2017

FINANCIAL RESULTS FOR THE FISCAL YEAR

VIOHALCO

REGULATED INFORMATION
INSIDE INFORMATION

FINANCIAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2017

Brussels, 22 March 2018 – Viohalco S.A. (Euronext Brussels: VIO, Athens Stock Exchange: BIO), hereafter "Viohalco" or "the Company", today announces its financial results for the year ended 31 December 2017.

Significant improvement in Viohalco's consolidated financial results.
Revenue exceeds EUR 3.7 billion and EBITDA EUR 300 million.

Highlights

- Consolidated revenue amounted to EUR 3,721 million, up by 19%, compared to EUR 3,119 million in 2016;
- Consolidated EBITDA of EUR 302.5 million, also improved by EUR 70.9 million compared to EUR 231.7 million in 2016;
- Consolidated profit before income tax of EUR 56.8 million, compared to EUR 6.8 million in 2016;
- Consolidated profit of the year EUR 83.8 million (2016: loss of EUR 7 million), EUR 27 million higher than profit before tax, due to deferred taxation;
- Consolidated profit attributable to the owners of the Company EUR 73.7 million, compared to a loss of EUR 6.4 million in 2016.

Overview

2017 was a year of growth for Viohalco companies. A stronger performance was driven by increased sales volumes, cost-cutting measures arising from the significant investments into the optimisation of production processes and rising metals prices. The above allowed Viohalco companies to capitalise on improved market conditions in the European industrials and metals sectors.

Sales volumes and profitability increased in both aluminium and copper segments, and lower production costs, production process optimization and the development of technological innovations further strengthened their global competitive position. The steel segment saw significant improvement in its financial performance with exports reaching high levels, as strategic investments into projects, such as the Dojran Steel rolling mill led to operational advances and increased production across the segment.

In the steel pipes segment, Corinth Pipeworks completed its largest ever contract, to supply pipes to the Trans Adriatic Pipeline, and also signed an agreement with Baltic Connector and Elering to manufacture and supply steel pipes for the Balticconnector offshore pipeline project. Despite project delays and low sales volumes in the main cable markets, the profitability of the cables segment remained stable versus 2016.

Finally, in the real estate segment, the River West-IKEA Shopping Centre reported record footfall, while the performance of the Wyndham Grand Athens Hotel has exceeded initial expectations, contributing considerably to the segment's rental income.

In December 2017, the merger of Elval Hellenic Aluminium Industry S.A. and Halcor Metal Works S.A. was completed, forming ElvalHalcor, a substantial export-focused industrial and financial entity in the aluminium and copper (non-ferrous metals) processing sectors. At the beginning of 2018, ElvalHalcor initiated a EUR 150 million investment programme. This investment will strengthen ElvalHalcor's commercial presence in aluminium packaging, industrial, transportation and architectural applications and lay the foundation for expansion in the automotive and aerospace sectors.

After a stronger year in the European industrials and metals market, further recovery is expected across Viohalco companies' operating markets as demand improves, although risks to financial and operational performance remain in 2018, including Brexit and protectionism, among others. Viohalco companies are well-positioned to take advantage of the improvements of market conditions, through further operational optimization, technological innovation and capitalization of their recent investments.

Financial overview

Viohalco's consolidated revenue for 2017 was EUR 3,721 million, a 19% increase compared to EUR 3,119 million in 2016, mainly due to higher sales volumes in the aluminium, copper and steel segments.

Consolidated EBITDA increased by 31% year-on-year to EUR 302.5 million in 2017 (2016: EUR 231.7 million) driven by stronger results in the aluminium, copper, steel and real estate segments.

Net finance costs increased to EUR 110.4 million (2016: EUR 102.1 million), due to profit realized in 2016 from the acquisition of Eufina S.A. There was no significant variation regarding net interest cost between 2017 and 2016.

Viohalco's **consolidated profit before income tax** for the year was EUR 56.8 million, compared with EUR 6.8 million in 2016.

Consolidated profit for the period improved significantly and amounted to EUR 83.8 million, compared to a loss of EUR 7 million in 2016. In 2017, profit after tax is EUR 27 million higher than profit before tax, due to the recognition of deferred tax assets relating to carried forward tax losses and to thin capitalization rules.

Summary consolidated statement of profit or loss

	For the year ended 31 December	
Amounts in EUR thousand	2017	2016
Revenue	**3,721,311**	**3,119,198**
Gross profit	**349,597**	**287,555**
Gross profit (%)	9.4%	9.2%
a-Gross profit	**325,140**	**295,077**
a-Gross profit (%)	8.7%	9.5%
EBITDA	**302,546**	**231,680**
EBITDA (%)	8.1%	7.4%
a-EBITDA	**284,207**	**249,538**

a-EBITDA (%)	7.6%	8.0%
EBIT	**167,452**	**110,052**
EBIT (%)	4.5%	3.5%
a-EBIT	**149,114**	**127,910**
a-EBIT (%)	4.0%	4.1%
Net finance costs	**-110,432**	**-102,056**
Profit before income tax	**56,839**	**6,756**
Net margin before income tax (%)	1.5%	0.2%
Profit / Loss (-) of the period	**83,794**	**-6,930**
Profit / Loss (-) attributable to owners of the Company	**73,680**	**-6,383**

- *All percentages are vs. revenue*
- *EBITDA, EBIT, adjusted EBITDA, adjusted EBIT, and net debt are considered Alternative Performance Measures (APMs). For definitions and further information please refer to the section in APMs.*

Capital expenditure for the year amounted to EUR 122.4 million and **depreciation** for the year EUR 135 million.

Current assets increased by EUR 82 million, mainly due to higher inventories which were partially offset by lower trade receivables.

Current Liabilities increased by EUR 110 million, due to higher trade payables and short-term loans. Viohalco companies' **debt** amounts to EUR 1,696 million, of which 90% are extended by Greek banks (or their subsidiaries abroad) and 10% by international banks and supranational financial institutions. Total debt comprises 42% long term and 58% short term facilities. Short term facilities are predominately revolving credit facilities. These are annually reviewed at various dates throughout the year. These facilities are customarily reapproved upon review and increased based on budgeted projections. Within those revolving credit facilities, short term loans of various maturities are drawn and, upon maturity, are automatically renewed as required.

Summary consolidated statement of financial position

	As at	
Amounts in EUR thousand	**31 December 2017**	**31 December 2016**
ASSETS		
Property, plant and equipment	1,743,632	1,783,156
Investment property	165,247	155,553
Other non-current assets	76,830	71,213
Non-current assets	**1,985,709**	**2,009,922**
Inventories	1,005,867	857,419
Trade and other receivables	509,740	576,187
Cash and cash equivalents	168,239	171,784
Other current assets	14,534	10,898
Current assets	**1,698,380**	**1,616,288**
TOTAL ASSETS	**3,684,089**	**3,626,210**
EQUITY	**1,229,218**	**1,148,239**

LIABILITIES		
Loans and borrowings	718,716	804,723
Deferred tax liabilities	98,312	147,763
Other non-current liabilities	96,801	94,043
Non-current liabilities	**913,829**	**1,046,529**
Loans and borrowings	977,071	894,491
Trade and other payables	544,414	506,804
Other current liabilities	19,557	30,148
Current liabilities	**1,541,041**	**1,431,442**
TOTAL LIABILITIES	**2,454,871**	**2,477,971**
TOTAL EQUITY & LIABILITIES	**3,684,089**	**3,626,210**

Performance by business segment

Aluminium

*The companies in the **aluminium** segment manufacture a wide variety of products, ranging from aluminium coils and sheets for general industrial applications and aluminium foil for household use, to an array of specialised products. These include: rolled and extruded aluminium products for food and beverages, packaging, shipbuilding, the automotive and construction industries, lithographic coils and a complete range of coated aluminium products used in the building envelope, such as aluminium composite panels, coated strips for rain gutters and roofing applications.*

In 2017, the aluminium segment increased its volumes and its **revenue** by 12% to EUR 1,206 million. **Profit before income tax** amounted to EUR 52 million versus EUR 36.1 million in 2016.

- In December 2017, the aluminium rolling division of **ElvalHalcor** signed a loan contract of EUR 70 mil. with European Investment Bank (EIB), for up to 8 years, for the financing part of its new EUR 150 million investment program.
- A new plant adjacent to the Oinofyta plant was acquired and the reallocation of some machinery is currently underway.
- A third continuous casting line started operation, increasing the production capacity and output of the Oinofyta plant in 2017.
- During 2017, the pre-treatment Globus line facilitated a further increase in sales in food packaging and multilayer tubes markets.
- The completion of certain investments allowed the Company to enhance its presence in thick gauge aluminium sheets (plates), mostly applicable in the ship building industry.
- At **Bridgnorth Aluminium**, revenue increased by 21 % compared with the previous year, mainly due to higher LME prices. The Company also further consolidated its use of new lithographic facilities. Profitability was adversely affected however by bad debt and year end foreign exchange valuations.
- In 2017, **Etem BG** produced and delivered 21,300 tons of aluminium products, a new record for the company. As planned, the segment’s product mix is shifting to more added value products which will ultimately strengthen the segment’s financial performance. High demand for extruded aluminium

products for various applications seen in 2017 triggered the strategic decision to re-commence operation of the extrusion line in the Magoula Plant, Greece.

The summary consolidated statement of profit or loss of the **aluminium segment** is as follows:

	For the year ended 31 December	
Amounts in EUR thousand	2017	2016
Revenue	1,206,018	1,078,173
Gross profit	116,887	101,351
Gross profit (%)	9.7%	9.4%
a-Gross profit	93,296	98,874
a-Gross profit (%)	7.7%	9.2%
EBITDA	125,389	108,086
EBITDA (%)	10.4%	10.0%
a-EBITDA	102,423	104,265
a-EBITDA (%)	8.5%	9.7%
EBIT	69,260	57,600
EBIT (%)	5.7%	5.3%
a-EBIT	46,293	53,779
a-EBIT (%)	3.8%	5.0%
Profit before income tax	52,022	36,114

- *All percentages are vs. revenue*

Over the next two years, EUR 150 mil. will be invested in equipment, technology and infrastructure. This investment program aims to increase the production capacity of the aluminium rolling division of **ElvalHalcor** by more than 20% and to set the basis for additional future investments that will more than double the capacity. This investment will allow ElvalHalcor to strengthen its presence in aluminium packaging, industrial, transportation and architectural applications and lays the foundation for future expansion into the automotive and aerospace sectors. Within the framework of this investment program, the segment announced the signing of a contract for the installation of a new four-stand tandem aluminium hot finishing mill for its Oinofyta plant.

Furthermore, through its technology department and its cooperation with Elkeme and UACJ Corp., the aluminium segment aims to develop further innovative products and solutions.

As new lithographic facilities are more fully utilised, a further increase in sales volumes is expected at **Bridgnorth Aluminium**. However, as the Company continues to be exposed to political uncertainty related to Brexit and recent developments in the US Government's 232 deliberations, it will adopt a cautious approach to new investments during 2018 and maintain its focus on improving internal performance.

Etem BG will focus on meeting the increasing demand for architectural and automotive products driven by projects already secured for 2018. New investments will be concentrated in improving the processing and treatment of post extrusion products, which will add further value to the company's downstream operations.

Copper

Companies in the copper segment produce a wide range of copper and copper alloy products, ranging from copper and copper alloy tubes, copper strips, sheets and plates, to copper bus bars and rods, copper alloy rods, flats and wires.

In 2017, the copper segment saw significant growth in sales volumes and increased utilization rates that led to improved segment results. **Revenue** stood at EUR 930.8 million versus EUR 751.3 million in the prior year. **Profit before income tax** amounted to EUR 19.5 million.

- Sales of copper tubes continued to grow and anti-dumping duties imposed in Turkey did not hinder the rising trend in sales.
- As a consequence of higher global demand and continued improvements in quality and service at **Sofia Med**, sales of copper and copper alloy rolled products saw significant growth, particularly in products used for industrial applications. In contrast, sales of copper rolled products used in roofing applications decreased, as a result of the ongoing substitution of copper for this purpose. During the year, the Company focused on products used in industrial applications with higher profitability and these now represent the largest portion of its sales, reversing the previous trend.
- In the extruded alloys segment, during the year **Fitco** focused on higher value-added products, like alloy tubes. As a result, production and sales of alloy tubes almost doubled, while alloy rod production remained flat compared to the previous year.

The summary consolidated statement of profit or loss of the **copper segment** is as follows:

	For the year ended 31 December	
Amounts in EUR thousand	2017	2016
Revenue	930,804	751,340
Gross profit	76,128	55,252
Gross profit (%)	8.2%	7.4%
a-Gross profit	64,655	50,324
a-Gross profit (%)	6.9%	6.7%
EBITDA	58,084	36,298
EBITDA (%)	6.2%	4.8%
a-EBITDA	46,553	31,900
a-EBITDA (%)	5.0%	4.2%
EBIT	44,232	25,274
EBIT (%)	4.8%	3.4%
a-EBIT	32,700	20,876
a-EBIT (%)	3.5%	2.8%
Profit before income tax	19,539	248

- *All percentages are vs. revenue*

Looking to 2018, as long as international economic conditions continue to improve, positive trends in demand for industrial products are expected. The segment also continues to benefit from investments made during the previous year and from its strategic shift towards industrial products.

Strong demand for industrial rolled products is expected to continue and **Sofia Med** is well-positioned to take advantage of this by increasing utilization and sales.

Following the signing of an agreement to acquire 50% of Netherlands-based Nedzink B.V., and on approval by the competition authorities, the segment will invest EUR 15 million to establish a new joint-venture to develop titanium zinc products.

Steel

Sidenor Steel Industry S.A. (Sidenor Steel Industry) and its subsidiaries (excluding Aeiforos subgroup), along with Stomana Industry S.A. (Stomana Industry) and its subsidiaries manufacture long, flat and down-stream steel products.

The recovery of the steel industry on a global and regional scale has allowed the steel segment to maintain its position as a dominant player in Greece and the Balkans, and to establish a stronger presence in both Central Europe and MENA markets. During the downturn experienced by the industry in recent years, the segment was proactive, undertaking major strategic investment projects aimed at improving the efficiency of production units, while maintaining high product quality and a high level of customer service.

As a consequence of this, 2017 was a year of growth for the segment, which allowed it to attain high profit margins and significantly increased sales volumes. The steel segment achieved higher exports by introducing its products to new markets and establishing a stronger presence in existing ones.

The benefits of exporting for the segment were the increase in sales potential, the identification of new opportunities and the increase in profits. Shrinkage in the Greek steel market did not affect the segment, and its efforts to increase market share in both the local and regional markets were successful in 2017. This success came as a result of the steel segment's strategic decision to channel increased production volumes to markets such as Romania, Albania, Central Europe and the MENA region, while simultaneously maintaining the volume sold to existing customers in Greece at 2016 levels.

In 2017, steel **revenue** increased by 40% year-on-year to EUR 765.2 million (2016: EUR 546.8 million), mainly due to increased sales volumes. **Profit before income tax** amounted to EUR 3.3 million, a significant improvement compared to a loss of EUR 22.5 million in 2016.

- In 2017, the steel segment successfully completed a strategic investment in the Dojran Steel rolling mill. The new mill became fully operational in Q3 2017 and now produces a wide range of merchant bars. Major benefits of the investment include the ability to produce merchant bars in non-standard sizes, inventory management efficiencies, an improvement in product quality and cost efficiencies. Producing merchant bars at the new versatile, state-of-the art Dojran Steel rolling mill has facilitated the release of resources at the Sidenor plant, allowing the latter to increase production of wire rod to cover increased local and regional market demand.
- The operation of billet reheating induction furnaces in both the Sidenor and Sovel plants became fully stabilized. Cost benefits have been realised and have exceeded those expected in the initial feasibility study.

- At **Stomana Industry**, special steels (SBQs) sales volumes increased by 27% in 2017 versus 2016, mainly driven by the development of new qualities and increased demand. The gradual recovery of plates' sales, which were adversely affected by Chinese imports into European markets in 2015 and early 2016, continued in 2017 and resulted in a 51% sales increase versus the prior year. This trend was mainly driven by the introduction of antidumping duties by the EU in 2016, which resulted in a sharp decline in imports of Chinese plate into Europe.
- A higher capacity utilization rate enabled the Bulgarian plant to achieve an improved cost structure. More specifically, the capacity utilization rate of Stomana Industry's plate mill grew by 35% in 2017 (from 61% in 2016 to 82% in 2017), reaching almost maximum production capacity for a specific product mix. Quarto plate sales increased in all targeted regions and market segments, including steel construction, manufacturing, shipbuilding and automotive.
- The ongoing development of Special Bar Quality steels (SBQ) has positioned **Stomana Industry** as a reliable partner for industrial component producers and distributors of engineering steel. This position will be further enhanced by investment in an inspection system with phased array technology, a quenching and tempering line and technology for improving traceability which is already underway.
- Throughout the year the supply chain department was restructured to facilitate and optimize the flow of products and information to improve relationship management processes and business efficiency.

The summary consolidated statement of profit or loss of the **steel segment** is as follows:

	For the year ended 31 December	
Amounts in EUR thousand	**2017**	**2016**
Revenue	765,243	546,769
Gross profit	70,656	45,584
Gross profit (%)	9.2%	8.3%
a-Gross profit	76,997	54,394
a-Gross profit (%)	10.1%	9.9%
EBITDA	71,191	40,885
EBITDA (%)	9.3%	7.5%
a-EBITDA	75,156	48,727
a-EBITDA (%)	9.8%	8.9%
EBIT	35,956	8,604
EBIT (%)	4.7%	1.6%
a-EBIT	39,922	16,446
a-EBIT (%)	5.2%	3.0%
Profit/ Loss (-) before income tax	3,315	-22,468

- *All percentages are vs. revenue*

In 2018, the steel plants will focus on operational excellence and optimizing cost structure to achieve higher profitability margins. Mini mills will focus on growing operations and achieving greater production cost efficiencies through increasing capacity utilization rates in each plant.

The strategic investment in **Dojran Steel** plant will result in improved resource efficiency, as merchant bars and wire rod production will substantially increase, while labour and logistics costs will reduce. **Stomana Industry,** will focus on developing high value added products (SBQs) further to attract new customers and retain existing ones relevant to the construction of machines and hydraulic components and automotive industry applications.

The steel segment will also seek to further penetrate the Balkan markets by strengthening its position with existing and new customers in the area, such as Romania, Albania, Serbia and the rest of the Balkans. The implementation of new technologies, as well as the use of technologically advanced equipment will significantly contribute to both the segment's profitability and its sustainable future.

Steel pipes

Corinth Pipeworks Pipe Industry S.A. (Corinth Pipeworks) produces steel pipes for the transportation of natural gas, oil and water and hollow sections used in construction projects.

Revenue for the steel pipes segment amounted to EUR 295 million in 2017 (2016: EUR 293.4 million). **Loss before income tax** amounted to EUR 8.1 million in 2017, compared to profit of EUR 7.7 million in 2016. This decline is attributable to the different project mix of energy projects, the unfavourable USD – EUR exchange rate, which put significant pressure on profit margins in markets dominated by the US Dollar, increased finance costs and an exceptional impairment loss on receivables of EUR 8.9 million recorded by Corinth Pipeworks. This exceptional impairment loss relates to a receivable balance generated in 2010 amounting to USD 24.9 million (EUR 20.8 million). Corinth Pipeworks had already booked an impairment of EUR 10.4 million as of 31 December 2016, however, it was decided to increase the impairment amount by EUR 8.9 million (P&L effect EUR 3.3 million net of tax) to reflect the prospected recoverability of that receivable, as of today. Corinth Pipeworks will proceed with any actions required to collect the full amount of that receivable.

- During 2017, strategic investments were completed at Corinth Pipeworks, with the aim of providing high added value products.
  - Within only two years of completing the new LSAW pipe mill investment, an intensive qualification program by a number of large Oil & Gas companies commenced and is still ongoing. Over a short period of time, these qualifications enabled Corinth Pipeworks to effectively compete for important projects globally in an intensely competitive environment.
  - Pipe production for the Trans Adriatic Pipeline (TAP), the biggest project ever awarded to Corinth Pipeworks was completed during the year, with 28,600 pipes to be laid along 495 km, manufactured and coated at Corinth Pipeworks facilities, at both the HSAW and LSAW pipe mills.
  - An investment in a concrete weight coating facility, which provides a competitive advantage in offshore pipeline market was completed in 2017; its first project has already been concluded.
  - Corinth Pipeworks' project to provide LSAW pipes to connect the Bosporus Straits, part of the TANAP pipeline to supply Europe with natural gas, was concluded. A second LSAW offshore project, part of

the Leviathan pipeline in the Southeastern Mediterranean, was also completed, further strengthening the subsidiary's position as a supplier of high quality pipes for offshore projects.

- The Baltic region will be an area of increased focus going forward. This was demonstrated by the signing of an agreement with Baltic Connector and Elering to manufacture and supply steel pipes for the Balticconnector offshore pipeline project. The project, which includes the supply of pipe material for the 77-kilometre offshore pipeline from Finland to Estonia, is one of the biggest within the Balticconnector project. The pipes for the offshore pipeline will be manufactured during 2018 at Corinth Pipeworks' plant in Greece and installation work is expected to commence in 2019.
- Corinth Pipeworks was recently awarded two offshore projects by Subsea 7 for the manufacture and supply of steel pipes for 39 kilometer pipelines in the North Sea area. The pipes will be manufactured during 2018 at Corinth Pipeworks' plant in Greece, while installation is scheduled in 2019-2020.

The summary consolidated statement of profit or loss of the **steel pipes segment**[1] is as follows:

	For the year ended 31 December	
Amounts in EUR thousand	2017	2016
Revenue	294,991	293,368
Gross profit	23,511	33,174
Gross profit (%)	8.0%	11.3%
a-Gross profit	23,726	33,472
a-Gross profit (%)	8.0%	11.4%
EBITDA	11,489	27,592
EBITDA (%)	3.9%	9.4%
a-EBITDA	20,645	27,496
a-EBITDA (%)	7.0%	9.4%
EBIT	2,332	18,972
EBIT (%)	0.8%	6.5%
a-EBIT	11,489	18,876
a-EBIT (%)	3.9%	6.4%
Profit/ Loss (-) before income tax	-8,149	7,725

- *All percentages are vs. revenue*
- *(1): The figures disclosed for Viohalco's cables and steel pipes segments, differ from the respective segment figures in Viohalco's subsidiary press release, Cenergy Holdings, mainly due to the following reasons:*
  - *Consolidation accounting entries or intercompany eliminations.*
  - *Cables and steel pipes segments in Viohalco include also results deriving from trading subsidiaries which are not part of Cenergy Holdings.*
  - *Cenergy Holdings has early adopted IFRS 15 Revenue from Contracts with Customers*

The global economic environment remains volatile and low oil and natural gas prices, although higher than 2016 levels, do not support the implementation of significant projects in the energy sector. Corinth Pipeworks is a significant supplier for offshore pipelines, and projects are expected to materialise in regions such as the North and Norwegian Sea, as well as the SE Mediterranean region in the year ahead. In 2018, Corinth Pipeworks will continue its focus on growth through the penetration of new geographical and product markets.

Projects secured for 2018 signal a positive outlook for the year. The TAP pipeline to transport Azeri gas to Europe and its interconnections to various countries is expected to present opportunities throughout the year. However, raw materials prices remain high and this may negatively affect profit margins. Although the protectionist sentiment expressed in some markets may present uncertainty, Corinth Pipeworks is monitoring this closely and is prepared to meet this challenge positively.

Cables

Hellenic Cables Industry S.A. (Hellenic Cables), its subsidiaries and Icme Ecab S.A. (Icme Ecab) manufacture power land and submarine cables, telecommunication and enamelled wires and compounds, and is one of the largest cable producers in Europe.

During 2017, the cables project-based business performed better than 2016 despite delays in the award of certain already scheduled projects, which are currently still in the tendering phase. The commodities business was affected by low sales volumes in its main markets. **Revenue** for the period increased by 7% year-on-year and amounted to EUR 408 million (2016: EUR 381.5 million). **Loss before income tax** amounted to EUR 4.5 million in 2017, compared to a loss before income tax of EUR 5.9 million in 2016.

- The execution of new projects, including the Kafireas project and several other submarine projects, during the second half of 2017 led to a notable improvement in results versus the first half of the year. However, a significant contraction in sales volumes of medium and low voltage power cables in Germany, the UK, Austria, Italy and Romania, continued to negatively affect the results for the period.
- Despite improved profitability in the second half of the year and the commencement of various onshore and offshore projects, **Fulgor's** plant operated at low utilization capacity during 2017 which adversely affected the full year results.
- However, the recent award of a contract to **Hellenic Cables** to supply 220kV submarine cables to the Modular Offshore Grid (MOG) in the Belgian part of the North Sea on behalf of Belgian transmission system operator Elia, indicates the segment's ability to provide cost-effective, reliable and innovative solutions to meet the changing needs of the offshore sector and take advantage of the marked shift in submarine power transmission requirements from 150kV to 220kV.
- Finally, strong market demand for telecom and signalling cables in Europe had a positive effect on the segment's margins.
- Throughout the period, **Hellenic Cables** and **Fulgor** continued with the execution of significant contracts on behalf of TenneT for the supply of offshore wind farm export cable connections, and Energinet.dk. for cable connection between Denmark and Sweden and the replacement of overhead lines within Denmark. In addition to this, the cable interconnection of an offshore wind farm in the UK was concluded in April 2017, and in November 2017 a second contract for the supply of an additional cable to this project was signed.
- **Hellenic Cables** participated in the project of the interconnection of the Cyclades islands, which was inaugurated on March 2018, by executing the part of the project concerning the interconnections of Syros-Tinos, Syros-Paros and Syros-Mykonos.
- **Fulgor** was awarded a turnkey contract by Enel Green Power Hellas to provide a submarine cable interconnection to the Greek National Grid from the Kafireas wind complex located at Karystos Evia,

Greece. **Hellenic Cables** will supply significant quantities of high and medium voltage land cables for the onshore part of the project.

- Investments in the cables segment in 2017 reached EUR 17.8 million, largely attributable to capacity improvements at Fulgor's plant in order to meet the expected future needs and productivity improvement projects at the Hellenic Cables and Icme Ecab plants.

The summary consolidated statement of profit or loss of the **cables segment**[1] is as follows:

	For the year ended 31 December	
Amounts in EUR thousand	2017	2016
Revenue	407,971	381,492
Gross profit	33,984	30,477
Gross profit (%)	8.3%	8.0%
a-Gross profit	38,152	36,295
a-Gross profit (%)	9.4%	9.5%
EBITDA	30,297	26,629
EBITDA (%)	7.4%	7.0%
a-EBITDA	33,246	32,252
a-EBITDA (%)	8.1%	8.5%
EBIT	17,452	15,049
EBIT (%)	4.3%	3.9%
a-EBIT	20,402	20,671
a-EBIT (%)	5.0%	5.4%
Loss before income tax	-4,459	-5,882

- *All percentages are vs. revenue*
- *(1): The figures disclosed for Viohalco's cables and steel pipes segments, differ from the respective segment figures in Viohalco's subsidiary press release, Cenergy Holdings, mainly due to the following reasons:*
    - *Consolidation accounting entries or intercompany eliminations.*
    - *Cables and steel pipes segments in Viohalco include also results deriving from trading subsidiaries which are not part of Cenergy Holdings.*
    - *Cenergy Holdings has early adopted IFRS 15 Revenue from Contracts with Customers*

Looking forward, high demand for new offshore projects in Europe, mainly in the North Sea and Southern Europe, is expected to drive growth in the cables segment. This projection is supported by **Hellenic Cables**' aforementioned contract win for the supply of submarine cables for the Modular Offshore Grid (MOG) project in the Belgian part of the North Sea.

The assignment of new projects (for which Hellenic Cables has already entered negotiations) and the successful completion of ongoing projects (such as the Kafireas project for Enel, BR2 & Trianel for Tennet and Oresund project for Energinet) remain key areas of focus for the cables segment.

In the cables products business, there are signs of recovery in the low and medium voltage cables markets in Western Europe, which were negatively impacted by competitive challenges in 2017. However, risks to recovery, such as the EU's political environment and potential major changes in trade policies, as well as the broader impact of Brexit, persist.

To counterbalance challenges in the cables segment's main markets, initiatives have been undertaken in to enter into new geographical markets and improve the product portfolio through the development of high-added value projects.

Real estate

Viohalco creates value through the development of its former industrial real estate in Greece and abroad (Noval S.A.) and also by providing a wide range of real estate services to its subsidiaries through a central framework (Steelmet Property Services S.A.).

The revenue of the segment amounted to EUR 9.2 million in 2017, a 40% increase compared to 2016. **Profit before income tax** amounted to EUR 0.1 million, versus a loss of EUR 10.7 million in 2016, due to impairment losses on investment properties that affected the results in 2016.

The table below summarizes the real estate segment's most important properties:

REAL ESTATE	LOCATION	'000 m² (1)
River West-IKEA Shopping Centre	96, Kifissos Av., Egaleo, Greece	124.2
Hotel (Wyndham Grand Athens)	Karaiskaki Square, Athens, Greece	23.5
Industrial buildings & offices (ex-BIC plant)	Oinofyta, Greece	10.4
Mare West Retail Park	Corinth, Greece	14.2
Office Building	115, Kifissias Ave., Athens, Greece	38.9
Office Complex	57, Ethnikis Antistasseos St., Halandri, Greece	6.9
Office Building	26, Apostolopoulou St., Halandri, Greece	10.9
Office Building	53A, Nikola Vaptzarov Blvd, Sofia , Bulgaria	7.3

(1) *refers to built surface*

- In 2017, the River West-IKEA Shopping Centre welcomed a record 4.7 million customers. New lettings and turnover rent provisions, which are incorporated in the majority of lease agreements, resulted in a 12% increase in rental income. The shopping centre is now 97% occupied (by number of units let) and tenant demand continues to be exceptionally strong.
- The Mare West Retail Park, which opened in September 2015, experienced steady monthly growth in tenant turnover. The successful marketing and communications program that ran throughout the year in the park's wider catchment area contributed to a footfall increase of 8% and the leasing of 250 sqm additional retail space. This is an indication of the park's potential to become the dominant retail destination for the northeastern Peloponnese.
- The "Wyndham Grand Athens" hotel opened in December 2016. It has successfully completed its first year of operation and its occupancy levels, as well as turnover up to date, have significantly exceeded the tenant's expectations.
- A lease agreement for the building on Aghiou Konstantinou str. was signed on July 31, 2017 and the necessary renovation works have been completed. Its operation as an aparthotel, named "K 29", started in January 2018.
- Regarding other real estate assets, discussions on optimum development scenarios and negotiations with potential tenants are ongoing.

The summary consolidated statement of profit or loss of the **real estate** segment is as follows:

	For the year ended 31 December	
Amounts in EUR thousand	**2017**	**2016**
Revenue	9,159	6,544
Gross profit	3,493	626
Gross profit (%)	38.1%	9.6%
a-Gross profit	3,493	626
a-Gross profit (%)	38.1%	9.6%
EBITDA	5,565	-6,492
EBITDA (%)	60.8%	-99.2%
a-EBITDA	5,565	1,530
a-EBITDA (%)	60.8%	23.4%
EBIT	1,298	-10,102
EBIT (%)	14.2%	-154.4%
a-EBIT	1,298	-2,080
a-EBIT (%)	14.2%	-31.8%
Profit/ Loss (-) before income tax	112	-10,659

-All percentages are vs. revenue

For the **real estate segment**, in 2018, the focus for the River West|IKEA Shopping Centre will be the leasing of 3,000 sqm to international, high value retailers and the achievement of 100% occupancy, while continuing to maximize turnover of existing tenants. In addition, the development of additional retail, leisure and entertainment space in adjacent plots will be further explored.

The strong potential of the Mare West Retail Park will continue to be leveraged through new lettings with local and international operators and the construction of a leisure park, unique in the North-eastern Peloponnese.

The development of the office building on Apostolopoulou str. is expected to be completed in November 2018. Construction works for the development of the Kifissias Ave. office complex are expected to begin within Q1 2018, with completion targeted for December 2018.

A number of development options are also being explored across the remaining real estate assets and negotiations with potential tenants continue.

On 19 June 2017, Noval applied to the Hellenic Capital Market Commission for approval to establish a Real Estate Investment Company (REIC). Discussions with the HCMC are progressing well, with the REIC expected to be established within 2018.

Recycling

Viohalco's recycling segment trades and processes secondary raw materials, undertakes waste management and environmental operations, and provides services to consumers and corporations.

Segment **revenue** increased by 48% year-on-year, while **profit before income tax** amounted to EUR 1.7 million, compared to a loss of EUR 0.9 million in 2016.

- Throughout 2017, the End-of-Life (EoL) segment maintained positive momentum. Waste Electrical & Electronic Equipment (WEEE) volume reached 15,000 tns and more than 2,000 vehicles were depolluted. The major EoL cables recycling project awarded by Cosmote was concluded earlier in the year, and the number of active municipal End-of-Life Vehicles (ELV) recycling contracts increased to twenty.
- In Serbia, the first full period of operation following market-repositioning initiatives saw ferrous volumes reach 71,000 tns, a significant increase. Higher metal prices relative to previous years, favored trading activities for non-ferrous metals, despite restrictive trade policies adopted by major destination countries. The production of alternative raw materials and solid fuels for cement industries reached 150,000 tons, and 85,000 tns of industrial hazardous waste were collected and transported for further metal recovery.
- Finally, an aluminium composite panels recycling line was installed in the Aspropyrgos facility and began operation halfway through the year.

The summary consolidated statement of profit or loss of the **recycling segment** is as follows:

	For the year ended 31 December	
Amounts in EUR thousand	2017	2016
Revenue	66,005	44,702
Gross profit	19,024	15,140
Gross profit (%)	28.8%	33.9%
a-Gross profit	18,915	15,140
a-Gross profit (%)	28.7%	33.9%
EBITDA	6,896	4,136
EBITDA (%)	10.4%	9.3%
a-EBITDA	6,728	4,324
a-EBITDA (%)	10.2%	9.7%
EBIT	4,179	1,295
EBIT (%)	6.3%	2.9%
a-EBIT	4,011	1,483
a-EBIT (%)	6.1%	3.3%
Profit/ Loss (-) before income tax	1,672	-913

- *All percentages are vs. revenue*

In 2018, the segment's companies will further coordinate their efforts, leveraging existing and new infrastructure across markets to address the challenges of a constantly evolving domestic and international regulatory environment. A significant portion of these efforts will be geared towards expanding processing capabilities and expertise to include more downstream operations, as well as non-metal materials. Going forward, this strategy is expected to support segment performance through periods of commodity price fluctuations and strengthen its overall footprint in key markets.

Other activities

Viohalco's portfolio includes dedicated R&D companies and R&D centres within its subsidiaries, which focus on developing innovative and high value-added products, efficient solutions for the optimisation of industrial and business process, and conducting research into the environmental performance of plants and impact assessments of sustainable growth. (*Technology and R&D segment)*

Other activities mainly encompass expenses incurred by the parent (holding) company, along with the results of companies which operate in the Technology and R&D segment and in ceramic trade activities (Vitruvit).

Loss before income tax amounted to EUR 7.2 million, compared with a profit of EUR 2.6 million in 2016. This was mainly due to EUR 7 million gain, which resulted from the acquisition of Eufina S.A., in the context of the cross-border merger of Elval Holdings S.A., Alcomet S.A., Diatour S.A. and Eufina S.A. by Viohalco.

The summary consolidated statement of profit or loss is as follows:

	For the year ended 31 December	
Amounts in EUR thousand	**2017**	**2016**
Revenue	41,121	16,811
Gross profit	5,914	5,950
Gross profit (%)	14.4%	35.4%
a-Gross profit	5,907	5,950
a-Gross profit (%)	14.4%	35.4%
EBITDA	-6,365	-5,455
EBITDA (%)	-15.5%	-32.5%
a-EBITDA	-6,108	-957
a-EBITDA (%)	-14.9%	-5.7%
EBIT	-7,258	-6,640
EBIT (%)	-17.7%	-39.5%
a-EBIT	-7,001	-2,142
a-EBIT (%)	-17.0%	-12.7%
Profit/ Loss (-) before income tax	-7,212	2,589

-
- *All percentages are vs. revenue*

Subsequent events

1. At the beginning of 2018, an anti-dumping duty (AD) investigation of large diameter welded pipe (nominal diameter above 16.4") against Greece and five other countries (Canada, China, India, Korea and Turkey) was initiated by the U.S. Department of Commerce based on petitions filed by six U.S. producers. Subsequently as a result of the above petitions, the United States International Trade Commission (USITC) determined affirmatively that there is a reasonable indication of material injury to the domestic U.S. industry by reason of imports of large diameter welded pipe from Canada, China, India, Korea and Turkey. For imports of large diameter welded pipe from Greece the USITC determined that there is a reasonable indication of threat of material injury to the domestic U.S. industry. Corinth Pipeworks is actively participating in and subject to the AD investigation, as the sole

producer of large diameter welded pipe in Greece. Furthermore, it is mentioned that in the ordinary course of things the antidumping investigations are normally lengthy, taking more than eight months to complete. Any assessment of the impact of the above investigation towards Corinth Pipeworks', Cenergy Holdings' subsidiary, financial results is considered as premature.

On 8 March 2018, the US administration exercised its authority under Section 232 of the Trade Expansion Act of 1962 to impose a 25 percent tariff on steel imports and a 10 percent tariff on aluminum imports in United States of America, with exemptions for Canada and Mexico. Based on these proclamations, US Customs and Border Protection will begin collecting the applicable tariffs on 23 March 2018. On 18 March 2018, the U.S. Department of Commerce (DOC) announced the process for submission of requests for products exclusion from the tariffs on steel and aluminum product imports. The DOC published the procedures in the Federal Register and started accepting exclusion requests from U.S. industry on 19 March 2018.

Cenergy Holdings is closely monitoring the situation and the new market conditions, as it does on a regular basis, since Corinth Pipeworks is an established supplier in the US steel pipes market. It is noted that the subsidiary mainly supplies products to its US customers that cannot be manufactured in the US, such as 26-inch pipelines. Corinth Pipeworks has already initiated all actions required in cooperation with its US customers in order for them to obtain relief from the tariffs on imports of steel pipes since the products sold in the US market by Corinth Pipeworks are customized unique products which are not produced by local US pipe mills.

Despite the uncertainty surrounding the steel market today, based on the current assessment of available information, the above facts will have limited impact on Corinth Pipeworks', Cenergy Holdings' subsidiary, financial results due to the actions undertaken in order to secure Company's financial position and mitigate any potential adverse effects.

2. Following the signing of an agreement to acquire 50% of Netherlands-based NedZink B.V. and after approval by the competition authorities, Elvalhalcor will contribute EUR 15 million in order to establish a joint venture with the aim of developing titanium zinc.

3. ElvalHalcor signed an agreement with SMS group GmbH based in Germany for the procurement of a four-stand tandem aluminium hot finishing mill for the production unit in Oinofyta, Viotia. This action is included in the broader investment program of Euro 150 mil. for machinery and infrastructure, which has been announced by Elvalhalcor in the context of the agreement with the European Investment Bank on 20 December 2017 for funding.

There are no subsequent events affecting the consolidated financial information presented in this press release.

Statement of the Auditor

The statutory auditor, KPMG Bedrijfsrevisoren - Réviseurs d'Entreprises, represented by Benoit Van Roost, has confirmed that the audit procedures on the consolidated financial statements, which have been substantially completed, have not revealed any material misstatement in the accounting information included in the Company's annual announcement.

Financial Calendar

Date	Publication / Event
15 May 2018	Presentation of 2017 financial results to the analysts (Athens Stock Exchange)
29 May 2018	Annual General Meeting 2018
27 September 2018	Half Yearly 2018 results

The Annual Financial Report for the period 1 January 2017 – 31 December 2017 will be published on 30 April 2018 and will be posted on the Company's website, www.viohalco.com, on the website of the Euronext Brussels www.euronext.com, as well as on the Athens Stock Exchange website www.helex.gr.

About Viohalco

Viohalco is the Belgium based holding company of a number of leading metal processing companies in Europe. It is listed on Euronext Brussels (VIO) and the Athens Stock Exchange (BIO). Viohalco's subsidiaries specialise in the manufacture of aluminium, copper, cables, steel and steel pipes products, and are committed to the sustainable development of quality, innovative and value added products and solutions for a dynamic global client base. With production facilities in Greece, Bulgaria, Romania, Russia, Australia, FYROM, Turkey and the United Kingdom, Viohalco companies collectively generate annual revenue of EUR 3.7 billion. Viohalco's portfolio includes a dedicated technology and R&D segment, as well as recycling activities and waste management services. In addition, Viohalco and its companies own real estate investment properties, mainly in Greece, which generate additional income through their commercial development.

For more information, please visit our website at www.viohalco.com.

Contacts

For further information, please contact:

Sofia Zairi
Head of Investor Relations
Tel: +30 210 6787111, 6787773
Email: ir@viohalco.com

Appendix A – Consolidated statement of profit or loss

	For the year ended 31 December	
Amounts in EUR thousand	2017	2016
Continuing operations		
Revenue	**3,721,311**	**3,119,198**
Cost of sales	-3,371,713	-2,831,643
Gross profit	**349,597**	**287,555**
Selling and distribution expenses	-66,351	-65,197
Administrative expenses	-109,773	-105,188
Other income / expenses	-6,021	-7,118
EBIT	**167,452**	**110,052**
Finance income	2,019	10,367
Finance costs	-112,451	-112,423
Net finance income/costs (-)	**-110,432**	**-102,056**
Share of profit/loss (-) of equity-accounted investees, net of tax	-181	-1,240
Profit/Loss (-) before income tax	**56,839**	**6,756**
Income tax	26,956	-13,685
Profit/Loss (-) from continuing operations	**83,794**	**-6,930**
-	-	
Profit/Loss (-) attributable to:		
Owners of the Company	73,680	-6,383
Non-controlling interest	10,114	-546
	83,794	**-6,930**
Earnings per share (in euro per share)		
Basic and diluted	0.28	-0.03

Segmental Information

2017	Aluminium	Copper	Cables	Steel	Steel pipes	Real Estate	Recycling	Other activities	Total
Revenue	**1,206,018**	**930,804**	**407,971**	**765,243**	**294,991**	**9,159**	**66,005**	**41,121**	**3,721,311**
Gross profit	116,887	76,128	33,984	70,656	23,511	3,493	19,024	5,914	**349,597**
EBIT	69,260	44,232	17,452	35,956	2,332	1,298	4,179	-7,258	**167,452**
Finance income	489	8	700	395	9	1	11	406	**2,019**
Finance costs	-17,852	-24,551	-22,612	-32,477	-10,893	-1,188	-2,519	-360	**-112,451**
Share of profit/loss (-) of equity-accounted investees, net of tax	125	-150	-	-560	402	-	-	-	**-181**
Profit/Loss (-) before income tax	**52,022**	**19,539**	**-4,459**	**3,315**	**-8,149**	**112**	**1,672**	**-7,212**	**56,839**
Income tax	-15,485	14,292	594	23,114	6,370	-453	-471	-1,006	**26,956**
Profit/Loss (-) from continuing operations	**36,537**	**33,831**	**-3,865**	**26,428**	**-1,779**	**-341**	**1,201**	**-8,218**	**83,794**

2016	Aluminium	Copper	Cables	Steel	Steel pipes	Real Estate	Recycling	Other activities	Total
Revenue	**1,078,173**	**751,340**	**381,492**	**546,769**	**293,368**	**6,544**	**44,702**	**16,811**	**3,119,198**
Gross profit	101,351	55,252	30,477	45,584	33,174	626	15,140	5,950	**287,555**
EBIT	57,600	25,274	15,049	8,604	18,972	-10,102	1,295	-6,640	**110,052**
Finance income	134	445	163	1,063	453	51	7	8,052	**10,367**
Finance costs	-21,869	-25,458	-21,093	-31,691	-10,666	-608	-2,215	1,178	**-112,423**
Share of profit/loss (-) of equity-accounted investees, net of tax	250	-12	-	-444	-1,034	-	-	-	**-1,240**
Profit/Loss (-) before income tax	**36,114**	**248**	**-5,882**	**-22,468**	**7,725**	**-10,659**	**-913**	**2,589**	**6,756**
Income tax	-11,432	-823	-2,805	3,830	-3,791	5,922	-328	-4,258	**-13,685**
Profit/Loss (-) from continuing operations	**24,683**	**-575**	**-8,687**	**-18,638**	**3,934**	**-4,737**	**-1,241**	**-1,668**	**-6,930**

Appendix B – Consolidated statement of financial position

Amounts in EUR thousand	As at 31 December 2017	31 December 2016
ASSETS		
Non-current assets		
Property, plant and equipment	1,743,632	1,783,156
Intangible assets and goodwill	26,531	24,657
Investment property	165,247	155,553
Equity - accounted investees	16,956	17,594
Other investments	7,949	7,658
Derivatives	262	253
Trade and other receivables	6,346	6,320
Deferred tax assets	18,785	14,731
	1,985,709	**2,009,922**
Current assets		
Inventories	1,005,867	857,419
Trade and other receivables	509,740	576,187
Derivatives	7,606	7,933
Assets held for sale	4,223	-
Other investments	1,624	1,633
Income tax receivables	1,082	1,332
Cash and cash equivalents	168,239	171,784
	1,698,380	**1,616,288**
Total assets	**3,684,089**	**3,626,210**
EQUITY		
Equity attributable to owners of the Company		
Share capital	141,894	141,894
Share premium	457,571	457,571
Translation reserve	-24,535	-18,847
Other reserves	415,424	395,563
Retained earnings	116,279	81,525
	1,106,633	**1,057,706**
Non-controlling interests	122,586	90,533
Total equity	**1,229,218**	**1,148,238**
LIABILITIES		
Non-current liabilities		
Loans and borrowings	718,716	804,723
Derivatives	1,281	4,366
Employee benefits	29,724	26,868
Grants	43,088	46,468
Provisions	4,416	3,863
Trade and other payables	18,292	12,477
Deferred tax liabilities	98,312	147,763
	913,829	**1,046,529**
Current liabilities		
Loans and borrowings	977,071	894,491
Trade and other payables	544,414	506,804
Current tax liabilities	10,029	19,875
Derivatives	8,878	9,858
Provisions	650	415
	1,541,041	**1,431,442**
Total liabilities	**2,454,871**	**2,477,971**
Total equity and liabilities	**3,684,089**	**3,626,210**

Appendix C – Alternative Performance Measures (APMs)

Introduction

Viohalco management has adopted, monitors and reports internally and externally P&L APMs, namely EBITDA, EBIT, Adjusted Gross Profit (a-Gross Profit), Adjusted EBITDA (a-EBITDA) and Adjusted EBIT (a-EBIT) on the basis that they are appropriate measures reflecting the underlying performance of the business. These APMs are also key performance metrics on which Viohalco prepares, monitors and assesses its annual budgets and long-range (5 year) plans. However, it must be noted that adjusted items should not be considered as non-operating or non-recurring.

Relating to Balance Sheet items, VIOHALCO management monitors and reports the net debt measure.

General Definitions

EBITDA

EBITDA is defined as income from continuing operations before:

- income taxes,
- Share of profit/loss of equity-accounted investees, net of tax
- net finance costs,
- depreciation and amortization

EBIT

EBIT is defined as income from continuing operations before:

- income taxes,
- Share of profit/loss of equity-accounted investees, net of tax
- net finance costs

a-EBITDA

a-EBITDA is defined as income from continuing operations before:

- income taxes,
- net interest cost,
- depreciation and amortization

as adjusted to exclude:

- metal price lag,
- restructuring costs,
- exceptional idle costs,
- impairment / reversal of impairment of fixed and intangible assets
- impairment / reversal of impairment of investments

- unrealized gains or losses on derivatives and on foreign exchange differences,
- gains/losses from sales of fixed assets, intangible assets and investments,
- exceptional litigation fees and fines,
- exceptional provisions on receivables along with the respective insurance income and
- other exceptional or unusual items

a-EBIT

a-EBIT is defined as income from continuing operations before:

- income taxes,
- net interest cost,

as **adjusted to exclude** items same to those of a-EBITDA

a-Gross Profit

a-Gross Profit is Gross Profit as adjusted to exclude:

- metal price lag,
- restructuring costs (if included in Gross Profit),
- exceptional idle costs,
- other exceptional or unusual items (if included in Gross Profit)

Readers' attention is drawn to the fact that EBITDA and EBIT account for net finance costs, while a-EBITDA and a-EBIT account for net interest costs.

Net Debt

Net Debt is defined as the total of:

- Long term borrowings,
- Short term borrowings,

Less :

- Cash and cash equivalents.

Metal Price Lag

Metal price lag is the P&L effect resulting from fluctuations in the market prices of the underlying commodity metals (ferrous and non-ferrous) which VIOHALCO's subsidiaries use as raw materials in their end-product production processes.

Metal price lag exists due to:

- **(i)** the period of time between the pricing of purchases of metal, holding and processing the metal, and the pricing of the sale of finished inventory to customers,
- **(ii)** the effect of the inventory opening balance (which in turn is affected by metal prices of previous periods) on the amount reported as Cost of Sales, due to the costing method used (e.g. weighted average),
- **(iii)** certain customer contracts containing fixed forward price commitments which result in exposure to changes in metal prices for the period of time between when our sales price fixes and the sale actually occurs.

Most **VIOHALCO's** subsidiaries use back to back matching of purchases and sales, or derivative instruments in order to minimize the effect of the Metal Price Lag on their results. However, there will be always some impact (positive or negative) in the P&L, since in the non-ferrous segments (i.e. Aluminum, Copper and Cables) part of the inventory is treated as being kept on a permanent basis (minimum operating stock), and not hedged and in the ferrous (i.e. Steel and Steel Pipes) segments no commodities hedging occurs.

Reconciliation Tables

EBIT and EBITDA

	For the year ended 31 December	
Amounts in EUR thousand	**2017**	**2016**
EBT (as reported in Statement of Profit or Loss)	**56,839**	**6,756**
Adjust for:		
Share of profit/loss (-) of equity-accounted investees, net of tax	181	1,240
Finance Income/Cost	110,432	102,056
EBIT	**167,452**	**110,052**
Add back:		
Depreciation & Amortization	135,093	121,628
EBITDA	**302,546**	**231,680**

a-EBIT and a-EBITDA

Amounts in EUR thousand	For the year ended 31 December 2017	2016
EBT (as reported in Statement of Profit or Loss)	**56,839**	**6,756**
Adjustments for:		
Net interest cost	109,134	106,917
Metal price lag	-26,056	6,945
Restructuring expenses	99	2,820
Unrealized (gains (-) /losses on foreign currency balances and derivatives (fx and commodity)	1,120	3,282
Impairment/ Reversal of Impairment (-) on fixed assets and investment property	315	10,938
Impairment/ Reversal of Impairment (-) on investments	111	-
Exceptional provisions on receivables along with the respective insurance income	8,883	-1,419
Exceptional litigation fees and fines / income (-)	531	-902
Gains (-) /losses from sales of fixed assets, intangible assets and investment property	-837	-540
Bargain purchase on acquisition	-	-7,319
Other exceptional or unusual income (-) /expenses	-1,025	432
a-EBIT	**149,114**	**127,910**
Add back:		
Depreciation & Amortization	135,093	121,628
a-EBITDA	**284,207**	**249,537**

a- Gross Profit

Amounts in EUR thousand	For the year ended 31 December 2017	2016
Gross Profit (as reported in Statement of Profit or Loss)	**349,597**	**287,555**
Adjustments for:		
Metal price lag	-26,056	6,945
Restructuring expenses	99	-
Unrealized gains (-)/losses on foreign currency balances and derivatives (fx & commodity)	1,500	232
Exceptional litigation fees and fines	-	-
Other exceptional or unusual income (-)/expenses	-	344
a-Gross Profit	**325,140**	**295,077**

Net Debt

Amounts in EUR thousand	As at 31 December 2017	 31 December 2016
Long term Borrowings	718,716	804,723
Short term Borrowings	977,071	894,491
Total Debt	**1,695,787**	**1,699,214**
Less :		
Cash and cash equivalents	-168,239	-171,784
Net Debt	**1,527,548**	**1,527,430**