76,296
		<b>219,917</b>	<b>257,165</b>
Depreciation, amortization and write-downs	14		
a) of intangible assets and property, plant and equipment		48,019	45,173
b) of current assets, insofar as they exceed write-downs that are normal for the company		0	60,000
		<b>48,019</b>	<b>105,173</b>
Other operating expenses	15	130,792	117,258
Income from investments and write-ups of interests in affiliated companies – of which from affiliated companies: € 50,347 thousand (previous year: € 152,366 thousand)	16	50,347	152,366
Income and write-ups deriving from other securities and loans reported under financial fixed assets	17	5,346	221
Other interest and similar income – of which from affiliated companies: € 4,627 thousand (previous year: € 3,134 thousand)	18	6,110	5,053
Write-downs of financial assets and fixed asset securities	19	100	6,753
Interest and similar expenses – of which from affiliated companies: € 3,198 thousand (previous year: € 6,907 thousand)	20	28,538	39,487
<b>Result from ordinary business activities</b>		<b>166,474</b>	<b>206,549</b>
Income taxes	21	31,357	60,589
Other taxes		884	876
<b>Net income for the year</b>		<b>134,233</b>	<b>145,084</b>
Profit brought forward from the prior year		54,879	42,987
Allocation to other revenue reserves		67,100	72,500
<b>Unappropriated earnings</b>		<b>122,012</b>	<b>115,571</b>

# Notes to the Financial Statements

## 1. General information

The financial statements of Aurubis AG, Hamburg, for the fiscal year from October 1, 2015 to September 30, 2016 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 presented in thousands of euros with comparative prior-year values.

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 2015/16 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](http://www.bundesanzeiger.de). The declaration prescribed in accordance with Section 161 German Stock Corporation Act (AktG) was submitted by the Executive Board and Supervisory Board and is accessible to the shareholders on the Company's website.

## 2. Accounting policies

### Fixed assets

**Intangible assets** are recognized at their costs of acquisition or generation and are amortized on a scheduled 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. Moveable fixed assets are generally depreciated on a

straight-line basis over their normal operational useful life. Low-value moveable 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. In this context, 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 determined 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 the production of copper and precious metals.

In the case of copper products, both the metal components and the costs incurred for further processing the copper into special formats – such as continuous cast 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 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 4.08%. The interest rate is based on the average market interest rate for the past ten 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.

Aurubis AG's pension obligations towards industrial workers are recognized in the form of a support fund. The support fund receives 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 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.

For the first time in the period reported, income and expenses from the realization of foreign currency receivables and payables were 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 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 Aubis AG, deferred tax liabilities particularly result from measurement differences for items of property, plant and equipment as well as from the currency measurement of current receivables and liabilities. These were offset 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 of September 30, 2016, the resultant balances were as follows:

in € thousand	<b>9/30/2016</b>	9/30/2015
Deferred tax assets	43,345	45,409
Deferred tax liabilities	(14,410)	(12,757)
<b>Total</b>	<b>28,935</b>	32,652

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).

### Derivative financial instruments and measurement units

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, and inventories.



### 3. Notes to the balance sheet

#### (1) Fixed assets

In addition to property utilization rights acquired for consideration, intangible assets include 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, amounting to € 51.3 million, were recorded in intangible assets and property, plant and equipment. The capital expenditure on property, plant and equipment particularly included various infrastructure and improvement measures.

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 reported, on the basis of its current multi-year plans, Aurubis AG recognized reversals of impairment losses of € 15.0 million on the investment carrying amount of Aurubis Belgium nv/sa.

The carrying amount of fixed asset securities as at September 30, 2016 originally amounted to € 16.2 million, whereas their fair value as at the balance sheet date amounted to € 21.3 million. A reversal of an impairment loss of € 5.1 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	9/30/2016	9/30/2015
Raw materials and supplies	244,183	224,566
Work in process	430,849	345,877
Finished goods, merchandise	130,331	168,277
	<b>805,363</b>	<b>738,720</b>

The € 66.6 million increase in inventories results from the € 19.6 million increase in raw materials and supplies on the one hand and from the € 85.0 million build-up of work in process on the other. In contrast, finished goods decreased by € 38.0 million. The increase in work in process is primarily due to copper and precious metal inventories.

Write-downs to lower market value as at the balance sheet date, amounting to € 6.9 million, relate only to by-product metals.

The difference between the current market value as of the balance sheet date and our measurement, using the LIFO method, amounted to € 644.5 million.

**(3) Receivables and other assets**

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
	<b>214,495</b>	<b>146,319</b>	<b>360,814</b>

in € thousand	Residual term		Total
	less than 1 year	more than 1 year	9/30/2015
Trade accounts receivable	140,164	0	140,164
Receivables from affiliated companies	163,750	0	163,750
Receivables from companies in which investments are held	3,780	0	3,780
Other assets	48,511	7	48,518
	<b>356,205</b>	<b>7</b>	<b>356,212</b>

Trade accounts receivable decreased by € 27.5 million compared to the previous year, from € 140.2 million to € 112.7 million, primarily due to lower copper product revenues. The volume of receivables sold in conjunction with factoring agreements decreased slightly compared to the prior year and amounted to € 120.7 million (previous year: € 121.6 million). The factoring arrangements are used to finance the receivables, while at the same time reducing the default risk.

Receivables from affiliated companies of € 235.0 million are made up of trade accounts receivable of € 5.0 million (previous year: € 2.0 million) and receivables deriving from financial transactions of € 230.0 million (previous year: € 161.8 million).

The receivables from companies in which investments are held, amounting to € 3.6 million (previous year: € 3.8 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 € 5.1 million.

Emission rights that have been allocated without payment are recognized. The fair value of the rights not yet utilized for the allocation period amounts to € 1.1 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 amounts to € 115,089,210.88 and is divided into 44,956,723 no-par-value bearer shares, each with a notional value 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 € 52,313,277.44 by issuing up to 20,434,874 new no-par-value bearer shares with a proportionate notional amount per share of € 2.56 of the share capital (conditional capital). It will be used to grant shares to the holders or creditors of bonds with warrants and/or convertible bonds and profit participation rights and/or participating bonds that can be issued by February 28, 2017.

An amount of € 67,100,000.00 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 is made up by the share premium that is disclosed as additional paid-in capital.

The transition to the required interest rate for the pension provision pursuant to Section 253 (6) sentence 1 German Commercial Code (HGB) resulted in a difference of € 24.1 million. This amount is subject to a dividend distribution restriction pursuant to Section 253 (6) sentence 2 German Commercial Code (HGB).

The unappropriated earnings as of September 30, 2016 include the profit of € 54,879,288.46 brought forward from the prior year.

**(6) Provisions**

in € thousand	9/30/2016	9/30/2015
<b>Provisions for pensions and similar obligations</b>	<b>137,410</b>	<b>141,847</b>
<b>Provisions for taxes</b>	<b>704</b>	<b>35,906</b>
<b>Other provisions</b>		
Personnel-related	68,066	63,919
Maintenance	1,461	2,896
Environmental protection measures	7,907	7,925
Other	33,765	36,324
	<b>111,199</b>	<b>111,064</b>
	<b>249,313</b>	<b>288,817</b>

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:

Discounting rate	4.08 %
Expected income development	2.75 %
Expected pension development	1.60 %
Staff fluctuation rate	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 € 24.1 million. Profits may only be distributed if the freely available reserve plus any profit carried forward, or respectively 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 from the obligation and any income arising from the change in the present value of the pension assets are offset in the financial result. Any expenses deriving from interest rate changes are also included in the financial result.

Expenses of € 8.2 million, deriving from the winding back of discount on the pension obligations, include € 0.6 million in income from the change in the discount rate. These expenses were offset by income of € 62 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 € 3.3 million as at the balance sheet date (previous year: € 2.8 million) and corresponded to their amortized cost. Thus, the amount required to settle the total pension obligations was € 140.7 million as at the balance sheet date (previous year: € 144.6 million).

The decrease 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 decrease in other provisions is primarily due to lower provisions for onerous contracts. Among other factors, these are connected to hedges against currency and product price risks, as well as the measurement of part of an agreed long-term electricity supply contract.

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 € 564 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, 2016, the amount overprovided was € 120 thousand.

**(7) Liabilities**

in € thousand	Residual term			Total
	less than 1 year	1 to 5 years	more than 5 years	9/30/2016
Bank loans and overdrafts	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
Payables to companies in which investments are held	0	0	0	0
Other liabilities	17,320	0	0	17,320
– of which from taxes	7,757	0	0	7,757
– of which for social security contributions	1,711	0	0	1,711
	<b>1,392,907</b>	<b>432,000</b>	<b>115,500</b>	<b>1,940,407</b>

in € thousand	Residual term			Total
	less than 1 year	1 to 5 years	more than 5 years	9/30/2015
Bank loans and overdrafts	22,800	343,000	121,125	486,925
Advance payments received on orders	2,402	0	0	2,402
Trade accounts payable	528,631	0	0	528,631
Payables to affiliated companies	446,427	400,950	0	847,377
Payables to companies in which investments are held	1,157	0	0	1,157
Other liabilities	15,403	0	0	15,403
– of which from taxes	4,257	0	0	4,257
– of which for social security contributions	3,380	0	0	3,380
	<b>1,016,820</b>	<b>743,950</b>	<b>121,125</b>	<b>1,881,895</b>

Bank loans and overdrafts decreased by € 8.1 million compared to the prior year.

Trade accounts payable decreased by € 49.9 million to € 478.7 million (previous year: € 528.6 million) due to period-end influences.

In addition to trade accounts payable of € 116.7 million (previous year: € 117.9 million), payables to affiliated companies of € 961.6 million include payables of € 844.9 million (previous year: € 729.5 million) deriving from financial transactions with subsidiaries.

#### **(8) 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.

#### **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 € 679.6 million to hedge currency risks from LME exchange transactions. These have a residual term of up to eight months. Their negative net market value amounted to € 2.0 million as at the balance sheet date and is offset by changes in the value of the hedged items included in the measurement unit of the same amount.

They are accounted for by applying the net hedge presentation method, so that they 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 and a nominal volume of € 227.7 million with a net negative market value of € 1.7 million, which is offset by changes in the value of 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, so that 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, such 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 24 months. They include the respective purchase or sale options for US\$ 99.0 million with an equivalent value of € 87.5 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\$ 680.0 million are counterbalanced by contracted EUR purchases of € 601.9 million and EUR sales of € 602.3 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 position 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 € 1.5 million. They were included in the form of micro-hedges in measurement units covering liabilities reported in the balance sheet. The fair value 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, so that 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 € 1.3 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 € 8.7 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 15 months and a nominal volume of € 6.2 million and a net positive market value of € 1.9 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, so that they are 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 € 0.7 million and € 0.3 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	9/30/2016	9/30/2015
<b>Contingent liabilities</b>		
Guarantees, letters of comfort, warranties	17.2	43.4
– of which for affiliated companies	17.2	37.4
<b>Other financial commitments</b>		
Capital expenditure commitments	31.1	31.5
Sundry other financial commitments	139.0	153.7

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

Other financial commitments of € 112.0 million (previous year: € 123.0 million) relate to long-term transport and handling agreements with a residual term of ten years. Other financial commitments of € 19.6 million (previous year: € 21.7 million) relate to long-term tank storage handling agreements with a residual term of nine years.

Furthermore, an agreement is in place with an energy utility for the cost-based procurement of more than one billion kilowatt hours of electricity per year over a term of 30 years commencing in 2010. The charges include a price and performance component, as well as a contribution to the investment costs for a power plant. In addition, there is a long-term agreement for the supply of oxygen.



## 4. Notes to the income statement

### (10) Revenues

in € thousand	2015/16	2014/15
<b>Analysis by product groups</b>		
Copper cathodes	876,035	1,088,048
Continuous cast wire rod	2,535,069	2,907,653
Continuous cast shapes	653,277	780,395
Precious metals	2,398,341	2,399,583
Sulfuric acid	37,189	49,177
Other	209,358	302,946
	<b>6,709,269</b>	<b>7,527,802</b>

In the year reported, 45.9% of the revenues were generated in the domestic market, 40.6% in other member states of the European Union, 4.9% in Asia, 2.3% in North America and 6.3% in other countries. The decrease in revenues mainly results from lower copper metal prices.

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

### (11) Other operating income

in € thousand	2015/16	2014/15
Income deriving from the reversal of provisions	2,805	1,581
Gains on disposal of property, plant and equipment	23	110
Cost reimbursements	31,923	31,690
Compensation and damages	8,995	2,272
Other income	27,452	23,344
	<b>71,198</b>	<b>58,997</b>

Other operating income includes € 8.2 million (previous year: € 6.9 million) of income relating to prior periods. Amongst other items, this includes income deriving from the reversal of allowances on receivables and income deriving from compensation claims. Other income includes gains of € 16.8 million deriving from the measurement and realization of foreign currency receivables and payables (previous year: € 13.6 million).

### (12) Cost of materials

in € thousand	2015/16	2014/15
Raw materials, supplies and merchandise	6,123,089	6,883,064
Cost of purchased services	178,557	180,999
	<b>6,301,646</b>	<b>7,064,063</b>

The cost of materials decreased by € 762.4 million in a manner corresponding to the decrease in revenues. The cost of materials ratio was unchanged at 93.2% (previous year: 93.2%).

**(13) Personnel expenses and human resources**

in € thousand	<b>2015/16</b>	2014/15
Wages and salaries	<b>189,840</b>	180,869
Social security, pension and other benefit expenses	<b>30,077</b>	76,296
– of which for pensions	<b>(3,495)</b>	43,974
	<b>219,917</b>	<b>257,165</b>

The increase in expenses for wages and salaries in the fiscal year reported was due to higher collective wage agreement rates, a slightly higher number of employees and higher profit participation bonuses due to the results. In contrast, the lower pension expenses are primarily the result of the dissolution of a support fund in the previous year and the associated assumption of direct pension benefit obligations for Aurubis AG employees, as well as changes to actuarial assumptions in the calculation of pension provisions.

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

	<b>2015/16</b>	2014/15
Blue collar	<b>1,645</b>	1,623
White collar	<b>1,020</b>	987
Trainees and apprentices	<b>185</b>	188
	<b>2,850</b>	<b>2,798</b>

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

Depreciation and amortization increased slightly compared with the prior year by € 2.8 million to € 48.0 million, mainly in the area of technical equipment and machinery.

**(15) Other operating expenses**

Other operating expenses, amounting to € 130.8 million (previous year: € 117.3 million), mainly include administrative and marketing expenses, fees, insurance, rents and leasing expenses.

Other operating expenses include losses of € 13.3 million deriving from the measurement and realization of foreign currency receivables and payables (previous year: € 1.0 million) and expenses relating to prior periods, amounting to € 0.7 million (previous year: € 1.7 million). The expenses relating to prior periods mainly comprise losses on the disposal of fixed assets (€ 0.7 million).

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

in € thousand	<b>2015/16</b>	2014/15
Income from investments	<b>35,347</b>	83,366
– of which from affiliated companies	<b>35,347</b>	83,366
Write-ups of interests in affiliated companies	<b>15,000</b>	69,000
	<b>50,347</b>	<b>152,366</b>

The income from investments comprises € 27.0 million from investments abroad and € 8.4 million from investments in Germany.

On the basis of current multi-year plans, previous impairment losses recognized against the carrying amount of the investment in Aurubis Belgium nv/sa in the amount of € 15.0 million were reversed.

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

in € thousand	<b>2015/16</b>	2014/15
Income and reversals of impairment losses from other securities and loans reported under financial fixed assets	5,346	221

A remeasurement of the securities classified as fixed assets with the exchange price as at the balance sheet date led to a reversal of an impairment loss of € 5.1 million.

**(18) Other interest and similar income**

in € thousand	<b>2015/16</b>	2014/15
Other interest and similar income	6,110	5,053
– of which from affiliated companies	4,627	3,134
	<b>6,110</b>	<b>5,053</b>

**(19) Write-downs of financial assets and fixed asset securities**

in € thousand	<b>2015/16</b>	2014/15
Write-downs of investments	100	1,152
Write-downs of fixed asset securities	0	5,601
	<b>100</b>	<b>6,753</b>

**(20) Interest and similar expenses**

in € thousand	<b>2015/16</b>	2014/15
Interest and similar expenses	28,538	39,487
– of which from affiliated companies	3,198	6,907
	<b>28,538</b>	<b>39,487</b>

Interest expense includes expenses from the winding back of discount on other provisions in the amount of € 1.0 million (previous year: € 1.1 million).

Furthermore, interest and similar expenses include interest components of € 8.2 million (previous year: € 6.8 million) included in the allocation to the pension provisions.

**(21) Income taxes**

The results of ordinary business activity are burdened by income taxes of € 31.4 million (previous year: € 60.6 million), resulting in an effective tax rate of 18.9% (previous year: 29.3%). 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, 2016, 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	8/21/2008	2/4/2008
Salzgitter Mannesmann GmbH, Salzgitter <sup>3)</sup>	25.002	8/29/2011	8/29/2011
UBS AG, Zurich, Switzerland	4.99	3/4/2013	3/20/2013
Norges Bank, Oslo, Norway <sup>1)</sup>	2.99	11/2/2015	11/5/2015
Norges Bank, Oslo, Norway <sup>1)</sup>	3.10	11/20/2015	11/26/2015
Norges Bank, Oslo, Norway <sup>1)</sup>	2.749	12/10/2015	12/14/2015
JP Morgan Asset Management (UK) Limited	1.96	12/11/2015	12/18/2015
BlackRock, Inc., Wilmington, DE, USA <sup>2)</sup>	3.03	1/13/2016	1/21/2016
BlackRock, Inc., Wilmington, DE, USA <sup>2)</sup>	2.997	1/22/2016	1/28/2016
BlackRock, Inc., Wilmington, DE, USA <sup>2)</sup>	3.0003	1/25/2016	1/29/2016
BlackRock, Inc. (voluntary company notification) <sup>2)</sup>	3.08	1/26/2016	2/1/2016
BlackRock, Inc., Wilmington, DE, USA <sup>2)</sup>	2.99	1/27/2016	2/2/2016

Shareholders	Stake in %	Relevant threshold date	Date of publication
Norges Bank, Oslo, Norway <sup>1)</sup>	3.19	2/15/2016	2/17/2016
Norges Bank, Oslo, Norway <sup>1)</sup>	2.998	2/25/2016	2/29/2016
Norges Bank, Oslo, Norway <sup>1)</sup>	3.039	3/14/2016	3/17/2016
Norges Bank, Oslo, Norway <sup>1)</sup>	2.92	4/25/2016	4/29/2016
Norges Bank, Oslo, Norway <sup>1)</sup>	3.09	5/2/2016	5/4/2016
Norges Bank (status notification) <sup>1)</sup>	3.67	8/19/2016	9/5/2016

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

<sup>2)</sup> Held directly, or indirectly through subsidiaries.

<sup>3)</sup> The shares are attributable to Salzgitter AG, Salzgitter.

The voting rights notifications are available at:  
[www.aurubis.com/en/en/corp/about-aurubis/corporate-governance/voting-rights-notifications](http://www.aurubis.com/en/en/corp/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 (WpHG) introduced an additional notification obligation as of February 1, 2012: this extends to financial and other instruments that enable their owner, either effectively or economically, to acquire shares with associated 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 the Deutsche Gesellschaft für Ad-hoc-Publizität.

**Auditors' fees**

The following fees were recorded as expenses in fiscal year 2015/16 for services rendered by the auditors:

Financial statement auditing services	€ 433,000
Other assurance services	€ 46,000
Tax advisory services	€ 104,000
Other services	€ 9,000
	<b>€ 592,000</b>

**Investments**

The full list of investments is disclosed on page 28.

## Information concerning the Executive Board and the Supervisory Board

### Executive Board

#### Jürgen Schachler, Hamburg

Born: July 31, 1954

Chief Executive Officer, Director of Industrial Relations and Executive Board Member for Business Unit Primary Copper since July 1, 2016, appointed until June 30, 2019

#### Dr. Stefan Boel, Hamme, Belgium

Born: June 9, 1966

Executive Board Member for Business Unit Copper Products, from November 1, 2015 to June 30, 2016 Executive Board Member for Business Unit Primary Copper on an interim basis, appointed until April 30, 2021

- » Aurubis Belgium nv/sa, Brussels, Belgium  
Chairman of the Board of Directors

#### Erwin Faust, Hamburg

Born: January 4, 1957

Chief Financial Officer, from November 1, 2015 to June 30, 2016 Executive Board Spokesman, Director of Industrial Relations and responsible for Corporate Functions on an interim basis, appointed until September 30, 2018

- » Aurubis Belgium nv/sa, Brussels, Belgium  
Director

The Supervisory Board passed a resolution to temporarily release Mr. Faust, by mutual agreement, from his duties and obligations as CFO of Aurubis AG due to illness.

#### Dr. Bernd Drouven, Hamburg, until October 31, 2015

Born: September 19, 1955

Chief Executive Officer and Executive Board Member for Business Unit Primary Copper, from July 1, 2015 to October 31, 2015

Director of Industrial Relations

(dispatched from the Supervisory Board to the Executive Board from November 1, 2014 to October 31, 2015)

- » NITHH gGmbH, Hamburg  
Chairman of the Supervisory Board

### Supervisory Board

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

Chairman,

Chairman of the Executive Board of Salzgitter AG, Salzgitter

- » Hüttenwerke Krupp Mannesmann GmbH, Duisburg<sup>+</sup>  
Chairman of the Supervisory Board since July 2, 2016
- » Ilseburger Grobblech GmbH, Ilseburg<sup>+</sup>  
Chairman of the Supervisory Board
- » KHS GmbH, Dortmund<sup>+</sup>  
Chairman of the Supervisory Board
- » Mannesmannröhren-Werke GmbH, Mülheim/Ruhr<sup>+</sup>  
Chairman of the Supervisory Board
- » Öffentliche Lebensversicherung Braunschweig, Braunschweig  
Member of the Supervisory Board
- » Öffentliche Sachversicherung Braunschweig, Braunschweig  
Member of the Supervisory Board
- » Peiner Träger GmbH, Peine<sup>+</sup>  
Chairman of the Supervisory Board
- » Salzgitter Flachstahl GmbH, Salzgitter<sup>+</sup>  
Chairman of the Supervisory Board
- » Salzgitter Mannesmann Grobblech GmbH, Mülheim/Ruhr<sup>+</sup>  
Chairman of the Supervisory Board
- » Salzgitter Mannesmann Handel GmbH, Düsseldorf<sup>+</sup>  
Chairman of the Supervisory Board
- » TÜV Nord AG, Hanover  
Member of the Supervisory Board

<sup>+</sup> group companies of Salzgitter AG

\* elected by the employees

**Renate Hold-Yilmaz, Hamburg \***

Deputy Chairwoman,  
clerical 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<sup>+</sup>  
Member of the Supervisory Board
- » Ilseburger Grobblech GmbH, Ilseburg<sup>+</sup>  
Member of the Supervisory Board
- » KHS GmbH, Dortmund<sup>+</sup>  
Member of the Supervisory Board since July 1, 2016
- » Mannesmannröhren-Werke GmbH, Mülheim/Ruhr<sup>+</sup>  
Member of the Supervisory Board
- » Nord/LB Asset Management AG, Hanover  
Member of the Supervisory Board
- » Peiner Träger GmbH, Peine<sup>+</sup>  
Member of the Supervisory Board
- » Salzgitter Flachstahl GmbH, Salzgitter<sup>+</sup>  
Member of the Supervisory Board  
until September 30, 2016
- » Salzgitter Mannesmann Grobblech GmbH,  
Mülheim/Ruhr<sup>+</sup>  
Member of the Supervisory Board
- » Salzgitter Mannesmann Handel GmbH, Düsseldorf<sup>+</sup>  
Member of the Supervisory Board since July 1, 2016
- » Salzgitter Mannesmann Precision GmbH,  
Mülheim/Ruhr<sup>+</sup>  
Member of the Supervisory Board

**Dr. Bernd Drouven, Hamburg**

Returned to the Supervisory Board on November 1, 2015,  
former Chief Executive Officer of Aurubis AG

- » NITHH gGmbH, Hamburg  
Chairman of the Supervisory Board

**Jan Koltze (formerly Eulen), Kummerfeld \***

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

- » ESSO Deutschland GmbH, Hamburg  
Member of the Supervisory Board
- » ExxonMobil 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**

Member of the Executive Board of BÖAG Börsen AG, Hamburg and  
Hanover, until March 31, 2016

Director, Head of German Desk, NORD/LB Singapore Branch,  
Norddeutsche Landesbank Girozentrale, Singapore, since August 1, 2016

**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

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

Chairman of the Deutsche Wildtier Stiftung, Hamburg

- » Capital Stage AG, Hamburg  
Member of the Supervisory Board
- » Putz & Partner Unternehmensberatung AG, Hamburg  
Member of the Supervisory Board until March 31, 2016

**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

<sup>+</sup> group companies of Salzgitter AG

\* elected by the employees

### Supervisory Board Committees

#### Conciliation Committee in accordance with Section 27 (3) Law on Co-determination

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 (formerly Eulen)  
 Renate Hold-Yilmaz

#### Personnel Committee

Prof. Dr.-Ing. Heinz Jörg Fuhrmann (Chairman)  
 Dr. Bernd Drouven (returned to the committee on November 1, 2015)  
 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 2015/16 amounted to € 3,325,289 and included a fixed component for the past fiscal year of € 988,000, fringe benefits of € 41,823 and a variable component of € 1,523,960. In addition, expenditures for pension provisions in the amount of € 690,108 were recognized as an expense. Special compensation of € 225,000 was granted as well.

Former members of the Executive Board and their surviving dependents received a total of € 2,210,800, while € 24,608,243 has been provided for their pension entitlement.

The compensation of the Supervisory Board for fiscal year 2015/16 amounted in total to € 1,467,342.

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

### Shareholdings

Members of the Supervisory Board hold 5,905 shares (previous year: 4,031 shares) and members of the Executive Board hold 6,150 shares (previous year: 2,400 shares) in Aurubis AG.

### Reportable securities transactions

#### Directors' dealings

In accordance with Section 15a German Securities Trading Act (WpHG, previous version) and 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, 2015 to September 30, 2016:

- » Prof. Dr. Fritz Vahrenholt: purchased 1,000 no-par-value shares.

The following members of the Executive Board informed the Company that they had acquired or sold no-par-value shares in the Company in the period from October 1, 2015 to September 30, 2016:

- » Mr. Erwin Faust: purchased 5,000 no-par-value shares,
- » Dr. Stefan Boel: purchased 2,750 no-par value shares,
- » Mr. Erwin Faust: sold 5,000 no-par-value shares.

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

## Changes in Fixed Assets

as at September 30, 2016

in € thousand	Costs of acquisition, generation or construction 10/1/2015	Additions	Disposals	Transfers	Costs of acquisition, generation or construction 9/30/2016
Purchased concessions, industrial property rights and similar rights and assets, and licenses for such rights and assets	89,195	906	67	928	90,962
Goodwill	7,172	0	0	0	7,172
Payments on account	1,080	1,417	0	(928)	1,569
<b>Intangible assets</b>	<b>97,447</b>	<b>2,323</b>	<b>67</b>	<b>0</b>	<b>99,703</b>
Land and buildings	433,624	11,863	5,485	14,820	454,822
Technical equipment and machinery	976,442	9,759	14,932	15,537	986,806
Other equipment, factory and office equipment	60,752	4,343	3,678	1,196	62,613
Payments on account and assets under construction	34,287	23,021	0	(31,553)	25,755
<b>Property, plant and equipment</b>	<b>1,505,105</b>	<b>48,986</b>	<b>24,095</b>	<b>0</b>	<b>1,529,996</b>
Interests in affiliated companies	1,484,747	0	0	0	1,484,747
Investments	1,201	0	200	0	1,001
Fixed asset securities	66,456	0	8,169	0	58,287
Other loans	56	0	26	0	30
<b>Financial fixed assets</b>	<b>1,552,460</b>	<b>0</b>	<b>8,395</b>	<b>0</b>	<b>1,544,065</b>
<b>Fixed assets</b>	<b>3,155,012</b>	<b>51,309</b>	<b>32,557</b>	<b>0</b>	<b>3,173,764</b>

Accumulated depreciation, amortization and write-downs 10/1/2015	Depreciation, amortization and write-downs in the current fiscal year	Disposals	Write-ups	Accumulated depreciation, amortization and write-downs 9/30/2016	Carrying amount 9/30/2016	Carrying amount 9/30/2015
25,905	1,452	67	0	27,290	63,672	63,290
5,738	478	0	0	6,216	956	1,434
0	0	0	0	0	1,569	1,080
<b>31,643</b>	<b>1,930</b>	<b>67</b>	<b>0</b>	<b>33,506</b>	<b>66,197</b>	<b>65,804</b>
286,886	9,636	5,177	0	291,345	163,477	146,738
723,931	32,377	14,683	0	741,625	245,181	252,511
45,234	4,076	3,536	0	45,774	16,839	15,518
0	0	0	0	0	25,755	34,287
<b>1,056,051</b>	<b>46,089</b>	<b>23,396</b>	<b>0</b>	<b>1,078,744</b>	<b>451,252</b>	<b>449,054</b>
84,880	0	0	15,000	69,880	1,414,867	1,399,867
586	100	200	0	486	515	615
42,156	0	0	5,162	36,994	21,293	24,300
0	0	0	0	0	30	56
<b>127,622</b>	<b>100</b>	<b>200</b>	<b>20,162</b>	<b>107,360</b>	<b>1,436,705</b>	<b>1,424,838</b>
<b>1,215,316</b>	<b>48,119</b>	<b>23,663</b>	<b>20,162</b>	<b>1,219,610</b>	<b>1,954,154</b>	<b>1,939,696</b>

## Investments

pursuant to Section 285 No. 11 German Commercial Code (HGB)  
as at September 30, 2016

	Company name and registered office	% of capital held directly and indirectly	Held directly by	Equity in € thousand	Annual result in € thousand	
1	Aurubis AG					
	<b>Fully consolidated companies</b>					
2	Aurubis Belgium nv/sa, Brussels	100	1	980,771	14,565	*
3	Aurubis Holding Sweden AB, Stockholm	100	2	47,165	9,636	*/**
4	Aurubis Sweden AB, Finspång	100	3	12,221	(1,409)	*/**
5	Aurubis Finland Oy, Pori	100	2	23,319	(1,584)	*
6	Aurubis Holding USA LLC, Buffalo	100	2	25,654	(917)	*/**
7	Aurubis Buffalo Inc., Buffalo	100	6	49,216	270	*/**
8	Aurubis Netherlands BV, Zutphen	100	2	(7,490)	(13,115)	*
9	Aurubis Mortara S.p.a., Mortara	100	2	2,958	(15)	*
10	Cumerio Austria GmbH, Vienna	100	1	496,227	100,572	*
11	Aurubis Bulgaria AD, Pirdop	99.86	10	410,589	61,166	*
12	Aurubis Engineering EAD, Sofia	100	10	465	6	*
13	Aurubis Italia Srl, Avellino	100	1	12,421	1,168	*
14	Aurubis Switzerland SA, Yverdon-les-Bains	100	1	(23,290)	2,496	*/**
15	Aurubis Stolberg GmbH & Co. KG, Stolberg	100	1	28,812	(1,784)	*
16	Aurubis U.K. Ltd., Smethwick	100	15	2,371	138	*/**
17	Aurubis Slovakia s.r.o., Dolny Kubin	100	15	511	(1)	*
18	CABLO Metall-Recycling & Handel GmbH, Fehrbellin	100	1	7,667	872	*
19	Peute Baustoff GmbH, Hamburg	100	1	(151)	33	*
20	RETORTE GmbH Selenium Chemicals & Metals, Röthenbach	100	1	3,514	1,004	*
21	E.R.N. Elektro-Recycling NORD GmbH, Hamburg	100	1	7,321	754	
22	Aurubis Product Sales GmbH, Hamburg	100	1	547	100	*
23	Deutsche Giessdraht GmbH, Emmerich	60	1	5,519	3,952	*
	<b>Companies accounted for using the equity method</b>					
24	Schwermetall Halbzeugwerk GmbH & Co. KG, Stolberg	50	15	92,379	19,422	*

\* 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, 2016.

\*\*\* German statutory or country-specific financial statements as at December 31, 2015.

	Company name and registered office	% of capital held directly and indirectly	Held directly by	Equity in € thousand	Annual result in € thousand	
<b>Non-consolidated companies</b>						
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	1,059	(8)	**
28	Aurubis Metal Products (Shanghai) Co., Ltd, Shanghai	100	27	152	(26)	**/**
29	Aurubis Rus LLC, St. Petersburg	100	2	10	0	**/**
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	813	135	**/**
33	C.M.R. International N.V., Antwerp	50	1	(2,189)	(8)	
34	Schwermetall Halbzeugwerk GmbH, Stolberg	50	15	27	11	
35	JoSeCo GmbH, Kirchheim/Swabia	33	20	159	(30)	***
36	Aurubis Middle East FZE, Dubai	100	22	73	0	**/**
37	Aurubis Turkey Kimya Anonim Sirketi, Istanbul	100	11	(9)	(3)	**

\* 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, 2016.

\*\*\* German statutory or country-specific financial statements as at December 31, 2015.

### Proposed appropriation of earnings

in €	<b>2015/16</b>
Net income for the year of Aurubis Aktiengesellschaft	134,232,732
Profit brought forward from the prior year	54,879,288
Allocations to other revenue reserves	67,100,000
<b>Unappropriated earnings</b>	<b>122,012,020</b>

A proposal will be made to the Annual General Meeting that Aurubis AG's unappropriated earnings of € 122,012,020 are used to pay a dividend of € 1.25 per no-par-value share (= € 56,195,903.75) and that € 65,816,116.25 be carried forward.

Hamburg, December 13, 2016

The Executive Board



Jürgen Schachler  
(Chairman)



Dr. Stefan Boel  
(Member)

## Auditors' Report

We have audited the annual financial statements, comprising the balance sheet, the income statement and the notes to the financial statements, together with the bookkeeping system, and the management report, which is combined with the group management report of the Aurubis AG for the business year from 1 October 2015 to 30 September 2016. The maintenance of the books and records and the preparation of the annual financial statements and the combined management report in accordance with German commercial law and supplementary provisions of the articles of incorporation are the responsibility of the Company's Board of Managing Directors. Our responsibility is to express an opinion on the annual financial statements, together with the bookkeeping system and the combined management report based on our audit.

We conducted our audit of the annual financial statements in accordance with § (Article) 317 HGB ("Handelsgesetzbuch": "German Commercial Code") and German generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer (Institute of Public Auditors in Germany) (IDW). Those standards require that we plan and perform the audit such that misstatements materially affecting the presentation of the net assets, financial position and results of operations in the annual financial statements in accordance with (German) principles of proper accounting and in the combined management report are detected with reasonable assurance. Knowledge of the business activities and the economic and legal environment of the Company and expectations as to possible misstatements are taken into account in the determination of audit procedures. The effectiveness of the accounting-related internal control system and the evidence supporting the disclosures in the books and records, the annual financial statements and the combined management report are examined primarily on a test basis within the framework of the audit.

The audit includes assessing the accounting principles used and significant estimates made by the Company's Board of Managing Directors, as well as evaluating the overall presentation of the annual financial statements and combined management report. We believe that our audit provides a reasonable basis for our opinion.

Our audit has not led to any reservations.

In our opinion based on the findings of our audit, the annual financial statements comply with the legal requirements and supplementary provisions of the articles of incorporation and give a true and fair view of the net assets, financial position and results of operations of the Company in accordance with (German) principles of proper accounting. The combined management report is consistent with the annual financial statements and as a whole provides a suitable view of the Company's position and suitably presents the opportunities and risks of future development.

Hamburg, December 13, 2016

PricewaterhouseCoopers  
Aktiengesellschaft  
Wirtschaftsprüfungsgesellschaft

Matthias Kirschke  
Wirtschaftsprüfer  
(German Public Auditor)

ppa. Alexander Fernis  
Wirtschaftsprüfer  
(German Public Auditor)

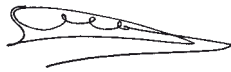
## Responsibility Statement

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 assets, liabilities, financial position and profit or loss 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 13, 2016



Jürgen Schachler  
(Chairman)



Dr. Stefan Boel  
(Member)



The background of the slide is a large, diagonal, triangular shape filled with a close-up, high-resolution image of copper shavings. The shavings are in various shades of brown, orange, and red, with some metallic highlights. The background is divided into three triangular sections by white lines: a large white triangle on the right, a smaller white triangle at the bottom left, and a brown triangle at the top left.

Our Copper for your Life

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