

2016

FINANCIAL RESULTS

FOR THE 6 MONTHS PERIOD ENDED

30 JUNE 2016



PRESS RELEASE OF VIOHALCO SA

Brussels, 30 September 2016, 17 : 45

The enclosed information constitutes regulated information as defined by the Law of 2 August 2002 and the Royal Decree of 14 November 2007 on the obligations of issuers of financial instruments admitted to trading on a regulated market.

Viohalco SA (Euronext Brussels, Athens Exchange: VIO), hereafter “Viohalco”, “the Company” today issues its consolidated financial results for the period ended 30 June 2016.

Key highlights

Financial highlights

- Consolidated revenue of EUR 1,519 million in H1 2016, down by 12% year-on-year mainly due to lower steel prices, as well as copper and aluminium LME prices and premiums;
- EBITDA up by 3% year-on-year to EUR 124 million;
- EBIT up by 5% year-on-year to EUR 63 million in H1 2016;
- Profit before income tax up to EUR 11.5 million, compared to EUR 7.6 million in H1 2015, mainly driven by the improved results of the steel and copper segments;
- Profit for the period of EUR 2 million, compared to EUR 10 million in H1 2015;
- Net debt: EUR 1,599 million versus EUR 1,499 million as at 31 December 2015, mainly due to a lower cash balance and higher working capital needs related to the execution of new cables and pipes projects.

Operational highlights

Copper	<ul style="list-style-type: none">▪ Halcor’s subsidiary Sofia Med entered into an agreement with Dowa Metaltech for the exchange of expertise and technological knowledge in the domain of high value added products.
Cables	<ul style="list-style-type: none">▪ The spin-off of the industrial and part of the commercial sector of Hellenic Cables S.A. and its absorption by its subsidiary SYMM.EP. S.A. was concluded in June 2016. The company name subsequently changed from SYMM.EP. S.A. to Hellenic Cables S.A. Hellenic Cables Industry, and that of the parent company to Hellenic Cables S.A. Holdings.▪ The company was awarded a new contract for the cable interconnection of two offshore wind farms in the North Sea by the German electricity transmission system operator TenneT.▪ New contracts for the cable interconnection of two substations in Denmark and Sweden, and the replacement of an old overhead line in Denmark, were awarded by the Danish national electricity transmission system operator Energinet.dk.▪ Completion of submarine turnkey project of Cyclades and of electricity supply to St. George island.
Steel	<ul style="list-style-type: none">▪ Negotiations between Sidenor Group’s management and its bondholders resulted in a restructuring of the capital repayments schedule and a readjustment of the interest rate spreads of the syndicated bond loans for Sidenor and Sovel.▪ Sidenor’s induction furnace launched its operations in March 2016.

	<ul style="list-style-type: none"> ▪ The Sovel plant increased its operation by three hours per working day as of April 2016 with strong performance supported by lower electricity costs, the new induction furnace and increased productivity.
Steel pipes	<ul style="list-style-type: none"> ▪ The spin-off of the industrial and commercial activities of the pipe and hollow sections sector of Corinth Pipeworks S.A. Pipe Industry and Real Estate and its absorption by its 100% owned subsidiary E.VI.KE. S.A. was concluded in May 2016. The company name was subsequently changed from E.VI.KE. S.A. to Corinth Pipeworks Pipe Industry S.A., and that of the parent company to Corinth Pipeworks S.A. Holdings Societe Anonyme.
Real estate and other activities	<ul style="list-style-type: none"> ▪ River West IKEA Shopping Centre recorded a significant increase in footfall (+22%); permission was obtained for the conversion of a part of the underground parking into an additional 1,200sqm of high-value retail space. ▪ Steady monthly growth in both customer footfall and tenant turnover for Mare West Retail Park and inclusion of a 1,900sqm H&M store generated positive feedback in the market. ▪ The hotel on Karaiskaki Square, Athens was leased to Zeus International City Seasons SA which holds a Licence Agreement with the Wyndham Hotel Group (UK) Ltd, the world's largest hotel company based on the number of hotels, for the operation of the first Wyndham Hotel Group establishment in Greece, the "Wyndham Grand Athens".

Financial review

During the first half of 2016, Viohalco's operating environment was negatively affected by continuous modest global economic growth, negative trends in the steel industry, lower prices of steel, copper and aluminium, as well as further delays to steel pipes projects worldwide.

However, profitability across Viohalco companies was supported by an enhanced product mix attributable to the recent investment programmes, which resulted in significant improvement in production facilities and the companies' ability to offer tailored, innovative solutions to customers worldwide. Lower raw materials costs provided further impetus to H1 2016 results, while a favourable EUR:USD exchange rate positively affected the competitiveness of Viohalco products.

SUMMARY OF CONSOLIDATED STATEMENT OF PROFIT OR LOSS

Amounts in EUR thousand	For the period ended 30 June	
	2016	2015
Revenue	1,519,296	1,721,135
Gross profit	161,124	183,339
Gross profit (%)	11%	11%
EBITDA before non-recurring items (1)	117,640	120,993
EBITDA before non-recurring items (%)	8%	7%
EBITDA (2)	124,476	120,993
EBIT margin (%)	8%	7%
EBIT before non-recurring items (3)	56,530	60,430
EBIT before non-recurring items (%)	4%	4%
EBIT (4)	63,367	60,430
EBIT margin (%)	4%	4%
Profit/Loss (-) before income tax	11,491	7,615
Net margin before income tax (%)	1%	1%
Profit/Loss (-) of the period	2,358	10,091
Profit/Loss (-) attributable to owners of the Company	828	3,966

- (1) EBIT plus amortisation and depreciation excluding non-recurring items
- (2) EBIT plus amortisation and depreciation including non-recurring items
- (3) Operating result excluding non-recurring items
- (4) Operating result including non-recurring items

Consolidated revenue for H1 2016 amounted to EUR 1,519 million, a decrease of 12% compared to EUR 1,721 million recorded in H1 2015, as a result of the above mentioned decline in metal prices.

Average LME metal prices:

Amounts in EUR per ton	For the period ended 30 June		%
	2016	2015	Evolution
Primary aluminium	1,384	1,599	-13%
Copper	4,213	5,317	-21%
Zinc	1,611	1,912	-16%

Gross profit decreased by 12% to EUR 161 million in H1 2016, from EUR 183 million in H1 2015; however, the gross profit margin remained stable compared to H1 2015. At the same time, **profit before income tax** amounted to EUR 11.5 million compared to EUR 7.6 million in H1 2015, while **profit of the period** amounted to EUR 2 million versus EUR 10 million in H1 2015, due to significant positive deferred tax differences.

SUMMARY OF CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Amounts in EUR thousand	As at	
	30 June 2016	31 December 2015
ASSETS		
Property, plant and equipment	1,798,841	1,814,588
Investment property	149,636	156,012
Other	65,353	67,393
Non-current assets	2,013,830	2,037,993
Inventories	880,972	786,242
Trade and other receivables	650,868	538,165
Cash and cash equivalents	112,107	136,296
Other	9,290	7,038
Current assets	1,653,237	1,467,740
TOTAL ASSETS	3,667,067	3,505,734
EQUITY	1,157,457	1,174,843
LIABILITIES		
Loans and borrowings	959,446	895,863
Deferred tax liabilities	150,065	151,365
Other	99,712	97,429
Non-current liabilities	1,209,223	1,144,656
Loans and borrowings	751,592	739,139
Trade and other payables	523,243	419,201
Other	25,552	27,894
Current liabilities	1,300,387	1,186,234
TOTAL LIABILITIES	2,509,610	2,330,891
TOTAL EQUITY & LIABILITIES	3,667,067	3,505,734

Viohalco's **total assets** increased by 5% to EUR 3,667 million as at 30 June 2016, compared to EUR 3,506 million as at 31 December 2015. This was driven by a EUR 95 million increase in inventories, largely due to the increased procurement of raw materials for the new projects of pipes and cables, and a EUR 113 million increase in trade and other receivables, again largely related to new projects.

Current liabilities increased by EUR 114 million, from EUR 1,186 million as at 31 December 2015 to EUR 1,300 million as at 30 June 2016. This is due to a EUR 104 million increase in trade and other payables and new short-term bank loans obtained during the period for the amount of EUR 12 million.

SUMMARY OF CONSOLIDATED STATEMENT OF CASH FLOWS

Amounts in EUR thousand	For the period ended 30 June	
	2016	2015
Cash flows used in operating activities	-55,424	-69,029
Cash flows used in investing activities	-41,771	-68,186
Cash flows from financing activities	73,120	152,009
Net increase/decrease (-) cash and cash equivalents	-24,075	14,794
Cash and cash equivalents, beginning of period	136,296	99,612
Effects of movements in exchange rates on cash held	-114	883
Cash and cash equivalents, end of period	112,107	115,289

Cash flows used in operating activities decreased from EUR 69 million in H1 2015 to EUR 56 million in H1 2016, while cash flows used in investing activities during the period reached EUR 42 million compared to EUR 68 million in H1 2015.

Capital expenditure for the period amounted to EUR 54 million, with key investments as follows:

- EUR 29 million in the aluminium segment related to the installation of new lines;
- EUR 9 million in the steel segment, mainly related to the installation of an induction furnace at the Sidenor plant and the merchant bar production capability in Dojran Steel;
- EUR 5 million in the steel pipes segment for the completion of the new pipe mill at Corinth Pipeworks used in the production of large diameter high wall thickness pipes (LSAW/JCOE method);
- EUR 4 million in the copper segment, related to upgrade of production facilities, improvement of productivity, and increase in capacity; and
- EUR 4 million in the cables segment aimed at increasing capacity and utilisation rates in the plants of Hellenic Cables and Fulgor.

Finally, cash flows from financing activities decreased significantly during H1 2016, from EUR 152 million in H1 2015 to EUR 73 million, as a result of loan repayments.

Performance by business segment

Viohalco operates under the following organisational framework that comprises eight business segments:

- **Aluminium:** Elval and its subsidiaries along with Bridgnorth Aluminium and Etem Bulgaria, deliver a wide variety of products from aluminium coils and sheets for general applications and aluminium foil for household use, to special products, such as rolled and extruded aluminium products for shipbuilding, automotive and construction industries, and lithographic coils.
- **Copper:** Halcor and its subsidiaries produce a wide range of copper and copper alloy products that span from copper and brass tubes, copper strips, sheets and plates, to copper bus bars and rods.
- **Cables:** The Cablel® Hellenic Cables Group is one of the largest cable producers in Europe, manufacturing power, telecommunication and submarine cables, as well as enamelled wires and compounds.
- **Steel:** Sidenor Steel Industry, Stomana Industry and their subsidiaries manufacture long, flat and downstream steel products.

- **Steel pipes:** Corinth Pipeworks engages in the production of steel pipes for the transportation of natural gas, oil and water networks, as well as steel hollow sections which are used in construction projects.
- **Real estate:** Viohalco creates value through the development of its former industrial real estate properties in Greece and Bulgaria.
- **Technology and R&D:** Viohalco's portfolio includes research and development (R&D) companies and R&D centres within the companies which focus on innovative and high value added products, efficient solutions for the optimisation of industrial and business processes, research into the environmental performance of plants and impact assessment of sustainable growth.
- **Recycling:** Viohalco's recycling segment trades and processes secondary raw materials, undertakes waste management and environmental operations, and provides services to consumers and corporate companies.

Notes:

- **Halcor, Hellenic Cables and Corinth Pipeworks** are separately quoted on the Athens Exchange.
- **The published financial information of Halcor and Hellenic Cables** is prepared based on different accounting policies. More specifically, Halcor and Hellenic Cables account for property, plant & equipment and investment property based on the fair value model of IAS 16 and IAS 40, respectively, while Viohalco accounts for property, plant & equipment and investment property based on the cost value model of IAS 16 and IAS 40, respectively.
- **Copper segment** financials differ from the published financials of Halcor, since they do not include the cable business, which forms a different segment (**cables segment**).
- The financials of **real estate, technology and R&D and recycling segments** are reported on an aggregated basis, under **real estate and other activities**.

Aluminium

In the first half of 2016, the aluminium segment **revenue** amounted to EUR 539 million, 10% down compared to EUR 601 million in H1 2015, due to lower aluminium LME prices and premiums and a negative currency translation effect on the revenue of Bridgnorth Aluminium (UK), despite an increase in sales volumes of both rolled and extruded products. **Profit before income tax** amounted to EUR 18 million compared to EUR 31 million in H1 2015, due to an absence of profits from rising LME prices in 2015.

Summary consolidated figures for the **aluminium segment**

Amounts in EUR thousand	For the period ended 30 June	
	2016	2015
Revenue	539,445	600,757
Gross profit	52,066	66,871
Gross profit (%)	10%	11%
EBITDA	53,333	62,432
EBITDA margin (%)	10%	10%
EBIT	27,573	38,442
EBIT margin (%)	5%	6%
Profit/Loss (-) before income tax	17,958	30,804
Net margin before income tax (%)	3%	5%

During the first half of 2016, a new corporate transformation related to the spin-off of the foil business into a wholly owned subsidiary was completed.

Looking into the second half of 2016, we expect continuation of strong sales volume, which will maintain full capacity utilisation of our greek production facilities. In addition, we plan to complete installation of the new surface treatment line and the plates line by year-end.

Copper

The copper segment's **revenue** in H1 2016 decreased by 18% to EUR 343 million, due to decreases of 21% and 16% in the average prices of copper and zinc respectively, and to intense price competition in certain markets. This was partly offset by a higher conversion price attributable to an enhanced sales mix. Sales volumes remained broadly stable versus H1 2015. Lower energy prices coupled with optimised production processes led to a further reduction in industrial cost, which in turn resulted in increased profit margins and helped strengthen competitiveness of the Group's products. At the same time, financial costs were positively affected by the decline in interest rates. **Losses before tax** amounted to EUR 0.8 million compared to losses of EUR 5 million in H1 2015.

Summary consolidated figures for the **copper** segment

Amounts in EUR thousand	For the period ended 30 June	
	2016	2015
Revenue	342,704	416,991
Gross profit	26,357	20,766
Gross profit (%)	8%	5%
EBITDA	15,921	15,236
EBITDA margin (%)	5%	4%
EBIT	10,535	8,432
EBIT margin (%)	3%	2%
Profit/Loss (-) before income tax	-837	-5,451
Net margin before income tax (%)	0%	-1%

The outlook for the copper market for the second half of 2016 is largely dependent on the continuation of the recovery across international markets. Whilst expectations for different geographic areas vary, demand across most European countries is expected to show a slight increase. Construction activity has started to show signs of recovery and demand for industrial products is expected to increase during H2 2016.

Cables

Revenue for the cables segment reached EUR 201 million, from EUR 208 million in H1 2015, affected by the decline in copper prices, while sales volumes remained broadly stable year-on-year. **Profit before income tax** amounted to EUR 2 million compared to EUR 4 million in H1 2015. The weaker performance compared to the first half of 2015 is attributable to differences in product mix due to different construction contracts executed during the two periods.

Summary consolidated figures for the **cables** segment

Amounts in EUR thousand	For the period ended 30 June	
	2016	2015
Revenue	200,873	208,055
Gross profit	20,133	24,945
Gross profit (%)	10%	12%
EBITDA	18,888	21,941
EBITDA margin (%)	9%	11%
EBIT	13,017	16,145
EBIT margin (%)	6%	8%
Profit/Loss (-) before income tax	2,301	4,426
Net margin before income tax (%)	1%	2%

Despite the volatile operating environment in the cables segment, the management is optimistic regarding the remainder of 2016. The initiatives taken in recent years have focused on increasing sales of value-added products, extending the company's competitive sales network, increasing productivity and reducing production costs. As a result, the Group is well positioned to capitalise on potential opportunities and to compete against the leading companies in the sector.

Steel

Revenue for the segment decreased by 17% to EUR 267 million over the same period in 2015. This is in large part attributable to the pressure on international steel prices and the installation works for the induction furnace at Sidenor's plant in Thessaloniki, which resulted in lower production volumes and ultimately lower revenue and profitability. On the other hand, during H1 2016, the Sovel plant enjoyed the full benefit of its recent investment in an induction furnace, leading to increased capacity utilisation and working hours. **Loss before income tax** amounted to EUR 18 million versus EUR 27 million in H1 2015.

Summary consolidated figures for the **steel** segment

Amounts in EUR thousand	For the period ended 30 June	
	2016	2015
Revenue	266,966	322,360
Gross profit	31,778	23,777
Gross profit (%)	12%	7%
EBITDA	14,928	7,291
EBITDA margin (%)	6%	2%
EBIT	-2,819	-9,788
EBIT margin (%)	-1%	-3%
Profit/Loss (-) before income tax	-17,955	-27,163
Net margin before income tax (%)	-7%	-8%

Import duties for Chinese steel products into the European Union, expected to come into force by the end of 2016, will enhance the sales volumes and margins of the Bulgarian steel business. Development of the special steels business at Stomana Industry is progressing to plan and is expected to lead to a higher market share and margins. Within the Greek market, an increase in demand for steel products is expected as a result of execution of large infrastructure projects related to metro and road expansions, as well as tourism-related initiatives.

Steel pipes

Despite an upward trend in the prices of oil and natural gas during the first half of 2016, the continued low price levels resulted in further delays to the implementation of major energy projects worldwide. Furthermore, the volatility in the prices of raw materials had an adverse effect on the business environment in which the Group operates. Nonetheless, the steel pipes segment maintained its **revenue** and **profit before income tax** at the levels recorded during the first half of 2015 at EUR 143 million and EUR 4.5 million, respectively.

Summary consolidated figures for the **steel pipes** segment

Amounts in EUR thousand	For the period ended 30 June	
	2016	2015
Revenue	143,470	144,974
Gross profit	24,983	40,906
Gross profit (%)	17%	28%
EBITDA	13,461	12,749
EBITDA margin (%)	9%	9%
EBIT	9,189	7,865
EBIT margin (%)	6%	5%
Profit/Loss (-) before income tax	4,484	4,840
Net margin before income tax (%)	3%	3%

Volatility across international steel pipes markets remains significant. Despite the recent increase in the prices of oil and natural gas, the low price environment remains unfavourable for the energy sector. This is offset by a number of factors, including the Corinth Pipeworks Group's sizeable backlog, especially following the award of the TAP project, the favourable EUR:USD exchange rate, the low prices of raw materials, as well as the opportunities generated by the production of large diameter pipes using the LSAW method, following completion of the company's recent investment programme.

Real estate and other activities

Aggregated revenue for the segment decreased by 8% year-on-year to EUR 26 million in H1 2016. Rental income from investment property amounted to EUR 3.4 million, up by 13% year-on-year. **Profit before income tax** amounted to EUR 6 million, versus EUR 0.2 million during H1 2015.

Summary consolidated figures for **real estate and other activities**

Amounts in EUR thousand	For the period ended 30 June	
	2016	2015
Revenue	25,838	27,998
Rental income from investment property	3,426	3,025
Gross profit	5,807	6,074
Gross profit (%)	22%	22%
EBITDA before non-recurring items (1)	1,109	1,343
EBITDA before non-recurring items (%)	4%	5%
EBITDA	7,946	1,343
EBITDA margin (%)	31%	5%
EBIT before non-recurring items (3)	-964	-666
EBIT before non-recurring items (%)	-4%	-2%
EBIT	5,872	-666
EBIT margin (%)	23%	-2%
Profit/Loss (-) before income tax	5,539	159
Net margin before income tax (%)	21%	1%

Especially for the **real estate** segment, during the first half of 2016, Mare West Retail Park, launched in September 2015, experienced steady monthly growth in both customer footfall and tenant turnover which, in combination with an expanding catchment area, demonstrates its potential to become the dominant retail destination for northeastern Peloponnese. The new H&M 1,900 sqm store that opened in March 2016 has exceeded the retailer's expectations in terms of performance, generating positive feedback in the market.

River West|IKEA Shopping Centre also experienced a significant increase of more than 22% year-on-year in footfall during the first half of 2016. Tenant demand is exceptionally strong and new leases signed during the period are at significantly higher rental levels than previously estimated. To capitalise on these positive trends, the management has obtained planning permission to convert part of the underground parking into an additional 1,200 sqm of high-value retail space.

Negotiations with interested parties for the lease of the Hotel on Karaiskaki Square in Athens resulted in a long-term lease agreement signed with Zeus International City Seasons SA in Q1 2016. Zeus International City Seasons SA holds a Licence Agreement with Wyndham Hotel Group (UK) Ltd, the world's largest hotel company based on the number of hotels, for the operation of the first Wyndham Hotel Group establishment in Greece, the "Wyndham Grand Athens". Renovation works began in Q2 2016 and are expected to be completed by the end of the year. Viohalco's contribution to the total renovation cost has been financed through a 100% LTC (100% Loan To Cost in relation to Viohalco's contribution to total cost) Bond Loan Facility with satisfactory terms and conditions, at a time when bank financing remains scarce.

With regards to other real estate assets, discussions and negotiations with potential tenants are ongoing. At the same time, the rationalisation of the corporate structure of the segment for a more effective structure are still in progress.

Main risks and uncertainties for H2 2016

In Greece, where most of Viohalco's subsidiaries are located, the macroeconomic and financial environment is not fully stabilized yet.

The Greek government completed the negotiation with the Institutions, (IMF, EU, ESM, ECB), for the formulation of a lending package, which was voted by the Greek parliament, the European parliament and approved by the ESM in the third quarter of 2015. Further to this, the recapitalization of the Greek banks was completed successfully at the end of 2015. In June of 2016 the first disbursement of € 7.5 billion to Hellenic Republic was released and covered the short-term public debt servicing needs, while the first evaluation of the financial assistance program was completed and the partial disbursement of the second installment of the program, amounting to € 10.3 billion, was approved. The remaining amount of € 2.8 billion is expected to be disbursed within the second semester of 2016, provided that a series of prerequisite actions are completed. The second evaluation of the financial assistance program is going to be implemented until the end of the year and the negotiations will mainly concern labor relations. The successful completion of the disbursement of the installments as well as of the second evaluation will return Hellenic economy to economic stability, enhance the real economy and contribute to the improvement of investment prospects. However the successful completion largely depends on the actions and decisions of the Greek Government and Institutions, which so far show compliance with the program. This uncertainty in the economic and financial environment, albeit reduced, constitutes a key risk factor and any adverse development is likely to affect the activities of Viohalco's subsidiaries in Greece, and their local financial performance and position.

Moreover, it should be noted that the capital controls that are in force in Greece since last June, and still remain until the date of approval of the financial statements, have not prevented Viohalco's companies to continue their activities with no production delays and timely execution of all customers' orders. More specifically, the production capacity of the units, production costs and raw supplies have not been affected by the capital controls and the reduction in domestic demand. Therefore, cash flows from operational activities of Viohalco's companies have not been disrupted by the current situation in Greece.

Additionally, Viohalco's companies' strong customer base outside Greece along with their established facilities abroad minimize the liquidity risk which may arise from the uncertainty of the economic environment in Greece. Viohalco's companies' debt amounting to EUR 1,711 million comprises of 56% long term and 44% short term facilities. Taking into account also the EUR 112 million of cash & equivalents (i.e. 15% of short term debt), Viohalco's companies' Net Debt amounts to EUR 1,599 million.

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 automatically if needed. There are sufficient credit limits in place to serve working capital requirements and refinance short term loans.

Viohalco and its Companies follow closely and on a continuous basis the developments in 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.

Subsequent events

On Friday September 23, 2016 and Monday September 26, 2016, the Boards of Directors of the Belgian limited liability company Cenergy Holdings SA, a non-listed subsidiary of Viohalco SA, and Viohalco's affiliated Greek holding companies, Corinth Pipeworks Holdings S.A. and Hellenic Cables Holdings S.A., both listed on the Athens Exchange, decided to proceed with a cross-border merger by absorption by Cenergy Holdings of Corinth Pipeworks Holdings and Hellenic Cables Holdings.

The Cross-Border Merger shall take into account the book value of the Merging Companies and the interim financial statements as of July 31, 2016, in accordance with the provisions of the applicable Belgian and Greek legislation.

As a consequence of the Cross-Border Merger, the shareholders of the Absorbed Companies shall exchange their shares with Cenergy Holdings shares, which shall obtain prior to the Merger primary listing on Euronext Brussels and secondary listing on the Athens Exchange. The proposed share exchange ratios between Cenergy Holdings and each of the Absorbed Companies are the following:

- at 1:1 for Corinth Pipeworks Holdings, i.e. it is proposed that Corinth Pipeworks Holdings shareholders exchange one of their shares for one Cenergy Holdings' share; and
- at 0,447906797228002:1 for Hellenic Cables Holdings, i.e. it is proposed that Hellenic Cables Holdings shareholders exchange 0,447906797228002 of their shares for one Cenergy Holdings' share.

The completion of the Cross-Border Merger is subject to the approval by the General Meetings of shareholders of all the Merging Companies and the fulfillment of all formalities required by applicable laws. The whole process is expected to be completed in the course of December 2016.

The Cross-Border Merger will enable Corinth Pipeworks Holdings and Hellenic Cables Holdings to group their financial leverage and business outreach, and thus to provide to the underlying industrial companies in Greece and abroad solid sponsorship and reliable reference when bidding for demanding international projects or seeking access to restricted international financing. As a listed company, both in Brussels and in Athens, the company will present the international investor community with an opportunity to invest in a promising business sector under conditions of increased visibility and scrutiny. The ability of the company to access the international financial markets will help consolidate the underlying industrial Greek companies' achievements and secure long-term employment for their highly qualified workforce. It will also help enhance their competitiveness and confirm their development and investment prospects.

Outlook

In 2016, weak trade growth, sluggish investment and slower activity in key markets are expected to contribute to modest global GDP growth. In addition, United Kingdom's vote to leave the European Union has led to a higher level of economic uncertainty and increased volatility in the financial markets. In Greece, growth is projected to turn positive in the second half of 2016, as increasing confidence will boost investment and consumption.

Continuous volatility in the prices of metals and raw materials and intense competition in certain markets will continue to play a key role in shaping the Viohalco companies' operating environment. However, the companies will remain focused on capitalising on opportunities provided through the intensive investment programmes completed in recent years. In addition to enhanced production facilities, further growth in exports will be supported by the favourable EUR:USD exchange rate, which positively affects the competitiveness of Viohalco's products in USD denominated trading countries.

Finally, despite the positive effect of continuous low oil and natural gas prices on production and transportation costs, a further increase in these pricing levels would act as a catalyst for the energy sector, where a number of major projects remain on hold.

Statement of the Auditor

The condensed consolidated interim financial statements for the six-month period ended 30 June 2016 attached to this press release have been subject to a review by the auditors.

Financial Calendar

Date	Publication / Event
Viohalco's 2016 annual results	March 31, 2017
Ordinary General Meeting 2017	May 30, 2017
Viohalco's half yearly 2017 results	September 29, 2017

The Annual Financial Report for the period 1 January 2016 – 31 December 2016 will be published on 28 April 2017 and will be posted on the Company's website, www.viohalco.com, on the website of the Euronext Brussels Exchange europeanequities.nyx.com, as well as on the Athens Exchange website www.helex.gr.

About Viohalco

Viohalco is the holding company of various metal processing companies in Europe, based in Belgium. With production facilities in Greece, Bulgaria, Romania, Russia, Australia, FYROM and the United Kingdom, Viohalco's subsidiaries specialise in the manufacture of aluminium, copper, cables, steel and steel pipes products, generating annual revenue of EUR 3.3 billion. In addition, Viohalco and its companies own substantial real estate properties in Greece and have redeveloped some of their properties as real estate development projects. For more information about our company, please visit our website at www.viohalco.com.

Contacts

For further information, please contact:

Sofia Zairi

Head of Investor Relations

Tel: +30 210 6787111, 6787773

Email: ir@viohalco.com