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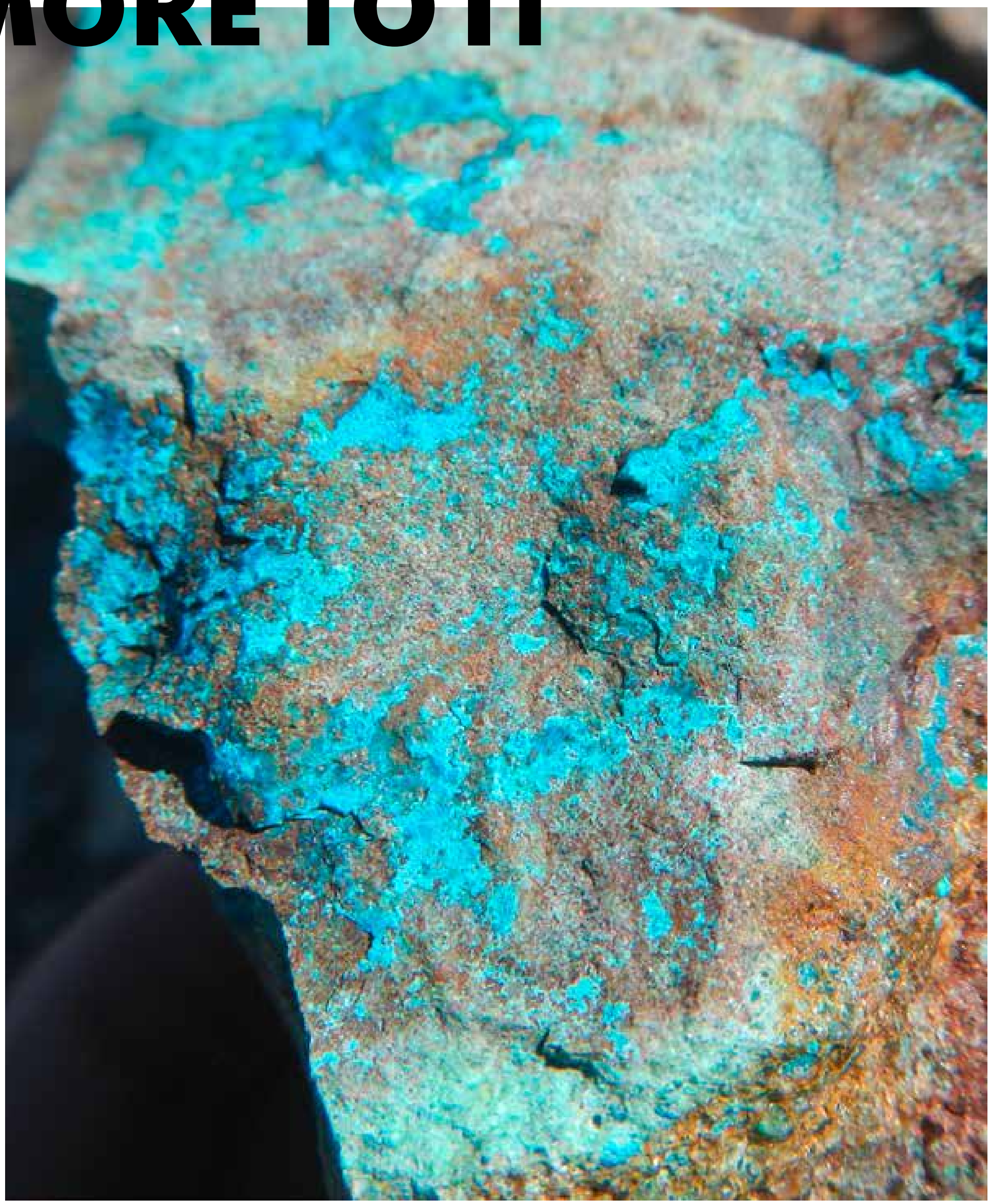
Financial Statements of
Aurubis AG
2017/18



Aurubis
Metals for Progress

The Management Report of Aurubis AG is combined with the Management Report of the Aurubis Group in accordance with Section 315 (3) of the 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 2017/18 are published in the electronic Federal Gazette (Bundesanzeiger).

Table of Contents

3 Balance Sheet
5 Income Statement
6 Notes to the Financial Statements
- 6 General Disclosures
- 6 Accounting Policies
- 9 Notes to the Balance Sheet
- 15 Notes to the Income Statement
- 18 Other Disclosures
- 24 Changes in Fixed Assets
- 26 Investments

29 Independent Auditors' Report
35 Responsibility Statement

Balance Sheet

as at September 30, 2018

Assets

in € thousand	Note	9/30/2018	9/30/2017
Fixed assets			
Purchased concessions, industrial property rights, and similar rights and assets, and licenses for such rights and assets		102,882	109,356
Goodwill		0	478
Payments on account		8,511	4,293
Intangible assets		**111,393**	**114,127**
Land and buildings		161,525	162,576
Technical equipment and machinery		230,911	241,376
Other equipment, factory and office equipment		20,246	18,484
Payments on account and assets under construction		76,920	30,682
Property, plant, and equipment		**489,602**	**453,118**
Interests in affiliated companies		1,488,901	1,470,195
Investments		2	15
Fixed asset securities		29,876	27,878
Other loans		18	32
Financial fixed assets		**1,518,797**	**1,498,120**
	1	**2,119,792**	**2,065,365**
Current assets			
Raw materials and supplies		295,309	239,213
Work in process		454,011	396,927
Finished goods, merchandise		72,840	116,687
Payments on account		0	35
Inventories	2	**822,160**	**752,862**
Trade accounts receivable		180,286	192,369
Receivables from affiliated companies		245,444	189,467
Receivables from companies in which investments are held		66	7,975
Other assets		17,104	15,833
Receivables and other assets	3	**442,900**	**405,644**
Cash and bank balances	4	**423,580**	**518,866**
		1,688,640	**1,677,372**
Prepaid expenses and deferred charges		**515**	**76**
Total assets		**3,808,947**	**3,742,813**

Equity and liabilities

in € thousand	Note	9/30/2018	9/30/2017
Equity			
Subscribed capital – Conditional capital € 57,545 thousand (previous year: € 57,545 thousand)		115,089	115,089
Additional paid-in capital		**349,086**	**349,086**
Revenue reserves			
Legal reserve		6,391	6,391
Other revenue reserves		905,094	845,294
Unappropriated earnings		**134,828**	**140,155**
	5	**1,510,488**	**1,456,015**
Provisions			
Pension provisions and similar obligations		155,085	148,898
Provisions for taxes		16,111	7,934
Other provisions		113,106	103,911
	6	**284,302**	**260,743**
Liabilities			
Bank borrowings – of which with a residual term up to one year: € 30,098 thousand (previous year: € 8,903 thousand)		278,348	327,184
Advance payments received on orders – of which with a residual term up to one year: € 4,597 thousand (previous year: € 4,026 thousand)		4,597	4,026
Trade accounts payable – of which with a residual term up to one year: € 469,242 thousand (previous year: € 532,753 thousand)		469,242	532,753
Payables to affiliated companies – of which with a residual term up to one year: € 442,300 thousand (previous year: € 640,744 thousand)		1,242,300	1,141,694
Payables to companies in which investments are held – of which with a residual term up to one year: € 52 thousand (previous year: € 0 thousand)		52	0
Other liabilities – of which from taxes: € 3,795 thousand (previous year: € 6,759 thousand) – of which for social security obligations: € 6,314 thousand (previous year: € 3,749 thousand) – of which with a residual term up to one year: € 19,394 thousand (previous year: € 20,398 thousand)		19,394	20,398
	7	**2,013,933**	**2,026,055**
Deferred income		**224**	**0**
Total equity and liabilities		**3,808,947**	**3,742,813**

Income Statement

from October 1, 2017 to September 30, 2018

in € thousand	Note	9/30/2018	9/30/2017
Revenues	10	**7,967,664**	**7,510,851**
Increase/decrease in inventories of finished goods and work in process		14,774	-48,843
Own work capitalized	11	15,604	6,702
Other operating income	12	81,559	76,421
Cost of materials	13		
a) Cost of raw materials, supplies, and merchandise		7,228,817	6,720,923
b) Cost of purchased services		244,859	227,514
		7,473,676	**6,948,437**
Personnel expenses	14		
a) Wages and salaries		211,551	201,784
b) Social security contributions, pension and other benefit expenses – of which for pensions: € -3,714 thousand (previous year: € 2,212 thousand)		33,764	38,655
		245,315	**240,439**
Depreciation of property, plant, and equipment and amortization of intangible assets	15	51,495	50,712
Other operating expenses	16	162,668	158,764
Income from investments and write-ups of interests in affiliated companies – of which from affiliated companies: € 51,685 thousand (previous year: € 69,419 thousand)	17	51,685	69,419
Income and reversals of impairment losses from other securities and loans reported under financial fixed assets	18	2,327	6,805
Other interest and similar income – of which from affiliated companies: € 7,174 thousand (previous year: € 6,199 thousand)	19	9,096	7,347
Write-downs of financial assets and securities classified as current assets	20	51	557
Interest and similar expenses – of which to affiliated companies: € 3,348 thousand (previous year: € 3,170 thousand)	21	38,277	33,316
Income taxes	22	50,081	47,009
Earnings after income taxes		**121,146**	**149,468**
Other taxes		1,486	929
Net income for the year		**119,660**	**148,539**
Retained profit brought forward from the prior year		74,968	65,816
Allocations to other revenue reserves		59,800	74,200
Unappropriated earnings		**134,828**	**140,155**

Notes to the Financial Statements

General Disclosures

The financial statements of Aurubis AG, Hamburg, for the fiscal year from October 1, 2017 to September 30, 2018 have been prepared in accordance with the requirements of the German Commercial Code (Handelsgesetzbuch, HGB) for large corporations and the relevant standards of the German Stock Corporation Act (Aktiengesetz, AktG) and are prepared in thousands of euros. 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 2017/18 have been published together with the report of the Supervisory Board and the suggested appropriation of earnings in the Federal Gazette (Bundesanzeiger) at www.bundesanzeiger.de. The declaration required under Section 161 of the 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 at www.aurubis.com.

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

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. Scheduled amortization is charged on a straight-line basis over their expected useful lives of between three and eight years.

Property, plant, and equipment are measured at acquisition or construction cost. The construction cost of self-constructed assets includes directly allocable costs and a proportionate share of overheads. Movable fixed assets are generally depreciated on a straight-line basis over their normal operational useful lives.

The following useful lives were applied in particular:

Buildings	25 to 40 years
Site installations	10 to 25 years
Technical equipment and machinery	5 to 20 years
Factory and office equipment	3 to 20 years

Based on tax regulations, assets costing individually up to € 250 and acquired since January 1, 2018 are fully depreciated in the year of acquisition. A collective item has been set up for low-value assets with individual acquisition or construction costs of between € 250 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 assets that are used for longer than one period are recorded as items of property, plant, and equipment.

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

CURRENT ASSETS

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

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

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

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

Metal inventories are accounted for using the LIFO method.

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

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

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

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

SUBSCRIBED CAPITAL

The subscribed capital is accounted for at nominal value.

PROVISIONS AND LIABILITIES

Aurubis AG's **pension obligations** deriving from entitlements and current pensions are calculated at the present value of their settlement amounts by applying the projected unit credit method, using an interest rate of 3.34 % and the "Richttafeln 2005 G" mortality tables from Heubeck AG. The interest rate is based on the average market interest rate for the past 10 years, assuming a residual term of 15 years, as published by the German Federal Bank. Expected future increases in pensions and remuneration of 1.6 % p.a. and 2.75 % p.a., respectively, were also taken into account, as well as a fluctuation probability of 0 % to 10 %, depending on the age structure.

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

Reinsurance arrangements wth life insurance companies exist for the defined contribution plans of the Executive Board members. These are considered to be asset coverage for the related obligations and are measured at fair value. The fair value of the life insurance policies corresponds to the value of the assets for tax purposes.

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

The **remaining provisions** cover all identifiable risks and uncertain obligations, including potentially onerous transactions; they are recognized in the balance sheet with their settlement amount pursuant to Section 253 (1) sentence 2 clause 2 of the German Commercial Code (HGB). Provisions with a residual term of more than one year were discounted pursuant to Section 253 (2) sentence 1 of the German Commercial Code (HGB) in conjunction with Section 253 (2) sentences 4 and 5 of the 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 gains and losses deriving from rate changes as at the balance sheet date. Non-current foreign currency receivables and payables (with a term of over one year) are recognized at the exchange rate at the time they occur, taking into consideration any losses deriving from rate changes as at the balance sheet date.

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

DEFERRED TAXES

Deferred tax assets and liabilities derive from temporary differences between the carrying amounts of assets, liabilities, prepaid expenses, deferred charges, and deferred income as recognized for statutory accounting purposes and those recognized for tax-based accounting purposes, as well as from tax loss carryforwards.

Any overall tax burden is recognized in the balance sheet as a deferred tax liability. Any overall tax relief may be recognized in the balance sheet as a deferred tax asset. Deferred tax assets and liabilities are offset against one another for balance sheet disclosure purposes.

Deferred taxes are computed based on a rate of 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).

In fiscal year 2017/18, Aurubis AG had a net surplus of deferred tax assets. This was mainly due to temporary differences between the carrying amounts of inventories, pension provisions, and other provisions as recognized for statutory accounting purposes and those recognized for tax-based accounting purposes.

Deferred taxes are not included in tax expense due to the exercise of the option available under Section 274 (1) sentence 2 of the German Commercial Code (HGB) not to recognize any surplus of deferred tax assets over deferred tax liabilities.

As at the balance sheet date on September 30, 2018, the following amounts were determined:

in € thousand	**9/30/2018**	9/30/2017
Deferred tax assets	49,846	46,838
Deferred tax liabilities	-16,208	-13,930
Total	**33,638**	32,908

DERIVATIVES AND MEASUREMENT UNITS

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

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

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

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

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

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

Notes to the Balance Sheet

(1) FIXED ASSETS

Intangible assets include usage rights acquired for consideration, primarily in connection with a long-term electricity supply contract. Intangible assets are amortized on a scheduled basis over their remaining useful lives.

Additions of € 92.1 million were recorded under intangible assets and property, plant, and equipment. Investments in property, plant, and equipment primarily involve investments in connection with the Industrial Heat project. Furthermore, investments were made in the construction of a new innovation and training center, as well as in the project Future Complex Metallurgy.

A schedule showing the share interests disclosed as financial assets is shown on pages 26-27 of these notes to the financial statements. During the fiscal year, Aurubis acquired the shares that Codelco Kupferhandel GmbH held in Deutsche Giessdraht, so that Aurubis now owns 100 % of the shares. This investment amounted to € 18.7 million. The carrying amount of fixed asset securities as at September 30, 2018 was € 27.9 million, compared to a fair value of € 29.9 million at the balance sheet date. A reversal of a previously recorded impairment loss of € 2.0 million was accordingly recognized on this basis.

The changes in fixed assets are shown on pages 24 and 25 of the notes to the financial statements.

(2) INVENTORIES

in € thousand	**9/30/2018**	9/30/2017
Raw materials and supplies	295,309	239,213
Work in process	454,011	396,927
Finished goods, merchandise	72,840	116,687
Payments on account	0	35
	822,160	**752,862**

The € 69.3 million increase in inventories results primarily from the € 56.1 million build-up in raw materials, as well as from the € 57.1 million build-up in work in process. Inventories of finished goods decreased by € 43.8 million due to a reduction in gold and silver products. The higher value for the inventory of raw materials is due in particular to the build-up of complex precious metal-bearing concentrates with a longer processing time. The higher value for inventories of work in process is attributable to an increase in inventories of precious metal-bearing intermediates as at the balance sheet date.

Write-downs to lower market value as at the balance sheet date, amounting to € 13.0 million, relate only to minor metals.

The difference between the current market value as at the reporting date and our measurement, using the LIFO method, amounted to € 683.5 million.

(3) RECEIVABLES AND OTHER ASSETS

in € thousand	Residual term less than 1 year	Residual term more than 1 year	Total 9/30/2018
Trade accounts receivable	180,286	0	180,286
Receivables from affiliated companies	215,444	30,000	245,444
Receivables from companies in which investments are held	66	0	66
Other assets	17,104	0	17,104
	412,900	**30,000**	**442,900**

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

Trade accounts receivable decreased by € 12.1 million compared to the previous year, from € 192.4 million to € 180.3 million. Whereas receivables deriving from the product areas of precious metals and rod increased by € 36.7 million, the volume of receivables sold in conjunction with factoring agreements increased by € 52.7 million and amounted to € 152.5 million as at the balance sheet date (previous year: € 99.8 million). The factoring arrangements are used to finance the receivables.

Receivables from affiliated companies of € 245.4 million are made up of trade accounts receivable of € 6.2 million (previous year: € 7.9 million) and receivables deriving from financial transactions of € 239.2 million (previous year: € 181.6 million).

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 € 2.0 million, as well as claims for damages and security deposits for brokers.

Emission rights that have been allocated without payment are recognized at a pro memoria value. As at the balance sheet date, all emission rights were fully utilized. In the previous year, the fair value of the rights not yet utilized for the allocation period amounted to € 2.2 million.

(4) CASH AND BANK BALANCES

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

(5) EQUITY

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

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

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

An amount of € 59,800,000.00 has been allocated from the net income for the year to other revenue reserves. The required legal reserve of € 6,391,148.51, amounting to 10 % of the subscribed capital, is included in the revenue reserves. The remaining amount of the equity is made up by the share premium that is disclosed as additional paid-in capital.

The transition to the discount rate for the pension provision pursuant to Section 253 (6) sentence 1 of the German Commercial Code (HGB) results in a difference of € 37.8 million. This amount is subject to a dividend distribution restriction pursuant to Section 253 (6) sentence 2 of the German Commercial Code (HGB) if no other free reserves are available.

The unappropriated earnings as at September 30, 2018 include the retained profit of € 74,967,948.39 brought forward from the prior year.

(6) PROVISIONS

in € thousand	9/30/2018	9/30/2017
Pension provisions and similar obligations	**155,085**	**148,898**
Provisions for taxes	**16,111**	**7,934**
Other provisions		
Personnel-related	78,419	74,061
Maintenance	1,545	915
Environmental protection measures	7,747	7,945
Sundry provisions	25,395	20,990
	113,106	**103,911**
	284,302	**260,743**

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.

The company has refrained from using the new “Richttafeln 2018 G” mortality tables published by Heubeck AG on October 4, 2018 as at the reporting date of September 30, 2018, as the final validation and implementation of the new mortality tables was not yet completed at the time the annual financial statements were being prepared. The company continues to apply the “Richttafeln 2005 G” mortality tables.

The following parameters also served as the basis for calculating the pension obligations:

Discount rate	3.34 %
Expected income development	2.75 %
Expected pension development	1.60 %
Staff fluctuation rate (tiered according to age distribution)	0.00 % to 10.00 %

The difference between the measurement of the pension provision applying the 10-year average interest rate and applying the 7-year average interest rate pursuant to Section 253 (6) sentence 1 of the German Commercial Code (HGB) amounted to € 37.8 million. Profits may only be distributed if the freely available reserve plus any retained profit carried forward, or less any loss carryforward, which remains after the distribution, corresponds at a minimum to this difference.

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

Expenses of € 23.5 million, deriving from the unwinding of discount on the pension obligations, include € 15.0 million in expenses due to the change in the discount rate. There were also losses of € 18 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 € 4.5 million as at the reporting date (previous year: € 3.9 million) and corresponded to their amortized cost. Thus, the amount required to settle the total pension obligations was € 159.6 million as at the balance sheet date (previous year: € 152.8 million).

The increase in tax provisions mainly relates to expected subsequent payments for income taxes relating to previous years as a result of tax field audits.

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

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

The sundry provisions primarily contain provisions for impending losses from onerous contracts, as well as provisions for outstanding invoices. The increase in sundry provisions is due to higher provisions for lawsuits, as well as increased provisions for outstanding invoices.

(7) LIABILITIES

	Residual term			Total
in € thousand	less than 1 year	1 to 5 years	more than 5 years	**9/30/2018**
Bank borrowings	30,098	244,550	3,700	278,348
Advance payments received on orders	4,597	0	0	4,597
Trade accounts payable	469,242	0	0	469,242
Payables to affiliated companies	442,300	800,000	0	1,242,300
Payables to companies in which investments are held	52	0	0	52
Other liabilities	19,394	0	0	19,394
– of which taxes	3,795	0	0	3,795
– of which for social security contributions	6,314	0	0	6,314
	965,683	**1,044,550**	**3,700**	**2,013,933**

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

Bank borrowings declined by € 48.8 million in comparison to the previous year as a result of the repayment of two bonded loans.

Trade accounts payable decreased by € 63.6 million to € 469.2 million due to factors related to the reporting date (previous year: € 532.8 million).

In addition to trade accounts payable of € 113.8 million (previous year: € 129.8 million), payables to affiliated companies of € 1,242.3 million include payables of € 1,128.5 million deriving from financial transactions with subsidiaries (previous year: € 1,011.9 million).

(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 € 780.3 million to hedge currency risks from LME exchange transactions designated in USD. They have a residual term of up to nine months. Their positive fair market value as at the balance sheet date amounted to € 6.5 million. They are matched by changes in value from the hedged items included in the measurement unit in the same amount.

They are accounted for by applying the net hedge presentation method, and as a result were not recognized in the balance sheet. The effectiveness of the measurement unit is determined by comparing the net position of the hedged transactions included in the macro-hedge with the net position of the forward foreign exchange contracts included in the portfolio. Ineffectiveness is recorded if a net loss results from the cumulated changes in value of the underlying transactions and the cumulated changes in value of the hedges. In this case, a provision for anticipated losses is set up in the amount of the net loss. Net gains are not accounted for.

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 designated in USD against the risk of changes in the cash flow. They have a residual term of up to 12 months, a nominal volume of € 139.2 million, and a net negative market value of € 3.3 million. They are matched by changes in value from the hedged items included in the measurement unit in the same amount. The expected volume of treatment charge revenues, copper premiums, and product surcharges in USD is based on an annual budget reflecting expected business trends, which is authorized by the company's management. There is thus a high probability that these transactions will occur. A comparison of hedged and actual revenues designated in USD for earlier years has demonstrated that it is highly unlikely that the volumes hedged in advance will exceed the planned revenues as a result of the hedging strategy.

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

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

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

For the EUR/USD currency pair, this portfolio held traded-on foreign currency options with a residual term of up to twelve months. They include the respective purchase and sale options for US$ 17.9 million with an equivalent value of € 14.0 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 12 months existed for this currency pair. Respective USD purchases and sales of US$ 956.6 million are counterbalanced by contracted EUR purchases of € 808.6 million and EUR sales of € 810.3 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 positions concluded in foreign currency by matching these with the contracted EUR amounts that are to be later used to process the forward foreign exchange contracts. Additional measurement units for other currency pairs that do not represent a significant risk position for the company were immaterial.

Provisions of € 1.7 million have been set up to cover anticipated losses from forward exchange transactions.

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 were included in the form of micro-hedges in measurement units covering liabilities recognized in the balance sheet. During the fiscal year, financial liabilities with variable interest rates were redeemed prematurely and the related interest rate swaps were canceled.

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 € 1.7 billion in order to hedge metal price risks deriving from pending delivery transactions. They have a residual term of up to 15 months. Their net positive fair market value as at the balance sheet date amounted to € 7.6 million. To the extent that this is not offset by changes in the value of the hedged items included in the measurement unit in the same amount, this is taken into account in the measurement of the delivery purchases and sales also included in the measurement unit which have already been delivered but not price-fixed. The closed position is accounted for by applying the net hedge presentation method. The effectiveness of the measurement unit is determined by comparing the volumes and prices of the hedged items and hedging instruments included in the macro-hedge.

Provisions of € 0.3 million have been set up to cover anticipated losses from metal delivery transactions.

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

In the context of hedging other price risks, variable price components included in the procurement of electricity were particularly hedged in the form of micro-hedges against the risk of changes in cash flows. Commodity futures and commodity swaps existed with a residual term of up to 27 months and a nominal volume of € 8.4 million and a net positive market value of € 1.4 million. They are matched by changes in value from the hedged items included in the measurement unit in the same amount. They are accounted for by applying the net hedge presentation method. As a result, they were not recognized in the balance sheet. Evidence of the effectiveness of the measurement unit is provided in that the critical contract terms for the hedged item and the hedging instrument are an exact match (critical terms match).

The measurement of part of a long-term electricity supply contract with a nominal volume of € 224.3 million led to a positive net fair value of € 15.3 million at the balance sheet date. The fair value is calculated using the discounted cash flow method. The derivative is not included in a measurement unit and is accounted for according to the imparity principle. If the derivative shows a negative fair value as at the balance sheet date, it is recorded under other provisions.

(9) CONTINGENT LIABILITIES AND OTHER FINANCIAL COMMITMENTS

in € million	9/30/2018	9/30/2017
Contingent liabilities		
Letters of comfort	8.2	23.2
– of which for affiliated companies	8.2	23.2
Other financial commitments		
Capital expenditure commitments	65.2	60.1
Sundry other financial commitments	115.2	126.9
	188.6	**210.2**

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

Other financial commitments of € 90.5 million relate to long-term transport and handling agreements with a residual term of nine years (previous year: € 99.3 million). Other financial commitments of € 15.4 million relate to long-term tank storage handling agreements with a residual term of seven years (previous year: € 17.5 million).

An agreement remains in place with an energy utility for the cost-based procurement of electricity over a term of 30 years. The agreement for one billion kilowatt hours of electricity per annum commenced in 2010. In addition, there is a long-term agreement for the supply of oxygen.

Notes to the Income Statement

(10) REVENUES

in € thousand	2017/18	2016/17
Analysis by product group		
Copper cathodes	1,040,147	1,090,231
Wire rod	3,132,205	2,796,747
Shapes	973,670	886,077
Precious metals	2,466,216	2,447,254
Sulfuric acid	49,280	34,412
Other	306,146	256,130
	7,967,664	**7,510,851**

In the year reported, 44.8 % of the revenues were generated in the German market, 42.7 % in other European countries, 3.9 % in Asia, 4.7 % in North America, and 3.9 % in other countries. The higher revenues are primarily attributable to higher metal prices for copper products.

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

(11) OWN WORK CAPITALIZED

Own work capitalized mainly includes personnel and material costs in connection with the construction of property, plant, and equipment and the generation of intangible assets. The increase from € 8.9 million to € 15.6 million (previous year: € 6.7 million) in fiscal year 2017/18 is due in particular to the Industrial Heat and Future Complex Metallurgy projects.

(12) OTHER OPERATING INCOME

in € thousand	2017/18	2016/17
Income deriving from the reversal of provisions	849	1,180
Gains on disposal of property, plant, and equipment	91	278
Cost reimbursements	1,651	1,708
Compensation and damages	302	1,386
Other income	78,666	71,869
	81,559	**76,421**

Other operating income includes € 3.5 million (previous year: € 6.0 million) of income relating to prior periods. Amongst other items, this includes income from the reversal of unneeded provisions and income deriving from compensation claims. Other income includes gains of € 74.6 million deriving from the measurement and realization of foreign currency receivables and payables (previous year: € 66.7 million).

(13) COST OF MATERIALS

in € thousand	2017/18	2016/17
Raw materials, supplies, and merchandise	7,228,817	6,720,923
Cost of purchased services	244,859	227,514
	7,473,676	**6,948,437**

The cost of materials increased by € 525.2 million in a manner corresponding to the increase in revenues. The cost of materials ratio was nearly unchanged at 93.4 % (previous year: 93.0 %).

(14) PERSONNEL EXPENSES

in € thousand	2017/18	2016/17
Wages and salaries	211,551	201,784
Social security contributions, pension and other benefit expenses	33,764	38,655
– of which for pensions	-3,714	2,212
	245,315	**240,439**

The increase in personnel expenses in the past fiscal year is mainly attributable to an increase in wages and salaries. The increase was primarily caused by increases in collective wage agreement rates, as well as an increase in the number of employees. The lower pension expenses are mainly due to changes in the actuarial assumptions used to calculate the pension provisions.

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

	2017/18	2016/17
Blue collar	1,662	1,656
White collar	1,120	1,070
Apprentices	190	184
	2,972	**2,910**

(15) DEPRECIATION OF PROPERTY, PLANT, AND EQUIPMENT AND AMORTIZATION OF INTANGIBLE ASSETS

Depreciation and amortization increased, by a total of € 0.8 million compared to the previous year, to € 51.5 million, mainly in the areas of technical equipment and machinery, as well as buildings. The depreciation of property, plant, and equipment and amortization of intangible assets of € 57.7 million disclosed in the table showing changes in fixed assets includes depreciation on investments made in connection with an electricity supply contract, amounting to € 6.2 million, which is disclosed under cost of materials.

(16) OTHER OPERATING EXPENSES

Other operating expenses of € 162.7 million (previous year: € 158.8 million) primarily include administrative and marketing expenses, fees, insurance, rents, and leasing expenses.

In addition, other operating expenses include losses of € 74.0 million deriving from the measurement and realization of foreign currency receivables and payables (previous year: € 72.8 million) and expenses relating to prior periods of € 4.4 million (previous year: € 3.6 million).

(17) INCOME FROM INVESTMENTS AND WRITE-UPS OF INTERESTS IN AFFILIATED COMPANIES

in € thousand	2017/18	2016/17
Income from investments	51,685	14,091
– of which from affiliated companies	51,685	14,091
Write-ups of interests in affiliated companies	0	55,328
	51,685	**69,419**

The income from investments comprises € 41.5 million from investments abroad and € 10.2 million from investments in Germany.

(18) INCOME AND REVERSALS OF IMPAIRMENT LOSSES FROM OTHER SECURITIES AND LOANS REPORTED UNDER FINANCIAL FIXED ASSETS

in € thousand	2017/18	2016/17
Income and reversals of impairment losses from other securities and loans reported under financial fixed assets	2,327	6,805

A remeasurement of the securities classified as fixed assets with the exchange rate as at the balance sheet date led to a reversal of an impairment loss of € 2.3 million.

(19) OTHER INTEREST AND SIMILAR INCOME

in € thousand	2017/18	2016/17
Other interest and similar income	9,096	7,347
– of which from affiliated companies	7,174	6,199
	9,096	**7,347**

(20) WRITE-DOWNS OF FINANCIAL ASSETS AND SECURITIES CLASSIFIED AS CURRENT ASSETS

The write-downs of financial assets and securities classified as current assets are write-downs of the investments in Aurubis Canada Metals Inc. and Visiona GmbH.

(21) INTEREST AND SIMILAR EXPENSES

in € thousand	2017/18	2016/17
Interest and similar expenses	38,277	33,316
– of which to affiliated companies	3,348	3,170
	38,277	**33,316**

Interest expense includes expenses from the unwinding of discount on other provisions in the amount of € 0.8 million (previous year: € 0.9 million).

Furthermore, interest and similar expenses include interest components of € 23.5 million included in the allocation to the pension provisions (previous year: € 18.6 million).

(22) INCOME TAXES

The net income for the year is burdened by income taxes of € 50.1 million (previous year: € 47.0 million). This results in an effective tax rate of 29.50 % (previous year: 24.04 %).

Other Disclosures

DECLARATION OF CONFORMITY WITH THE GERMAN CORPORATE GOVERNANCE CODE IN ACCORDANCE WITH SECTION 161 OF THE GERMAN STOCK CORPORATION ACT (AKTG)

The declaration required under Section 161 of the 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.

NOTIFICATION PURSUANT TO SECTION 160 (1) NO. 8 OF THE GERMAN STOCK CORPORATION ACT (AKTG)

Up to the date of preparation of the financial statements, Aurubis AG had received the following voting rights notifications from shareholders with respect to exceeding and falling below the relevant notification thresholds, in accordance with Section 33 (1) of the German Securities Trading Act (WpHG):

Shareholder structure

Shareholders	Thresh-old in %	Stake in %	Relevant threshold date	Date of publication
Dimensional Holdings Inc., Santa Monica, USA	> 3	3.01	1/21/2008	2/4/2008
Salzgitter Mannesmann GmbH, Salzgitter[3]	< 20	15.751	10/25/2017	10/27/2017
Salzgitter Mannesmann GmbH, Salzgitter[3]	> 20	20.0000009	4/9/2018	4/11/2018
Salzgitter Mannesmann GmbH, Salzgitter[3]		pursuant to Section 43 of the German Securities Trading Act (WpHG)	4/27/2018	4/27/2018
UBS AG, Zurich, Switzerland	< 5	4.99	3/4/2013	3/20/2013
Allianz Global Investors GmbH, Frankfurt am Main	< 5	4.87	7/13/2017	7/17/2017
BlackRock, Inc., Wilmington, DE, USA[2]	< 5	4.99	12/4/2017	12/8/2017
BlackRock, Inc., Wilmington, DE, USA[2]	> 5	5.02	12/11/2017	12/15/2017
BlackRock, Inc., Wilmington, DE, USA[2]	< 5	4.91	12/12/2017	12/18/2017
BlackRock, Inc., Wilmington, DE, USA[2]	> 5	5.12	12/15/2017	12/21/2017
BlackRock, Inc., Wilmington, DE, USA[2]	< 5	4.94	2/26/2018	3/2/2018
BlackRock, Inc., Wilmington, DE, USA[2]	> 5	5.20	3/12/2018	3/16/2018
BlackRock, Inc., Wilmington, DE, USA[2]	< 5	4.85	3/14/2018	3/20/2018
BlackRock, Inc., Wilmington, DE, USA[2]	> 5	5.10	4/3/2018	4/9/2018
BlackRock, Inc., Wilmington, DE, USA[2]	< 5	4.75	4/4/2018	4/10/2018
BlackRock, Inc., Wilmington, DE, USA[2]	< 3	2.997	10/31/2018	11/6/2018
BlackRock, Inc., Wilmington, DE, USA[2]	> 3	3.04	11/1/2018	11/7/2018
BlackRock, Inc., Wilmington, DE, USA[2]	< 3	2.98	11/9/2018	11/15/2018
BlackRock, Inc., Wilmington, DE, USA[2]	> 3	3.02	11/14/2018	11/20/2018
BlackRock, Inc., Wilmington, DE, USA[2]	< 3	2.999	11/15/2018	11/21/2018
BlackRock, Inc., Wilmington, DE, USA[2]	> 3	3.004	11/19/2018	11/23/2018
BlackRock, Inc., Wilmington, DE, USA[2]	< 3	2.95	11/20/2018	11/26/2018
Norges Bank, Oslo, Norway[1]	> 3	3.01	12/15/2017	12/19/2017
Norges Bank, Oslo, Norway[1]	< 3	2.99	12/18/2017	12/20/2017
Norges Bank, Oslo, Norway[1]	> 3	3.01	12/21/2017	12/22/2017
Norges Bank, Oslo, Norway[1]	< 3	2.98	1/23/2018	1/25/2018
Norges Bank, Oslo, Norway[1]	> 3	3.08	2/9/2018	2/14/2018
Norges Bank, Oslo, Norway[1]	< 3	2.76	2/23/2018	2/27/2018
Norges Bank, Oslo, Norway[1]	> 3	3.01	8/16/2018	8/20/2018
Norges Bank, Oslo, Norway[1]	< 3	2.96	8/17/2018	8/21/2018
Norges Bank, Oslo, Norway[1]	> 3	3.02	9/10/2018	9/12/2018
Norges Bank, Oslo, Norway[1]	< 3	2.97	9/13/2018	9/18/2018
Norges Bank, Oslo, Norway[1]	> 3	3.53	9/14/2018	9/18/2018
Norges Bank, Oslo, Norway[1]	< 3	2.85	9/20/2018	9/24/2018

[1] The shares are attributable to the state of Norway, represented by its Ministry of Finance; the transaction was conducted via the Norges Bank.
[2] Held directly or indirectly through subsidiaries.
[3] The shares are attributable to Salzgitter AG, Salzgitter.

The voting rights notifications are available online at www.aurubis.com/en/about-aurubis/corporate-governance/voting-rights-notifications.

Section 25 of the German Securities Trading Act (WpHG) includes a comparable notification obligation corresponding to Section 21 (1) of the 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 of the German Securities Trading Act (WpHG) introduced an additional notification obligation as at February 1, 2012: This extends to financial and other instruments that enable their owner, virtually or commercially, to purchase shares connected with voting rights. The notifications submitted to the company in accordance with Sections 25 and 25a of the German Securities Trading Act (WpHG) are available on the company's website at www.aurubis.com/en/about-aurubis/corporate-governance/voting-rights-notifications or via the online platform of Deutsche Gesellschaft für Ad-hoc-Publizitat mbH www.dgap.de.

FEES AND SERVICES RENDERED BY THE AUDITOR

The following fees were recorded as expenses in fiscal year 2017/18 for services rendered by the auditors:

Financial statement auditing services	€ 533 thousand
Other assurance services	€ 41 thousand
Tax advisory services	€ 146 thousand
Other services	€ 111 thousand
	€ 831 thousand

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

INVESTMENTS

The full list of investments is disclosed on pages 26-27.

SUBSEQUENT EVENTS

In the course of the merger control proceedings that are currently underway for the sale of Segment Flat Rolled Products by Aurubis AG (Aurubis) to Wieland-Werke AG (Wieland), the European Commission informed Aurubis and Wieland after the balance sheet date that the transaction is unlikely to be authorized based on the commitment proposals submitted. The Executive Board therefore stated in an ad hoc notification issued on October 10, 2018 that it at that point no longer viewed the completion of the transaction with Wieland as highly likely.

The parties agreed to continue the proceedings with the European Commission in order to receive authorization under merger control law, in particular on the basis of a modified assessment under competition law. Although Aurubis is fully supporting this process, the Executive Board has actively identified strategic sales alternatives for Segment FRP as part of its contingency planning in case the antitrust authorities fully or partially prohibit the sale to Wieland.

The Executive Board still sees the sale of Segment FRP, either as a whole or in several parts, as highly likely due to the purchase interest shown by various market participants and intends to conclude the sales transaction in fiscal year 2018/19.

INFORMATION CONCERNING THE EXECUTIVE BOARD AND THE SUPERVISORY BOARD

EXECUTIVE BOARD

Jürgen Schachler, Hamburg
Born: July 31, 1954, German citizen
Executive Board Chairman and Director of Industrial Relations
Segment Metal Refining & Processing
Appointed from July 1, 2016 until June 30, 2019

Dr. Stefan Boel, Hamme, Belgium, until July 31, 2018
Born: June 9, 1966, Belgian citizen
Executive Board member
Segment Flat Rolled Products
Appointed from April 19, 2008 until originally April 30, 2021

» Aurubis Belgium NV/SA, Brussels, Belgium, until April 30, 2018
Chairman of the Board of Directors

Dr. Dipl.-Ing. Thomas Bünger, Lüneburg
Born: July 2, 1968, German citizen
Chief Operating Officer
Appointed from October 1, 2018 until September 30, 2021

» Aurubis Belgium NV/SA, Brussels, Belgium
Director
» Aurubis Bulgaria AD, Pirdop
Board of Directors
» Aurubis Italia Srl, Avellino
Chairman of the Board of Directors

Rainer Verhoeven, Duisburg
Born: December 2, 1968, German citizen
Chief Financial Officer
Segment Flat Rolled Products since August 1, 2018
Appointed from January 1, 2018 until December 31, 2020

» Aurubis Belgium NV/SA, Brussels, Belgium, since May 1, 2018
Chairman of the Board of Directors

SUPERVISORY BOARD

Prof. Dr. Fritz Vahrenholt, Hamburg
Chairman since March 1, 2018
Chairman of the Deutsche Wildtier Stiftung, Hamburg

» Encavis AG (formerly Capital Stage AG), Hamburg [1]
Member of the Supervisory Board

Renate Hold-Yilmaz, Hamburg [2]
Deputy Chairwoman
Commercial Employee
Chairwoman of the Works Council of Aurubis AG, Hamburg

Prof. Dr.-Ing. Heinz Jörg Fuhrmann, Salzgitter
Chairman of the Supervisory Board until March 1, 2018
Chairman of the Executive Board of Salzgitter AG, Salzgitter [1]

» Hüttenwerke Krupp Mannesmann GmbH, Duisburg [3]
Chairman of the Supervisory Board
» Ilsenburger Grobblech GmbH, Ilsenburg [3]
Chairman of the Supervisory Board
» KHS GmbH, Dortmund [3]
Chairman of the Supervisory Board
» Mannesmann Precision Tubes GmbH, Mülheim/Ruhr [3]
Chairman of the Supervisory Board
» Mannesmannröhren-Werke GmbH, Mülheim/Ruhr [2]
Chairman of the Supervisory Board
until December 21, 2017
» Peiner Träger GmbH, Peine [3]
Chairman of the Supervisory Board
» Salzgitter Flachstahl GmbH, Salzgitter [3]
Chairman of the Supervisory Board
» Salzgitter Mannesmann Grobblech GmbH, Mülheim/Ruhr [3]
Chairman of the Supervisory Board
» Salzgitter Mannesmann Handel GmbH, Düsseldorf [3]
Chairman of the Supervisory Board
» Öffentliche Lebensversicherung Braunschweig, Braunschweig
Member of the Supervisory Board
» Öffentliche Sachversicherung Braunschweig, Braunschweig
Member of the Supervisory Board
» TÜV Nord AG, Hanover
Member of the Supervisory Board

[1] stock exchange-listed company
[2] elected by the employees
[3] group companies of Salzgitter AG

Burkhard Becker, Hattingen, until March 1, 2018
Member of the Executive Board of Salzgitter AG, Salzgitter[1]

» EUROPIPE GmbH, Mülheim/Ruhr[3]
  Member of the Supervisory Board
» KHS GmbH, Dortmund[3]
  Member of the Supervisory Board until October 31, 2017
» Mannesmann Precision Tubes GmbH, Mülheim/Ruhr[3]
  Member of the Supervisory Board
» Mannesmannröhren-Werke GmbH, Mülheim/Ruhr[3]
  Member of the Supervisory Board
  until December 21, 2017
» Peiner Träger GmbH, Peine[3]
  Member of the Supervisory Board
» Salzgitter Flachstahl GmbH, Mülheim/Ruhr[3]
  Member of the Supervisory Board
» Salzgitter Mannesmann Handel GmbH, Düsseldorf[3]
  Member of the Supervisory Board
» Nord/LB Asset Management AG, Hanover
  Member of the Supervisory Board

Andrea Bauer, Dortmund, since June 22, 2018
Member of the management of VDM Metals Holding GmbH, Werdohl

» Commerzbank, Düsseldorf
  Member of the Regional Advisory Council West

Dr. Bernd Drouven, Hamburg, until March 1, 2018
Former Aurubis AG Executive Board Chairman

» NITHH gGmbH, Hamburg
  Chairman of the Supervisory Board

Dr.-Ing. Joachim Faubel, Hamburg[2], until March 1, 2018
Employee in Corporate Controlling at Aurubis AG

Karl-Heinz Hamacher, Stolberg[2], since March 1, 2018
Employee at Aurubis Stolberg GmbH & Co. KG, Stolberg
Chairman of the Works Council

Prof. Dr. Karl Friedrich Jakob, Dinslaken, since March 1, 2018
Chairman of the Executive Board of RWTÜV e.V., Essen

» Albert-Schweitzer-Einrichtungen für Behinderte gGmbH, Dinslaken
  Member of the Supervisory Board
» RWTÜV GmbH, Essen
  Chairman of the Supervisory Board
» TÜV Nord AG, Hanover
  Member of the Supervisory Board
» Van Ameyde International BV, Rijswijk, NL
  Member of the Board of Supervisory Directors
» Universitätsklinikum Essen, Essen
  Member of the Supervisory Board
» Knappschaft Kliniken GmbH, Bochum
  Chairman of the Supervisory Board

Jan Koltze, Kummerfeld[2]
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. Stephan Krümmer, Hamburg, since March 1, 2018
Currently no professional occupation

Dr. Elke Lossin, Buchholz i.d.N.[2], since March 1, 2018
Manager of the Analytical Laboratory at Aurubis AG, Hamburg

Dr. Sandra Reich, Gräfelfing
Director, NKI Institut für nachhaltige Kapitalanlagen GmbH, Munich

Stefan Schmidt, Lüdinghausen[2], since March 1, 2018
Head of Services/Production Manager of Smelting Operations at Aurubis AG, Lünen

Edna Schöne, Hamburg, from March 1, 2018 to June 15, 2018
Member of the Executive Board of Euler Hermes AG, Hamburg, responsible for federal government business and Legal & Compliance

[1] stock exchange-listed company
[2] elected by the employees
[3] group companies of Salzgitter AG

Dr. med. Dipl.-Chem. Thomas Schultek, Lübeck[2], until March 1, 2018
Head of Corporate Health Protection at Aurubis AG
» Member of the Committee of Executive Representatives at Aurubis AG, Hamburg

Rolf Schwertz, Datteln[2], until March 1, 2018
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, Lünen

Melf Singer, Schwarzenbek[2], since March 1, 2018
Employee of Aurubis AG, Hamburg

Ralf Winterfeldt, Hamburg[2], until March 1, 2018
Power electronics technician
Chairman of the General Works Council of Aurubis AG
Deputy Chairman of the Works Council of Aurubis AG, Hamburg

Dr.-Ing. Ernst J. Wortberg, Dortmund, until March 1, 2018
Self-employed consultant

SUPERVISORY BOARD COMMITTEES UNTIL THE ANNUAL GENERAL MEETING (MARCH 1, 2018)

Conciliation Committee in accordance with Section 27 (3) of the German Co-determination Act
Prof. Dr.-Ing. Heinz Jörg Fuhrmann (Chairman)
Renate Hold-Yilmaz (Deputy Chairwoman)
Dr. Sandra Reich
Ralf Winterfeldt

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

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

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

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

SUPERVISORY BOARD COMMITTEES AFTER THE ANNUAL GENERAL MEETING (MARCH 1, 2018)

Conciliation Committee in accordance with Section 27 (3) of the German Co-determination Act

Prof. Dr. Fritz Vahrenholt (Chairman)
Renate Hold-Yilmaz (Deputy Chairwoman)
Edna Schöne until June 15, 2018
Andrea Bauer since July 10, 2018
Melf Singer

Audit Committee

Dr. Stephan Krümmer (Chairman)
Prof. Dr.-Ing. Heinz Jörg Fuhrmann
Dr. Sandra Reich
Renate Hold-Yilmaz
Jan Koltze
Dr. Elke Lossin

Personnel Committee

Prof. Dr. Fritz Vahrenholt (Chairman)
Prof. Dr.-Ing. Heinz Jörg Fuhrmann
Prof. Dr. Karl Friedrich Jakob
Renate Hold-Yilmaz
Karl-Heinz Hamacher
Stefan Schmidt

Nomination Committee

Prof. Dr. Fritz Vahrenholt (Chairman)
Prof. Dr.-Ing. Heinz Jörg Fuhrmann
Prof. Dr. Karl Friedrich Jakob
Dr. Stephan Krümmer

TOTAL COMPENSATION

The total compensation of the active Executive Board members for fiscal year 2017/18 amounts to € 3,149,131 and, in addition to a fixed component in the amount of € 1,265,000, includes fringe benefits of € 48,879 and a variable component of € 1,835,252. In addition, expenditures for pension provisions in the amount of € 570,000 (IFRS) and for a virtual deferred stock compensation plan in the amount of € 93,149 were recognized in the income statement.

Dr. Boel receives a one-time payment in the amount of € 1,600,000 within the scope of a contract termination agreement, fixed compensation for the period from October 1, 2017 to July 31, 2018 in the amount of € 350,000, as well as variable compensation for one year of € 262,500 and multiannual variable compensation of € 310,833.

Former members of the Executive Board and their surviving dependents received a total of € 2,246,373; € 27,403,439 has been provided for their pension entitlement.

The compensation of the Supervisory Board for fiscal year 2017/18 amounted in total to € 1,571,002.

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

REPORTABLE SECURITIES TRANSACTIONS

DIRECTORS' DEALINGS

In accordance with Art. 19 of the 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.

No reportable securities transactions were reported in the period from October 1, 2017 to September 30, 2018.

Changes in Fixed Assets

for the period from October 1, 2017 to September 30, 2018

in € thousand	Costs of acquisition, generation, or construction 10/01/2017	Additions	Disposals	Transfers	Costs of acquisition, generation, or construction 9/30/2018
Purchased concessions, industrial property rights, and similar rights and assets, and licenses for such rights and assets	142,391	1,637	659	522	143,891
Goodwill	7,172	0	0	0	7,172
Payments on account	4,292	4,741	0	(522)	8,511
Intangible assets	**153,855**	**6,378**	**659**	**0**	**159,574**
Land and buildings	461,996	3,355	3,093	6,426	468,684
Technical equipment and machinery	1,003,073	16,326	9,210	6,931	1,017,120
Other equipment, factory and office equipment	63,741	5,047	3,107	1,387	67,068
Payments on account and assets under construction	30,682	60,982	0	(14,744)	76,920
Property, plant, and equipment	**1,559,492**	**85,710**	**15,410**	**0**	**1,629,792**
Interests in affiliated companies	1,484,747	18,744	38	0	1,503,453
Investments	15	0	13	0	2
Fixed asset securities	58,287	0	0	0	58,287
Other loans	32	10	24	0	18
Financial fixed assets	**1,543,081**	**18,754**	**75**	**0**	**1,561,760**
Fixed assets	**3,256,428**	**110,842**	**16,144**	**0**	**3,351,126**

Accumulated depreciation, amortization, and write-downs 10/1/2017	Depreciation, amortization, and write-downs in the current fiscal year	Disposals	Write-ups	**Accumulated depreciation, amortization, and write-downs 9/30/2018**	**Carrying amount 9/30/2018**	Carrying amount 9/30/2017
33,034	8,258	283	0	41,009	102,882	109,356
6,694	478	0	0	7,172	0	478
0	0	0	0	0	8,511	4,293
39,728	**8,736**	**283**	**0**	**48,181**	**111,393**	**114,127**
299,421	10,791	3,053	0	307,159	161,525	162,576
761,697	33,561	9,049	0	786,209	230,911	241,376
45,257	4,606	3,041	0	46,822	20,246	18,484
0	0	0	0	0	76,920	30,682
1,106,375	**48,958**	**15,143**	**0**	**1,140,190**	**489,602**	**453,118**
14,552	38	38	0	14,552	1,488,901	1,470,195
0	13	13	0	0	2	15
30,409	0	0	1,998	28,411	29,876	27,878
0	0	0	0	0	18	32
44,961	**51**	**51**	**1,998**	**42,963**	**1,518,797**	**1,498,120**
1,191,064	**57,745**	**15,477**	**1,998**	**1,231,334**	**2,119,792**	**2,065,365**

Investments

pursuant to Section 285 No. 11 of the German Commercial Code (HGB) as at September 30, 2018

	Company name and registered office	% of capital held directly and indirectly	Held directly by	Equity in € thousand	Annual result in € thousand	Note
1	Aurubis AG					
	Fully consolidated companies					
2	Aurubis Belgium NV/SA, Brussels	100	1	1,047,750	48,057	*
3	Aurubis Holding Sweden AB, Stockholm	100	2	33,875	18	*/**
4	Aurubis Sweden AB, Finspång	100	3	9,848	-591	*/**
5	Aurubis Finland Oy, Pori	100	2	31,150	1,574	*
6	Aurubis Holding USA LLC, Buffalo	100	2	24,321	-1,220	*/**
7	Aurubis Buffalo Inc., Buffalo	100	6	62,804	3,777	*/**
8	Aurubis Netherlands BV, Zutphen	100	2	6,232	771	*
9	Aurubis Mortara S.p.a., Mortara	100	2	4,143	216	*
10	Cumerio Austria GmbH, Vienna	100	1	739,403	201,759	*
11	Aurubis Bulgaria AD, Pirdop	99.86	10	404,519	121,451	*
12	Aurubis Engineering EAD, Sofia	100	10	36	5	*
13	Aurubis Italia Srl, Avellino	100	1	9,855	908	*
14	Aurubis Switzerland SA, Yverdon-les-Bains	100	1	-23,282	-65	*/**
15	Aurubis Stolberg GmbH & Co. KG, Stolberg	100	1	58,869	13,314	*
16	Aurubis U.K. Ltd., Smethwick	100	15	2,779	277	*/**
17	Aurubis Slovakia s.r.o., Dolny Kubin	100	15	779	187	*
18	CABLO Metall-Recycling & Handel GmbH, Fehrbellin	100	1	10,040	420	*
19	Peute Baustoff GmbH, Hamburg	100	1	727	380	*
20	RETORTE GmbH Selenium Chemicals & Metals, Röthenbach	100	1	4,214	1,606	*
21	E.R.N. Elektro-Recycling NORD GmbH, Hamburg	100	1	2,935	355	*
22	Aurubis Product Sales GmbH, Hamburg	100	1	792	182	
23	Deutsche Giessdraht GmbH, Emmerich	100	1	7,316	2,892	
	Companies accounted for using the equity method					
24	Schwermetall Halbzeugwerk GmbH & Co. KG, Stolberg	50	15	118,104	25,131	*

* Disclosed equity and annual result 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, 2018.
*** German statutory or country-specific financial statements as at December 31, 2017.
**** Disclosed on the basis of the annual financial statements as at September 30, 2017.

	Company name and registered office	% of capital held directly and indirectly	Held directly by	Equity in € thousand	Annual result in € thousand	Note
	Non-consolidated companies					
25	Aurubis Stolberg Verwaltungs-GmbH, Stolberg	100	1	37	2	****
26	Hüttenbau-Gesellschaft Peute mbH, Hamburg	100	1	87	0	****
27	Aurubis Hong Kong Ltd., Hong Kong	100	2	1,074	60	**/***
28	Aurubis Metal Products (Shanghai) Co., Ltd, Shanghai	100	27	237	119	**/***
29	Aurubis Rus LLC, St. Petersburg	100	2	9	1	**/***
30	Aurubis Canada Metals Inc., Vancouver	100	1	0	0	**
31	BCPC B.V., Zutphen, Netherlands	100	1	-9	0	****
32	Retorte do Brasil, Joinville	51	20	716	50	**/***
33	C.M.R. International N.V., Antwerp	50	1	-2,339	-161	***
34	Schwermetall Halbzeugwerk GmbH, Stolberg	50	15	49	10	
35	JoSeCo GmbH, Kirchheim/Swabia	50	20	175	39	***
36	Aurubis Middle East FZE, Dubai	100	22	124	22	**/***
37	Aurubis Turkey Kimya Anonim Sirketi, Istanbul	100	11	21	3	*

* Disclosed equity and annual result 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, 2018.
*** German statutory or country-specific financial statements as at December 31, 2017.
**** Disclosed on the basis of the annual financial statements as at September 30, 2017.

PROPOSED APPROPRIATION OF EARNINGS

in €	2017/18
Net income for the year of Aurubis Aktiengesellschaft	119,660,056.48
Retained profit brought forward from the prior year	74,967,948.39
Allocations to other revenue reserves	59,800,000.00
Unappropriated earnings	**134,828,004.87**

A proposal will be made at the Annual General Meeting that Aurubis AG's unappropriated earnings of € 134,828,004.87 are used to pay a dividend of € 1.55 per no-par-value share (= € 69,682,920.65) and that € 65,145,084.22 be carried forward.

The company currently does not hold any own shares. If the number of no-par-value shares changes until the Annual General Meeting, an accordingly adjusted proposal on the distribution of profits will be presented at the Annual General Meeting, with an unchanged proposal for the appropriation of the profit of € 1.55 per no-par-value share with a dividend entitlement

Hamburg, December 10, 2018

The Executive Board

Jürgen Schachler
Chairman

Dr. Thomas Bünger
Member

Rainer Verhoeven
Member

Independent Auditors' Report

To Aurubis AG, Hamburg

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

AUDIT OPINIONS

We have audited the annual financial statements of Aurubis AG, Hamburg, which comprise the balance sheet as at 30 September 2018, and the statement of profit and loss for the financial year from 1 October 2017 to 30 September 2018, and notes to the financial statements, including the presentation of the recognition and measurement policies. In addition, we have audited the management report of Aurubis AG, which is combined with the group management report, for the financial year from 1 October 2017 to 30 September 2018. In accordance with the German legal requirements, we have not audited the content of those parts of the management report listed in the "Other Information" section of our auditor's report.

In our opinion, on the basis of the knowledge obtained in the audit,

» the accompanying annual financial statements comply, in all material respects, with the requirements of German commercial law and give a true and fair view of the assets, liabilities and financial position of the Company as at 30 September 2018 and of its financial performance for the financial year from 1 October 2017 to 30 September 2018 in compliance with German Legally Required Accounting Principles, and
» the accompanying management report as a whole provides an appropriate view of the Company's position. In all material respects, this management report is consistent with the annual financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development. Our audit opinion on the management report does not cover the content of those parts of the management report listed in the "Other Information" section of our auditor's report.

Pursuant to § [Article] 322 Abs. [paragraph] 3 Satz [sentence] 1 HGB [Handelsgesetzbuch: German Commercial Code], we declare that our audit has not led to any reservations relating to the legal compliance of the annual financial statements and of the management report.

BASIS FOR THE AUDIT OPINIONS

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

KEY AUDIT MATTERS IN THE AUDIT OF THE ANNUAL FINANCIAL STATEMENTS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the annual financial statements for the financial year from 1 October 2017 to 30 September 2018. These matters were addressed in the context of our audit of the annual financial statements as a whole, and in forming our audit opinion thereon; we do not provide a separate audit opinion on these matters.

In our view, the matters of most significance in our audit were as follows:

❶ ACCOUNTING TREATMENT OF HEDGING INSTRUMENTS

❷ PENSION OBLIGATIONS AND PLAN ASSETS

❸ MEASUREMENT OF SHARES IN AFFILIATED COMPANIES AND A RECEIVABLE FROM AN INTERCOMPANY LOAN

Our presentation of these key audit matters has been structured in each case as follows:

① Matter and issue

② Audit approach and findings

③ Reference to further information

Hereinafter we present the key audit matters:

❶ ACCOUNTING TREATMENT OF HEDGING INSTRUMENTS

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

The positive fair values of all of the derivative financial instruments used by Aurubis AG for hedging purposes amount to EUR 51.1 million as of the balance sheet date; the negative fair values amount to EUR 38.5 million. As far as possible, the derivative financial instruments are combined with the respective hedged items into hedging relationships in accordance with § 254 HGB; in application of the net presentation method, this means that the hedging instruments are not recognized in the balance sheet for the duration of the hedging relationship, as far as the hedging relationship is effective. Insofar as a hedging relationship is ineffective and results in a net loss, a provision for onerous contracts is recognized. We believe that these matters were of particular importance for our audit due to the high complexity and number of hedging transactions as well as the extensive accounting and measurement requirements.

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

③ The disclosures on hedging instruments can be found in section 3 (8) of the notes to the financial statements.

❷ PENSION OBLIGATIONS AND PLAN ASSETS

① Pension provisions of EUR 155.1 million were reported in the annual financial statements of Aurubis AG; these comprise the net amount of direct obligations under various pension plans amounting to EUR 111.1 million and the fair values of plan assets amounting to EUR 4.5 million as well as the EUR 48.5 million indirect obligation due to the excess of plan obligations over plan assets for a welfare fund. The pension plan obligations resulting from direct and indirect pension commitments are measured using the projected unit credit method. This requires in particular that assumptions be made as to long-term salary and pension trends, average life expectancy and staff fluctuations. The plan assets of Aurubis AG and the assets of the welfare fund primarily comprise real estate assets, which are measured at fair value based on real estate appraisals. From our point of view, these matters were of particular importance during our audit because the recognition and measurement of these items – which are significant in terms of their total amount – are based to a large extent on estimates and assumptions made by the Company's executive directors.

② IOur audit included among other procedures evaluating the actuarial reports obtained from Aurubis AG. Due to the specific features of the actuarial calculations, we were assisted by pensions specialists from our People & Organisation area (T&L P&O). In order to use the reports for the purposes of our audit, we assessed the professional qualification of the external actuaries as well as the measurement methods and assumptions used. On this basis, among other things we checked the numerical data, the actuarial parameters, the calculation of the provisions as well as the disclosures in the balance sheet and the notes to the financial statements based on the actuarial reports. Our audit of the fair value of the plan assets and assets of the welfare fund was carried out in particular on the basis of real estate appraisals, bank and fund confirmations as well as other evidence of assets, which we evaluated. Based on our audit procedures, we were able to satisfy ourselves that the estimates and assumptions made by the executive directors are substantiated and sufficiently documented.

③ The disclosures on pension obligations and plan assets can be found in section 3 (6) of the notes to the financial statements.

❸ MEASUREMENT OF SHARES IN AFFILIATED COMPANIES AND A RECEIVABLE FROM AN INTERCOMPANY LOAN

① IIn the annual financial statements of Aurubis AG, shares in affiliated companies amounting to EUR 1,488.9 million are reported under the "Financial fixed assets" balance sheet item and a receivable from an intercompany loan to an affiliated company from the Flat Rolled Products (FRP) segment is reported under the "Receivables from affiliated companies" balance sheet item. The receivable from the intercompany loan was written down in previous years by EUR 60.0 million to its lower fair value. Shares in affiliated companies and receivables are measured in accordance with German commercial law at the lower of cost or fair value. A write-down must be reversed if the reasons for a lower valuation no longer apply. The fair values are calculated using discounted cash flow models as the present values of the expected future cash flows according to the planning projections prepared by the executive directors. In addition to expectations relating future market developments and assumptions about the development of macroeconomic factors, circumstances having an influence on value in the context of the planned disposal of the FRP segment are also taken into account. The discount rate used is the individually determined cost of capital for the relevant affiliated company. On the basis of the values determined and supplementary documentation, no write-downs or reversals of write-downs were necessary during the financial year.

The outcome of this valuation is dependent to a large extent on the estimates made by the executive directors of the future cash flows, and on the respective discount rates and rates of growth used. The valuation is therefore subject to material uncertainty. Against this background and due to the highly complex nature of the valuation and its material significance for the Company's assets, liabilities, and financial performance, this matter was of particular significance during our audit.

② As part of our audit, we evaluated the methodology employed by the Company for the purposes of the valuation, among other things. In particular, we assessed whether the fair values had been appropriately determined using discounted cash flow models in compliance with the relevant measurement standards. We based our assessment, among other things, on a comparison with general and sector-specific market expectations as well as on the executive directors' detailed explanations regarding the key value drivers and the implications of the planned disposal of the FRP segment underlying the expected cash flows. With the knowledge that even relatively small changes in the discount rate applied can have a material impact on values, we focused our testing in particular on the parameters used to determine the discount rate applied, and assessed the calculation model. In order to determine any need for write downs or reversals of write downs, we then assessed whether the values calculated in this way were properly compared against the corresponding carrying amounts. Taking into consideration the information available, in our view the valuation parameters and underlying assumptions used by the executive directors are suitable overall for the purpose of appropriately measuring shares in affiliated companies and the receivable from an intercompany loan.

③ The disclosures on financial fixed assets and the receivables from intercompany loans can be found in sections 3 (1) and 3 (3) of the notes to the financial statements.

OTHER INFORMATION

The executive directors are responsible for the other information. The other information comprises the following non-audited parts of the management:

- the statement on corporate governance pursuant to § 289f HGB and § 315d HGB included in section "Legal Disclosures" of the management report
- the corporate governance report pursuant to No. 3.10 of the German Corporate Governance Code
- the separate non-financial report pursuant to § 289b Abs. 3 HGB and § 315b Abs. 3 HGB

Our audit opinions on the annual financial statements and on the management report do not cover the other information, and consequently we do not express an audit opinion or any other form of assurance conclusion thereon.

In connection with our audit, our responsibility is to read the other information and, in so doing, to consider whether the other information

- is materially inconsistent with the annual financial statements, with the management report or our knowledge obtained in the audit, or
- otherwise appears to be materially misstated.

RESPONSIBILITIES OF THE EXECUTIVE DIRECTORS AND THE SUPERVISORY BOARD FOR THE ANNUAL FINANCIAL STATEMENTS AND THE MANAGEMENT REPORT

The executive directors are responsible for the preparation of the annual financial statements that comply, in all material respects, with the requirements of German commercial law, and that the annual financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Company in compliance with German Legally Required Accounting Principles. In addition, the executive directors are responsible for such internal control as they, in accordance with German Legally Required Accounting Principles, have determined necessary to enable the preparation of annual financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the annual financial statements, the executive directors are responsible for assessing the Company's ability to continue as a going concern. They also have the responsibility for disclosing, as applicable, matters related to going concern. In addition, they are responsible for financial reporting based on the going concern basis of accounting, provided no actual or legal circumstances conflict therewith.

Furthermore, the executive directors are responsible for the preparation of the management report that as a whole provides an appropriate view of the Company's position and is, in all material respects, consistent with the annual financial statements, complies with German legal requirements, and appropriately presents the opportunities and risks of future development. In addition, the executive directors are responsible for such arrangements and measures (systems) as they have considered necessary to enable the preparation of a management report that is in accordance with the applicable German legal requirements, and to be able to provide sufficient appropriate evidence for the assertions in the management report.

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

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE ANNUAL FINANCIAL STATEMENTS AND OF THE MANAGEMENT REPORT

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

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

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

- Identify and assess the risks of material misstatement of the annual financial statements and of the management report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our audit opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

» Obtain an understanding of internal control relevant to the audit of the annual financial statements and of arrangements and measures (systems) relevant to the audit of the management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an audit opinion on the effectiveness of these systems of the Company.
» Evaluate the appropriateness of accounting policies used by the executive directors and the reasonableness of estimates made by the executive directors and related disclosures.
» Conclude on the appropriateness of the executive directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the annual financial statements and in the management report or, if such disclosures are inadequate, to modify our respective audit opinions. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to be able to continue as a going concern.
» Evaluate the overall presentation, structure and content of the annual financial statements, including the disclosures, and whether the annual financial statements present the underlying transactions and events in a manner that the annual financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Company in compliance with German Legally Required Accounting Principles.
» Evaluate the consistency of the management report with the annual financial statements, its conformity with German law, and the view of the Company's position it provides.
» Perform audit procedures on the prospective information presented by the executive directors in the management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by the executive directors as a basis for the prospective information, and evaluate the proper derivation of the prospective information from these assumptions. We do not express a separate audit opinion on the prospective information and on the assumptions used as a basis. There is a substantial unavoidable risk that future events will differ materially from the prospective information.

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

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

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

Other legal and regulatory Requirements

FURTHER INFORMATION PURSUANT TO ARTICLE 10 OF THE EU AUDIT REGULATION

We were elected as auditor by the annual general meeting on 1 March 2018. We were engaged by the supervisory board on 13 June 2018. We have been the auditor of the Aurubis AG, Hamburg, without interruption since the financial year 2008/2009.

We declare that the audit opinions expressed in this auditor's report are consistent with the additional report to the audit committee pursuant to Article 11 of the EU Audit Regulation (long-form audit report).

German public Auditor responsible for the Engagement

The German Public Auditor responsible for the engagement is Claus Brandt.

Hamburg, 10. December 2018

PricewaterhouseCoopers GmbH
Wirtschaftsprüfungsgesellschaft

Claus Brandt	Alexander Fernis
Wirtschaftsprüfer	Wirtschaftsprüfer
(German Public Auditor)	(German Public Auditor)

Responsibility Statement

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

Hamburg, December 10, 2018

Jürgen Schachler
Chairman

Dr. Thomas Bünger
Member

Rainer Verhoeven
Member

aurubis.com

Metals for Progress

EN_18/12

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