

Aurubis on track with good results

- **Half-year result of € 118 million meets expectations**
- **Earnings forecast for the entire fiscal year 2016/17 is confirmed**
- **Efficiency improvement program is launched**
- **Aurubis' strategy for Vision 2025 will be presented at the end of the 2017 calendar year**

Hamburg, May 15, 2017 – The Aurubis Group (Aurubis) achieved operating earnings before taxes (EBT) of € 118 million in the first half of fiscal year 2016/17 (previous year: € 113 million). The negative measurement effects due to period-end influences of € 26 million in the first quarter of the fiscal year were fully offset in the second quarter.

In addition, the result was driven primarily by good raw material markets, particularly in the recycling area. Higher metal prices have led to a very good supply of copper scrap with correspondingly high refining charges. In concentrate processing, the Group was able to achieve throughput at the high level of the previous year despite the legally mandated shutdown in Hamburg (October/November 2016). The smelting and refining charges of the used concentrates were high, which was primarily attributable to the high proportion of complex materials.

Increased demand for flat rolled products also lead to higher sales in shapes, their preliminary products.

The strong US dollar supported the result since a significant part of Aurubis' income is US dollar-based.

The global surplus in the sulfuric acid markets had a negative impact on the result due to correspondingly low revenues. Only at the end of the half-year did the supply surplus decline due to shutdowns of other producers and stable demand.

The cathode premium, which Aurubis reduced by US\$ 6 to US\$ 86 for calendar year 2017, also affected the result. In addition, the demand for copper wire rod remained below expectations due to the temporary inventory adjustments of some cable customers.

"The result corresponds to our expectations. The scrap markets have significantly improved and recycling has made a good contribution to earnings. Our expertise in the processing of complex raw materials makes us less dependent on the currently lower smelting and refining charges in the concentrate market. At the same time, the processing of these raw materials facilitates higher margins for us," **Jürgen Schachler, Chairman of the Executive Board of Aurubis AG**, summarized.

The Group's revenues were € 5,428 million in the first half of the fiscal year, thereby € 703 million above the previous year's level (previous year: € 4,725 million). This development was primarily due to higher metal prices. Operating ROCE (taking the operating EBIT of the last four quarters into consideration) was

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10.4 % due to the lower operating results in the third quarter of 2015/16 and the first quarter of 2016/17 (previous year: 12.7 %).

Aurubis' EBT on the basis of IFRS amounted to € 272 million (previous year: € 40 million). In contrast to operating earnings, IFRS earnings include measurement effects due to copper price fluctuations and other factors. Therefore, the operating earnings are decisive for Aurubis in assessing the business performance and managing the company.

Vision and strategy

Aurubis presented its new Vision 2025 at the Annual General Meeting in March: **Passion for metallurgy. Metals for progress. Together with you.**

Aurubis' metals enable progress. Along with its core metal copper, the Group intends to produce more and varied metals in the future. Currently Aurubis is developing a strategy for achieving its vision of a being multi-metal Group. It will be communicated at the end of the 2017 calendar year.

In addition, the efficiency improvement program, which strives for a permanent increase in EBITDA by more than € 200 million by 2019/20 exclusively through internal optimization measures, is gradually being filled with specific measures.

"We are certain of reaching the stated goal – a more than € 200 million higher result by 2020," **Jürgen Schachler** said.

Outlook

Aurubis does not expect far-reaching changes either in the raw material or product markets by the end of fiscal year 2016/17.

With high mine output, the company will continue to be well supplied with copper concentrates and be able to obtain higher refining charges due to their complex qualities.

For sulfuric acid, it can be assumed that the currently slightly improved market situation will continue in the second half of the year and have a positive impact on earnings starting in the third quarter of this fiscal year.

On the copper scrap market, the Group expects a sustained high supply with good refining charges in the coming months. However, declining metal prices in the short term could result in a tightening of the market with subsequently lower refining charges.

Solid demand at the previous year's level is expected for wire rod and shapes. Also on the markets for strip products, Aurubis anticipates stable demand overall in the key market segments during the fiscal year.

Since much of the revenue is US dollar-based, a continued positive contribution to earnings can be expected from the strong currency. In addition, income is already expected from the efficiency improvement program. It will lead to additional optimizations at all of the sites.

“We expect stable raw material and product markets for the rest of the year. We therefore confirm our forecast for the full year: We are assuming significantly higher operating earnings before taxes and a slightly higher operating ROCE,”

Jürgen Schachler concluded.

You can find the complete report on the first half of fiscal year 2016/17 at www.aurubis.com.

Company profile

Aurubis – Passion for metallurgy. Metals for progress. Together with you.

Aurubis AG is the world’s leading provider of non-ferrous metals. The company processes complex metal concentrates, copper scrap and metal-bearing recycling materials into metals of the highest quality. Among other items, Aurubis produces more than 1 million t of copper cathodes per year, and from them diverse copper products, such as wire rod and shapes, rolled products, strip, and specialty wire and profiles made of copper and copper alloys. In addition, Aurubis is the world’s largest copper recycler.

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

Aurubis has more than 6,400 employees, production sites in Europe and the USA and an extensive service and sales system for copper products in Europe, Asia and North America.

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

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

Aurubis shares are part of the Prime Standard Segment of the Deutsche Börse and are listed in the MDAX and the Global Challenges Index (GCX).

Additional information: www.aurubis.com

At a glance Key Aurubis Group figures		Q2			6M		
		2016/17	2015/16	Change	2016/17	2015/16	Change
Revenues	€m	2,966	2,327	27 %	5,428	4,725	15 %
Gross profit	€m	393	284	38 %	708	458	55 %
Operating gross profit	€m	324	285	14 %	554	526	5 %
Personnel expenses	€m	120	113	6 %	237	223	6 %
Depreciation and amortization	€m	33	33	0 %	66	65	2 %
Operating depreciation and amortization	€m	32	32	0 %	64	62	3 %
EBITDA**	€m	205	112	83 %	344	116	> 100 %
Operating EBITDA**	€m	136	113	20 %	190	184	3 %
EBIT	€m	172	79	> 100 %	278	51	> 100 %
Operating EBIT	€m	104	81	28 %	126	122	3 %
EBT	€m	170	74	> 100 %	272	40	> 100 %
Operating EBT*	€m	100	77	30 %	118	113	4 %
Consolidated net income/loss	€m	130	55	> 100 %	208	30	> 100 %
Operating consolidated net income	€m	76	57	33 %	90	83	8 %
Earnings per share	€	2.89	1.20	> 100 %	4.62	0.64	> 100 %
Operating earnings per share	€	1.68	1.25	34 %	1.98	1.83	8 %
Net cash flow	€m	83	-135	> 100 %	41	-158	> 100 %
Capital expenditure (excl. financial fixed assets)	€m	25	32	-21 %	105	66	59 %
Operating ROCE*	%	-	-	-	10.4	12.7	-
Copper price (average)	US\$/t	5,831	4,672	25 %	5,556	4,784	16 %
Copper price (balance sheet date)	US\$/t	-	-	-	5,849	4,855	20 %
Employees (average)		6,459	6,316	2 %	6,459	6,316	2 %

* Corporate control parameters.

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

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

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

Production output/throughput		Q2			6M		
		2016/17	2015/16	Change	2016/17	2015/16	Change
BU Primary Copper							
Concentrate throughput	1,000 t	626	598	5 %	1,170	1,199	-2 %
Copper scrap/blister copper input	1,000 t	29	31	-6 %	56	60	-7 %
Sulfuric acid output	1,000 t	598	578	3 %	1,127	1,154	-2 %
Cathode output	1,000 t	157	153	3 %	309	303	2 %
BU Copper Products							
Copper scrap/blister copper input	1,000 t	77	83	-7 %	168	150	12 %
KRS throughput	1,000 t	57	61	-7 %	122	131	-7 %
Cathode output	1,000 t	131	124	6 %	260	254	2 %
Wire rod output	1,000 t	192	204	-6 %	355	382	-7 %
Shape output	1,000 t	51	48	6 %	94	86	9 %
Flat rolled products and specialty wire output	1,000 t	57	55	4 %	110	105	5 %