VIOHALCO

INTERIM REPORT

FOR THE SIX MONTH PERIOD ENDED

30 JUNE 2018

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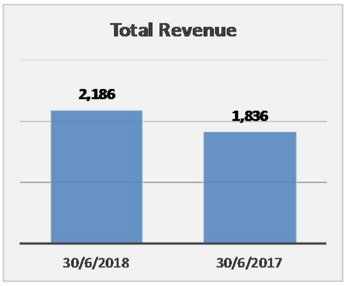
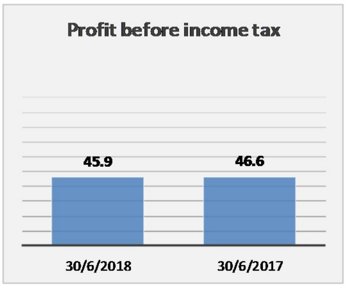
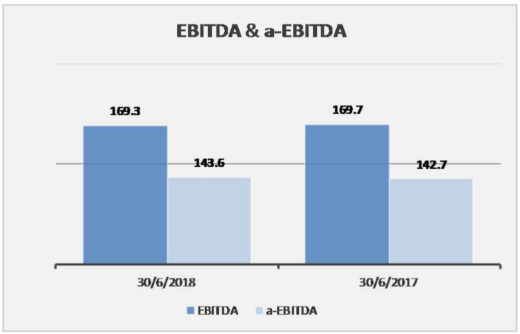
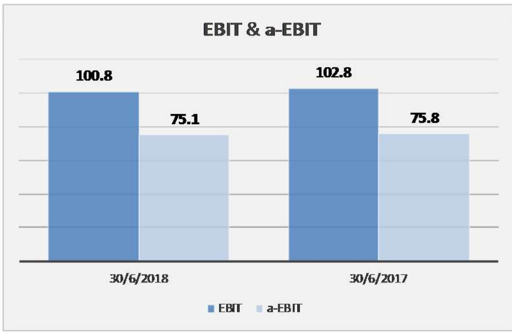
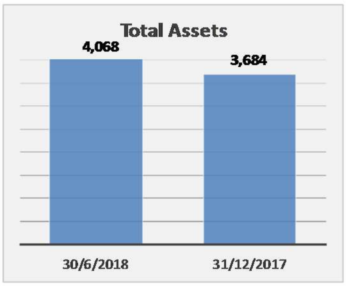
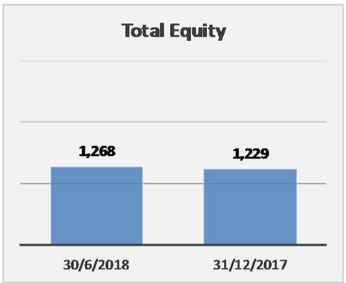

Total Revenue
2,186
1,836
30/6/2018
30/6/2017

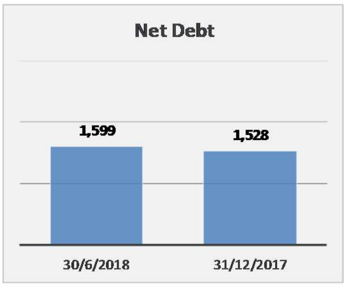

Profit before income tax
45.9
46.6
30/6/2018
30/6/2017


EBITDA & a-EBITDA
169.3
143.6
169.7
142.7
30/6/2018
30/6/2017
EBITDA
a-EBITDA


EBIT & a-EBIT
100.8
75.1
102.8
75.8
30/6/2018
30/6/2017
EBIT
a-EBIT


Total Assets
4,068
3,684
30/6/2018
31/12/2017


Total Equity
1,268
1,229
30/6/2018
31/12/2017


Net Debt
1,599
1,528
30/6/2018
31/12/2017

EUR million

This section focuses on Viohalco's business performance for the period ended 30 June 2018. Interim financial statements, prepared in accordance with IAS 34, are presented on pages 18 to 47.

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 at 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

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

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

Amounts in EUR thousands	As at 30 June 2018	31 December 2017
ASSETS		
Property, plant and equipment	1,747,599	1,743,632
Investment property	166,809	165,247
Other non-current assets	92,295	76,830
Non-current assets	**2,006,703**	**1,985,709**
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
Current assets	**2,061,191**	**1,698,380**
TOTAL ASSETS	**4,067,894**	**3,684,089**
EQUITY	**1,267,621**	**1,229,218**
LIABILITIES		
Loans and borrowings	744,598	718,716
Deferred tax liabilities	104,020	98,312
Other non-current liabilities	88,867	96,801
Non-current liabilities	**937,485**	**913,829**
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
Current liabilities	**1,862,788**	**1,541,041**
TOTAL LIABILITIES	**2,800,273**	**2,454,871**
TOTAL EQUITY & LIABILITIES	**4,067,894**	**3,684,089**

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**
Revenue	685,304	604,567
Gross profit	68,040	69,566
Gross profit (%)	9.9%	11.5%
a-Gross profit	58,242	51,420
a-Gross profit (%)	8.5%	8.5%
EBITDA	66,122	71,602
EBITDA (%)	9.6%	11.8%
a-EBITDA	56,423	52,666
a-EBITDA (%)	8.2%	8.7%
EBIT	37,214	43,907
EBIT (%)	5.4%	7.3%
a-EBIT	27,515	24,971
a-EBIT (%)	4.0%	4.1%
Profit before income tax	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 forecast 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	
Amounts in EUR thousands	2018	2017
Revenue	544,860	476,838
Gross profit	44,193	44,913
Gross profit (%)	8.1%	9.4%
a-Gross profit	38,014	36,294
a-Gross profit (%)	7.0%	7.6%
EBITDA	31,322	33,256
EBITDA (%)	5.7%	7.0%
a-EBITDA	24,957	24,697
a-EBITDA (%)	4.6%	5.2%
EBIT	25,462	27,587
EBIT (%)	4.7%	5.8%
a-EBIT	19,097	19,028
a-EBIT (%)	3.5%	4.0%
Profit before income tax	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	**For the six months ended 30 June**	
Amounts in EUR thousands	**2018**	**2017**
Revenue	469,815	381,148
Gross profit	36,883	36,774
Gross profit (%)	7.9%	9.6%
a-Gross profit	34,739	39,700
a-Gross profit (%)	7.4%	10.4%
EBITDA	46,436	36,170
EBITDA (%)	9.9%	9.5%
a-EBITDA	34,027	38,075
a-EBITDA (%)	7.2%	10.0%
EBIT	28,069	17,623
EBIT (%)	6.0%	4.6%
a-EBIT	15,660	19,528
a-EBIT (%)	3.3%	5.1%
Profit before income tax	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 [1]	For the six months ended 30 June	
Amounts in EUR thousands	2018	2017
Revenue	220,968	127,732
Gross profit	16,546	13,311
Gross profit (%)	7.5%	10.4%
a-Gross profit	16,546	13,358
a-Gross profit (%)	7.5%	10.5%
EBITDA	13,908	12,299
EBITDA (%)	6.3%	9.6%
a-EBITDA	14,106	12,239
a-EBITDA (%)	6.4%	9.6%
EBIT	9,283	7,764
EBIT (%)	4.2%	6.1%
a-EBIT	9,480	7,703
a-EBIT (%)	4.3%	6.0%
Profit before income tax	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[(1)]	**For the six months ended 30 June**	
Amounts in EUR thousands	**2018**	**2017**
Revenue	222,202	197,577
Gross profit	16,027	15,078
Gross profit (%)	7.2%	7.6%
a-Gross profit	16,247	13,517
a-Gross profit (%)	7.3%	6.8%
EBITDA	10,709	12,995
EBITDA (%)	4.8%	6.6%
a-EBITDA	12,931	11,657
a-EBITDA (%)	5.8%	5.9%
EBIT	3,894	6,618
EBIT (%)	1.8%	3.3%
a-EBIT	6,116	5,280
a-EBIT (%)	2.8%	2.7%
Loss before income tax	-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 wil 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 February 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 Comission (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
Revenue	3,835	3,487
Gross profit	1,509	458
Gross profit (%)	39.4%	13.1%
a-Gross profit	1,509	458
a-Gross profit (%)	39.4%	13.1%
EBITDA	2,212	1,640
EBITDA (%)	57.7%	47.0%
a-EBITDA	2,212	1,690
a-EBITDA (%)	57.7%	48.5%
EBIT	68	-501
EBIT (%)	1.8%	-14.4%
a-EBIT	68	-452
a-EBIT (%)	1.8%	-13.0%
Loss before income tax	-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
Revenue	28,567	31,053
Gross profit	7,551	11,054
Gross profit (%)	26.4%	35.6%
a-Gross profit	7,551	11,050

a-Gross profit (%)	26.4%	35.6%
EBITDA	2,057	3,930
EBITDA (%)	7.2%	12.7%
a-EBITDA	2,003	3,791
a-EBITDA (%)	7.0%	12.2%
EBIT	685	2,578
EBIT (%)	2.4%	8.3%
a-EBIT	632	2,438
a-EBIT (%)	2.2%	7.9%
Profit/ Loss (-) before income tax	-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	**For the six months ended 30 June**	
Amounts in EUR thousands	**2018**	**2017**
Revenue	10,277	13,228
Gross profit	690	-113
Gross profit (%)	6.7%	-0.9%
a-Gross profit	690	-113
a-Gross profit (%)	6.7%	-0.9%
EBITDA	-3,468	-2,158
EBITDA (%)	-33.7%	-16.3%
a-EBITDA	-3,099	-2,129
a-EBITDA (%)	-30.2%	-16.1%
EBIT	-3,859	-2,733
EBIT (%)	-37.5%	-20.7%
a-EBIT	-3,489	-2,704
a-EBIT (%)	-34.0%	-20.4%
Loss before income tax	-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 ON THE TRUE AND FAIR VIEW OF THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION AND THE FAIR OVERVIEW OF THE INTERIM MANAGEMENT REPORT

Evangelos Moustakas, Jacques Moulaert, Efstratios Thomadakis, Panteleimon Mavrakis , members of the Executive Management certify, on behalf and for the account of the company, that, to their knowledge,

a) the Condensed Consolidated Interim Financial Statements which have been prepared in accordance with IAS 34, "Interim Financial Reporting" as adopted by the European Union, give a true and fair view of the equity, financial position and financial performance of the company, and the entities included in the consolidation as a whole,

b) the interim management report includes a fair overview of the information required under Article 13, §§ 5 and 6 of the Royal Decree of 14 November, 2007 on the obligations of issuers of financial instruments admitted to trading on a regulated market.

Viohalco's share capital is set at EUR 141,893,811.46 divided into 259,189,761 shares without nominal value. The shares have been issued in registered and dematerialised form. All the shares are freely transferable and fully paid up. The Company has not issued any other category of shares, such as non-voting or preferential shares. All the shares representing the share capital have the same rights. In accordance with the articles of association of the company, each share entitles its holder to one vote.

Viohalco's shares are listed under the symbol "VIO" with ISIN code BE0974271034 on the regulated market of Euronext Brussels and on the main market of the Athens Exchange with the same ISIN code and with the symbol VIO (in Latin characters) and BIO (in Greek characters).

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

Condensed Consolidated Statement of Financial Position

Amounts in EUR thousands	Note	30 June 2018	31 December 2017
ASSETS			
Property, plant and equipment	13	1,747,599	1,743,632
Intangible assets and goodwill		26,275	26,531
Investment property	14	166,809	165,247
Equity-accounted investees	10	31,866	16,956
Other investments	17	7,931	7,949
Deferred tax assets		20,406	18,785
Derivatives	17	53	262
Trade and other receivables	11	5,763	6,346
Non-current assets		**2,006,703**	**1,985,709**
Inventories		1,108,652	1,005,867
Trade and other receivables	11	597,388	509,740
Contract assets	6	139,479	-
Contract costs	6	1,211	-
Derivatives	17	9,451	7,606
Other investments	17	1,619	1,624
Current tax assets		812	1,082
Cash and cash equivalents	12	198,356	168,239
		2,056,968	**1,694,157**
Assets held for sale		4,223	4,223
Current assets		**2,061,191**	**1,698,380**
Total assets		**4,067,894**	**3,684,089**
EQUITY			
Share capital		141,894	141,894
Share premium		457,571	457,571
Translation reserve		-25,226	-24,535
Other reserves		407,220	406,616
Retained earnings		161,611	125,087
Equity attributable to owners of the Company		**1,143,070**	**1,106,633**
Non-controlling interests		124,551	122,586
Total equity		**1,267,621**	**1,229,218**
LIABILITIES			
Loans and borrowings	15	744,598	718,716
Derivatives	17	-	1,281
Deferred tax liabilities		104,020	98,312
Employee benefits		30,263	29,724
Grants		41,368	43,088
Provisions		4,416	4,416
Trade and other payables	16	12,820	18,292
Non-current liabilities		**937,485**	**913,829**
Loans and borrowings	15	1,053,054	977,071
Trade and other payables	16	749,260	544,414
Contract liabilities	6	38,180	-
Current tax liabilities		11,190	10,029
Derivatives	17	10,451	8,878
Provisions		655	650
Current liabilities		**1,862,788**	**1,541,041**
Total liabilities		**2,800,273**	**2,454,871**
Total equity and liabilities		**4,067,894**	**3,684,089**

The notes on pages 24 to 47 are an integral part of these Condensed Consolidated Interim Financial Statements.

Condensed Consolidated Statement of Profit or Loss

Amounts in EUR thousands	Note	For the six months ended 30 June 2018	 2017 *Re-presented**
Revenue	6	**2,185,828**	**1,835,629**
Cost of sales		-1,994,389	-1,644,589
Gross profit		**191,439**	**191,041**
Other income	7	18,546	11,346
Selling and distribution expenses		-35,704	-34,442
Administrative expenses	8	-59,817	-53,890
Impairment loss on trade and other receivables, including contract assets		-1,838	-847
Other expenses	7	-11,812	-10,364
Operating result (EBIT)		**100,815**	**102,843**
Finance income		1,530	1,092
Finance costs		-56,272	-56,709
Net finance income/costs (-)		**-54,742**	**-55,616**
Share of profit/loss (-) of equity-accounted investees, net of tax	10	-127	-662
Profit/Loss (-) before income tax		**45,947**	**46,565**
Income tax expense	9	-5,732	-16,801
Profit/Loss (-)		**40,214**	**29,764**
Profit/Loss (-) attributable to:			
Owners of the Company		37,688	24,070
Non-controlling interests		2,526	5,694
		40,214	**29,764**

Earnings per share (in Euro per share)	**2018**	**2017**
Basic and diluted	0.1454	0.0929

**Viohalco has initially applied IFRS 15 and IFRS 9 at 1 January 2018. Comparative information has been re-presented due to the new impairment loss line item.*

The notes on pages 24 to 47 are an integral part of these Condensed Consolidated Interim Financial Statements.

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

	For the six months ended 30 June	
Amounts in EUR thousands	**2018**	**2017**
Profit/Loss (-)	**40,214**	**29,764**
Items that will never be reclassified to profit or loss:		
Equity investments in FVOCI - net change in fair value	-35	-
Related tax	2	-
Items that are or may be reclassified to profit or loss:		
Foreign currency translation differences	-858	-4,138
Changes in fair value of cash flow hedges –effective portion	1,830	4,016
Changes in fair value of cash flow hedges - reclassified to profit or loss	-3,623	-622
Changes in fair value of available-for-sale financial assets	-	-229
Related tax	308	-371
Total other comprehensive income / expense (-) after tax	**-2,375**	**-1,344**
Total comprehensive income / expense (-) after tax	**37,839**	**28,420**
Total comprehensive income attributable to		
Owners of the Company	35,728	23,083
Non-controlling interests	2,111	5,337
Total comprehensive income / expense (-) after tax	**37,839**	**28,420**

The notes on pages 24 to 47 are an integral part of these Condensed Consolidated Interim Financial Statements.

Condensed Consolidated Statement of Changes in Equity

Amounts in EUR thousands	Note	Share capital	Share premium	Other reserves	Translation reserve	Retained earnings	Total	Non-controlling interests	Total Equity
Balance as at 1 January 2018		**141,894**	**457,571**	**406,616**	**-24,535**	**125,087**	**1,106,633**	**122,586**	**1,229,218**
Adjustment on initial application of IFRS 15, (net of tax)	**2**	-	-	-	-34	3,213	**3,179**	732	**3,911**
Adjustment on initial application of IFRS 9 (net of tax)	**2**	-	-	-	-	-2,392	**-2,392**	-222	**-2,615**
Restated balance at 1 January 2018		**141,894**	**457,571**	**406,616**	**-24,569**	**125,907**	**1,107,419**	**123,096**	**1,230,514**
Total comprehensive income									
Profit/Loss (-)		-	-	-	-	37,688	**37,688**	2,526	**40,214**
Other comprehensive income, net of taxes		-	-	-1,316	-644	-	**-1,960**	-415	**-2,375**
Total comprehensive income		**-**	**-**	**-1,316**	**-644**	**37,688**	**35,728**	**2,111**	**37,839**
Transactions with owners of the Company:									
Transfer of reserves & other movements		-	-	1,912	-	-1,895	**17**	-17	**-**
Dividends		-	-	-	-	-	**-**	-732	**-732**
Total		**-**	**-**	**1,912**	**-**	**-1,895**	**17**	**-750**	**-732**
Changes in ownership interests		-	-	8	-14	-89	**-95**	95	**-**
Balance as at 30 June 2018		**141,894**	**457,571**	**407,220**	**-25,226**	**161,611**	**1,143,070**	**124,551**	**1,267,621**

Amounts in EUR thousands	Share capital	Share premium	Other reserves	Translation reserve	Retained earnings	Total	Non-controlling interests	Total Equity
Balance as at 1 January 2017	**141,894**	**457,571**	**395,563**	**-18,847**	**81,525**	**1,057,706**	**90,533**	**1,148,239**
Total comprehensive income								
Profit/Loss (-)	-	-	-	-	24,070	**24,070**	5,694	**29,764**
Other comprehensive income, net of taxes	-	-	2,160	-3,147	-	**-988**	-357	**-1,345**
Total comprehensive income	**-**	**-**	**2,160**	**-3,147**	**24,070**	**23,083**	**5,337**	**28,420**
Transactions with owners of the Company:								
Transfer of reserves & other movements	-	-	2,770	-18	-1,049	**1,703**	14	**1,717**
Dividends	-	-	-	-	-	**-**	-744	**-744**
Total	**-**	**-**	**2,770**	**-18**	**-1,049**	**1,703**	**-729**	**974**
Changes in ownership interests	-	-	-	-	-3	**-3**	-2	**-5**
Balance as at 30 June 2017	**141,894**	**457,571**	**400,493**	**-22,012**	**104,543**	**1,082,489**	**95,138**	**1,177,627**

The notes on pages 24 to 47 are an integral part of these Condensed Consolidated Interim Financial Statements.

Condensed Consolidated Statement of Cash Flows

		For the six months ended 30 June	
Amounts in EUR thousands	**Note**	**2018**	**2017**
Profit / loss (-)		**40,214**	**29,764**
Adjustments for:			
Income tax expense / credit (-)	9	5,732	16,801
Depreciation of PP&E		66,561	65,492
Depreciation of intangible assets		2,092	1,575
Depreciation of investment property		1,804	1,823
Impairment / (Reversal of Impairment) and write offs of PP&E		534	334
Impairment / (Reversal of Impairment) and write offs of intangible assets		8	-
Impairment / (Reversal of Impairment) and write offs of investment property		-	-149
Profit (-) / loss from sale of PP&E		-370	-1,017
Profit (-) / loss from sale of investment property		-	98
Amortization of grants		-1,975	-1,998
Finance costs		56,272	56,709
Finance income		-1,530	-1,092
Impairment loss on trade and other receivables, including contract assets		1,838	847
Share of profit of equity accounted investees	10	127	662
		171,307	**169,849**
Changes			
Decrease / increase (-) in inventories		-137,289	-130,802
Decrease / increase (-) in receivables	11	-120,727	-97,149
Decrease / increase (-) in contract assets	6	-69,128	-
Decrease (-) / increase in liabilities	16	197,585	108,883
Decrease (-) / increase in employees benefits liability		539	542
Decrease (-) / increase in provisions		5	946
Decrease (-) / increase in contract liabilities	6	26,262	-
		-102,753	**-117,580**
Cash generated from operating activities		**68,554**	**52,269**
Interest paid		-54,590	-50,920
Income tax paid		-2,408	-1,574
Net cash flows from operating activities		**11,556**	**-225**
Cash flows from investing activities			
Purchase of PP&E	13	-70,589	-46,062
Purchase of intangible assets		-1,635	-541
Purchase of investment property	14	-2,075	-2,152
Proceeds from sale of PP&E		931	2,265
Proceeds from sale of intangible assets		-	4
Proceeds from sale of investment property		-	80
Acquisition of equity accounted investees		-5,700	-
Increase (-)/ decrease in share capital of equity accounted investees		-440	-73
Acquisition of other investments	17	-13	-78
Proceeds from sale of other investments		-	39
Interest received		216	436
Dividends received		138	132
Proceeds from collection of grants		-	178
Net cash flows from investing activities		**-79,167**	**-45,772**
Cash flows from financing activities			
Proceeds from new borrowings	15	237,349	219,036
Repayment of borrowings	15	-139,928	-223,459
Dividends paid to minority interest		-70	-188
Net cash flows from financing activities		**97,351**	**-4,611**
Net decrease (-)/ increase in cash and cash equivalents		**29,741**	**-50,608**
Cash and cash equivalents at beginning of period		168,239	171,784
Foreign exchange effect on cash and cash equivalents		376	-1,363
Cash and cash equivalents at the end of period		**198,356**	**119,813**

The notes on pages 24 to 47 are an integral part of these Condensed Consolidated Interim Financial Statements.

Notes to the Condensed Consolidated Interim Financial Statements

1. REPORTING ENTITY

Viohalco S.A. (hereafter referred to as "the Company" or "Viohalco S.A.") is a Belgian Limited Liability Company. The Company's registered office is located at 30 Avenue Marnix, 1000 Brussels, Belgium. The Company's Condensed Consolidated Interim Financial Statements include those of the Company and its subsidiaries (together referred to as"Viohalco"), and Viohalco's interest in associates accounted for using the equity method.

Viohalco S.A. is the holding company and holds participations in approximately 100 subsidiaries, two of which are listed, one on Euronext Brussels and the other on Athens Exchange. With production facilities in Greece, Bulgaria, Romania, FYROM and the United Kingdom, Viohalco's subsidiaries specialise in the manufacture of steel, copper and aluminium products. In addition, Viohalco owns substantial real estate properties in Greece and redeveloped some of its properties as real estate development projects. Its shares are traded on Euronext Brussels and has since February 2014 its secondary listing on the Athens Stock exchange (trading ticker "VIO").

These interim financial statements were authorised for issue by the Company's Board of Directors on 27 September 2018.

The Company's electronic address is www.viohalco.com, where the Consolidated Financial Statements and the Condensed Consolidated Interim Financial Statements have been posted.

2. BASIS OF PREPARATION

Statement of compliance

These Condensed Consolidated Interim Financial Statements have been prepared in accordance with IAS 34 Interim Financial Reporting as adopted by the European Union. They do not include all information and disclosures required for the annual Consolidated Financial Statements and should be read in conjuction with the annual Consolidated Financial Statements for the year ended 31 December 2017, which can be found on Viohalco's website. However, selected explanatory notes are included to explain events and transactions that are significant to the understanding of the changes in Viohalco's financial position and performance since the last annual Consolidated Financial Statements as at and for the year ended 31 December 2017.

This is the first set of Viohalco's Financial Statements where IFRS 15 and IFRS 9 have been applied. Changes to significant accounting policies are described in Note 3 .

Use of estimates and judgements

Preparing Financial Statements in line with IFRS requires that Management takes decisions, makes assessments and assumptions and determines estimates which affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

The significant judgements made by Management in applying accounting policies and the key sources of estimation uncertainty were the same as those that applied to the Consolidated Financial Statements for the year ended 31 December 2017, except for new significant judgements and key sources of estimation uncertainty related to the application of IFRS 15 and IFRS 9, which are described in Note 3.

3. SIGNIFICANT ACCOUNTING POLICIES

Except as described below, the accounting policies applied in these interim financial statements are the same as those applied in Viohalco's consolidated financial statements as at and for the year ended 31 December 2017.

The changes in accounting policies are also expected to be reflected in the annual consolidated financial statements as at and for the year ending 31 December 2018.

Viohalco has initially adopted IFRS 15 Revenue from Contracts with Customers (see A) and IFRS 9 Financial Instruments (see B) from 1 January 2018.

The effect of applying these standards is mainly attributed to the following:

- Differences in timing of revenue recognition from customized products and energy projects and recognition of new elements such as contract assets, contract costs and contract liabilities in the consolidated statement of financial position (see A below);
- an increase in impairment losses recognised on financial assets (see B below).

Few other new standards and interpretations, which have been endorsed by the European Union are effective from 1 January 2018, but they do not have any material effect on Viohalco's financial statements.

A. IFRS 15 Revenue from Contracts with Customers

IFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It replaced IAS 18 Revenue, IAS 11 Construction Contracts and related interpretations.

Viohalco has adopted IFRS 15 using the cumulative effect method, with the effect of initially applying this standard recognised at the date of initial application (i.e. 1 January 2018). Accordingly, the information presented for 2017 has not been restated – i.e. it is presented, as previously reported, under IAS 18, IAS 11 and related interpretations.

As previously mentioned, the effect of the transition to IFRS 15 relates to the recognition of revenue for specialized products and for energy projects, over time. The following table summarises the impact, net of tax, on retained earnings, reserves and NCI at 1 January 2018.

Amounts in EUR thousands	**Impact of adopting IFRS 15 at 1 January 2018**
Reserves	-34
Retained earnings	3,213
Non-controlling interests	732
Total	**3,911**

The following tables summarise the impacts of adopting IFRS 15 on Viohalco's interim statement of financial position as at 30 June 2018 and its interim statement of profit or loss for the six months then ended for each of the line items affected. There was no material impact on the consolidated interim statement of cash flows for the six month period ended 30 June 2018.

Impact on the condensed consolidated interim statement of financial position

Amounts in EUR thousands

ASSETS	As reported	Adjustments	Amounts without adoption of IFRS 15
Non-current assets	**2,006,703**	**-**	**2,006,703**
Current assets			
Inventories	1,108,652	86,089	1,194,741
Trade and other receivables	597,388	47,348	644,736
Contract assets	139,479	-139,479	-
Contract costs	1,211	-1,211	-
Current assets	**2,061,191**	**-7,253**	**2,053,938**
Total assets	**4,067,894**	**-7,253**	**4,060,641**
EQUITY			
Equity attributable to owners of the Company	**1,143,070**	**-3,540**	**1,139,530**
Non-controlling interests	124,551	-873	123,678
Total equity	**1,267,621**	**-4,413**	**1,263,208**
LIABILITIES			
Non-current liabilities			
Trade and other payables	12,820	-	12,820
Deferred tax liabilities	104,020	-1,629	102,391
Non-current liabilities	**937,485**	**-1,629**	**935,856**
Current liabilities			
Trade and other payables	749,260	36,969	786,229
Contract liabilities	38,180	-38,180	-
Current liabilities	**1,862,788**	**-1,211**	**1,861,578**
Total liabilities	**2,800,273**	**-2,840**	**2,797,433**
Total equity and liabilities	**4,067,894**	**-7,253**	**4,060,641**

Impact on the condensed consolidated interim statement of profit or loss and OCI

Amounts in EUR thousands	As reported	Adjustments	Amounts without adoption of IFRS 15
Revenue	2,185,828	-40,117	2,145,711
Cost of sales	-1,994,389	39,325	-1,955,064
Gross profit	**191,439**	**-792**	**190,648**
Profit/Loss (-) before income tax	**45,947**	**-792**	**45,155**
Income tax	-5,732	317	-5,416
Profit/Loss (-)	**40,214**	**-475**	**39,739**
Other comprehensive income	-2,375	-28	-2,403
Total comprehensive income / expense (-) after tax	**37,839**	**-503**	**37,337**

The details of the new significant accounting policies and the nature of the changes to previous accounting policies in relation to Viohalco's various goods and services are set out below.

Under IFRS 15, revenue is recognised when a customer obtains control of the goods or services. Determining the timing of the transfer of control – at a point in time or over time – requires judgement.

Sales of customized products

Previously, Viohalco's subsidiaries recognised revenue for all those products which were not part of a construction contract (according to the definition of IAS 11), when the significant risks and rewards of ownership had been transferred to the customer. The timing of the transfer of risks and rewards varied according to the terms of each sales agreement. The recognition generally occured when the product was delivered to the customer; however for some international shipments the transfer of risks and rewards occurred - based on the incoterms - when the goods were loaded onto the ship, or other delivery vehicle, at the port of the seller.

According to IFRS 15, Viohalco' subsidiaries recognize revenue when a customer obtains control over the product. Under contracts for customized products produced for the exclusive use of certain customers and with no alternative use, there is an enforceable right to payment for performance completed to date if the contract is terminated by the customer or another party for reasons other than Viohalco's subsidiaries' failure to perform as promised. Hence, it was concluded that the client controls all of the work in progress, as the goods are being produced.

Therefore, for such contracts revenue is now recognised progressively based on the most appropriate output or input method, to measure progress towards completion.

The most common methods used are the following:

- For performance obligations related to production of customized products, depending on the type of contract concerned, the methods to measure progress is estimated based on:

i. Production time elapsed, i.e. the ratio between the actual time spent on the production and the total number of scheduled production time. This method is used for submarine cables produced in long continuous lengths, since the production of such products normally last for significant period of time and as a result the related performance obligations are satisfied as production time elapses.

ii. The quantity of manufactured and tested products compared with the total quantity to be produced according to the contract. This method is used for customized land cables, steel pipes and aluminium products, since the production is performed in batches and as a result the performance obligations related are satisfied as certain batches of agreed quantities have been produced.

- For installation phases of cables segment's turnkey projects, the method to measure progress is based on appraisal of results achieved or milestones reached, based to clearly defined technical milestones, such as transport or meters of cables installed. When milestones are being used as a method to measure progress, these milestones faithfully depict the performance.

The adoption of IFRS 15 did not have impact on the recognition of revenue relating to projects, which were previously meeting the definition of a construction contract under IAS 11. The accounting treatment for revenue recognition based on IAS 11 for such contracts was already substantially compliant with the new standard.

Sales of standard products

For products which are not considered customised, customers do not take control of the product until production is completed. Thus, Viohalco's subsidiaries continue to recognise revenue for such products, in the same manner, as under IAS 18, since the timing of transfer of control is substantially at the same point of time with the transfer of the risks and rewards.

Rendering of services

Revenue was previously recognised using the stage-of-completion method. Under IFRS 15, the total consideration in the service contracts is allocated to all performance obligations in the contract based on their stand-alone selling prices. The stand-alone selling prices are determined based on the list prices at which Viohalco sells the services in separate transactions. The timing of such revenue recognition under IFRS 15, regarding rendering of services, is similar to the previous accounting policy of Viohalco, therefore the adoption of IFRS 15 did not have any impact on opening balance of equity.

Identification of performance obligations

For Aluminium, Copper, Steel and Recycling segments, the majority of contracts with customers specify only one performance obligation, which is the production of goods or the production and delivery of goods to the customer. Based on the guidance and requirements of IFRS 15, transportation of products for certain contracts was identified as separate performance obligation.

For Cables and Steel Pipes segments, there are 2 major categories of contracts; those that specify one or two performance obligations in the same way as described above, and those that relate to projects and may specify several performance obligations. In this case, subsidiaries of Viohalco in these segments, recognise revenue during the project, for individual products and services separately if they are distinct – i.e. if a product or service is separately identifiable from other items in the contracts and if a customer can benefit from it.

Contract assets and contract liabilities

The timing of revenue recognition, billings and cash collections results in billed accounts receivable, unbilled receivables (contract assets), and customer advances (contract liabilities). These contract assets and contract liabilities are presented on the Consolidated Statement of Financial Position in the lines “Contract assets” and “Contract liabilities” respectively. For products and services for which revenue is recognised over time, amounts are billed as work progresses in accordance with agreed-upon contractual terms, either upon achievement of contractual milestones, or at the final delivery and acceptance of the manufactured items.

Generally, billing occurs subsequent to revenue recognition for customized products and services performed over time resulting in contract assets. However, when advances from customers are received before revenue is recognized, a contract liability is recognized.

Contract costs

Viohalco’s subsidiaries recognize the incremental costs of obtaining contracts with customers and the costs incurred in fulfilling contracts with customers that are directly associated with the contract as an asset, if those costs are expected to be recoverable, and record them in the line “Contract costs” in the Consolidated Statements of Financial Position. Incremental costs of obtaining contracts are costs incurred to obtain a contract with a customer that would not have been incurred if the contract had not been obtained.

Fulfilment costs are only capitalised if they generate or enhance resources that will be used to satisfy performance obligations in the future.

Assets arising from contract costs are amortized using either the straight-line method over a period based on the estimated contract duration or based on the portion of revenue recognised during the execution of the related contract.

Incremental costs of obtaining contracts are recognised as an expense when incurred if the amortisation period of the assets would be one year or less.

B. IFRS 9 Financial Instruments

IFRS 9 sets out requirements for recognising and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items. This standard replaces IAS 39 Financial Instruments: Recognition and Measurement.

The following table summarises the impact, net of tax, of transition to IFRS 9 on the opening balance of retained earnings and NCI. The impact relates to the recognition of expected credit losses under IFRS 9. (for a description of the transition method, see (iv) below)

Amounts in EUR thousands	**Impact of adopting IFRS 9 at 1 January 2018**
Retained earnings	-2,392
Non- controlling interests	-222
Total	**-2,614**

The details of new significant accounting policies and the nature and effect of the changes to previous accounting policies are set out below.

i. Classification and measurement of financial assets and financial liabilities

IFRS 9 largely retains the existing requirements in IAS 39 for the classification and measurement of financial liabilities. However, it eliminates the previous IAS 39 categories for financial assets of held to maturity, loans and receivables and available for sale.

The adoption of IFRS 9 has not had a significant effect on Viohalco’s accounting policies related to financial liabilities. The impact of IFRS 9 on the classification and measurement of financial assets is set out below.

Under IFRS 9, on initial recognition, a financial asset is classified as measured at: amortised cost; FVOCI – debt investment; FVOCI – equity investment; or FVTPL. The classification of financial assets under IFRS 9 is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. Derivatives embedded in contracts where the host is a financial asset in the scope of the standard are never separated. Instead, the hybrid financial instrument as a whole is assessed for classification.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and

- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and

- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, Viohalco may irrevocably elect to present subsequent changes in the investment’s fair value in OCI. This election is made on an investment-by-investment basis.

All financial assets (except derivatives held for hedging purposes) not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. On initial recognition, Viohalco may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

A financial asset (unless it is a trade receivable without a significant financing component that is initially measured at the transaction price) is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition.

The following accounting policies apply to the subsequent measurement of financial assets.

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses (see section (ii) below). Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.
Debt investments at FVOCI	These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

The effect of adopting IFRS 9 on the carrying amounts of financial assets at 1 January 2018 relates solely to the new impairment requirements, as described further below.

The following table and the accompanying notes below explain the original measurement categories under IAS 39 and the new measurement categories under IFRS 9 for each class of Viohalco's financial assets as at 1 January 2018.

Amounts in EUR thousands	Note	Original classification under IAS 39	New classification under IFRS 9	Original carrying amount under IAS 39	New carrying amount under IFRS 9
Forward foreign exchange contracts		Fair value – hedging instrument	Fair value – hedging instrument	2,168	2,168
Future contracts		Fair value – hedging instrument	Fair value – hedging instrument	5,699	5,699
Equity securities	a	Available-for-sale	FVOCI – equity instrument	9,573	9,573
Trade and other receivables	b	Loans and receivables	Amortised cost	516,086	513,128
Cash and cash equivalents		Loans and receivables	Amortised cost	168,239	168,239

a. These equity securities represent investments that Viohalco intends to hold for the long term for strategic purposes. As permitted by IFRS 9, Viohalco has designated these investments at the date of initial application as measured at FVOCI. Unlike IAS 39, the accumulated fair value reserve related to these investments will never be reclassified to profit or loss.

b. Trade and other receivables that were classified as loans and receivables under IAS 39 are now classified at amortised cost. An increase of EUR 2,958 thousand in the allowance for impairment over these receivables was recognised in opening retained earnings at 1 January 2018 on transition to IFRS 9.

ii. Impairment of financial assets

IFRS 9 replaces the 'incurred loss' model in IAS 39 with an 'expected credit loss' (ECL) model. The new impairment model applies to financial assets measured at amortised cost, contract assets, lease receivables and debt investments at FVOCI, but not to investments in equity instruments. Under IFRS 9, credit losses are recognised earlier than under IAS 39.

The financial assets at amortised cost consist of trade receivables (including contract assets) and cash and cash equivalents.

Under IFRS 9, loss allowances are measured on either of the following bases:

- 12-month ECLs: these are ECLs that result from possible default events within the 12 months after the reporting date; and

- lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument.

Viohalco has elected to measure loss allowances for trade receivables and contract assets at an amount equal to lifetime ECLs.

Viohalco considers a financial asset to be in default when the borrower is unlikely to pay its credit obligations in full, without recourse by Viohalco companies to actions such as realizing security (if any is held).

The maximum period considered when estimating ECLs is the maximum contractual period over which Viohalco companies are exposed to credit risk.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that Viohalco expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets

At each reporting date, Viohalco companies assess whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Presentation of impairment

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets. Impairment losses related to trade and other receivables, including contract assets, are presented separately in the statement of profit or loss and OCI. As a result, Viohalco reclassified impairment losses amounting to EUR 847 thousand, recognised under IAS 39, from 'cost of sales' to 'Impairment loss on trade and other receivables, including contract assets' in the statement of profit or loss and OCI for the six months ended 30 June 2017. Impairment losses on other financial assets are presented under 'finance costs', similar to the presentation under IAS 39, and not presented separately in the statement of profit or loss and OCI due to materiality considerations.

Impact of the new impairment model

For assets in the scope of the IFRS 9 impairment model, impairment losses are generally expected to increase and become more volatile. Viohalco has determined that the application of IFRS 9's impairment requirements at 1 January 2018 results in an additional impairment allowance as follows.

Amounts in EUR thousands	
Loss allowance at 31 December 2017 under IAS 39	**68,595**
Additional impairment recognised at 1 January 2018	
Trade and other receivables 31 December 2017	2,958
Additional trade receivables and contract assets recognized on adoption of IFRS 15	26
Loss allowance at 1 January 2018 under IFRS 9	**71,579**

ECL's calculation on trade receivables and contract assets

The ECLs were calculated based on actual credit loss experience over the last few years, current economic conditions and qualitative information such as credit risk grade and geographic region for the trade receivables and contract assets portfolio, depending on the significance of these factors on each of the business segments of Viohalco.

Viohalco companies performed the calculation of ECL rates after appropriately grouping the portfolio their customers.

iii. Hedge accounting

Viohalco has elected not to adopt the provisions of IFRS 9 regarding the hedge accounting and will continue applying IAS 39.

iv. Transition

Transition has been performed as follows:

- Viohalco has applied the exemption allowing not to restate comparative information for prior periods with respect to classification and measurement (including impairment loss) changes. Differences in the carrying amounts of financial assets and financial liabilities resulting from the adoption of IFRS 9 have been recognized in retained earnings and reserves as at 1 January 2018. However, in order to make profit or loss lines comparable, impairment on receivables of the previous period has been reclassified from cost of sales, to the new line "impairment loss on trade and other receivables, including contract assets".

- The following assessments have been made on the basis of the facts and circumstances that existed at the date of initial application.

- The determination of the business model within which a financial asset is held.
- The designation of certain investments in equity instruments not held for trading as at FVOCI.

C. Standards and Interpretations effective for subsequent periods:

A number of new standards and amendments to standards and interpretations are effective for annual periods beginning after 1 January 2018 and earlier application is permitted; however, Viohalco has not early adopted them in preparing these condensed consolidated interim financial statements.

Viohalco has the following updates to information provided in the last annual financial statements about the standards issued but not yet effective that may have a significant impact on the consolidated financial statements.

IFRS 16 Leases

IFRS 16 replaces existing leases guidance, including IAS 17 Leases, IFRIC 4 Determining whether an Arrangement contains a Lease, SIC-15 Operating Leases – Incentives and SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease.

The standard is effective for annual periods beginning on or after 1 January 2019. Early adoption is permitted.

IFRS 16 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognises a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the current standard – i.e. lessors continue to classify leases as finance or operating leases.

Viohalco has completed an initial assessment of the potential impact on its consolidated financial statements but has not yet completed its detailed assessment. The actual impact of applying IFRS 16 on the financial statements in the period of initial application will depend on future economic conditions, including the borrowing rates at 1 January 2019, the composition of Viohalco companies' lease portfolio at that date, Viohalco's latest assessment of whether it will exercise any lease renewal options and the extent to which chooses to use practical expedients and recognition exemptions.

Thus far, the most significant impact identified is that Viohalco will recognise new assets and liabilities for its operating leases of company cars, offices, premises and machinery. In addition, the nature of expenses related to those leases will now change because IFRS 16 replaces the straight-line operating lease expense with a depreciation charge for right-of-use assets and interest expense on lease liabilities.

No significant impact is expected for Viohalco's finance leases.

Transition

As a lessee, Viohalco can either apply the standard using a:

- retrospective approach; or
- modified retrospective approach with optional practical expedients.

The lessee applies the election consistently to all of its leases.

Viohalco plans to apply IFRS 16 initially on 1 January 2019, using a modified retrospective approach. Therefore, the cumulative effect of adopting IFRS 16 will be recognised as an adjustment to the opening balance of retained earnings at 1 January 2019, with no restatement of comparative information.

When applying a modified retrospective approach to leases previously classified as operating leases under IAS 17, the lessee can elect, on a lease-by-lease basis, whether to apply a number of practical expedients on transition. Viohalco is assessing the potential impact of using these practical expedients.

Viohalco is not required to make any adjustments for leases in which it is a lessor.

4. FINANCIAL RISK MANAGEMENT

Macroeconomic Environment in Greece

The macroeconomic and financial environment in Greece, where most of Viohalco's subsidiaries are located, keeps showing signs of improvement.

More specifically, Greece's economy got off to a strong start in the first quarter in 2018, following the successful conclusion of the ESM program, which secured Greece's place within the Eurozone and European Union area. The economic recovery is expected to continue in the coming years, as long as commitments to reforms are upheld. In addition, during H1 2018, Standard and Poor's ratings agency has upgraded Greece's credit rating by one notch, from 'B' to 'B+', citing reduced debt-servicing risks.

It should be noted that the capital controls that are in force in Greece since June 2015 have been loosened further, but still remain in place until the date of approval of these interim financial statements and they have not prevented Viohalco companies to continue their activities as before. Cash flows from operational activities have not been disrupted.

Additionally, Viohalco's subsidiaries' strong customer base outside Greece (92% of revenue) along with their established facilities abroad minimize the liquidity risk which may arise from any remaining uncertainty of the economic environment in Greece.

Viohalco's subsidiaries follow up closely and on a continuous basis the developments in both the international and domestic environment and timely adapt their business strategy and risk management policies in order to minimize the impact of the macroeconomic conditions on their operations. For further information on developments which took place after the reporting date in the international environment, refer to following paragraphs of this note.

Viohalco's subsidiaries' debt amounting to EUR 1,797 million comprises of 41% and 59% of long term and short term facilities respectively. Taking into account EUR 198 million of cash & cash equivalents (19% of short term debt), Viohalco's Net Debt amounts to EUR 1,599 million. Loans and borrowings are held with banks and financial institutions, which are rated from A2 to Caa2 based on ratings of Moody's. Approximately 90% of these loans and borrowings is held with Greek banks. Long term facilities have an average maturity of three years. Short term facilities are predominately revolving credit facilities, which are reviewed annually with anniversaries spread throughout the year and, within those revolving credit limits, short term loans of various maturities are drawn and when matured are renewed, if needed. There are sufficient credit limits in place to serve working capital requirements and refinance short term loans (See Note 15 for further information).

Brexit

Regarding Brexit there were no further significant developments, other than those disclosed in the Consolidated Financial Statements for the year ended 31 December 2017.

Viohalco's subsidiaries are currently assessing the nature and extent of risks and uncertainties that could arise as a result of Brexit and the impact on the future performance and position of their business. The magnitude of Brexit's impact cannot be quantified at this stage, as the negotiations between the UK Government and the European Union on the exact terms are still in progress.

Anti-Dumping Duty Investigations

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.

On 21 August, 2018, the Department of Commerce (DoC) in the United States of America, issued its affirmative preliminary determinations relating to the anti-dumping duty investigation of imports of large diameter welded pipe from Canada, China, Greece, India, Korea and Turkey.

In the case of Greece, DoC assigned a preliminary dumping rate of 22.51 % for mandatory respondent Corinth Pipeworks, Viohalco's subsidiary, as well as for all other producers and exporters of large diameter welded pipe from Greece.

Subsequently, CPW filed an application to the DoC for the correction of this dumping margin as the administration had failed to offset CPW's expenditures for freight and storage costs by the amount the Company received from its U.S. customers for these expenditures –up to the full amount of those costs. In early September, following the review of Corinth's application, the DoC decided to correct this error and accordingly amend its preliminary determination by setting the estimated weighted average dumping margin to 7.45% instead, retroactively effective since 27 August 2018. The amended preliminary DoC determination will be published shortly in the U.S. Federal Register.

Viohalco considers that there will be no material impact on its annual consolidated financial results from the aforementioned preliminary determination since Greece is the only country accused for threat and not for current material injury and thus any duties that may be paid until the final determination will be refunded. Viohalco's subsidiary, Corinth Pipeworks S.A., continues to cooperate with the US DoC authorities as well as with its US customers towards the final determination in the antidumping duty investigations that will take place in February 2019.

On 8 March 2018, the US administration exercised its authority under Section 232 of the Trade Expansion Act of 1962 to impose a 25 % tariff on steel imports and a 10 % tariff on aluminium imports in United States of America, with exemptions for Canada and Mexico. On 18 March 2018, the U.S. DoC announced the process for submission of requests for products exclusion from the tariffs on steel and aluminium product imports. The DoC published the procedures in the Federal Register and started accepting exclusion requests from U.S. industry on 19 March 2018. On 22 March 2018 the Section 232 tariffs on steel and aluminium imports from certain countries including the member countries of the European Union were suspended until 1 May 2018 pending ongoing discussions regarding measures to reduce global excess capacity in steel and aluminium production.

On May 31, 2018, the president of United States signed two new presidential proclamations adjusting steel and aluminum duties initiated under Section 232 of the Trade Expansion Act of 1962. These ended temporary exemptions of duties for imports of steel and aluminum products from the European Union (EU), Canada, and Mexico. As a result, a 25 percent duty on steel products and a 10 percent duty on aluminum products are now being collected on imports from those countries.

Regarding aluminium segment, Viohalco does not expect that sales and profitability to the US will be affected, as the market will absorb the duties due to lack of local capacity.

Regarding steel pipes segment, during H1 2018, Viohalco's subsidiary Corinth Pipeworks S.A. has commenced delivery of steel pipes HFW 26", 125.027 metric tons for the Cactus II pipeline, covering approximately 750 km, the supply of which was assigned to Corinth Pipeworks by a subsidiary of Plains All American Pipeline LP.

Despite the decision of the U.S. DoC to reject the steel tariff exclusion request filed by Plains All American Pipeline LP in relation to import of high grade steel pipe from Greece for its Cactus II pipeline, Corinth Pipeworks will abide with the deliveries as planned, without any disruption or adverse financial impact.

Corinth Pipeworks is confident that it will continue to serve the US market in the future, due to its sound strategy and ability to offer unique and high-end products for energy infrastructure and its long-term relationships with its customers.

Viohalco 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'' HFW line pipes. Corinth Pipeworks has already initiated and continues to undertake 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 there are products sold in the US market by Corinth Pipeworks which are customized unique products and cannot be 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' and consequently Viohalco's financial results, due to the actions undertaken in order to secure the company's financial position and mitigate any potential adverse effects.

5. OPERATING SEGMENTS

Revenue and profitability per segment for the 6 months ended 30 June 2018 were as follows:

Amounts in EUR thousands	Aluminium	Copper	Cables	Steel	Steel Pipes	Real Estate	Recycling	Other activities	Total
Total revenue per segment	**1,061,719**	**772,110**	**372,153**	**765,092**	**331,782**	**5,452**	**74,496**	**37,756**	**3,420,561**
Inter-segment revenue	-376,415	-227,250	-149,952	-295,277	-110,814	-1,618	-45,929	-27,479	**-1,234,733**
Revenue per segment, net	**685,304**	**544,860**	**222,202**	**469,815**	**220,968**	**3,835**	**28,567**	**10,277**	**2,185,828**
Gross profit	**68,040**	**44,193**	**16,027**	**36,883**	**16,546**	**1,509**	**7,551**	**690**	**191,439**
Operating result (EBIT)	**37,214**	**25,462**	**3,894**	**28,069**	**9,283**	**68**	**685**	**-3,859**	**100,815**
Finance income	74	35	520	244	391	-	101	165	**1,530**
Finance costs	-11,017	-9,787	-12,554	-15,881	-4,941	-717	-1,216	-160	**-56,272**
Share of profit/loss (-) of equity accounted investees	161	1	-	-503	214	-	-	-	**-127**
Profit/Loss (-) before income tax expense	**26,431**	**15,711**	**-8,140**	**11,930**	**4,946**	**-648**	**-430**	**-3,853**	**45,947**
Income tax expense	-1,079	-5,721	2,575	802	-822	-87	-282	-1,117	**-5,732**
Profit/Loss (-)	**25,352**	**9,990**	**-5,566**	**12,732**	**4,124**	**-735**	**-712**	**-4,970**	**40,214**

Other information per segment for the 6 months ended 30 June 2018 were as follows:

Amounts in EUR thousands	Aluminium	Copper	Cables	Steel	Steel Pipes	Real Estate	Recycling	Other activities	Total
Equity-accounted investees	399	16,079	-	4,721	10,668	-	-	-	**31,866**
Other assets	1,229,755	557,288	478,641	895,581	441,213	302,298	53,171	78,081	**4,036,028**
Total assets	**1,230,154**	**573,367**	**478,641**	**900,302**	**451,881**	**302,298**	**53,171**	**78,081**	**4,067,894**
Liabilities	709,329	449,573	443,893	732,183	315,562	51,692	62,542	35,499	**2,800,273**
Capital expenditure	32,729	16,219	13,934	6,677	2,219	4,007	575	634	**76,993**
Depreciation and amortisation	-29,887	-5,968	-7,212	-18,805	-4,626	-2,144	-1,405	-411	**-70,457**

Revenue and profitability per segment for the 6 months ended 30 June 2017 were as follows:

Amounts in EUR thousands	Aluminium	Copper	Cables	Steel	Steel Pipes	Real Estate	Recycling	Other activities	Total
Total revenue per segment	**851,882**	**631,408**	**330,114**	**571,386**	**153,494**	**5,293**	**110,733**	**35,081**	**2,689,390**
Inter-segment revenue	-247,315	-154,571	-132,537	-190,237	-25,762	-1,806	-79,680	-21,853	**-853,761**
Revenue per segment, net	**604,567**	**476,838**	**197,577**	**381,148**	**127,732**	**3,487**	**31,053**	**13,228**	**1,835,629**
Gross profit	**69,566**	**44,913**	**15,078**	**36,774**	**13,311**	**458**	**11,054**	**-113**	**191,041**
Operating result (EBIT)	**43,907**	**27,587**	**6,618**	**17,623**	**7,764**	**-501**	**2,578**	**-2,733**	**102,843**
Finance income	97	122	178	324	65	101	3	204	**1,092**
Finance costs	-8,834	-12,441	-11,208	-16,833	-5,220	-370	-1,300	-502	**-56,709**
Share of profit/loss (-) of equity-accounted investees	99	60	-	-713	-107	-	-	-	**-662**
Profit/Loss (-) before tax	**35,269**	**15,327**	**-4,412**	**401**	**2,501**	**-771**	**1,280**	**-3,031**	**46,565**
Income tax	-15,159	-3,083	71	932	1,115	-140	-313	-224	**-16,801**
Profit/Loss (-)	**20,110**	**12,245**	**-4,341**	**1,333**	**3,616**	**-911**	**967**	**-3,254**	**29,764**

Other information per segment for the comparative period were as follows:

Amounts in EUR thousands	Aluminium	Copper	Cables	Steel	Steel Pipes	Real Estate	Recycling	Other activities	Total
for the year ended 31 December 2017									
Equity-accounted investees	448	450	-	4,784	11,274	-	-	-	**16,956**
Other assets	1,055,500	498,346	439,852	860,344	400,298	277,537	59,432	75,825	**3,667,134**
Total assets	**1,055,949**	**498,796**	**439,852**	**865,127**	**411,572**	**277,537**	**59,432**	**75,825**	**3,684,089**
Segment liabilities	572,471	366,552	396,190	710,855	278,043	42,778	58,600	29,382	**2,454,871**
for the 6 months ended 30 June 2017									
Capital expenditure	24,690	3,840	6,023	13,101	1,458	2,218	810	480	**52,621**
Depreciation and amortisation	-28,688	-5,776	-6,773	-18,991	-4,535	-2,142	-1,388	-596	**-68,890**

6. REVENUE

Revenue

Viohalco's subsidiaries' operations and main revenue streams are those described in the last annual financial statements. Revenue is derived from contracts with customers and from investment property rental income.

The nature and effect of initially applying IFRS 15 on Viohalco's interim financial statements are disclosed in Note 3.

	For the six months ended 30 June	
Amounts in EUR thousands	**2018**	**2017**
Rental income from investment property	3,835	3,487
Revenue from contracts with customers	2,181,993	1,832,143
Total	**2,185,828**	**1,835,629**

A. Disaggregation of revenue

In the following table revenue from contract with customers is disaggregated by primary geographical market and timing of revenue recognition. The table includes a reconciliation with the Viohalco's reportable segments (see Note 5).

	for the 6 months ended 30 June 2018							
Amounts in EUR thousands	**Aluminium**	**Copper**	**Cables**	**Steel**	**Steel Pipes**	**Recycling**	**Other activities**	**Total**
Primary geographical markets								
Greece	62,251	11,692	50,475	26,792	6,732	6,987	7,410	**172,340**
European Union	453,883	415,956	151,995	317,387	88,695	9,932	1,968	**1,439,816**
Other European countries	38,670	42,528	4,653	96,694	44	2,564	353	**185,507**
Asia	37,669	27,542	12,490	26,469	12,097	7,475	120	**123,863**
America	86,572	28,671	1,133	-	113,399	1,610	146	**231,530**
Africa	5,578	16,353	1,334	2,473	-	-	43	**25,780**
Oceania	681	2,117	121	-	-	-	237	**3,157**
Total	**685,304**	**544,860**	**222,202**	**469,815**	**220,968**	**28,567**	**10,277**	**2,181,993**
Timing of revenue recognition								
Revenue recognised at a point in time	676,579	542,955	166,227	468,687	25,493	26,008	2,974	**1,908,923**
Products transferred over time	8,599	-	54,683	-	195,474	-	-	**258,757**
Services transferred over time	126	1,905	1,291	1,128	-	2,560	7,303	**14,313**
Total	**685,304**	**544,860**	**222,202**	**469,815**	**220,968**	**28,567**	**10,277**	**2,181,993**

	for the 6 months ended 30 June 2017							
Amounts in EUR thousands	**Aluminium**	**Copper**	**Cables**	**Steel**	**Steel Pipes**	**Recycling**	**Other activities**	**Total**
Primary geographical markets								
Greece	56,994	17,751	48,155	24,658	68,019	9,543	11,200	**236,320**
European Union	419,258	337,073	137,632	255,189	21,471	8,862	1,019	**1,180,505**
Other European countries	35,953	49,032	458	81,568	174	1,071	294	**168,551**
Asia	36,581	33,319	7,491	15,912	11,324	11,099	35	**115,762**
America	49,426	28,091	1,536	879	25,259	478	353	**106,022**
Africa	5,954	10,540	2,305	-	1,484	-	94	**20,377**
Oceania	401	1,030	-	2,943	-	-	233	**4,607**
Total	**604,567**	**476,838**	**197,577**	**381,148**	**127,732**	**31,053**	**13,228**	**1,832,143**
Timing of revenue recognition								
Revenue recognised at a point in time	604,484	473,297	167,965	379,470	127,732	28,513	4,612	**1,786,073**
Products transferred over time (Construction contracts)	-	-	27,313	-	-	-	-	**27,313**
Services transferred over time	83	3,540	2,298	1,679	-	2,540	8,616	**18,756**
Total	**604,567**	**476,838**	**197,577**	**381,148**	**127,732**	**31,053**	**13,228**	**1,832,143**

B. Contract Balances

The contract assets primarily relate to the rights to consideration for work completed but not billed at the reporting date on customized products or energy projects. The contract assets are transferred to receivables when the rights become unconditional. This is usually occurs when Viohalco companies issue an invoice to the customer. The contract liabilities primarily relate to the advance consideration received from customers for construction of customized products or energy projects for which revenue is recognized over time.

Contract assets increased by approximately EUR 70 million compared to 1 January 2018, mainly due to higher amounts of unbilled receivables. Contract assets mainly relate to cables and steel pipes segments where amounts are billed as work progresses in accordance with agreed-upon contractual terms, either upon achievement of contractual milestones, or at the final delivery and acceptance of the products.

	As at	
Amounts in EUR thousands	**30 June 2018**	**1 January 2018***
Receivables, which are included in 'Trade and other receivables'	475,249	319,524
Contract assets	139,479	70,351
Contract costs	1,211	1,211
Contract liabilities	-38,180	-11,918
Total	**577,759**	**379,169**

* *Viohalco recognised the cumulative effect of initially applying IFRS 15 as an adjustment to the opening balance at 1 January 2018.*

7. OTHER INCOME/ EXPENSES

Net other income/expenses for H1 2018 amounted to a gain of EUR 6.7 million compared to a gain of EUR 1 million during H1 2017. This variation is mainly attributed to the following:

- EUR 9.8 million gain in the steel segment from sale of EU ETS allowances (EUA's) .

- During H1 2018, Vohalco's subsidiary Hellenic Cables entered into an out-of-court settlement with a factoring company for an amount of EUR 2.0 million. This amount concerns a credit-related loss from a supplier of the subsidiary, shared between the subsidiary and the factor, due to a contract default of the supplier against both counterparties. The out-of-court settlement was wiser than embarking into court proceedings with the factor's Group, as it avoided both legal costs and a lengthy dispute with a long-term partner of Hellenic Cables.

8. ADMINISTRATIVE EXPENSES

Administrative expenses increased in the first half of 2018, by EUR 5.9 million compared to the respective period in 2017 mainly due to higher labour costs throughout all Viohalco segments.

9. INCOME TAX

Income tax expense was calculated based on Management's estimate of the average annual tax rate that is expected to apply for the full financial year.

Amounts in EUR thousands	2018	2017
Current tax	-5,950	-20,976
Deferred tax	217	4,175
Total	**-5,732**	**-16,801**

The consolidated effective tax rate for the six month period ended 30 June 2018 was 13% (six months ended 30 June 2017: 36%). The effective tax rate decrease, is the result of the following:

- In H1 2017, the Italian tax authorities imposed taxes to ElvalHalcor S.A. (subsidiary of Viohalco), based on the assumption that the company had "permanent establishment" through the related company Alurame SpA (also subsidiary of Viohalco) for the years 2009-2014. ElvalHalcor S.A., denied the case of "permanent establishment" or any other violation and reached to an agreement with the tax authority. The total amount was EUR 6,6 million and it was charged against the comparative year's profit.
- In H1 2018, subsidiaries of Viohalco mainly in copper and steel segments recognized deferred tax assets equal to EUR 6 million, which relate to tax losses from previous years and to thin capitalization rules. These deferred tax assets are expected to be offset against taxable profits in the next few years.

10. EQUITY-ACCOUNTED INVESTEES

Reconciliation of carrying amount of associates and joint ventures

Amounts in EUR thousands	30 June 2018	31 December 2017
Opening balance	**16,956**	**17,594**
Additions	16,140	501
Dividends received	-406	-299
Share capital reduction	-	-78
Share of profit / loss (-) net of tax	-127	-181
Effects on movement in exchange rates	-696	-581
Closing balance	**31,866**	**16,956**

During 2018 Viohalco's subsidiary ElvalHalcor completed the acquisition of 50% of Netherlands-based Nedzink B.V., for a consideration of EUR 15.7 million to establish a new joint- venture in order to develop titanium zinc products.

11. TRADE AND OTHER RECEIVABLES

The increase in trade and other receivables (EUR 87 million) compared to 31 December 2017, is the result of higher sales across most operating segments and is also due to LME prices' increase.

The developments of the ongoing litigation of the subsidiary Corinth Pipeworks Industry S.A. against a former customer in the Middle-East regarding the recovery of an overdue receivable of USD 24.8 million, plus legal interest, are as follows:

The subsidiary has recently initiated the enforcement procedures against the assets of the customer that are located within any of the countries, where the Court of Cassation judgment issued against the former customer is enforceable (i.e. UAE and various other countries in the Middle East). Since no substantial developments have taken place during the first semester of 2018, management considers that there is no reason to revise the impairment recorded in the past related to this overdue receivable.

12. CASH AND CASH EQUIVALENTS

The significant increase of cash & cash equivalents in June 2018 is mainly derived from subsidiary ElvalHalvor S.A. The purpose of retaining higher level of cash & cash equivalents is to cover working capital needs and service the ongoing investment program in aluminium segment that will lead in future outflows.

13. PROPERTY, PLANT AND EQUIPMENT

During the first half of 2018, Viohalco acquired assets with a cost of EUR 71.7 million (EUR 50 million during first half of 2017).

Aluminium segment investments of EUR 33 million mainly relate to the purchase and installation of a new four-stand tandem aluminium hot finishing mill and the ongoing investment regarding the installation of the third continuous casting line.

Capital expenditure in copper segment is equal to EUR 16 million and is attributable to the installation of hot dip tinning line and two new brass furnaces in meltshop, in subsidiary Sofia Med, and to the increase of production capacity in Oinofyta plant.

Investments in H1 2018 reached EUR 14 million in the cables segment and largely concern the expansion /upgrade of the submarine business unit in Fulgor's plant in order to meet the expected future needs and some productivity improvement projects at the Hellenic Cables, and Icme Ecab plants.

In steel pipes segment, assets acquired for the first six months of 2018 amounted to EUR 2 million and mainly related to selective productivity improvement investments in Thisvi plant.

The Steel segment's investments amounted to EUR 7 million, mainly concern Sidenor's operational investments which target to the production process optimization and Stomana's investments in SBQ's production line and in meltshop which target to improve the quality, decrease the production time and increase the products' portfolio.

Assets with a carrying amount of EUR 0.6 million were disposed of (EUR 0.4 million during first half of 2017), resulting in a gain of EUR 0.4 million which is included in "other income" in profit or loss for the six months ended 30 June 2018 (gain of EUR 1 million for the six months ended 30 June 2017).

14. INVESTMENT PROPERTY

During the first half of 2018, Viohalco invested an amount of EUR 4 million (EUR 2 million during the six months ended 30 June 2017) for the acquisition and improvement of investment property. The majority of the amount invested refers to the construction works in progress for the completion of two office buildings in Athens and to the acquisition (finance lease) of another office building in Maroussi EUR 1.6 million.

15. LOANS AND BORROWINGS

Amounts in EUR thousands	As at 30 June 2018	31 December 2017
Non-current liabilities		
Secured bank loans	156,648	113,559
Unsecured bank loans	28,497	31,039
Secured bond issues	516,253	531,808
Unsecured bond issues	20,574	19,834
Finance lease liabilities	22,626	22,476
Total	**744,598**	**718,716**
Current liabilities		
Secured bank loans	189,696	191,859
Unsecured bank loans	549,441	471,156
Current portion of secured bank loans	107,071	93,509
Current portion of unsecured bank loans	10,560	13,382
Current portion of secured bond issues	185,438	194,340
Current portion of unsecured bond issues	7,890	10,152
Current portion of finance lease liabilities	2,958	2,673
Total	**1,053,054**	**977,071**
Total loans and borrowings	**1,797,651**	**1,695,787**

The maturities of non-current loans are as follows:

Amounts in EUR thousands	30 June 2018	31 December 2017
Between 1 and 2 years	196,402	145,190
Between 2 and 5 years	485,692	499,926
Over 5 years	62,504	73,600
Total	**744,598**	**718,716**

The effective weighted average interest rates at the reporting date (as per contract) are as follows:

	30 June 2018	
	Carrying amount	Interest rate
Bank loans (non-current*) - EUR	292,619	4.40%
Bank loans (non-current*) - GBP	10,157	2.17%
Bank loans (current) - EUR	665,559	5.01%
Bank loans (current) - GBP	15,253	3.36%
Bank loans (current) - USD	50,268	4.70%
Bank loans (current) - Other currencies	8,057	4.26%
Bond issues - EUR	730,155	4.32%
Finance lease liabilities	25,583	6.02%
Total	**1,797,651**	

	31 December 2017	
	Carrying amount	Interest rate
Bank loans (non-current*) - EUR	239,090	4.89%
Bank loans (non-current*) - GBP	12,399	2.02%
Bank loans (current) - EUR	608,201	5.31%
Bank loans (current) - GBP	21,008	3.41%
Bank loans (current) - USD	25,549	5.59%
Bank loans (current) - Other currencies	8,257	4.01%
Bond issues - EUR	756,134	4.43%
Finance lease liabilities	25,149	6.06%
Total	**1,695,787**	

**Including current portion*

During September 2018, Hellenic Cables also received approval from a bank syndicate for the conversion of EUR 55 million into a new syndicated bond loan with a 5-year life and improved pricing terms. Covenants and collaterals included in syndicated bond loan are similar to the terms of the previous loan. Moreover, steel segment subsidiaries Sidenor S.A. and Sovel S.A. received approval in September 2018 from the banks, regarding their syndicated bond loans (30 June 2018 outstanding balance: EUR 252 million and maturity in 2020), for maturity extension up to 2023 with improved pricing terms and covenants/collaterals remaining largely unchanged.

Also in September 2018, ElvalHalcor S.A. received approval for a significant reduction in the interest margin of its syndicated bond loans with a current balance of EUR 277.5 million, after successful negotiations with the banks. In the meantime, in June 2018 the aluminium rolling division of ElvalHalcor S.A. proceeded with the disbursement of EUR 70 million from the loan with European Investment Bank (EIB), signed in Dec. 2017, which relates to the financing of its new EUR 150 million investment program.

Reconciliation of movements of liabilities to cash flows arising from financing activities:

Amounts in EUR thousands	Loans and Borrowings	Finance Leases	Total
Balance at 1 January 2018	**1,670,638**	**25,149**	**1,695,787**
Changes from financing cash flows			
Proceeds from loans and borrowings	237,349	-	237,349
Repayment of borrowings & finance lease liabilities	-137,922	-2,006	-139,928
Total changes from financing cash flows	**99,427**	**-2,006**	**97,421**
Other changes			
Capitalised borrowing costs	2,337	-	2,337
New finance leases	-	1,642	1,642
Interest expense	43,791	760	44,551
Interest paid	-43,291	-	-43,291
Effect of changes in foreign exchange rates	-834	38	-796
Total other changes	**2,003**	**2,440**	**4,443**
Balance at 30 June 2018	**1,772,068**	**25,583**	**1,797,651**

Amounts in EUR thousands	Loans and Borrowings	Finance Leases	Total
Balance at 1 January 2017	**1,688,996**	**10,218**	**1,699,214**
Changes from financing cash flows			
Proceeds from loans and borrowings	285,370	-	285,370
Repayment of borrowings & finance lease liabilities	-306,268	-2,650	-308,918
Total changes from financing cash flows	**-20,898**	**-2,650**	**-23,548**
Other changes			
Capitalised borrowing costs	100	-	100
New finance leases	-	16,454	16,454
Interest expense	90,681	1,069	91,750
Interest paid	-87,364	-	-87,364
Effect of changes in foreign exchange rates	-877	58	-819
Total other changes	**2,540**	**17,581**	**20,121**
Balance at 31 December 2017	**1,670,638**	**25,149**	**1,695,787**

The average interest rate on outstanding current bank loans as at 30 June 2018 is 4.9% (5.4% as at 31 December 2017).

Mortgages and pledges in favour of the banks have been given on fixed assets, inventories and receivables of subsidiaries. The carrying amount of assets mortgaged or pledged is EUR 1,460 million. The bank loans acquired by Viohalco contain change of control clauses that allow banks to request premature termination.

There was no incident of covenants' breach in H1 2018.

16. TRADE & OTHER PAYABLES

The increase noticed as of 30 June 2018 compared to 31 December 2017, is mainly attributed to higher LME prices and to increased purchases of materials which are used to serve customer orders.

17. FINANCIAL INSTRUMENTS

A. Carrying amounts and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including the levels in the fair value hierarchy.

30 June 2018 *Amounts in EUR thousands*	**Carrying amount**	**First Level**	**Second Level**	**Third Level**	**Total**
Other investments	9,550	4,985	1,607	2,958	**9,550**
Derivative financial assets	9,504	7,432	2,072	-	**9,504**
	19,054	**12,417**	**3,679**	**2,958**	**19,054**
Derivative financial liabilities	-10,451	-5,917	-4,534	-	**-10,451**
	8,604	**6,500**	**-854**	**2,958**	**8,604**

31 December 2017 *Amounts in EUR thousands*	**Carrying amount**	**First Level**	**Second Level**	**Third Level**	**Total**
Other investments	9,573	5,020	1,607	2,945	**9,573**
Derivative financial assets	7,868	5,691	2,177	-	**7,868**
	17,440	**10,711**	**3,784**	**2,945**	**17,440**
Derivative financial liabilities	-10,159	-8,427	-1,731	-	**-10,159**
	7,282	**2,284**	**2,053**	**2,945**	**7,282**

The various levels are as follows:

- Level 1: Quoted prices (unadjusted) in an active market for identical assets and liabilities.
- Level 2: Inputs that are observable either directly or indirectly.
- Level 3: Unobservable inputs for assets and liabilities.

The fair value of the following financial assets and liabilities measured at amortised cost approximates their carrying amount:

- Trade and other receivables
- Cash and cash equivalents

- Trade and other payables
- Loans and borrowings

The following table shows reconciliation between opening and closing balances for Level 3 financial assets:

Balance at 1 January 2018	**2,945**
Acquisitions	13
Balance at 30 June 2018	**2,958**
Balance at 1 January 2017	**3,005**
Acquisitions	400
Impairment (-) / reversal of impairment	-111
Reclassifications	-349
Balance at 31 December 2017	**2,945**

B. Measurement of fair values

(a) Valuation techniques and significant unobservable inputs

During the period there were no changes in valuation processes compared to those described in the last annual Consolidated Financial Statements as at and for the period ended 30 June 2018.

(b) Transfers between Levels 1 and 2

There were no transfers from Level 2 to Level 1 or from Level 1 to Level 2 in 2018 or in 2017.

18. COMMITMENTS

Purchase commitments

The subsidiaries have entered into contracts according to their investment plans, which are expected to be settled during the next 3 years.

	As at	
Amounts in EUR thousands	**30 June 2018**	**31 December 2017**
Property plant & equipment	26,945	22,629

Guarantees

	As at	
Amounts in EUR thousands	**30 June 2018**	**31 December 2017**
Guarantees to secure liabilities to suppliers	37,219	43,252
Guarantees for securing the good performance of contracts with customers	132,817	93,788
Guarantees for securing the good performance of contracts with suppliers	148	484

19. RELATED PARTIES

(a) Transactions and balances with equity-accounted investees and other related parties

	For the six months ended 30 June	
Amounts in EUR thousands	2018	2017
Sales of goods / services		
Associates	37,944	42,542
Joint venture	14	18
	37,958	**42,560**
Purchases of goods / services		
Associates	3,304	2,866
	3,304	**2,866**
Purchase of property, plant and equipment		
Associates	-	51
	-	**51**

Amounts in EUR thousands	30 June 2018	31 December 2017
Receivables from related parties		
Associates	35,013	33,380
Joint venture	53	153
	35,066	**33,533**
Liabilities to related parties		
Associates	2,835	2,520
Joint venture	303	171
	3,137	**2,691**

During 2018 Viohalco's subsidiary ElvalHalcor completed the acquisition of 50% of Netherlands-based Nedzink B.V (through issuance of new shares), for a consideration of EUR 15.7 million to establish a new joint- venture. Following the completion of the approvals phase, the first capital installment equal to EUR 5.7 million was paid. The remaining amount EUR 10 million is included in other liabilities.

(b) Transactions with key management

The remuneration paid during the six months ended 30 June 2018 to the Board members and the executive management for the execution of their mandate amounted to EUR 1,983 thousand (H1 2017: EUR 1,771 thousand).

The fees to directors and executive management are fixed compensation. No variable compensation, post-employment benefits or share-based benefits were paid during the period.

20. SUBSEQUENT EVENTS

Regarding the developments on the antidumping duty investigation and the tariffs imposed in the United States of America please refer to Note 4.

Updates on reprofiling of loans portfolio have been disclosed in Note 15.

No other significant events have occurred since 30 June 2018

KPMG

Statutory auditor's report to the board of directors of Viohalco SA on the review of the condensed consolidated interim financial information as at 30 June 2018 and for the 6-month period then ended

Introduction

We have reviewed the condensed consolidated statement of financial position of Viohalco SA as at 30 June 2018, the condensed consolidated statements of profit or loss, profit or loss and other comprehensive income, changes in equity and cash flows for the 6-month period then ended, and notes to the interim financial information ("the condensed consolidated interim financial statements"). The board of directors is responsible for the preparation and presentation of these condensed consolidated interim financial statements in accordance with IAS 34, "Interim Financial Reporting" as adopted by the European Union. Our responsibility is to express a conclusion on these condensed consolidated interim financial statements based on our review.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed consolidated interim financial statements as at 30 June 2018 and for the 6-month period then ended is not prepared, in all material respects, in accordance with IAS 34, "Interim Financial Reporting" as adopted by the European Union.

Zaventem, 27 September 2018

KPMG Réviseurs d'Entreprises
Statutory Auditor
represented by

Benoit Van Roost
Réviseur d'Entreprises

KPMG Bedrijfsrevisoren - Réviseurs d'Entreprises, a Belgian civil CVBA/SCRL and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity. [illegible]

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APPENDIX- ALTERNATIVE PERFORMANCE MEASURES (APMS)

Introduction

Viohalco's 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

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),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

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

a-EBIT and a-EBITDA

Amounts in EUR thousands	For the period ended 30 June 2018	2017
EBT (as reported in Statement of Profit or Loss)	**45,947**	**46,565**
Adjustments for:		
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	-
Gains (-) /losses from sales of fixed assets, intangible assets and investment property	-370	-958
Out-of-court settlement	2,000	-
Gain from sale of EU ETS allowances (EUA's)	-9,822	-
Other exceptional or unusual income (-) /expenses	232	5
a-EBIT	**75,078**	**75,792**
Add back:		
Depreciation & Amortization	68,482	66,892
a-EBITDA	**143,560**	**142,684**

a- Gross Profit

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

Net Debt

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