

**VIOHALCO**

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**FINANCIAL RESULTS**

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**FOR THE 6 MONTH PERIOD ENDED**

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**30 JUNE 2018**

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**REGULATED INFORMATION**

**INSIDE INFORMATION**

## FINANCIAL RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2018

Brussels, 27 September 2018 - Viohalco S.A. (Euronext Brussels: VIO, Athens Stock Exchange: BIO), hereafter "Viohalco" or "the Company", today announces its financial results for the six months ended 30 June 2018.

### Sustainable growth of the Viohalco companies

#### H1 2018 highlights

- Consolidated revenue up 19% year-on-year to EUR 2,186 million;
- Consolidated EBITDA broadly stable at EUR 169 million; consolidated a-EBITDA increased to EUR 143,6 million versus EUR 142,7 million in H1 2017;
- Consolidated profit before income tax broadly unchanged at EUR 46 million;
- Consolidated profit for the period up 35% year-on-year to EUR 40 million;
- Net debt of EUR 1,599 million versus EUR 1,528 million as at 31 December 2017, mainly due to new loans obtained to finance projects in the cables and steel pipes segments and to increased working capital needs.

#### Overview

The first half of 2018 has been characterised by a number of positive developments across Viohalco's key segments. Sales volumes and revenue increased in both aluminium and copper segments, supported mainly by increased demand, but also metal prices. The steel segment saw improved sales volumes and price growth, along with a higher plant utilisation rates and productivity, following the completion of the strategic investment in Dojran Steel's rolling mill in 2017. In the steel pipes segment, revenue increased as Corinth Pipeworks executed a series of significant projects during the period, mainly for the offshore market. The performance of the cables segment was stable year-on-year, as delays in project implementation negatively impacted plant utilisation levels. H1 2018 was a strong period for the real estate segment, with all major projects performing well.

Throughout H1 2018, ElvalHalcor continued to implement its EUR 150 million investment programme in equipment, technology and infrastructure, with the aim of increasing production capacity at its aluminium rolling division.

#### Financial overview

**Viohalco consolidated revenue** amounted to EUR 2,186 million in H1 2018, up 19% from EUR 1,836 million in H1 2017. This is mainly due to increased sales volumes, but also metal prices.

**Consolidated EBITDA** remained broadly stable and amounted to EUR 169 million in H1 2018. **Consolidated a-EBITDA** slightly increased to EUR 143.6 million in H1 2018, compared to EUR 142.7 million.

**Net finance costs** down 2% to EUR 55 million in H1 2018.

**Consolidated profit for the period** amounted to EUR 40 million, 35% higher than in H1 2017 (EUR 30 million), driven by lower tax expenses. In H1 2018, deferred tax assets arising from tax losses carried forward and thin capitalization rules (equal to EUR 5 million) were recognised, while the tax expense in H1 2017 included a one-off charge of EUR 7 million.

## Summary consolidated statement of profit or loss

<i>Amounts in EUR thousands</i>	For the six months ended 30 June	
	2018	2017
<b>Revenue</b>	<b>2,185,828</b>	<b>1,835,629</b>
<b>Gross profit</b>	<b>191,439</b>	<b>191,041</b>
Gross profit (%)	8.8%	10.4%
<b>a-Gross profit</b>	<b>173,538</b>	<b>165,684</b>
a-Gross profit (%)	7.9%	9.0%
<b>EBITDA</b>	<b>169,297</b>	<b>169,735</b>
EBITDA (%)	7.7%	9.2%
<b>a-EBITDA</b>	<b>143,560</b>	<b>142,684</b>
a-EBITDA (%)	6.6%	7.8%
<b>EBIT</b>	<b>100,815</b>	<b>102,843</b>
EBIT (%)	4.6%	5.6%
<b>a-EBIT</b>	<b>75,078</b>	<b>75,792</b>
a-EBIT (%)	3.4%	4.1%
<b>Net finance costs</b>	<b>-54,742</b>	<b>-55,616</b>
<b>Profit before income tax</b>	<b>45,947</b>	<b>46,565</b>
Net margin before income tax (%)	2.1%	2.5%
<b>Profit of the period</b>	<b>40,214</b>	<b>29,764</b>
<b>Profit attributable to owners of the Company</b>	<b>37,688</b>	<b>24,070</b>

**Capital expenditure for the period** amounted to EUR 77 million, with **depreciation** at EUR 70 million.

**Current assets** are equal to EUR 2,061 million in H1 2018, up 21% since 31 December 2017 (EUR 1,698 million). This increase is largely due to a rise in the receivables balance, driven by higher sales in aluminium, copper, steel and steel pipes segments and also driven by higher London Metal Exchange (LME) metal prices.

**Liabilities** increased from EUR 2,455 million at year end 2017 to EUR 2,800 million in H1 2018, mostly driven by the increase in purchases and in LME metal prices.

Viohalco companies' **debt** amounted to EUR 1,798 million of which 41% relates to long-term facilities and 59% accounts for short-term facilities. Short-term facilities comprise predominately revolving credit facilities. These facilities are annually reviewed at various dates throughout the year. Currently, Viohalco's subsidiaries are concluding with the major bank lenders the reprofiling of significant portion of their debt from short to long term.

## Summary consolidated statement of financial position

<i>Amounts in EUR thousands</i>	As at	
	30 June 2018	31 December 2017
<b>ASSETS</b>		
Property, plant and equipment	1,747,599	1,743,632
Investment property	166,809	165,247
Other non-current assets	92,295	76,830
<b>Non-current assets</b>	<b>2,006,703</b>	<b>1,985,709</b>
Inventories	1,108,652	1,005,867
Trade and other receivables (incl.contract assets)	736,868	509,740
Cash and cash equivalents	198,356	168,239

Other current assets	17,315	14,534
<b>Current assets</b>	<b>2,061,191</b>	<b>1,698,380</b>
<b>TOTAL ASSETS</b>	<b>4,067,894</b>	<b>3,684,089</b>
<b>EQUITY</b>	<b>1,267,621</b>	<b>1,229,218</b>
<b>LIABILITIES</b>		
Loans and borrowings	744,598	718,716
Deferred tax liabilities	104,020	98,312
Other non-current liabilities	88,867	96,801
<b>Non-current liabilities</b>	<b>937,485</b>	<b>913,829</b>
Loans and borrowings	1,053,054	977,071
Trade and other payables (incl.contract liabilities)	787,439	544,414
Other current liabilities	22,296	19,557
<b>Current liabilities</b>	<b>1,862,788</b>	<b>1,541,041</b>
<b>TOTAL LIABILITIES</b>	<b>2,800,273</b>	<b>2,454,871</b>
<b>TOTAL EQUITY &amp; LIABILITIES</b>	<b>4,067,894</b>	<b>3,684,089</b>

## Performance by business segment

### Aluminium

The companies in the **aluminium** segment produce 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 H1 2018, revenue for the aluminium segment increased by 13% year-on-year to EUR 685 million. This was mainly due to an increase in sales volumes and, to a lesser degree, an increase in metal prices. The result attributable to the metal price amounted to a profit of EUR 8.8 million in H1 2018 versus EUR 19.0 million in H1 2017, affecting the profit before tax in H1 2018 of EUR 26 million, down from EUR 35 million in H1 2017.

- ElvalHalcor's EUR 150 million aluminium rolling division investment programme is progressing to schedule and agreements with European Investment Bank and Commerzbank have been signed to secure the necessary funding. As already announced, ElvalHalcor will use this investment to fortify its position in the aluminium markets for packaging, transportation means, industrial and architectural applications, laying the foundation for further development in the automotive and aerospace industries. Regarding the evolution of demand, this positive trend is expected to continue.
- Etem Bulgaria has realised a 13% increase in sales volumes compared to last year, while its revenue increased by 21%, supported further by higher LME prices. Three new automotive projects were awarded to the Company in H1 2018, further strengthening the product portfolio and the targeted future sales expansion.
- Bridgnorth Aluminium's aluminium rolled products sales volumes in H1 2018 were up 16% on the same period in 2017, driven mainly by increased sales in the lithographic segment.

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

Summary consolidated figures for the aluminium segment	For the six months ended 30 June	
Amounts in EUR thousands	2018	2017
<b>Revenue</b>	685,304	604,567
<b>Gross profit</b>	68,040	69,566
Gross profit (%)	9.9%	11.5%
<b>a-Gross profit</b>	58,242	51,420
a-Gross profit (%)	8.5%	8.5%

<b>EBITDA</b>	66,122	71,602
EBITDA (%)	9.6%	11.8%
<b>a-EBITDA</b>	56,423	52,666
a-EBITDA (%)	8.2%	8.7%
<b>EBIT</b>	37,214	43,907
EBIT (%)	5.4%	7.3%
<b>a-EBIT</b>	27,515	24,971
a-EBIT (%)	4.0%	4.1%
<b>Profit before income tax</b>	26,431	35,269

-All percentages are vs. revenue

In H2 2018, the positive trend in demand is expected to continue and US trade policy is not forecasted to negatively affect the business performance of the aluminium rolling division. For Etem, strong demand for extrusion products is forecasted for H2 2018 and the capacity is expected to be fully utilized in both plants (Magoula, Greece and Sofia, Bulgaria). Finally, for Bridgnorth Aluminium, a solid pipeline of orders is in place for the second half of the year.

## 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.

During H1 2018, the copper segment saw significant growth in sales volumes which, along with a 7.6% increase in metal price, positively affected the segment's revenue during the period. In H1 2018, revenue for the copper segment amounted to EUR 545 million, increased by 14% versus H1 2017, while profit before income tax amounted to EUR 16 million (H1 2017: EUR 15 million).

- Following the completion of the approvals phase of the joint venture in Nedzink S.A. in the Netherlands, the first capital installment has been paid and the investment programme is expected to proceed as scheduled.
- During the reporting period, continued strong global demand for copper rolled products and copper bus bars allowed Sofia Med, which produces both product categories, to generate double-digit growth in revenue.

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

Summary consolidated figures for the copper segment		For the six months ended 30 June	
<i>Amounts in EUR thousands</i>		2018	2017
<b>Revenue</b>		544,860	476,838
<b>Gross profit</b>		44,193	44,913
Gross profit (%)		8.1%	9.4%
<b>a-Gross profit</b>		38,014	36,294
a-Gross profit (%)		7.0%	7.6%
<b>EBITDA</b>		31,322	33,256
EBITDA (%)		5.7%	7.0%
<b>a-EBITDA</b>		24,957	24,697
a-EBITDA (%)		4.6%	5.2%
<b>EBIT</b>		25,462	27,587
EBIT (%)		4.7%	5.8%
<b>a-EBIT</b>		19,097	19,028
a-EBIT (%)		3.5%	4.0%
<b>Profit before income tax</b>		15,711	15,327

-All percentages are vs. revenue

Looking to H2 2018, performance of the copper segment will largely depend on the continuation of the positive trends observed in international markets. The segment's primary strategic targets continue to be:

- Expansion through an increase in European exports, as well as markets outside of Europe;
- Increased market share of the Group's industrial products;
- The strengthening of activity in new markets;
- Completion of the investment programme to increase capacity, which remains a high priority.

## 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.*

In H1 2018, revenue in the segment rose by 23% to EUR 470 million versus EUR 381 million in H1 2017. The year-on-year increase was driven mainly by growth in sales volumes and prices, with the latter attributable to the increase in the global scrap price and the price of graphite electrodes. Furthermore, higher utilisation rates and productivity, along with cost and supply chain efficiencies, have led to higher profitability in the segment. Profit before income tax amounted to EUR 12 million in H1 2018, compared to EUR 0.4 million in H1 2017.

- Completion of the investment in Dojran Steel's Rolling Mill in Q3 2017 enabled it to produce a larger variety of merchant bars and release resources in the Sidenor plant. This has increased the production of wire rods and led to a significant rise in the utilisation rates of both plants, helping to lower production costs and boost profit margins compared to H1 2017.
- The continued development of Special Bar Quality Steels (SBQ) by Stomana Industry has strengthened the market position of the Viohalco's steel segment in the industrial components and special engineering steels market.
- The Greek steel market remained stable, as an increase in commercial and tourism-related building activity offset the negative effect of the delayed completion of large infrastructure projects. Increased demand in Bulgaria, Romania and Cyprus led to increased sales volumes in these markets, enabling the steel segment to establish a stronger presence in the Balkans and strengthen its market share in Romania.

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

Summary consolidated figures for the steel segment <i>Amounts in EUR thousands</i>	For the six months ended 30 June	
	2018	2017
<b>Revenue</b>	469,815	381,148
<b>Gross profit</b>	36,883	36,774
Gross profit (%)	7.9%	9.6%
<b>a-Gross profit</b>	34,739	39,700
a-Gross profit (%)	7.4%	10.4%
<b>EBITDA</b>	46,436	36,170
EBITDA (%)	9.9%	9.5%
<b>a-EBITDA</b>	34,027	38,075
a-EBITDA (%)	7.2%	10.0%
<b>EBIT</b>	28,069	17,623
EBIT (%)	6.0%	4.6%
<b>a-EBIT</b>	15,660	19,528
a-EBIT (%)	3.3%	5.1%
<b>Profit before income tax</b>	11,930	401

*-All percentages are vs. revenue*

The positive trends in the segment are expected to continue in H2 2018, driven by higher prices and continued focus on operational efficiency and higher capacity utilisation. The segment will continue its efforts to strengthen its presence in the Balkans, while drawing emphasis on increasing the utilisation rates and aiming at commercial and operational excellence. Business process re-engineering in the production and the supply-chain will mainly drive the segment's actions in H2 2018.

## Steel pipes

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

**Revenue** amounted to EUR 221 million in H1 2018, a 73% increase year-on-year (H1 2017: EUR 128 million). During H1 2018, Corinth Pipeworks executed a series of significant projects, mainly for the offshore market, such as the delivery of pipes for the off-shore pipeline constructions in the East Mediterranean area, as well as for the connection of Estonia with Finland. **Profit before income tax** amounted to EUR 5 million in the first half of 2018, compared to EUR 2.5 million in H1 2017.

- Corinth Pipeworks' pipes connected Asia to Europe through the Trans Anatolia Natural Gas Pipeline ('TANAP') and commenced delivery of the 26" HFW steel pipes for the Cactus II pipeline. The latter is a project commissioned by a subsidiary of Plains All American Pipeline LP, which covers approximately 750 km.
- Agreements were signed between Corinth Pipeworks and TechnipFMC for the manufacture and supply of steel pipes for Energean's Karish gas field development in the South Eastern Mediterranean.

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

Summary consolidated figures for the steel pipes segment <sup>(1)</sup>	For the six months ended 30 June	
	2018	2017
<i>Amounts in EUR thousands</i>		
<b>Revenue</b>	220,968	127,732
<b>Gross profit</b>	16,546	13,311
Gross profit (%)	7.5%	10.4%
<b>a-Gross profit</b>	16,546	13,358
a-Gross profit (%)	7.5%	10.5%
<b>EBITDA</b>	13,908	12,299
EBITDA (%)	6.3%	9.6%
<b>a-EBITDA</b>	14,106	12,239
a-EBITDA (%)	6.4%	9.6%
<b>EBIT</b>	9,283	7,764
EBIT (%)	4.2%	6.1%
<b>a-EBIT</b>	9,480	7,703
a-EBIT (%)	4.3%	6.0%
<b>Profit before income tax</b>	4,946	2,501

-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 interim report of Cenergy Holdings, mainly due to the following reasons:

- Consolidation accounting entries or intercompany eliminations.
- The cables and steel pipes segments in Viohalco also include results from the trading subsidiaries which are not part of Cenergy Holdings.

Uncertainty in the steel pipes business stems from the ongoing anti-dumping duty investigation initiated by the US administration in relation to imports of large diameter welded pipe from Greece and five other countries, as well as tariffs imposed under Section 232 on steel and aluminium products. Actions and initiatives undertaken by Corinth Pipeworks, in order to secure its competitive and financial position are expected to mitigate any adverse effect.

The stabilisation of oil and gas prices at higher levels, than those observed in the past, is also expected to boost investment in the energy sector, increasing the likelihood that many of the planned oil and gas pipelines will be implemented. Due to its significant production capacity, its product diversification and its ability to offer unique and high-end products, Corinth Pipeworks, having already secured a strong backlog of profitable projects, is well positioned to leverage such opportunities in the energy market.

## Cables

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

During H1 2018, many delays were witnessed to the allocation of a number of previously scheduled projects, which remained in the tendering phase. As a result of this, the Fulgor plant continued to operate at low utilisation capacity during H1 2018 which adversely affected results for the period. Revenue in the cables segment amounted to EUR 222 million in H1 2018, up 12% year-on-year (H1 2017: EUR 198 million). Loss before income tax amounted to EUR 8 million, compared to a loss of EUR 4 million in H1 2017.

- Fulgor began the execution of a contract with Dredging International NV, a member of DEME Group, for the supply of high voltage submarine systems connecting offshore windfarms in the Belgian part of the North Sea with the onshore high voltage grid on the mainland at Zeebrugge (the “MOG” project). The contract is valued at approximately EUR 70 million.
- The installation of significant offshore cable connections in North Europe continued and the delivery of cables for the interconnection of an offshore wind farm in the UK was completed.
- The association of economic operators Hellenic Cables - Fulgor awarded a turnkey project for the second phase of the interconnection of the Cyclades Islands in Greece, with an approximate value of EUR 40 million. With the exception of this project, during H1 2018, no other significant projects were awarded in the relevant high-voltage markets, as certain projects were postponed to the second half of the year.

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

Summary consolidated figures for the cables segment <sup>(1)</sup> <i>Amounts in EUR thousands</i>	For the six months ended 30 June	
	2018	2017
<b>Revenue</b>	222,202	197,577
<b>Gross profit</b>	16,027	15,078
Gross profit (%)	7.2%	7.6%
<b>a-Gross profit</b>	16,247	13,517
a-Gross profit (%)	7.3%	6.8%
<b>EBITDA</b>	10,709	12,995
EBITDA (%)	4.8%	6.6%
<b>a-EBITDA</b>	12,931	11,657
a-EBITDA (%)	5.8%	5.9%
<b>EBIT</b>	3,894	6,618
EBIT (%)	1.8%	3.3%
<b>a-EBIT</b>	6,116	5,280
a-EBIT (%)	2.8%	2.7%
<b>Loss before income tax</b>	-8,140	-4,412

-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 interim report of Cenergy Holdings, mainly due to the following reasons:

- Consolidation accounting entries or intercompany eliminations.
- The cables and steel pipes segments in Viohalco also include results from the trading subsidiaries which are not part of Cenergy Holdings.



Looking ahead, high demand for new offshore projects in Europe, primarily in the North Sea and Southern Europe, is expected to drive growth in the cables segment. This projection is supported by the recent award of several projects, such as Hollandse Kust (South) Alpha and Beta projects amounting to around EUR 105 million.

On top of that, the execution of new projects, including phase two of the interconnection of the Cyclades Islands and the ongoing MOG project, together with improved outlook in the commodities business, are expected to drive positive momentum in H2 2018. Key milestone in the period will be the completion of the new investment programme in Fulgor, which is required to support future growth.

Furthermore, in September 2018 the Independent Hellenic Transmission Operator (ADMIE) awarded Fulgor a contract of approx. EUR 140 mil. to supply and install one of the two submarine cables to connect the island of Crete to the national power transmission grid in Peloponnese, as well as all required underground cables to connect both submarine cables to the national power transmission grid on the side of Peloponnese. Hellenic Cables was also awarded by ADMIE a contract of approx. EUR 41 mil. for the supply and installation of required underground cables for the connection of the two submarine cables to the power grid of Crete.

## 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.).*

In H1 2018, **revenue** for the segment increased by 10% year-on-year to EUR 3.8 million. **Loss before income tax** amounted to EUR 0.6 million (H1 2017: EUR 0.8 million).

In H1 2018, the Real Estate segment observed a number of significant developments and positive trends:

- The River West | IKEA Shopping Center continued to outperform experiencing a 15% increase in footfall and a 25% increase in revenue. Capitalizing on these positive trends, design and expansion plans have begun, while construction works relating to the lease agreement with the retailer, Zara, for a 2,500 sqm store have also commenced.
- Mare West Retail Park reported a 10% increase in footfall and a 6% increase in revenue during the period. To further enhance its positive dynamics, the sea front landscaping and upgrading project was completed in parallel with the completion of construction works of the Volta Fun Park indoor and outdoor amusement space. Additionally, a lease agreement with French retailer, Decathlon, was signed for a 1,760 sqm store.
- The performance of the “Wyndham Grand Athens” hotel exceeded the expectations with revenue approximately 25% higher than budgeted and 47% higher year-on-year.
- Renovation works on the former office building on Agiou Konstantinou street were completed and operation as an aparthotel named “K29” commenced. Revenues of K29 were approximately 35% higher in H1 2018 than those budgeted.
- Construction works on the two office buildings on Apostolopoulou Street, Halandri and Kifissias Avenue, Athens commenced, with estimated completion dates in November 2018 and March 2019, respectively. A lease agreement with TAXIBEAT for approximately 4,500 sq.m. of office space was signed. Negotiations with several other interested tenants for both developments are at advanced stages and a satisfactory occupancy level is expected by the time both assets are completed.
- The real estate portfolio was enriched by an additional office building through the signing of a financial lease agreement. This new office building is to be used as the head office of the companies of the real estate segment.
- An updated application (initially filed in June 2017) was submitted to the Hellenic Capital Market Commission (HCMC) for a license to establish a REIC. The new company is expected to be established before the end of the year.

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

Summary consolidated figures for the real estate segment	For the six months ended 30 June	
Amounts in EUR thousands	2018	2017
<b>Revenue</b>	3,835	3,487
<b>Gross profit</b>	1,509	458
Gross profit (%)	39.4%	13.1%
<b>a-Gross profit</b>	1,509	458
a-Gross profit (%)	39.4%	13.1%
<b>EBITDA</b>	2,212	1,640
EBITDA (%)	57.7%	47.0%
<b>a-EBITDA</b>	2,212	1,690
a-EBITDA (%)	57.7%	48.5%
<b>EBIT</b>	68	-501
EBIT (%)	1.8%	-14.4%
<b>a-EBIT</b>	68	-452
a-EBIT (%)	1.8%	-13.0%
<b>Loss before income tax</b>	-648	-771

-All percentages are vs. revenue

H2 2018 is expected to be a milestone for the real estate segment. Developments currently in progress are scheduled to be either completed or close to completion, enhancing the real estate portfolio, both in terms of added value and additional rental income. During the coming period, further development plans are also expected to take their final form and assuming application approval, the establishment of the REIC is expected to result in Viohalco's real estate segment transformation.

## Recycling

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

**Revenue** in the recycling segment decreased by 8% year-on-year, while **loss before income tax** narrowed to EUR 0.4 million (H1 2017: EUR 1.3 million).

- The industrial waste unit recorded solid growth, driven by an increase in aggregates and secondary raw materials for road construction and cement production, while hazardous waste volume remained broadly stable.
- A new production line was completed in the Waste Electrical & Electronic Equipment (WEEE) segment, expanding its processing capabilities to include the treatment and depollution of refrigerators.
- The ban on scrap exports in Serbia was lifted towards the end of H1 2018. The local subsidiary is expected to resume normal trading activity in H2 2018.

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

Summary consolidated figures for the recycling segment	For the six months ended 30 June	
Amounts in EUR thousands	2018	2017
<b>Revenue</b>	28,567	31,053
<b>Gross profit</b>	7,551	11,054
Gross profit (%)	26.4%	35.6%
<b>a-Gross profit</b>	7,551	11,050
a-Gross profit (%)	26.4%	35.6%
<b>EBITDA</b>	2,057	3,930
EBITDA (%)	7.2%	12.7%
<b>a-EBITDA</b>	2,003	3,791

a-EBITDA (%)	7.0%	12.2%
<b>EBIT</b>	685	2,578
EBIT (%)	2.4%	8.3%
<b>a-EBIT</b>	632	2,438
a-EBIT (%)	2.2%	7.9%
<b>Profit/ Loss (-) before income tax</b>	-430	1,280

-All percentages are vs. revenue

## 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 3.9 million, compared to EUR 3 million in H1 2017. This was driven by higher administration expenses incurred by the parent company, as well as slightly weaker performance by the companies which operate in the Technology and R&D segment.

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

Summary consolidated figures for the other segment <i>Amounts in EUR thousands</i>	For the six months ended 30 June	
	2018	2017
<b>Revenue</b>	10,277	13,228
<b>Gross profit</b>	690	-113
Gross profit (%)	6.7%	-0.9%
<b>a-Gross profit</b>	690	-113
a-Gross profit (%)	6.7%	-0.9%
<b>EBITDA</b>	-3,468	-2,158
EBITDA (%)	-33.7%	-16.3%
<b>a-EBITDA</b>	-3,099	-2,129
a-EBITDA (%)	-30.2%	-16.1%
<b>EBIT</b>	-3,859	-2,733
EBIT (%)	-37.5%	-20.7%
<b>a-EBIT</b>	-3,489	-2,704
a-EBIT (%)	-34.0%	-20.4%
<b>Loss before income tax</b>	-3,853	-3,031

-All percentages are vs. revenue

## Outlook

The first half of 2018 has been characterised by a number positive developments across Viohalco's key segments, including increased demand in key markets, demand for large-scale offshore projects and favourable trends in metal prices. However, uncertainty around foreign trade policies and other political and economic issues continue to present risks to the performance of Viohalco's companies.

The companies remain focused on strengthening their position through ongoing investment programmes and the professional development of their employees, which have yielded significant positive results to date and have improved their resilience to external pressures. Across all segments, Viohalco companies remain committed to operational optimisation and technological innovation. As a result of this, Viohalco companies are increasingly well-positioned to take advantage of any improvements in market conditions in the second half of 2018.

## Statement of the Auditor

The condensed consolidated interim financial statements for the six-month period ended 30 June 2018 attached to this press release have been subject to a review by the statutory auditor.

## Financial Calendar

Date	Publication / Event
Viohalco's 2018 annual results press release	March 21, 2019
Ordinary General Meeting 2019	May 28, 2019
Viohalco's half yearly 2019 results	September 30, 2019

The Annual Financial Report for the period 1 January 2018 – 31 December 2018 will be published on 26 April 2019 and will be posted on the Company's website, [www.viohalco.com](http://www.viohalco.com), on the Euronext Brussels Exchange website [www.euronext.com](http://www.euronext.com), as well as on the Athens Stock Exchange website [www.helex.gr](http://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](http://www.viohalco.com).*

## Contacts

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## APPENDIX- ALTERNATIVE PERFORMANCE MEASURES (APMS)

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### Introduction

Viohalco management has adopted, monitors and reports internally and externally P&L alternative performance measures ('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

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**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

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**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

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**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**

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**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**

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**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**

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**Net Debt** is defined as the total of:

- Long term borrowings,
- Short term borrowings,

Less:

- Cash and cash equivalents.

## **Metal Price Lag**

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**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),and
- (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 of **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 inventory in the non-ferrous segments (i.e. Aluminum, Copper and Cables) is treated as being held on a permanent basis (minimum operating stock), and not hedged,in the ferrous segments (i.e. Steel and Steel Pipes), no commodities hedging occurs.

## Reconciliation Tables

### EBIT and EBITDA

<i>Amounts in EUR thousands</i>	For the period ended 30 June	
	2018	2017
<b>EBT (as reported in Statement of Profit or Loss)</b>	<b>45,947</b>	<b>46,565</b>
<b>Adjust for:</b>		
Share of profit/loss (-) of equity-accounted investees, net of tax	127	662
Finance Income/Cost	54,742	55,616
<b>EBIT</b>	<b>100,815</b>	<b>102,843</b>
<b>Add back:</b>		
Depreciation & Amortization	68,482	66,892
<b>EBITDA</b>	<b>169,297</b>	<b>169,735</b>

### a-EBIT and a-EBITDA

<i>Amounts in EUR thousands</i>	For the period ended 30 June	
	2018	2017
<b>EBT (as reported in Statement of Profit or Loss)</b>	<b>45,947</b>	<b>46,565</b>
<b>Adjustments for:</b>		
Net interest cost	54,346	55,792
Metal price lag	-17,734	-26,545
Unrealized (gains (-) /losses on foreign currency balances and derivatives (fx and commodity)	334	1,083
Impairment/ Reversal of Impairment (-) on fixed assets and investment property	36	-149
Exceptional litigation fees and fines / income (-)	110	0
Gains (-) /losses from sales of fixed assets, intangible assets and investment property	-370	-958
Out-of-court settlement	2,000	0
Gain from sale of EU ETS allowances (EUA's)	-9,822	0
Other exceptional or unusual income (-) /expenses	232	5
<b>a-EBIT</b>	<b>75,078</b>	<b>75,792</b>
<b>Add back:</b>		
Depreciation & Amortization	68,482	66,892
<b>a-EBITDA</b>	<b>143,560</b>	<b>142,684</b>

### a- Gross Profit

<i>Amounts in EUR thousands</i>	For the period ended 30 June	
	2018	2017
<b>Gross Profit (as reported in Statement of Profit or Loss)</b>	<b>191,439</b>	<b>191,041</b>
<b>Adjustments for:</b>		
Metal price lag	-17,734	-26,545
Unrealized gains (-)/losses on foreign currency balances and derivatives (fx & commodity)	-167	1,188
<b>a-Gross Profit</b>	<b>173,538</b>	<b>165,684</b>



## **Net Debt**

<i>Amounts in EUR thousands</i>	As at	
	30 June 2018	31 December 2017
Long term Borrowings	744,598	718,716
Short term Borrowings	1,053,054	977,071
<b>Total Debt</b>	<b>1,797,651</b>	<b>1,695,787</b>
<b>Less :</b>		
Cash and cash equivalents	-198,356	-168,239
<b>Net Debt</b>	<b>1,599,296</b>	<b>1,527,548</b>