MYTILINEOS

ANNUAL REPORT 2016

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04-07



Message from the Chairman

The world, as we knew it until today, has radically changed. Every day, the things we had been taking for granted are being overturned. The challenges we have to cope with keep increasing in complexity, evolving and changing, as the stable frameworks that had been in place for decades no longer apply. This was also evidenced by last year's major political, social and economic developments, both in Greece and abroad, which changed the global landscape. In this new environment of a globalised economy, with political reversal following upon political reversal, our country is trying to find its balance and face the modern world's challenges. To resolve pending issues and make changes where these needed to be made for years, so that it can enter a course of growth that will ultimately enable it to put in place the conditions for prosperity in the future.

It is in this very same environment that MYTILINEOS Group has to operate. Faithful to the values and to the business strategy it has been following all these years, it continues tirelessly to create the conditions that will not only allow it to survive the economic crisis but will also strengthen its capabilities, establishing it as Greece's new, major industrial player with international prospects. A model business that is driven by vision and is able to contribute its share (and more) to the effort to support the country's modernisation. A leading company which applies a unique and modern employment model, has an active social profile, adopts innovative investment and business growth mechanisms and enjoys international presence and recognition.

During the last year, we managed to overcome major operational crises, remaining faithful to our vision of creating a healthy and competitive business Group. Yet the challenges also brought with them many opportunities, which translated into significant successes in all our business activity sectors, making us especially proud of our people, our strategic know-how and our specialisation in the energy sector.

Thus, the end of 2016 finds the Group stronger, ready for the next step in its business evolution. With the announcement of the merger of all subsidiaries under the single umbrella of MYTILINEOS Holdings, we turn the page in our course so far, creating a united, strong and flexible Greek business Group with an international identity, which combines strategic know-how with successful industrial growth, a specialisation in the energy and the loyalty of all its employees. A Group that keeps transforming itself, evolving and developing, constantly expanding its prospects for growth.

Aluminium of Greece celebrated the completion of 50 years in operation and of 10 years of successful growth in Greece as member of the MYTILINEOS Group, with investments in its industrial and trading centre of Ag. Nikolaos, Viotia, which exceeded €600 million and focused on the technological upgrade of facilities and the improvement of the plant's output and productivity. This investment, one of the largest investments to be carried out in Greece in the last few years, has made the country's most historic industry a force to be reckoned with on a global level. In parallel, the conclusion by Agog of a long-term agreement with the PPC concerning the supply of electricity, brought to closure a long-drawn-out dispute and marked the beginning of a new era, which will be based on a beneficial cooperation that will further boost the company to expand the Greek industry's reach.

METKA continues its international activities, undertaking the execution of EPC Projects in regions characterised by high demand in energy infrastructures, such as Libya and Ghana, which stress the company's commitment to establishing itself as a leading player in the electricity market of sub-Saharan Africa. In parallel, the company is adapting its model for further growth to its clients' and to society's new needs, by actively participating in the configuration, financing and final definition of the projects it participates in, offering the high level of specialisation and the all-round expertise that have made it one of the most competitive contractors globally. At the same time, the company's manufacturing plant in Volos continues to improve its operational capabilities and certifications, thus being able to take on the creation of the most complex metallic structures globally.

With a growth leap of 192%, **Protergia** in 2016 succeeded, within a very short period of time, to place itself at the top of private electricity providers. Through strategic partnerships in the retail market, such as its partnership with the OTE Group, the company is now the consumers' choice of preference and an established brand name with a distinct position in the market, as the COSMOTE and GERMANOS network of stores are offering Protergia's competitive electricity supply products. We continue our efforts for growth, despite the challenges in the market, which is still trying to find its way to liberalisation, having set a growth target of 10% by 2018. Great progress has also been made in the domain of Corporate Social Responsibility. The company's rapid growth and the great work it has to show in this area for the last year, are of unique value and significance for us but most of all for society, the economy, the environment and our shareholders, as we contribute every day to our country's development.

Regarding the Health and Safety of our employees, which remains at the very top of the materiality issues that drive our sustainability, we continued to keep our Accident Frequency Rate, which leads to loss of work, at a very low level. This result strengthens our commitment to continuous self-assessment and self-improvement, which will help us attain our primary target – that of zero accidents at all our workplaces.

In 2016, our total expenditure for the overall stabilisation and improvement of our environmental footprint stood at €28,9 mio. We continued our business investments, with a direct positive impact on the environment, by upgrading the alumina production plant, anticipating a significant reduction of carbon dioxide emissions and energy costs, as well as greater flexibility in the production process. At the same time, the comparative assessment of our performance in the management of water resources, in the context of our very first participation in the Water Management Programme of the Carbon Disclosure Project, resulted in a "Level B" global ranking (the second best one).

In order to tackle key social issues, we continued the implementation of "ENGINEERS IN ACTION" – our successful 12-month paid employment programme for young engineers, with 90% of the programme's graduates being placed in the labour market in less than 3 months after completing the programme. Wishing to further build on this effort, we also launched the programme "YOUNG GENERATION IN ACTION", aimed at offering an access point to young people who at the moment are outside the labour market and to open up career prospects for them, while also providing them with a strong incentive to stay in our country.

In support of the children's right to education and of the efforts to alleviate their food insecurity, which has grown tremendously during the crisis, we continued and expanded "I'M IN!" – our innovative social programme to combat school drop-out. We also provided substantial assistance to collective actions in the framework of the programme "act4Greece", which were aimed at providing nutritious hot meals to primary school pupils in Western Attica, thus helping to cover 17% of the programme's overall target.

Corporate Governance remains at the very centre of our interest. With regard to ethical practices and transparency, we released the 2nd edition of the "MYTILINEOS Group Code of Conduct" and we completed the "Suppliers / Business Partners Code of Conduct" for each one of our business activity sectors. With regard to accountability, we developed the "Integrated Value Creation Scorecard" tool, which presents the value that we create depending on each one of the categories of resources (financial, industrial, human, natural and social) that we use in our activities, as well as how this value changes (increases, decreases or is transformed) on an annual basis. This initiative aims to provide all our Stakeholders with more effective updates of a higher quality, in view of the new information that in the near future is expected to determine the new legislative framework for Corporate Social Responsibility in Greece. Finally, we implemented the Stakeholder engagement process with our Stakeholders, for the 7th consecutive year, both at the local level as well as in a broader context, as presented in the relevant sections of this Report.

2017 is set to be a year full of many challenges and even more opportunities. As a major, united and strong business Group, MYTILINEOS Group intends to make the most of these. We invest in our vision and we strive to achieve it, aiming to generate multiple benefits for our country's society and economy, as well as for our people, who are working with commitment and loyalty to our values. We will continue to do our very best in order to remain at the forefront of developments in all our business activity sectors – Metallurgy & Mining, EPC Projects and Energy – as a model business that capable of supporting the effort for Greece's modernisation and growth, while in parallel increasing its extroversion and expanding its activities in international markets.

With dynamism, we will face the new conditions drawing on our new business structure, which has been designed based on the best international practices and will require us to adopt different ways of thinking and operating, with flexibility and creativity. We have come this far as a team and it as a winning team that we will continue into the future, on a course that reflects our new identity that is worthy of our history and, now, of our size.

Evangelos G. Mytilineos

Chairman & CEO of MYTILINEOS Group

Identity of MYTILINEOS Group

MYTILINEOS Group is one of Greece's largest industrial companies with a long track record of successful international growth in the sectors of Metallurgy & Mining, EPC (Engineering - Procurement - Construction) Projects and Energy. As a responsible industrial Group, MYTILINEOS Group strives for constant business excellence, balancing economic growth with sustainable development.

Today, the Group stands out for its unique and modern employment model, its active social profile, the innovative mechanisms it adopts for business growth, its strategic investments in leading-edge solutions to modernise operations and the successful consolidation of its presence in the global markets. In 2016, MYTILINEOS Group proceeded with the strategic merger of all Group subsidiaries under a single umbrella, in a move that demonstrates its continuous efforts for business progress, evolution and growth.

Key Indicators	2015	2016
Turnover (million €)	1.383,0	1.246,1
EBITDA (million €)	234,4	222,4
Net profits (million €)	47,6	34,2
Employees (direct & indirect)	2.785	2.817
Social product (million €)	562,3	601,8
Suppliers	4.808	5.002
Industrial production & RES plants	21	25
Energy portfolio from thermal plants in full operation (MW)	1.215,0	1.215,0
RES portfolio in operation (MW)	67	130

Metallurgy & Mining Sector

The acquisition of ALUMINIUM OF GREECE in early 2005 laid the foundations for a new era for MYTILINEOS Group, by adding to the Group's presence in the Metallurgy sector, which was already significant, its entry in industrial production. Today, ALUMINIUM OF GREECE is the largest vertically integrated alumina and aluminium producer in Europe and one of Greece's healthiest growing industrial companies. The company's international business activity, in cooperation with DELPHI-DISTOMON, is a driving force for the growth of the Greek economy as well as for the development of the Greek periphery. **Aluminium of Greece** celebrated the completion of 50 years in operation and of 10 years of successful growth in Greece, with over €600 million of investments for the technological upgrade of facilities and the improvement of its plant's output and productivity. This investment, one of the largest to be carried out in Greece in the last few years, has made the country's most historic industry a force to be reckoned with on a global level.

ALUMINIUM OF GREECE



"We establish the products of the Greek metallurgical industry around the globe"

Since 1960, ALUMINIUM OF GREECE has consistently been a pillar of the Greek heavy industry, with a production that accounts for 15% of Europe's total alumina production, and an annual capacity that exceeds 182,000 tons of aluminium and 820,000 tons of alumina. In its industrial complex in Ag. Nikolaos, Viotia, the company applies production and trade processes that are on a par with those of the world's top metallurgical industries.

Through a long-term investment plan, MYTILINEOS Group fortifies the traditionally strong Greek metallurgical industry and secures the current and future operations of ALUMINIUM OF GREECE which, thanks also to its international business activity, is a driving force for the growth of the Greek economy as well as for the development of the Greek periphery.

	2015	2016
Turnover (million €)	549,4	447,9
Employees (direct & indirect)	1.461	1.421
Alumina production (t)	806.500	820.800
Aluminium production (t)	179.993	181.189
Number of fatalities ¹	0	0
Injury rate ²	0,21	0,21
Specific CO ₂ emissions (t CO ₂ /t Aluminium)	14,57	15,32
Product energy intensity (Gj³/t Aluminium)	53,9	53,7

Direct employees. / 2Number of injuries (direct employees) per 200,000 working hours. / 3Gross natural gas & electricity consumption.

DELPHI-DISTOMON

DELPHI-DISTOMON is the second largest bauxite producer in Greece and in Europe, with an annual production of 650,000 tons. The Company's sites, which supply bauxite to ALUMINIUM OF GREECE, are located in the Amfissa region.

	2015	2016
Employees (direct & indirect)	217	222
Bauxite production (t)	649.365	629.742
Number of fatalities ¹	0	0
Injury rate ²	1,07	0
Specific CO ₂ emissions (t CO ₂ /t Bauxite)	0,012	0,018
Product energy intensity (Gj³/t Bauxite)	0,104	0,100
Rate of exploitable land fully recovered	80,04%	80,04%

Direct employees. / 2Number of injuries (direct employees) per 200,000 working hours. / 3Natural gas & electricity.

EPC Projects Sector

METKA



"We excel in the construction of large-scale EPC energy projects in rapidly growing markets abroad"

Established in 1962 in N. Ionia, Volos, METKA is today a leading international EPC (Engineering-Procurement-Construction) contractor, undertaking the implementation of large-scale turn-key power plant projects from design and procurement through to construction and commissioning.

The company specialises in the construction of turn-key power plants that utilise the full range of thermal power generation technologies (including combined cycle, co-generation and simple cycle technologies), as well in the construction of hydropower plants and large-scale photovoltaic and hybrid plants.

METKA is currently strongly focused on serving the energy needs of international markets, with projects under way in Europe, the Middle East and Africa.

METKA also has a strong industrial manufacturing base, with several decades of experience in complex, high value-added manufacturing of equipment and components, enabling it to serve numerous global customers and to rank as one of the leading Greek exporting companies.

In addition, the company's 7th Class Contractor's Certificate has also opened up new possibilities for its participation in a wide range of public construction projects in the domestic market.

METKA has been listed on the Athens Exchange since 1973 and its share is a constituent of the FTSE/ATHEX Large Cap Index, which tracks the top 25 companies ranked by market capitalisation.

	2015	2016
Turnover (million €)	668,0	438,5
Employees (direct & indirect)	703	702
EPC Projects signed backlog (million €)	1,2	1,0
Number of fatalities ¹	0	0
Injury rate ²	0	0,21
Specific CO ₂ emissions (t CO ₂ /t processed metal)	4,94	4,41
Product energy intensity (Gj/t processed metal)	17,0	15,4

¹Direct employees. / ²Number of injuries (direct employees) per 200,000 working hours.

Energy Sector

In the last ten years, MYTILINEOS Group has been established as the most important independent energy producer in Greece, carrying out €1 billion of investments and leading developments in the liberalisation of the energy market, which opens up significant opportunities for the Greek economy and for Greek businesses.

By leveraging the synergies with METKA and M&M Gas, the Group today has in place a wide range of activities in the energy sector, ranging from the construction of power plants to the supply of natural gas and the injection of the electricity produced into the Transmission Network. In 2016, the Group's portfolio of energy assets reached 1,215 MW from thermal plants and more than 130 MW from energy assets in the sector of Renewable Energy Sources (RES). In parallel, the Group also keeps up with the implementation of its investment plant in new RES projects.

PROTERGIA



"We carry out pioneering investments that pave the way for Greece's energy future"

Protergia is the flagship company of MYTILINEOS Group in the electricity production and supply sector, bringing under the same roof the management of all energy assets and activities of the Group. It has invested in modern power plants and has in place a portfolio of energy assets which exceeds 13.5% of the country's installed conventional power generation capacity. In the retail electricity market, the approach adopted by Protergia is based on competitive charges, clear pricing mechanisms and customer rewards. Its vision is to become the leading vertically integrated electricity producer in Greece, in terms of both corporate responsibility and reliability, creating sustained value for its customers and prospects for the society.

2015	2016
Turnover (million €) 187,1	363,8
Employees (direct & indirect) 202	269
Energy portfolio (MW) 1.215	1.215
RES portfolio (MW in operation) 67	130
Market share in retail energy market ¹ 1,02%	2,69%
Number of fatalities ² 0	0
Injury rate ³	0,44
Specific CO ₂ emissions (t CO ₂ /TJ electricity production) 93,85	95,02
Product energy intensity (Tj ⁴ /Tj electicity production) 1,87	1,89

Electricity Market Operator December 2016 official data / ²Direct employees / ³Number of injuries (direct employees) per 200,000 working hours. / ⁴Natural gas

M&M Gas



M&M GAS Co S.A was established by the MYTILINEOS and MOTOR OIL Groups in 2010 and is active in the supply and trading of natural gas (liquefied or non-liquefied). Its establishment has paved the way for the liberalisation of the domestic market for natural gas, as M&M GAS was the very first company in Greece to import a private liquefied natural gas (LNG) cargo. Since 1 January 2016, M&M has consolidated its position as one of the major suppliers of natural gas in the country, by ensuring the problem-free supply of natural gas to its business partners. During the year, which was the first full year of commercial activity for the company following the gradual liberalisation of the energy market, a total of approximately 400,000 MWh of natural gas were delivered to industrial end users across the country. In parallel with its commercial activity in Greece, the company also expanded into cross-border trading, via the Gas Interconnector Greece-Bulgaria (IGB) pipeline. In July 2016, M&M Gas completed successfully the first ever pipeline export of natural gas quantities from Greece to Bulgaria, while in the period from September to the end of the year it imported around 30,000 MWh of natural gas as the Greek market's first private importer.



Annual Financial Report for the period from the 1st of January to the 31st of December 2016

According to article 4 of L. 3556/2007

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Representation of the Members of the Board of Directors

(according to article 4 par. 2 of L.3556/2007)

The

- 1. Evangelos Mytilineos, Chairman of the Board of Directors and Chief Executive Officer
- 2. Ioannis Mytilineos, Vice Chairman of the Board of Directors
- 3. George Kontouzoglou, Member of the Board of Directors

CERTIFY

a. the enclosed financial statements of "MYTILINEOS HOLDINGS S.A." for the period of 1.1.2016 to 31.12.2016, drawn up in accordance with the applicable accounting standards, reflect in a true manner the assets and liabilities, equity and results of "MYTILINEOS HOLDINGS S.A.", as well as of the businesses included in Group consolidation, taken as a whole and

b. as far as we know, the enclosed report of the Board of Directors reflects in a true manner the development, performance and financial position of "MYTILINEOS HOLDINGS S.A.", and of the businesses included in Group consolidation, taken as a whole, including the description of the principal risks and uncertainties.

Maroussi, 27 March 2017

The designees

Evangelos Mytilineos Ioannis Mytilineos George Kontouzoglou

Chairman of the Board of Directors Vice - Chairman of the Board of Directors of the Board of Directors

Vice - Chairman Member of the Board Board of Directors of Directors



Annual Board of Directors Management Report

BOARD OF DIRECTORS ANNUAL REPORT

The present Board of Directors Annual Report pertains to the 2016 fiscal period. The Report has been prepared so as to ensure harmonization with the relevant provisions of C.L. 2190/1920 as in effect, of law 3556/2007 (GGI 91A/30.4.2007) and the issued executive decisions of the HCMC, especially HCMC Board of Directors Decision number 7/448/11.10.2007.

The present report contains financial details on the entity titled «MYTILINEOS HOLDINGS S.A.» (hereinafter called the «Company») and its subsidiaries and associated companies (hereinafter called the «Group», jointly with the company) for fiscal year 2016. It describes major events that occurred in the same period and their influence on annual financial statements. It also describes the main hazards and risks that may be faced by the Group member companies in the forthcoming year; finally, it lists major transactions between the Company and the persons associated with it.

I. 2016 REVIEW - PERFORMANCE AND FINANCIAL POSITION

In 2016, the Greek economy continued to show signs of remarkable resilience, as in the first half of the year recession was milder than the one forecasted, while GDP remained virtually unchanged on a year-on-year basis. In parallel, according to the data available so far, the primary deficit stood at 2% of GDP, exceeding the target set.

After a prolonged period of recession and stagnation, the Greek economy is today at a crucial turning point as far as its return to growth path and the strengthening of employment are concerned. A prerequisite in order for the official forecasts of a growth rate of 2.5% for 2017 to be confirmed is of course the successful conclusion of the second review of Greece's economic adjustment programme, in tandem with the restoration of confidence, which suffered a crucial blow after the capital controls were imposed in the summer of 2015.

In particular, despite the promising forecasts for 2017, significant risks remain on both the domestic and international fronts, which may affect negatively the economic prospects in the months ahead. In Greece, the restrictive fiscal policy and the increased taxation impact negatively on economic performance, while the critical problem of the resolution of non-performing loans remains very much a pending issue. On the international front, the widespread political instability, the refugee crisis, the rise of euroscepticism and the potential shocks that the process for the UK's exit from the EU may cause, are areas of great concern. At the same time, the recovery in oil prices and the rise of inflation above the target of 2% may lead the ECB to gradually withdraw its quantitative easing measures.

Acknowledging the above challenges, MYTILINEOS Group is proceeding at a quick pace with its corporate transformation, which will streamline its organisational structure and will result in significant synergies for the benefit of the Group and of its shareholders. In parallel, the Group remains strongly extrovert, is leading developments in the opening up of the domestic energy market, bolsters the competitiveness of its Metallurgy Sector and promotes METKA's further penetration in new markets abroad with increased energy needs.

Metallurgy and Mining Sector

In 2016, the prices for Aluminium gradually recovered from the lows of many years observed in the year's first quarter, to close the year at over \$1,700/tn, posting a 12.4% year-on-year growth.

Looking back at 2016 as a whole, the average price for Aluminium at the LME stood at \$1,161/tn, down -4.1% relative to the previous year.

In parallel, the average Euro/USD parity remained virtually unchanged at 1.10 The US Dollar had a remarkably strong performance against most currencies in the fourth quarter of 2016, when the Euro/USD parity stood below 1.05.

The sector's fundamentals remained strong and demand for 2016 continued to grow at high rates (exceeding 5% for 2016) to reach nearly 60 million tonnes, as concerns over a significant slowdown in the growth of the emerging economies, particularly so of the Chinese economy, were not confirmed.

In this environment, the Group takes advantage of the high profitability margins offered by the current conditions in the industry, while in parallel remaining committed to the strict control of costs with the implementation of its new programme "The Best".

EPC Sector

Throughout 2016 the Group continued its positive track. Along with the execution of its current backlog, the company pursued the expansion of its activities in the sub-Saharan Africa region and other developing markets that face increased needs for the provision of electricity.

The activity of subsidiary company, METKA EGN contributed significantly to the Group's performance, during the reference period. This reflects the advantages of Group's strategic expansion to the renewable energy sector.

The main factors which contributed to the Group's above course are :

- a) The project «turn-key engineering, procurement and construction (EPC)», as well as operations and maintenance (O&M) for a solar photovoltaic power plant (solar PV) in Puerto Rico, with a capacity of 57MW and a contract value of \$ 94.5 million, which in the current period recorded a turnover of € 81.94 million
- b) The project «Construction of remaining infrastructure, permanent way, signaling-telecommanding, telecommunications and electrical engineering works for the tunnel facilities for the new railway line Kiato-Rododafni» with a total budget of € 227 million, which in the current period recorded a turnover of € 65.02 million
- c) The project «Construction and commissioning of a power plant with a capacity of 724 MW» in Deir Azzour of Syria, with a contract value of € 687 million, which in the current period recorded a turnover of € 63.1 million
- d) The project «Construction of a power plant station of 701 MW» in Deir Ali, Syria, with a contractual value of € 718 million which in the period under review recorded a turnover of € 41.2 million
- e) The project «Construction of a thermal power plant station of 1250 MW» in Iraq, with a contractual value of \$ 567.7 million which in the period under review recorded a turnover of ${\it \leqslant}$ 38.03 million
- f) The project «Engineering, Procurement and Construction (EPC) of 250 MW power plant» in Ghana, with a contractual value \$ 360 million, which in the period under review recorded a turnover of € 28.42 million
- g) The project for the construction and delivery of 44 semi-trailers and 34 launcher platforms for Patriot air defense systems, for the Middle East market. The contractual value is \$ 38.5 million and in the period under review recorded a turnover of \$ 15.5 million

h) The implementation of the contract for the construction and delivery of 42 semi-trailers and 36 launcher platforms for Patriot air defense systems, for the Middle East market. The contractual value is \$ 37.9 million and in the period under review recorded a turnover of \$ 12.3 million

Energy Sector

In the domestic energy market, demand for electricity continues to be negatively affected by the weak performance of the Greek economy. More specifically, in 2016 electricity consumption posted a marginal decline by 0.3%, despite a distinct improvement in performance during the year's fourth quarter and particularly so in December (increase by 6.7%), which was mainly due to climate conditions.

In terms of the generation mix, the generation of electricity from lignitefired plants was limited for the first time below 15 TWhrs, representing a share of 29.1%, down from 37.8% in 2015. This decrease was more than covered by the sharp increase (+73%) of the generation from gas-fired plants. Indicative of this is that the share of natural gas in the generation mix rose to 24.4%, up from 14.1% in 2015. Generation from RES-based plants also posted an increase (+8.5%), with generation from hydropower plants and net imports of electricity decreasing by 10.2% and 8.46%, respectively.

As a consequence of the above developments. the average System Marginal Price (SMP) declined further to €42.9 (-17.5% relative to the same period

Regarding the opening up of the retail market, the participation of private suppliers grew to 9.7%, up from 5.4% at the end of 2015.

In this environment, the Group in 2016 strengthened its presence in both the wholesale and retail electricity markets. More specifically, in 2016 PROTERGIA more than doubled its share and took first position among all private suppliers, with a market share of 2.6%. At the same time, the generation of electricity by the Group's units grew by 75% and exceeded 4 million MWhrs, corresponding to 9.9% of the domestic production compared to 5.7% in the previous year.

Specifically, the effect in Group's turnover and EBITDA during 2016 compared to 2015 is presented

A.SALES

Amounts in mil. €	Variance Analysis
Turnover 2015	1.382,9
Effect from:	
Organic \$/€ eff.	3,7
Volumes	(11,0)
Premia & Prices	(44,0)
LME	(19,3)
Energy	176,7
EPC	(211,9)
LNG Trading	(31,0)
Turnover 2016	1.246,1

Annual Board of Directors Management Report

B. EBITDA

Amounts in mil. €	Variance Analysis
EBITDA 2015	234,4
Effect from:	
Organic \$/€ eff.	3,4
Fuel Oil + NG + Steam	15,7
LNG	0,2
Volumes	(1,4)
Premia & Prices	(42,5)
Opex & R/M	12,9
LME	(18,9)
EPC	(40,8)
Electricity	16,9
Other	1,4
Energy Sector	43,0
Zn-Pb discontinued operation	(1,9)
EBITDA 2016	222,4

C. Net Profit after minorities

Amounts in mil. € Ανάλυση Αποκλίσεων	
Net Profit after Minorities 2015	47,5
Effect from:	
Operating Results (EBIT)	(26,0)
Net Financials	2,3
Share in Associates Results	0,2
Minorities	1,1
Discontinued Operations	2,1
Taxes	7,0
Net Profit after Minorities 2016	34,2

The Group's policy is to monitor its performance on a month to month basis thus tracking on time and effectively the deviations from its goals and undertaking necessary actions. The group evaluates its financial performance using the following generally accepted Key Performance Indicators (KPI's).

-EBITDA (Operating Earnings Before Interest, Taxes, Depreciation & Amortization): The Group defines the «Group EBITDA» quantity as profits/losses before tax, itemized for financial and investment results; for total depreciation (of tangible and intangible fixed assets) as well as for the influence of specific factors, i.e. shares in the operational results of liaised bodies where these are engaged in business in any of the business sectors of the Group, as well as the influence of write-offs made in transactions with the above mentioned liaised bodies.

- ROCE (Return on Capital Employed): This index is derived by dividing profit before tax and financial results to the total capital employed by the Group, these being the sum of the Net Position; the sum of loans; and long term forecasts.
- ROE (Return on Equity): This index is derived by dividing profit after tax by the Group's Net Position.
- **EVA (Economic Value Added):** This metric is derived by multiplying the total capital employed with the difference (ROCE Capital Expenditure) and constitutes the amount by which the financial value of the company increases. To calculate the capital expenditure, the Group uses the WACC formula « Weighted Cost of Capital».

The Weighted average cost of capital is calculated as, the quotient of Equity Capital to Total Capital Employed (Equity Capital and Debt) multiplied by the return on Equity* plus the quotient of Debt to Total Capital Employed (Equity Capital and Debt) multiplied by the return on Debt adjusted by the company tax rate (due to tax saving on interest paid).

$$WACC = \frac{E}{E+D} r_E + \frac{D}{E+D} r_D (1-Tc)$$

Where
E Equity Capital
D Debt
TE Return on equity

rD Return on debt Tc Tax rate

*Return on Equity is calculated by utilizing the "Capital Asset Pricing Model" (CAPM) and is equal to risk-free rate of return plus a risk premium multiplied by beta coefficient that reveals the variability of the stock in relation to market fluctuations.

The above indicators for 2016 compared to 2015 are as follows:

EBITDA & EVA in thousands €

	2016	2015 Adj.
EBITDA	222.363	234.373
ROCE	12,10%	13,83%
ROE	3,45%	5,09%
EVA	205.562	148.413

ROCE 2015*: During the reporting period 2015 the Group proceeded with restructuring of existing borrowings in order to extent maturity.

II. Significant information

During the reporting period, the Group proceed to the following:

• On 31/12/2014 the transitional Capacity Assurance mechanism expired. A new Flexibility Remuneration Mechanism, was expected to come into force from 1/1/2015. However and despite the fact that the public consultation process had been completed from January 2015, the final information required by the DG Competition of the EU were sent with a significant delay (September 2015) by the Greek authorities. Said delay had as result the lapse of time required to set the new mechanism in force for the year 2015. Consequently, the EBITDA of Mytilineos Group for 2015, are reduced by the amount of approximately 44 mio €.

The transitional Flexibility Remuneration Mechanism was enacted and entered into force from 1.5.2016, following the decision of the European Commission No. C (2016) 1791 final dated 31.3.2016, through the article 150 of L. 4389/2016 in accordance to the provisions set in the 3rd Memorandum between the Hellenic Republic and the Institutions, as embodied in the L. 4336/2015.

According to the provisions of the aforementioned article, the duration of the new transitional Flexibility Remuneration Mechanism is set for twelve months, meaning up to 30.4.2017 (unless a new permanent Capacity and/or Flexibility Mechanism comes into force at an earlier date).

The remuneration of the transitional Flexibility Mechanism has been set to forty five thousand (45.000) euros per MW of net installed capacity with a cap of fifteen million (15.000.000) euros per power plant.

The consultation held by the Regulating Authority for Energy (RAE) regarding the implementation of the transitional Flexibility Remuneration Mechanism was completed as of 18.7.2016. The Law expressly stipulates that the remuneration provided by said mechanism is guaranteed from 1.5.2016, but will be collected from the entitled producers after they have been registered in the Flexible Plants Registry. It is noted that if said mechanism was put into force from 1.1.2016, the EBITDA of Mytilineos Group would have been increased by 12,6mil €.

• The shareholder of the Romanian company "REYCOM RECYCLING S.A." ("Reycom") and the Board of Directors of the Greek company "ALUMINIUM OF GREECE INDUSTRIAL AND COMMERCIAL SOCIETE ANONYME ICSA" ("AoG") respectively resolved on 30/05/2016 the merger of Reycom and AoG by way of AoG (hereinafter the "Absorbing Company") absorbing Reycom (hereinafter the "Absorbed Company").

The Cross Border Merger will strengthen the Absorbing Company offering AoG the opportunity to diversify its sources of revenue as well as its exposure to commodity prices which is currently concentrated on Aluminium. By being able to produce Zn and Pb alongside Aluminium, Absorbing Company will diversify its sources of revenue at a time that the price of its current product (Aluminium) is experiencing increased pressure in the commodity markets.

At the same time, AoG will be able to obtain valuable know-how in the recycling of metallurgical waste thus enhancing its knowledge-base on environmental compliance in all markets in which Absorbing Company operates.

The Cross Border Merger was completed and approved by the Business Registry in Greece on 29/11/2016.

• Long-term electricity supply agreement between the PPC and Aluminium of Greece

The subsidiary Aluminium of Greece (AoG) signed a seven (7) years Power Purchase Agreement (PPA) with Public Power Corporation S.A. (PPC) on 20/10/2016. The exact tenor covers the years 2014-2020. Said PPA is the outcome of intense and long lasting negotiations and discussions between the parties while it settles down any confrontation between AoG and PPC. Said PPA, among other terms, provides for a down payment of 100mio € from AoG to PPC, to be amortized with electricity consumption for the period 1.7.2016 to 30.6.2017. Further to that, the PPA provides also for a down payment equal to a 30% of the total value for electricity and capacity (leaving out grid charges, other regulated charges and taxes) for each contractual year starting 1/7/2017, with contractual year being the following periods: 1.7.2016-30.6.2017. 1.7.2017-30.6.2018, 1.7.2018-30.6.2019, 1.7.2019-30.6.2020. Said down payment is to be amortized during the twelve months of the respective contractual year. Finally, a commercial clause was also agreed in favor of the PPC as such: in the event of an increase of Aluminium prices in the London Metal Exchange (LME) above the levels prevailing at the time of signing of the PPA, PPC will receive a bonus on the price; yet in case of a price decline PPC will incur no penalty.

• In June, MYTILINEOS Group and OTE Group announced a strategic partnership in the retail electricity market. In this framework, COSMOTE and Germanos stores enrich their customer services portfolio with electricity supply from PROTERGIA, the largest independent electricity producer in Greece. Meanwhile, PROTERGIA strengthens its points of sale and promotion network, making its products available across Greece through more than 450 COSMOTE and Germanos stores.

• METKA's New EPC project in GHANA

METKA S.A. announced the signature of a new EPC contract with Amandi Energy Limited for a new power plant in Ghana. The contract signature took place in London on 11 March 2016. The project will be executed by METKA in consortium with General Electric, and includes the engineering, procurement, construction and commissioning of a 192MW combined cycle power plant in Takoradi. The plant will be implemented with capability to operate on both natural gas and light crude oil, and will utilize the latest advanced version of General Electric's well proven 9E gas turbine. The project will be constructed in 28 months. The contract value for METKA is approximately \$174 million.

Strategic Partnership in the Off-grid power sector

METKA S.A. announced that it had entered into a strategic partnership with International Power Supply (IPS), the manufacturer of the award-winning Exeron off-grid power system. Off-grid applications represent a quickly growing segment of the global power solutions market, driven by the continually improving economics of solar PV and battery storage technology. Under the agreement METKA will become a strategic investor in IPS with a 10% stake by means of capital increase by euro10mio, enabling the company to fund a significant expansion of its production capacity, and to further develop its market leading position in off-grid power applications globally and cash contribution, while IPS and METKA will jointly pursue major off-grid power opportunities around the world.

• On 14.12.2016, the Boards of Directors of companies "MYTILINEOS **HOLDINGS** ("MYTILINEOS"), "METKA INDUSTRIAL CONSTRUCTION SOCIETE ANONYME" ("METKA"). "ALUMINIUM OF GREECE INDUSTRIAL AND COMMERCIAL SOCIETE ANONYME" ("AoG"), "PROTERGIA **POWER** GENERATION SUPPLIES SOCIETE ANONYME" ("Protergia") and "PROTERGIA AGIOS NIKOLAOS POWER SOCIETE ANONYME OF GENERATION AND SUPPLY OF ELECTRICITY" ("Protergia Thermo") announced that they have decided to commence the process of the merger into a single entity by absorption of METKA, AoG, Protergia and Protergia Thermo by MYTILINFOS.

The contemplated restructuring will simplify the Group's structure and will result in synergies from both an operational and financial standpoint. The new, flexible structure will benefit from a significant reduction of financial cost, economies of scale, optimization of procurement, homogenization and improved management of human capital and the sharing of expertise, knowledge and best practice across the various divisions of the new entity. The new, flexible and simplified structure will grant greater financial flexibility, allowing the diversification of the new merged company's cash flow and the strengthening of its balance sheet. This will enable the optimal allocation of capital towards investments offering the highest returns, enhanced by the robust financial strength of the new entity.

The intended corporate restructuring is expected to be completed by no later than 30/08/2017 and to be accretive to near term earnings as well as create value for all shareholders.

In accordance with the provisions of Regulation (EU) 596/2014, the assessment of the Boards of Directors of MYTILINEOS and METKA regarding the exchange ratio, which remains subject to the approval by the General Meeting of shareholders of each of the merging companies, is hereby announced. Specifically, it is proposed that METKA's shareholders will receive 1 common listed MYTILINEOS share with voting rights, each with a nominal value of €0.97, for each METKA share, with voting rights and nominal value of €0.32, they hold.

Pursuant to article 4.1.4.1.3 of the Athens Exchange Rulebook, as applicable, the Absorbing Company MYTILINEOS and the Absorbed Company METKA engaged Nomura International Plc and Barclays Bank Plc respectively, the latter acting through its Investment Bank, for an opinion as to the fairness and reasonableness of the proposed share exchange ratio. Further, the Merging Companies jointly engaged certified public accountants Messrs. Antonios A. Prokopidis, a member of the Institute of Certified Public Accountants (SOEL) under Reg. No. 14511, and Dimos N. Pitelis, a SOEL member under Reg. No. 14481, both of "PKF Euroauditing S.A.", a Certified Public Accountants Firm having its registered office in Athens, at 124 Kifissias Avenue, Postal Code 11526, such firm being entered in the Special Registry provided for in para. 5 of article 13 of Presidential Decree 226/1992 under SOEL Reg.

No. 132, to prepare a report on the appraisal of the value of assets of the Merging Companies and to provide an opinion as to the fairness and reasonableness of the proposed share exchange ratio, pursuant to the provisions of article 9, para. 4, and article 71 of Codified Law 2190/1920.

Lazard & Co. Limited ("Lazard") has been appointed as sole financial advisor to MYTILINEOS, while Eurobank Ergasias SA will act as Process Adviser with regard to the issue of the new shares. Finally, McKinsey & Company has been appointed to support the operational migration of the merged entities.

The merger, as decided in principle by the Boards of Directors of the merging companies, will bear the transformation balance sheet date of 31.12.2016 and will be executed in accordance with the provisions and exemptions of Law 4172/2013, article 61 of Law 4438/2016, Articles 69 et seq. of Law 2190/1920 and Greek corporate law in general.

In implementation of the internationally accepted valuation methods: namely, in respect of the report delivered by Nomura International Plc to the Absorbing Company, valuation based on (a) discounted cash flow, (b) broker target share prices, (c) financial multiples - trading comparables. (d) financial multiples - transaction comparables. and (e) technical multiples - trading and transaction comparables; in respect of the report delivered by Barclays Bank Plc to Absorbed Company A. valuation based on (a) the unlevered discounted cash flow "UDCF", and (b) financial multiples - trading comparables; and, in respect of the report delivered by Certified Public Accountants Messrs. Antonios A. Prokopidis and Dimos N. Pitelis, both of "PKF Euroauditing S.A.", valuation based on (a) discounted cash flow, and (b) financial multiples - trading comparables, and on the basis of the respective reports by Nomura, Barclays and PKF, the proposed share exchange ratio of 1 to 1 for METKA shares to MYTILINEOS shares was considered to be fair and reasonable. Therefore, the ratio for the exchange of METKA shares to MYTILINEOS shares, which METKA shareholders shall receive as a result of the merger, is agreed as follows: for every one (1) common registered voting share of a nominal value of thirty two eurocents (€0.32) in METKA its holder shall receive one (1) common, registered voting share of a nominal value of ninety seven eurocents (€0.97) in the share capital of MYTILINEOS.

III PROSPECTS – RISKS AND UNCERTAINTIES FOR THE YEAR AHEAD

A. Prospects for 2017

Metallurgy & Mining Sector

In the Metallurgy sector, the growth rate of global aluminium demand is expected to remain strong during 2017, thus helping support aluminium prices.

The developments regarding the performance of emerging economies and especially of the Chinese economy, the energy costs, the evolution of the Euro/USD parity as well as a potential strengthening of protectionist policies are expected to be the key factors that will determine the developments in the sector in the months ahead.

The sector's strong fundamentals, as reflected in the recent upward trend of Aluminium prices and in the Group's continued focus on the strict control of production costs, create the conditions for achieving a strong financial performance in 2017.

EPC Sector

For EPC Sector, 2017 will be a year of evolution and new opportunities. The Group will pursue the timely execution of contracts and the signing of new projects in targeted markets, maintaining its strategic focus on becoming a leading player in the power market of Sub-Saharan Africa. In this context, at the beginning of 2017 the subsidiary company, METKA S.A. started the execution of its second major project in Ghana, for the construction of a new 200MW combined cycle power plant in Takoradi.

At the same time, METKA S.A. will focus on the further enhancement of its portfolio in the solar energy market, through its subsidiary company METKA-EGN, which announced at the beginning of 2017 the signing of new contracts for the engineering, procurement and construction of projects with a total capacity of 75MW and contract value exceeding 60 million Euro.

Energy Sector

2016 was a milestone year for the Group's Energy Sector, as the Group strengthened substantially its presence in both the generation and supply of electricity.

PROTERGIA aims to further increase its share of the retail market, while its partnership with COSMOTE is expected to provide additional momentum in this direction in the months ahead.

In spite of the progress made during the last few years, the energy market is still in a transition stage and the achievement of the targets set for strengthening competition and for the effective opening up of the market will require the promotion of major regulatory changes.

With 1.2 GW of installed capacity currently in full operation, the Group is firmly established as the largest independent energy producer and supplier in the country and has secured the critical size required in order to benefit the most from the expected full liberalisation of the domestic electricity market.

IV Business Risk Management

Financial risk management aims and policies

The Group's activities give rise to multiple financial risks, including the current and interest rate related risks; the volatility in market prices; credit risks; and liquidity risks. The Group's risk management program aims at containing potential negative influence to its financial results, as this may arise from the inability to predict financial markets and the volatility with respect to cost and sales variables.

The essential risk management policies are determined by the Group's Management. The risk management policy is applied by the Corporate Treasury Department. The latter acts as a service centre, operating under specific Management - approved lines.

Credit Risk

The Group does not exhibit any considerable concentration of credit risk in any of the contracted parties. Credit risk originates from available cash and cash equivalents, derivative financial instruments and deposits at banks and financial institutions; also from exposure to client derived credit risk.

Regarding commercial and other claims, the Group is not theoretically exposed to significant credit risks; as of the multifaceted nature of the Group's activities, there is no significant concentration of credit risk with respect to its commercial requirements, as this is allocated over a high number of clients. However, the atypical conditions that dominate the Greek market and several other markets in Europe are forcing the Group to constantly monitor its business claims and also to adopt policies and practices to ensure that such claims are collected. By way of example, such policies and practices include insuring credits where possible; pre-collection of the value of product sold to a considerable degree; safeguarding claims by collateral loans on customer reserves; and receiving letters of guarantee.

To minimize credit risk on cash reserves and cash equivalents; in financial derivate contracts; as well as other short term financial products, the Group specifies certain limits to its exposure on each individual financial institution and only engages in transactions with creditworthy financial institutions of high credit rating.

The tables below summarize the maturity profile of the Group's financial assets as at 31.12.2016 and 31.12.2015 respectively:

MYTILINEOS GROUP

		Past due but not impaired Non past due but not		not impaired Non past due but no		Total
(Amounts in thousands €)	0-3 months	3-6 months	6-12 months	> 1 year	impaired	Total
Liquidity Risk Analysis - Trade Receivables						
2016	50,589	26,327	5,959	65,013	442,690	590,578
2015	51,398	15,765	3,301	31,588	367,963	470,014

MYTILINEOS S.A.

		Past due but	t not impaired		Non past due but not	Total	
(Amounts in thousands €)	0-3 months	3-6 months	6-12 months	> 1 year	impaired	TOLAI	
Liquidity Risk Analysis - Trade Receivables							
2016	-	205	-	59	-	264	
2015	-	85	-		-	85	

Solvency Risk

The solvency risk is linked to the need to sufficiently finance the Group's activity and growth. The relevant solvency requirements are the subject of management through the meticulous monitoring of debts of long term financial liabilities and also of payments made on a daily basis

On 31/12/2016, the positive balance between Group's Working Capital and Short-Term Liabilities secures the adequate funding of the Parent Company.

The Group ensures the provision of adequate credit facilities available so as to cover short term business requirements. In addition, funds for long term solvency needs shall be ensured through an adequate amount of borrowed capital and the ability of selling long term financial assets.

The tables below summarize the maturity profile of the Group's liabilities as at 31.12.2016 and 31.12.2015 respectively:

MYTILINEOS GROUP

Liquidity Risk Analysis - Liabilities (Amounts in thousands €) 2016	up to 6 months	6 to 12 months	1 to 5 years	after 5 years	Total
Long Term Loans	-	-	387,272	41,378	428,650
Short Term Loans	75,862	143,150	-	-	219,012
Trade and other payables	339,426	36,273	32,733	-	408,431
Other payables	(195,017)	248,174	568	-	53,725
Current portion of non - current liabilities	33,189	135,324	-	-	168,513
Total	253,460	562,921	420,573	41,378	1,278,332

MYTILINEOS GROUP

Liquidity Risk Analysis - Liabilities (Amounts in thousands €) 2015	up to 6 months	6 to 12 months	1 to 5 years	after 5 years	Total
Long Term Loans	-	-	366,787	56,255	423,043
Short Term Loans	41,583	104,105	1,251	526	147,465
Trade and other payables	301,744	16,273	62,609	-	380,627
Other payables	(296,205)	362,073	850	-	66,718
Current portion of non - current liabilities	29,910	134,248	-	-	164,158
Total	77,031	637,034	411,163	56,782	1,182,010

MYTILINEOS S.A.

Liquidity Risk Analysis - Liabilities (Amounts in thousands €) 2016	up to 6 months	6 to 12 months	1 to 5 years	after 5 years	Total
Long Term Loans	-	-	5,250	-	5,250
Short Term Loans	-	15,363	-	-	15,363
Trade and other payables	17,403	198	-	-	17,601
Other payables	123,223	-	568	-	123,791
Current portion of non - current liabilities	500	2,968	-	-	3,468
Total	141,126	18,529	5,818		165,473

MYTILINEOS S.A.

Liquidity Risk Analysis - Liabilities (Amounts in thousands €) 2015	up to 6 months	6 to 12 months	1 to 5 years	after 5 years	Total
Long Term Loans	-	-	17,245	-	17,245
Trade and other payables	4,411	-	13,583	-	17,994
Other payables	2,299	116,913	-	-	119,212
Current portion of non - current liabilities	3,450	3,680	-	-	7,130
Total	10,160	137,838	13,583		161,581

It must be noted that the above table does not include liabilities to clients from the performance of construction projects, as the maturity of such values cannot be assessed.

Moreover, cash-advances from customers, construction contacts liabilities as well as the provisions and accrued expenses are not included.

Capital Control imposition in Greece

The Group is constantly and vigorously monitoring capital controls, stemming from the Legislative Act (L.A.) of June 28th 2015 and any subsequent ones, taking every necessary measure to safeguard its going concern. Through the strength of its international profile and export orientation, the Group copes with existing difficulties, supports the liquidity of the Greek system and achieves a smooth and normal operation for all its sectors of activity.

Market Risk

Price Risk

Goods prices that are mainly determined by international markets and global offer and demand result in the Group's exposure to the relevant prices fluctuation risk

Goods' prices are connected both to variables that determine revenues (e.g. metal prices at LME) and to the cost (e.g. natural gas prices) of the Group's companies. Due to its activity, the Group is exposed to price fluctuation of aluminium (AL), zinc (Zn), lead (Pb) as well as to price fluctuation of natural gas, as production cost.

As regards price fluctuation of metals, the Group's policy is to minimize risk by using financial derivative instruments.

Exchange rate risk

The Group develops activity at international level and is therefore exposed to exchange rate risk that arises mainly from the US dollar. Such risk primarily stems from commercial transactions in foreign currency as well as from net investments in foreign financial entities. For the management of such risk, the Group's Financial Management Department establishes financial derivative and non-derivative instruments with financial organizations for the account and in the name of the Group's companies.

At the Group level, such financial instruments are considered to constitute compensation means for the exchange rate risk of specific assets, liabilities or future commercial transactions

Interest rate risk

The Group's assets that are exposed to interest rate fluctuation primarily concern cash and cash equivalents. The Group's policy as regards financial assets is to invest its cash in floated interest rates so as to maintain the necessary liquidity while achieving satisfactory return for its shareholders. In addition, for the totality of its bank borrowing, the Group uses floating interest rate instruments. Depending on the level of liabilities in floating interest rate, the Group proceeds to the assessment of interest rate risk and when necessary examines the necessity to use interest bearing financial derivative instruments. The Group's policy consists in minimizing its exposure to interest bearing cash flow risk as regards long-term funding.

Effect from risk factors and sensitivities analysis

The effect from the above mentioned factors to Group's operating results, equity and net results presented in the following table:

LME AL (Aluminium)	\$/t	+ 50	- 50
EBITDA	m. €	9,6	(9,6)
Net Profit	m. €	9,6	(9,6)
Equity	m. €	9,6	(9,6)

LME Pb (Lead)	\$/t	+ 50	-50
EBITDA	m. €	0,04	(0,04)
Net Profit	m. €	0,04	(0,04)
Equity	m. €	0.04	(0.04)

LME Zn (Zinc)	\$/t	+ 50	-50
EBITDA	m. €	0,05	(0,05)
Net Profit	m. €	0,05	(0,05)
Equity	m. €	0,05	(0,05)

Exchange Rate €/\$	€/\$	- 0,05	+ 0,05
EBITDA	m. €	13,2	(13,2)
Net Profit	m. €	13,4	(13,2)
Equity	m. €	13,4	(13,4)

BRENT	\$/t	- 50	+ 50
EBITDA	m. €	0,4	(0,4)
Net Profit	m. €	0,4	(0,4)
Equity	m. €	0,4	(0,4)

NG Price	€/MWh	- 5	+ 5
EBITDA	m. €	13,0	(13,0)
Net Profit	m. €	13,0	(13,0)
Equity	m. €	13,0	(13,0)

It is noted that an increase of five (5) basis points presume a decrease of 3.86 mil. \in on net results and Equity

The Group's exposure in price risk and therefore sensitivity may vary according to the transaction volume and the price level. However the above sensitivity analysis is representative for the Group exposure in 2016.

V PAYMENTS' REPORT TO GOVERNMENT

Mytilineos Group, according to article 6 of law 3557/2007, paid to the Hellenic Government, for the year ended at 31st of December 2016, an amount of 590 thousand Euros, due to the mining activity of its subsidiary company.

The above mentioned amount is related to the Mining Rights of Delphi-Distomon SA subsidiary company.

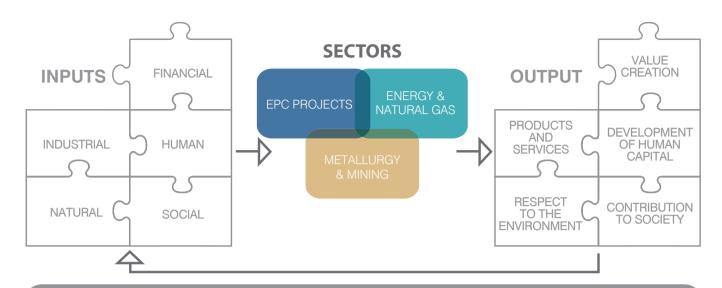
BUSINESS MODEL

The business model constitutes the business logic and the strategy of the Group. The way in which the Group receives, creates and delivers value is the main pillar of the business model

The Group's business sectors are the main actions required to create and provide value, to reach the markets, to maintain and to build relationships with the customers and to create revenue. For the realization of the above, basic resources are required, such as financial, natural, social and human.

Also, a prerequisite for the smooth operation and development of the Group is the set of rules applied. These rules determine how the objectives of the Group can be achieved, establish monitoring and evaluation systems of corporate risks and the way in which transparency of the activity of the Group's management to shareholders is ensured. With the Corporate governance & corporate social responsibility, risk management systems, responsible development strategy, analysis of the Group's performance and the production of diversified products, Group management is pursued in order to increase its value, products and services, development of human resources, protection of the environment and contribution to society.

The following graph shows in detail the Group's Business model:



INPUTS

FINANCIAL RESOURCES

- Cash flows from operating activities and investments
- Equity
- Loans

INDUSTRIAL RESOURCES

- 21 Industrial production plants & Renewable Energy Sources (RES)

HUMAN RESOURCES

- More than 2.700 employees
- Employees' skills

NATURAL RESOURCES

- Raw materials
- Other materials
- Water
- Land use and biodiversity

SOCIAL RESOURCES

- Annual Engagement process with social partners
- Disclosure policy
- MYTILINEOS Group's reputation Activity

OUTPUT

VALUE CREATION

- Financial ratios of return ROCE, ROE & EVA
- Net Profit
- Financing capability and development of operations
- Dividends distribution to shareholders
- Payouts to capital investors
- Logistics expenditures

PRODUCTS AND SERVICES

- Total exports
- Aluminum Products sales
- EPC projects backlog
- Energy produced from Renewable Energy Sources (RES)
- Retail energy market share

DEVELOPMENT OF HUMAN CAPITAL

- Healthy & safe working environment
- Low turnover ratio for specialized employees
- Stable workplace environment
- Effective management

RESPECT TO THE ENVIRONMENT

- Total alignment with environmental legislation
- Stability in CO2 emissions
- Responsible aquatic resources management
- Waste recycling
- Mining sites rehabilitation

CONTRIBUTION TO SOCIETY

- Job creation & domestic employment growth
- Cooperation with local communities and regional administration
- Local communities' infrastructure enhancement
- Payment of taxes
- Support of local suppliers
- Support of entrepreneurship
- Responsible operation respecting the workforce and local communities' rights

HUMAN RESOURCES

In MYTILINEOS Group, we invest in our people, as we recognize their participation in our business success and future development. In line with this approach, we have established a work environment in which all the employees that make up the human resources of our companies enjoy job security, equality, stability, satisfaction, loyalty and commitment to the corporate principles and values. The respect for the rights and personal dignity of our employees is a core commitment. To this end:

- Our commitment to Health & Safety is the cornerstone of our operation, as we work to achieve our "zero accidents" target at the end of each working day. We take steps to identify effectively the conditions that might cause fatalities and accidents in our workplaces and to control the associated risks.
- We take care to ensure that we are able to attract and retain qualified individuals with principles and values such as integrity, consistency, loyalty, creative thinking, professional diligence and responsibility.
- We seek to provide employment conditions and a work environment in which the proper elements are in place to encourage creativity, personal development and the full utilization of the capabilities of each employee.
- We support the continuous education and evolution through processes that identify the areas for the development of our employees' professional capabilities

Non-financial KPI's are listed below. Their selection is based on the relevance with business sectors and materiality level on employees issues. KPI's have been defined by the Global Reporting Initiative (GRI-G4 Sustainability Reporting Guidelines).

Labour KPI's	2015	2016	%
Employment			
Number of employees (direct)	1,853	2,009	8.4%
Number of employees (indirect)	870	808	-7.1%
Percentage of employees from local communities	88.9%	86.6%	-2.6%
Turnover rate	17.5%	14.0%	-19.6%
Health & Safety			
Number of fatalities (direct employees)	0	0	0.0%
Lost-time injury incidents (direct employees) ¹	4	5	25.0%
Lost-time injury rate / 200.000 worked hours (direct employees) ²	0.17	0.21	23.5%
Training & Evaluation			
Training man-hours ³	56,540	53,122	-6.0%
Total training cost (€)	382,766	334,408	-12.6%
Cost of training per employee (€)	207	166.45	-19.4%
Percentage of employees who received formal performance evaluation reviews	86.5%	91.1%	5.3%
Diversity			
Percentage of women in direct employment	12.3%	13.4%	8.9%
Percentage of women in positions with extended responsibility ⁴	16.3%	18.2%	11.7%

¹accidents causing interruption of work

Compared to 2015, total direct employment in the Group rose by 8%, as a result of the growth in the Group's business activities, despite the continuing economic recession. Support activities, primarily in the Metallurgy & Mining sector and the EPC Projects sector, are outsourced to specialist contractors. The employment policy of the Group focuses on sourcing employees from the local labour market, thus bolstering local employment. As a result, 86.6% of the Group's direct employees come from its local communities.

Compared to 2015, the injury rate (the number of accidents involving employees and causing interruption of work) rose from 0.17 (2015) to 0.21 (2016). Even though this particular performance remains within the low levels posted during the last five years (with an average of 0.19 for this period), we are continuing our efforts to further limit this trend with renewed intensity in 2017.

²number of injuries involving direct Group employees per 200.000 working hours

³does not include indirect employees of ALUMINIUM OF GREECE

⁴percentage of the total number of Executives in the Group

Education and training of human resources is considered to be a significant factor for the achievement of the Group's objectives. During 2016, a total of 53,122 education and training person-hours were carried out for the Group's direct employees. Total training expenditure stood at \in 334,408, with the training cost per direct employee of the Group reaching \in 166.

Finally, the participation of women in the Group's total workforce reached 13.4%, up 9% from 2015. At the same time, the percentage of women in positions with extended responsibility grew by 11.6% to reach 18.2% of the Group's Executives.

Major Risks

Group's workforce faces a number of risks that may directly or indirectly affect and endanger its health and safety. The company has recognized the aforementioned risks and has taken action to estimate the way they may affect its human capital and the possibility that further action may be required.

Risks related to workforce's health and safety are categorized to those that directly or indirectly result to accident and those that cause no accident. Risks that may indirectly cause an accident are created by workplace conditions, such as arrangement, functionality of the working area, access and evacuation routes, lightning and temperature. Accidents are caused directly by natural, chemical and biological conditions. The final risk category may cause no accident, but affects in the short or in the long-term the physical and mental health of the employees.

Group complies with current Greek and European legislation as well as regional regulations that are related to Health & Safety at the Working Place. In order for these risks to be addressed the Group has taken all the necessary actions, starting from estimating their possible consequences on the human capital and evaluating the need for corrective measures at work place environment. Moreover appraisal procedures are enforced in order to assess risk and identify groups or individuals that may be affected and document required actions. These policies are evaluated and redefined when needed.

In the context of its operation, however, the Group may face risks that concern the following: directly related expenses which may result from any voluntary departures, loss of valuable knowledge and expertise acquired through the employees' employment and training by the Group, financial investment and investment of time and human resources required to train employees, as well as broader negative effects on the cohesion of the uniform culture that has been developed.

These risks are managed through talent management systems and succession plans, implementation of up-to-date systems for evaluating employee performance, implementation of training and skills development programs which enable employees to attain their professional goals in a constantly changing economic and social environment and continuous improvement of working conditions and of health and safety at the workplace for all personnel and associates.

ENVIRONMENTAL REPORTING

The Group's effort to protect the environment is not limited to the application of the rules and regulations in force and to the adoption of the appropriate measures specified each time. It is also expressed by its voluntary commitment to conducting regular inspections of its activities, in its industrial facilities as well as in its headquarters, in accordance with a specific Environmental Management System.

The goal of sustainable development is a core strategic priority for the Group, not only as an indicator of the Group's performance in the Corporate Social Responsibility domain, but also as a factor that brings a significant competitive advantage to its activities.

The measures and principles adopted by the Group for the protection of the Environment are the following:

- Adherence to the agreements and commitments that we have undertaken as a Group over and above our statutory obligations.
- Assessment of the impacts of our subsidiaries' activities on the environment, identification of risks, assessment of the risk of serious accidents associated with past, present and future activities, and use of these assessments in the development of long-term programs and new plans.
- Control and continuous reduction of solid, liquid and gas waste.
- Improvement of the management of residues by promoting recycling, reuse or utilization processes.
- Control of the consumption of raw materials and energy.
- Prevention of all risks of pollution, including by accident, or of other large-scale accidents (development, testing and application of emergency response procedures).
- Study, maintenance and evolution of appropriate prevention and suppression means, especially in cases where installations are modified.
- Correction of all deviations identified, by introducing and carrying out corrective and preventive action plans.
- Personnel training, awareness-raising and briefing, in a manner adapted to the duties and needs of each employee.
- Encouraging associates (contractors, suppliers, clients) to respect the same environmental and industrial safety standards.
- Organization of regular internal and external inspections to assess the performance of the Environmental Management system, the achievement of the targets set and the application of the regulations and principles.

Non-financial KPI's are listed below. Their selection is based on the relevance with business sectors and materiality level on environmental issues. KPI's have been defined by the Global Reporting Initiative (GRI-G4 Sustainability Reporting Guidelines).

Environmental Indicators	2015	2016	%
Basic Raw Materials			
Extracted raw materials (tonnes of bauxite)	1,833,201	1,875,509	2.3%
Total consumption of Natural Gas (mio Nm3) ¹	617	900	46.0%
<u>Energy</u>			
Total energy consumption (GWh) ²	9,987	13,701	37.2%
Specific cons. (GJ/t vertically integrated Primary Aluminium production)	81.5	79.7	-2.2%
Emissions			
Direct emissions (t CO ₂ eq/year) ³	1,666,371	2,353,576	41.2%
Indirect emissions (t CO ₂ eq/year) ⁴	2,393,003	2,321,041	-3.0%
Specific CO (t CO ₂ /t vertically integrated Primary Alum. Prod.)	20	20	-0.0%
Waste			
Non-Hazardous waste quantity	758,732	780,821	2.9%
Hazardous waste quantity	22,237	18,629	-16.2%
Reuse/Recycling/Recovery/Utilisation of sold waste (t)	32,464	36,137	11.3%
Water			
Water consumption /t of hydrated alumina produced (lit)	4.41	4.27	-3.3%
Water consumption /t of aluminium produced (lit)	1.85	1.77	-4.2%
Land management			
Rehabilitation percentage of usable land	80.04%	80.04%	0.0%
Other indicators			
Environmental expenditures (€)	11,761,483	28,935,972	146.0%

¹Nm³: Normal cubic metres.

Bauxite's consumption, which is a basic raw material for the Metallurgy sector, increased by 2.3% in 2016, moreover Natural Gas consumption increased by 46%, relating to the Metallurgy and Energy sector.

The index "Specific Consumption (Gj/t vertically integrated primary Aluminium production)" summarizes all the specific consumptions relating to Bauxite mining, Hydrated Alumina production and Primary Aluminium cast production. This index decreased by 2% depicting the more efficient use of resources for the production of Primary Aluminium cast product.

The increases observed in the use of natural gas, in energy consumption and in direct carbon dioxide emissions compared to 2015, are primarily due to the increase in the levels of operation of the Group's power plants. In the Energy sector, direct CO2 emissions are an unavoidable effect of this. To address this, the Group takes care to ensure that its thermal power plants operate at the highest possible efficiency rates by making the best possible use of natural gas, which is the primary fuel used in the production of energy. Natural gas has a lower carbon content compared to other mineral fuels, does not release sulphur dioxide (SO2) and particles, emits less nitrogen dioxide (NO2) in exhaust gases compared to the maximum limits allowed by the applicable laws, and produces less CO2 (by 70%) compared to lignite-fired plants.

2016 saw a modest increase in the Group's total waste quantity, after five consecutive years of continued decrease. Against this, the quantity of waste recycled, reused or utilized in various ways in the Group's activity, posted a significant increase by 11,3% from the corresponding quantity in 2015. Over time, the Group's continuous and systematic efforts in the area of waste management have led to a reduction of total waste quantity by 19% relative to 2011. In parallel, the Group continues to invest in research and development in the utilization of bauxite residues, which represents its major environmental challenge, by means of scientific collaborations and active participation in European programs. The kick-off meeting of the 18 partners of the European R&D project SCALE, in which the subsidiary company, ALUMINIUM OF GREECE, is the coordinating partner, took place in December 2016. The project concerns the development of technologies for obtaining rare earths (in particular, the Scandium rare earth element) from bauxite residues. This project received top evaluation marks and has already attracted the interest of the European research community working on raw materials and metallurgy.

²Total energy consumption = Energy consumption from Non-renewable sources + Energy consumption from Renewable sources + Energy purchased for consumption + Energy produced – Energy sold.

³Emissions from sources (physical units or processes) belonging to or controlled by the Group.

⁴Emissions from the quantity of electricity that the Group purchases from other organisations for its own use.

With regard to the new business investments that were realised, the Group launched the operation of a new, modern alumina calcination plant (November 2016), with a nominal production capacity of 1,350t per day. This plant replaces the previous, technologically outdated, high thermal consumption plant. In addition to the great advantages it offers in terms of flexibility in production, this project is also expected to help significantly reduce energy consumption and carbon dioxide emissions by 25%.

In addition, the Group applies practices that promote responsible environmental culture, such as the application of the general Directive on the use of the Forest Stewardship Council (FSC) certification in the production of its communication material. This certification ensures the possibility of creating printed publications using raw materials coming only from forest areas that are cultivated systematically and are intended for responsible management and not from illegal logging. Thus, the Group is taking active part in the overall efforts for socially beneficial and economically viable forest management.

Major Risks

In addition to other risks, the Group has also identified environmental risks, i.e. the likely impacts of its activity to the natural environment (air, water, soil). With regard to these risks, the Group has been carrying out for a number of years appropriately selected investments, in order to significantly reduce the likelihood of occurrence of the aforementioned risks.

In parallel, the systematic application of Best Available Techniques (BATs) in the production process and in the management of waste, in tandem with the use of more environment-friendly mineral fuels (i.e. primarily natural gas), especially in the Metallurgy and Energy sectors, are significant factors that contribute to the Group's business growth and drive its commitment to the protection of the environment and the sustainable management of natural resources.

Energy consumption affects directly the Group's environmental footprint, its operating expenses and the pricing of its products. The consumption of nonrenewable primary fuels is one of the causes of direct emissions. As with most energy-intensive industries, the activities of the Group in the Metallurgy well as in the Energy sector produce emissions that contribute to climate change. For the Group, its activities to stabilise CO_2 emissions are of material significance, as they support its operational efficiency. In this context, the Group monitors CO_2 emissions on a monthly basis and takes timely corrective action to ensure that its annual carbon dioxide emissions are in line with the levels allocated by law and, above all, are as low as possible.

SOCIAL REPORTING

The Group's commitment to responsible entrepreneurship affects its strategy, its daily activities and its cooperation with its key Stakeholder groups. In this way, the Group strengthens its reputation, renewing its social license to operate, mitigating unforeseen non-financial risks and improving its overall competitiveness.

The Group intends to move forward in the same effective manner, working towards the following:

- to remain steadfast in its goal to ensure a work environment free from accidents and occupational diseases;
- to continue to treat its people with responsibility and consistency and to remain their first choice of employer throughout their career paths;
- to apply best practices that support the harmonious coexistence with its local communities as well as with society at large;
- to continue to protect human rights and to promote transparency in all its transactions:
- to promote the concept of Responsible Entrepreneurship to its key suppliers and business partners;
- to stabilize and reduce air emission and waste generation levels, especially in the metallurgy sector, focusing on the rational management of the natural resources:
- to strengthen its corporate governance processes, so as to safeguard the interests of its shareholders and to create value for all its Stakeholders.

Strengthening Corporate Governance

In the context of the Group's efforts for the continuous improvement of its corporate governance, 2016 saw the completion of the revision of the Group's Code of Conduct, for the purposes of enhancing the Code's consistency given the expansion of the Group's activities, as well as of further meeting Stakeholder expectations. The Code of Conduct was expanded with the addition of new sections, including sections on the role of Management Executives, on strengthening Transparency and on reporting Code violations.

Communication and dialogue with Stakeholders

Furthermore, having recognized the significance of the consultation with its key Stakeholder groups, the Group also continued with the implementation of dialogue events at the local level, first adopted as a formally established procedure in 2010 and revised in 2014. In this context, in 2016 a special thematic dialogue event was organized at the subsidiary company's plant "ALUMINIUM OF GREECE", with the title "We Talk about the Environment". Specifically, the company's environmental footprint was presented and discussed in detail, so as to enable a better understanding and monitoring of the progress made at all levels. In addition, the electronic consultation approach adopted by subsidiary company Protergia S.A. was also continued, focusing on the company's Social Impact and Performance.

Human Rights

The MYTILINEOS Group Code of Business Conduct and the Suppliers / Business Partners Code of Conduct underline the Group's commitment to adhering to the UN's Universal Declaration of Human Rights (UDHR) and to the Conventions of the International Labour Organization (ILO) on labour rights and work conditions. Each Group company is responsible for implementing the policies and voluntary commitments undertaken over and above the requirement for compliance with the applicable laws.

To this end, the Group takes advantage of the available international experience and expands its practices by applying, on a two-year basis, the special self-assessment tool of the UN Global Compact Organization, which involves the systematic review of the policies and processes of its subsidiaries in the individual areas of Human Rights protection, in line with the Group's values and principles.

Strengthening Transparency

In MYTILINEOS Group, promotion of transparency is driven by a combination of three factors:

- the Group's corporate value referring to the "Principle of Integrity", which is respected across the Group's Governance system and is implemented by avoiding all transactions and contacts with any third party which may be guilty or suspect of encouraging conditions giving rise to corruption;
- the Group's voluntary public commitment to the 10th Principle of the UN Global Compact Initiative, according to which "the Group works against corruption in all its forms, including extortion and bribery": and
- the disclosure of the Group's Management Practice on strengthening transparency, which is connected to the Group's standing commitment to zero tolerance of corruption and bribery.

In 2016, for yet another year, the control mechanisms applied in the Purchases - Procurement Units of its subsidiaries, where the selection of business partners and all types of transactions were examined, did not identify any incidents of corruption and bribery in the Group. Furthermore, in 2017 the Group will establish a formal due diligence process for matters concerning transparency, so as to further safeguard the precautionary policy it applies regarding these matters.

Key social contribution initiatives

The economic crisis unfolding in Greece, both locally and nation-wide, has led MYTILINEOS Group to redefine its social role, with the aim of returning added value to the society and of contributing in the optimum way to a balanced financial and social growth. In this context, the Group has developed and introduced "IN PRACTICE"—a new three-year strategic plan for the Management and Implementation of its Social Contribution (2016-2019). With "IN PRACTICE", the Group aspires to contribute to the reestablishment of social cohesion, strategically pursuing its further activation, by means of selected actions undertaken in sectors directly related to: (a) its culture and business values; (b) the effects of its business activity; (c) the basic social needs that emerge amidst the crisis; and (d) the new development goals of the United Nations, in line with the Group's commitment to the UN Global Compact.

In 2016, MYTILINEOS Group continued to implement, in collaboration with social organisations, initiatives of a high value such as "I'M IN!", the social programme to combat school drop-out, carried out for the second consecutive year in collaboration with the Association "Together for Children". The programme ensures that pupils continue their learning progress in order to complete their basic education, by developing a strong social solidarity network against educational and social exclusion and, in addition, makes a positive contribution to tackling poverty and unemployment in the long term.

In parallel, with its programmes "YOUNG GENERATION IN ACTION" and "ENGINEERS IN ACTION II", the Group demonstrates once more, in practice, its determination to provide an access point for young people who at the moment are outside the labour market, by offering to them 12-month salaried internships, and to open up career prospects for them, providing them with a strong incentive to stay in our country. In what in particular regards the programme "ENGINEERS IN ACTION I", implemented during the 2015-2016 period, this more than achieved its main objective, as 90% of its graduates were placed in the labour market in less than 3 months after completing the programme.

MYTILINEOS Group was also a major contributor to the Crowdfunding Program for the Economy and Society in the framework of the act4Greece initiative, in which recognised organisations and foundations active in social work participate as strategic partners. In the context of this effort and taking also account of its own individual

Social targets regarding the alleviation of the effects of poverty and the protection of children's rights, the Group contributed €100,000 to the action "School meals delivered to West Attica 2016-2017". This amount was used to provide 40,000 nutritious hot meals to primary school students, thus helping to cover almost 17% of the initiative's overall target.

Finally, the added value created through our business operation in the Energy sector, with the development of Renewable Energy Sources (RES) projects by Protergia, is reflected not only in the significant benefits for the local communities but also in our contribution to the attainment of the national environmental targets. During 2016, a total of €270,000 were invested in local community infrastructures aimed at improving the life of local residents, such as road building or maintenance, repairs or construction of municipal buildings and facilities, in collaboration with the Municipalities concerned and depending on their needs.

Distinctions

In the 6th edition of the presentation ceremony of the European Business Awards for the Environment (EBEA), METKA was presented with a "Management Award" in the first category, for its implementation of an integrated system for the management of carbon dioxide emissions, in accordance with the requirements of the EN ISO 14064:2012 International Environmental Standard. Entries in the competition included companies from all Greek business activity sectors, which presented innovative proposals combining business sustainability and environmental awareness.

Carrying away two top distinctions at the Health & Safety Awards 2016 ceremony event, ALUMINIUM of GREECE (AoG), a MYTILINEOS Group subsidiary, proved that it rightfully ranks among Greece's enterprises which are leading promoters of health and safety at the workplace. In particular, AoG won first prize ("WINNER") for the implementation of the "Health & Safety at work" thematic Consultation with its Stakeholders, and the gold award in the "Activities" category, for its "Right Hemisphere" Employee awareness-raising communication campaign on Health and Safety.

VII. Other Information for the Group and the Company Group Structure

Companies included in the consolidated financial statements and the method of consolidation are presented in the following table:

	NAME OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES	COUNTRY OF INCORPORATION	PERCENTAGE	CONSOLIDATION METHOD
1	MYTILINEOS HOLDING S.A.	Greece	Parent	
2	METKA INDUSTRIAL – CONSTRUCTION S.A	Greece	50.00%	Full
3	SERVISTEEL	Greece	50.00%	Full
4	RODAX ROMANIA SRL	Romania	100.00%	Full
5	ELEMKA S.A.	Greece	41.75%	Full
6	DROSCO HOLDINGS LIMITED	Cyprus	41.75%	Full
7	BRIDGE ACCESSORIES & CONSTRUCTION SYSTEMS S.A.	Greece	31.31%	Full
8	METKA BRAZI SRL	Romania	50.00%	Full
9	POWER PROJECT SANAYI INSAAT TICARET LIMITED SIRKETI	Turkey	50.00%	Full
10	ALUMINIUM OF GREECE INDUSTRIAL AND COMMERCIAL SOCIETE ANONYME	Greece	100.00%	Full
11	DELFI DISTOMON A.M.E.	Greece	100.00%	Full
12	DESFINA SHIPPING COMPANY	Greece	100.00%	Full
13	DESFINA MARINE S.A.	Marshall Islands	100.00%	Full
14	ST. NIKOLAOS SINGLE MEMBER P.C.	Greece	100.00%	Full
15	RENEWABLE SOURCES OF KARYSTIA S.A.	Greece	100.00%	Full
16	SOMETRA S.A.	Romania	92.79%	Full
17	STANMED TRADING LTD	Cyprus	100.00%	Full
18	MYTILINEOS FINANCE S.A.	Luxembourg	100.00%	Full
19	RDA TRADING	Guernsey Islands	100.00%	Full
20	MYTILINEOS BELGRADE D.O.O.	Serbia	92.79%	Full
21	MYVEKT INTERNATIONAL SKOPJE	FYROM	100.00%	Full
22	MYTILINEOS FINANCIAL PARTNERS S.A.	Luxembourg	87.50%	Full
23	MYTILINEOS INTERNATIONAL COMPANY AG "MIT Co"	Switzerland	100.00%	Full
24	GENIKI VIOMICHANIKI S.A.	Greece	Joint Management	Full
25	DELTA PROJECT CONSTRUCT SRL	Romania	95.01%	Full
26	DELTA ENERGY S.A.	Greece	90.03%	Full
27	FOIVOS ENERGY S.A.	Greece	90.03%	Full
28	HYDROHOOS S.A.	Greece	90.03%	Full
29	HYDRIA ENERGY S.A.	Greece	90.03%	Full
30	EN.DY. S.A.	Greece	90.03%	Full
31	SMALL HYDROELECTRIC STATIONS PELOPONNISOU S.A.	Greece	90.03%	Full
32	THESSALIKI ENERGY S.A.	Greece	90.03%	Full
33	PROTERGIA S.A.	Greece	100.00%	Full
34	NORTH AEGEAN RENEWABLES	Greece	100.00%	Full
	MYTILINEOS HELLENIC WIND POWER S.A.	Greece	80.00%	Full
	AIOLIKI ANDROU TSIROVLIDI S.A.	Greece	80.20%	Full
	MYTILINEOS AIOLIKI NEAPOLEOS S.A.	Greece	80.20%	Full
	AIOLIKI EVOIAS PIRGOS S.A.	Greece	80.20%	Full
	AIOLIKI EVOIAS POUNTA S.A.	Greece	80.20%	Full
	AIOLIKI EVOIAS HELONA S.A.	Greece	80.20%	Full
	AIOLIKI ANDROU RAHI XIROKABI S.A.	Greece	80.20%	Full
	METKA AIOLIKA PLATANOU S.A.	Greece	80.20%	Full
	AIOLIKI SAMOTHRAKIS S.A.	Greece	100.00%	Full
	AIOLIKI EVOIAS DIAKOFTIS S.A.	Greece	80.20%	Full
	AIOLIKI SIDIROKASTROU S.A.	Greece	80.20%	Full
46	HELLENIC SOLAR S.A.	Greece	100.00%	Full

	NAME OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES	COUNTRY OF INCORPORATION	PERCENTAGE	CONSOLIDATION METHOD
47	SPIDER S.A.	Greece	100.00%	Full
48	GREEN ENERGY A.E.	Bulgaria	80.00%	Full
49	MOVAL S.A.	Greece	100.00%	Full
50	PROTERGIA THERMOELEKTRIKI S.A.	Greece	100.00%	Full
51	ANEMOSTRATA RENEWABLE ENERGY SOURCES S.A.	Greece	100.00%	Full
52	ANEMODRASI RENEWABLE ENERGY SOURCES S.A.	Greece	100.00%	Full
53	ANEMORAHI RENEWABLE ENERGY SOURCES S.A.	Greece	100.00%	Full
54	ANEMOSKALA RENEWABLE ENERGY SOURCES S.A.	Greece	100.00%	Full
55	HORTEROU S.A.	Greece	100.00%	Full
56	KISSAVOS DROSERI RAHI S.A.	Greece	100.00%	Full
57	KISSAVOS PLAKA TRANI S.A.	Greece	100.00%	Full
58	KISSAVOS FOTINI S.A.	Greece	100.00%	Full
59	AETOVOUNI S.A.	Greece	100.00%	Full
60	LOGGARIA S.A.	Greece	100.00%	Full
61	IKAROS ANEMOS SA	Greece	100.00%	Full
62	KERASOUDA SA	Greece	100.00%	Full
63	AIOLIKH ARGOSTYLIAS A.E.	Greece	100.00%	Full
64	M & M GAS Co S.A.	Greece	50.00%	Full
65	J/V METKA – TERNA	Greece	5.00%	Equity
66	KORINTHOS POWER S.A.	Greece	65.00%	Full
67	KILKIS PALEON TRIETHNES S.A.	Greece	100.00%	Full
68	ANEMOROE S.A.	Greece	100.00%	Full
69	PROTERGIA ENERGY S.A.	Greece	100.00%	Full
70	PROTERGIA AGIOS NIKOLAOS POWER SA OF GENERATION AND SUPPLY OF ELECTRICITY	Greece	100.00%	Full
71	SOLIEN ENERGY S.A.	Greece	100.00%	Full
72	OSTENITIS S.A.	Greece	100.00%	Full
73	THERMOREMA S.A.	Greece	40.00%	Equity
74	FTHIOTIKI ENERGY S.A.	Greece	35.00%	Equity
75	METKA RENEWABLES LIMITED	Cyprus	50.00%	Full
76	IONIA ENERGY S.A.	Greece	49.00%	Equity
77	ELECTRON WATT S.A.	Greece	10.00%	Equity
78	BUSINESS ENERGY TRIZINIA S.A.	Greece	49.00%	Equity
79	AIOLIKH TRIKORFON S.A.	Greece	100.00%	Full
80	MAKRYNOROS ENERGEIAKH S.A.	Greece	100.00%	Full
81	RIVERA DEL RIO	Panama	25.00%	Full
82	METKA-EGN LTD	Cyprus	25.05%	Full
83	METKA-EGN LTD	England	25.05%	Full
84	METKA-EGN SpA	Chile	25.05%	Full
85	METKA-EGN USA LLC	Puerto Rico	25.05%	Full
86	METKA POWER WEST AFRICA LIMITED	Nigeria	50.00%	Full
87	METKA INTERNATIONAL LTD	United Arab Emirates	50.00%	Full
88	METKA POWER INVESTMENTS	Cyprus	50.00%	Full
89	HIGH POINT SOLAR LIMITED	England	25.05%	Full
90	GREEN LANE SOLAR LIMITED	England	25.05%	Full
91	NORTH TENEMENT SOLAR LIMITED	England	25.05%	Full
92	SEL PV 09 LIMITED	England	25.05%	Full
93	INTERNATIONAL POWER SUPPLY AD	Bulgaria	5.00%	Equity

Changes on Group's structure are being stated in detail on note 3.10.

Related Party transactions

The related party transactions mentioned below are on a pure commercial basis. The Group or any of its related parties has not entered in any transactions that were not in an arm's length basis, and do not intent to participate in such transactions in the future. No transaction had any special terms and there were no guarantees given or received.

In the tables below presented the intercompany transactions and balances between the Company, its subsidiaries and the BoD members for the fiscal year 2016 and 2015 and the intercompany balances at 31.12.2016 and 31.12.2015 accordingly:

	MYTILINEOS GROUP		MYTILINEOS S.A.	
(Amounts in thousands €)	31/12/2016	31/12/2015	31/12/2016	31/12/2015
Short term employee benefits				
- Wages and Salaries and BOD Fees	15,476	17,225	2,291	2,999
- Insurance service cost	712	690	288	281
	16,188	17,915	2,579	3,280
Pension Benefits:				
- Defined benefits scheme	-	52	-	-
- Defined contribution scheme	54	9	-	-
Total	16,242	17,976	2,579	3,280

		MYTILINEOS GROUP	MYTILINEOS S.A.
(Amounts in thousands €)			
Stock Sales	ALUMINIUM OF GREECE	-	6,887
Stock Sales	ELIA S.A.	291	-
Stock Sales	OTHER RELATED PARTIES	306	6,876
Services Sales	METKA S.A.	-	6,034
Services Sales	ELEMKA S.A.	-	4
Services Sales	ANEMOSKALA RENEWABLE ENERGY SOURCES S.A.	-	3
Services Sales	ANEMOSTRATA RENEWABLE ENERGY SOURCES S.A.	-	3
Services Sales	DELFI DISTOMON A.M.E	-	7
Services Sales	ALUMINIUM OF GREECE	-	10,322
Services Sales	PROTERGIA THERMOILEKTIKI S.A.	-	2
Services Sales	GENERAL INDUSTRY S.A. DEFENCE MATERIAL	-	3
Services Sales	OSTENITIS S.A.	-	3
Services Sales	PROTERGIA THERMOILEKTRIKI AGIOU NIKOLAOU S.A.	-	2
Services Sales	PROTERGIA ENERGY S.A.	-	2
Services Sales	AIOLIKI TRIKORFA S.A.	-	2
Services Sales	MAKRINOROS S.A.	-	10
Services Sales	M&M GAS S.A.	-	3
Services Sales	DESFINA S.A.	-	3
Services Sales	MYTILINEOS FINANCIAL PARTNERS S.A.	-	340
Services Sales	SOLIEN S.A.	-	10
Services Sales	ELIA S.A.	7	-
Services Purchases	STANMED TRADING LTD	-	463
Services Purchases	PROTERGIA THERMOILEKTRIKI AGIOU NIKOLAOU S.A.	-	108
Services Purchases	MYTILINEOS FINANCIAL PARTNERS S.A.	-	6,120
Services Purchases	TATOI CLUB	138	-
Services Purchases	ELIA S.A.	4,149	-
Services Purchases	OTHER RELATED PARTIES	530	-

		MYTILINEOS GROUP	MYTILINEOS S.A.
(Amounts in thousands €)		31/12/2016	31/12/2016
Balance from sales of stock/services receivable	METKA S.A.	-	24
Balance from sales of stock/services receivable	ANEMOSKALA RENEWABLE ENERGY SOURCES S.A.	-	3
Balance from sales of stock/services receivable	ANEMOSTRATA RENEWABLE ENERGY SOURCES S.A.	-	3
Balance from sales of stock/services receivable	DELFI DISTOMON A.M.E	-	-
Balance from sales of stock/services receivable	ALUMINIUM OF GREECE	-	44,383
Balance from sales of stock/services receivable	PROTERGIA THERMOILEKTIKI S.A.	-	-
Balance from sales of stock/services receivable	GENERAL INDUSTRY S.A. DEFENCE MATERIAL	-	39
Balance from sales of stock/services receivable	OSTENITIS S.A.	-	578
Balance from sales of stock/services receivable	MAKRINOROS S.A.	-	3
Balance from sales of stock/services receivable	M&M GAS S.A.	-	3
Balance from sales of stock/services receivable	DESFINA S.A.	-	17
Balance from sales of stock/services receivable	SOLIEN S.A.	-	2
Balance from sales of stock/services receivable	REYCOM S.A.	-	-
Balance from sales of stock/services receivable	IONIA S.A.	1,060	
Balance from sales of stock/services receivable	THERMOREMA S.A.	148	
Balance from sales of stock/services receivable	FTHIOTIKI S.A.	424	
Balance from sales of stock/services receivable	TATOI CLUB T.C. LTD	75	-
Balance from sales of stock/services receivable	ELIA S.A.	775	-
Balance from sales of stock/services receivable	OTHER RELATED PARTIES	6	-
Balance from sales/purchases of stock/services payable	METKA S.A.	-	4
Balance from sales/purchases of stock/services payable	ELEMKA S.A.	-	-
Balance from sales/purchases of stock/services payable	STANMED TRADING LTD	-	20,085
Balance from sales/purchases of stock/services payable	RDA TRADING	-	3
Balance from sales/purchases of stock/services payable	DELFI DISTOMON A.M.E	-	4,329
Balance from sales/purchases of stock/services payable	DESFINA S.A.	-	18
Balance from sales/purchases of stock/services payable	MYTILINEOS FINANCIAL PARTNERS S.A.	-	128,445
Balance from sales/purchases of stock/services payable	TATOI CLUB T.C. LTD	1	-
Balance from sales/purchases of stock/services payable	ELIA S.A.	45	-
Balance from sales/purchases of stock/services payable	OTHER RELATED PARTIES	7	-

Dividend Policy

The BOD will not propose to the General Assembly of the Shareholders (GA) the distribution of dividend.

Post Balance Sheet events

On January 23 2017, the subsidiary company METKA S.A., announced that its 50.1% owned subsidiary company, METKA EGN, has recently signed contracts to provide turn-key engineering, procurement and construction (EPC) for projects with a total capacity of 75MW and contract value exceeding Euro 60 million. The largest of the new contracts is with Noriker Power Limited to provide an innovative 20MW power plant, including a large battery storage installation, which will provide fast frequency response services for the UK's electricity network. This builds on the experience gained through the successful implementation of the Oriana project in Puerto Rico for Sonnedix, representing one of the world's largest solar PV power plants with battery storage integration.

The majority of the other projects concern solar photovoltaic (PV) power plants in the United Kingdom, six of which are with Lightsource and Canadian Solar, both existing clients.

On January 27 2017, the subsidiary company, METKA S.A., announced that it has concluded an agreement with the General Authority for Electricity and Renewable Energy of Libya (GAEREL) to carry out the engineering, procurement and construction (EPC) contract for a new power plant in Tobruk, Libya. The project, with total output of more than 500MW, includes the supply and installation of 3 General Electric GT13E2 gas turbines in open cycle configuration, together with all associated balance of plant equipment and a 220/66kV substation. The contract value for METKA amounts to \$380 million. The contract is subject to final approval from the responsible state authorities in Libya, and will only become effective upon opening of an irrevocable letter of credit confirmed by 1st class international bank. The project will be carried out on a fast-track schedule so that the first gas turbine will be ready to connect to the grid within 9 months from commencement, and the second and third gas turbines will be ready for connection within 10 and 11 months respectively.

The Group keeps a significant scope in international maritime transport by transferring substantial quantities of raw and auxiliary materials, equipment and other finished goods, which could substantially increase in the upcoming years. Taking into account the low prices, combined with the requirements set by the current technical and environmental standards in the shipping, the Group examines its investments in this sector in order to hedge its exposure to international freight rates.

The Boards of Directors of "MYTILINEOS HOLDINGS S.A." ("MYTILINEOS"), "METKA INDUSTRIAL – CONSTRUCTION SOCIETE ANONYME" ("METKA"), "ALUMINIUM OF GREECE INDUSTRIAL AND COMMERCIAL SOCIETE ANONYME" ("AoG"), "PROTERGIA POWER GENERATION AND SUPPLIES SOCIETE ANONYME" ("Protergia") and "PROTERGIA AGIOS NIKOLAOS POWER SOCIETE ANONYME OF GENERATION AND SUPPLY OF ELECTRICITY" ("Protergia Thermo") at their 23.03.2017 meetings approved the Draft Merger Agreement by absorption of METKA, AoG, Protergia and Protergia Thermo by MYTILINEOS as well as the Board of Directors Report on the above mentioned merger in line with article 69 paragraph 4 of Law 2190/1920 and the article 4.1.4.1.3 of the Athens Exchange Rulebook.

The merger is executed in accordance with articles 69 to 78 of Law 2190/1920 («Περί Ανωνύμων Εταιρειών»), as applicable today, combined with the provisions, requirements and exemptions of Law 4172/2013, as applicable, article 61 of Law 4438/2016, and Greek corporate law in general, the terms and formalities under which it is submitted. The exchange ratio which is proposed to be approved by the General Meetings of the shareholders of MYTILINEOS and of METKA is the following:

 For each one (1) common registered METKA share, with voting rights and nominal value of thirty two euro cents (€0.32), its owner will receive one (1) common registered MYTILINEOS share with voting rights and nominal value of ninety seven euro cents (€0.97) of the share capital of MYTILINEOS as this will be determined as a result of the merger. MYTILINEOS' shareholders will maintain, up until the completion of the merger, that number of shares. The proposed exchange ratio has been confirmed, pursuant to the provisions of article 4.1.4.1.3 of the Athens Exchange Rulebook from the financial institutions Nomura International plc and Barclays Bank Plc, the latter acting through its Investment Bank, each of which expressed an opinion on the fair and reasonable of the proposed exchange ratio and submitted to the Board of Directors of MYTILINEOS and METKA respectively their 22/03/2017 Reports. Nomura's Report implies a share exchange ratio ranging between 0.8467 and 1.1314. Barclays' Report implies a share exchange ratio ranging between 0.94 and 1.12. Similarly, the fair and reasonable of the exchange ratio was confirmed in the Report prepared by and submitted on the 23/3/2017 to both the Boards of Directors of MYTILINEOS and METKA the certified chartered accountants Mr. Antonios A. Prokopidis (SOEL Registration number 14511) and Mr Demos N. Pitelis (SOEL number 14481), of the Certified Public Accountants company PKF Euroauditing S.A. («PKF») pursuant to the provisions of article 71 of Law 2190/1920. According to the relative report of PKF the share exchange ratio ranges from 0.91 to 1.10. The aforementioned share exchange ratio and in general the terms of the Draft Merger Agreement are under the approval of the General Meetings of shareholders of the merged companies and the granting of legally required permits and approvals of the competent authorities.

Apart from those mentioned, there are no other subsequent events of major significance taking place after 2016 for the Group or the Company which should be announced for the purposes of the International Financial Recording Standards (IFRS).

Evangelos Mytilineos

Chairman & Chief Executive Officer MYTILINEOS S.A. – HOLDING

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Explanatory report

Information regarding the issues of article 4 paragraph 7-8 of L.3556/2007 of MYTILINEOS Holdings S.A.

This explanatory report of the Board of Directors is submitted to the Ordinary General Shareholders' Meeting and contains detailed information regarding the issues of paragraph 7 and 8 of article 4 L.3556/2007.

I. Company's Share Capital Structure

The share capital of Mytilineos Holding S.A amounts to \in 113.408.386,14, divided into 116.915.862 registered shares with a nominal value of \in 0,97 each. Each share provides one voting right.

The shares of Mytilineos Holding S.A are listed on the Securities Market of the Athens Exchange.

The rights of the Company's shareholders with respect to their shares are proportional to the share capital stake to which the paid-in share value corresponds. Each share incorporates all the rights and obligations that are stipulated by the Law and Company's Articles of Association, and more specifically:

- The right to dividends from the annual profits or liquidation profits of the Company. A percentage of 35% of the net profits following deduction only of the statutory reserves is distributed from the profits of each year to the shareholders as an initial dividend while the distribution of an additional dividend is resolved upon by the General Meeting. The General Meeting determines the added dividend. Dividends are entitled to each shareholder who is registered in the Shareholders' Register held by the Company on the date of approval of the financial statements by the Ordinary General Shareholders' Meeting. The payment date and the payment method of the dividend are available through the media appointed by L. 3556/07. The right to receive payment of the dividend is subject to a time limitation and the respective unclaimed amount goes to the State upon the lapse of five (5) years from the end of the year during which the General Meeting approved the distribution of the said dividend.
- The right to reclaim the amount of one's contribution during the liquidation or, similarly, the writing off of the capital representing the share, provided that this is resolved upon by the General Meeting,

- The right of pre-emption at every share capital increase of the Company via cash payment or the issuance of new shares.
- Each shareholder is entitled to request the annual financial statements along with the relevant reports of the Board of Directors and the Auditors of the Company.
- Shareholders participate in the Company's General Meeting which constitute the following rights: in person presence or by delegate, vote, participation in discussions, submission of proposals on the items of the agenda, entry of one's opinion on the minutes of the Meeting and finally the right to vote.
- The General Meeting of Company's Shareholders retain all its rights and obligations during the winding up (according to paragraph 4 of article 33 of the Articles of Association).

The shareholders' responsibility is limited to the nominal value of the shares held.

II. Restrictions for transferring Company shares

The transfer of Company shares takes place based on procedures stipulated by the law under which the Company is liable, while there are no restrictions set by the Articles of Association for transfer of shares.

III. Important Indirect/Direct participations according to articles 9-11 of L.3556/07

The Shareholders (natural or legal entity) that hold direct or indirect a more than 5% of Company's Shares and their respective voting rights are

SHAREHOLDERS	No Shares	Shares %	Voting Right
Evangelos Mytilineos	18,718,330	16.01%	16.01%
Ioannis Mytilineos	19,201,219	16.42%	16.42%
FAIRFAX FINANCIAL HOLDINGS	7,145,168	6.11%	6.11%
	45,064,717	38.54%	38.54%

presented in the following table.

IV. Shares with special control rights

There are no Company shares that provide special control rights to their holders.

V. Restrictions on voting rights

No restrictions on voting rights emanate from the Company shares according to the Articles of Association.

VI. Agreements between Company shareholders

The Company is not aware of any agreements among its shareholders, which would result in restrictions on the assignment of its shares or exercise of the voting rights stemming from such shares.

VII. Regulations regarding the assignment and replacement of BoD members and amendments of the Articles of Association

For the assignment and replacement of BoD members as well as for amendments of its Articles of Association, the Company follows the provisions of C.L. 2190/1920

VIII. Responsibility of the BoD for the issuance of new shares or acquisition of own shares according to C.L. 2190/1920

Explanatory repor

A) According to the provisions of article 13 par. 1 item b) and c) of C.L. 2190/1920 and the article 5 par. 2 of the Articles of Association, the Company's Board of Directors has the right, following a relevant decision by the General Shareholder's Meeting to increase the Company's share capital with the issuance of new shares, through a decision by the Board of Directors that is made with a majority of at lease two thirds (2/3) of its total members.

In this case, Company's share capital may be increased by no more than the share capital amount paid up on the date when the Board of Directors was granted such power by the General Meeting. This power of the Board of Directors may be renewed by the General Meeting for a period that may not exceed five year per instance of renewal.

B) In accordance with the decisions of the General Meeting of shareholders of the Company on 14.6.2006 and 3.9.2007 the Board of Directors of the Company: On 5.12.2007 resolved on the specification of the terms and table of allocation of the stock option plan of the Company pursuant to the provisions of article 13 para. 13 of codified law 2190/1920 as in force, in favour of members of the Board and executive members of the Company and its affiliates. According to the above decision, there are 28 beneficiaries with up to 171.715 corresponding call options for 2008. It is noted that the beneficiaries of the program did not exercise their rights in 2008 and were transferred to the next fiscal year.

C) According to the provisions of the paragraphs 5-13 of article 16 par. 9 item b) of C.L. 2190/1920, the listed companies may acquire own shares through the Athens Stock Exchange, according to decision of the General Meeting until the 10% of total shares, in order to support the stock exchange price. In the Meeting held on 14.6.2006 the General Meeting of Shareholders, making use of the above possibility provided by the Law, decide that the Company should acquire, during the period 14.6.2006 - 13.6.2007 no more than 4.054.034 shares, equivalent to 10% of total existing shares, in order to support the stock exchange price of its share, in a price range between € 5 (minimum) and € 35 (maximum). In the Meeting held on 16.2.2007 the General Meeting of Shareholders amended the initial decision in a price range between € 5 (minimum) and € 50 (maximum). In the context of implementing the aforementioned General Meeting decision, the Company's BoD defines by resolution, prior to the start of the individual trading period, the principal trading terms, in particular the maximum number of own shares to be acquired, maximum and minimum price and time period that shares shall be acquired. The company on 13.6.2007 completed Share Buyback Program through the acquisition of 2.348,291 treasury shares (5.635,898 adjusted after split of 19.12.2007) which represented 4,82% of the Company share capital.

D) The 1st Reiterative Session of the adjourned Ordinary General Meeting dated 06.05.2015, held on 18.05.2015, adopted a resolution for the reduction of the share capital by the amount of eleven million six hundred ninety one thousand five hundred eighty six Euros and twenty eurocents (EUR 11.691.586,20) by means of decrease of the par value of the one hundred sixteen million nine hundred fifteen thousand eight hundred and sixty two (116.915.862) Company shares by the amount of ten eurocents (EUR 0,10) per share, for the purpose of reimbursement of capital by means of payments to shareholders and consequential amendment of the article 5 of the articles of association.

Consequent to the above the share capital of the Company amounts to one hundred thirteen million four hundred eight thousand three hundred eighty six Euros and fourteen eurocents (€113.408.386,14), divided into one hundred sixteen million nine hundred fifteen thousand eight hundred and sixty two (116.915.862) registered shares each of a par value of ninety seven eurocents (€0.97).

E) In accordance with the provisions of Article 16 of Law 2190/1920 as in force, it was decided during the Extraordinary General Meeting of the Company's shareholders on 7.12.2007 that the Company would acquire 5.18% of its total shares through the Athens Stock Exchange, amounting to 6.053.907 treasury stock whose purchase prices ranged from a minimum of €2,08 to a maximum of €25 (the amounts were readjusted by way of the stock split of 19.12.2007). The right to proceed with the purchase for which the aforementioned approval was given will last for 24 months. In order to implement the above General Meeting decision, the purpose of which was to promote strategic and business objectives, the Company's Board of Directors established the basic terms of the transaction by way of its resolution of 5.12.2007, before the beginning of the program's implementation. In particular, said resolution established the maximum number of treasury stock to be acquired, the maximum and minimum prices and the time period during which the shares would be purchased. From the date on which the program commenced until 31.12.2010. the Company held a total of 10.371.501 treasury shares, which corresponded to 8,87% of its share capital. Following the cancellation of 5.635.898 treasury shares in accordance with the decision taken at the second iterative General Meeting of the Company's Shareholders on 3rd June 2011, and until 17.10.2013, the Company held a total of 4.972.383 treasury shares, corresponding to 4,25% of its share capital. On 18.10.2013, the Company sold those 4.972.383 treasury shares, which corresponded to 4,25%, at the price of €5,13 per share.

IX. Important agreement which is amended / terminated in case a change arises in the company's control following a public offer

There are no agreements which enter into force, are amended or terminated in the event of change in the control of the Company following a public offer.

X. Agreement between the Company and BoD members or employees regarding the termination of their terms / employment

There is no agreement between the Company and the BoD members or staff providing for the payment of any compensation specifically in the event of resignation or dismissal without cause, or termination of their mandate or employment as a result of a Public Acquisition Offer

Evangelos Mytilineos

Chairman & Managing Director MYTILINEOS Holdings S.A.



Statement of Corporate Governance

4. Statement of Corporate Governance

This Statement of Corporate Governance (the "Statement") is made in the context of the conformation of MYTILINEOS S.A. (the "company") to the provisions of article 2 of Law 3873/2010, and regards:

1. Compliance of the Company with the Corporate Governance Code.

Our Company complies with the policies and practices adopted by the "Hellenic Corporate Governance Code for Listed Companies" (hereinafter the Code). The Code, was drafted at the initiative of the Hellenic Federation of Enterprises (SEV), and was subsequently amended in the context of its review by the Hellenic Corporate Governance Council (HCG Council) in October 2013. The Code has been posted on the website of Hellenic Exchanges: www.helex.com/web/guest/esed as well as on our website: www.mytilineos-group#tab-corporate-governance-code

2. Deviation from the special practices of the Code.

The Company's practices, as implemented under its Articles of Association, its Internal Regulation and Code of Ethics, deviate from the special practices of the Code in the following points:

i) Size and composition of the board.

Deviation (Article 2.8): Specific reference to the diversity policy applied by the company in relation to the composition of its board and the percentage of each gender in the composition of the board and senior executive team.

Explanation: Although it gives due consideration to the principle of diversity, according to which any hiring of senior or top executives, as well as any appointments to the Board of Directors, is based exclusively on impartial criteria and is not connected to any form of discrimination, the Company has not developed a corresponding formal policy until today. The present Statement reports relevant indicators on gender and age ratios, as these are reflected in the composition of the Group's governance bodies as well as in the overall numbers of Executives and Administrative employees. The Company intends to comply with the said practice by the end of the first semester of 2018, by incorporating a corresponding specific policy in its Internal Regulation Code.

ii) Role and profile of the chairman of the board

Deviation (Article 3.3): The Board should appoint an independent vice-chairman from among its independent board members where a company chooses to combine the roles of chairman and chief executive.

Explanation: Although the Company's Internal Regulation Code does provide for the appointment of an Independent Vice-Chairman of the Board of Directors, the Board until today has not appointed an Independent Vice-Chairman from its members but has instead appointed an Executive Vice Chairman, whose contribution and role in the Company's growth course is of paramount significance. The Company, also in view of the election of the new Board of Directors due in 2017, the Company will reevaluate the application of this practice.

iii) Nomination of board members

Deviation (Articles: 1.2, 5.3, 5.4, 5.5, 5.6, 5,7 & 5.8): Related to specific practices of the "Nomination of board members" section.

Explanation: Until today, there is no nomination committee for members of the Board of Directors. Nevertheless, the procedure in place for selecting Board members is characterized by strict selection criteria that include, among other qualifications, the necessary expertise, the scientific and professional background and the requirement to be persons of recognized experience and authority, so that their participation may contribute to the Board's more effective functioning. As part of the procedures in connection with its organizational restructuring, the Company in 2017 will assess again the application of the said practice.

iv) Functioning of the board

Deviation (Article 6.3): Company secretary's responsibilities and his appointment and removal procedures.

Explanation: The duties of company Secretary involve supporting and coordinating the organization of the General Meetings of the Shareholders. Additionally, the company Secretary is entrusted with keeping the minutes of the Board meetings. In parallel, the necessary coordination and the communication required between the shareholders and the Board of Directors are performed by the Investor Relations Department, in compliance with the relevant provisions of the legislation and with a view to developing relations with the investor community. The company Secretary is appointed by resolution of the Board of Directors. In view of the election of the new Board of Directors due in 2017, the Company intends to assess the role and the responsibilities of the company Secretary, in line with the Code's practices.

Deviation (Articles 6.8 & 6.9): Related to the right of the Board and its committees to have access to independent professional advice at the Company's expense where the board judges it necessary to fulfil their responsibilities.

Explanation: Although the said practices are not mentioned in the responsibilities of the Board of Directors, the provision of support to the Board, as well as to its committees, so that they fulfil their duties and tasks, relies on the use of resources whose amount is approved by the Board on an ad hoc basis for the purpose of promoting specific matters, depending on company needs, as applicable.

v) Board evaluation

Deviation (Article 7.2): The non-executive board members should convene periodically without the executive members in order to evaluate the latter's performance and discuss their remuneration.

Explanation: In the context of the Group's organizational restructuring, the Company will examine again its compliance with the said special practice.

vi) Level and structure of remuneration

Deviation (Articles 1.6, 1.8 & 1.9): Composition and operation of the Remuneration Committee.

Explanation: As the Remunerations Committee in place has not functioned until today, no information is available on the frequency of its meetings and on other matters regarding its functioning. On the basis of the Company's current structure and operation, the launch of the Committee's functioning has not been deemed necessary. The fees of the Chairman and of the Executive Members of the Board of Directors are approved by the General Meeting of the Shareholders and are disclosed in the Financial Statements on an aggregate basis. In the framework of the Group's organizational restructuring, the Company intends to comply with the said special practice by the end of 2018.

vii) Communication with Shareholders

Deviation (Article 1.1): The Board chairman and the independent vice-chairman, as applicable, should be available to meet shareholders of the company to discuss eventual governance concerns.

Explanation: The Company recognises the importance of developing long-term relations with the shareholders and with the investor community at large in maintaining and further enhancing its credibility. Although the responsibilities of the Chairman do not refer explicitly to the latter's availability for meetings with shareholders regarding matters of Corporate Governance, in practice this requirement is met via the Chairman's participation in various collaborative work arrangements such as: the regular (annual) and extraordinary meetings of the shareholders, the annual presentation to the Association of Greek Institutional Investors, the videoconferencing sessions scheduled for the presentation of the Company's financial results, as well as face-to-face or other meetings with shareholders in the framework of major conferences in Greece and abroad. The Company, during 2017, will assess again the application of the said practice.

viii) The General Assembly of Shareholders

Deviation (Article 1.2): The Company should provide for an efficient and inexpensive way to cast votes, including electronic voting when available, and postal voting.

Explanation: The Company's Articles of Association provides to the shareholders the ability of a distance participation in the voting procedure during the General Assembly whether by an electronic vote or a correspondence vote. However, the Company is waiting for the issuance of the relevant ministerial decisions in order to introduce a relevant procedure dealing with the technical standards providing security to the electronic voting.

3. The General Assembly and the shareholders' rights

i) Operation of the General Assembly and its key powers

- The General Assembly of the Company's shareholders is its highest body and is entitled to take decisions on all cases related to the company. More specifically:
 - a) extension of the company's duration, merger, split-up, conversion, revival or dissolution;
 - b) amendment of the Articles of Association;
 - c) increase or decrease of the Share Capital, with the exception of the case of para 2, case a, article 5 of the Articles of Association, the provisions imposed by the law and the capitalization of the reserves;
 - d) issuance of a debenture loan with convertible loans and a debenture loan with participation right in the profits, without prejudice to the terms of para 2, case b, article 5 of the Articles of Association:
 - e) election of the BoD members, apart from the cases of article 22 of the Articles of Association;
 - f) election of auditors
 - g) election of liquidators
 - h) approval of annual accounts (annual financial statements)
 - i) appropriation of annual profits

The above competencies do not include:

- a) increases decided in application of paragraphs 1 and 14 of article 13, C.L. 2190/1920, as each time in force, and increases imposed by provisions of other laws;
- b) the amendments of the Articles of Association decided by the Board of Directors in application of para 5, article 11, para 2, article 13a, para 13, article 13 and para 4, article 17b of C.L. 2190/1920 as each time in force;
- c) the absorption of a public limited company (SA) under article 78 by another public limited company (SA) possessing 100% of its shares; and
- d) the possibility of profit or optional reserve appropriation in the current fiscal year with the decision of the Board of Directors provided that there is no relevant authorisation of the ordinary general assembly.
- 2. Its legal decisions also bind the shareholders who are absent or disagree
- 3. The shareholders' General Assembly is convened by the Board of Directors and is held at the company's seat or in the region of another municipality within the prefecture where the company has its seat or in another municipality neighboring the one where the company has its seat, at least once a year, always in the first semester from the expiry of each fiscal year. The General Assembly, also, can be held in the municipality where the seat of the Stock Market where the company's shares are listed. The Board of Directors can convene an extraordinary shareholders' General Assembly, when deemed necessary. The General Assembly can be held via a teleconference, according to the technical security specifications stipulated in the decisions of the Minister of Development, following an opinion of the Capital Market Commission.
- 4. The General Assembly, with the exception of repeat meetings and the similar ones, should convene at least within twenty (20) full days before the one set for its convocation. The publication day of the invitation of the General Assembly and the day of the meeting are not taken into account. The invitation of the General Assembly includes the place of the assembly with its exact address, the date and the time, the items on the agenda, the shareholders with participation right and exact instructions about the way the shareholders will be able to participate in the assembly and exercise their rights in person or by proxy or even from distance. No invitation is required if shareholders representing the total of the share capital are presented or represented and no one objects to its convocation and decision taking.

- 5. The General Assembly is in quorum and timely convenes for the Items on the agenda when a percentage of at least twenty per cent (20%) of the paid Share Capital. If such a quorum is not achieved in the first Assembly, a repeat one is convened within twenty (20) days from the date of the postponed assembly with an invitation of the Board of Directors sent at least ten (10) days before. The repeat assembly is in quorum and timely convenes on the items of the agenda whatever the part of the paid Share Capital is represented.
- 6. The decisions of the General Assembly are taken with an absolute majority of the votes, represented in the meeting. The General Assembly is exceptionally considered to be in quorum and timely convenes on the items of the agenda if two thirds (2/3) at least of the paid Share Capital are represented, in the case of decisions pertaining to: a. extension of the company's duration, merger, split-up, conversion, revival or dissolution; b. change of the national status of the Company; c. change of the scope of the Company's activities; d. increase and decrease in the share capital; e. change in the profit appropriation (Law 876/1976); f. increase in the shareholders' obligations; g. provision or renewal of the power of the Board of Directors for an increase in the share capital under para 1, article 13, C.L. 2190/1920, and in any case defined by the law or the articles of association that for the General Assembly to take a specific decision, the above quorum is required.
- 7. The General Assembly is provisionally chaired by the President of the Board of Directors or in case of obstacles, the Deputy President appointed by the Board of Directors with a special decision to this purpose. Secretarial duties are performed by the secretary appointed by the President. After the list of the shareholders with a right to vote is approved, the assembly continues with the election of its Chair and a secretary who also acts as a teller.
- 8. The discussions and decisions of the General Assembly are restricted to the items on the agenda. The agenda is prepared by the Board of Directors and includes the proposals of the BoD to the Assembly and possible proposals made by the auditors or shareholders representing one twentieth (1/20) of the paid share capital. For the items discussed for which decisions are taken, minutes are kept signed by the Chair and the Secretary. The list of the shareholders present or represented in the General Assembly is recorded at the beginning of the minutes. If only one (1) shareholder is present in the General Assembly, the presence of a Notary Public is compulsory to co-sign the minutes of the assembly.

ii) Rights of the shareholders and their way of exercise

- The shareholders exercise the rights relevant to the company's administration only with their participation in the General Assembly. Each share provides the right of one vote in the General Assembly without prejudice to article 16, C.L. 2190/1920, as currently in force.
- 2. Any person appearing as a shareholder in the registry of the Dematerialized Securities System managed by HELLENIC EXCHANGES SA (HELEX), in which the shares of the Company are recorded, is entitled to participate in the General Assembly. Proof of shareholder status should be made by presenting relevant written certification from HELEX or alternatively with direct electronic link-up of the company with the records of the Dematerialized Securities System. Shareholder proof status should exist in the beginning of the fifth (5th) day prior to the general assembly (recording date) and the relevant written certification in proof of the shareholder status issued by HELEX must have been received by the Company by the third (3rd) day before the date of the General Assembly.
- 3. The Company considers that only a party having the shareholder's capacity on the recording day of the list has the right to participate and vote. Shareholders who do not comply with the provisions of article 28a of the Codified Law 2190/1920 may participate in the General Assembly only after the Meeting has authorized them to do so.
- It is noted that in order to exercise said rights (participation and voting), it is not necessary to block the shares or follow any other similar procedure that

- may restrict the ability to sell and transfer shares in the period between the Record Date and the date of the General Assembly.
- 5. The shareholder may participate in the General Assembly and may vote either in person or by proxy. Each shareholder may appoint up to three (3) proxy holders. Legal entities may participate in the General Meeting by appointing up to three (3) persons as proxy holders. Prior to the commencement of the General Meeting proceedings, the proxy holder must disclose to the Company any particular facts that may be of relevance for shareholders in assessing the risk that the proxy holder may pursue interests other than those of the shareholder. Within the meaning intended in this paragraph, a conflict of interest may arise in particular when the proxy holder: (a) is a controlling shareholder of the Company or is another entity controlled by such shareholder; (b) is a member of the board of directors or the broader management of the Company, or of a controlling shareholder or an entity controlled by such shareholder; (c) is an employee or an auditor of the Company, or a controlling shareholder or an entity controlled by such shareholder: (d) is a spouse or close relative (1st degree) of a natural person referred to in (a) to (c) hereinabove. The appointment and revocation of appointment of a proxy holder shall be made in writing and shall be notified to the Company in writing at least three (3) days prior to the date of the General Assembly.
- Participation from a distance in the voting during the shareholders' general assembly is possible either by using electronic means or voting by mail by sending the items of the agenda to the shareholders along with the relevant vote forms on these items.

iii) Other shareholders' rights

- Ten (10) days before the ordinary General Assembly, each shareholder can take the annual financial statements and the relevant reports of the Board of Directors and the auditors from the company. These documents should have been timely submitted by the Board of Directors to the Company's office.
- 2. After the request of shareholders representing at least one twentieth (1/20) of the paid Share Capital, the Board of Directors is obliged to call an Extraordinary General Assembly setting a date which is not more than forty five (45) days from the day the application was served to the President of the Board of Directors. The application should accurately determine the item on the agenda. If a General Assembly is not called by the Board of Directors within twenty (20) days from serving the relevant application, the assembly is convened by the applicant shareholders at the company's expenses with the decision issued by the Single-Member First Instance Court of the company's seat according to the interim measures procedure. This decision sets the location and the time of the assembly and the agenda

- 3. After the request of shareholders representing at least one twentieth (1/20) of the paid Share Capital, the Board of Directors is obliged to include additional items in the agenda of a general assembly, already called, if the said request is communicated to the Board of Directors at least fifteen (15) days prior to the general assembly. The additional items should be published or made public with the responsibility of the Board of Directors, under article 26, Codified Law 2190/1920, at least seven (7) days before the general assembly. If these items are not published, the applicant shareholders are entitled to ask the postponement of the general assembly under paragraph 3, article 39, Codified Law 2190/1920 and proceed with the publication according to the previous section, at the Company's expenses.
- 4. After the request of shareholders representing at least one twentieth (1/20) of the paid Share Capital, the Board of Directors puts at the disposal of the shareholders, under article 27, para 3, C.L. 2190/20, at least six (6) days before the date of the general assembly, draft resolutions on items included in the initial or possible revised agenda, if the relevant request is communicated to the Board of Directors at least seven (7) days prior to the date of the general assembly.
- 5. If any shareholder requests, and provided that said request is filed with the Company at least five (5) full days prior to the General Assembly, the Board of Directors is obliged to provide the General Assembly with the specific requested information regarding the affairs of the Company, insofar as such information is relevant to a proper assessment of the items on the daily agenda.
- 6. After the request of shareholders representing at least one twentieth (1/20) of the paid Share Capital, the Chair of the General Assembly is obliged to postpone once taking decisions in the Ordinary or Extraordinary General Assembly for all or specific items, setting as a date of a decision-making meeting the one on the shareholders' application, which, though, cannot be more than thirty (30) days away from the postponement day. The general assembly following a postponement is the continuation of the previous one and there is no need to repeat the publication formalities of the shareholders' invitation. New shareholders can also participate, by observing the provisions of articles 27, para 2 and 28a of C.L. 2190/1920.
- 7. After the request of shareholders representing at least one twentieth (1/20) of the paid Share Capital, the Board of Directors is obliged to announce to the Ordinary General Assembly the amounts paid in the last two years to each member of the Board of Directors or the company's directors/ managers and any benefit given to these parties for any reason or as a result of an agreement made with the company. Furthermore, following the application of any shareholder submitted to the company at least five (5) full days before the General Assembly, the Board of Directors is obliged to give the General Assembly the applied-for specific information to the degree this information is useful for the real assessment of the items on the agenda. The Board of Directors may decline to provide such information citing sufficient material grounds, and this should be recorded in the minutes. Such a reason could be, depending on the specific cases, the representation of the applicant shareholders in the board of directors pursuant to paragraphs 3 or 6 of article 18, C.L. 2190/1920, as currently in force.

The Board of Directors may provide a single answer to shareholders' requests that are of similar content. The obligation to provide information does not apply in the event that such information is already available through the Company's website, particularly in the case of frequently asked questions

- 8. After the request of shareholders representing one fifth (1/5) of the paid-up capital of the Company, and provided that the said request is given to the Company at least five (5) full days prior to the General Assembly, the Board of Directors is obliged to provide the General Assembly with information on the course of the business affairs and financial status of the Company. The Board of Directors may decline to provide such information citing sufficient material grounds, and this should be recorded in the minutes. Such a reason could be, depending on the specific cases, the representation of the applicant shareholders in the board of directors pursuant to paragraphs 3 or 6 of article 18, C.L. 2190/1920, as currently in force. Provided the members of the Board of Directors have received the relevant information in an adequate
- 9. After the request of shareholders representing at least one twentieth (1/20) of the paid share capital, a decision on any item on the agenda of the General Assembly is taken by a roll-call vote.
- 10. Company's shareholders representing at least one twentieth (1/20) of the paid share capital have the right to ask the Single-Member First Instance Court of the region where the company has its seat, for an audit of the company, and the Court applies the voluntary jurisdiction procedure. The audit is ordered if there is the possibility of actions that violate the provisions of the law or the company's articles of association or decisions of the General Assembly.
- 11. Company's shareholders representing at least one fifth (1/5) of the paid share capital have the right to ask the court of the previous paragraph for an audit of the company, provided that it is believed that the management of the corporate affairs is not applied as imposed by the prudent and sound management principle. This provision is not applied in the cases the minority asking for the audit is represented in the Company's Board of Directors.

4. Board of Directors and Committees

i) Role and responsibilities of the Board

1. The Board of Directors is the body that exercises the management of the Company. It has the responsibility of managing (managing and disposing) the company's assets as well as of representing it, with the aim of strengthening its economic value and efficiency and of safeguarding the company's interests. The Board of Directors has ordinary meetings at least one time per month and extraordinary meetings whenever important issues arise or decisions need to be made. Usually, in the ordinary meetings are present all the members of the Board of Directors. Thus far the Board of Directors has never postponed making a decision because of lack of quorum.

- 2. According to the Articles of Association and the Internal Regulation Code of the Company's operation, the Board of Directors has the following basic competences:
- Setting the strategic directions, including the sale or other disposal of the Company's shares, the acquisition of any enterprise or the
 proposal for the merger of the Company with another enterprise, which will then be submitted for final approval by the General Assembly
 of the Company's shareholders.
- Adopting and implementing the general policy on the basis of the recommendations and suggestions made by the General Managers and the Company's Managers.
- Managing and disposing the Company's assets as well as representing the Company judicially or extra-judicially
- Drafting the Company's annual budget and business plan, defining and meeting its efficiency objectives, monitoring the Company's progress and controlling major capital expenditure.
- Performing a full and effective internal audit of all the Company's activities.
- Monitoring the effectiveness of corporate governance principles, based on which the Company operates, and making the necessary changes when needed,
- Defining the strategy and the risk management policy of the Company
- Selecting, managing and developing the Company's Managers and defining the remuneration policy.
- · Appointing an internal auditor and defining his/her remuneration,
- Defining the accounting principle that the Company follows,
- Making a brief presentation of the proceedings to the General Assembly of the Company's Shareholders.
- Preparing annual reports in which are analytically stated all the transactions between the Company and associated companies in accordance with article 42e par.5 of c.l.2190/1920 as applicable in each case.

The rules governing the representation and binding of the Company are defined by special decisions of the Board of Directors.

ii) Size and composition of the Board & Board members CVs.

According to the Company's Articles of Association, the Board of Directors should contain no fewer than 7 and no more than 15 members. The current Board of Directors was elected by the General Assembly on 08.05.2013 and its term ends on 08.05.2017. The Board has been replaced with the election of new members by the General Assembly of 19.11.2013 and took its final composition in 16.02.2015 when the Independent-Non Executive Member, Mr. Nikolaos Karamouzis resigned without being replaced.

The Board comprises two (2) executive and six (6) non-executives members. Also, the Board characterises the three (3) out of a total of six (6) non-executive members as "independent members". The length of a Board member's term is four (4) years.

BOARD OF DIRECTORS	
Evangelos Mytilineos, son of Georgios	Chairman and CEO – Executive member of the Board
Ioannis Mytilineos, son of Georgios	Vice-Chairman – Non-Executive member of the Board
Georgios - Fanourios Kontouzoglou, son of Stamatios	Executive Director- Executive member of the Board
Sofia Daskalaki, daughter of Georgios	Non-Executive member of the Board
Wade Burton, son of Robert	Non-Executive member of the Board
Apostolos Georgiades, son of Stavros	Independent, Non-Executive member of the Board
Christos Zerefos, son of Stylianos	Independent, Non-Executive member of the Board
Michael Chandris, son of Dimitrios	Independent, Non-Executive member of the Board

The members of the Board of Directors – apart from the executive ones that deal exclusively with the company's activities – are professionally active in their fields of specialization, as it can also be verified by their CVs

CHAIRMAN and MANAGING DIRECTOR Evangelos Mytilineos, son of Georgios

Born in 1954. He is a graduate of the Department of Economic Sciences of the University of Athens, and also holds a postgraduate degree in Economics from London School of Economics. Chairman of the Board and Managing Director (CEO) of "MYTILINEOS HOLDINGS S.A.", one of Greece's leading business Groups. He is also Chairman of the Board of Protergia S.A. and Vice-Chairman of the Board of "ALUMINIUM OF GREECE" (both MYTILINEOS Group subsidiaries).

VICE-CHAIRMAN loannis Mytilineos, son of Georgios

Born in 1955. He is a graduate of the School of Engineering of Aristotle University of Thessaloniki (Department of Civil Engineering). Chairman and Managing Director of "METKA S.A.", co-founder and Vice-Chairman of "MYTILINEOS HOLDINGS S.A." since its establishment. He is also Vice-Chairman and Managing Director of Protergia S.A. (a MYTILINEOS Group subsidiary).

EXECUTIVE DIRECTOR Georgios – Fanourios Kontouzoglou, son of Stamatios

Born in 1946. He is a graduate of the Athens University of Economics and Business. Member of the Board of "ALUMINIUM OF GREECE".

MEMBER Sofia Daskalaki, daughter of Georgios

Born in 1952. She studied Business Administration (BSc, Deree College) and Economics (MSc, London School of Economics). She worked as a financial analyst for two years in the Short-Term Economic Forecasting Department of the Ministry of Coordination and for five years in the Research Department of the Bank of Greece, before joining MYTILINEOS Group in 1985, where she developed the Group's Corporate Affairs and Corporate Social Responsibility functions.

She was an elected member of the Board of Directors of the Hellenic Federation of Enterprises (SEV) and since June 2013 she is a member of the American-Hellenic Chamber of Commerce. From 2000 to 2010 she served as elected Municipal Councillor and Deputy Mayor of the Municipality of Athens. She is a founding member of the NGO "Friends of Children with cancer" ("ELPIDA") and of "Transparency International Greece" network.

MEMBER Wade Burton, son of Robert

Born in 1971. Mr Burton is a Vice President, Portfolio Manager and member of the investment committee at Hamblin Watsa Investment Counsel, a wholly owned subsidiary of Fairfax Financial Holdings Limited. He has over 15 years of experience in investment management. Prior to joining Hamblin Watsa in 2008, Mr. Burton was a partner and fund manager at Peter Cundill and Associates which was acquired by Mackenzie Financial in 2006. Mr. Burton has sat on various boards and credit committees of public and private companies

MEMBER Apostolos Georgiades, son of Stavros

Born in 1935. He is a graduate of the Faculty of Law of the University of Athens and holds a PhD from the University of Munich. He was

a Professor in the Faculty of Law of the University of Munich until 1972 and from 1973 to 2002 in the Faculty of Law of the University of Athens, when he retired with the title of Honorary Professor. In parallel with his teaching and research activities, he also worked as a lawyer, providing his services as lawyer and legal advisor to banks, organizations and large companies. He served as Governor of the National Mortgage Bank of Greece from 1989 to 1993. He has been conferred Honorary Doctorate degrees by the Aristotle University of Thessaloniki and the Democritus University of Thrace, and is a Member of the Academy of Athens since 2000.

MEMBER Christos Zerefos, son of Stylianos

Born in 1943. He is a graduate of the Department of Physics and Meteorology of the University of Athens. He has carried out post-doctoral studies and research in the US National Centre for Atmospheric Research (NCAR) and in other research centres in Greece and abroad. He was a Professor of Atmospheric Physics in the Universities of Thessaloniki and Athens (1979-2010), and Visiting Professor in the Universities of Boston, Minnesota and Oslo. He is a Member of the Academy of Athens, the Norwegian Academy of Sciences and Letters, Academia Europaea and other international scientific institutions. He is also a Fellow of the Institute of Physics (UK) and a Lifelong Member of the American Geophysical Union. Over the last 30 years he has founded or cofounded numerous Research and other Centres. He has also been a contributor to, among others, the Assessment Reports of the Intergovernmental Panel on Climate Change, which was awarded the Nobel Prize in 2007. He has served as President of the National Observatory of Athens and the International Ozone Commission.

MEMBER Michael Chandris, son of Dimitrios

Born in 1951. He is a graduate of the Department of Political and Economic Sciences of the University of Lausanne. In 1975 he joined the family shipping business, which he is running to this day. He is Chairman of Chandris (England) Ltd, Co-Founder of Celebrity Cruises, Vice President of the Union of Greek Shipowners and member of the Board of Directors of the Bank of Greece.

Company Secretary Panagiotis Psareas

Born in 1981. He studied Architecture in the University of Florence and then journalism in Athens. He worked in various media as a journalist until 2010, when he assumed the position of associate at the Mytilineos Group Chairman's Office. Since 2012, he is the Secretary to the Board of Directors and in 2013 he also assumed the position of Group Digital Media Officer.

The executive members deal with the daily issues of the Company's management and the supervision of the execution of the decisions made by the Board of Directors, whereas the non-executive members are charged with supervising the execution of the Board of Directors' decisions as well as other issues or fields of the Company that have been especially assigned to them by a decision of the Board of Directors.

The independent non-executive members are the members that have no business transaction or other commercial relation with the Company, which could influence their independent judgment. In that sense, it is impossible to perceive as independent member of the Board of Directors any person that: (a) has a business or other professional relation with the company or an associated one according to article 42e par.5 of c.l2190/1920, as applicable at each case, which influences its business activity and especially when this person is an important supplier of goods or services or a basic customer of the Company, (b) is president or General Manager of the company or if he/she is president or general manager or an executive member of the board of directors in an associated company according to article 42e par.5 of c.l2190/1920, as applicable at each case, or has a relation of dependent or paid employment with the Company or with its associated companies, (c) has a second degree kindred relationship with or is the husband of an executive member of the board of directors or of a manager or of a shareholder that has the majority of the share capital of the Company or one of its associated companies according to article 42e par.5 of c.l 2190/1920, as applicable at each case, (d) has been appointed in accordance with article 18 par.3 of c.l 2190/1920. The independent non-executive members can submit separate reports to the General Assembly. Their attendance is not compulsory if and when they participate in the Board of Directors as members, representatives of the minority of shareholders and are appointed as such.

iii) Committees of the Board and other Committees.

The following Committees assist the Board of Directors in its work. The Audit and Remuneration Committee have been set up by the Board and are comprised entirely of its members. The Board of Directors' Committees can also retain the services of specialist consultants (technical, financial, legal or other).

1. Board Committees

AUDIT COMMITTEE

The Audit Committee has ordinary meetings at least once every trimester or, extraordinary meetings whenever there is a need to inform its members on a matter or make a relevant decision. The Committee consists exclusively of three non-executive members (two of them are independent) of the Board.

Composition of Audit Committee	
Chairman	
Apostolos Georgiades	Independent, Non-Executive member of the Board
Members	
Sofia Daskalaki	Non-Executive member of the Board
Christos Zerefos	Independent, Non-Executive member of the Board

The main tasks of the Audit Committee are the monitoring of: 1) the financial updating procedure, 2) the effective operation of the internal auditing and risk management systems, 3) the operation of the Internal Auditors Division of the audited entity, 4) the progress of the compulsory audit of the individual and consolidated financial statements. In addition, the Committee is charged with checking and monitoring all issues related to the existence and preservation of the objectivity and independence of the legal auditor or auditing agency, especially with regard to the provision of other services by the legal auditor or auditing agency to the audited entity. The Committee can do so by receiving from the company's legal auditors the compulsory reports on any issue that pertains to the progress and results of the compulsory audit. Moreover, the Committee checks the drafting of the reports and receives the special report of the legal auditors regarding the weaknesses of the internal audit system and in particular the weaknesses of financial information processing and drafting of financial statements.

In 2016, the Audit Committee held 11 scheduled meetings. The topics that were discussed by the CSR Committee during 2016 are presented in the following table:

Date of meeting	Agenda
12.01.2016	Briefing on audit results regarding follow up of agreed action plans dated until 30/06/2015.
14.01.2016	Briefing on audit results regarding evaluation of the adequacy and effectiveness of the control environment of the "S.C. SOMETRA" factory IT systems as well as sample audit of the financial statements accounts.
07.03.2016	Briefing on audit results regarding "Cargo ship transports".
17.03.2016	Briefing on audit results regarding "Management of Human Resources".
17.05.2016	Briefing on audit results regarding sales and credit policy of "ALUMINIUM OF GREECE INDUSTRIAL AND COMMERCIAL SOCIETE ANONYME ICSA".
01.06.2016	Briefing on audit results regarding "Platinum Thermocouples"
11.07.2016	Briefing on audit results regarding project "Excellence" and projects "Creeping II" and "Reduction of Reconstructing Basins".
12.07.2016	Briefing on audit results regarding "Procedure for issuance of guarantees on behalf of Mother Company in favor of Group Subsidiaries".
22.07.2016	Approval of performed audits by the Internal Audit Directory for the second semester of 2016
31.10.2016	Approval of performed audits by the Internal Audit Directory for the third semester of 2016.
12.12.2016	First Item: Briefing on audit results regarding follow-up of agreed action plans dated until 30.06.2016 Second Item: Briefing on audit results regarding Corporate Governance regulatory framework Third Item: Briefing on audit results regarding stock inventory of the Energy Center Agios Nikolaos-IPP

2. REMUNERATION COMMITTEE

The Remuneration Committee has been established but has not yet convened. It is composed of three members of the Board of Directors, of which, at least one is obligatorily an executive member. It convenes on an ordinary basis or on a case by case basis whenever there is a matter of recruiting or laying off an executive that reports directly to the CEO and executives that report to the General managers and Managers or whenever there is a need to convene. On occasion the Committee submits to the Board of Directors suggestions, which are relevant to its tasks and activities, as these are described hereafter, so that the Board of Directors can decide accordingly.

Composition of Remuneration Committee	
Chairman	
Evangelos Mytilineos	Chairman of the Board
Members	
Sofia Daskalaki	Non-Executive member of the Board
Christos Zerefos	Independent, Non-Executive member of the Board

3. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The CSR Committee is responsible to the Board of Directors for monitoring the correct implementation of Corporate Social Responsibility in the Group in terms of the policies, targets, actions and results in connection with environmental, social and ethical issues in the internal as well as the external environment of the Group companies. The Committee may also act in the role of advisor to the Group's executive management and to the relevant Board Committees on the above issues.

Composition of CSR Committee	STATUS
Chairman	
Christos Zerefos	Independent, Non-Executive member of the Board
Members	
Evangelos Mytilineos	Chairman of the Board
Sofia Daskalaki	Non-Executive member of the Board
Spiros Kasdas	Chairman of ALUMINIUM of GREECE
Fotios Spyrakos	Chief Executive Director – Group Administration
Vivian Bouzali	Director – Group Communication
Lydia Tsapara*	Head of METKA's Legal Department

^{*}Ms. Lydia Tsapara remained a member of the CSR Committee until 27/10/16, when she left the Group.

In 2016, the CSR Committee held 2 scheduled meetings. The topics that were discussed by the CSR Committee during 2016 are presented in the following table:

Date of Meeting	Agenda
29.01.2016	Presented, discussed and approved the following subjects: The review and the results of the CSR Action Plan for the year 2015, the new CSR Action Plan of the Group for the year 2016 and the innovations of the new system of the Group Social Contribution Group titled "'EMPRAKTOS".
24.10.2016	Presented, discussed and approved the following subjects: The new Code of Conduct of the MYTILINEOS Group, the proposed framework for implementing the Corporate Volunteering and the review and the results of the CSR Action Plan for the year 2016

iv) Board and Committee meetings.

In 2016, the Company's Board of Directors held 63 meetings. Below is a table showing which members attended these meetings of the Board of Directors and its Committees during 2016.

Members of the Board	63 Meetings of the Board	11 Meetings of the Audit Committee
Evangelos Mytilineos, Chairman and Managing Director	63/63	
Ioannis Mytilineos Vice-Chairman	63/63	
Georgios – Fanourios Kontouzoglou Managing Director	63/63	
Sofia Daskalaki Member	63/63	11/11
Wade Burton, Member	56/63	
Apostolos Georgiades Member	56/63	11/11
Christos Zerefos, Member	63/63	11/11
Michael Chandris Member	56/63	

Concerning to the number of BoD meetings we note that Mytilineos S.A. is a holding company, enlisted with the Athens Exchange Stock market. Pursuant to the Greek Law, the Articles of Association of the company and respective Shareholders' resolutions regarding delegation of authorities within the BoD, collective action of the members of the BoD is required for provision of any corporate guarantee in favor of any third party, including companies- members of the Mytilineos Group. Taking into consideration the extended activities of the Group members, Mytilineos is very often requested to provide Parent Company Guarantee in favor of daughter companies to bank institutions, suppliers and/or in the course of tender calls. For such guarantees to be granted, the members of the BoD must act collectively, meaning there needs to be a respective resolution for each guarantee depicted in minutes to BoD meeting. Considering also how often such guarantees are being requested by Mytilineos and that respective resolution is always prerequisite before validly entering into a guarantee agreement, it is not feasible to schedule several respective resolutions in a single meeting agenda (e.g. on a monthly basis).

However, it is kindly noted that no administrative or other cost incurs to Mytilineos due to these resolutions. It is a typical requirement and respective minutes are being drafted and signed by all members of the BoD without a meeting of the BoD having taken place pursuant to art. 21, para. 5, of Greek Codified Law 2190/1920. More specifically, out of the total number of 63 minutes of the BoD for the year 2016, 51 of them are drafted and signed by all members of the BoD without a meeting of the BoD having taken place pursuant to art. 21, para. 5, of Greek Codified Law 2190/1920 (as stated at the end of each one).

v) Board of Directors and its Committees evaluation

As stated in the Company's Internal Regulation, the procedure for evaluating the effectiveness of the Board Members and Committees takes place at least once every two years. The Board Chairman presides over this procedure and the relevant results are discussed by the Board in a special meeting held for this purpose. Based on the evaluation results, the Chairman takes measures in order to deal with any weaknesses identified. The Board evaluates the Chairman at least once every two years in a separate meeting chaired by the Vice-Chairman.

Until today, the evaluation of the Board of Directors is mainly based on the its Management Report and is performed by the General Meeting of the Shareholders. Furthermore, the evaluation of the effectiveness of the Board and of its Committees focuses on the examination and analysis of the Board's work, as presented in the Management Report, against the Group's business targets as well as against the degree to which its overall strategy was achieved and to progress made in this respect.

5. Risk Management and internal audit

i) Risk Factors

By operating in three in three basic business sectors, Metallurgy and Mines, Energy and Integrated Energy Projects (EPC), the "Mytilineos Group" is faced with a number of different risk factors.

Consequently, the Group's exposure to these risk factors can potentially influence its operation, its financial state or its operational results.

Apart from the risk factors that may be presented in other parts of the annual management report of the Group, the following ones constitute the basic risk factors that could significantly influence the results and the financial state of the Group.

1. Market risk

The global financial conditions continue to present fluctuations. The Group is faced with risks that stem from the fluctuations in the price of LME, the parity €/\$, the wider economic and financial environment as well as the market of the final products of Aluminum.

In this context, the Group has developed a series of actions in order to counterbalance its exposure to the risks of the market, to improve the structuring of the cost and ensure its liquidity.

These actions include:

- Counterbalancing the risk stemming from the fluctuation of the aluminum price with the use of various financing tools.
- Counterbalancing the risk stemming from its exposure to the fluctuations of the parity \(\xi/\)\$ with the use of derivatives
- Restructuring energy cost items.
- Implementation of programs for the optimal utilization of assets and implementation of cost reduction programs.
- Processing plans for the improvement of the production process.
- Reevaluation of the Group's credit policy as well as of the procedures used for the appraisal of the customers' creditworthiness

2. Rising cost of raw materials or unfavorable conjuncture

The Group's operational results are influenced by the rising cost of raw materials like metallurgic coke, soda and other basic materials as well as by the cost of freights related to the transportation of the aforementioned materials.

The Group tries to negotiate and "lock" the main freight contracts with competitive terms. At the same time, the Group has implemented a new system of assessing the prices for the procurement of raw materials, while it also runs a continuous cost optimization and reduction program.

Moreover, the Group's operational results may be influenced by unfavorable conjuncture, when the drop in the price of cost items that are linked with the price of LME or the parity €/\$ is not enough to counterbalance the respective reduction in the price of LME or the US Dollar during the same period.

3. Availability of Greek bauxites and Market Concentration

To meet the needs of Alumina the Group is significantly dependent on the availability of Greek bauxites. With the operation of its own mines, through the 100% subsidiary "Delphi – Distomon SA", the group meets 38-40% of its needs for Greek bauxites. However, in the coming years there may be difficulties in terms of licensing or drilling (finding) new bauxite deposits in Greece. Moreover, the Greek bauxite market is already concentrated in a small number of suppliers. On top of that, the possibility of a further concentration of the market will have a negative impact on the cost that the Group will have to bear for the procurement of bauxite in the future.

For these reasons, the Group aims at negotiating multiyear bauxite contracts and strategic alliances with the Greek producers.

4. Health, safety and environmental laws and regulations

The Group's activities fall under the laws and regulations that are relevant to health, safety and environmental protection. The compliance cost with such regulations involves, among others, either investments or the significant spending for actions relating to the safe management of industrial wastes and measures for remedying environmental damages.

Group's personnel is exposed to a series of hazards that can influence or threat, either directly or indirectly, their health and safety. In order for these risks to be addressed the Group has taken all the necessary actions, starting from estimating their possible consequences on the human capital and evaluating the need for corrective measures at work place environment.

Environmental issues within our responsibility might arise in the future in relation to our current facilities that we owned in the past or facilities where we conducted our operations even if the Management has not been or could not be aware of such issues up to date or these issues have not been present yet.

Moreover, the continuous application of Best Available Techniques for operational procedures and waste management as well as environment friendly use of fossil fuels (mainly Natural Gas), especially for Metallurgy and Energy business sectors, is not only a crucial factor of Group's business growth but also depicts Group's commitment towards environmental protection issues and sustainable management of natural resources.

5. Climate change and greenhouse effect, relevant legislation and regulations

Energy is a significant raw material relevant to the activities of our Group while it is considered that in the immediate future it shall be an important source of revenue as well. Moreover, the Group is active in the wider energy sector being involved in the construction of integrated energy projects (EPC). There is a widely spread belief that the consumption of the energy that is generated by fossil fuel constitutes one of the main factor contributing to the warming of our planet. A continuously increasing number of governments, governmental bodies and committees have initiated or intend to pursue regulatory and legislative changes in order to deal with the potential risks of such phenomenon.

As a result of the EU regulatory amendments, the Group's operating margins might be affected by the changes that could be put in place in its production facilities having increased emissions of greenhouses gases and in its facilities with high energy needs.

Given the width of the scope of such changes, the assessment of the eventual impact of the future legislation and legislative framework for the climate change, as well as of the European and international conventions and agreements is unclear. The Group might be obliged to undertake significant investments in the future in order to comply with the new, amended legislation and the new regulations.

Finally, the Group, as a result of an eventual deficit or surplus in terms of CO2 emission rights management and due to its large energy consumptions mainly because of the production of aluminum, might recognize significant cost or revenue in future.

On the other hand, due to anyone of the aforementioned legislative changes relating to the climate change, the Group might be given opportunities in the EPC sector

6. Failure of achieving the expected long term benefits from productivity and the cost reduction initiatives.

The Group has undertaken and will pursue initiatives relevant to productivity and cost reduction in order to improve the performance and reduce the overall production cost. All such actions may not be fulfilled or the entire estimated savings might not be achieved for various reasons beyond the Group's control.

7. Political, legal and regulatory issues

The Group's activities in Greece relevant to energy remain regulated, in a significant degree, by the government and depend on political decisions or legal and regulatory framework matters. The developments within this environment, which could be translated into delays in the essential deregulation of the energy market, might affect the activities of the Group and its future results as well as the value of its energy assets or assets, the operation of which requires an important consumption of energy products.

Moreover, the Group may be affected by adverse political developments or developments relating to the regulatory framework that could be connected to its EPC activities in areas outside Greece and mainly in countries with political instability.

8. IT Safety

Our business operations are supported by different software and data processing systems. However, we cannot fully exclude an eventual non availability of such systems or violation in terms of data safety.

We mitigate such risks by applying high standards and taking measures in order to obtain and ensure their availability, reliability, confidentiality and traceability. In addition and in order to control eventual hazards we regularly invest in the upgrading of software, hardware and equipment and we conduct regular internal and external audits supported by international consulting groups and we apply continuing progress procedures.

9. Risks relevant to EPC projects

The Group, via its subsidiary METKA S.A., is exposed, in terms of contracts, to risks that are relevant to engineering and electrical design, the supply, manufacturing and delivery of turn-key energy facilities against a determined price. The aforementioned risks involve mainly cost overruns and/or delays in the implementation due to:

- Unforeseen increases of the cost of raw materials and/or equipment
- Mechanical failures or failures of equipment
- Unforeseen condition during manufacturing
- Delays due to adverse weather conditions
- Performance failure or problems relating to suppliers and subcontractors
- Additional works at the request of the customers or due to the customers' delaying to produce in time the necessary information for the design or the engineering of the project.
- Unforeseen or unexpected changes relating to sociopolitical situations mainly in countries with political and governmental instability.

10. Force majeur

Unforeseen events, including natural disasters, acts of war or terrorist attacks, non-scheduled interruption of the production operation/outage, interruption of supply or incapacity of the equipment and/or of the processes to meet the specifications may increase the cost and affect the Group's financial results. Moreover, the Group's insurance terms in force may not provide sufficient coverage for the entire damage generated by such events.

11. Pendency of proceedings

The Group, mainly via its subsidiaries, has been involved in a number of cases against third parties, either as complainant or as respondent. The outcome of such cases may involve expenses or revenues that can significantly affect the results as well as the financial position of both the subsidiaries and the Group alike.

ii) Organization and implementation of risk management

The Group determines risk as a set of uncertain and unpredictable situations that may affect all its activities, its business operation, its economic performance as well as the implementation of its strategy and the achievement of its goals.

For this reason it has established a specific risk management approach in all its fields of activities where certain risks have been recognized as follows:

- Identification and assessment of risk factors
- Design of a risk management policy
- Implementation and evaluation of risk policies

The Group has applied specific and complete processes for the Enterprise Risk Assessment and Management (ERM). All the senior executives are involved in a process of initial recognition and assessment of any kind of enterprise risk in order to enhance the role of the Executive Committees and BODs in respect of design and approval of specific actions on the basis of said ERM procedures.

With regard to Non-Financial Information, since 2010 the Group has introduced a specific Stakeholder engagement process for evaluating the materiality of the sustainability issues which are related to its activity sectors. This process, coupled with the prioritisation of these issues by the Group's subsidiaries, is at the core of the policy that the Group follows in preparing and disclosing its annual Sustainability Report.

The process for determining the material sustainability issues is an ongoing exercise that is constantly developed and improved. The purpose of this process is to highlight the issues that reflect the Group's significant environmental and social impacts and influence substantially the decisions of its Stakeholders.

By identifying and understanding the material sustainability issues, the Group formulates and develops its uniform business strategy and the latter's purposes, targets and social and environmental initiatives, while in parallel promoting Responsible Entrepreneurship across the entire range of its activities at the local, national and international level.

Last but not least the Group conducts regular internal audits to ensure the appropriate and effective implementation of the risk detection and assessment procedures as well as the management policy for such risks.

iii) Internal Audit System

1. In addition to everything mentioned herein and everything described above relevant to the competences of the Audit Committee, the Internal Audit Division of the Company is an independent unit which reports to the BoD. Its competences involve, among others, the assessment and improvement of risk management and internal audit systems as well as monitoring of the compliance with the established institutional policies and procedures as those are determined by the Internal Operation Regulation, the legislation in force and the regulatory provisions.

Moreover, the following are examined and analyzed on a continuous basis:

- The efficiency of the Group's accounting and financial systems, the audit mechanisms, the quality control systems, the health and safety and environmental systems as well as the business risk management ones.
- Drafting of the financial statements and of other important data and information for notification
- The reliability, the qualifications and the independence of chartered auditors
- Cases of conflict between the private interests of the members of the BoD or its managers and the Company's interests
- Relations and transactions of the Company with affiliated companies as well as relations of the Firm with the firms in the equity capital of whom participate members of the Board of Directors in a percentage of at least 10% or shareholders with a percentage of at least 10%.
- The legality of the fees and any kind of bonuses to the members of administration regarding the decisions of the responsible bodies/agencies of the Firm.
- 2. The Board of Directors in a continuous and consistent way reexamines the firm strategy and the principal business risks, in particular in a constantly changing financial and business environment. Moreover, in regular time intervals, it receives reports on what is done regarding the audits made by the Auditor Committee, based on the annual program of the specific audits of the administration of Internal Audit of the firm. The above mentioned allow the Board of Directors to formulate a complete opinion on the effectiveness of the systems, processes and regulations of the firm.
- 3. The certified chartered auditors do not offer non audit services to the firm.

6. Board of Directors Remunerations

According to the company's article of association the BOD member's remuneration is set by the BOD and submitted to the General Assembly for approval. None of the existing BOD members has an employee relationship to the company except from the CEO.

The BOD members apart from their approved remuneration do not receive any other compensation or benefits. For the year 2016 no share options were granted and no share benefit plans were in force.

The Company and its Subsidiaries have applied a specific policy for the remuneration of the BOD members. Said policy is an integral part of the Corporate Governance policy of Mytilineos Group, aiming to enhance its Corporate Values and its long term business objectives.

With the view to maximize the Value for the Shareholders, this remuneration policy is in line with the Group's corporate strategy that keeps aligned the business objectives with those of all stakeholders - such as employees, management, shareholders.

The Remuneration policy is based on the following principles:

- Maximizing Performance
- Alignment of remuneration with profitability, risk and Capital adequacy
- Internal transparency

The alignment of the BOD remuneration policy with the Strategy of each one of the core business sectors of the Group is a continuous commitment. The procedures for the definition of the amounts of remuneration are clearly and transparently depicted. The remuneration policy is designed by the Human Resources management with the support of the Group's Finance and Legal departments and the Internal Audit. Said policy is submitted to the Remuneration Committee of the BOD the majority of its members being independent and non–executive members of the BOD.

The structure of the remuneration for the BOD may include both a fixed and a variable part, assuring the link of remuneration with short term and long term business profitability and efficiency. Regarding the fixed BOD remuneration, this has to be competitive in order to make it possible to attract and maintain members with the right competences, experiences and behavior for the Company and the

Group. The main aim is for the remuneration to be related to the time that the members consume for the BOD meetings, to depict the actual performance of their duties and to be close to the market's average. Higher compensation is possible for those that have special competences and experience with a heavy impact on the Group's business decisions or in cases of extraordinary performance.

Regarding the variable BOD remuneration, these are linked to the member's, the Company's and the Group's performance in general. The achievement of objectives at said levels – member/Company/Group are a basic element of the Group's corporate culture. The level of the variable remuneration is dependent on the actual performance based on a series of quantitative criteria. Said criteria, include the mid to long term strategy, ensure the alignment of objectives with said strategy and ensure the Group's and its Shareholder's interests that relate indicatively with the following KPIs:

- Sustain or Increase in Turnover
- Sustain or Increase of the operating margin
- Realize positive cash flows from operations
- Sustain or Increase of net results

Said KPIs are set on a yearly basis according to the Group's Business Plan and the level of the variable remuneration for the BOD members is calculated on the back of the evaluation process for those KPIs, always considering the general economic environment.

To be noted that the non-executive members of the BOD take only fixed remuneration.

7. Diversity policy applied by the Company in relation to the composition of its board and the percentage of each gender in the composition of the board and senior executive team.

The Company acknowledges that in an era in which flexibility and creativity are the keys to competitiveness, promoting diversity in its administrative, management and supervisory bodies is important for its further business growth.

The Company acknowledges that a strategy on diversity at the workplace may increase the potential for accessing a broader range of solutions to issues concerning business strategy, while in parallel benefiting the employees themselves as well as the society at large.

However, managing and capitalising on diversity represents a major organisational challenge for businesses, which the Company will have to address in the next two years, by developing and integrating into its Internal Regulation a specific policy.

Despite the fact that most of the Group's activities are in the heavy industries sector, the participation of women in work is today sought, where feasible, always in accordance with the requirements and opportunities of each activity sector, with view to ensuring their essential contribution and adding value to the Company.

Group Diversity Indicators (Governance bodies, Executive and Administrative personnel)	2013	2014	2015	2016
Group Governance Bodies				
Men	89.00%	86.70%	87.00%	88.90%
Women	10.30%	13.30%	13.00%	11.10%
<30 years old	0.00%	0.00%	0.00%	0.00%
30 - 50 years old	15.40%	26.70%	28.30%	28.90%
>50 years old	84.60%	73.30%	71.70%	71.10%
Executives				
Men	84.00%	84.60%	83.70%	81.80%
Women	16.00%	15.40%	16.30%	18,20%
<30 years old	8.70%	7.90%	5.30%	5.70%
30 - 50 years old	68.80%	67.90%	69.50%	72.10%
>50 years old	22.50%	24.20%	25.20%	22.10%
Administrative Employees				
Men	71.60%	69.30%	69.30%	68.20%
Women	28.40%	30.70%	30.70%	31.80%
<30 years old	11.30%	11.20%	8.40%	9.60%
30 - 50 years old	68.00%	67.50%	68.30%	67.10%
>50 years old	20.70%	21.30%	23.40%	23.30%

8. Related Party transactions

Each related company follows the rules on transparency, independent financial management and the accuracy and correctness of its transactions, as stipulated by the law. The Company's transactions with related parties take place for a price or consideration which is equivalent to the one that would apply if the transaction were to take place with some other natural or legal person, under the conditions that prevail in the market at the time when the transaction takes place and, in particular, equivalent to the price or consideration agreed to by the Company when entering into a transaction with any third party. The Company complies fully with all relevant provisions of the legislation.



Independent Auditor's Report

To the Shareholders of MYTILINEOS HOLDINGS S.A.

Report on Separate and Consolidated Financial Statements

We have audited the accompanying separate and consolidated financial statements of MYTILINEOS HOLDINGS S.A. and its subsidiaries, which comprise the separate and consolidated statements of financial position as at December 31, 2016, the separate and consolidated income statements and statements of comprehensive income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Separate and Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these separate and consolidated financial statements in accordance with International Financial Reporting Standards that have been adopted by the European Union as well as for internal control procedures the Management defines as necessary to ensure the preparation of separate and consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these separate and consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing incorporated into the Greek Legislation (GOVERNMENT GAZETTE /B'/2848/23.10.2012). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the separate and consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the separate and consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the separate and consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the separate and consolidated financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the separate and consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the accompanying separate and consolidated financial statements present fairly, in all material respects, the financial position of the Company MYTILINEOS HOLDINGS S.A. and its subsidiaries as at December 31, 2016, as well as their financial performance and the cash flows for the year then ended in accordance with International Financial Reporting Standards that have been adopted by the European Union.

Emphasis of Matter

We would like to draw your attention to note 4.36 to the financial statements, making reference to the fact that on 26/10/2016, the Court of Justice of the European Union issued the decision lifting the First Instance General Court Decision as of October 8th 2014, in respect of the government grant provided by Greece to the subsidiary company ALUMINIUM OF GREECE S.A.. The aforementioned decision referred the case back to the General Court so that the remaining reasons behind the appeal, previously omitted, should be examined. The appeal in question revives the contingent liability of ALUMINIUM OF GREECE S.A. to return the amount of €17,4 million plus interest to the Public Power Corporation S.A. – Hellas (PPC S.A.). ALUMINIUM OF GREECE S.A. has

submitted all the required statements regarding the procedures. The Management of ALUMINIUM OF GREECE S.A. estimates that the appeal will be reaccepted by the General Court and, therefore, no amounts will potentially outflow in order to settle the aforementioned contingent liability.

Our opinion is not qualified in respect of this matter.

Report on Other Legal and Regulatory Requirements

Taking into consideration the fact that under the provisions of Par. 5, Article 2 (part B), Law 4336/2015, the management is responsible for the preparation of the Board of Directors' Report as well as the Corporate Governance Statement, included in the aforementioned Report, the following is to be noted:

- a) The Board of Directors' Report includes the Corporate Governance Statement that provides the data and information defined under article 43^{bb}, CL 2190/1920.
- b) In our opinion, the Board of Directors' Report has been prepared in compliance with the effective legal requirements of Articles 43^a and 107^a and par. 1 (cases c and d) of Article 43^{bb}, CL 2190/1920, and its content corresponds to the accompanying separate and consolidated financial statements for the year ended as at 31/12/2016.
- c) Based on the knowledge we acquired during our audit, we have not identified any material misstatements in the Board of Directors' Report in relation to the Company MYTILINEOS HOLDINGS S.A. and its environment.

ndependent Auditor's Repo

Athens, March 27th, 2017 The Chartered Accountants

Manolis Michalios SOEL Reg. No. 25131 Thanasis Xynas SOEL Reg. No. 34081



Chartered Accountants Management Consultants



Annual Financial Statements

Annual Financial Statements

We confirm that the attached Financial Statements are those approved by the Board of Directors of "MYTILINEOS S.A." at 27.03.2017 and have been published to the website www.mytilineos.gr, where they will remain posted for a minimum period of five (5) years. It is noted that the published, in the press, brief financial data aim to provide the user with general information but do not present a full picture of the Company's and Group's financial results and position, according to International Financial Reporting Standards (IFRS).

Income Statement

	MYTILINEOS GROUP		MYTILIN	MYTILINEOS S.A.	
(Amounts in thousands €)		1/1-31/12/2016	1/1-31/12/2015	1/1-31/12/2016	1/1-31/12/2015
Sales		1,246,086	1,382,873	6,887	13,528
Cost of sales		(1,045,684)	(1,156,353)	(6,876)	(13,501)
Gross profit		200,402	226,520	11	26
Other operating income		41,060	36,038	16,985	13,687
Distribution expenses		(10,982)	(3,596)	-	-
Administrative expenses		(64,732)	(60,294)	(12,343)	(12,566)
Research & Development expenses		(137)	(139)	-	-
Other operating expenses		(17,317)	(24,283)	(1,036)	(3,653)
Earnings before interest and income tax		148,294	174,247	3,617	(2,506)
Financial income		2,968	3,005	341	52
Financial expenses		(59,860)	(64,598)	(7,954)	(15,441)
Other financial results		(6,509)	(4,061)	4,536	16,189
Share of profit of associates		383	197	-,000	-
Profit before income tax		85,276	108,791	539	(1,705)
Income tax expense		(21,407)	(28,379)	(553)	1,434
Profit for the period		63,869	80,412	(14)	(271)
Result from discontinuing operations	4.26	(2,630)	(4,713)	-	-
Profit for the period		61,240	75,699	(14)	(271)
Attributable to:					
Equity holders of the parent	4.24	34,166	47,548	(14)	(271)
Non controlling Interests		27,074	28,151	-	-
Basic earnings per share		0.2922	0.4067	(0.0001)	(0.0023)
Earnings per share		0.2922	0.4067	(0.0001)	(0.0023)

1/1-31/12/2016 1/1-31/12/2015

	Sum	Summury of Results from continuing operations			
Earnings before income tax, financial results, depreciation and amortization (Circular No.34 Hellenic Capital Market)	221,620	234,103	3,970	(2,161)	
Oper.Earnings before income tax,financial results,depreciation and amortization	222,363	234,373	3,970	(2,161)	
Earnings before interest and income tax	148,29	174,247	3,617	(2,506)	
Profit before income tax	85,276	108,791	539	(1,705)	
Profit for the period	4.25 63,869	80,412	(14)	(271)	
(A)Definition of line item: Earnings before income tax,financ results,depr&amort (Cicular No.34 Hellenic Capital Market)					
Profit before income tax	85,276	108,791			
Plus: Financial results	63,400	65,653			
Plus: Capital results	(383	(197)			
Plus: Depreciation	73,326	59,856			
Earnings before income tax,financial results,depreciation and amortization	221,620	234,103			
(B)Definition of line item: OperEarnings before income tax,financ.res,depr&amort					
Profit before income tax	85,276	108,791			
Plus: Financial results	63,400	65,653			
Plus: Capital results	(383	(197)			
Plus: Depreciation	73,326	59,856			
Subtotal	221,620	234,103			
Plus: Other operating results (II)	743	270			
Oper.Earnings before income tax,financial results,depreciation and amortization	222,363	234,373			

Statement of Comprehensive Income

	MYTILINEOS GROUP		MYTILINEOS S.A.	
(Amounts in thousands €)	1/1-31/12/2016	1/1-31/12/2015	1/1-31/12/2016	1/1-31/12/2015
Other Comprehensive Income:				
Net Profit/(Loss) For The Period	61,240	75,699	(14)	(271)
Items that will not be reclassified to profit or loss:				
Actuarial Gain / (Losses)	(424)	(770)	(6)	14
Deferred tax from actuarial gain/(losses)	155	120	2	(4)
Items that may be reclassified subsequently to profit or loss:				
Exchange Differences On Translation Of Foreign Operations	(538)	17,960	-	-
Cash Flow Hedging Reserve	(6,004)	197	-	-
Deferred Tax From Cash Flow Hedging Reserve	1,741	647		-
Other Comprehensive Income:	(5,069)	18,154	(4)	10
Exchange Differences On Translation Of Foreign Operations	56,170	93,853	(18)	(261)
Total comprehensive income for the period attributable to:				
Equity attributable to parent's shareholders	24,165	66,638	(18)	(261)
Non controlling Interests	32,006	27,215	-	-

Statement of Financial Position

Statement of Financial Position	MYTILINEOS GROUP		MYTILINEOS S.A.		
(Amounts in thousands €)	31/12/2016	31/12/2015	31/12/2016	31/12/2015	
Assets		-			
Non current assets					
Tangible Assets 4.1	1,073,255	1,070,375	9,529	9,746	
Goodwill	209,313	209,313	-	-	
Intangible Assets	243,034	239,506	159	68	
Investments in Subsidiary Companies	0,00 .	-	638,057	638,057	
Investments in Associates	23,242	13,201	-	-	
Other Investments	100	100	100	100	
Deferred Tax Receivables	102,012	83,350	11,600	12,670	
Financial Assets Available for Sale 4.9.1	169	2,253	37	112	
Other Long-term Receivables 4.9.4	200,268	220,092	178	175	
Other Long-term Necestrapies 4.3.4	1,851,395	1,838,189	659,659	660,927	
Current coacts	1,051,395	1,030,109	059,059	000,927	
Current assets	057.400	000 070		44	
Total Stock 4.7	257,409	239,276	-	11	
Trade and other receivables 4.10	590,578	470,014	264	85	
Other receivables	209,706	149,988	47,482	43,434	
Financial assets at fair value through profit or loss 4.9.2	959	1,077	69	150	
Derivatives 4.9.3	491	- -	-		
Cash and cash equivalents 4.11	197,884	200,859	336	1,249	
	1,257,025	1,061,215	48,150	44,929	
Assets	3,108,420	2,899,404	707,809	705,855	
Liabilities & Equity					
Equity					
Share capital 4.14.1	113,643	113,643	113,408	113,408	
Share premium	210,195	210,195	141,585	141,585	
Fair value reserves	(4,073)	557	-	-	
Other reserves	104,627	103,557	3,492	3,496	
Translation reserves	(15,040)	(9,360)	-	-	
Retained earnings	580,029	545,765	225,821	225,835	
Equity attributable to parent's shareholders	989,382	964,358	484,306	484,324	
Non controlling Interests	294,869	265,980	-	-	
Equity	1,284,251	1,230,338	484,306	484,324	
Non-Current Liabilities					
Long-term debt 4.9.5	428,650	404,278	5,250	_	
Derivatives 4.9.1	2,948	_	-	_	
Deferred Tax Liability	191,141	170,062	28,982	29,500	
Liabilities for pension plans	18,583	18,734	710	657	
Other long-term liabilities	133,895	90,545	27,585	28,493	
Provisions 4.16	13,913	14,791	268	268	
Non-Current Liabilities	789,130	698,409	62,795	58,918	
Current Liabilities			,		
Trade and other payables 4.12	571,263	567,291	17,601	17,994	
Tax payable	19,524	36,791	485	349	
Short-term debt 4.9.5	219,012	166,023	15,363	17,245	
Current portion of non-current liabilities 4.9.5	168,513	157,235	3,468	7,130	
Derivatives 4.9.1	6,930	3,392	3,400	7,130	
	49,778		100 701	110.010	
Other payables		39,224	123,791	119,212	
Current portion of non-current provisions	18	701	400 =00	683	
Current Liabilities		970,656	160,708	162,613	
	1,035,039				
Liabilities Liabilities & Equity	1,824,169 3,108,420	1,669,066	223,503 707,809	221,531	

Statement of changes in Equity (Group)

MYTILINEOS GROUP

Transfer To Reserves 2,300 - (2,304) (4) 1 (3) Impact From Transfer Of Subsidiary 1 1 - (140) (139) 80 (59) Increase / (Decrease) Of Share (20) (11,692) (11,692) - (11,692) Transactions With Owners (11,692) 2,301 - (2,444) (11,834) (12,907) (24,741) Net Profit/(Loss) For The Period 2,301 - 47,548 47,548 28,151 75,699 Other Comprehensive Income: Exchange Differences On Translation Of Foreign Operations 19,015 (16) 18,999 (1,039) 17,960 Cash Flow Hedging Reserve 1,101 (770) 331 (134) 197 Deferred Tax From Actuarial Gain / (Losses) (767) (767) 119 1 120 Actuarial Gain / (Losses) (280) 688 407 240 647 Total Comprehensive Income For The Period - 820 (729) 19,015 47,532 66,638 27,215 93,853 Opening Balance 1st January					IVIY	TILINEOS GRO	DUP			
January 2015, accounting to IFRS 125,335 210,195 (263) 101,984 (28,375) 500,677 909,554 251,672 1,161,226 1,261,226	(Amounts in thousands €)							Total		Total
Dividends Paid	January 2015, accoarding to IFRS	125,335	210,195	(263)	101,984	(28,375)	500,677	909,554	251,672	1,161,226
Transfer To Reserves	Change In Equity									
Impact From Transfer Of Subsidiary	Dividends Paid	-	-	-	-	-	-	-	(12,988)	(12,988)
Increase Clacrease Clacr	Transfer To Reserves	-	-	-	2,300	-	(2,304)	(4)	1	(3)
Capital (11,892) - - 2,301 - (2,444) (11,834) (12,937) (24,741) Verificial Cosing Bridge Reserve (1,692) - - 2,301 - (2,444) (11,834) (12,937) (24,741) Exchange Differences On Translation Of Foreign Operations - - 19,015 (16) 18,999 (1,039) 17,960 Cash Flow Hedging Reserve - 1,101 (770) - - 331 (134) 197 Deterred Tax From Actuarial Gain / (Losses) - - 1,101 (770) - - 331 (134) 197 Deterred Tax From Actuarial Gain / (Losses) - - (767) - - 407 240 647 Total Comprehensive Income - - 2820 (729) 19,015 47,532 66,638 27,215 93,853 Adjusted Closing Balance 113,643 210,195 557 103,557 (9,360) 545,765 964,358 265,960 <th< td=""><td>Impact From Transfer Of Subsidiary</td><td>-</td><td>-</td><td>-</td><td>1</td><td>-</td><td>(140)</td><td>(139)</td><td>80</td><td>(59)</td></th<>	Impact From Transfer Of Subsidiary	-	-	-	1	-	(140)	(139)	80	(59)
Net Profit/(Loss) For The Period		(11,692)	-	-	-	-	-	(11,692)	-	(11,692)
Comprehensive Incomes Exchange Differences On Translation of Corogan Operations Comprehensive Incomes Comprehensive In	Transactions With Owners	(11,692)	-		2,301	-	(2,444)	(11,834)	(12,907)	(24,741)
Exchange Differences On Translation Of Foreign Operations	Net Profit/(Loss) For The Period	-	-	-	-	-	47,548	47,548	28,151	75,699
Of Foreign Operations Cash Flow Hedging Reserve 1,101 (770) - 331 (134) 197 Deferred Tax From Actuarial Gain / (Losses) 110 - 119 - 119 1 120 Actuarial Gain / (Losses) 110 - 120 Deferred Tax From Cash Flow Hedging Reserve 110 - 120 Deferred Tax From Cash Flow Hedging Reserve 110 - 130,643 210,195 557 103,557 (9,360) 545,765 964,358 265,980 1,230,339 Deferred Closing Balance 1st January 2016, accoarding to IFRS - as published- Change In Equity Dividends Paid 1 - 130,643 210,195 557 103,557 (9,360) 545,765 964,358 265,980 1,230,339 Deferred To Reserves 113,643 210,195 557 103,557 (9,360) 545,765 964,358 265,980 1,230,339 Deferred To Reserves 113,643 210,195 557 103,557 (9,360) 545,765 964,358 265,980 1,230,339 Deferred To Reserves 113,643 210,195 557 103,557 (9,360) 545,765 964,358 265,980 1,230,339 Deferred To Reserves 113,643 210,195 557 103,557 (9,360) 545,765 964,358 265,980 1,230,339 Deferred To Reserves 113,643 210,195 557 103,557 (9,360) 545,765 964,358 265,980 1,230,339 Deferred To Reserves 113,643 210,195 557 103,557 (9,360) 545,765 964,358 265,980 1,230,339 Deferred To Reserves 113,643 210,195 557 103,557 (9,360) 545,765 964,358 265,980 1,230,339 Deferred To Reserves 113,643 210,195 557 103,557 (9,360) 545,765 964,358 265,980 1,230,339 Deferred To Reserves 113,643 210,195 557 103,557 (9,360) 545,765 964,358 265,980 1,230,339 Deferred To Reserves 113,643 210,195 557 103,557 (9,360) 545,765 964,358 265,980 1,230,339 Deferred To Reserves 113,643 210,195 557 103,557 (9,360) 545,765 964,358 265,980 1,230,339 Deferred To Reserves 113,643 210,195 557 103,557 (9,360) 545,765 964,358 265,980 1,230,339 Deferred To Reserves 113,643 210,195 557 103,557 (9,360) 545,765 964,358 265,980 1,230,339 Deferred To Reserves 113,643 210,195 557 103,557 (9,360) 545,765 964,358 265,980 1,230,339 Deferred To Reserves 113,643 210,195 557 103,557 (9,360) 545,765 964,358 265,980 1,230,339 Deferred To Reserves 113,643 210,195 103,557 (9,360) 545,765 964,358 265,980 1,230,339 Deferred To Reserves 113,643 210,195 103,557 (9,360) 545,7	Other Comprehensive Income:									
Deferred Tax From Actuarial Gain Clusses 19 19 19 19 19 19 19 1		-	-	-	-	19,015	(16)	18,999	(1,039)	17,960
Closses	Cash Flow Hedging Reserve	-	-	1,101	(770)	-	-	331	(134)	197
Departed Tax From Cash Flow Hedging Reserve Cash Cas		-	-	-	119	-	-	119	1	120
Total Comprehensive Income For The Period - 820 (729) 19,015 47,532 66,638 27,215 93,853 Adjusted Closing Balance 1st January 2016, accoarding to IFRS - as published- Change In Equity Dividends Paid - 9 13,643 210,195 557 103,557 (9,360) 545,765 964,358 265,980 1,230,339 1,	Actuarial Gain / (Losses)	-	-	-	(767)	-	-	(767)	(3)	(770)
The Period	_	-	-	(280)	688	-	-	407	240	647
Opening Balance 1st January 2016, accoarding to IFRS - as published- Change In Equity Dividends Paid		-	-	820	(729)	19,015	47,532	66,638	27,215	93,853
2016, accoarding to IFRS - as published- 113,643 210,195 557 103,557 (9,360) 545,765 964,358 265,980 1,230,338 published- Change In Equity Dividends Paid 0 0 0 0 (150) (150) (3,117) (3,267) Transfer To Reserves 0 0 856 0 62 918 0 918 Impact From Transfer Of Subsidiary 0 0 857 0 91 92 0 92 Transactions With Owners 0 0 0 0 34,166 34,166 27,074 61,240 Other Comprehensive Income: 0 <td< td=""><td></td><td>113,643</td><td>210,195</td><td>557</td><td>103,557</td><td>(9,360)</td><td>545,765</td><td>964,358</td><td>265,980</td><td>1,230,339</td></td<>		113,643	210,195	557	103,557	(9,360)	545,765	964,358	265,980	1,230,339
Dividends Paid (150) (150) (3,117) (3,267) Transfer To Reserves	2016, accoarding to IFRS - as	113,643	210,195	557	103,557	(9,360)	545,765	964,358	265,980	1,230,339
Transfer To Reserves 856 - 62 918 - 918 Impact From Transfer Of Subsidiary 856 - 62 918 92 - 92 Transactions With Owners 857 - 3 859 (3,117) (2,258) Net Profit/(Loss) For The Period 34,166 34,166 27,074 61,240 Other Comprehensive Income: Exchange Differences On Translation Of Foreign Operations 229 (5,680) 95 (5,356) 4,818 (538) Cash Flow Hedging Reserve (6,521) 352 (6,169) 166 (6,004) Deferred Tax From Actuarial Gain / (Losses) (419) 154 1 155 Actuarial Gain / (Losses) (419) (419) (5) (424) Dererred Tax From Cash Flow Hedging Reserve - 1,891 (102) 1,790 (49) 1,741 Total Comprehensive Income For The Period (4,630) 214 (5,680) 34,261 24,165 32,006 56,170	Change In Equity									
Impact From Transfer Of Subsidiary - - - - 92 - 92 Transactions With Owners - - 857 - 3 859 (3,117) (2,258) Net Profit/(Loss) For The Period - - - - - - 34,166 34,166 27,074 61,240 Other Comprehensive Income: Exchange Differences On Translation Of Foreign Operations - - - 229 (5,680) 95 (5,356) 4,818 (538) Cash Flow Hedging Reserve - - (6,521) 352 - - (6,169) 166 (6,004) Deferred Tax From Actuarial Gain / (Losses) - - - (419) - - (419) - - (419) - - (419) - - 1,790 (49) 1,741 Deserred Tax From Cash Flow Hedging Reserve - - - - - - - - - - - -<	Dividends Paid	-	-	-	-	-	(150)	(150)	(3,117)	(3,267)
Transactions With Owners - - 857 - 3 859 (3,117) (2,258) Net Profit/(Loss) For The Period - - - - - 34,166 34,166 27,074 61,240 Other Comprehensive Income: Exchange Differences On Translation Of Foreign Operations - - - 229 (5,680) 95 (5,356) 4,818 (538) Cash Flow Hedging Reserve - - (6,521) 352 - - (6,169) 166 (6,004) Deferred Tax From Actuarial Gain / (Losses) - - - (419) - - (419) - - (419) (5) (424) Dererred Tax From Cash Flow Hedging Reserve - - 1,891 (102) - - 1,790 (49) 1,741 Total Comprehensive Income For The Period - - (4,630) 214 (5,680) 34,261 24,165 32,006 56,170	Transfer To Reserves	-	-	-	856	-	62	918	-	918
Net Profit/(Loss) For The Period 34,166 34,166 27,074 61,240 Other Comprehensive Income: Exchange Differences On Translation Of Foreign Operations - 229 (5,680) 95 (5,356) 4,818 (538) Cash Flow Hedging Reserve - (6,521) 352 - (6,169) 166 (6,004) Deferred Tax From Actuarial Gain / (Losses) - 154 - 154 1 155 Actuarial Gain / (Losses) (419) (419) (5) (424) Dererred Tax From Cash Flow Hedging Reserve - 1,891 (102) - 1,790 (49) 1,741 Total Comprehensive Income For The Period (4,630) 214 (5,680) 34,261 24,165 32,006 56,170	Impact From Transfer Of Subsidiary	-	-	-	-	-	91	92	-	92
Other Comprehensive Income: Exchange Differences On Translation Of Foreign Operations - - - 229 (5,680) 95 (5,356) 4,818 (538) Cash Flow Hedging Reserve - - (6,521) 352 - - (6,169) 166 (6,004) Deferred Tax From Actuarial Gain / (Losses) - - - (419) - - (419) (5,680) 4,818 (538) Actuarial Gain / (Losses) - - - (419) - - (419) (5,680) 1,790 (49) 1,741 Dererred Tax From Cash Flow Hedging Reserve - - 1,891 (102) - - 1,790 (49) 1,741 Total Comprehensive Income For The Period - - (4,630) 214 (5,680) 34,261 24,165 32,006 56,170	Transactions With Owners	-	-	-	857	-	3	859	(3,117)	(2,258)
Exchange Differences On Translation Of Foreign Operations 229 (5,680) 95 (5,356) 4,818 (538) Cash Flow Hedging Reserve (6,521) 352 (6,169) 166 (6,004) Deferred Tax From Actuarial Gain / (Losses) 154 1 155 Actuarial Gain / (Losses) (419) (419) (5) (424) Dererred Tax From Cash Flow Hedging Reserve - 1,891 (102) - 1,790 (49) 1,741 Total Comprehensive Income For The Period (4,630) 214 (5,680) 34,261 24,165 32,006 56,170	Net Profit/(Loss) For The Period	-	-	-	-	-	34,166	34,166	27,074	61,240
Of Foreign Operations - - 229 (5,680) 95 (5,356) 4,818 (538) Cash Flow Hedging Reserve - - (6,521) 352 - - (6,169) 166 (6,004) Deferred Tax From Actuarial Gain / (Losses) - - - 154 - - 154 - 1 155 Actuarial Gain / (Losses) - - - (419) - - (419) (5) (424) Dererred Tax From Cash Flow Hedging Reserve - - 1,891 (102) - - - 1,790 (49) 1,741 Total Comprehensive Income For The Period - - (4,630) 214 (5,680) 34,261 24,165 32,006 56,170	Other Comprehensive Income:									
Deferred Tax From Actuarial Gain / (Losses) Actuarial Gain / (Losses)		-	-	-	229	(5,680)	95	(5,356)	4,818	(538)
(Losses) - - 154 - - 154 - 155 Actuarial Gain / (Losses) - - - (419) - - (419) (5) (424) Dererred Tax From Cash Flow Hedging Reserve - - 1,891 (102) - - 1,790 (49) 1,741 Total Comprehensive Income For The Period - - (4,630) 214 (5,680) 34,261 24,165 32,006 56,170	Cash Flow Hedging Reserve	-	-	(6,521)	352	-	-	(6,169)	166	(6,004)
Dererred Tax From Cash Flow Hedging Reserve - 1,891 (102) 1,790 (49) 1,741 Total Comprehensive Income For (4,630) 214 (5,680) 34,261 24,165 32,006 56,170		-	-	-	154	-	-	154	1	155
Ing Reserve Total Comprehensive Income For 1,741 The Period (4,630) 214 (5,680) 34,261 24,165 32,006 56,170	Actuarial Gain / (Losses)	-	-	-	(419)	-	-	(419)	(5)	(424)
The Period (4,630) 214 (5,680) 34,261 24,165 32,006 56,170		-	-	1,891	(102)	-	-	1,790	(49)	1,741
Closing Balance 31/12/2016 113,643 210,195 (4,073) 104,627 (15,040) 580,029 989,382 294,869 1,284,251		-	-	(4,630)	214	(5,680)	34,261	24,165	32,006	56,170
	Closing Balance 31/12/2016	113,643	210,195	(4,073)	104,627	(15,040)	580,029	989,382	294,869	1,284,251

MYTILINEOS S.A.

(Amounts in thousands €)	Share capital	Share premium	Other reserves	Retained earnings	Total
Opening Balance 1st January 2015, according to IFRS -as published-	125,100	141,585	3,486	226,106	496,277
Change In Equity					
Increase / (Decrease) Of Share Capital	(11,692)	-	-	-	(11,692)
Transactions With Owners	(11,692)	-	-	-	(11,692)
Net Profit/(Loss) For The Period	-	-	-	(271)	(271)
Other Comprehensive Income:					
Deferred Tax From Actuarial Gain / (Losses)	-	-	(4)	-	(4)
Actuarial Gain / (Losses)	-	-	14	-	14
Total Comprehensive Income For The Period	-	-	10	(271)	(261)
Closing Balance 31/12/2015	113,408	141,585	3,496	225,835	484,324
Opening Balance 1st January 2016, according to IFRS -as published-	113,408	141,585	3,496	225,835	484,324
Transactions With Owners		-	-	-	-
Net Profit/(Loss) For The Period	-	-	-	(14)	(14)
Other Comprehensive Income:					
Deferred Tax From Actuarial Gain / (Losses)	-	-	2	-	2
Actuarial Gain / (Losses)	-	-	(6)	-	(6)
Total Comprehensive Income For The Period	-	-	(4)	(14)	(18)
Closing Balance 31/12/2016	113,408	141,585	3,492	225,821	484,306

Cash flow statement

	MYTILINE	MYTILINEOS GROUP		EOS S.A.
(Amounts in thousands €)	1/1-31/12/2016	1/1-31/12/2015	1/1-31/12/2016	1/1-31/12/2015
Cash flows from operating activities				
Cash flows from operating activities	4.25 112,443	7,535	(6,781)	(4,837)
Interest paid	(48,314)	(50,752)	(4,231)	(10,377)
Taxes paid	(14,281)	(20,824)	(3)	(760)
Net Cash flows continuing operating activities	49,847	(64,041)	(11,015)	(15,974)
Net Cash flows discontinuing operating activities	(1,870)	(4,237)	-	-
Net Cash flows from continuing and discontinuing operating activities	47,977	(68,278)	(11,015)	(15,974)
Net Cash flow from continuing and discontinuing investing activities				
Purchases of tangible assets	(82,609)	(41,539)	(104)	(134)
Purchases of intangible assets	(8,146)	(3,342)	(136)	(29)
Sale of tangible assets	1,326	282	13	-
Dividends received	18	160	5,928	16,080
Purchase of financial assets held-for-sale	-	(108)	-	-
Purchase of financial assets at fair value through profit and loss	(2,000)	(6,832)	-	-
Acquisition of associates	(10,000)	(2,450)	-	-
Acquisition /Sale of subsidiaries (less cash)	(358)	(2)	-	-
Sale of financial assets held-for-sale	5	-	-	-
Sale of financial assets at fair value through profit and loss	-	4,660	-	540
Interest received	1,608	1,825	1	3
Grants received	3,383	599	-	-
Other cash flows from investing activities	9	1	-	-
Return of Capital from Subsidiary	-	-	-	157,600
Net Cash flow from continuing investing activities	(96,764)	(46,745)	5,702	174,060
Net Cash flow from discontinuing investing activities	-	-	-	-
Net Cash flow from continuing and discontinuing investing activities	(96,764)	(46,745)	5,702	174,060
Net Cash flow continuing and discontinuing financing activities				
Tax payments	(3)	(3)	-	-
Dividends paid to shareholders	(3,109)	(13,787)	-	-
Proceeds from borrowings	292,471	295,593	12,900	13,190
Repayments of borrowings	(205,344)	(251,000)	(8,500)	(159,122)
Other cash flows from financing activities	(41,073)	(16,895)	-	-
Return of share capital to shareholders	-	(11,702)	-	(11,692)
Net Cash flow continuing financing activities	42,942	2,205	4,400	(157,623)
Net Cash flow from discontinuing financing activities	-	-	-	-
Net Cash flow continuing and discontinuing financing activities	42,942	2,205	4,400	(157,623)
Net (decrease)/increase in cash and cash equivalents	(5,845)	(112,817)	(913)	462
Cash and cash equivalents at beginning of period	200,859	313,428	1,249	786
Exchange differences in cash and cash equivalents	2,869	249	-	-
Net cash at the end of the period	197,884	200,859	336	1,249
Cash and cash equivalent	197,884	200,859	336	1,249
Net cash at the end of the period	197,884	200,859	336	1,249

Segment reporting

MYTILINEOS Group is active in three main operating business segments: Metallurgy, Constructions and Energy. In identifying its operating segments, management generally follows the Group's service lines, which represent the main products and services provided by the Group. Each of these operating segments is managed separately as each of these service lines requires different technologies and other resources as well as marketing approaches. The adoption of IFRS 8 has not affected the identified operating segments for the Group compared to the recent annual financial statement.

Segment's results are as follows:

(Amounts in thousands €)	Metallurgy	Constructions	Energy	Others	Discontinuing	Total
1/1-31/12/2016					Operations	
Total Gross Sales	588,788	445,098	369,324	8,758	(4,042)	1,407,926
Intercompany sales	(140,913)	(24)	(5,518)	(8,758)	-	(155,213)
Inter-segment sales	-	(6,626)	-	-	-	(6,626)
Net Sales	447,875	438,448	363,806	-	(4,042)	1,246,087
Earnings before interest and income tax	53,310	77,092	21,146	(5,838)	2,584	148,294
Financial results	(20,694)	(7,757)	(29,443)	(5,551)	45	(63,400)
Share of profit of associates	-	57	383	(57)	-	383
Profit before income tax	32,616	69,392	(7,914)	(11,447)	2,629	85,276
Income tax expense	(19,640)	(7,376)	(3,979)	9,588	-	(21,407)
Profit for the period	12,976	62,016	(11,893)	(1,859)	2,629	63,869
Result from discontinuing operations	-	-	-	-	2,629	2,629
Assets depreciation	31,007	3,981	44,198	(5,099)	(761)	73,326
Other operating included in EBITDA	-	743	-	-	-	743
Oper.Earnings before income tax,financial results,depreciation and amortization	84,317	81,816	65,344	(10,937)	1,823	222,363

(Amounts in thousands €) 1/1-31/12/2015	Metallurgy	Constructions	Energy	Others	Discontinuing Operations	Total
Total Gross Sales	630,774	668,016	197,387	16,441	(4,004)	1,508,614
Intercompany sales	(81,345)	-	(10,253)	(16,437)	-	(108,035)
Inter-segment sales	-	(17,706)	-	-	-	(17,706)
Net Sales	549,429	650,310	187,134	4	(4,004)	1,382,873
Earnings before interest and income tax	67,164	118,632	(8,948)	(7,276)	4,675	174,247
Financial results	(18,964)	(11,894)	(22,056)	(12,776)	37	(65,653)
Share of profit of associates	-	(217)	197	217	-	197
Profit before income tax	48,200	106,521	(30,807)	(19,835)	4,712	108,791
Income tax expense	(9,892)	(31,273)	8,500	4,286	-	(28,379)
Profit for the period	38,308	75,248	(22,307)	(15,549)	4,712	80,412
Result from discontinuing operations	-	-	-	-	4,712	4,712
Assets depreciation	30,838	3,712	31,324	(5,107)	(911)	59,856
Other operating included in EBITDA	-	270	-	-	-	270
Oper.Earnings before income tax,financial results,depreciation and amortization	98,002	122,614	22,376	(12,383)	3,764	234,373

Segment's assets and liabilities are as follows:

(Amounts in thousands €)	Metallurgy	Constructions	Energy	Others	Total
31/12/2016					
Assets	1,172,182	1,288,219	1,043,223	(395,204)	3,108,420
Consolidated assets	1,172,182	1,288,219	1,043,223	(395,204)	3,108,420
Liabilities	942,490	656,047	626,202	(400,570)	1,824,169
Consolidated liabilities	942,490	656,047	626,202	(400,570)	1,824,169

(Amounts in thousands €)	Metallurgy	Constructions	Energy	Others	Total
31/12/2015					
Assets	998,965	1,242,847	987,978	(330,386)	2,899,404
Consolidated assets	998,965	1,242,847	987,978	(330,386)	2,899,404
Liabilities	740,994	700,571	555,165	(327,664)	1,669,066
Consolidated liabilities	740,994	700,571	555,165	(327,664)	1,669,066

Regional Information

The Group's Sales and its non-current assets (other than financial instruments, investments, deferred tax assets and post-employment benefit assets) are divided into the following geographical areas:

MYTILINEOS GROUP

	Sales	Sales	Non current assets	Non current assets
(Amounts in thousands €)	31/12/2016	31/12/2015	31/12/2016	31/12/2015
Hellas	608,221	419,494	1,503,282	1,487,626
European Union	306,462	383,461	20,227	28,965
Other Countries	331,403	579,917	2,094	2,603
Regional Analysis	1,246,086	1,382,872	1,525,602	1,519,194

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1. Information about MYTILINEOS HOLDINGS S.A.

1.1 General Information

Mytilineos Holdings S.A. is today one of the biggest industrial Groups internationally, activated in the sectors of Metallurgy, EPC, Energy, and Defence. The Company, which was founded in 1990 as a metallurgical company of international trade and participations, is an evolution of an old metallurgical family business which began its activity in 1908.

Devoted to continuous growth and progress and aiming to be a leader in all its activities, the Group promotes through its long presence its vision to be a powerful and competitive European Group of "Heavy Industry".

The group's headquarters is located in Athens – Maroussi (5-7 Patroklou Str., P.C. 151 25) and its shares were listed in the Athens Stock Exchange in 1995.

The financial statements for the year ended 31.12.2016 (along with the respective comparative information for the previous year 2015), were approved by the Board of directors on 27 March 2017.

1.2 Nature of activities

During the last ten years the Group's activities have expanded from the traditional sector of international metal's trading to those of construction and energy. The group aims in the development of synergies between the three different areas of activities, by delegating the role of management and strategy formation in Mytilineos Holdings S.A.

The group monitors its performance on Metallurgy & Mining Sector through the subsidiaries "Aluminium S.A." (Alumina–Aluminium) and "Sometra S.A." (Zinc–Lead). Zinc – Lead Sector was the first which effected from the negative economic environment mainly due to the decrease on demand, the increasing prices of coke and the difficulty to find appropriate Raw Materials. All the above mentioned reasons lead the General Assembly of the company on 26.01.2009 to suspend temporary the production activity (note 4.26).

The Group through its subsidiary METKA is the leading and most specialized EPC Constructor in Greece and expanded in competitive markets abroad with value of pending construction contracts amounting to €1,04 bil.

With a portfolio of 1.2 GW of installed capacity from thermal plants operating since 2012 and over 1,000 MW RES in different stages of development , the Group is established as the as the country's largest independent energy producer.

2. Basis for preparation of the financial statements

The consolidated financial statements of MYTILINEOS S.A. as of December 31st 2016 covering the entire 2016 fiscal year, have been compiled based on the historic cost principle as is amended by the readjustment of specific asset and liability items into market values, the going concern principle and are in accordance with the International Financial Reporting Standards (IFRS) that have been issued by the International Accounting Standards Board (IASB) and their interpretations that have been issued by the International Financial Reporting Interpretations Committee (IFRIC) of the IASB. The accompanying standalone financial statements are compiled by demand of the statutory law 2190/1920.

According to the IFRS, the preparation of the Financial Statements requires estimations during the application of the company's accounting principles. Important admissions are presented wherever it has been judged appropriate.

The Group, since 2009, applies IFRS 5 "Non-current assets held for sale & discontinues operations", and presents separately the assets and liabilities of the subsidiary company SOMETRA S.A., following the suspension of the production activity of the Zinc-Lead production plant in Romania, and presents also the

amounts recognized in the income statement separately from continuing operations. Given the global economic recession, there were no feasible scenarios for the alternative utilization of the aforementioned financial assets. For that reason the Group plans to abandon the Zinc-Lead production while exploiting the remaining stock of the plan. Consequently, by applying par. 13 of IFRS 5 "Non-current assets Held for Sale" the Zinc-Lead production ceases to be an asset held for sale and is considered as an asset to be abandoned. The assets of the disposal group to be abandoned are presented within the continuing operations while the results as discontinued operations.

The reporting currency is Euro (currency of the country of the domicile of the parent Company) and all amounts are reported in thousands unless stated otherwise

3. Basic accounting principles

The accounting principles, applied by the Group for the reporting period are consistent with the accounting principles applied for the fiscal year 2015.

3.1 New and amended accounting standards and interpretations of IFRIC

New Standards, Interpretations, Revisions and Amendments to existing Standards that are effective and have been adopted by the European Union

The following amendments of IFRSs have been issued by the International Accounting Standards Board (IASB), adopted by the European Union, and their application is mandatory from or after 01/01/2016.

Amendments to IAS 19: "Defined Benefit Plans: Employee Contributions" (effective for annual periods starting on or after 01/02/2015)

In November 2013, the IASB published narrow scope amendments to IAS 19 "Employee Benefits" entitled Defined Benefit Plans: Employee Contributions. The narrow scope amendments apply to contributions from employees or third parties to defined benefit plans. The objective of the amendments is to simplify the accounting for contributions that are independent of the number of years of employee service, for example, employee contributions that are calculated according to a fixed percentage of salary. The amendments do not affect the consolidated/ separate Financial Statements.

Annual Improvements to IFRSs – 2010-2012 Cycle (effective for annual periods starting on or after 01/02/2015)

In December 2013, the IASB issued Annual Improvements to IFRSs - 2010-2012 Cycle, a collection of amendments to IFRSs, in response to seven issues addressed during the 2010-2012 cycle. The

amendments are effective for annual periods beginning on or after 1 July 2014, although entities are permitted to apply them earlier. The issues included in this cycle are the following: IFRS 2: Definition of 'vesting condition', IFRS 3: Accounting for contingent consideration in a business combination, IFRS 8: Aggregation of operating segments, IFRS 8: Reconciliation of the total of the reportable segments' assets to the entity's assets, IFRS 13: Short-term receivables and payables, IAS 16 /IAS 38: Revaluation method—proportionate restatement of accumulated depreciation and IAS 24: Key management personnel services. The amendments do not affect the consolidated/ separate Financial Statements.

Amendments to IFRS 11: "Accounting for Acquisitions of Interests in Joint Operations" (effective for annual periods starting on or after 01/01/2016)

In May 2014, the IASB issued amendments to IFRS 11. The amendments add new guidance on how to account for the acquisition of an interest in a joint operation that constitutes a business and specify the appropriate accounting treatment for such acquisitions. The amendments do not affect the consolidated/ separate Financial Statements.

Amendments to IAS 16 and IAS 38: "Clarification of Acceptable Methods of Depreciation and Amortisation" (effective for annual periods starting on or after 01/01/2016)

In May 2014, the IASB published amendments to IAS 16 and IAS 38. IAS 16 and IAS 38 both establish the principle for the basis of depreciation and amortisation as being the expected pattern of consumption of the future economic benefits of an asset. The IASB has clarified that the use of revenue-based methods to calculate the depreciation of an asset is not appropriate because revenue generated by an activity that includes the use of an asset generally reflects factors other than the consumption of the economic benefits embodied in the asset. The amendments do not affect the consolidated/separate Financial Statements

Amendments to IAS 16 and IAS 41: "Agriculture: Bearer Plants" (effective for annual periods starting on or after 01/01/2016)

In June 2014, the IASB published amendments that change the financial reporting for bearer plants. The IASB decided that bearer plants should be accounted for in the same way as property, plant and equipment in IAS 16. Consequently, the amendments include bearer plants within the scope of IAS 16, instead of IAS 41. The produce growing on bearer plants will remain within the scope of IAS 41. The amendments do not affect the consolidated/separate Financial Statements.

Amendments to IAS 27: "Equity Method in Separate Financial Statements" (effective for annual periods starting on or after 01/01/2016)

In August 2014, the IASB published narrow scope amendments to IAS 27. Under the amendments, entities are permitted to use the equity method to account for investments in subsidiaries, joint ventures and associates in their separate Financial Statements – an option that was not effective prior to the issuance of the current amendments. The amendments do not affect the consolidated/ separate Financial Statements.

Annual Improvements to IFRSs – 2012-2014 Cycle (effective for annual periods starting on or after 01/01/2016)

In September 2014, the IASB issued Annual Improvements to IFRSs - 2012-2014 Cycle, a collection of amendments to IFRSs, in response to four issues addressed during the 2012-2014 cycle. The amendments are effective for annual periods beginning on or after 1 January 2016, although entities are permitted to apply them earlier. The is-

sues included in this cycle are the following: IFRS 5: Changes in methods of disposal, IFRS 7: Servicing Contracts and Applicability of the amendments to IFRS 7 to condensed interim financial statements, IAS 19: Discount rate: regional market issue, and IAS 34: Disclosure of information "elsewhere in the interim financial report". The amendments do not affect the consolidated/ separate Financial Statements

Amendments to IAS 1: "Disclosure Initiative" (effective for annual periods starting on or after 01/01/2016)

In December 2014, the IASB issued amendments to IAS 1. The aforementioned amendments address settling the issues pertaining to the effective presentation and disclosure requirements as well as the potential of entities to exercise judgment under the preparation of financial statements. The amendments do not affect the consolidated/ separate Financial Statements.

Amendments to IFRS 10, IFRS 12 and IAS 28: "Investment Entities: Applying the Consolidation Exception" (effective for annual periods starting on or after 01/01/2016)

In December 2014, the IASB published narrow scope amendments to IFRS 10, IFRS 11 and IAS 28. The aforementioned amendments introduce explanation regarding accounting requirements for investment entities, while providing exemptions in particular cases, which decrease the costs related to the implementation of the Standards. The amendments do not affect the consolidated/ separate Financial Statements.

New Standards and Interpretations that have not been applied yet or have not been adopted by the European Union.

The following new Standards and amendments of IFRSs have been issued by the International Accounting Standards Board (IASB), but their application has not started yet or they have not been adopted by the European Union.

IFRS 14 "Regulatory Deferral Accounts" (effective for annual periods starting on or after 01/01/2016)

In January 2014, the IASB issued a new Standard, IFRS 14. The aim of this interim Standard is to enhance the comparability of financial reporting by entities that are engaged in rate-regulated activities. Many countries have industry sectors that are subject to rate regulation, whereby governments regulate the supply and pricing of particular types of activity by private entities. The Group will examine the impact of the above on its Financial Statements, though it is not expected to have any. The above have not been adopted by the European Union, until the issuance of the final Standard.

IFRS 15 "Revenue from Contracts with Customers" (effective for annual periods starting on or after 01/01/2018)

In May 2014, the IASB issued a new Standard, IFRS 15. The Standard fully converges with the requirements for the recognition of revenue in both IFRS and US GAAP. The key principles on which the Standard is based are consistent with much of current practice. The new Standard is expected to improve financial reporting by providing a more robust framework for addressing issues as they arise, increasing comparability across industries and capital markets, providing enhanced disclosures and clarifying accounting for contract costs. The new Standard will supersede IAS 11 "Construction Contracts", IAS 18 "Revenue" and several revenue related Interpretations. The Group will examine the impact of the above on its Financial Statements, though it is not expected to have any. The above have been adopted by the European Union with effective date of 01/01/2018.

IFRS 9 "Financial Instruments" (effective for annual periods starting on or after 01/01/2018)

In July 2014, the IASB issued the final version of IFRS 9. The package of improvements introduced by the final version of the Standard, includes a logical model for classification and measurement, a single, forward-looking "expected loss" impairment model and a substantially-reformed approach to hedge accounting. The Group will examine the impact of the above on its Financial Statements, though it is not expected to have any. The above have been adopted by the European Union with effective date of 01/01/2018.

Amendments to IFRS 10 and IAS 28: "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture" (the IASB postponed the effective date of this amendment indefinitely)

In September 2014, the IASB published narrow scope amendments to IFRS 10 and IAS 28. The objective of the aforementioned amendments is to address an acknowledged inconsistency between the requirements in IFRS 10 and those in IAS 28, in dealing with the sale or contribution of assets between an investor and its associate or joint venture. In December 2015, the IASB postponed the effective date of these amendments indefinitely pending the outcome of its research project on the equity method of accounting. The Group will examine the impact of the above on its Financial Statements, though it is not expected to have any. The above have not been adopted by the European Union.

IFRS 16 "Leases" (effective for annual periods starting on or after 01/01/2019)

In January 2016, the IASB issued a new Standard, IFRS 16. The objective of the project was to develop a new Leases Standard that sets out the principles that both parties to a contract, i.e. the customer ('lessee') and the supplier ('lessor'), apply to provide relevant information about leases in a manner that faithfully represents those transactions. To meet this objective, a lessee is required to recognise assets and liabilities arising from a lease. The Group will examine the impact of the above on its Financial Statements, though it is not expected to have any. The above have not been adopted by the European Union.

Amendments to IAS 12: "Recognition of Deferred Tax Assets for Unrealized Losses" (effective for annual periods starting on or after 01/01/2017)

In January 2016, the IASB published narrow scope amendments to IAS 12. The objective of the amendments is to clarify the accounting for deferred tax assets for unrealized losses on debt instruments measured at fair value. The Group will examine the impact of the above on its Financial Statements, though it is not expected to have any. The above have not been adopted by the European Union.

Amendments to IAS 7: "Disclosure Initiative" (effective for annual periods starting on or after 01/01/2017)

In January 2016, the IASB published narrow scope amendments to IAS 7. The objective of the amendments is to enable users of financial statements to evaluate changes in liabilities arising from financing activities. The amendments will

require entities to provide disclosures that enable investors to evaluate changes in liabilities arising from financing activities, including changes arising from cash flows and non-cash changes. The Group will examine the impact of the above on its Financial Statements, though it is not expected to have any. The above have not been adopted by the European Union

Clarification to IFRS 15 "Revenue from Contracts with Customers" (effective for annual periods starting on or after 01/01/2018)

In April 2016, the IASB published clarifications to IFRS 15. The amendments to IFRS 15 do not change the underlying principles of the Standard, but clarify how those principles should be applied. The amendments clarify how to identify a performance obligation in a contract, how to determine whether a company is a principal or an agent and how to determine whether the revenue from granting a license should be recognized at a point in time or over time. The Group will examine the impact of the above on its Financial Statements, though it is not expected to have any. The above have not been adopted by the European Union.

Amendment to IFRS 2: "Classification and Measurement of Share-based Payment Transactions" (effective for annual periods starting on or after 01/01/2018)

In June 2016, the IASB published narrow scope amendment to IFRS 2. The objective of this amendment is to clarify how to account for certain types of share-based payment transactions. More specifically, the amendments provide requirements on the accounting for the effects of vesting and non-vesting conditions on the measurement of cash-settled share-based payments, for share-based payment transactions with a net settlement feature for withholding tax obligation, as well as, a modification to the terms and conditions of a share-based payment that changes the classification of the transaction from cash-settled to equity-settled. The Group will examine the impact of the above on its Financial Statements, though it is not expected to have any. The above have not been adopted by the European Union.

Amendments to IFRS 4: "Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts" (effective for annual periods starting on or after 01/01/2018)

In September 2016, the IASB published amendments to IFRS 4. The objective of the amendments is to address the temporary accounting consequences of the different effective dates of IFRS 9 Financial Instruments and the forthcoming insurance contracts Standard. The amendments to existing requirements of IFRS 4 permit entities whose predominant activities are connected with insurance to defer the application of IFRS 9 until 2021 (the "temporary exemption") and also permit all issuers of insurance contracts to recognize in other comprehensive income, rather than profit or loss, the volatility that could arise when IFRS 9 is applied before the new

insurance contracts Standard is issued (the "overlay approach"). The Group will examine the impact of the above on its Financial Statements, though it is not expected to have any. The above have not been adopted by the European Union.

Annual Improvements to IFRSs – 2014-2016 Cycle (effective for annual periods starting on or after 01/01/2017 and 01/01/2018)

In December 2016, the IASB issued Annual Improvements to IFRSs – 2014-2016 Cycle, a collection of amendments to IFRSs, in response to several issues addressed during the 2014-2016 cycle. The issues included in this cycle are the following: IFRS 12: Clarification of the scope of the Standard, IFRS 1: Deletion of short-term exemptions for first-time adopters, IAS 28: Measuring an associate or joint venture at fair value. The amendments are effective for annual periods beginning on or after 1 January 2017 for IFRS 12, and 1 January 2018 for IFRS 1 and IAS 28. The Group will examine the impact of the above on its Financial Statements, though it is not expected to have any. The above have not been adopted by the European Union.

IFRIC 22 "Foreign Currency Transactions and Advance Consideration" (effective for annual periods starting on or after 01/01/2018)

In December 2016, the IASB issued a new Interpretation, IFRIC 22. IFRIC 22 provides requirements about which exchange rate to use in reporting foreign currency transactions (such as revenue transactions) when payment is made or received in advance. The Group will examine the impact of the above on its Financial Statements, though it is not expected to have any. The above have not been adopted by the European Union.

Amendments to IAS 40: "Transfers of Investment Property" (effective for annual periods starting on or after 01/01/2018)

In December 2016, the IASB published narrow-scope amendments to IAS 40. The objective of the amendments is to reinforce the principle for transfers into, or out of, investment property in IAS 40, to specify that (a) a transfer into, or out of investment property should be made only when there has been a change in use of the property, and (b) such a change in use would involve the assessment of whether the property qualifies as an investment property. That change in use should be supported by evidence. The Group will examine the impact of the above on its Financial Statements, though it is not expected to have any. The above have not been adopted by the European Union.

3.2 Consolidation

(a) Subsidiaries: All the companies that are managed or controlled, directly or indirectly, by another company (parent) either through the majority of voting rights or through its dependence on the know-how provided from the Group. Therefore, subsidiaries are companies in which control is exercised by the parent. Mytilineos S.A. acquires and exercises control through voting rights.

The existence of potential voting rights that are exercisable at the time the financial statements are prepared, is taken into account in order to determine whether the parent exercises control over the subsidiaries. Subsidiaries are consolidated completely (full consolidation) using the purchase method from the date that control over them is acquired and cease to be consolidated from the date that control no longer exists.

The acquisition of a subsidiary by the Group is accounted for using the purchase method. The acquisition cost of a subsidiary is the fair value of the assets given as consideration, the shares issued and the liabilities undertaken on the date of the acquisition plus any costs directly associated with the transaction. The individual assets, liabilities and contingent liabilities that are acquired during a business combination are valued during the acquisition at their fair values regardless of the participation percentage. The acquisition cost over and above the fair value of the individual assets acquired is booked as goodwill. If the total cost of the acquisition is lower than the fair value of the individual assets acquired, the difference is immediately transferred to the income statement.

Inter-company transactions, balances and unrealized profits from transactions between Group companies are eliminated in consolidation. Unrealized losses are also eliminated except if the transaction provides indication of impairment of the transferred asset. The accounting principles of the subsidiaries have been amended so as to be in conformity to the ones adopted by the Group.

Transactions with minorities: For the accounting of transactions with minority, the Group applies the accounting principle based on which such transactions are handled as transactions with third parties beyond the Group. The sales towards the minority create profit and losses for the Group, which are booked in the results. The purchases by the minority create goodwill, which is the difference between the price paid and the percentage of the book value of the equity of the subsidiary acquired.

(b) Associates: Associates are companies on which the Group can exercise significant influence but not "control" and which do not fulfill the conditions to be classified as subsidiaries or joint ventures. The assumptions used by the group imply that holding a percentage between 20% and 50% of a company's voting rights suggests significant influence on the company. Investments in associates are initially recognized at cost and are subsequently valued using the Equity method. At the end of each period, the cost of acquisition is increased by the Group's share in the associates' net assets change and is decreased by the dividends received from the associates.

Any goodwill arising from acquiring associates is contained in the cost of acquisition. Whether any impairment of this goodwill occurs, this impairment decreases the cost of acquisition by equal charge in the income statement of the period.

After the acquisition, the Group's share in the profits or losses of associates is recognized in the income statement, while the share of changes in reserves is recognized in Equity. The cumulated changes affect the book value of the investments in associated companies. When the Group's share in the losses of an associate is equal or larger than the carrying amount of the investment, including any other doubtful debts, the Group does not recognize any further losses, unless it has guaranteed for liabilities or made payments on behalf of the associate or those that emerge from ownership.

Unrealized profits from transactions between the Group and its associates are eliminated according to the Group's percentage ownership in the associates. Unrealized losses are eliminated, except if the

transaction provides indications of impairment of the transferred asset. The accounting principles of the associates have been adjusted to be in conformity to the ones adopted by the Group.

(c) Investments in joint ventures: Investments in joint ventures are classified according to IFRS 11 " Joint Arrangements", or "Joint Operation", or "Joint Venture". The classification is based upon each participating parties' rights and obligations arising from the joint arrangement. The Group by assessing the nature and the special characteristics of the investments, classifies, as at 31/12/2016, an investment in joint venture recognized based on the equity method.

3.3 Segment reporting

MYTILINEOS Group consists of three main operating business segments: a) Metallurgy, b) EPC and c) Energy. According to IFRS 8 - Operating Segments, the management monitors the operating result of each business segment individually for decision making regarding resources allocation and performance appraisal.

3.4 Foreign currency translation

- (a) The measurement of the items in the financial statements of the Group's companies is based on the currency of the primary economic environment in which the Group operates (operating currency). The consolidated financial statements are reported in euros, which is the operating currency and the reporting currency of the parent Company and all its subsidiaries.
- (b) Transactions in foreign currencies are converted to the operating currency using the rates in effect at the date of the transactions.

Profits and losses from foreign exchange differences that result from the settlement of such transactions during the period and from the conversion of monetary items denominated in foreign currency using the rate in effect at the balance sheet date are posted to the results. Foreign exchange differences from non-monetary items that are valued at their fair value are considered as part of their fair value and are thus treated similarly to fair value differences.

The Group's foreign activities in foreign currency (which constitute an inseparable part of the parent's activities), are converted to the operating currency using the rates in effect at the date of the transaction, while the asset and liability items of foreign activities, including surplus value and fair value adjustments, that arise during the consolidation, are converted to euro using the exchange rates that are in effect as at the balance sheet date.

The individual financial statements of companies included in the consolidation, which initially are presented in a currency different than the Group's reporting currency, have been converted to euros. The asset and liability items have been converted to euros using the exchange rate prevailing at the balance sheet date. The income and expenses have been converted to the Group's reporting currency using the average rates during the aforementioned period. Any differences that arise from this process, have been debited / (credited) to the Equity under the "Translation Reserves" account.

c) Group's Companies

Operating results and equity of all Group's companies (excluding those opening in hyperinflationary economies), that their operating currency is not the same as Group's, are translated to Group's presentation currency as follows:

- i. Assets and liabilities are presented and translated according to the exchange rate at the balance sheet date.
- Sales and expenses of the Profit and Loss statement are translated according to the average exchange rate of the balance sheet period.

iii. Foreign exchange differences arising from the above are registered at equity account "Translation Reserve".

Goodwill and fair value revaluation arising from subsidiary acquisition, operating abroad, are registered as assets/liabilities at subsidiary accounts and are converted according to fixing rate at each time.

3.5 Tangible assets

Fixed assets are reported in the financial statements at acquisition cost or deemed cost, as determined based on fair values as at the transition dates, less accumulated depreciations and any impairment suffered by the assets. The acquisition cost includes all the directly attributable expenses for the acquisition of the assets.

Subsequent expenditure is added to the carrying value of the tangible fixed assets or is booked as a separate fixed asset only if it is probable that future economic benefits will flow to the Group and their cost can be accurately and reliably measured. The repair and maintenance cost is booked in the results when such is realized.

Depreciation of tangible fixed assets (other than Land which are not depreciated) is calculated using the straight line method over their useful life, as follows:

Buildings 25-35 years

Mechanical equipment 4-30 years

Vehicles 4-10 years

Other equipment 4-7 years

The residual values and useful economic life of tangible fixed assets are subject to reassessment at each balance sheet date. When the book value of tangible fixed assets exceeds their recoverable amount, the difference (impairment) is immediately booked as an expense in the income statement.

Upon sale of the tangible fixed assets, any difference between the proceeds and the book value are booked as profit or loss to the results. Expenditure on repairs and maintenance is booked as an expense in the period they occur.

Self-constructed tangible fixed assets constitute an addition to the acquisition cost of tangible assets at a value that includes the direct cost of employee's salaries (including the relevant employer's contributions), the cost of materials used and other general costs

3.6 Intangible assets

The intangible assets include Goodwill, the rights of use of Property, plant and equipment, software licenses, licenses for the production, installation and

operation of renewable energy assets and thermal energy assets, the environment rehabilitation expenditure and borrowing costs.

Goodwill on Acquisition: is the difference between the asset's acquisition cost and fair value and the net assets of the subsidiary / associate company as at the acquisition date. During the acquisition date, the company recognizes this surplus value, emerged from acquisition, as an asset and presents it in cost. This cost is equal to the amount by which the acquisition cost exceeds the company's share in the net assets of the acquired company.

After the initial recognition, the surplus value is valued at cost less any accumulated impairment losses. The surplus value is not depreciated, but is reviewed on an annual basis for possible decrease in its value (impairment), if there are events that indicate such a loss according to IAS 36.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. A cash generated unit is the smallest identifiable group of assets generating cash inflows independently and represents the level used by the Group to organise and present each activities and results in its internal reporting. Impairment is determined for goodwill by assessing the recoverable amount of the cash-generating units, to which the goodwill relates. Where the recoverable amount (typically the value in use) of the cash-generating units is less than their carrying amount an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods. The Group performs its annual impairment test of goodwill as at 31 December

In the case where acquisition cost is less than the company's stake in the acquired company's net assets, the former recalculates the acquisition cost and valuates the assets, liabilities and contingent liabilities of the acquired company. Any difference prevailing after the recalculation is recognized directly in the income statement as a profit.

Software: Software licenses are valued in cost of acquisition less accumulated depreciation. Depreciation is calculated using the straight line method during the assets' useful life that range from 1 to 3 years.

Production, Installation and Operation Licenses of Renewable Energy Assets and Thermal Energy Assets: The different types of licenses entitles the group either with the right to construct an energy asset or the right to produce and sell energy. Current market conditions provide adequate evidence about the recoverable amount of such licenses. Therefore the Group has recognized licenses as intangible assets at fair value less depreciation and less any provision for impairment. The Group runs impairment tests on a yearly basis using the following methodology:

- i) Attach possibility factors according to management estimation regarding the construction of assets under license
- ii) Runs Discounted Cash Flows (DCF) methodology using assumptions prevailing at the energy market. The period regarded by the management for provisions exceeds the five years encouraged by IAS 36 as, especially for the renewable energy assets, there is satisfactory visibility for a substantially longer period.
- iii) The final recoverable amount is calculated for a total portfolio of either renewable or thermal energy assets by multiplying the overall possibility factor with the outcome of the DCF valuation.
- iv) Finally, the Group compares the recoverable value calculated to be the value-in-use of the assets with their carrying amounts. When the recoverable value is less than the carrying amount an equal impairment provision is charged to the income statement.

Legal rights to explore mines: The legal rights to explore mines concern rights that the group has acquired mining mineral reserves in several geographical areas. In cost of the mining rights, apart from nominal value of the rights, any cost that relates to the initial evaluation of the rehabilitation cost of the area where work has been done, the commitment of the Group either during the acquirement of the right or as a result of its use for a certain time period. The depreciation time period that is adopted by the Group does not exceed 10 years.

Right of Use of Tangible Assets: Rights of exploitation of tangible assets that are granted in the frames of conventions of manufacture of work (compensative profits) are valued in cost of acquisition, which equals their fair value at the date of their concession, less accumulated depreciation. Depreciation is calculated using the "production units method".

Research and Development Expenses: Research and Development expenditures are recognized as expenses when they are realized. The expenses which arise from the developing programs (related to the design and the test of new or improved products) are capitalized if it is possible to produced future economic benefit. The other development expenditures are booked as an expense in the results when they are realized. Previous years' development expenditures recognized as expenses. can not be capitalized in the future fiscal years. The capitalized development expenses are depreciated from the beginning of the product's economic life using the straight line method during the period of the product's future economic benefits. The Group's depreciation period doesn't exceed the 5 years.

Land Stripping & Restoration expenses: Land Stripping & Restoration expenses are capitalized and amortized using the unit of production method.

Borrowing costs: Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset shall be capitalized as part of the cost of that asset. The amount of borrowing costs eligible for capitalization shall be determined in accordance with IAS 23.

3.7 Impairment of Assets

Assets with an indefinite useful life are not depreciated and are subject to an impairment review annually and when some events suggest that the book value may not be recoverable any resulting difference is charged to the period's results. Assets that are depreciated are subject to an impairment review when there is evidence that their value will not be recoverable. The recoverable value is the greater between the net sales value and the value in use. An impairment loss is recognized by the company when the book value of these assets (or cash generating unit-CGU) is greater than its recoverable amount.

Net sales value is the amount received from the sale of an asset at an arm's length transaction in which participating parties have full knowledge and participate voluntarily, after deducting any additional direct cost for the sale of the asset, while value in use is the present value of estimated future cash flows that are expected to flow into the company from the use of the asset and from its disposal at the end of its estimated useful life.

3.8 Important accounting decisions, estimations and assumptions

The compilation of financial statements according to IFRS requires the management to make decisions, perform estimations and use assumptions that affect the amounts presented in the financial statements, the assets, liabilities, income and expenses. The actual results may differ due to such estimations. Estimations are continuously enhanced and are based on historical data and other factors, such as expectations for future events expected to realize under current conditions.

3.8.1 Accounting decisions

During the implementation procedure for accounting policies, decisions are made by the management, which relate to the following:

Classification of investments

Management classifies Financial assets in the scope of IAS 39 based on their nature and their characteristics at the following four categories:

- financial assets at fair value through profit and loss,
- loans and receivables,
- held-to-maturity investments, and
- available-for-sale investments.

Financial assets are recognized initially at cost, which represents their fair value (plus, in certain cases, directly attributable transaction costs). The Group determines the classification of its financial assets after initial recognition and, where allowed and appropriate, re-evaluates this designation at each financial year-end.

- (i) Financial assets at fair value through profit and loss: Financial assets are classified as held for trading if they are acquired for the purpose of selling in the near term. Gains or losses on investments held for trading are recognized in income.
- (ii) Loans and receivables: Loans and receivables which are generated form the Group's operations (and are beyond the Group's normal credit terms) are carried at amortized cost using the effective interest method. Gains and losses are recognized in the income statement when the loans and receivables are derecognized or impaired, as well as through the amortization process.
- (iii) Held-to-maturity investments: Financial assets with fixed or determinable payments and fixed maturity are classified as held-to-maturity when the Group has the positive intention and ability to hold to maturity. Investments intended to be held for an undefined period are not included in this classification. Held-to-maturity investments are carried at amortized cost using the effective interest method. For investments carried at amortized cost, gains and losses are recognized in income when the investments are derecognized or impaired, as well as through the amortization process.

• Recoverability of receivables accounts

Short term receivables are presented in their nominal value, net of provisions for potential non collectible accounts, while long-term receivables (balances that deviate from the normal credit terms) are measured at amortized cost based on the effective interest rate method. At each balance sheet date all potentially uncollectible accounts are assessed individually for purposes of determining the appropriate allowance for doubtful accounts. The balance of such allowance for doubtful accounts is appropriately adjusted at each balance sheet date in

order to reflect the possible risks. Any amount written-off with respect to customer account balances is charged against the existing allowance for doubtful accounts. Any amount provided for in respect to customer account balances is charged in the profit and loss statement.

Impairment of inventories

Provision for slow moving, damaged or obsolete inventories is made when necessary. The impairments at the net realizable value of inventories are charged in the profit and loss statement in the period the occur.

Classification of a lease as operating or financial.

Leases where all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis over the period of the lease. Leases of property, plant and equipment where the Group has substantially all the risks and rewards of ownership are classified as finance leases.

3.8.2 Assumptions and estimations

The presentation of the value of specific assets and liabilities in the financial statements requires the use of estimations that are based on assumptions relating to the values and conditions not known with certainty during the compilation date of the financial statements. The Group continuously evaluates the estimations it makes based on historical data, the research of specialized consultants, the trends and methods considered appropriate for the estimation of specific conditions as well as estimations regarding how the assumptions made may change in the future.

The accounting principles, applied by the Group for the reporting period are consistent with the accounting principles applied for fiscal year 2014. In addition to the abovementioned and more specifically for the Annual Financial Statements of 2015 the following are noted:

• Possible reductions in Goodwill

The Group test goodwill for impairment annually and whenever events or circumstances make it more likely than not that an impairment may have occurred, such as a significant adverse change in the business climate or a decision to sell or dispose of a reporting unit. Determining whether an impairment has occurred requires valuation of the respective reporting unit, which we estimate using a discounted cash flow method. When available and as appropriate, we use comparative market multiples to corroborate discounted cash flow results. In applying this methodology, we rely on a number of factors, including actual operating results, future business plans, economic projections and market data.

If this analysis indicates goodwill impaired, measuring the impairment requires a fair value estimate of each identified tangible and intangible asset. In this case we supplement the cash flow approach discussed above with independent appraisals, as appropriate.

We test other identified intangible assets with defined useful lives and subject to amortization by comparing the carrying amount to the sum of undiscounted cash flows expected to be generated by the asset. We test intangible assets with indefinite lives annually for impairment using a fair value method such as discounted cash flows.

The Group tests annually whether goodwill has suffered any impairment, in accordance with the accounting policy stated in note 3.6. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations, these calculation require the use of accounting estimates.

Budget of construction contracts

The treatment for income and expenses of a construction contract, depends on whether the final result of the contract can be reliably estimated. When the result of a construction contract can be estimated reliably then all income and expenses related to the contract are recognized as such during the time period of the contract. The Group uses the percentage of completion method to determine the appropriate amount of income and expense to be recognized in each period. The percentage of completion is calculated as the contracted cost realized over the total budgeted cost of construction for each project.

Income Tax

Group and company is subject to income taxes in numerous jurisdictions. Significant estimates are required in determining the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. Group and company recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

• Provisions

Doubtful accounts are reported at the amounts likely to be recoverable based on historical experience of customer default. As soon as it is learned that a particular account is subject to a risk over and above the normal credit risk (e.g., low creditworthiness of customer, dispute as to the existence or the amount of the claim, etc.), the account is analyzed and written down if circumstances indicate the receivable is uncollectible.

Provisions for environmental rehabilitation are reported at the amounts that are likely to be claimed against the Group in order to settle the liability

Contingencies

The Group is involved in litigation and claims in the normal course of operations. Management is of the opinion that any resulting settlements would not materially affect the financial position of the Group as at December 31, 2016. However, the determination of contingent liabilities relating to the litigation and claims is a complex process that involves judgments as to the outcomes and interpretation of laws and

regulations. Changes in the judgments or interpretations may result in an increase or decrease in the Company's contingent liabilities in the future.

3.9 Cash Flow reclassification

Line, "Other cash flows" of Cash Flow from Group's Financial Activities, includes the variation of collateral deposits account, more specifically, deposits that are tied up for the issuance of Letters of Guarantee-Insurance for the good and prompt performance of the projects. The Group, up to the previous fiscal year, included said variation at Cash flows from operating activities and more specifically at "(Increase)/ Decrease in trade receivables". The Management assesses that the variation of collateral deposits (thus the transfer of those, from collateral deposits to non-cash items and vise versa) does not constitute working capital variation and subsequently it should not be included at Cash flows from operating activities. By taking the above into consideration, at Statement of Cash Flows for fiscal year 2015, an amount of € 16,895 thousands was reclassified from Cash flows from operating activities to Cash flows from financing activities, for comparative reasons.

3.10 Group Structure

	NAME OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES	COUNTRY OF NCORPORATION	PERCENTAGE	CONSOLIDATION METHOD
1	MYTILINEOS HOLDING S.A.	Greece	Parent	
2	METKA INDUSTRIAL – CONSTRUCTION S.A	Greece	50.00%	Full
3	SERVISTEEL	Greece	50.00%	Full
4	RODAX ROMANIA SRL	Romania	100.00%	Full
5	ELEMKA S.A.	Greece	41.75%	Full
6	DROSCO HOLDINGS LIMITED	Cyprus	41.75%	Full
7	BRIDGE ACCESSORIES & CONSTRUCTION SYSTEMS S.A.	Greece	31.31%	Full
8	METKA BRAZI SRL	Romania	50.00%	Full
9	POWER PROJECT SANAYI INSAAT TICARET LIMITED SIRKETI	Turkey	50.00%	Full
10	ALUMINIUM OF GREECE INDUSTRIAL AND COMMERCIAL SOCIETE ANONYME	Greece	100.00%	Full
11	DELFI DISTOMON A.M.E.	Greece	100.00%	Full
12	DESFINA SHIPPING COMPANY	Greece	100.00%	Full
13	DESFINA MARINE S.A.	Marshall Islands	100.00%	Full
14	ST. NIKOLAOS SINGLE MEMBER P.C.	Greece	100.00%	Full
15	RENEWABLE SOURCES OF KARYSTIA S.A.	Greece	100.00%	Full
16	SOMETRA S.A.	Romania	92.79%	Full
17	STANMED TRADING LTD	Cyprus	100.00%	Full
18	MYTILINEOS FINANCE S.A.	Luxembourg	100.00%	Full
19	RDA TRADING	Guernsey Islands	100.00%	Full
20	MYTILINEOS BELGRADE D.O.O.	Serbia	92.79%	Full
21	MYVEKT INTERNATIONAL SKOPJE	FYROM	100.00%	Full
22	MYTILINEOS FINANCIAL PARTNERS S.A.	Luxembourg	87.50%	Full
23	MYTILINEOS INTERNATIONAL COMPANY AG "MIT Co"	Switzerland	100.00%	Full
24	GENIKI VIOMICHANIKI S.A.	Greece	Joint Management	Full
25	DELTA PROJECT CONSTRUCT SRL	Romania	95.01%	Full
26	DELTA ENERGY S.A.	Greece	90.03%	Full
27	FOIVOS ENERGY S.A.	Greece	90.03%	Full
28	HYDROHOOS S.A.	Greece	90.03%	Full
29	HYDRIA ENERGY S.A.	Greece	90.03%	Full
30	EN.DY. S.A.	Greece	90.03%	Full
31	SMALL HYDROELECTRIC STATIONS PELOPONNISOU S.A.	Greece	90.03%	Full
32	THESSALIKI ENERGY S.A.	Greece	90.03%	Full
33	PROTERGIA S.A.	Greece	100.00%	Full
34	NORTH AEGEAN RENEWABLES	Greece	100.00%	Full
35	MYTILINEOS HELLENIC WIND POWER S.A.	Greece	80.00%	Full
36	AIOLIKI ANDROU TSIROVLIDI S.A.	Greece	80.20%	Full
37	MYTILINEOS AIOLIKI NEAPOLEOS S.A.	Greece	80.20%	Full
	AIOLIKI EVOIAS PIRGOS S.A.	Greece	80.20%	Full
39	AIOLIKI EVOIAS POUNTA S.A.	Greece	80.20%	Full
	AIOLIKI EVOIAS HELONA S.A.	Greece	80.20%	Full
	AIOLIKI ANDROU RAHI XIROKABI S.A.	Greece	80.20%	Full
	METKA AIOLIKA PLATANOU S.A.	Greece	80.20%	Full
	AIOLIKI SAMOTHRAKIS S.A.	Greece	100.00%	Full
	AIOLIKI EVOIAS DIAKOFTIS S.A.	Greece	80.20%	Full
	AIOLIKI SIDIROKASTROU S.A.	Greece	80.20%	Full
	HELLENIC SOLAR S.A.	Greece	100.00%	Full
47	SPIDER S.A.	Greece	100.00%	Full

48 GREAN ENERGY AE Bulgaria 80.00% Full 40 MOVAL S.A. Greece 100.00% Full 41 MOVAL S.A. Greece 100.00% Full 42 MOVAL S.A. Greece 100.00% Full 43 ANEMOSTRATA RENEWABLE ENERGY SOURCES S.A. Greece 100.00% Full 43 ANEMOSTRATA RENEWABLE ENERGY SOURCES S.A. Greece 100.00% Full 44 ANEMOSTRATA RENEWABLE ENERGY SOURCES S.A. Greece 100.00% Full 45 ANEMOSTRATA RENEWABLE ENERGY SOURCES S.A. Greece 100.00% Full 46 ANEMOSTRATA RENEWABLE ENERGY SOURCES S.A. Greece 100.00% Full 47 ANEMOSTRATA RENEWABLE ENERGY SOURCES S.A. Greece 100.00% Full 48 ANEMOSTRATA RENEWABLE ENERGY SOURCES S.A. Greece 100.00% Full 49 ANEMOSTRATA RENEWABLE ENERGY SOURCES S.A. Greece 100.00% Full 40 KISSAVOS DROSERI RAHI S.A. Greece 100.00% Full 40 KISSAVOS DROSERI RAHI S.A. Greece 100.00% Full 41 ANEMOSTRATA S.A. Greece 100.00% Full 41 ANEMOSTRATA S.A. Greece 100.00% Full 42 KISSAVOS SOTIMIS S.A. Greece 100.00% Full 43 KISSAVOS SOTIMIS S.A. Greece 100.00% Full 44 KISSAVOS SAA Greece 100.00% Full 45 ANEMOSTRATA S.A. Greece 100.00% Full 46 ANEMOSTRATA S.A. Greece 100.00% Full 46 ANEMOSTRATA S.A. Greece 100.00% Full 47 ANEMOSTRATA S.A. Greece 100.00% Full 48 ANEMOSTRATA S.A. Greece 5.00% Full 49 ANEMOSTRATA S.A. Greece 5.00% Full 40 ANEMOSTRATA S.A. Greece 5.00% Full 40 ANEMOSTRATA S.A. Greece 5.00% Full 41 ANEMOSTRATA S.A. Greece 100.00% Full 42 ANEMOSTRATA S.A. Greece 100.00% Full 43 ANEMOSTRATA S.A. Greece 100.00% Full 44 Full OTHIC ENERGY S.A. Greece 100.00% Full 45 ANEMOSTRATA S.A. Greece 100.00% Full 46 ANEMOSTRATA S.A. Greece 100.00% Full 47 FULL OTHIC ENERGY S.A. Greece 100.00% Full 48 ANEMOSTRATA S.A. Greece 100.00% Full 49 POTTERISA AGIOS NIKOLAOS POWER S.A.OF GENERATION AND SUPPLY 40 Greece 1		NAME OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES	COUNTRY OF INCORPORATION	PERCENTAGE	CONSOLIDATION METHOD
SO PROTERQIA THERIMOELEKTRIKI S.A. Greece 100.00% Full	48	GREEN ENERGY A.E.	Bulgaria	80.00%	Full
ANEMOSTRATA RENEWABLE ENERGY SOURCES S.A. Greece	49	MOVAL S.A.	Greece	100.00%	Full
ANEMODRASI RENEWABLE ENERGY SOURCES S.A. Greece 100.00% Full	50	PROTERGIA THERMOELEKTRIKI S.A.	Greece	100.00%	Full
SANEMORAHI RENEWABLE ENERGY SOURCES S.A. Greece 100.00% Full	51	ANEMOSTRATA RENEWABLE ENERGY SOURCES S.A.	Greece	100.00%	Full
ANEMOSKALA RENEWABLE ENERGY SOURCES S.A. Greece 100.00% Full	52	ANEMODRASI RENEWABLE ENERGY SOURCES S.A.	Greece	100.00%	Full
Section	53	ANEMORAHI RENEWABLE ENERGY SOURCES S.A.	Greece	100.00%	Full
SISSAVOS DROSERI RAHI S.A. Greece 100.00% Full	54	ANEMOSKALA RENEWABLE ENERGY SOURCES S.A.	Greece	100.00%	Full
STATEMENT STATE	55	HORTEROU S.A.	Greece	100.00%	Full
SKISSAVOS FOTINI S.A. Greece 100.00% Full	56	KISSAVOS DROSERI RAHI S.A.	Greece	100.00%	Full
Section Sect	57	KISSAVOS PLAKA TRANI S.A.	Greece	100.00%	Full
Greece	58	KISSAVOS FOTINI S.A.	Greece	100.00%	Full
Full	59	AETOVOUNI S.A.	Greece	100.00%	Full
62 KERASOUDA SA Greece 100.00% Full 63 AlOLIKH ARGOSTYLIAS A.E. Greece 100.00% Full 64 M. & M. GAS Co. S.A. Greece 50.00% Equity 65 J.V. METKA. – TERNA Greece 50.00% Equity 66 KORINTHOS POWER S.A. Greece 100.00% Full 67 KILKIS PALEON TRIETHNES S.A. Greece 100.00% Full 68 ANEMOROE S.A. Greece 100.00% Full 69 PROTERGIA AGIOS NIKOLAOS POWER SA OF GENERATION AND SUPPLY Greece 100.00% Full 70 OF ELECTRICITY Greece 100.00% Full 71 SOLIEN ENERGY S.A. Greece 100.00% Full 71 SOLIEN ENERGY S.A. Greece 100.00% Full 73 THERMOREMA S.A Greece 100.00% Full 74 FTHIOTIKI ENERGY S.A. Greece 40.00% Equity 75 METKA RENEWABLES LIMITED Oyprus	60	LOGGARIA S.A.	Greece	100.00%	Full
Greece 100.00% Full	61	IKAROS ANEMOS SA	Greece	100.00%	Full
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Greece 5.0% Equity	63	AIOLIKH ARGOSTYLIAS A.E.	Greece	100.00%	Full
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PROTERGIA ENERGY S.A. Greece 100.00% Full	67	KILKIS PALEON TRIETHNES S.A.	Greece	100.00%	Full
PROTERGIA AGIOS NIKOLAOS POWER SA OF GENERATION AND SUPPLY Greece 100.00% Full	68	ANEMOROE S.A.	Greece	100.00%	Full
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74 FTHIOTIKI ENERGY S.A. Greece 35.00% Equity 75 METKA RENEWABLES LIMITED Cyprus 50.00% Full 76 IONIA ENERGY S.A. Greece 49.00% Equity 77 ELECTRON WATT S.A. Greece 10.00% Equity 78 BUSINESS ENERGY TRIZINIA S.A. Greece 49.00% Equity 79 AIOLIKH TRIKORFON S.A. Greece 100.00% Full 80 MAKRYNOROS ENERGEIAKH S.A. Greece 100.00% Full 81 RIVERA DEL RIO Panama 25.00% Full 82 METKA-EGN LTD Cyprus 25.05% Full 83 METKA-EGN LTD England 25.05% Full 84 METKA-EGN SpA Chile 25.05% Full 85 METKA-EGN USA LLC Puerto Rico 25.05% Full 86 METKA-EGN WEST AFRICA LIMITED Nigeria 50.00% Full 87 METKA POWER INVESTMENTS Cyprus 50.00%	72	OSTENITIS S.A.	Greece	100.00%	Full
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76 IONIA ENERGY S.A. Greece 49.0% Equity 77 ELECTRON WATT S.A. Greece 10.00% Equity 78 BUSINESS ENERGY TRIZINIA S.A. Greece 49.00% Equity 79 AIOLIKH TRIKORFON S.A. Greece 100.00% Full 80 MAKRYNOROS ENERGEIAKH S.A. Greece 100.00% Full 81 RIVERA DEL RIO Panama 25.00% Full 82 METKA-EGN LTD Cyprus 25.05% Full 83 METKA-EGN LTD England 25.05% Full 84 METKA-EGN SpA Chile 25.05% Full 85 METKA-EGN USA LLC Puerto Rico 25.05% Full 86 METKA POWER WEST AFRICA LIMITED Nigeria 50.00% Full 87 METKA POWER INVESTMENTS Cyprus 50.00% Full 88 METKA POWER INVESTMENTS Cyprus 50.00% Full 89 HIGH POINT SOLAR LIMITED England 25.05%	74	FTHIOTIKI ENERGY S.A.	Greece	35.00%	Equity
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	91	NORTH TENEMENT SOLAR LIMITED	England	25.05%	Full
93 INTERNATIONAL POWER SUPPLY AD Bulgaria 5.00% Equity	92	SEL PV 09 LIMITED	England	25.05%	Full
	93	INTERNATIONAL POWER SUPPLY AD	Bulgaria	5.00%	Equity

3.10.1 Foundation & Acquisition

- In April 2016, the 100% Group's subsidiary company ALUMINIUM OF GREECE S.A., has acquired the 100% of the subsidiary company REYCOM RECYCLING (REYCOM) in Romania.
- On 07/06/2016, the 50% Group's subsidiary company, METKA S.A., founded METKA POWER WEST AFRICA LIMITED in Nigeria, in which she's a shareholder of 100%. The incorporation of the foresaid company in the consolidated financial statements was made using the full consolidation method.
- On 04/09/2016, the 50% Group's subsidiary company, METKA S.A., founded METKA INTERNATIONAL LTD in UNITED ARAB EMIRATES, in which she's a shareholder of 100%. The incorporation of the foresaid company in the consolidated financial statements was made using the full consolidation method.
- On 16/11/2016, the 50% Group's subsidiary company, METKA S.A., founded METKA POWER INVESTMENTS in Cyprus, in which she's a shareholder of 100%. The incorporation of the foresaid company in the consolidated financial statements was made using the full consolidation method.
- On 15/12/2016, the 50% Group's subsidiary company, METKA S.A., acquired INTERNATIONAL POWER SUPPLY AD incorporated in Bulgaria, in which she's a shareholder of 10%. The incorporation of the foresaid company in the consolidated financial statements was made using the equity consolidation method (note 3.10.4).
- In December 2016, the subsidiary METKA EGN, in which the Group's subsidiary METKA S.A. holds a 50.1% stake, proceeded to the acquisition of a 100% stake in four (4) companies based in England, namely HIGH POINT SOLAR LIMITED (on 02/12/2016), GREEN LANE SOLAR LIMITED (on 01/12/2016), SEL PV 09 LIMITED (on 23/12/2016) and NORTH TENEMENT SOLAR LIMITED (on 29/12/2016). The only asset held by these companies, which were fully consolidated in the consolidated financial statements, are permits for the construction of photovoltaic parks. The purpose of this acquisition is the engineering, procurement and construction of four photovoltaic parks and their subsequent resale upon completion of construction to prospective buyers, based on non-binding preliminary contracts. When examining the requirements of IFRS 3, it was found that the acquired assets and assumed liabilities of these companies do not con-

stitute a "company", as defined in IFRS 3, and therefore are not within the scope of this Standard; thus, these transactions were accounted for as an acquisition of assets. The total acquisition price of the above mentioned companies amounted to € 1,074 th. and a total of € 3,117 th. of assets and € 3,117 th, of liabilities were assumed. No capital gains emerged by these acquisitions. The net cash outflow on acquisition of these investments amounted to € 358 th. Finally, given the fact that these subsidiaries were acquired with the exclusive aim to be resold. they fulfill the definition of terminated activities of IFRS 5. The consolidation of the above mentioned companies did not affect the consolidated Income Statement of 2016, meaning that no results by terminated activities are included as these companies had no activity until the end of the financial period.

3.10.2 Sale and other changes

- On 11/05/2016, the Annual General Meeting of the company's Shareholders resolved, among others, to change the company's business name to "METKA INDUSTRIAL-CONSTRUCTION S.A.", with the distinctive title "METKA".

3.10.3 Important non-controlling interests

On the table below, the analysis of the non-controlling interests in Group's Subsidiaries:

SUBSIDIARY	% of NCI		Total compreh allocate	ensive income d to NCI	Accumulated NCI		
	31/12/2016	31/12/2015	31/12/2016	31/12/2015	31/12/2016	31/12/2015	
GROUP METKA	50%	50%	26,200	34,305	236,793	213,704	
KORINTHOS POWER S.A.	35%	35%	(1,032)	(6,607)	37,757	38,790	
M & M GAS Co S.A.	50%	50%	63	416	1,046	984	

During the years 2016 and 2015 dividends were paid by the Group's subsidiary METKA SA.

 $The \ summarized \ financial \ statements \ of \ the \ Group's \ subsidiary \ companies \ before \ intragroup \ eliminations:$

	ME	ГКА	KORINTHO	OS POWER	M 8	& М
(Amounts in thousands €)	31/12/2016	31/12/2015	31/12/2016	31/12/2015	31/12/2016	31/12/2015
Non-current assets	267,375	271,013	273,709	284,856	328	26
Current assets	878,588	829,634	43,582	39,266	3,434	3,246
Total assets	1,145,963	1,100,647	317,291	324,122	3,762	3,272
Non-current liabilities	90,268	88,934	135,731	142,335	35	31
Current liabilities	455,163	460.698	73,682	70,960	1.635	1.274
Total liabilities	545,431	549.633	209,413	213,295	1,670	1,304
Total habilities	343,431	349,033	209,413	213,233	1,070	1,504
Equity attibutable to owners of the parent	363,739	337,310	70,121	72,038	1,046	984
Non-controlling interests	236,793	213,704	37,757	38,790	1,046	984
(Amounts in thousands €)	31/12/2016	31/12/2015	31/12/2016	31/12/2015	31/12/2016	31/12/2015
Sales	445,098	668,016	96,032	48,111	12,541	8,600
Profit of the year attributable to owners of	29,743	34,924	(2,124)	(12,453)	62.83	416
the parent	23,743	04,024	(2,124)	(12,400)	02.00	410
Profit for the year attibutable to NCI	26,273	34,324	(1,143)	(6,706)	62.83	416
Profit for the year	56,016	69,248	(3,267)	(19,159)	126	832
Other comprehensive income for the	(144)	(38)	318	282	(2)	1
year	,	` '			,	
	-	-	-	-	-	-
Total comprehensive income for the year attributable to owners of the parent	29,671	34,905	(1,917)	(12,270)	61.54	416
Total comprehensive income for the year						
attributable to NCI	26,200	34,305	(1,032)	(6,607)	62.83	416
Total comprehensive income for the	55,871	69,210	(2,949)	(18,877)	124	833
year	00,011	03,210	(2,343)	(10,011)	124	
(Amounts in thousands €)	31/12/2016	31/12/2015	31/12/2016	31/12/2015	31/12/2016	31/12/2015
Net cash from operating activities	66,035	(100,089)	10,872	4,552	165	746
Net cash used in investing activities	(81,185)	5,632	(743)	(239)	(1)	5
Net cash from financing activities	(35,616)	(39,453)	(10,321)	(10,633)	-	-
Net (decrease)/increase in cash and cash equivalents	(50,766)	(133,910)	(192)	(6,320)	164	751

3.10.4 Associate companies

Group's Financial Statements include, with the equity method, the following companies incorporated in Hellas, THERMOREMA S.A. 40% (31.12.2015: 40%), FTHIOTIKI ENERGY S.A. 35,0% (31.12.2015: 35,0%), IONIA ENERGY S.A. (BUSINESS ENERGY TRIZINIA S.A. is included) 49% (31.12.2015: 49%), ELEKTRON WATT S.A. 10% (31.12.2015: 10%). The Group based on the material contribution of the above mentioned associate companies at earnings before taxes notifies below a summarized Income Statement.

(Amounts in thousands €)				
ASSOCIATE	% Participation	Sales	Profit / (Loss) Of The Period	Share Of Profit/ (Loss) For The Period
THERMOREMA S.A.	40%	1,511	(910)	(364)
FTHIOTIKI ENERGY S.A.	35%	616	(93)	(33)
IONIA ENERGY S.A.	49%	1,302	20	10
ELECTRON WATT S.A.	10%	-	5	-
		3,428	(978)	(386)

Moreover, on 15/12/2016, Group's subsidiary company, METKA S.A., bought a percentage of 10% of the company trading under the name "International Power Supply AD", with its seat in Sofia, Bulgaria. The total amount given for the purchase of the above percentage was € 10 million wholly paid on the purchase date.

IPS develops, constructs and procures advanced electric energy electronic systems among which the awarded off–grid energy administration system, Exeron. IPS has supplied its advanced technology products to more than 50 countries worldwide with significant experience in solutions under extreme environmental conditions – from the high desert temperatures to isolated stations in the Antarctic.

Under the present investment, METKA acquired the exclusive rights of the Exeron system in many of the existent and of high importance markets where it is active as well as the option to increase its share in the company by another 10% under the same mechanism and cash contribution, while IPS and METKA will seek for significant worldwide opportunities in the area of off–grid electric energy.

Said company is included in the consolidated Financial statements of METKA Group with the net position method since 15/12/2016, as a joint venture under IFRS 11 and following a relevant agreement with the other shareholders which gives METKA the "joint control" of the company.

The value of goodwill of \in 9,614 thousands as a result of the acquisition of IPS, it is incorporated in the acquisition value of the participation under the account "Investment in Affiliates" of the Group and corporate Balance Sheet.

In Group results for the presented period and specifically under the account "Profits/(Losses) by Affiliated companies, IPS result for the period 15/12/2016 – 31/12/2016 which is a profit of \in 0.4 thousands has been incorporated. If IPS was consolidated since 01/01/2016 an additional profit of \in 10.6 thousands would have been included.

3.11 Significant information

• On 31/12/2014 the transitional Capacity Assurance mechanism expired. A new Flexibility Remuneration Mechanism, was expected to come into force from 1/1/2015. However and despite the fact that the public consultation process had been completed from January 2015, the final information required by the DG Competition of the EU were sent with a significant delay (September 2015) by the Greek authorities. Said delay had as result the lapse of time required to set the new mechanism in force for the year 2015. Consequently, the EBITDA of Mytilineos Group for 2015, are reduced by the amount of approximately 44 mio €.

The transitional Flexibility Remuneration Mechanism was enacted and entered into force from 1.5.2016, following the decision of the European Commission No. C (2016) 1791 final dated 31.3.2016, through the article 150 of L. 4389/2016 in

accordance to the provisions set in the 3rd Memorandum between the Hellenic Republic and the Institutions, as embodied in the L. 4336/2015.

According to the provisions of the aforementioned article, the duration of the new transitional Flexibility Remuneration Mechanism is set for twelve months, meaning up to 30.4.2017 (unless a new permanent Capacity and/or Flexibility Mechanism comes into force at an earlier date).

The remuneration of the transitional Flexibility Mechanism has been set to forty five thousand (45.000) euros per MW of net installed capacity with a cap of fifteen million (15.000.000) euros per power plant.

The consultation held by the Regulating Authority for Energy (RAE) regarding the implementation of the transitional Flexibility Remuneration Mechanism was completed as of 18.7.2016. The Law expressly stipulates that the remuneration provided by said mechanism is guaranteed from 1.5.2016, but will be collected from the entitled producers after they have been registered in the Flexible Plants Registry. It is noted that if said mechanism was put into force from 1.1.2016, the EBITDA of Mytilineos Group would have been increased by 12,6mil €.

• The shareholder of the Romanian company "REYCOM RECYCLING S.A." ("Reycom") and the Board of Directors of the Greek company "ALUMIN-IUM OF GREECE INDUSTRIAL AND COMMERCIAL SOCIETE ANONYME ICSA" ("AoG") respectively resolved on 30/05/2016 the merger of Reycom and AoG by way of AoG (hereinafter the "Absorbing Company") absorbing Reycom (hereinafter the "Absorbed Company").

The Cross Border Merger will strengthen the Absorbing Company offering AoG the opportunity to diversify its sources of revenue as well as its exposure to commodity prices which is currently concentrated on Aluminium. By being able to produce Zn and Pb alongside Aluminium, Absorbing Company will diversify its sources of revenue at a time that the price of its current product (Aluminium) is experiencing increased pressure in the commodity markets.

At the same time, AoG will be able to obtain valuable know-how in the recycling of metallurgical waste thus enhancing its knowledge-base on environmental compliance in all markets in which Absorbing Company operates.

The Cross Border Merger was completed and approved by the Business Registry in Greece on 29/11/2016.

 Long-term electricity supply agreement between the PPC and Aluminium of Greece

The subsidiary Aluminium of Greece (AoG) signed a seven (7) years Power Purchase Agreement (PPA) with Public Power Corporation S.A. (PPC) on 20/10/2016. The exact tenor covers the years 2014-2020. Said PPA is the outcome of intense and long lasting negotiations and discussions between the parties while it settles down any confrontation between AoG and PPC. Said PPA, among other terms, provides for a down payment of 100mio € from AoG to PPC, to be amortized with electricity consumption for the period 1.7.2016 to 30.6.2017. Further to that, the PPA provides also for a down payment equal to a 30% of the total value for electricity and capacity (leaving out grid charges, other regulated charges and taxes) for each contractual year starting 1/7/2017, with contractual year being the following periods: 1.7.2016-30.6.2017, 1.7.2017-30.6.2018, 1.7.2018-30.6.2019, 1.7.2019-30.6.2020. Said down payment is to be amortized during the twelve months of the respective contractual year. Finally, a commercial clause was also agreed in favor of the PPC as such: in the event of an increase of Aluminium prices in the London Metal Exchange (LME) above the levels prevailing at the time of signing of the PPA, PPC will receive a bonus on the price; yet in case of a price decline PPC will incur no penalty.

- In June, MYTILINEOS Group and OTE Group announced a strategic partnership in the retail electricity market. In this framework, COSMOTE and Germanos stores enrich their customer services portfolio with electricity supply from PROTERGIA, the largest independent electricity producer in Greece. Meanwhile, PROTERGIA strengthens its points of sale and promotion network, making its products available across Greece through more than 450 COSMOTE and Germanos stores.
- METKA's New EPC project in GHANA

METKA S.A. announced the signature of a new EPC contract with Amandi Energy Limited for a new power plant in Ghana. The contract signature took place in London on 11 March 2016. The project will be executed by METKA in consortium with General Electric, and includes the engineering, procurement, construction and commissioning of a 192MW combined cycle power plant in Takoradi. The plant will be implemented with capability to operate on both natural gas and light crude oil, and will utilize the latest advanced version of General Electric's well proven 9E gas turbine. The project will be constructed in 28 months. The contract value for METKA is approximately \$174 million.

Strategic Partnership in the Off-grid power sector

METKA S.A. announced that it had entered into a strategic partnership with International Power Supply (IPS), the manufacturer of the award-winning Exeron off-grid power system. Off-grid applications represent a quickly growing segment of the global power solutions market, driven by the continually improving economics of solar PV and battery storage technology. Under the agreement METKA will become a strategic investor in IPS with a 10% stake by means of capital increase by euro10mio, enabling the company to fund a significant expansion of its production capacity, and to further develop its market leading position in off-grid power applications globally and cash contribution, while IPS and METKA will jointly pursue major off-grid power opportunities around the world.

• On 14.12.2016, the Boards of Directors of the companies "MYTILINEOS HOLDINGS S.A." ("MYTILINEOS"), "METKA INDUSTRIAL – CONSTRUCTION SOCIETE ANONYME" ("METKA"), "ALUMINIUM OF GREECE INDUSTRIAL AND COMMERCIAL SOCIETE ANONYME" ("AoG"), "PROTERGIA POWER GENERATION AND SUPPLIES SOCIETE ANONYME" ("Protergia") and "PROTERGIA AGIOS NIKOLAOS POWER SOCIETE ANONYME OF GENERATION AND SUPPLY OF ELECTRICITY" ("Protergia Thermo") announced that they have decided to commence the process of the merger into a single entity by absorption of METKA, AoG, Protergia and Protergia Thermo by MYTILINEOS.

The contemplated restructuring will simplify the Group's structure and will result in synergies from both an operational and financial standpoint. The new, flexible structure will benefit from a significant reduction of financial cost, economies of scale, optimization of procurement, homogenization and improved management of human capital and the sharing of expertise, knowledge and best practice across the various divisions of the new entity. The new, flexible and simplified structure will grant greater financial flexibility, allowing the diversification of the new merged company's cash flow and the strengthening of its balance sheet. This will enable the optimal allocation of capital towards investments offering the highest returns, enhanced by the robust financial strength of the new entity.

The intended corporate restructuring is expected to be completed by no later than 30/08/2017 and to be accretive to near term earnings as well as create value for all shareholders.

In accordance with the provisions of Regulation (EU) 596/2014, the assessment of the Boards of Directors of MYTILINEOS and METKA regarding the exchange ratio, which remains subject to the approval by the General Meeting of shareholders of each of the merging companies, is hereby announced. Specifically, it is proposed that METKA's shareholders will receive 1 common listed MYTILINEOS share with voting rights, each with a nominal value of €0.97, for each METKA share, with voting rights and nominal value of €0.32, they hold.

Pursuant to article 4.1.4.1.3 of the Athens Exchange Rulebook, as applicable, the Absorbing Company MYTILINEOS and the Absorbed Company METKA engaged Nomura International Plc and Barclays Bank Plc respectively, the latter acting through its Investment Bank, for an opinion as to the fairness and reasonableness of the proposed share exchange ratio. Further, the Merging Companies jointly engaged certified public accountants Messrs. Antonios A. Prokopidis, a member of the Institute of Certified Public Accountants (SOEL) under Reg. No. 14511, and Dimos N. Pitelis, a SOEL member under Reg. No. 14481, both of "PKF Euroauditing S.A.", a Certified Public Accountants Firm having its registered office in Athens, at 124 Kifissias Avenue, Postal Code 11526, such firm being entered in the Special Registry provided for in para. 5 of article 13 of Presidential Decree 226/1992 under SOEL Reg.

No. 132, to prepare a report on the appraisal of the value of assets of the Merging Companies and to provide an opinion as to the fairness and reasonableness of the proposed share exchange ratio, pursuant to the provisions of article 9, para. 4, and article 71 of Codified Law 2190/1920.

Lazard & Co. Limited ("Lazard") has been appointed as sole financial advisor to MYTILINEOS, while Eurobank Ergasias SA will act as Process Adviser with regard to the issue of the new shares. Finally, McKinsey & Company has been appointed to support the operational migration of the merged entities.

The merger, as decided in principle by the Boards of Directors of the merging companies, will bear the transformation balance sheet date of 31.12.2016 and will be executed in accordance with the provisions and exemptions of Law 4172/2013, article 61 of Law 4438/2016, Articles 69 et seq. of Law 2190/1920 and Greek corporate law in general.

In implementation of the internationally accepted valuation methods: namely, in respect of the report delivered by Nomura International Plc to the Absorbing Company, valuation based on (a) discounted cash flow, (b) broker target share prices, (c) financial multiples - trading comparables, (d) financial multiples - transaction comparables, and (e) technical multiples - trading and transaction comparables; in respect of the report delivered by Barclays Bank Plc to Absorbed Company A, valuation based on (a) the unlevered discounted cash flow "UDCF", and (b) financial multiples - trading comparables; and, in respect of the report delivered by Certified Public Accountants Messrs. Antonios A. Prokopidis and Dimos N. Pitelis, both of "PKF Euroauditing S.A.", valuation based on (a) discounted cash flow, and (b) financial multiples - trading comparables, and on the basis of the respective reports by Nomura, Barclays and PKF, the proposed share exchange ratio of 1 to 1 for METKA shares to MYTILINEOS shares was considered to be fair and reasonable. Therefore, the ratio for the exchange of METKA shares to MYTILINEOS shares, which METKA shareholders shall receive as a result of the merger, is agreed as follows: for every one (1) common registered voting share of a nominal value of thirty two eurocents (€0.32) in METKA its holder shall receive one (1) common, registered voting share of a nominal value of ninety seven eurocents (€0.97) in the share capital of MYTILINEOS.

3.12 Financial instruments

Financial instrument is any contract that creates a financial asset in an enterprise and a financial liability or Equity instrument in another.

The financial instruments of the Group are classified in the following categories according to the substance of the contract and the purpose for which they were purchased.

i) Financial instruments valued at fair value through the income statement

These comprise assets that satisfy any of the following conditions:

- Financial assets that are held for trading purposes (including derivatives, except those that are designated and effective hedging instruments, those that are acquired or incurred for the purpose of sale or repurchase and, finally, those that are part of a portfolio of designated financial instruments).
- Upon initial recognition it is designated by the company as an instrument valued at fair value, with any changes recognized through the Income Statement.

In the Balance-sheet of the Group the exchanges and the assessment at fair value of derivatives they are portrayed in separate items of Asset and Liabilities with titled « Derivatives Financial Assets ». The changes at fair value of derivatives are registered in income statement.

ii) Loans and receivables

They include non-derivative financial assets with fixed or predefined payments which are not traded in active markets. The following are not included in this category (loans and receivables):

- a) Receivables from down payments for the purchase of goods or services,
- b) Receivables relating to tax transactions, which have been legislatively imposed by the state,
- c) Any receivable not covered by a contract which gives the company the right to receive cash or other financial fixed assets.

Loans and receivables are included in current assets, except those with a maturity date exceeding 12 months from the balance sheet date. The latter are included in the non-current assets.

iii) Investments held to maturity

These include non-derivative financial assets with fixed or defined payments and specific maturity and which the Group intends to hold until their maturity. The Group did not hold investments of this category.

iv) Financial assets available for sale

These include non-derivative financial assets that are either designated as such or cannot be included in any of the previous categories.

Financial assets available for sale are valued at fair value and the relevant profit or loss is booked in Equity reserves until such assets are sold or characterized as impaired.

During the sale, or when they are characterized as impaired, the profit or loss is transferred to the results. Impairment losses that have been booked to the results are not reversed through the results. The purchases and sales of investments are recognized during the transaction date, which is also the date the Group commits to purchase or sell the item. Investments are initially recognized at fair value plus costs directly related to the transaction. Costs directly related to the transaction are not added for items valued at fair value through the income statement. Investments are written-off when the right on cash flows from investments mature or is transferred and the Group has essentially transferred all the risks and rewards implied by the ownership.

The loans and receivables are recognized in amortized cost using the effective interest method.

The realized and unrealized profits or losses arising from changes in the fair value of financial assets valued at fair value through the income statement, are recognized in the profit and loss of the period they occur.

The fair values of financial assets that are traded in active markets, are defined by their prices. For non-traded assets, fair values are defined with the use of valuation techniques such as analysis of recent transactions, comparative items that are traded and discounted cash flows. The securities that are not traded in an active market that have been classified in the category Financial assets available for sale, and whose fair value cannot be determined in an accurate and reliable way, are valued at their acquisition cost.

At each balance sheet date the Group assess whether there are objective indications that lead to the conclusion that financial assets have been impaired. For company shares that have been classified as financial assets available for sale, such an indication consists of a significant or extended decline in the fair value compared to the acquisition cost. If impairment is established, any accumulated loss in Equity, which is the difference between acquisition cost and fair value, is transferred to the results.

3.13 Inventories

At the balance sheet date, inventories are valued at the lower of acquisition cost and net realizable value. Net realizable value is the estimated sales price during the normal course of the company's business less any relevant sales expenses. The cost of inventories does not include financial expenses.

3.14 Trade receivables

Receivables from customers are initially booked at their fair value and are subsequently valued at their amortized cost using the method of the effective interest rate, less the provision for impairment. In the event that the amortized cost or the cost of a financial asset exceeds the present value, then this asset is valued at its recoverable amount, i.e. at the present value of the future cash flows of the asset, which is calculated using the real initial interest rate.

The relevant loss is immediately transferred to the period's profit and loss. The impairment losses, i.e. when there is objective evidence that the Group is unable to collect all the amounts owed based on the contractual terms, are recognized in the income statement.

3.15 Cash and cash equivalents

Cash and cash equivalents include cash in the bank and in hand as well as short term highly liquid investments such as money market products and bank deposits.

3.16 Non-current assets classified as Held for sale

The assets available for sale also include other assets (including Goodwill) and tangible fixed assets that the Group intends to sell within one year from the date they are classified as "Held for sale".

The assets classified as "Held for sale" are valued at the lowest value between their book value immediately prior to their classification as available for sale, and their fair value less the sale cost. Assets classified as "Held for sale" are not subject to depreciation. The profit or loss that results from the sale and reassessment of assets "Held for sale" is included in "other income" and "other expenses" respectively, in the income statement.

3.17 Share capital

Expenses incurred for the issuance of shares reduce, after deducting the relevant income tax, the proceeds from the issue. Expenses related to the issuance of shares for the purchase of companies are included in the acquisition cost of the company acquired.

Where any Group company purchases the Company's equity share capital (Treasury shares), the consideration paid, including any directly attributable incremental costs is deducted from equity attributable to the Company's equity holders until the shares are cancelled,

reissued or disposed of. Where such shares are subsequently sold or reissued, any consideration received, net of any directly attributable incremental transaction costs, is included in equity attributable to the Company's equity holders. Treasury stock does not hold any voting rights.

3.18 Income tax & deferred tax

The tax for the period comprises current income tax and deferred tax, i.e. the tax charges or tax credits that are associated with economic benefits accruing in the period but have been assessed by the tax authorities in different periods. Income tax is recognized in the income statement of the period, except for the tax relating to transactions that have been booked directly to Equity. In such case the related tax is, accordingly, booked directly to Equity.

Current income taxes include the short-term liabilities or receivables from the fiscal authorities that relate to taxes payable on the taxable income of the period and any additional income taxes from previous periods (tax audit differences).

Current taxes are measured according to the tax rates and tax laws prevailing during the financial years to which they relate, based on the taxable profit for the year. All changes to the short-term tax assets or liabilities are recognized as part of the tax expense in the income statement.

Deferred income tax is determined according to the liability method which results from the temporary differences between the book value and the tax base of assets or liabilities. Deferred tax is not booked if it results from the initial recognition of an asset or liability in a transaction, except for a business combination, which when it occurred did not affect neither the accounting nor the tax profit or loss.

Deferred tax assets and liabilities are valued based on the tax rates that are expected to be in effect during the period in which the asset or liability will be settled, taking into consideration the tax rates (and tax laws) that have been put into effect or are essentially in effect up until the balance sheet date. In the event where it is impossible to identify the timing of the reversal of the temporary differences, the tax rate in effect on the day after the balance sheet date is used.

Deferred tax assets are recognized to the extent that there will be a future tax profit to be set against the temporary difference that creates the deferred tax asset.

Deferred income tax is recognized for the temporary differences that result from investments in subsidiaries and associates, except for the case where the reversal of the temporary differences is controlled by the Group and it is possible that the temporary differences will not be reversed in the foreseeable future.

Most changes in the deferred tax assets or liabilities are recognized as part of the tax expense in the in-

come statement. Only changes in assets or liabilities that affect the temporary differences are recognized directly in the Equity of the Group, such as the revaluation of property value, that results in the relevant change in deferred tax assets or liabilities being charged against the relevant Equity account.

3.19 Employee benefits

Short-term benefits: Short-term employee benefits (except post-employment benefits) monetary and in kind are recognized as an expense when they accrue. Any unpaid amount is booked as a liability, while in the case where the amount paid exceeds the amount of services rendered, the company recognizes the excess amount as an asset (prepaid expense) only to the extent that the prepayment will lead to a reduction of future payments or to reimbursement.

Post-employment benefits: Post-employment benefits comprise pensions or other benefits (life insurance and medical insurance) the company provides after retirement as an exchange for the employees' service with the company. Thus, such benefits include defined contribution schemes as well as defined benefits schemes. The accrued cost of defined contribution schemes is booked as an expense in the period it refers to. Pension plan chosen by the Group are partially financed through payments to insurance companies or government social security institutions.

• Defined contribution scheme

According to the defined contributions scheme, the (legal or implied) obligation of the company is limited to the amount that it has been agreed that it will contribute to the entity (i.e. pension fund) that manages the contributions and provides the benefits. Thus the amount of benefits the employee will receive depends on the amount the company will pay (or even the employee) and from the paid investments of such contributions.

The payable contribution from the company to a defined contribution scheme, is either recognized as a liability after the deduction of the paid contribution, or as an expense.

Defined benefits scheme

According to laws 2112/20 and 4093/2012 the Company pays to their personnel benefits for employment termination or retirement. The benefits are related to, employment years, remuneration amount and whether the employment was terminated or due to retirement. The maturity of the right to participate to these schemes, usually depends upon service years of the employee till retirement. The liability that is reported in the balance sheet with respect to this scheme is the present value of the liability for the defined benefit less the fair value of the scheme's assets (if there are such) and the changes that arise from any actuarial profit or loss and the service cost. The commitment of the defined benefit is calculated annually by an independent actuary with the use of the projected unit credit method. For discounting 2016 the selected interest rate is related to the tendency of iBoxx AA Corporate Overall 10+ EUR indices, consistent to IAS19 guidelines and suitable for long term provisions that consists of bonds corresponding to the currency and the duration relative to employees' benefits. A defined contribution scheme, defines based on several parameters such as age, service years, remuneration amount, certain obligations for defined benefits. The provisions relating to the period are included in personnel cost at company and Group P&L statements and consist of current and past employment cost, the pertinent financial cost, the actuarial gain or loss as well as any additional charges. Regarding not recognized actuarial gain or loss, amended IAS19R is adopted, that includes a series of amendments regarding accounting treatment of defined benefits scheme, amongst other:

- recognition of actuarial profit/(loss) in other comprehensive income statement
- non-recognition of annual return on benefits scheme in profit and loss accounts

- recognition of interest rate in liability account based on discount rate used in employee compensation program.

Benefits for employment termination: Termination benefits are payable when employment is terminated before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group books these benefits when it is committed, either when it terminates the employment of existing employees according to a detailed formal plan for which there is no withdrawal possibility, or when it provides such benefits as an incentive for voluntary redundancy. When such benefits are deemed payable in periods that exceed twelve months from the Balance Sheet date, then they must be discounted based on the yields of investment grade corporate or government bonds.

In the case of an offer that is made to encourage voluntary redundancy, the valuation of benefits for employment termination must be based on the number of employees that are expected to accept the offer.

In case of an employment termination where there is inability to assess the number of employees to use such benefits, a disclosure for a contingent liability is made but no accounting treatment is followed.

3.20 Grants

The Group recognizes Government Grants that cumulatively satisfy the following criteria:

- a) There is reasonable certainty that the company has complied or will comply to the conditions of the grant and
- b) it is probable that the amount of the grant will be received.

Government Grants are booked at fair value and are systematically recognized as revenues according to the principle of matching the grants with the corresponding costs that they are subsidizing.

Government Grants that relate to assets are included in long-term liabilities as deferred income and are recognized systematically and rationally as revenues over the useful life of the fixed asset.

3.21 Provisions

Provisions are recognized when the Group has present obligations (legal or constructive) as a result of past events, their settlement through an outflow of resources is probable and the exact amount of the obligation can be reliably estimated. Provisions are reviewed during the date when each balance sheet is compiled so that they may reflect the present value of the outflow that is expected to be required for the settlement of the obligation. Contingent liabilities are not recognized in the financial statements but are disclosed, except if the probability that there will

be an outflow of resources that embody economic benefits is very small. Contingent claims are not recognized in the financial statements but are disclosed provided that the inflow of economic benefits is probable.

3.22 Recognition of income and expenses

Income: Income includes the fair value of goods and services sold, net of Value Added Tax, discounts and returns. Intercompany revenue within the Group is eliminated completely. The recognition of revenue is done as follows:

- **Construction Projects Contracts:** The income from the execution of construction contracts is accounted for in the period the project is constructed, based on its completion stage.
- **Sale of goods**: Sales of goods are recognized when the Group transfers goods to customers, the goods are accepted by them and the collection of the resulting claim is reasonably assured.
- **Provision of services**: Income from the provision of services is accounted for in the period during which the services are rendered, based on the stage of completion of the service in relation to the total services to be rendered.
- Income from assigned rights for use of tangible assets (Compensative benefits): The fair value of the assigned rights is recognized as deferred income and are amortized through the income statement according to the completion of the contracts for which these rights have been assigned.
- **Income Interest**: Interest income is recognized on a time proportion basis using the effective interest rate. When there is impairment of assets, their book value is reduced to their recoverable amount which is the present value of the expected future cash flows discounted using the initial real interest rate. Interest is then booked using the same interest rate calculated on the impaired (new book) value.
- **Dividends**: Dividends are accounted for as revenue when the right to receive payment is established.

Expenses: Expenses are recognized in the results on an accrued basis. The payments made for operating leases are transferred to the results as an expense, during the time the lease is used. Interest expenses are recognized on an accrued basis.

3.23 Leases

Group company as Lessee: Leases of fixed assets with which all the risks and benefits related with ownership of an asset are transferred to the Group, regardless of whether the title of ownership of the asset is eventually transferred or not, are finance leases.

These leases are capitalized at the inception of the lease at the lower of the fair value of the asset and the present value of the minimum lease payments. Each lease payment is apportioned between the reduction of the liability and the finance charge so that a fixed interest rate on the remaining financial liability is achieved. The relevant liabilities from leases, net of financial expenses, are reported as liabilities. The part of the financial expense that relates to finance leases is recognized in the income statement during the term of the lease. Fixed assets acquired through finance leases are depreciated over the shorter of their useful life and the lease term.

Lease agreements where the lessor transfers the right of use of an asset for an agreed period of time, without transferring, however, the

risks and rewards of ownership of the fixed asset are classified as operating leases. Payments made with respect to operating leases (net of any incentives offered by the lessor) are recognised in the income statement proportionately throughout the term of the lease.

Group Company as lessor: When fixed assets are leased through financial leasing, the present value of the lease is recognized as a receivable. The difference between the gross amount of the receivable and its present value is registered as a deferred financial income. The income from the lease is recognized in the period's results during the lease using the net investment method, which represents a constant periodic return.

Fixed assets that are leased through operating leases are included in the balance sheet's tangible assets. They are depreciated during their expected useful life on a basis consistent with similar selfowned tangible assets. The income from the lease (net of possible incentives given to the lessees) is recognized using the constant method during the period of the lease.

3.24 Construction contracts

Construction contracts refer to the construction of assets or a group of affiliated assets specifically for customers according to the terms provided for in the relevant contracts and whose execution usually lasts for a period of over one fiscal year.

The expenses that refer to the contract are recognized when occur.

In the case where the result of one construction contract may not by reliably valuated, and especially in the case where the project is at a premature state, then:

- The income must be recognized only to the extent that the contractual cost may be recovered, and
- The contractual cost must be recognized in the expenses of the period in which it was undertaken.

Thus, for such contracts income is recognized in order for the profit from the specific project to equal zero.

When the result of a construction contract can be valuated reliably, the contract's income and expenses are recognized during the contract's duration, respectively as income and expense.

The Group uses the "percentage of completion" method to define the appropriate income and expense amount that will be recognized in a specific period.

The completion stage is measured based on the contractual cost that has been realized up to the balance sheet date compared to the total estimated construction cost of each project.

When it is likely for the total contract cost to exceed the total income, then the expected loss is directly recognized in the period's results as an expense.

For the calculation of the cost realized until the end of the period, any expenses related to future activities regarding the contract are excluded and appear as a project under construction. The total cost that was realized and the profit/loss that was recognized for each contract is compared with the progressive invoices until the end of the period.

When the realized expenses plus the net profit (less the losses) that have been recognized, exceed the progressive invoices, the difference appears as a receivable from construction contract customers in the account "Customers and other receivables". When the progressive invoices exceed the realized expenses plus the net profit (less the losses) that have been recognized, the balance appears as a liability towards construction contract customers in the account "Suppliers and other liabilities".

3.25 Dividend distribution

The distribution of dividends to the shareholders of the parent company is recognized as a liability in the consolidated financial statements at the date on which the distribution is approved by the General Meeting of the shareholders.

3.26 Proforma figure "Operating Earnings before Financial & Investment results, Tax, Depreciation & Amortization" (Group EBITDA)

Pro forma figures (EBITDA, EBITDA margin, free cash flow, net debt) are not governed by the International Financial Reporting Standards (IFRS). Thus, these figures are calculated and presented by the Group in a way that provides a more fair view of the financial performance of its Business Sectors. The Group defines "Group EBITDA" as the Operating Earnings before any interest income and expenses, investment results, depreciation, amortization and before the effects of any special factors. "Group EBITDA" is an important indicator used by Mytilineos Group to manage the Group's operating activities and to measure the performance of the individual segments.

The special factors that affect the Group's net profit / (losses) and EBITDA are the following:

- The Group's share in the EBITDA of associates when these are active in one of its reported Business Segments.
- The Group's share on the profit from the construction of fixed assets on account of subsidiaries and associates when these are active in one of its reported Business Segments.

It is noted that the Group financial statements, prepared according to IAS 1 and IAS 28, include:

The Group's profit realized in connection with the construction of fixed assets on account of subsidiaries and associates, when these are active in one of its reported Business Segments. Such profits are deducted from the Group's equity and fixed assets and released in the Group accounts over the same period as depreciation is charged. Consequently, for the calculation of EBITDA (operational results before depreciation), the Group does not eliminate the profit from the construction of fixed assets as its recovery through their use will effect only the profit after depreciation.

The Group states that the calculation of "Group EBITDA" may differ from the calculation method used by other companies/groups. However, "Group EBITDA" is calculated with consistency in each financial reporting period and any other financial analysis presented by the Group. Specifically financial results contain interest income/expense, while investment results contain gains/loss of financial assets at fair value through profit and loss, share of results in associates compa-

nies and gains/losses from the disposal of financial assets (such as subsidiaries and associates).

Finally, the proforma figure "Group EBITDA" should not be confused with the figure "Earnings before income tax, financial results, depreciation and amortization" calculated for the purposes of 6/448/11.10.2007 resolution of the Hellenic Capital Committee, according to Circular No. 34, as the purpose of the latter is not to define proforma figures like EBITDA despite the familiar terminology used.

3.27 CO₂ emission Liability

CO₂ emissions are recognized according to the net liability approach through which, the Group recognizes liabilities from CO₂ emissions when the actual emissions exceed the distributed emission rights from E.U. The liability is measured at fair value to the extent that the Group has the obligation of covering the deficit through the market. Emission rights acquired over the required quantities for covering the deficit are recognized as intangible assets at cost.

3.28 Hedging Accounting

The Group uses Derivative financial instruments such as Commodity Futures and Currency Forwards in order to mitigate the risk related to its business activities along with the risk related to the funding of such activities.

At inception of the hedging transaction, the Group validates the hedging relationship between the underlying and the hedging instrument as far as its risk management strategy is concerned. The Group also verifies the hedging efficiency from the beginning of the hedging relationship and on a continuing basis. All derivative financial instruments are initially recognized at fair value as at the date of settlement and are valued on a mark - to - market basis on each balance sheet date. The result of this valuation is recognized as an asset when positive and as a liability when negative.

When a derivative financial instrument is no longer regarded as hedging instrument any difference in its fair value is recognized in profit and loss.

There are three kinds of hedges:

A. Fair Value Hedging

Fair value hedging is regarded when hedging the exposure in the fluctuations of the fair value of a recognized asset, liability, contingent liability or part of them that could have a negative impact on results. When hedging accounting, concerning fair value hedge, is followed then any profit or loss from revaluation is recognized in profit and loss.

B. Cash Flow Hedging

The Group enters into Cash Flow Hedging transactions in order to cover the risks that cause fluctua-

tions in its cash flows and arise either from an asset or a liability or a forecasted transaction.

On revaluation of open positions, the effective part of the hedging instrument is recognized directly in Equity as "Hedging Reserve" while the ineffective part is recognized in Profit & Loss. The amounts recognized in Equity are transferred in profit and loss at the same time as the underlying.

When a hedging instrument has expired, sold, settled or does not qualify for hedging accounting all accumulated profit or loss recognized in Equity, stays in Equity until the final settlement of the underlying. If the underlying is not expected to be settled then any profit or loss recognized in Equity is transferred to profit and loss account.

C. Hedging of a Net Investment

Hedging of a foreign investment is regarded for accounting purposes in a way similar to cash flow hedging.

The effective part of the hedging result is recognized directly in Equity while any ineffective part is recognized in profit and loss. Accumulated profit or loss recognized in Equity is transferred in profit and loss account at the time of disposal of the investment.

Determination of Fair Value

The fair value of financial instruments trading in an active market is defined by the published prices as of the date of the financial statements.

The fair value of financial instruments not traded in active market is defined through the use of valuation techniques and assumptions based on relevant market information as of the date of the financial statements

4. Notes on the financial Statements

4.1 Tangible assets

MYTILINEOS GROUP

(Amounts in thousands €)	Land & Buildings	Vehicles & mechanical equipment	Furniture and other equipment	Tangible assets under construction	Total
Gross Book Value	389,660	1,384,596	32,822	41,630	1,848,709
Accumulated depreciation and/or impairment	(79,427)	(681,291)	(24,633)	-	(785,352)
Net Book Value as at 1/1/2015	310,233	703,305	8,189	41,630	1,063,357
Gross Book Value	398,105	1,417,786	33,839	56,646	1,906,376
Accumulated depreciation and/or impairment	(86,814)	(723,259)	(25,928)	-	(836,002)
Net Book Value as at 31/12/2015	311,291	694,527	7,911	56,646	1,070,375
Gross Book Value	406,756	1,493,965	35,222	35,352	1,971,295
Accumulated depreciation and/or impairment	(94,249)	(772,864)	(27,368)	(3,559)	(898,039)
Net Book Value as at 31/12/2016	312,507	721,101	7,854	31,793	1,073,255

(Amounts in thousands €)	Land & Buildings	Vehicles & mechanical equipment	Furniture and other equipment	Tangible assets under construction	Total
Net Book Value as at 1/1/2015	310,233	703,305	8,189	41,630	1,063,357
Additions	3,779	35,843	812	35,264	75,698
Sales - Reductions	(22)	(14,574)	(9)	(384)	(14,989)
Depreciation	(7,411)	(47,219)	(1,402)	-	(56,033)
Reclassifications	2,357	17,160	329	(20,400)	(554)
Net Foreign Exchange Differences	2,356	13	(9)	536	2,896
Net Book Value as at 31/12/2015	311,291	694,527	7,911	56,646	1,070,375
Additions	4,723	48,209	530	20,881	74,343
Sales - Reductions	(29)	(114)	(17)	(1,282)	(1,441)
Depreciation	(7,434)	(56,022)	(1,491)	(3,559)	(68,505)
Reclassifications	3,411	34,501	930	(40,895)	(2,053)
Net Foreign Exchange Differences	544	-	(9)	-	535
Net Book Value as at 31/12/2016	312,507	721,101	7,854	31,793	1,073,255

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MYTILINEOS S.A.

(Amounts in thousands €)	Land & Buildings	Vehicles & mechanical equipment	Furniture and other equipment	Total
Gross Book Value	13,309	479	2,040	15,828
Accumulated depreciation and/or impairment	(3,840)	(365)	(1,698)	(5,904)
Net Book Value as at 1/1/2015	9,469	113	342	9,924
Gross Book Value	13,354	479	2,128	15,960
Accumulated depreciation and/or impairment	(4,047)	(390)	(1,777)	(6,214)
Net Book Value as at 31/12/2015	9,307	88	351	9,746
Gross Book Value	13,354	473	2,199	16,027
Accumulated depreciation and/or impairment	(4,254)	(393)	(1,851)	(6,498)
Net Book Value as at 31/12/2016	9,100	81	348	9,529

(Amounts in thousands €)	Land & Buildings	Vehicles & mechanical equipment	Furniture and other equipment	Total
Net Book Value as at 1/1/2015	9,469	113	342	9,924
Additions	45	-	89	134
Depreciation	(207)	(25)	(80)	(312)
Net Book Value as at 31/12/2015	9,307	88	351	9,746
Additions	-	31	73	104
Sales - Reductions	-	(13)	-	(13)
Depreciation	(207)	(25)	(75)	(308)
Net Book Value as at 31/12/2016	9,100	81	348	9,529

Depreciation charged in profit and loss is analyzed in notes 4.18 and 4.19.

4.2 Goodwill

Goodwill is allocated to the group's cash-generating groups identified according to business segment.

(Amounts in thousands €)	Metallurgy	Constructions	Energy	Total Segment
Gross Book Value	12,889	142,166	54,258	209,313
Accumulated depreciation and/or impairment	-	-	-	-
Net Book Value as at 1/1/2015	12,889	142,166	54,258	209,313
Gross Book Value	12,889	142,166	54,258	209,313
Accumulated depreciation and/or impairment	-	-	-	-
Net Book Value as at 31/12/2015	12,889	142,166	54,258	209,313
Gross Book Value	12,889	142,166	54,258	209,313
Accumulated depreciation and/or impairment	-	-	-	-
Net Book Value as at 31/12/2016	12,889	142,166	54,258	209,313

(Amounts in thousands €)	Metallurgy	Constructions	Energy	Total Segment
Net Book Value as at 1/1/2015	12,889	142,166	54,258	209,313
Additions	-	-	-	-
Sales - Reductions	-	-	-	-
Impairment	-	-	-	-
Exchange Rate Differences	-	-	-	-
Merge Through Acquisition Of Subsidiary	-	-	-	-
Net Book Value as at 31/12/2015	12,889	142,166	54,258	209,313
Additions	-	-	-	-
Sales - Reductions	-	-	-	-
Impairment	-	-	-	-
Exchange Rate Differences	-	-	-	-
Merge Through Acquisition Of Subsidiary	-	-	-	
Net Book Value as at 31/12/2016	12,889	142,166	54,258	209,313

Entity	Goodwill per Cash Generating Units 31/12/2016
METKA INDUSTRIAL-CONSTRUCTION S.A.	141,529,000
KORINTHOS POWER S.A.	20,835,000
PROTERGIA S.A.	14,195,000
RES OF KARYSTIA S.A.	13,559,000
ALUMINIUM OF GREECE S.A.	12,889,000
ANEMORACHI RES S.A.	2,884,000
ANEMODRASI RES S.A.	2,646,000
ELEMKA S.A.	635,000
DROSCO HOLDING LTD	2,000
HELLENIC SOLAR S.A.	138,000
Total	209,313,000

Annual Financial Statemen

Goodwill arising from acquisition, has been allocated in the following Cash Generating Units (CGU) per entity and business operating sector.

The Group performs annually impairment tests for goodwill.

The recoverable amount of the recognized goodwill, related with the separate CGU's, was assessed using value in use and calculated using the DCF method. The "value in use" was determined based on management's best estimate and estimates from international rating agencies on Financial Statement's issue date. No need for impairment arose from impairment tests.

The basic estimates the Group uses to determine the value in use divide in:

- Market prices estimations:
 - Metal/Mineral prices at LME for the metallurgy sector
 - Exchange rate between \$/€ for the metallurgy/constructions/ energy sectors
 - CO2 prices for the metallurgy and energy sector
 - Gas and BRENT prices for the metallurgy/energy sectors

And

- Operating estimations:
 - Raw material prices and equipment for the metallurgy/ constructions sectors
 - Technical KPI's for the production plants of metallurgy and energy sectors
 - Project milestones and completion percentage of construction
 - Cost and time of major inspections for the metallurgy/energy sectors
 - Capacity rate and total demand of energy system for the energy sector

For market prices estimations, Group uses a consensus of estimations from different analysts and publications in Reuters.

For operating estimations, the Group uses past experience or/and real prices of agreements/contracts.

Provisions, which are approved from management as business plan, extend for a five year period. In terms of the energy sector's projects, these plans are extended for a period equal to the period of the production license of each asset (20 years).

Beyond the five year period, Group uses the following growth rates:

Metallurgy sector: 0.5% - 2.5%

Construction sector: 1.5% - 2.5%

• Energy sector: 0.5% - 2.5%

The discount rate Group uses, is the weighted average cost of capital (WACC) of each separate operation, using the Capital Asset Pricing Model (CAPM) and is estimated for each sector as follows:

Metallurgy sector: 9%

• Construction sector: 13% - 14%

Energy sector: 8% - 10%

4.3 Intangible Assets

MYTILINEOS GROUP

(Amounts in thousands €)	Software	Land Restoration	Licenses	Other intangi- ble assets	Total
Gross Book Value	9,485	55,934	232,423	38,048	335,890
Accumulated depreciation and/or impairment	(8,845)	(45,604)	(17,317)	(23,197)	(94,963)
Net Book Value as at 1/1/2015	639	10,330	215,106	14,851	240,927
Gross Book Value	9,900	59,777	232,277	38,392	340,347
Accumulated depreciation and/or impairment	(9,104)	(46,916)	(21,144)	(23,677)	(100,840)
Net Book Value as at 31/12/2015	796	12,861	211,133	14,716	239,506
Gross Book Value	10,471	63,138	235,427	41,841	350,878
Accumulated depreciation and/or impairment	(9,451)	(48,326)	(25,547)	(24,521)	(107,844)
Net Book Value as at 31/12/2016	1,021	14,813	209,880	17,321	243,034

MYTILINEOS GROUP

(Amounts in thousands €)	Software	Land Restoration	Licenses	Other intangi- ble assets	Total
Net Book Value as at 1/1/2015	639	10,330	215,106	14,851	240,927
Additions	130	3,843	96	315	4,384
Sales - Reductions	-	-	(208)	(52)	(260)
Depreciation	(263)	(1,313)	(4,032)	(492)	(6,099)
Reclassifications	290	-	171	94	554
Net Book Value as at 31/12/2015	796	12,861	211,133	14,716	239,506
Additions	574	3,398	66	1,965	6,003
Additions From Acquisition/Consolidation Of Subsidiaries	-	-	2,858	-	2,858
Sales - Reductions	-	(14)	(16)	(310)	(341)
Depreciation	(349)	(1,433)	(4,421)	(844)	(7,046)
Reclassifications	-	-	259	1,793	2,053
Net Book Value as at 31/12/2016	1,021	14,813	209,880	17,321	243,034

MYTILINEOS S.A.

(Amounts in thousands €)	Software	Total
Gross Book Value	1,091	1,091
Accumulated depreciation and/or impairment	(1,019)	(1,019)
Net Book Value as at 1/1/2015	72	72
Gross Book Value	1,120	1,120
Accumulated depreciation and/or impairment	(1,052)	(1,052)
Net Book Value as at 31/12/2015	68	68
Gross Book Value	1,256	1,256
Accumulated depreciation and/or impairment	(1,097)	(1,097)
Net Book Value as at 31/12/2016	159	159

MYTILINEOS S.A.

(Amounts in thousands €)	Software	Total
Net Book Value as at 1/1/2015	72	72
Additions	29	29
Depreciation	(33)	(33)
Net Book Value as at 31/12/2015	68	68
Additions	136	136
Depreciation	(46)	(46)
Net Book Value as at 31/12/2016	159	159

Depreciation charged in profit and loss is analyzed in notes 4.18 and 4.19.

MYTILINEOS S.A.

(Amounts in thousands €)	31/12/2016	31/12/2015
Total Opening	638,057	838,057
Reversal Of Received Dividends	-	(200,000)
Total	638,057	638,057

Below the investments of MYTILINEOS S.A. per subsidiary as at 31/12/2016:

(Amounts in thousands €)	31/12/2016
METKA INDUSTRIAL – CONSTRUCTION S.A	154,560
PROTERGIA S.A.	328,388
ALUMINIUM OF GREECE S.A.	147,617
RENEWABLE SOURCES OF KARYSTIA S.A.	305
ANEMOSTRATA RES S.A.	165
ANEMOSKALA RES S.A.	165
OSTENITIS S.A.	60
M & M GAS Co S.A.	1,000
MYTILINEOS FINANCIAL PARTNERS S.A.	500
GENIKI VIOMICHANIKI S.A.	145
SOMETRA S.A.	4,747
MYTILINEOS FINANCE S.A.	405
Total	638,057

In parent's financial statements, investments in subsidiaries are valued in accordance with IAS 27, at acquisition cost less any accumulated losses from impairment.

The decrease in the investment on subsidiaries in 2015 is related to the capital return of subsidiary company "Aluminium of Greece Industrial and Commercial Societe Anonyme".

4.5 Investments in associates companies

MYTILINEOS GROUP

(Amounts in thousands €)	31/12/2016	31/12/2015
Total Opening	13,201	10,976
Share Of Profit/Loss (After Taxation & Minority Interest)	440	-
Additions	10,000	2,647
Reversal Of Received Dividends	(398)	(421)
Investments In Associates	23,242	13,201

The Group participates in associate companies, which due to significant influence are classified as associates and consolidated by equity method in the consolidated financial statements (the activity and percentage of participation are presented in note 3.10.4). These associate companies are not listed in any Stock Exchange market and therefore there are no market values.

4.6 Deferred tax

MYTILINEOS GROUP

Non- Current Assets (25,395				WITTILINEO	0 011001		
Non- Current Assets (25,395)		1/1/2016			31/12/2016		
Intangible Assets (25,395) 419 - (24,975) 3,167 (28,175) (28,175) (3,167) (28,175) (28,175) (69,28) 1 (45,118) 24,175 (69,28) (69,28) 1 (45,118) 24,175 (69,28) (69,28) 1 (14,852) 121 (14,58) (14,852) 123 (14,58) (14,852) 123 (14,58) (28,58) 123 (14,58) (28,58) 123 (14,58) 123 (14,58) 124 (14,58) 124 (14,58) 124 (14,58) 124 (14,58) 124 (14,58) 124 (14,58) 124 (14,5	(Amounts in thousands €)	At 1st January		Other Compre-			Deferred Tax Liability
Tangible Assets (36,023) (9,095) - (45,118) 24,175 (69,25) (69,25) (69,25) (14,852) (14,85	Non - Current Assets						
Financial Assets Available for Sale (3) - - (3) -	Intangible Assets	(25,395)	419	-	(24,975)	3,167	(28,142)
Long-Term Receivables (13,488) (1,364) - (14,852) 121 (14,51)	Tangible Assets	(36,023)	(9,095)	-	(45,118)	24,175	(69,294)
Investment to subsidiaries (38,348) 1,785 - (36,563) - (36,563) - (36,565) Current Assets	Financial Assets Available for Sale	(3)	-	-	(3)	-	(3)
Current Assets Inventories (54) 25 - (29) 49 49 41 41 41 41 41 41	Long-Term Receivables	(13,488)	(1,364)	-	(14,852)	121	(14,973)
Inventories (54) 25	Investment to subsidiaries	(38,348)	1,785	-	(36,563)	-	(36,563)
Construction Contracts	Current Assets						
Receivables 11,508 (5,463) -	Inventories	(54)	25	-	(29)	49	(78)
Financial Assets at fair value 38 24 - 62 62 62 62 62 62 62	Construction Contracts	44,129	(8,359)	-	35,770	35,770	-
Reserves defer tax liability (58,760) - - (58,760) -	Receivables	11,508	(5,463)	-	6,045	6,301	(256)
Reserves defer tax liability (58,760) - - (58,760) - (59,760) -	Financial Assets at fair value	38	24	-	62	62	-
Actuarial Gain/Losses 19 - 6 25 25 Long-term Liabilities Employee Benefits 3,641 64 127 3,832 3,832 Subsidies 69 - 6 69 69 Long-Term Loans (1,748) 356 (124) (1,517) 578 (2,000) Other Long-Term Liabilities (6,383) (798) - (7,181) 1,182 (8,300) Short-Term Liabilities Provisions (3,068) (283) 20 (3,331) 998 (4,300) Contingent Liabilities 7,220 - 7,220 7,220 Employee Benefits (257) 190 - (66) - (66) - (66) Liabilities From Derivatives 282 - 1,859 2,141 2,141 Liabilities From Privatives (57) - (57) - (57) - (57) - (57) Other Short-Term Liabilities 2,216 (1,296) 6 925 925 Other Contingent Defer Taxes 12,868 - 1 12,868 12,868 Total (101,593) (23,795) 1,893 (123,495) 99,483 (222,900) Offsetting - 7 - 7 - 7 (31,838) 31,444	Reserves						
Long-term Liabilities Employee Benefits 3,641 64 127 3,832 3,832 Subsidies 69 - - 69 69 Long-Term Loans (1,748) 356 (124) (1,517) 578 (2,0 Other Long-Term Liabilities (6,383) (798) - (7,181) 1,182 (8,3 Short-Term Liabilities Provisions (3,068) (283) 20 (3,331) 998 (4,3) Contingent Liabilities 7,220 - - 7,220 7,220 Employee Benefits (257) 190 - (66) - Liabilities From Derivatives 282 - 1,859 2,141 2,141 Liabilities From Financing Leases (57) - - (57) - Other Short-Term Liabilities 2,216 (1,296) 6 925 925 Other Contingent Defer Taxes 12,868 - - 12,868 12,868	Reserves' defer tax liability	(58,760)	-	-	(58,760)	-	(58,760)
Employee Benefits 3,641 64 127 3,832 3,832 Subsidies 69 - - 69 69 Long-Term Loans (1,748) 356 (124) (1,517) 578 (2,000) Other Long-Term Liabilities (6,383) (798) - (7,181) 1,182 (8,300) Short-Term Liabilities Provisions (3,068) (283) 20 (3,331) 998 (4,300) Contingent Liabilities 7,220 - - 7,220 7,220 Employee Benefits (257) 190 - (66) - Liabilities From Derivatives 282 - 1,859 2,141 2,141 Liabilities From Financing Leases (57) - - (57) - Other Short-Term Liabilities 2,216 (1,296) 6 925 925 Other Contingent Defer Taxes 12,868 - - 12,868 12,868 Total (101,593)	Actuarial Gain/Losses	19	-	6	25	25	-
Subsidies 69 - - 69 69 Long-Term Loans (1,748) 356 (124) (1,517) 578 (2,000) Other Long-Term Liabilities (6,383) (798) - (7,181) 1,182 (8,300) Short-Term Liabilities Provisions (3,068) (283) 20 (3,331) 998 (4,300) Contingent Liabilities 7,220 - - 7,220 7,220 Employee Benefits (257) 190 - (66) - Liabilities From Derivatives 282 - 1,859 2,141 2,141 Liabilities From Financing Leases (57) - - (57) - Other Short-Term Liabilities 2,216 (1,296) 6 925 925 Other Contingent Defer Taxes 12,868 - - 12,868 12,868 Total (101,593) (23,795) 1,893 (123,495) 99,483 (222,900)	Long-term Liabilities						
Long-Term Loans (1,748) 356 (124) (1,517) 578 (2,000) Other Long-Term Liabilities (6,383) (798) - (7,181) 1,182 (8,300) Short-Term Liabilities Provisions (3,068) (283) 20 (3,331) 998 (4,300) Contingent Liabilities 7,220 - - 7,220 7,220 Employee Benefits (257) 190 - (66) - Liabilities From Derivatives 282 - 1,859 2,141 2,141 Liabilities From Financing Leases (57) - - (57) - Other Short-Term Liabilities 2,216 (1,296) 6 925 925 Other Contingent Defer Taxes 12,868 - - 12,868 12,868 Total (101,593) (23,795) 1,893 (123,495) 99,483 (222,90) Offsetting - - - - - <t< td=""><td>Employee Benefits</td><td>3,641</td><td>64</td><td>127</td><td>3,832</td><td>3,832</td><td>-</td></t<>	Employee Benefits	3,641	64	127	3,832	3,832	-
Other Long-Term Liabilities (6,383) (798) - (7,181) 1,182 (8,383) Short-Term Liabilities Provisions (3,068) (283) 20 (3,331) 998 (4,382) Contingent Liabilities 7,220 - - 7,220<	Subsidies	69	-	-	69	69	-
Short-Term Liabilities Provisions (3,068) (283) 20 (3,331) 998 (4,3) Contingent Liabilities 7,220 - - 7,220 7,220 Employee Benefits (257) 190 - (66) - Liabilities From Derivatives 282 - 1,859 2,141 2,141 Liabilities From Financing Leases (57) - - (57) - Other Short-Term Liabilities 2,216 (1,296) 6 925 925 Other Contingent Defer Taxes 12,868 - - 12,868 12,868 Total (101,593) (23,795) 1,893 (123,495) 99,483 (222,93) Offsetting - - - - - - (31,838) 31,400	Long-Term Loans	(1,748)	356	(124)	(1,517)	578	(2,094)
Provisions (3,068) (283) 20 (3,331) 998 (4,3331) Contingent Liabilities 7,220 - - 7,220 7,220 Employee Benefits (257) 190 - (66) - Liabilities From Derivatives 282 - 1,859 2,141 2,141 Liabilities From Financing Leases (57) - - (57) - Other Short-Term Liabilities 2,216 (1,296) 6 925 925 Other Contingent Defer Taxes 12,868 - - 12,868 12,868 Total (101,593) (23,795) 1,893 (123,495) 99,483 (222,9) Offsetting - - - - - (31,838) 31,60	Other Long-Term Liabilities	(6,383)	(798)	-	(7,181)	1,182	(8,363)
Contingent Liabilities 7,220 - - 7,220 7,220 Employee Benefits (257) 190 - (66) - Liabilities From Derivatives 282 - 1,859 2,141 2,141 Liabilities From Financing Leases (57) - - (57) - Other Short-Term Liabilities 2,216 (1,296) 6 925 925 Other Contingent Defer Taxes 12,868 - - 12,868 12,868 Total (101,593) (23,795) 1,893 (123,495) 99,483 (222,9 Offsetting - - - - - (31,838) 31,4	Short-Term Liabilities						
Employee Benefits (257) 190 - (66) - Liabilities From Derivatives 282 - 1,859 2,141 2,141 Liabilities From Financing Leases (57) - - (57) - Other Short-Term Liabilities 2,216 (1,296) 6 925 925 Other Contingent Defer Taxes 12,868 - - 12,868 12,868 Total (101,593) (23,795) 1,893 (123,495) 99,483 (222,90) Offsetting - - - - - (31,838) 31,400	Provisions	(3,068)	(283)	20	(3,331)	998	(4,329)
Liabilities From Derivatives 282 - 1,859 2,141 2,141 Liabilities From Financing Leases (57) - - (57) - Other Short-Term Liabilities 2,216 (1,296) 6 925 925 Other Contingent Defer Taxes 12,868 - - 12,868 12,868 Total (101,593) (23,795) 1,893 (123,495) 99,483 (222,9) Offsetting - - - - - (31,838) 31,60	Contingent Liabilities	7,220	-	-	7,220	7,220	-
Liabilities From Financing Leases (57) - - (57) - Other Short-Term Liabilities 2,216 (1,296) 6 925 925 Other Contingent Defer Taxes 12,868 - - 12,868 12,868 Total (101,593) (23,795) 1,893 (123,495) 99,483 (222,90) Offsetting - - - - - (31,838) 31,400	Employee Benefits	(257)	190	-	(66)	-	(66)
Other Short-Term Liabilities 2,216 (1,296) 6 925 925 Other Contingent Defer Taxes 12,868 - - 12,868 12,868 Total (101,593) (23,795) 1,893 (123,495) 99,483 (222,9 Offsetting - - - - - (31,838) 31,4	Liabilities From Derivatives	282	-	1,859	2,141	2,141	-
Other Contingent Defer Taxes 12,868 - - 12,868 12,868 Total (101,593) (23,795) 1,893 (123,495) 99,483 (222,9) Offsetting - - - - - - (31,838) 31,9	Liabilities From Financing Leases	(57)	-	-	(57)	-	(57)
Total (101,593) (23,795) 1,893 (123,495) 99,483 (222,900) Offsetting (31,838) 31,41	Other Short-Term Liabilities	2,216	(1,296)	6	925	925	-
Offsetting (31,838) 31,	Other Contingent Defer Taxes	12,868	-	-	12,868	12,868	-
	Total	(101,593)	(23,795)	1,893	(123,495)	99,483	(222,979)
Deferred Tax From Tax Losses 14,881 19,486 - 34,367 34,367	Offsetting	-	-	-	-	(31,838)	31,838
	Deferred Tax From Tax Losses	14,881	19,486	-	34,367	34,367	-
Deferred Tax (Liability)/Receivables (86,712) (4,309) 1,893 (89,128) 102,012 (191,1	Deferred Tax (Liability)/Receivables	(86,712)	(4,309)	1,893	(89,128)	102,012	(191,141)

MYTILINEOS GROUP

	1/1/2015				31/12/2015		
(Amounts in thousands €)	At 1st January	Recognised In Profit Or Loss	Recognised In Other Compre- hensive Income	Exchange Differences	As At 31 December	Deferred Tax Asset	Deferred Tax Liability
Non - Current Assets							
Intangible Assets	(23,333)	(2,062)	-	-	(25,395)	1,723	(27,118)
Tangible Assets	(23,127)	(13,032)	-	136	(36,023)	39,598	(75,621)
Financial Assets Available for Sale	(3)	-	-	-	(3)	-	(3)
Long-Term Receivables	(19,782)	20,865	-	-	1,083	14,898	(13,815)
Investment to subsidiaries	(8,885)	(29,464)	-	-	(38,348)	-	(38,348)
Current Assets							
Inventories	(78)	24	-	-	(54)	24	(78)
Construction Contracts	46,559	(2,430)	-	-	44,129	44,129	-
Receivables	16,687	(5,178)	-	-	11,508	11,764	(256)
Financial Assets at fair value	354	(316)	-	-	38	38	-
Reserves							
Reserves' defer tax liability	(52,326)	(6,433)	-	-	(58,760)	-	(58,760)
Actuarial Gain/Losses	-	19	1	-	19	19	-
Long-term Liabilities							
Employee Benefits	3,059	464	117	-	3,641	3,641	-
Subsidies	69	-	-	-	69	69	
Long-Term Loans	(1,607)	(139)	(2)	-	(1,748)	702	(2,450)
Other Long-Term Liabilities	(2,791)	(3,592)	-	-	(6,383)	1,980	(8,363)
Short-Term Liabilities							
Provisions	(9,550)	6,479	2	-	(3,068)	1,192	(4,259)
Contingent Liabilities	7,220	-	-	-	7,220	7,220	-
Employee Benefits	13	(269)	-	-	(257)	(257)	-
Liabilities From Derivatives	583	-	(301)	-	282	282	-
Liabilities From Financing Leases	(57)	-	-	-	(57)	-	(57)
Other Short-Term Liabilities	1,114	958	144	-	2,216	2,216	-
Other Contingent Defer Taxes	(21,923)	34,791	-	-	12,868	-	12,868
Total	(87,805)	686	(39)	136	(87,022)	129,237	(216,261)
Offsetting		-	-	-	-	(46,198)	46,198
Deferred Tax From Tax Losses	5,004	(4,694)	-	-	311	311	
Deferred Tax (Liability)/ Receivables	(82,801)	(4,008)	(39)	136	(86,712)	83,350	(170,062)

MYTILINEOS S.A.

	1/1/2016			31/12/2016		
(Amounts in thousands €)	At 1st January	Recognised In Profit Or Loss	Recognised In Other Compre- hensive Income	As At 31 December	Deferred Tax Asset	Deferred Tax Liability
Non - Current Assets						
Intangible Assets	720	(94)	-	626	626	-
Tangible Assets	(1,226)	(2)	-	(1,228)	-	(1,228)
Investment to subsidiaries	(29,524)	1,786	-	(27,738)	-	(27,738)
Current Assets						
Receivables	10,800	(2,000)	-	8,800	8,800	-
Financial Assets at fair value	42	24	-	66	66	-
Reserves						
Actuarial Gain/Losses	15	-	2	16	16	-
Long-term Liabilities						
Employee Benefits	49	(49)	-	-	-	-
Long-Term Loans	(30)	15	-	(16)	-	(16)
Short-Term Liabilities						
Provisions	2,325	(423)	-	1,903	1,903	-
Employee Benefits	-	190	-	190	190	-
Total	(16,830)	(553)		(17,381)	11,601	(28,982)
Deferred Tax (Liability)/Receivables	(16,830)	(553)	2	(17,381)	11,601	(28,982)

MYTILINEOS S.A.

	1/1/2015			31/12/2015		
(Amounts in thousands €)	At 1st January	Recognised In Profit Or Loss	Recognised In Other Compre- hensive Income	As At 31 December	Deferred Tax Asset	Deferred Tax Liability
Non - Current Assets						
Intangible Assets	730	(11)	-	720	720	-
Tangible Assets	(1,089)	(137)	-	(1,226)	-	(1,226)
Investment to subsidiaries	(3)	(29,521)	-	(29,524)	-	(29,524)
Current Assets						
Receivables	15,600	(4,800)	-	10,800	10,800	-
Financial Assets at fair value	(22)	64	-	42	42	-
Reserves						
Actuarial Gain/Losses	-	19	(4)	15	15	-
Long-term Liabilities						
Employee Benefits	58	(10)	-	49	49	-
Long-Term Loans	(363)	332	-	(30)	-	(30)
Short-Term Liabilities						
Provisions	(4,146)	6,471	-	2,325	1,045	1,281
Other Contingent Defer Taxes	(34,791)	34,791	-	-	-	-
Total	(24,023)	7,199	(4)	(16,830)	12,671	(29,499)
Deferred Tax From Tax Losses	5,004	(5,004)	-	-	-	-
Deferred Tax (Liability)/Receivables	(19,020)	2,194	(4)	(16,830)	12,671	(29,499)

4.7 Inventories

MYTILINEOS GROUP

(Amounts in thousands €)	31/12/2016	31/12/2015
Raw materials	164,838	136,754
Semi-finished products	898	1,260
Finished products	20,451	19,157
Work in Progress	30,008	31,565
Merchandise	490	5,625
Others	43,155	47,347
Total	259,841	241,708
(Less)Provisions for scrap, slow moving and/or destroyed inventories:	(2,432)	(2,432)
Total Stock	257,409	239,276

4.8 Other receivables

MYTILINEOS (GROUP	MYTILINEOS S.A.
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(Amounts in thousands €)	31/12/2016	31/12/2015	31/12/2016	31/12/2015
Other Debtors	114,401	60,441	626	87
Receivables from the State	48,885	65,060	1,851	3,135
Receivables from Subsidiaries	2,488	(89)	45,000	40,206
Accrued income - Prepaid expenses	44,826	25,468	-	-
Prepaid expenses for construction contracts	6	7	5	6
Less: Provision for Bad Debts	899	899	-	-
Total	209,706	149,988	47,482	43,434

As at 31/12/2016, the category "Other Debtors" includes an amount of 76 mio \in as collateral for letters of guarantee from blocked deposits of the Group's Subsidiary METKA S.A. (accordingly at 31/12/2015: 34,928 mio \in and 11,804 mio \in).

[&]quot;Other receivables" do not include overdue and non-impaired receivables.

4.9 Financial assets & liabilities

The Group's financial instruments consist mainly of deposits with banks, bank overdrafts, FX spot and forwards, trade accounts receivable and payable, loans to and from subsidiaries, associates, joint ventures, investments in bonds, dividends payable and lease obligations.

The financial instruments presented in the financial statements are categorized in the tables below:

	MYTILINEOS GROUP		MYTILINE	EOS S.A.
	31/12/2016	31/12/2015	31/12/2016	31/12/2015
(Amounts in thousands €)				
Non current assets				
Financial Assets Available for Sale	169	2,253	37	112
Other Long-term Receivables	200,268	220,092	178	175
Total	200,438	222,344	215	287
Current assets		-		-
Derivatives	491	-	-	-
Financial assets at fair value through profit or loss	959	1,077	69	150
Trade and other receivables	800,283	620,002	47,746	43,519
Cash and cash equivalents	197,884	200,859	336	1,249
Total	999,616	821,939	48,150	44,918
Non-Current Liabilities				
Long-term debt	428,650	404,278	5,250	-
Derivatives	2,948	-	-	-
Other long-term liabilities	133,895	90,545	27,585	28,493
Total	565,493	494,822	32,835	28,493
Current Liabilities				
Short-term debt	219,012	166,023	15,363	17,245
Current portion of non-current liabilities	168,513	157,235	3,468	7,130
Derivatives	6,930	3,392	-	-
Trade and other payables	621,041	606,515	141,392	137,206
Total	1,015,497	933,164	160,223	161,581

4.9.1 Financial Assets available for sale

	MYTILINEO	MYTILINEOS GROUP		EOS S.A.
(Amounts in thousands €)	31/12/2016	31/12/2015	31/12/2016	31/12/2015
Total Opening	2,253	507	112	112
Other Additions	-	108	-	-
Valuation Of Treasury Shares At Fair Value	(2,079)	1,619	-	-
Other Changes	(75)	(22)	(75)	-
Exchange Rate Differences	70	42	-	-
Closing Balance	169	2,253	37	112

Regarding highly liquid assets, namely shares, bank bonds and mutual funds with long-term investment horizon that are traded in an active market.

4.9.2 Financial assets at fair value through profit or loss

MYTILINEOS GROUP			
31/12/2016	31/12/2015		
1,077	3,080		
2,000	6,832		
-	(8,871)		
(2,118)	36		

31/12/2016	31/12/2015				
150	581				
-	-				
-	(540)				
(82)	109				
69	150				

MYTH INFOS S.A.

4.9.3 Derivatives financial instruments

Total Opening Additions Sales

Fair Value Adjustments Closing Balance

MYTILINEOS GROUP

	31/12/	31/12/2016		31/12/2015	
(Amounts in thousands €)	Asset	Liability	Asset	Liability	
Derivatives	491	9,878		- 3,3	

All derivatives open positions have been marked to market. Fair values of the "interest rate swaps", are confirmed by the financial institutions that the Group has as counterparties.

The Group manages the exposure to currency risk through the use of currency forwards and options and thus by "locking" at exchange rates that provide sufficient cash flows and profit margins. Furthermore, the Group manages the exposure to commodity risk through the use of: a) commodity futures that hedge the risk from the change at fair value of commodities and b) commodity swaps that hedge fluctuations in cash flows from the volatility in aluminum prices.

4.9.4 Other long-term receivables

	MYTILINEOS GROUP		MYTILINEOS S.A.	
(Amounts in thousands €)	31/12/2016	31/12/2015	31/12/2016	31/12/2015
Customers - Withholding quarantees falling due after one year	187,964	213,511	-	-
Given Guarantees	1,732	1,498	178	175
Other long term receivables	10,572	5,084	-	-
Other Long-term Receivables	200,268	220,092	178	175

Mytilineos' Group "other long term receivables" refer to advances to suppliers of subsidiary METKA S.A. as well as receivables of subsidiary POWER PROJECTS from Turkish tax authorities.

4.9.5 Loan liabilities

	MYTILINEC	MYTILINEOS GROUP		EOS S.A.
(Amounts in thousands €)	31/12/2016	31/12/2015	31/12/2016	31/12/2015
Long-term debt				
Bank loans	1,465	2,278	-	-
Bonds	427,186	402,000	5,250	-
Total	428,650	404,278	5,250	-
Short-term debt				
Overdraft	65,319	64,402	15,363	17,245
Bank loans	70,715	46,620	-	-
Bonds	82,979	55,000	_	-
Total	219,012	166,023	15,363	17,245
Current portion of non-current liabilities	168,513	157,235	3,468	7,130
Total	816,175	727,536	24,081	24,375

The effective weighted average borrowing rate for the group, as at the balance sheet date is 5,44%.

4.9.6 Other long-term liabilities

MYTILINEOS GROUP MYTILINEOS S.A. (Amounts in thousands €) 31/12/2016 31/12/2016 31/12/2015 31/12/2015 **Received guarantees - Grants-Leasing Total Opening** 33,523 34,116 Additions 17,787 599 Transfer At Profits/Loss (108)(502)Transfer From / (To) Short - Term (1,785)(690)**Closing Balance** 49,418 33.523 **Advances of customers Total Opening** 7,830 24,413 Additions 63,561 10,836 Transfer From / (To) Short - Term (25,555)(27,419)**Closing Balance** 45,837 7,830 Other **Total Opening** 165 164 28,493 35,598 Additions 6,476 Transfer From / (To) Short - Term (734)(908)(7,105)Exchange Rate Differences 1 **Closing Balance** 5,908 165 27,585 28,493 Suppliers holdings for good performance **Total Opening** 49,026 13,773 Additions 1,929 40,002 Transfer From / (To) Short - Term (18,223)(4,750)**Closing Balance** 32,733 49,026 133.895 27.585 28.493

4.10 Customers and other trade receivables

	MYTILINEC	MYTILINEOS GROUP		EOS S.A.
(Amounts in thousands €)	31/12/2016	31/12/2015	31/12/2016	31/12/2015
Customers	522,602	439,566	1,795	1,771
Checks receivable	4,383	4,377	1,917	1,917
Less: Impairment Provisions	(5,923)	(5,655)	(3,603)	(3,603)
Net trade Receivables	521,063	438,287	109	85
Advances for inventory purchases	131	171	-	-
Advances to trade creditors	69,384	31,556	155	-
Total	590,578	470,014	264	85

MYTILINEOS GROUP

Construction Contracts	31/12/2016	31/12/2015
Realised Contractual Cost & Profits (minus realised losses)	3,458,460	3,085,950
Less: Progress Billings	(3,523,113)	(3,016,865)
	(64,653)	69,085
Receivables for construction contracts according to the percentage of completion	93,465	270,706
Liabilities related to construction contracts according to percent. of completion	(158,118)	(201,621)
Advances received	56,198	42,182
Clients holdings for good performance	126,479	104,641

4.11 Cash and cash equivalents

MYTILINEOS GROUP MYTILINEOS S.A.

(Amounts in thousands €)	31/12/2016	31/12/2015	31/12/2016	31/12/2015
Cash	859	1,640	9	32
Bank deposits	170,353	115,640	327	1,217
Time deposits & Repos	26,672	83,579	-	-
Total	197,884	200,859	336	1,249

The weighted average interest rate is as:	31/12/2016	31/12/2015
Deposits in Euro	0.15%	0.32%

Cash and cash equivalent do not include blocked deposits.

4.12 Suppliers and other liabilities

MYTILINEOS GROUP

MYTILINEOS S.A.

31/12/2016	31/12/2015	31/12/2016
315,518	305,295	17,441
6	-	-
98,469	61,277	160
157,270	200,719	-
571,263	567,291	17,601
	315,518 6 98,469 157,270	315,518 305,295 6 - 98,469 61,277 157,270 200,719

31/12/2016	31/12/2015
17,441	17,994
-	-
160	-
-	-
17,601	17,994

MYTILINEOS GROUP

MYTILINEOS S.A.

(Amounts in thousands €)	31/12/2016	31/12/2015	31/12/2016	31/12/2015
Liabilities to Related Parties	101	2,882	118,649	116,913
Accrued expense	19,574	12,819	208	47
Social security insurance	3,536	3,503	202	191
Dividends payable	1,040	507	2,095	136
Deferred income-Grants	92	-	-	-
Others Liabilities	25,435	19,512	2,637	1,925
Total	49,778	39,224	123,791	119,212

4.14 Total Equity

4.14.1 Share capital

Mytilineos' SA and Metka's SA shares, are free floating at Athens Stock Exchange.

Group's Share premium was created from the issuance of shares for cash, at value greater than nominal value.

On 18 May 2015, the 1st Repeat Annual General Meeting of the Company's Shareholders was held. With 60,816,650 valid votes cast representing 52.02% of the paid-up share capital with right to vote, the Meeting approved unanimously Item 4 on the original Agenda concerning the decrease of the Company's share capital by the amount of eleven million six hundred and ninety-one thousand five hundred and eighty-six euro and twenty cents (\in 11,691,586.20) by means of a decrease of the nominal value of each share from one euro and seven cents (\in 1.07) to ninety-seven eurocents (\in 0.97), with reimbursement to the shareholders of the amount of the decrease in the sum of ten eurocents (\in 0.10) per share, and the amendment of article 5 of the Company's Articles of Association accordingly.

On 09.06.2015, Decision no. 62296/09.06.2015 of the Ministry of Economy, Infrastructure, Shipping & Tourism ($A\Delta A: \Omega\Delta\Gamma M465\Phi\Theta\Theta-\Delta\Gamma P$), approving the amendment of article 5 of the Company's Articles of Association, was registered with the General Commercial Register (GEMI), under Registration Number 370695. The Stock Markets Steering Committee, in its meeting of 15/10/2015, was informed

of the decrease as above of the nominal value of the Company's shares and of the reimbursement of capital by payment to the shareholders of the amount of ten eurocents (€0.10) per share.

Following the above, as of 19/10/2015 the Company's shares were traded in the Athens Exchange at the new nominal value of Euro 0.97 per share and without the right to participate in the reimbursement of capital by means of payment to the shareholders of the amount of ten eurocents (€0.10) per share. As of the same date, the starting price of the Company's shares in the Athens Exchange was determined in accordance with the Athens Exchange Rule Book, in combination with Decision no. 26 of the ATHEX Board of Directors, as in force. The beneficiaries entitled to the capital return in the form of payments in the sum of Euro 0.10 per share were the persons registered as shareholders in the Dematerialised Securities System (DSS) on 20/10/2015.

The capital return was settled on the 23/10/2015.

Reserves in the financial statements are analysed as follows:

MYTILINEOS GROUP

(Amounts in thousands €)	Regular Reserve	Special & Extraordinary Reserves	Tax-free and Specially taxed Reserves	Revaluation reserves	Financial instruments valuation reserve	Stock Option Plan Reserve	Actuarial Gain/ Losses Reserve	Total
Opening Balance 1st January 2015, according to IFRS -as published-	19,541	8,542	76,120	221	(2,575)	1,225	(1,089)	101,984
Transfer To Reserves	222	(3)	(946)	51	2,977	-	-	2,300
Impact From Transfer Of Subsidiary	-	1	-	-	-	-	-	1
Cash Flow Hedging Reserve	-	-	12	-	(782)	-	-	(770)
Deferred Tax From Actuarial Gain / (Losses)	-	-	-	-	-	-	119	119
Actuarial Gain / (Losses)	-	-	-	-	-	-	(767)	(767)
Deferred Tax From Cash Flow Hedging Reserve		-	-	-	688		-	688
Closing Balance 31/12/2015	19,763	8,540	75,186	271	309	1,225	(1,737)	103,557
Opening Balance 1st January 2016, according to IFRS -as published-	19,763	8,540	75,186	271	309	1,225	(1,737)	103,557
Transfer To Reserves	157	4	2,360	(51)	(1,615)	-	-	856
Exchange Differences On Translation Of Foreign Operations	-	218	-	-	-	-	11	229
Cash Flow Hedging Reserve	-	-	-	-	352	-	-	352
Deferred Tax From Actuarial Gain / (Losses)	-	-	-	-	-	-	154	154
Actuarial Gain / (Losses)	-	-	-	-	-	-	(419)	(419
Deferred Tax From Cash Flow Hedging Reserve	-	-	-	-	(102)	-	-	(102
11030170								

MYTILINEOS S.A.

(Amounts in thousands €)	Regular Reserve	Special & Extraordinary Reserves	Tax-free and Specially taxed Reserves	Revaluation reserves	Financial instruments valuation reserve	Stock Option Plan Reserve	Actuarial Gain/ Losses Reserve	Total
Opening Balance 1st January 2015, according to IFRS -as published-	55,572	16,989	(70,446)	172		1,298	(99)	3,486
Deferred Tax From Actuarial Gain / (Losses)	-	-	-	-	-	-	(4)	(4)
Actuarial Gain / (Losses)	-	-	-	-	-	-	14	14
Closing Balance 31/12/2015	55,572	16,989	(70,446)	172		1,298	(89)	3,496
Opening Balance 1st January 2016, according to IFRS -as published-	55,572	16,989	(70,446)	172		1,298	(89)	3,486
Deferred Tax From Actuarial Gain / (Losses)	-	-	-	-	-	-	2	2
Actuarial Gain / (Losses)	-	-	-	-	-	-	(6)	(6)
Closing Balance 31/12/2016	55,572	16,989	(70,446)	172		1,298	(93)	3,492

The majority of the above reserves relates to Parent Company and Greek subsidiaries. Under Greek corporate law, corporations are required to transfer a minimum of 5% of their annual net profit as reflected in their statutory books to a legal reserve, until such reserve equals one-third of the outstanding share capital. The above reserve cannot be distributed throughout the life of the company.

Tax free reserves represent non distributed profits that are exempt from income tax based on special provisions of development laws (under the condition that adequate profits exist for their allowance). These reserves mainly relate to investments and are not distributed.

Specially taxed reserves represent interest income and income from disposal of listed in the Stock Exchange and non listed companies and are tax free or tax has been withheld at source. Except for any tax prepayments, these reserves are exempted from taxes, provided they are not distributed to shareholders.

4.15 Employee benefit liabilities

MYTILINEOS GROUP

		31/12/2016			31/12/2015	
(Amounts in thousands €)	Defined Contributions Plans	Defined Contributions Plans	Total	Defined Contributions Plans	Defined Contributions Plans	Total
Current employment cost	322	-	322	308	-	308
Financial cost	336	142	478	406	187	594
Anticipated return on assets	-	(103)	(103)	-	(130)	(130)
Net actuarialy (profits)/ losses realised for the period	(31)	-	(31)	48	-	48
Settlement Cost	383	18	401	356	74	430
Amount to Income Statement	1,011	56	1,067	1,118	132	1,250
Actuarial (Gain)/Losses immediate recognise in profit and loss statement	501	(77)	424	482	288	770
Amount through Other Comprehensive Income	501	(77)	424	482	288	770
Expected return of plan assets	-	103	103	-	130	130
Actuarial gains on plan assets	-	142	142	-	(135)	(135)
Return of plan assets	-	245	245	-	(5)	(5)

MYTILINEOS S.A.

	Defined Contributions P	
(Amounts in thousands €)	31/12/2016	31/12/2015
Current employment cost	34	31
Financial cost	13	17
Settlement Cost	-	35
Amount to Income Statement	47	83
Actuarial (Gain)/Losses immediate recognise in profit and loss statement		(14)
Amount through Other Comprehensive Income	6	(14)

The Group's present value of the liability at year end 2016 is 18.583 k€ and accordingly for 2015 is 18.734k€ :

MYTILINEOS GROUP

		31/12/2016			31/12/2015	
(Amounts in thousands €)	Defined Contributions Plans	Defined Contributions Plans	Total	Defined Contributions Plans	Defined Contributions Plans	Total
Total Opening	16,819	1,915	18,734	16,254	2,306	18,560
Current Employment Cost	322	-	322	308	-	308
Financial Cost	336	142	478	406	187	594
Employer Contributions	-	(1,126)	(1,126)	-	(810)	(810)
Settlements	3	-	3	74	74	148
Actuarialy (Profits)/ Losses	500	(77)	423	482	288	770
Settlement Cost	383	18	401	281	-	281
Anticipated Return On Assets	-	(103)	(103)	-	(130)	(130)
Contributions Paid	(548)	-	(548)	(987)	-	(987)
Exchange Rate Differences	(1)	-	(1)	-	-	-
Closing Balance	17,815	768	18,583	16,819	1,915	18,734

The Entity's present value of the liability at year end 2016 is 710k€ and accordingly for 2015 is 657k€.

MYTILINEOS S.A.

(Amounts in thousands €)	Defined Contributions Plans	31/12/2016 Defined Contributions Plans	Total	Defined Contributions Plans	31/12/2015 Defined Contributions Plans	Total
Total Opening	657		657	664		664
Current Employment Cost	34	-	34	31	-	31
Financial Cost	13	-	13	17	-	17
Actuarialy (Profits)/ Losses	6	-	6	(14)	-	(14)
Settlement Cost	-	-	-	35	-	35
Contributions Paid	-	-	-	(76)	-	(76)
Exchange Rate Differences	-	-	-	1	-	1
Closing Balance	710		710	657		657

The assumptions used, are presented in the following table:

	31/12/2016	31/12/2015
Discount Rate	1.80%	2.00%
Future Salary increases	2.00%	2.00%
Inflation	2.00%	2.00%

4.16 Provisions

Provisions referring to Group and Company are recognized if the following are met: (a) legal or implied liabilities exist as a consequence of past events, (b) there is a possibility of settlement that will require the outflow if economic benefits and (c) the amount of the liability can be measured reliably. More specifically, the Group recognizes provisions for environmental restorations as a result of exploitation of mineral resources processed mainly for the production of Alumina and Aluminum. All provisions are reviewed at each balance-sheet date and are adjusted accordingly so that they reflect the present value of expenses that will be required for the restoration of the environment. Contingent receivables are not recognized in the financial statements but are disclosed if there is a possibility of an inflow of economic benefits.

Environmental Restoration. This provision represents the present value of the estimated costs to reclaim quarry sites and other similar post-closure obligations.

Tax Liabilities. This provision relates to future obligations that may result from tax audits.

Other provisions. Comprise other provisions relating to other risks none of which are individually material to the Group and to contingent liabilities arising from current commitments.

MYTILINEOS GROUP

(Amounts in thousands €)	Environmental Restoration	Tax liabilities	Other	Total
1/1/2015	408	2,437	12,667	15,512
Additional Provisions For The Period	1,039	(9)	1,552	2,582
Exchange Rate Differences	-	1	-	1
Realised Provisions For The Period	(179)	(1,114)	(1,310)	(2,603)
31/12/2015	1,269	1,315	12,909	15,492
Long -Term	1,269	1,315	12,208	14,791
Short - Term	-	-	701	701
Additional Provisions For The Period	-	-	1,029	1,029
Exchange Rate Differences	-	-	1	1
Realised Provisions For The Period	(170)	-	(2,422)	(2,592)
31/12/2016	1,099	1,315	11,517	13,930
Long -Term	1,099	1,315	11,499	13,913
Short - Term	-	-	18	18

MYTILINEOS S.A.

(Amounts in thousands €)	Environmental Restoration	Tax liabilities	Other	Total
1/1/2015	-	1,102	266	1,368
Additional Provisions For The Period	-	-	683	683
Realised Provisions For The Period	-	(1,100)	-	(1,100)
31/12/2015	-	2	949	951
Long -Term	-	2	266	268
Short - Term	-	-	683	683
Realised Provisions For The Period	-	-	(683)	(683)
31/12/2016	-	2	266	268
Long -Term	-	2	266	268

MYTILINEOS GROUP

MYTILINEOS S.A.

(Amounts in thousands €)	31/12/2016	31/12/2015	31/12/2016	31/12/2015
Tax expense for the period	629	22,326	-	-
Tax audit differences	(7)	(7)	-	-
Tax liabilities	18,901	14,472	485	349
Total	19,524	36,791	485	349

4.18 Cost of goods sold

MYTILINEOS GROUP

MYTILINEOS S.A.

(Amounts in thousands €)	31/12/2016	31/12/2015	31/12/2016	31/12/2015
Retirement benefits	530	714	-	-
Other employee benefits	57,807	56,330	-	-
Cost of materials & inventories	483,825	704,121	6,876	13,501
Third party expenses	131,618	96,738	-	-
Third party benefits	245,555	174,679	-	-
Assets repair and maintenance cost	3,756	3,476	-	-
Operating leases rent	3,886	5,013	-	-
Taxes & Duties	21,721	22,252	-	-
Advertisement	375	345	-	-
Other expenses	28,653	34,319	-	-
Depreciation - Tangible Assets	63,974	54,654	-	-
Depreciation - Intangible Assets	5,033	4,764	-	-
Grants amortization incorporated to cost	(1,049)	(1,051)		-
Total	1,045,684	1,156,353	6,876	13,501

4.19 Administrative & Distribution Expenses

MYTILINEOS GROUP

MYTILINEOS S.A.

(Amounts in thousands €)	31/12/2016	31/12/2015	31/12/2016	31/12/2015
Distribution expenses				
Other emploee benefits	830	925	-	-
Inventory cost	1	1	-	-
Third party expenses	4,316	863	-	-
Third party benefits	516	260	-	-
Assets repair and maintenance cost	6	7	-	-
Operating leases rent	32	64	-	-
Taxes & Duties	867	338	-	-
Advertisement	3,182	117	-	-
Other expenses	1,210	997	-	-
Depreciation - Tangible Assets	11	11	-	-
Depreciation - Intangible Assets	12	12		-
Total	10,982	3,596	-	-

	MYTILINE	MYTILINEOS GROUP		EOS S.A.
(Amounts in thousands €)	31/12/2016	31/12/2015	31/12/2016	31/12/2015
Administrative expenses				
Retirement benefits	11	73	-	-
Other emploee benefits	15,550	15,494	5,031	5,659
Third party expenses	24,750	24,942	4,176	4,125
Third party benefits	4,312	4,555	360	364
Assets repair and maintenance cost	652	754	147	154
Operating leases rent	2,484	2,336	375	342
Taxes & Duties	607	529	130	117
Advertisement	841	3,194	465	364
Other expenses	9,035	6,260	1,306	1,098
Depreciation - Tangible Assets	4,685	1,040	308	312
Depreciation - Intangible Assets	1,805	1,116	46	33
Total	64,732	60,294	12,343	12,566

4.20 Other operating income / expenses

	MYTILINEOS GROUP		MYTILIN	EOS S.A.
(Amounts in thousands €)	31/12/2016 31/12/2015		31/12/2016	31/12/2015
Other operating income				
Grants amortization	1,146	690	-	-
Income from Subsidies	246	683	8	1
Compensations	3,169	72	-	-
Profit from foreign exchange differences	31,573	30,218	-	-
Rent income	675	676	78	110
Operating income from services	2,358	1,714	16,341	12,041
Income from reversal of unrealized provisions	2	1,151	-	1,140
Profit from sale of fixed assets	93	14	6	-
Other	1,796	822	552	394
Total	41,060	36,038	16,985	13,687
Other operating expenses				
Losses from foreign exchange differences	15,141	19,292	529	2,738
Provision for bad debts	267	136	-	124
Loss from sale of fixed assets	38	184	3	-
Operating expenses from services	510	2,844	43	770
Other taxes	902	1,211	11	21
Compensations	457	615	450	-
Total	17,317	24,283	1,036	3,653

The fluctuations of the foreign exchange currency rates in 2016 and 2015 and the respective effect in the financial statements are analysed in detail in the Annual Report of the B.o.D. and in p. 15 "Business Risk Management".

4.21 Financial income / expenses

	MYTILINEOS GROUP		MYTILIN	EOS S.A.
(Amounts in thousands €)	31/12/2016	31/12/2015	31/12/2016	31/12/2015
Financial income				
Bank deposits	252	1,770	1	4
Customers	1,356	1,230	-	-
Loans to related parties	-	-	340	48
Other	100	6	-	-
Receivables' discount interest	1,260	-	-	-
Total	2,968	3,005	341	52
Financial expenses				
Discounts of Employees' benefits liability due to service termination	22	22	-	-
Bank Loans	43,369	45,145	1,278	7,095
Interest charges due to customer downpayments	189	-	-	-
Loans to related parties	-	-	6,584	7,214
Letter of Credit commissions	8,088	9,120	-	-
Interest rate swaps	1,171	-	-	-
Factoring	3,057	2,072	-	-
Other Banking Expenses	1,997	4,214	92	1,132
Interest from operating/trading activities	1,366	4,026	-	-
Liabilities' discount interest	601	-	-	-
Total	59,860	64,598	7,954	15,441

4.22 Other financial results

	MYTILINEOS GROUP		MYTILIN	EOS S.A.
(Amounts in thousands €)	31/12/2016	31/12/2015	31/12/2016	31/12/2015
Other financial results				
Non-hedging derivatives	(188)	(1,238)	-	-
Profit / (loss) from fair value of other financial instrument through profit/loss	(6,445)	1,348	(82)	80
Gain from disposal	-	(22)	-	-
Profit / (loss) from the sale of financial instruments	-	(4,191)	-	29
Income from dividends	-	-	4,617	16,080
Other Income	124	43	-	-
Total	(6,509)	(4,061)	4,536	16,189

4.23 Income tax

Income tax for the Group and Company differs from the theoretical amount that would result using the nominal tax rate prevailing at year end over the accounting profits. The reconciliation of this difference is analysed as follows:

	MYTILINEOS GROUP		MYTILINEOS S.A.	
(Amounts in thousands €)	31/12/2016	31/12/2015	31/12/2016	31/12/2015
Income Tax	391	22,163	-	-
Income Tax provision	30	1,164	-	760
Deferred taxation	4,309	4,008	553	(2,194)
Extraordinary Income Tax	52	102	-	-
Other Taxes	16,624	941	-	-
Total	21,407	28,379	553	(1,434)
Earnings before tax	85,276	108,791	539	(1,705)
Nominal Tax rate	0.29	0.29	0.29	-
Tax calculated at the statutory tax rate of 26%	24,730	31,549	156	-
Nominal Tax Rate Adjustments - Change in Greek Tax Rate	3	(744)	-	(1,741)
Nominal Tax Rate Difference in foreign Subsidiary Companies	(3,201)	(4,428)	-	-
Non taxable income	(11,377)	(11,419)	-	-
Non tax deductible expenses	11,681	13,350	-	-
Income tax from land - plot & buildings	1,025	941	-	-
Other taxes	93	68	-	-
Income tax coming from previous years	(8,474)	2,138	-	760
Extraordinary Income Tax	52	104	-	-
Non recognition of deferred tax assets on tax loss carryforwards	1,370	-	-	-
Other	5,504	(3,180)	397	(452)
Effective Tax Charge	21,407	28,379	553	(1,434)

Starting with the year 2011 and in accordance with paragraph 5 of Article 82 of Law 2238/1994, the Group companies whose financial statements are audited by mandatory statutory auditor or audit firm, under the provisions of Law 2190/1920, are subject to a tax audit by statutory auditors or audit firms and receives annual Tax Compliance Certificate. In order to consider that the fiscal year was inspected by the tax authorities, must be applied as specified in paragraph 1a of Article 6 of POL 1159/2011.

For the fiscal year 2012 and 2013, the Group companies which were subject to tax audit by statutory auditors or audit firm, received a Tax Compliance Certificate free of disputes in 2013 and 2014 accordingly.

For the 2014 tax audit, the companies of the Group which operate in Greece have been subjected to a tax audit by Sworn Auditors according to article 65A par. 1 of law 4174/2013 and of law 4262/2014. Said tax audit has been completed during 2015 and the tax certificates were distributed by the statutory auditors.

For fiscal year 2015, the tax audit which is being carried out by the auditors is not expected to result in a significant variation in tax liabilities incorporated in the financial statements.

The tax audit for the parent company Mytilineos S.A. for the fiscal years 2007-2010 has been completed by the relevant authorities of Ministry of Finance. The differences that arose from said tax audit amounts to €760k.

4.24 Earnings per share

Basic earnings per share are calculated by the weighted average number of ordinary shares.

MYTILINEOS GROUP

MYTILINEOS S.A.

(Amounts in thousands €)	1/1-31/12/2016	1/1-31/12/2015	1/1-31/12/2016	1/1-31/12/2015
Equity holders of the parent	34,166	47,548	(14)	(271)
Weighted average number of shares	116,916	116,916	116,916	116,916
Basic earnings per share	0.2922	0.4067	(0.0001)	(0.0023)
Continuing Operations (Total)				
Equity holders of the parent	36,795	52,261	(14)	(271)
Weighted average number of shares	116,916	116,916	116,916	116,916
Basic earnings per share	0.3147	0.4470	(0.0001)	(0.0023)
Discontinuing Operations (Total)				
Equity holders of the parent	(2,630)	(4,713)		
Weighted average number of shares	116,916	116,916		
Basic earnings per share	(0.0225)	(0.0403)		

4.25 Cash flows from operating activities

MYTILINEOS GROUP MYTILINEOS S.A. (Amounts in thousands €) 1/1-31/12/2016 1/1-31/12/2015 1/1-31/12/2016 1/1-31/12/2015 Cash flows from operating activities 63.869 80.412 Profit for the period (14)(271)Adjustments for: Tax 21,407 28,379 553 (1,434)Depreciation of property, plant and equipment 68,506 308 55,714 312 6.098 Depreciation of intangible assets 7.046 46 33 42 42 Impairments 279 75 Provisions 147 683 (619)Income from reversal of prior year's provisions (84)(1,198)(1,140)Profit/Loss from sale of tangible assets (55)174 (3)Profit/Loss from fair value valuation of investment property 43 (48)Profit/Loss from fair value valuation of financ.assets at fair 4.596 (1.694)82 (109)value through PnL Profit/Loss from sale of financial assets at fair value 4,267 Interest income (2.968)(3.005)(341)(52)Interest expenses 51,422 54,563 7,954 15,441 Dividends (4,617)(16,080)Grants amortization (2,195)(1,741)Parent company's portion to the profit of associates (383)(197)Exchange differences (8,628)(3,763)529 2,889 Other differences (508)138,366 137,230 4,585 584 Changes in Working Capital (Increase)/Decrease in stocks (33,761)(81,131) 11 10.657 (Increase)/Decrease in trade receivables (105,538)(86,023)(4,230)(Increase)/Decrease in other receivables 4.284 (1,661)Increase / (Decrease) in liabilities 46,435 (40,677)(6,450)(15,800)Provisions (683)(23)(683)Pension plans (529)(591)(6) (89,792) (210, 107)(11,352)(5,150)Cash flows from operating activities (4,837)

^{*} Cash flow reclassification on note 3.9.

4.26 Discontinued Operations

The Group, since 2009, applies IFRS 5 "Non-current assets held for sale & discontinued operations", and presents separately the assets and liabilities of the subsidiary company SOMETRA S.A., following the suspension of the production activity of the Zinc-Lead production plant in Romania, and presents also the amounts recognized in the income statement separately from continuing operations. Given the global economic recession, there were no feasible scenarios for the alternative utilization of the aforementioned financial assets.

Consequently, from 2011 and on, by applying par. 13 of IFRS 5 "Noncurrent assets Held for Sale", the Zinc-Lead production ceases to be an asset held for sale and is considered as an asset to be abandoned. The assets of the disposal group to be abandoned are presented within the continuing operations while the results as discontinued operations.

In December 2015, SOMETRA S.A., contributed the Zinc-Lead activity, through a spin – off process, to its newly established subsidiary Reycom Recycling S.A. (REYCOM). The said spin - off is part of the "Mytilineos Group" restructuring process, regarding the Zinc-Lead discontinued operation, targeting on the production of Zn & Pb oxides through the development of a recycling operation of metallurgical residues.

Following the analysis of the profit and loss of the discontinued operations:

(Amounts in thousands €)	1/1-31/12/2016	1/1-31/12/2015
Sales	4,042	4,004
Cost of sales	(4,920)	(5,577)
Gross profit	(878)	(1,572)
Other operating income	294	1,387
Distribution expenses	(211)	(558)
Administrative expenses	(1,681)	(2,134)
Other operating expenses	(109)	(1,799)
Earnings before interest and income tax	(2,584)	(4,675)
Financial expenses	(45)	(38)
Profit before income tax	(2,630)	(4,713)
Profit for the period	(2,630)	(4,713)

4.27 Encumbrances

Group's assets are pledged for an amount of 733,32 m € and other encumbrances of 168m€ as bank debt collateral.

4.28 Commitments

Group's commitments due to construction contracts and finance lease are as follows:

MYTILINEOS GROUP

(Amounts in thousands €)	31/12/2016	31/12/2015
Commitments from construction contracts		
Value of pending construction contracts	1,040,347	1,190,714
Granted guarantees of good performance	302,214	351,041
Total	1,342,561	1,541,755

4.29 Operating Leases

MYTILINEOS GROUP

MYTILINEOS S.A.

(Amounts in thousands €)	31/12/2016	31/12/2015
Until 1 year	4,396	3,380
1 to 5 years	15,821	11,824
> 5 years	9,211	12,733
Total Operating Lease	29,427	27,936

31/12/2016	31/12/2015
315	292
1,131	1,014
29	332
1,475	1,639

4.30 Financial Risk Factors

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk and price risk), credit risk, liquidity risk, cash flow risk and fair value interest-rate risk. The Group's overall risk management program focuses on the unpredictability of commodity and financial markets and seeks to minimize potential adverse effects on the Group's financial performance. The Group uses derivative financial instruments to hedge the exposure to certain financial risks.

Risk management is carried out by a central treasury department (Group Treasury) under policies approved by the Board of Directors. Group Treasury operates as a cost and service centre and provides services to all business units within the Group, co-ordinates access to both domestic and international financial markets and manages the financial risks relating to the Group's operations. This includes identifying, evaluating and if necessary, hedging financial risks in close co-operation with the various business units within the Group.

4.30.1 Market Risk

(i) Foreign Exchange Risk

The Group is activated in a global level and consequently is exposed to foreign exchange risk emanating mainly from the US dollar. This kind of risk mainly results from commercial transactions in foreign currency as well as net investments in foreign entities. For managing this type of risk, the Group Treasury Department enters into derivative or non derivative financial instruments with financial institutions on behalf and in the name of group companies.

In Group level these financial instruments are characterized as exchange rate risk hedges for certain assets, liabilities or foreseen commercial transactions.

(ii) Price Risk

The Group's earnings are exposed to movements in the prices of the commodities it produces, which are determined by the international markets and the global demand and supply.

The Group is price risk from fluctuations in the prices of variables that determine either the sales and/or the cost of sales of the group entities (i.e. products' prices (LME), raw materials, other cost elements etc.). The Group's activities expose it to the fluctuations of the prices of Aluminium (AL), Zinc (Zn), Lead (Pb) as well as to Fuel Oil as a production cost.

Commodity price risk can be reduced through the negotiation of long term contracts or through the use of financial derivatives.

(iii) Interest rate risk.

Group's interest bearing assets comprises only of cash and cash equivalents. Additionally, the Group maintains its total bank debt in products of floating interest rate. In respect of its exposure to floating interest payments, the Group evaluates the respective risks and where deemed necessary considers the use of appropriate interest rate derivatives. The policy of the Group is to minimize interest rate cash flow risk exposures on long-term financing.

Effects and Sensitivity Analysis

The effects of the above risks at the Group's operating results, equity, and net profitability are presented in the table below:

LME AL (Aluminium)	\$/t	+ 50	- 50
EBITDA	m. €	9.6	(9.6)
Net Profit	m. €	9.6	(9.6)
Equity	m. €	9.6	(9.6)
LME Pb (Lead)	\$/t	+ 50	(50)
EBITDA	m. €	0.04	(0.04)
Net Profit	m. €	0.04	(0.04)
Equity	m. €	0.04	(0.04)

LME Zn (Zinc)	\$/t	+ 50	(50)
EBITDA	m. €	0.05	(0.05)
Net Profit	m. €	0.05	(0.05)
Equity	m. €	0.05	(0.05)

Exchange Rate €/\$	€/\$	- 0,05	+ 0,05
EBITDA	m. €	13.2	(13.2)
Net Profit	m. €	13.4	(13.2)
Equity	m. €	13.4	(13.4)

BRENT	\$/t	- 50	+ 50
EBITDA	m. €	0.4	(0.4)
Net Profit	m. €	0.4	(0.4)
Equity	m. €	0.4	(0.4)

NG Price	€/MWh		
EBITDA	m. €	13.0	(13.0)
Net Profit	m. €	13.0	(13.0)
Equity	m. €	13.0	(13.0)

It is noted that an increase of five (5) basis points presume a decrease of 3.86 mil. \in on net results and Equity.

The Group's exposure in price risk and therefore sensitivity may vary according to the transaction volume and the price level. However, the above sensitivity analysis is representative for the Group exposure in 2016.

4.30.2 Credit Risk

The Group has no significant concentrations of credit risk with any single counter party. Credit risk arises from cash and cash equivalents, derivative financial instruments and deposits with banks and financial institutions, as well as credit exposures to wholesale customers.

Concerning trade accounts receivables, the Group is not exposed to significant credit risks as they mainly consist of a large, widespread customer base. However, the atypical conditions that dominate the Greek market and several other markets in Europe are forcing the Group to constantly monitor its business claims and also to adopt policies and practices to ensure that such claims are collected. By way of example, such policies and practices include insuring credits where possible; pre-collection of the value of product sold to a considerable degree; safeguarding claims by collateral loans on customer reserves; and receiving letters of guarantee.

To minimize credit risk on cash reserves and cash equivalents; in financial derivate contracts; as well as other short term financial products, the Group specifies certain limits to its exposure on each individual financial institution and only engages in transactions with creditworthy financial institutions of high credit rating.

The tables below summarize the maturity profile of the Group's financial assets as at 31.12.2016 and 31.12.2015 respectively:

MYTILINEOS GROUP

		Past due but not impaired			Non past due but not		
(Amounts in thousands €)	0-3 months	3-6 months	6-12 months	> 1 year	impaired	Total	
Liquidity Risk Analysis - Trade Receivables							
2016	50,589	26,327	5,959	65,013	442,690	590,578	
2015	51,398	15,765	3,301	31,588	367,963	470,014	

MYTILINEOS S.A.

			ue but not impaired Non past due but not		Total		
(Amounts in thousands €)	0-3 months	3-6 months	6-12 months	> 1 year	impaired		
Liquidity Risk Analysis - Trade Receivables							
2016	-	205	-	59	-	264	
2015	-	85	-	-	-	85	

4.30.3 Liquidity Risk

Liquidity risk is related with the Group's need for the sufficient financing of its operations and development. The relevant liquidity requirements are the subject of management through the meticulous monitoring of debts of long term financial liabilities and also of payments made on a daily basis.

On 31/12/2015, the positive balance between Group's Working Capital and Short-Term Liabilities secures the adequate funding of the Parent Company.

The Group ensures that there is sufficient available credit facilities to be able to cover its short-term business needs, after the calculation of cash flows arising from the operation as well as cash and cash equivalents which are held. The funds for long-term liquidity needs ensured by a sufficient amount of loanable funds and the ability to sell long-term financial assets.

The tables below summarize the maturity profile of the Group's financial liabilities as at 31.12.2016 and 31.12.2015 respectively:

MYTILINEOS GROUP

Liquidity Risk Analysis - Liabilities (Amounts in thousands €) 2016	up to 6 months	6 to 12 months	1 to 5 years	after 5 years	Total
Long Term Loans	-	-	387,272	41,378	428,650
Short Term Loans	75,862	143,150	-	-	219,012
Trade and other payables	339,426	36,273	32,733	-	408,431
Other payables	(195,017)	248,174	568	-	53,725
Current portion of non - current liabilities	33,189	135,324	-	-	168,513
Total	253,460	562,921	420,573	41,378	1,278,332

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Liquidity Risk Analysis - Liabilities (Amounts in thousands €) 2015	up to 6 months	6 to 12 months	1 to 5 years	after 5 years	Total
Long Term Loans	-	-	366,787	56,255	423,043
Short Term Loans	41,583	104,105	1,251	526	147,465
Trade and other payables	301,744	16,273	62,609	-	380,627
Other payables	(296,205)	362,073	850	-	66,718
Current portion of non - current liabilities	29,910	134,248	-	-	164,158
Total	77,031	637,034	411,163	56,782	1,182,010

MYTILINEOS S.A.

Liquidity Risk Analysis - Liabilities (Amounts in thousands €) 2016	up to 6 months	6 to 12 months	1 to 5 years	after 5 years	Total
Long Term Loans	-	-	5,250	-	5,250
Short Term Loans	-	15,363	-	-	15,363
Trade and other payables	17,403	198	-	-	17,601
Other payables	123,223	-	568	-	123,791
Current portion of non - current liabilities	500	2,968	-	-	3,468
Total	141,126	18,529	5,818		165,473

MYTILINEOS S.A.

Liquidity Risk Analysis - Liabilities (Amounts in thousands €) 2015	up to 6 months	6 to 12 months	1 to 5 years	after 5 years	Total
Long Term Loans	-	-	17,245	-	17,245
Trade and other payables	4,411	-	13,583	-	17,994
Other payables	2,299	116,913	-	-	119,212
Current portion of non - current liabilities	3,450	3,680	-	-	7,130
Total	10,160	137,838	13,583		161,581

It must be noted that the above table does not include liabilities to clients from the performance of construction projects, as the maturity of such values cannot be assessed.

Moreover, cash-advances from customers, construction contacts liabilities as well as the provisions and accrued expenses are not included.

Capital Control imposition in Greece

The Group is constantly and vigorously monitoring capital controls, stemming from the Legislative Act (L.A.) of June 28th 2015 and any subsequent ones, taking every necessary measure to safeguard its going concern. Through the strength of its international profile and export orientation, the Group copes with existing difficulties, supports the liquidity of the Greek system and achieves a smooth and normal operation for all its sectors of activity.

4.31 Fair Value Measurements

The following table presents financial assets and liabilities measured at fair value in the statement of financial position in accordance with the fair value hierarchy. This hierarchy groups financial assets and liabilities into three levels based on the significance of inputs used in measuring the fair value of the financial assets and liabilities. The fair value hierarchy has the following levels:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The level within which the financial asset or liability is classified is determined based on the lowest level of significant input to the fair value measurement.

The Group's financial assets and liabilities measured at fair value in the statement of financial position are grouped into the fair value hierarchy for 31/12/2016 and 31/12/2015 as follows:

MYTILINEOS GROUP

(Amounts in thousands €)	31/12/2016	Level 1	Level 2	Level 3
Financial Assets				
Financial assets at fair value through profit or loss				
Stock Shares	900	900	-	-
Bank Bonds	59	59	-	-
Financial Assets Available For Sale	169	124	8	37
Foreign Exchange Contracts For Cash Flow Hedging (Forward)	491	-	491	-
Financial Assets	1,618	1,082	499	37
Financial Liabilities				
Foreign Exchange Swap Contracts (Swaps)	2,660	-	2,660	-
Foreign Exchange Contracts For Cash Flow Hedging (Forward)	13	-	13	-
Commodity Futures	3,111	-	3,111	-
Commodity Options	4,094	-	4,094	-
Financial Liabilities	9,878	-	9,878	-
THATOM EMPHOO	3,010		3,010	

MYTILINEOS GROUP

	19	IIIIIIIII	anour	
(Amounts in thousands €)	31/12/2015	Level 1	Level 2	Level 3
Financial Assets				
Financial assets at fair value through profit or loss				
Stock Shares	1,020	1,020	-	-
Bank Bonds	57	57	-	-
Financial Assets Available For Sale	2,253	2,132	8	112
Financial Assets	3,330	3,209		112
Financial Liabilities				
Foreign Exchange Swap Contracts (Swaps)	3,198	-	3,198	-
Foreign Exchange Contracts For Cash Flow Hedging (Forward)	1	-	1	-
Foreign Exchange Contracts (Forward)	(11)	-	(11)	-
Options	205	-	205	-
Financial Liabilities	3,392		3,392	-

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(Amounts in thousands €)		31/12/2016	Level 1	Level 2	Level 3
Financial Assets					
Financial assets at fair value the	nrough profit or loss				
	Stock Shares	10	10	-	-
	Bank Bonds	59	59	-	-
Financial Assets Available For	Sale	37	-	-	37
Financial Assets		105	69		37

MYTILINEOS S.A.

(Amounts in thousands €)		31/12/2015	Level 1	Level 2	Level 3
Financial Assets					
Financial assets at fair value the	hrough profit or loss				
	Stock Shares	93	93	-	-
	Bank Bonds	57	57	-	-
Financial Assets Available For	Sale	112	-	-	112
Financial Assets		262	150		112

In the financial year 2016 no transfer existed between levels 1 and 2.

4.32 Capital Management

The primary objective of the Group's capital management is to ensure the continuous smooth operation of its business activities and the achievement of its growth plans combined with an acceptable credit rating. For the purpose of capital management, the Group monitors the ratios "Net Debt to EBITDA" and "Net Debt to Equity". As net debt, the Group defines interest bearing borrowings minus cash and cash equivalents. The ratios are managed in such a way in order to ensure the Group a credit rating compatible with its strategic growth.

The table below presents ratio results for the years December 31, 2016 and 2015 respectively:

MYTILINEOS GROUP

	WITTEHALOO	anoon
	31/12/2016	31/12/2015
(Amounts in thousands €)		
Long-term debt	428,650	404,278
Short-term debt	219,012	166,023
Current portion of non-current liabilities	168,513	157,235
Cash and cash equivalents	(197,884)	(200,859)
Group Net debt	618,293	526,675
Oper.Earnings before income tax, financial results, depreciation and amortization	222,363	234,373
Equity	1,284,251	1,230,338
Group Net debt / Oper.Earnings before income tax, financial results, depreciation and amortization	2.78	2.25
Group Net debt / Equity	0.48	0.43

The Company manage its funds on a Group level and not on a Company level.

Due to bank financing, the Group holds an obligation and restriction to maintain the ratio of "Net Debt to Equity" below one.

During the reporting period of 2016, the Group proceeded with restructuring the existing borrowings in order to extend the maturity.

4.33 Dividend Proposed and Payable

The BOD will not propose to the General Assembly of the Shareholders (GA) the distribution of dividend.

4.34 Number of employees

The number of employees at 31/12/2016 amounts to 2.009 for the Group and to 79 for the Entity. Accordingly, at 31/12/2015, the number of employees amounted to 1.853 and 72.

4.35 Related Party transactions

The above mentioned related party transactions are on a pure commercial basis. The Group or any of its related parties has not entered in any transactions that were not in an arm's length basis, and do not intent to participate in such transactions in the future. No transaction from the above mentioned had any special terms and there were no guarantees given or received.

	MYTILINE	S GROUP	MYTILINI	EOS S.A.	
(Amounts in thousands €)	31/12/2016	31/12/2015	31/12/2016	31/12/2015	
Stock Sales					
Subsidiaries	-	-	6,887	13,523	
Other Related parties	657	-	-	-	
Total	657	-	6,887	13,523	
Stock Purchases					
Subsidiaries	-	-	6,876	13,501	
Total		-	6,876	13,501	
Services Sales					
Subsidiaries	-	-	16,753	12,191	
Other Related parties	7	193	-	-	
Total		193	16,753	12,191	
Services Purchases					
Subsidiaries	-	-	6,690	7,283	
Management remuneration and fringes	16,242	17,976	2,579	3,280	
Other Related parties	4,816	4,189	478	471	
Total	21,058	22,165	9,748	11,034	

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MYTILINEOS S.A.

	31/12/2016	31/12/2015	31/12/2016	31/12/2015
Loans received from Related Parties				
Subsidiaries	-	-	148,530	152,661
Total		-	148,530	152,661
Balance from sales of stock/services receivable				
Subsidiaries	-	-	45,055	42,096
Other Related parties	2,488	731	_	2
Total	2,488	731	45,054	42,098
Guarantees granted to related parties				
Subsidiaries	-	-	1,541,063	1,457,838
Total		-	1,541,063	1,457,838
Balance from sales/purchases of stock/services payable				
Subsidiaries	-	-	17,188	4,337
Management remuneration and fringes	47	54	47	54
Other Related parties	54	45	46	44
Total	101	99	17,282	4,435

Out of the above mentioned parent company guarantees:

- € 873.85 mio are parent company guarantees for bank loans of the Group's subsidiaries and
- € 667.21 mio are parent company guarantees on behalf of customers and suppliers of the Group's subsidiaries.

It is noted that the above amount of guarantees issued by the parent on behalf of customers and suppliers of its subsidiaries, refers to the maximum amount of the guarantee and the respective risk undertaken by the parent regardless of the probability of realization of said risk.

The parent company assesses the price that shall be invoiced to its subsidiaries for guarantees issued by the parent on behalf of them based on generally accepted pricing methods. In cases where such pricing exceeds the amount of the already agreed and charged management fees, there will be an incremental charge to cover the difference.

The above mentioned related party transactions are on a pure commercial basis. The Group or any of its related parties has not entered in any transactions that were not in an arm's length basis, and do not intent to participate in such transactions in the future. No transaction from the above mentioned was under any special terms.

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(Amounts in thousands €)	31/12/2016	31/12/2015	31/12/2016	31/12/2015
Short term employee benefits				
- Wages and Salaries and BOD Fees	15,476	17,225	2,291	2,999
- Insurance service cost	712	690	288	281
	16,188	17,915	2,579	3,280
Pension Benefits:				
- Defined benefits scheme	-	52	-	-
- Defined contribution scheme	54	9	-	-
Total	16,242	17,976	2,579	3,280

No loans have been given to members of the Board of Directors or other management members of the Group (and their families).

4.36 Contingent Assets & Contingent Liabilities

4.36.1 Disclosures related to contingent liabilities

The fiscal years that have not been inspected by the tax authorities for each of the Group's companies are as follows:

	COMPANY	YEARS NOT INSPECTED BY TAX AUTHORITIES
1	METKA INDUSTRIAL – CONSTRUCTION S.A	2009-2010
2	SERVISTEEL	2010
3	RODAX BRAZI SRL, Bucharest, Romania	2009-2015
4	ELEMKA S.A., Maroussi, Athens	2010
5	DROSCO HOLDINGS LIMITED, Cyprus	2003-2016
6	BRIDGE ACCESSORIES & CONSTRUCTION SYSTEMS S.A., Maroussi, Athens	2010 & 2014-2016
7	METKA BRAZI SRL, Bucharest, Romania	2008-2016
8	POWER PROJECTS, Turkey	2010-2016
9	ALUMINIUM OF GREECE S.A.	2010
10	DELFI DISTOMON A.M.E.	2006-2010
11	DESFINA SHIPPING COMPANY	2010 - 2016
12	DESFINA MARINE S.A.	2013-2016
13	ST. NIKOLAOS SINGLE MEMBER P.C.	2014-2016
14	RENEWABLE SOURCES OF KARYSTIA S.A.	2010
15	SOMETRA S.A., Sibiu, Romania	2003-2016
16	STANMED TRADING LTD, Cyprus	2011-2016
17	MYTILINEOS FINANCE S.A., Luxemburg	2007-2016
18	RDA TRADING, Guernsey Islands	2007-2016
19	MYTILINEOS BELGRADO D.O.O., Serbia	1999-2016
20	MYVEKT INTERNATIONAL SKOPJE	1999-2016
21	MYTILINEOS FINANCIAL PARTNERS S.A.	2011-2016
22	MYTILINEOS INTERNATIONAL COMPANY AG "MIT Co"	2013-2016
23	GENIKI VIOMICHANIKI S.A., Maroussi, Athens	2014-2016
24	DELTA PROJECT CONSTRUCT SRL, Bucharest, Romania	2005-2016
25	DELTA ENERGY S.A., Moshato, Athens	2010 & 2014-2016
26	FOIVOS ENERGY S.A., Amfiklia Fthiotidas	2010 & 2014-2016
27	HYDROCHOOS S.A., Moshato, Athens	2010
28	HYDRIA ENERGY S.A., Moshato, Athens	2010 & 2014-2016
29	EN.DY. S.A., Moshato, Athens	2010 & 2014-2016
30	SMALL HYDROELECTRIC STATIONS PELOPONNISOU S.A. (EX FOTINOS TILEMAXOS S.A., Moshato, Athens)	2010 & 2014-2016
31	THESSALIKI ENERGY S.A., Moshato, Athens	2010 & 2014-2016
32	PROTERGIA S.A.	2010
33	NORTH AEGEAN RENEWABLES, Maroussi, Athens	2010 & 2014-2016
34	MYTILINEOS HELLENIC WIND POWER S.A., Maroussi, Athens	2010
35	AIOLIKI ANDROU TSIROVLIDI S.A., Maroussi, Athens	2010 & 2014-2016
36	MYTILINEOS AIOLIKI NEAPOLEOS S.A., Maroussi, Athens	2010 & 2014-2016
37	AIOLIKI EVOIAS PIRGOS S.A., Maroussi, Athens	2010 & 2014-2016
38	AIOLIKI EVOIAS POUNTA S.A., Maroussi, Athens	2010 & 2014-2016
39	AIOLIKI EVOIAS HELONA S.A., Maroussi, Athens	2010 & 2014-2016
40	AIOLIKI ANDROU RAHI XIROKABI S.A., Maroussi, Athens	2010 & 2014-2016
41	METKA AIOLIKA PLATANOU S.A., Maroussi, Athens	2010 & 2014-2016
42	AIOLIKI SAMOTHRAKIS S.A., Maroussi, Athens	2010 & 2014-2016
43	AIOLIKI EVOIAS DIAKOFTIS S.A., Maroussi, Athens	2010 & 2014-2016

YEARS NOT INSPECTED BY COMPANY **TAX AUTHORITIES** 44 AIOLIKI SIDIROKASTROU S.A., Maroussi, Athens 2010 45 HELLENIC SOLAR S.A., Maroussi Athens 2010 46 SPIDER S.A., Maroussi Athens 2010 & 2014-2016 47 GREEN ENERGY A.E. 2007-2010 & 2014-2016 1/7/2009-30/6/2010 & 2014-48 MOVAL S.A. 2016 1/7/2009-30/6/2010 & 2014-49 PROTERGIA THERMOELECTRIC (EX ARGYRITIS GEA S.A.) 2016 50 ANEMOSTRATA RENEWABLE ENERGY SOURCES S.A. 2009 - 2010 & 2014-2016 51 ANEMODRASI RENEWABLE ENERGY SOURCES S.A. 2009 - 2010 & 2014-2016 52 ANEMORAHI RENEWABLE ENERGY SOURCES S.A. 2009 - 2010 & 2014-2016 53 ANEMOSKALA RENEWABLE ENERGY SOURCES S.A. 2009 - 2010 & 2014-2016 54 HORTEROU S.A. 2010 & 2014-2016 55 KISSAVOS DROSERI RAHI S.A. 2010 & 2014-2016 56 KISSAVOS PLAKA TRANI S.A. 2010 & 2014-2016 57 KISSAVOS FOTINI S.A. 2010 & 2014-2016 58 AETOVOUNI S.A. 2010 & 2014-2016 59 LOGGARIA S.A. 2010 & 2014-2016 60 IKAROS ANEMOS S.A. 2014-2016 61 KERASOUDA S.A. 2014-2016 62 AIOLIKI ARGOSTYLIAS S.A. 2014-2016 63 J/V METKA - TERNA 2009-2016 64 KORINTHOS POWER S.A. 2010 65 KILKIS PALEON TRIETHNES S.A. 2010 & 2014-2016 66 ANEMOROE S.A. 2010 & 2014-2016 67 PROTERGIA ENERGY S.A. 2010 & 2014-2016 68 PROTERGIA THERMOELECTRIC AGIOU NIKOLAOU S.A. 2010 69 SOLIEN ENERGY S.A. 2007-2011 & 2014-2016 70 OSTENITIS S.A. (former ALUMINIUM OF GREECE S.A.) 2010 & 2014 71 THERMOREMA S.A., Moshato, Athens 2007-2016 72 FTHIOTIKI ENERGY S.A., Moshato, Athens 2003-2016 73 METKA RENEWABLES LIMITED 2015-2016 74 IONIA ENERGY S.A., Moshato, Athens 2010-2011, 2013-2016 75 ELECTRONWATT S.A., Moshato, Athens 2006-2016 76 BUSINESS ENERGY TRIZINIA S.A., Alimos, Athens 2007-2016 77 AIOLIKH TRIKORFON S.A. 2008-2014 78 MAKRYNOROS ENERGEIAKH S.A. 2008-2016 79 RIVERA DEL RIO 2015-2016 80 METKA-EGN LTD (CYPRUS) 2015-2016 81 METKA-EGN LTD (ENGLAND) 2015-2016 82 METKA -EGN SpA 2015-2016 83 METKA-EGN USA LLC 2015-2016 84 METKA POWER WEST AFRICA LIMITED 2015-2016 85 METKA INTERNATIONAL LTD New company 86 METKA EGN EGYPT New company 87 HIGH POINT SOLAR LIMITED New company 88 GREEN LANE SOLAR LIMITED New company 89 NORTH TENEMENT SOLAR LIMITED New company 90 SEL PV 09 LIMITED New company 91 INTERNATIONAL POWER SUPPLY AD

New company

For the fiscal years that have not been inspected by the tax authorities (as reported in the above table), there is a possibility of additional tax imposition. Therefore the Group assesses, on an annual basis, the contingent liabilities regarding additional taxes from tax inspections in respect of prior years and makes relevant provisions where this is deemed necessary. The Management assesses that apart from the recorded provisions which as at 31.12.2015 amount to \in 1,3mil., any tax differences that may arise in the future will not have a material impact on the financial position, results and cash flows of the Group.

For the fiscal year 2012 and 2013, the Group companies which were subject to tax audit by statutory auditors or audit firm, received a Tax Compliance Certificate free of disputes in 2013 and 2014 accordingly.

For the 2014 and 2015 tax audit, the companies of the Group which operate in Greece have been subjected to a tax audit by Sworn Auditors according to article 65A par. 1 of law 4174/2013 and of law 4262/2014. Said tax audit has been completed during 2015 and 2016 accordingly and the tax certificates were distributed by the statutory auditors.

For fiscal year 2016, the tax audit is already being performed by the legal auditors and is not expected to bring any significant differentiation on the tax liabilities incorporated in the Financial Statements. According to the relevant recent law, the audit and issuance of tax certificates are also valid for the fiscal years starting from 2016 onwards on an optional basis.

It is noted that a tax audit started in 2016 by the competent authorities of the Ministry of Finance of the parent company METKA SA for fiscal years 2009-2010 and is expected to be concluded during this year. The Group's Management estimates that the additional tax liabilities to be paid will not be more than the already formed forecast.

The tax audit for the parent company Mytilineos S.A. for the fiscal years 2007-2010 has been completed by the relevant authorities of Ministry of Finance. The differences that arose from said tax audit amounts to €760k.

4.36.2 Other Contingent Assets & Liabilities

Note on Independent Power Transmission Operator S.A. (ADMIE)

On 17.12.2014, Independent Power Transmission Operator S.A. (IPTO or ADMIE) sent briefing notes to our subsidiary company, Aluminium of Greece (henceforth the "Subsidiary"), requesting the issuance of a credit invoice for the amount of €17.4m relating to the Excise Tax (ET) on Gas consumed at the Combined Heat and Power (CHP) Plant for the period of 28/11/2012 until 31/10/2013 (henceforth the "Period"). Said ET was invoiced to ADMIE during the aforementioned period, pursuant to its related debit notes.

In relation to the above, we note the following:

- The CHP station is a dispatchable cogeneration unit, part of which qualifies as highly efficient (High-Efficiency Combined Heat and Power/ HE-CHP) under the Code's provisions, but also under the specific operational terms which were approved by way of RAE's Decision No. 700/2012 (as amended by Decision 341/2013).
- According to Article 197(2) of Law 4001/2011, from 1/9/2011 onwards, all HECHP stations, regardless of their installed capacity, gain priority for the allocation of their loads. In particular, in accordance with Article 197(3) of the above Law, HE-CHP stations with an installed capacity over 35MW are to be compensated with the tariff which derives from the table displayed in Law 3468/2006, plus the Natural Gas Clause Coefficient (CC), which is calculated using the following formula: $CC = 1 + (AGP-26)/(100 \times nel)$

Where:

- AGP: the monthly mean average unitary selling price of natural gas to NG users in Greece who are also electricity customers, in €/MWh using the gross calorific value (GCV). This value is determined by the Ministry of Environment, Energy and Climate Change's Petroleum Policy Directorate and is communicated to Hellenic Transmission System Operator S.A. (HTSO or DESMIE) on a monthly basis.
- nel: the electrical efficiency of the provision for High-Efficiency CHP based on the gross calorific value (GCV) of natural gas, which is defined in accordance with the station's technical information, as reported by the relevant Operator.

The CC value cannot be lower than one (1) and is determined on a case-by-case basis by way of a decision made by the Minister of Environment, Energy and Climate Change (henceforth the "Ministerial Decision") following consultation by RAE. RAE's opinion must also take the plant's installed capacity into account, in a way so that the determined value generally decreases as the capacity increases.

Moreover, the AGP is displayed in €/MWh and includes the ET, as specified in the letter sent by the Ministry of Environment, Energy and Climate Change's Petroleum Policy Directorate on 2/11/2011.

The High-Efficiency CHP station owned by the subsidiary company Aluminium of Greece has an installed capacity of 334MW, of which 134.6MW has priority in entering the system (HE-CHP) in accordance with the aforementioned decisions which approved the Specific Operational Terms. From 1/9/2011 until 31/10/2013 (which ADMIE set as the final date for settling the ET), the CC value, as defined above, had not been established because the relevant decision had not been issued by the Minister of Environment, Energy and Climate Change, despite the fact that the Regulatory Authority for Energy had issued two relevant opinions in accordance with the provisions of Article 197(2) of Law 4001/2011 (RAE 3/2012 and RAE 5/2013). Consequently, the Subsidiary's HE-CHP neither issued invoices nor received a tariff in accordance with the provisions of Law 4001/2011. Instead, following the signing of a Private Agreement between the Subsidiary and the Operator of Electricity Market (LAGIE) on 26.4.2013, HE-CHP issued temporary invoices, for the entire aforementioned period, at the minimum price which could have resulted from the application of the mathematical formula established by Law 4001/2011 (if the CC value was set at the unit price, i.e., if the AGP amounted to 26€/MWh). According to the Private Agreement, the final settlement was to take place following the establishment of the CC by way of the issuance of the relevant Ministerial Decision, so that dispatched HE-CHP energy would be compensated in accordance with the provisions of

the "Supplementary Agreement for Transactions relating to Electricity from the Dispatchable High-Efficiency CHP Station" (Government Gazette B' 3108/23.11.2012) which was concluded between the Subsidiary and LAGIE on 28.11.2012.

The aforementioned provisions of Law 4001/2011, in conjunction with the provisions specified in the letter sent by the Ministry of Environment, Energy and Climate Change's Petroleum Policy Directorate, as well as the provisions of both the Subsidiary's Private Agreement with LAGIE and the "Supplementary Agreement for Transactions relating to Electricity from the Dispatchable High-Efficiency CHP Station" between the two parties, require that the Natural Gas ET is recovered to the extent that the natural gas was consumed in generating electricity. Therefore, the Subsidiary also recognized the part of the Natural Gas ET which corresponded to consumptions made in generating useful heat (steam for the Alumina production process) as a liability (deducted from ADMIE's receivables balance), the total value of which amounted to €9.1m.

Regarding the remaining balance of ADMIE's relevant briefing note, which amounts to €8.3m and relates to the Natural Gas ET which corresponded to consumptions for electricity generation (HE- CHP), it is noted that this does not constitute a liability for the Group. Specifically, in accordance with IAS 37, "a liability is a present obligation of the entity arising from past events, the settlement of which is expected to result in an outflow from the entity of resources embodying economic benefits". Based on the above and given that the Subsidiary has not received a final compensatory price for the Period (by way of the CC, see above), while, based on the Private Agreement between the Subsidiary and LAGIE, the final settlement will take place following the issuance of the relevant Ministerial Decision regarding the establishment of the CC (which has not been issued), the Subsidiary believes that it has no commitment which would legally constitute an obligation to return the amount of €8.3m. A relevant liability may arise once the aforementioned Ministerial Decision regarding the establishment of the CC is issued, in which case the Group estimates that the final compensation that it will receive for electricity dispatched to the system as High-Efficiency CHP will exceed the amount of €8.3m. Therefore, it is not expected that a loss will result for the Company Group.

Finally, in respect of the final settlement of the CHP pricing for 2013 it is noted that, on the 4th of June 2015 the subsidiary Aluminium of Greece (the Subsidiary), sent a letter to the Operator of the Electricity Market (LAGHE) asking the convene of the Dispute Settlement Committee as provided in the article 16 p. 2 of the "Supplementary Agreement for Transactions relating to Electricity from the Dispatchable High-Efficiency CHP Station" signed between the parties. The dispute in consideration concerns the imposition of a 10% special tax plus an extra 10% of one-off discount on tariffs, both regarding the financial year 2013. On 11/6/2015 LAGIE accepted the request of the Subsidiary and further actions are expected to occur within the following period.

The minutes of the off-court Settlement Committee dated 24/11/2015, confirmed the failure for a settlement agreement between the parties. Mytilineos SA with its letter dated 21/1/2016 proposed to the Greek Operator of Electricity Market (LAGIE) to bring the said dispute to arbitration after the Regulatory Authority for Energy (RAE) based on the provisions of the article 16 par. 4 of the Supplementary Power Purchase Agreement signed between the parties on 28/11/2012. Further to that, Mytilineos SA has also attached a draft arbitration memorandum pending LAGIE's final consent.

State aid in favour of AoG, Decision of the European Commission

On 13.7.2011, the European Commission issued a decision that ordered the recovery of state aid amounting to approximately €17.5m (plus interest) from AoG.

The European Commission classified the application of the electricity supply tariff that was contained in the 1960 Contract, which was the result of an interim decision by the Single-Member Court of First Instance of Athens (January 2007) and lasted until the repealing of said decision in March 2008, as unlawful state aid. In order to classify the application of the tariff as state aid and to calculate the amount to be recovered, the Commission compared the tariff paid by AoG under the Pechiney contract with the A-150 tariff that PPC applied to its other industrial customers (apart from LARCO).

AoG challenged this decision before the General Court of the EU in October 2011, submitting seven reasons for which the decision should be annulled. the first of which was strictly procedural and concerned the distinction between existing aid and new aid, which is crucial in state aid law. Specifically, with this argument, AoG claimed that the - essentially temporary judgment that PPC's termination of the 1960 contract was void and the consequent continuation of the contract until there was a judgment in the main trial proceedings, did not alter the pre-existing status at all (nor did it extend it) and therefore, regardless of the substance of the matter and the absence of state aid, it would in any case have to be considered existing state aid and not new state aid. In the meantime, AoG paid the amount of the aid to PPC.

By way of its decision on 8.10.2014 in case T-542/11, the General Court upheld this reason for annulling the decision and did not examine any of the other reasons. PPC returned the amount that had been paid to AoG.

PPC, which had intervened in the first case, submitted an appeal against this decision. It is telling that the European Commission, whose decision had been annulled at first instance, did not exercise an appeal.

On 26.10.2016, the Court of Justice of the EU issued its judgment in Case C-590/14P, which annulled the first instance decision and referred the case back to the General Court in order for it to examine the remaining reasons for annulment that had not been examined (i.e. the reasons regarding the substance of the case).

Essentially, the Court held that the interim decision had revived and/or extended the 1960 tariff (especially considering that the A-150 tariff was applied from March 2006 until January 2007), and therefore – in accordance with the case law – the 'measure' had been amended (in this case it was extended) in such a way so as to constitute 'new aid' and not 'existing aid'.

By way of this decision, the European Commission's decision of 2011 was revived in principle. Therefore, the European Commission submitted a question to the Hellenic Republic concerning possible actions following the judgment in the appeal case.

The Hellenic Republic and PPC responded to the European Commission by forwarding a communi-

cation sent by AoG, which analyzes the feasibility of avoiding cross payments in view of the judgment in the referred case. Thereafter, AoG also communicated with the European Commission and sent a communication that further analyzed the issue of the (annually renewing) advance payment that it had already paid to PPC, and which operates as a complete guarantee and warranty for PPC in the case that the request for annulment in the referred case is rejected. The European Commission sent a new notification requesting further clarifications regarding the contract between AoG and PPC, and – in particular - the advance payment that has been paid to PPC.

At the same time, in the context of the pending proceedings before the General Court of the EU, AoG sent a memorandum to the Court for the continuance of the procedure, as did the other parties. The Court informed us by way of its 17.1.2017 communication that the written procedure had been completed. The designation of the date of the hearing is currently being awaited, and is expected to take place before the summer. If this is confirmed, the new decision might be expected in late 2017 or early 2018.

It is noted that, as indicated by the memorandum submitted by the European Commission, but also - mainly - by the content of the Commission's decision of 25.3.2015 and its pleadings in Case T-352/15 (where AoG has been joined in the proceedings by the Commission and PPC has turned against the Commission's position in its complaint regarding the classification of the arbitration award as state aid), the European Commission has no interest in the outcome of this case. The thing that it was concerned with, and that was achieved by way of the annulling decision, was to confirm judicially that the judgment regarding whether a 'state aid' is existing or new belongs to the Commission itself, and not the member states.

In summary, and avoiding the legal analysis of the reasons for the annulment that were submitted, said request for annulment is expected to be accepted (again) by the General Court for the following reasons of substance:

Firstly, as mentioned above, the decision of 2011 simplistically compares PPC's general industrial tariff with the tariff that AoG paid for a period of 14 months, and characterizes the difference between the two that benefits AoG as constituting state aid. However, in its 25.3.2015 decision, the Commission expressly states that there is no comparison between AoG and the other industrial consumers in Greece, and that AoG's tariffs necessarily have to be unique and different. For this reason alone, which has already been raised by AoG at first instance, the Commission's decision is expected to be annulled again.

Equally important for the purposes of the referred case is the fact that AoG and PPC recently signed a long term contract for a completely individualized tariff, and apart from the fact that it is significantly lower than the 'average' industrial tariff, it also includes a metal clause, as did the 1960 contract. The Commission is not only aware of these facts, but also, by way of both the vindication of the Arbitration Award but also its direct intervention (under the third Memorandum and the review) for the signing of the aforementioned new contract, has already clearly sided in favour of AoG's positions and against PPC's efforts back then to impose the A-150 tariff. In short, the Commission no longer believes the things it wrote in its decision of 2011 and has proven this in practice. Specifically, in the third Memorandum and its revisions that followed, the European Commission imposed that PPC negotiates tariffs with HV customers on the basis of its marginal cost of production, taking into account the particular electrical characteristics of each one. The specification of the marginal cost of production came a few months later, by way of the clarification of the starting price of the NOME auction mechanism, which coincides almost perfectly with the basic assumptions of the 1960 Contract's pricing formula (variable cost of production from lignite and water).

On the other hand, following the intervention of both the Institutions and the Hellenic Competition Commission, which obliged PPC to undertake commitments concerning the way it charges AoG, specifically describing the attempt to impose the successors of the A-150 tariff as abuse of a dominant position, PPC turned over a new leaf with AoG, demonstrating – in practice as well – the error of its claims in this case.

Although this case concerns another time period, it is clear that all of the events that occurred at a later date and which vindicated the arguments that AoG developed in its pleadings are of great significance. This is because when the 1960 contract ended in March 2006, PPC ought to have either negotiated an individualized supply tariff with AoG, which was and still is its best client (in terms of its consumption profile) as has been confirmed explicitly by all of the decisions of the competent authorities, or proposed to RAE a new, individualized regulated tariff that is compliant with AoG's unique consumption characteristics.

Taking into account all of the basic actual and legal facts, as these have been developed by AoG in its memoranda (the most recent of which is dated 26.12.2016), there remains no scope for a different interpretation, and they do not even allow the Commission itself (or PPC) to support the validity of the contested decision.

Finally, it is noted that in the case of a judgment by the General Court of the European Union that is negative for the Subsidiary Company, which the Management considers less likely, the results of the Group's subsidiary company will incur a burden amounting to €17.4m plus legal interest.

DEPA claim against Protergia Thermoilektriki and Korinthos Power

The disputes that have arisen between the companies a) Protergia Thermoilektriki / KORINTHOS POW-ER / ALUMINIUM OF GREECE INDUSTRIAL AND COMMERCIAL SOCIETE ANONYME and b) DEPA S.A. derive from alleged claims made by DEPA S.A. i) regarding charges for the Annual Quantity Deficit (ToP) for 2014, amounting to €1,331,609.06 plus interest for Protergia Thermoilektriki and €1,539,312.97 plus interest for KORINTHOS POWER, and ii) regarding charges that arose from the retrospective revision of the contract price due to the revision of the prices charged by DEPA's supplier, the Turkish company named BOTAS PETROLEUM PIPELINE CORPORATION, amounting to €6,256,309.53 plus interest that amounts to €535.892.89 € for Protergia Thermoilektriki, €4,653,532.99 plus interest that amounts to €371,990.65 for KORINTHOS POWER, and €7,245,689.86 plus interest that amounts to €1,104,956.06 for ALUMINIUM OF GREECE INDUS-TRIAL AND COMMERCIAL SOCIETE ANONYME.

All of the aforementioned companies of the corporate group have contested said obligations, and specifically: ALUMINIUM OF GREECE INDUSTRIAL AND COMMERCIAL SOCIETE ANONYME has initiated arbitration proceedings against DEPA S.A., while the companies Protergia Thermoilektriki and KORINTHOS POWER have already filed arbitration requests, dated 28.09.2016/22311/ZF and 28.09.2016/22310/ZF, against DEPA S.A. in order to resolve the aforementioned disputes.

The requests made by way of the arbitration requests are as follows:

(A) the recognition that DEPA S.A.'s demands for ToP charges are unlawful and that DEPA S.A. acted in breach of Article 24(3) of Law 3175/2003 and the provisions of the Agreement for the Sale of Natural Gas (Articles C.5.2 (a), E5.1, E5.3 (a) and E5.3 (b) of the Agreement and Article 5 of the Framework Agreement) regarding the issuance of said invoices, and

(B) the recognition that DEPA S.A. acted in violation of Article 24 of Law 3175/2003 in relation to the issuance of the Reviewed Price Tariffs and therefore DEPA S.A.'s demands are unfounded, unlawful and unspecified, and for this reason PROTERGIA THERMOILEKTRIKI and KORINTHOS POWER S.A. are not bound either contractually or in accordance with the law to pay DEPA S.A. the reviewed price tariffs for natural gas and do not owe DEPA S.A. these amounts. In any case, if it is judged that they will have to incur any amount, recognition is sought that DEPA S.A. acted in violation of paragraph 4 of Appendix 1 of the Agreement and Article 3(3)(b) of Law 4001/2011 in relation to the issuance of the reviewed price tariffs for natural gas and that the retrospective revision of the supply price, according to the Agreement for the Sale of Natural Gas, cannot be applied for a period longer than sixteen (16) months from the date of issuance and receipt of the relevant DEPA invoice by PROTERGIA THERMOILEKTRIKI, or for a period longer than fourteen (14) months from the date of issuance and receipt of the relevant DEPA invoice by KORINTHOS POWER S.A., or in any case for a period longer than thirty (30) months from said date, and that the aforementioned companies do not owe retrospective interest on charges that relate to the relevant price revision.

The claims raised by AoG have the same legal basis and make the same assertions as those outlined above in paragraph B.

The arbitration proceedings are currently ongoing. In any case, it is expected that a relevant arbitration award will be taken into account, which was issued in order to resolve a related dispute between the opposing party DEPA S.A. and another electricity producer, according to which it was held that the relevant retrospective charging of said electricity producer due to revisions to the price of natural gas in DEPA's relation with its supplier BOTAS cannot concern a period of time longer than thirty (30) months prior to the date of issuance and notification of the tariff, and that said charge would not be burdened retroactively for the period prior to its imposition by interest on arrears, and on this basis it is expected that there is an even greater probability of success of the claims that were respectively raised by the aforementioned companies of the Group in relation to this dispute.

Following the aforementioned, the Group has recognized in the income statement 2016 a provision of possible liability of 3,9mio€.

Dispute with DESFA

The Group's subsidiary, ALUMINIUM OF GREECE S.A. (AoG / Company), brought proceedings before the Multi-Member First Instance Court of Athens, filing the no. 30141/1656/2010 action, dated 03.02.2010, against "DESFA S.A.", requesting the restoration of the damages incurred as a result of the defendants' unlawful conduct, which resulted in the cancellation of the supply of LNG-type liquefied natural gas from the supplier of its choice, the Italian company ENI S.p.A., under the Framework Agreement concluded between them on 06.11.2009 and pursuant to the national and Community legislation in force regarding the liberalization of the natural gas market. Specifically, by way of said action, the Company requested the acknowledgment and award of: (a) the amount of five million, fifty five thousand and eighty two Euros and twenty eight cents (€5.055.082,28) as compensation for the financial damages that it suffered, as well as (b) the amount of five million Euros (€5.000.000) as compensation for moral damages.

The hearing of the case, which was initially scheduled for 02.06.2010, was postponed due to the lawyers' abstention and the new hearing date was set for 27.09.2013. The hearing of the case was postponed again, in order to join it procedurally with other related actions, the hearing of which had been scheduled for 17.01.2013, on which day the joint hearing of the present action and the other related cases finally took place. On 24.07.2013, the Multi-Member First Instance Court of Athens issued its final decision no. 3839/2013 for the cases that had been joined procedurally, by way of which AoG'S action was dismissed in its entirety as substantially unfounded, inasmuch as the Court held that, having not evidenced fraudulent conduct by the defendants, examining ex officio whether they were liable for negligence would constitute an inadmissible change to the basis of the lawsuit.

On 29.01.2014, by way of its no. 628/2014 application, ALUMINIUM OF GREECE, filed an appeal before the Three Member Court of Appeal of Athens against the company DESFA S.A. and against the aforementioned decision. The defendants exercised the no. 1388/2014, 1392/2014 and 1394/2014 opposing appeals, dated 20.02.2014, against the Company and the aforementioned decision rejecting the Company's action (see below, under no. 10, 11, 12). The hearing of the Company's appeal and the defendants' opposing appeals had initially been scheduled for 11th December 2014, but was postponed until the hearing of 10th December 2015 due to the abstention of the lawyers, and was postponed again for the same for the same reason (due to the abstention of the lawyers) until 17th November 2016, on which date it was heard. In February 2017, the no. 658/2017 decision was issued, which upheld the appeal in part, and awarded the amount of 3.083.903 Euros plus interest to the Company. Appeal proceedings will be brought with regard to the remaining amount (2.026.127 Euros). Following the aforementioned, ALUMINIUM OF GREECE has recognized in her income statement the amount of 3.083.903 Euros plus interest 2.292.593.

Other Contingent Assets & Liabilities

Legal claim

There is a pending legal claim of the Group's subsidiary company METKA S.A. from a supplier of €28.1 million which relates to compensation for poor performance. For the above case, the defendant company has also requested arbitration against the absorbed company RODAX S.A., the cases of which are automatically taken over by METKA. Following the above request the Arbitration Court of International Chamber of Commerce (ICC) issued a final judgment in which it held the defendant company RODAX SA equally responsible (ie 50%) for the harmful event from which the aforementioned legal claims of METKA arise. The aforesaid litigation has been scheduled to be heard before the Court of Livadia on 20th of April, 2017.

Litigation with UBAF

Within the current year, and after the termination of the agreement between Group's subsidiary company METKA S.A. (the Company) with UBAF (Bank) to keep cash of the Company amounting to € 59,7 mil. within a term deposit account, followed the refusal of UBAF to transfer the aforementioned balance it maintained to the company's current account. The reason of the above was the invocation of the need to use the specific amount as collateral, by way of collateral account, in case that any demands be raised, from counter guarantees that the Bank has provided, on the Company's request, in order to issue good performance guarantee letters. Following the above, the Company proceeded with the commencement of proceedings before the courts of France. The litigation addresses the legal and substantial merits of the claim by UBAF to keep that amount to a pledge account for the sake of its own assurance, without in any case UBAF questioning that METKA is the proprietor of that amount.

Group's and Holding's other Contingent Assets & Liabilities

The Company MYTILINEOS S.A. has a pending legal claim against the Republic of Serbia for the amount of US\$ 98,9 million including interest and expenses until the hearing, which relates to compensation for the damages caused to the Company as a result of the failure by "RTB BOR", a state enterprise of former Yugoslavia (now "Serbia"), to comply with obligations that the latter had contractually undertaken, and for which compensation the Republic of Serbia is also liable due to breaching its international contractual obligations. For said case, the Company filed a claim against the Republic of Serbia before an international arbitral tribunal. Following the conducting of the arbitration proceedings and the submission of pleadings by both parties outlining their claims, the arbitration proceedings were completed and the arbitral decision is currently being awaited. In its results, the Company will acknowledge the amount that may be awarded to it by the Arbitral Tribunal at the time of the expected positive outcome. The amount expected to be awarded may not be accurately assessed.

There are other contingent liabilities against the Group, amounting to 4.22 m€, for which no provision is formed on the results since the outcome of these is deemed uncertain. Moreover there are Groups' claims against third parties amounting to 21.85 m€.

4.37 Post Balance Sheet events

On January 23 2017, the subsidiary company METKA S.A., announced that its 50.1% owned subsidiary company, METKA EGN, has recently signed contracts to provide turn-key engineering, procurement and construction (EPC) for projects with a total capacity of 75MW and contract value exceeding Euro 60 million. The largest of the new contracts is with Noriker Power Limited to provide an innovative 20MW power plant, including a large battery storage installation, which will provide fast frequency response services for the UK's electricity network. This builds on the experience gained through the successful implementation of the Oriana project in Puerto Rico for Sonnedix, representing one of the world's largest solar PV power plants with battery storage integration.

The majority of the other projects concern solar photovoltaic (PV) power plants in the United Kingdom, six of which are with Lightsource and Canadian Solar, both existing clients.

On January 27 2017, the subsidiary company, METKA S.A., announced that it has concluded an agreement with the General Authority for Electricity and Renewable Energy of Libya (GAEREL) to carry out the engineering, procurement and construction (EPC) contract for a new power plant in Tobruk, Libya. The project, with total output of more than 500MW, includes the supply and installation of 3 General Electric GT13E2 gas turbines in open cycle configuration, together with all associated balance of plant equipment and a 220/66kV substation. The contract value for METKA amounts to \$380 million. The contract is subject to final approval from the responsible state authorities in Libya, and will only become effective upon opening of an irrevocable letter of credit confirmed by 1st class international bank. The project will be carried out on a fast-track schedule so that the first gas turbine will be ready to connect to the grid within 9 months from commencement, and the second and third gas turbines will be ready for connection within 10 and 11 months respectively.

The Group keeps a significant scope in international maritime transport by transferring substantial quantities of raw and auxiliary materials, equipment and other finished goods, which could substantially increase in the upcoming years. Taking into account the low prices, combined with the requirements set by the current technical and environmental standards in the shipping, the Group examines its investments in this sector in order to hedge its exposure to international freight rates.

The Boards of Directors of "MYTILINEOS HOLD-INGS S.A." ("MYTILINEOS"), "METKA INDUS-TRIAL - CONSTRUCTION SOCIETE ANONYME" ("METKA"), "ALUMINIUM OF GREECE INDUSTRIAL AND COMMERCIAL SOCIETE ANONYME" ("AoG"), "PROTERGIA POWER GENERATION AND SUPPLIES SOCIETE ANONYME" ("Protergia") and "PROTERGIA AGIOS NIKOLAOS POWER SOCI-ETE ANONYME OF GENERATION AND SUPPLY OF ELECTRICITY" ("Protergia Thermo") at their 23.03.2017 meetings approved the Draft Merger Agreement by absorption of METKA, AoG, Protergia and Protergia Thermo by MYTILINEOS as well as the Board of Directors Report on the above mentioned merger in line with article 69 paragraph 4 of Law 2190/1920 and the article 4.1.4.1.3 of the Athens Exchange Rulebook.

The merger is executed in accordance with articles 69 to 78 of Law 2190/1920 («Περί Ανωνύμων Εταιρειών»), as applicable today, combined with the provisions, requirements and exemptions of Law 4172/2013, as applicable, article 61 of Law 4438/2016, and Greek corporate law in general, the terms and formalities under which it is submitted. The exchange ratio which is proposed to be approved by the General Meetings of the shareholders of MYTILINEOS and of METKA is the following:

• For each one (1) common registered METKA share, with voting rights and nominal value of thirty two euro cents (\in 0.32), its owner will receive one (1) common registered MYTILINEOS share with voting rights and nominal value of ninety seven euro cents (\in 0.97) of the share capital of MYTILINEOS as this will be determined as a result of the merger.

MYTILINEOS' shareholders will maintain, up until the completion of the merger, that number of shares. The proposed exchange ratio has been confirmed, pursuant to the provisions of article 4.1.4.1.3 of the Athens Exchange Rulebook from the financial institutions Nomura International plc and Barclays Bank Plc, the latter acting through its Investment Bank, each of which expressed an opinion on the fair and reasonable of the proposed exchange ratio and submitted to the Board of Directors of MYTILINEOS and METKA respectively their 22/03/2017 Reports. Nomura's Report implies a share exchange ratio ranging between 0.8467 and 1.1314. Barclays' Report implies a share exchange ratio ranging between 0.94 and 1.12. Similarly, the fair and reasonable of the exchange ratio was confirmed in the Report prepared by and submitted on the 23/3/2017 to both the Boards of Directors of MYTILINEOS and METKA the certified chartered accountants Mr. Antonios A.

Annual Financial Statements

Prokopidis (SOEL Registration number 14511) and Mr Demos N. Pitelis (SOEL number 14481), of the Certified Public Accountants company PKF Euroauditing S.A. («PKF») pursuant to the provisions of article 71 of Law 2190/1920. According to the relative report of PKF the share exchange ratio ranges from 0.91 to 1.10. The aforementioned share exchange ratio and in general the terms of the Draft Merger Agreement are under the approval of the General Meetings of shareholders of the merged companies and the granting of legally required permits and approvals of the competent authorities.

Apart from those mentioned, there are no other subsequent events of major significance taking place after 2016 for the Group or the Company which should be announced for the purposes of the International Financial Recording Standards (IFRS).

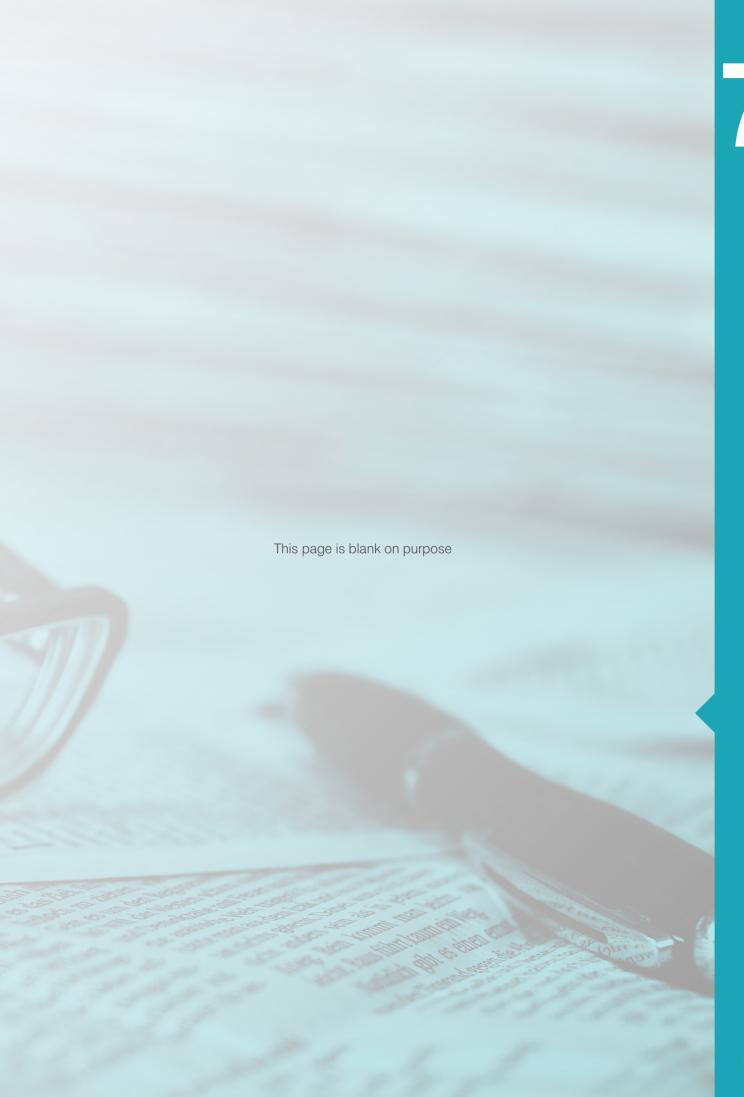


Figures and Information



Company's No 23103/06/8/30/26 in the register of Societies Anonymes
5-7 Patrostolo ST. Natrosol
FIGURES AND INFORMATION FOR THE FISCAL YEAR OF 1 JANUARY 2016 UNTIL 31 DECEMBER 2016
According to 4/09/27/28/04/2009 resistant of Greek Capital Committee.

Part		The results the International Financial Reports	According to 4/507/28.0 The figures presented below aim to give summary information at ader who aims to form a full opinion on the company's financial position and re-	CAL YEAR OF 1 JANUARY 2016 UNTIL 31 DECEMBER 2016 4200 recolation of Greek Capital Committible, out the financial position and results of MYTILINEOS S.A. and its subsidiaries, essits, must access the company's website where the financial statements prepared acc relationship, the reader can visit the company's web sits www.mydimosci.gr., where the all	cording to bove financial statements are posted.			
Mary Control	COMPANY PROFILE				INCOME STATEMENT			
Section 1985	Supervising Authority:	General Commercial Registry (G.E.ML.)						
Mathematical	Company website:	www.mytlineos.gr			Amounts in 000's €			
Many control		ent non-executive, GEORGE KONTOUZOGLOU - Executive Dire	ector-executive member, SOFIA DASKALAKI - non-		1/1-31/12/2016 Continuing Discontinuing	THE GROUP		31/12/2015
Mary	executive, WADE BURTON - non-executive, APOSTOLOS GEORGIADIS - independent executive, PANAGIOTIS PSARREAS, Secretary	nt non-executive, CHRISTOS ZEREFOS, independent non-exec	cutive, MICHALIS HANDRIS - independent non-					Operations
Mary Care 1989				Gross profit / (loss)	200.402 (878)	199.524	226.520	(1.572)
The part	Auditing Company:	GRANT THORNTON		Profit / (Loss) before tax	85.276 (2.630)	82.646	108.791	(4.675) (4.713)
Mary 1988	Type of Auditor's opinion:	Unqualified opinion - emphasis of matt	ers		(21.407) - 63.869 (2.630)	(21.407) 61.240	(28.379) 80.412	(4.713)
Mary Control		STATEMENT OF FINANCIAL POSITION						(4.713)
Mary 1940 1940 1940 1940 1940 1940 1940 1940				Other comprehensive income after tax (B)	(5.070) -	(5.070)	18.154	(4.747)
Many (1)				Owners of the Company	26.795 (2.630)	24.165	71.351	(4.713)
Mary	ASSETS			Net profit after tax per share (in Euro/share)		32.006 0,2922		(0,0403)
See the section of the content of th	Intangible Assets	243.034 239.506	159 68		221.620 (1.824)	219.796	234.103	(3.265)
The control of the co					THE COMPANY			
Mary								
Manual	Non current assets available for sale		<u> </u>					
The Man will will be many the property of the many that will be many the property of the many that will be many the property of the many that will be many t	-	3.108.420 2.699.404	707.809 703.833	Profit / (Loss) before tax, financial and investment results	3.617 (2.506)			
Mary Part Mary	Share Capital	113.643 113.643	113.408 113.408	Less taxes	(553) 1.434			
Mary 1906	Treasury stock reserve Retained earnings and other reserves	875.738 850.714	370.897 370.916					
Mary	Equity attributable to parent's Shareholders (a)	989.382 964.358		Minority Interests				
Mary			484.306 484.324					
Mary 1				Owners of the Company	(18) (261)			
	Short term borrowings	387.525 323.258	18.831 24.375	Net profit after tax per share (in Euro/share)	(0,0001) (0,0023)			
The content of the	Non current liabilities available for sale		<u> </u>		3.970 (2.161)			
	Total Liabilities (d) TOTAL EQUITY AND LIABILITIES (c) + (d)							
The content								
The content		STATEMENT OF CHANGES IN EQUITY			CASH FLOW STATEMEN	π		
Manual part		Amounts in 000's €					IR.	THE COMPAN
See the section of the property of the propert				Constitute authorities		1/1-31/12/2016 1/1	1-31/12/2015 1/	1-31/12/2016 1/1
Mary 1986	respectively)					85.276	108.791	539
Mary						(2.630)	(4.713)	
The contact is a plane of the contact is a		- (11.692)	(11.692)	Adjustments for:		74,086	61.266	354
Many control or cont	Impact from acquisition of share in subsidiaries			Impairments		279	42	
Mary blank 1	Other movements from subsidiaries		1 1	Exchange differences			(3.763)	529
Mary 1986		92 (59)	<u> </u>			1.233		(4.879)
Manual M	espectively)	1.284.251 1.230.339	484.306 484.324	Interest expense Adjustments related to working capital accounts		51.422	54.563	7.954
Many content and production and pr				or to operating activities (Increase)/Decrease in stocks		(33.761)	(81.131)	11
Agent and an an an annual mean and an annual mean annual		ADDITIONAL DATA AND INFORMATION		(Increase)/Decrease in trade receivables		(101.254)	(87.684)	
The content of the	 Companies included in the consolidated financial statements with the corresponding to being presented in note 3.10 of the Annual Financial Statements. 	sing participation of interest as well as the method of consolid	ation for the period 1/1-31/12/2016	Less:		(48.314)	(50.752)	(4 231)
See the search and and the sales of the single contribution of the search of the single contribution of the search				Income tax paid		(14.281)	(20.824)	(3)
A continue of an element of the control of the co	r. The fiscal years that are unaudited by the tax authorities for the Company and the companies which were subject to tax audit by statutory auditors or audit firm, recei-	ie Group's subsidiaries are presented in detail in note 4.36 of ived a Tax Compliance Certificate free of disputes in 2013 and	the Annual financial statements. For the fiscal year 2012 and 2013, the Group I 2014 accordingly. For the 2014 and 2015 tax audit, the companies of the	Cash flows from discontinuing operating activities				
A continue of particular to control of thomas and with the property of the control of the cont	Group which operate in Greece have been subjected to a tax audit by Sworn Auditor accordingly and the tax certificates were distributed by the statutory auditors. For fis-	ors according to article 65A par. 1 of law 4174/2013 and of la scal year 2016, the tax audit is already being performed by th	w 4262/2014. Said tax audit has been completed during 2015 and 2016 e legal auditors and is not expected to bring any significant differentiation on	Cash flows from operating activities (a)		47.977	(68.278)	(11.015)
A continue of particular to control of thomas and with the property of the control of the cont	the tax liabilities incorporated in the Financial Statements. According to the relevant noted that a tax audit started in 2016 by the competent authorities of the Ministry or	t recent law, the audit and issuance of tax certificates are also of Finance of the parent company METKA SA for fiscal years 2	valid for the fiscal years starting from 2016 onwards on an optional basis. It is 1009-2010 and is expected to be concluded during this year. The Group's	(Acquisition) / Sale of subsidiaries (less cash)		(358)	(2)	
As the second protection control control control control control of 100 and 10	Management estimates that the additional tax liabilities to be paid will not be more t the relevant authorities of Ministry of Finance. The differences that arose from said t	than the already formed forecast. The tax audit for the parent tax audit amounts to ϵ 760k.	company Mytlineos S.A. for the fiscal years 2007-2010 has been completed to	Purchases of tangible and intandible assets				(240)
Application of the sequence of colors of the fire of the color of th				Acquisition of associates				
The standard and 1900 The standard of the standard of content of the standard of content of the standard o				Purchase of financial assets held-for-sale		1.320		
Applied proposed for the regarded (2013) 12(13) 15(10) 16(10) 1	The number of employees at 31/12/2016 amounts to 2.009 for the Group and tr	to 79 for the Entity. Accordingly, at 31/12/2015, the number of	of employees amounted to 1.853 and 72.	Sale of financial assets held-for-sale		5	:	:
\$ Control (1) (1) (1) (1) (1) (1) (1) (1) (1) (1)				Sale of financial assets at fair value through profit and loss Purchase of financial assets at fair value through profit and loss		(2.000)		
Manual path parallel path Manual path	 Capital Expenditure for the period 01/01-31/12/2016: Group €90.755 thousand a 	and Company €240 thousand.		Grants received		3.383	599	:
An and any processor and statement from promotion work and the processor and any p				Cash received from loans to associates		2.000	-	:
Seed of the control o	7. Related party transactions and balances for the reported period, according to I.A.	LS. 24 are as follows:		Dividends received		18	160	5.928
Section 1,18	Amounts in 000's €	THE GROUP THE COMPANY				:		:
Section Processing of proc	Expenses	4.816 14.044		Other cash flows from investing activities			1 (46 700)	
Second proposed pro	Liabilities	54 165.764		Financing activities		(96.764)	(46.745)	5.702
The proper Property Propert				Proceed from issue of capital			:	
1. The Contention of Congress (register) for the Suphrel Content of Co		47 47		Tax payments				12.900
11 12 13 13 14 14 15 15 15 15 15 15	8. In the Statement of Changes in Equity, the amounts included in the line "Total co	omprehensive income for the period after tax (continuing/ dis	continuing operations)*	Loan repayments		(205.344)	(251.000)	12.900 (8.500)
1	for 31 December 2016 and 2015 are presented in the table below:			Return of share capital to shareholders			(11.702)	:
He specified private propried (1.54 b) 75.69 (1.54 c) (1.				Cash flow discontinuing financing activities		(41.073) 42.942	(16.895)	4.400
Call and and and expendenced to Proposition of Designing of proteins (1.04) (1.05) (1.	Net profit (loss) for the period	61.240 75.699		Net (decrease) / increase in cash and cash equivalents of the period (a) + (b) + (c)		(5.845)	(112.817)	(913)
Name of Parliancy (Soot) (14) (17) (18) (18) (18) (18) (18) (18) (18) (18	Exchange differences on translation of foreign operations	(6.004) 197	:	Foreign exchange differences		200.859	313.428	1.249
Sample of Sample	Actuarial gain/ (losses)		(6) 14					336
1. The results in facility frameworks (MEMA). It is seen at the property of th	Gain/(Loss) from sale of Treasury Stock		: :					
1. The service designation of the financial reasons are formed to financial sequences of the financial	Deferred tax of actuarial gain/losses		2 (4)	22. Within the current year, and after the termination of the agreement between Group's su refusal of UBAF to transfer the aforementioned balance it maintained to the company's curr	ibsidiary company METKA S.A. (the Company) with UBAF ent account. The reason of the above was the invocation	(Bank) to keep cash of the Compo of the need to use the specific am	earry amounting to € 59,7 mil rount as collateral, by way of	I. within a term deposit as f collateral account, in cas
Set 1. The control and pulls present with the pull of	Change in reserves from tax rate alteration local comprehensive income for the period after tax (continuing)		<u> </u>	be raised, from counter guarantees that the Bank has provided, on the Company's request, it france. The litigation addresses the legal and substantial ments of the claim by UBAF to keep	n order to issue good performance guarantee letters. Foll p that amount to a pledge account for the sake of its own	rwing the above, the Company pr assurance, without in any case UI	proceeded with the commence ISAF questioning that METKA	cement of proceedings be A is the proprietor of that
The Anadotic floating from the Control floating	encountry operations)	56.170 93.854	(18) (261)	23. The shareholder of the Romanian company "REYCOM RECYCLING S.A." ("Reycom") and to	the Board of Directors of the Greek company "ALUMINIU	IM OF GREECE INDUSTRIAL AND C	COMMERCIAL SOCIETE AND	INYME ICSA" ("Apg") reso
Legard for price may be approximated an Allertonia Collection (1997). It is believed in the country of the format of of the	. The transitional Flexibility Remuneration Mechanism was enacted and entered into force coordance to the provisions set in the 3rd Merenzandson habases the Hallanin Research in the coordance to the provisions set in the 3rd Merenzandson habases the Hallanin Research in the coordance to the provisions are the set of the coordance to the provisions are the set of the coordance to the provisions are the set of the coordance to the provisions are the set of the coordance to the coordance to the provisions are the set of the coordance to the coordance to the coordance to the provisions are the set of the coordance to the coordance	e from 1.5.2016, following the decision of the European Commission of the Institutions, as embodied in the 1. 4886/2015. Δο πολλού is	n No. C (2016) 1791 final dated 31.3.2016, through the article 150 of L 4389/2016 in made on note 3.11 of the Annual Financial Statements		nywery ; assorbing Keycom (hereinafter the "Absorbed Co	mpany 1. The Cross Border Mergi	pm was completed and appro	oved by the elutiness Regi
13. Sakeby META A. recorded in squared, or seel PCC centres with Amort Deep Limited for a record per parties of the section of 15/2002 A. Present of the recorded in SQUAR A recorded in squared programming controls, completed in the parties of the section of the section of 15/2002 A. Present of 15/2002 A.	10. Regarding the power purchase agreement between ALUMINIUM OF GREECE and PPC as	an analysis is made on note 3.11 of the Annual Financial Statements		24. On 07/06/2016, the 50% Group's subsidiary company. METEA S.A.: founded METEA DO	WER WEST AFRICA LIMITED in Niggeria. In which che'r a sh	sareholder of 100%. The incomes	ration of the foresaid com-	ny in the consolidated Fin-
12 Dates INTENDED Company and PTOT Company and profit profit privated activity privated and excitage private p	 Subsidiary METKA S.A. announced the signature of a new EPC contract with Amandi Ene Electric, and includes the engineering, procurement, construction and commissions and a 1 	ergy Limited for a new power plant in Ghana that took place in Lore 192MW combined cycle power plant in Takoradi. The plant will be	don on 11/03/2016. The project will be executed by METKA in consortium with Gener implemented with capability to operate on both natural gas and light crude oil. and w	al made using the full consolidation method.				
2. Table of MITHOUS Group would from you worked a rounger generously in the state desirol, washing. PRITING for state of MITHOUS Compared and the State of MITHOUS Compared and	utilize the latest advanced version of General Electric's well proven 9E gas turbine. The proj	eject will be constructed in 28 months. The contract value for METK	A is approximately \$174 million.	25 On 04/09/2016, the 50% Group's subsidiary company, METKA S.A., founded METKA INT	TERNATIONAL LTD in UNITED ARAB EMIRATES , in which	he's a shareholder of 100%. The	incorporation of the foresaid	d company in the consolic
12. Declared 2512, dealing WEISTLAS. In least a crospect levelue in 197 and 1 2512 dealing weight required and purpose transport and pulse in present of a quide intervent primary and or primary and a pulse in present	In June, MYTILINEOS Group and OTE Group announced a strategic partnership in the re PROTERGIA, the largest independent electricity more over in Group. Management announced as traces.	etail electricity market. In this framework, COSMOTE and Germano	as stores enrich their customer services portfolio with electricity supply from products available across Greece through more than AND CHEMATE and formation	26.On 16/11/2016, the 50% Group's subsidiary company, METKA S.A., founded METKA POV	NER INVESTMENTS in Cyprus, in which she's a shareholde	r of 100%. The incorporation of ti	the foresaid company in the o	consolidated financial star
Stagging to mid region and price part agricultural growing which it and an committed which it is a partial growing and price and an artificial price a	itores			27. In December 2016, the subsidiary METKA EGN, in which the Group's subsidiary METKA S.	A. holds a \$0.1% stake, proceeded to the acquisition of a	100% stake in four (4) companies	s based in England, namely H	HIGH POINT SOLAR LIMIT
1. Statistics in the market formers of the companies A training of the companies of the com	 In December 2016, subsidiary METKA S.A. became a strategic investor in IPS with a 109 market leading position in off-grid power applications globally, and cash contribution, while 	% stake by means of capital increase by 10mioC, enabling the comp e IPS and METKA will jointly pursue major off-grid power opportunit	sary to fund a significant expansion of its production capacity, and to further develop- ties around the world.	GREEN LANE SOLAR LIMITED (no.01/12/2016). SEL DV.09 LIMITED (no.23/12/2016) and fail)	NORTH TENEMENT SOLAR LIMITED (on 29/12/2016). Th	a only asset held by these compar	inies, which were fully consol	lidated in the consolidate
Applicate to Annual Control Annual Process (Seal-Allicon And So Seal-Annual Process) (Seal-Annual Annual Process) (Seal-Annual Process				28.Line, "Other cash flows" of Cash Flow from Group's Financial Activities, includes the varia	ntion of collateral deposits account, more specifically, deposits account, more specifically, deposits a Cash flows from reservices with the control of the	osits that are tied up for the issua	nnce of Letters of Guarantee-	Insurance for the good as
Against gas to design and address at the studies' requires a studi	4. On 14.12.2016, the Boards of Directors of the companies "MYTILINEOS HOLDINGS S.A." PROTERGIA POWER GENERATION AND SUPPLIES SOCIETE ANONYME" and "PROTERGIA A	", "METKA INDUSTRIAL – CONSTRUCTION SOCIETE ANONYME", "AI IGIOS NIKOLAOS POWER SOCIETE ANONYME OF GENERATION AND	LUMINIUM OF GREECE INDUSTRIAL AND COMMERCIAL SOCIETE ANONYME", 2 SUPPLY OF ELECTRICITY announced that they have decided to commence the proce	pm numerice of the projects. The Group, up to the previous fiscal year, included said variatio collateral deposits (thus the transfer of those, from collateral deposits to non-cash items and Sconsideration, at Statement of Cash Flows for fiscal year 2015, an amount of 6.16.895 thous	er as wast trows from operating activities and more specifi I vise versa) does not constitute working capital veriation ands was reclassified from Cash flows from operating act	very at "tincrease)/Decrease in tr and subsequently it should not be avides to Cash flows from financin	nave receivables". The Mans e included at Cash flows from ng activities, for comparative	regement assesses that the moperating activities. By the reasons
Tables of the contract of the power of the p	of the merger into a single entity by absorption of METKA, AoG, Protergia and Protergia The 15.Regarding the briefing note that ADMIE sent to the subsidiary company Aluminium of Gr	rermo by MYTILINEOS. Thorougly presented on note 3.11 of the Anr ireece, an analysis is made on note 4.36 of the Annual Financial Sta	nual Financial Statements. Idements.		•			
Likeparting the globus 4 (SDA-Act Al-Action of Green, as making in trade on took 35 of the Annual Francatio Spanners. Show me you then confirmed heldings agent this force, assuming by 1.21 and it is when the proprieting head of the Annual Francatio Spanners. Show me you then confirmed heldings agent this force, assuming by 1.21 and it is when the proprieting head of the proprieting hea	16.Regarding the State Aid in favour of subsidiary, Aluminium of Greece, an analysis is mad	de on note 4.36 of the Annual Financial Statements.		29. The emphasis matter of the Independent Auditor's report concern the explanatory note Court Decision as of October 8th 2014, in respect of the government grant provided by Gree	4.36 of the Annual Financial Statements. Specifically, on 2 ece to the subsidiary company ALUMINIUM OF GREECE S	i/10/2016, the Court of Justice of i.A The aforementioned decision	of the European Union issued n referred the case back to th	d the decision. Ifting the F he General Court so that t
Lik Support of South And Advantions of Greece, an evaluation in table on mater 3.8 of the remail immandal disconnection. Shape was often or configured feldings against this consumeration of Greece, an evaluation in processing the feldings against the department of Greece, an evaluation of Greece, and an evaluation of Greece, an	17. Regarding DEPA claim against Protergia Thermoliektriki, Korinthos Power and Aluminium	m of Greece, an analysis is made on note 4.36 of the Annual Finance	cial Statements.	reasons behind the appeal, previously omitted, should be examined. The appeal in question S.A.). ALUMINIUM OF GREECE S.A. has submitted all the required statements regarding the	revives the contingent liability of ALUMINIUM OF GREECI procedures. The Management of ALUMINIUM OF GREEC	S.A. to return the amount of €1: E.S.A. estimates that the appeal v	17,4 million plus interest to the will be reaccepted by the Ge	he Public Power Corporat meral Court and, therefor
20 Name a paredy lapt date of the Goody's and deadles was present VEX.15. After two appeals of Z.13. Indian which indicates to compressable that the Goody's advantage of t				potentially outflow in order to settle the aforementioned contingent liability.				
20 Name a paredy lapt date of the Goody's and deadles was present VEX.15. After two appeals of Z.13. Indian which indicates to compressable that the Goody's advantage of t	 There are other contingent liabilities against the Group, amounting to 4,21 mC, for which amounting to 21,85 mE. (Note 4.36 of the Annual Financial Statements) 	ch no provision is formed on the results since the outcome of these	is deemed uncertain. Moreover there are Groups' claims against third parties					
2) The Common AMPTINS/COS As, he can end with particular this resource of the formation against the passing of the passing against the formation against the passing of the passing against the passing agains	20. There is a pending legal claim of the Group's subsidiary company METKA S.A. from a sup obligation to pay the Company the above amount. The Company shall acknowledge in its re-	applier of € 28.1 million which relates to compensation for poor pert esults the amount that may be assigned to it at the time of a positiv	formance. The defendant company has filed a declaratory action claiming that it has n	30. Important post balance sheet events are presented in note 4.37 of the Annual Financial	Statements.			
12. The Company MPTILARDOS As, be a prodeing legal claim againer the Republic of Innitia for the amount of 105 58.5 million bioloding interest and requires until on the hearing, which inferes to compensation for the dismanges caused to the Company as a result of the filters by TST SEPS, "a state enterprise of former Tagelands (over "fields"), so comply and in displacement that it fails that it desired that the shade of the state o			asset uses the verendant company has also	31.Possible differences in totals are due to rounding.				
Company or an art of the filter by \$7350°C, and emerginar or from "Rightan for the filter by the fil	21.The Company MYTIUNEOS S.A. has a pending legal claim against the Republic of Serbia f	for the amount of US\$ 98,9 million including interest and expenses	until the hearing, which relates to compensation for the damages caused to the					
	Company as a result of the failure by "RTB BOR", a state enterprise of former Yugoslavia (no to breaching its international contractual obligations, For said case, the Company filed a clar- idantines to both parties until	now "Serbia"), to comply with obligations that the latter had contract aim against the Republic of Serbia before an international arbitral to and the arbitral decision.	ctually undertaken, and for which compensation the Republic of Serbia is also liable do bunal. Following the conducting of the arbitration proceedings and the submission of the Company will arknowledge the	•				
Assistance by the information (and the printed and the printed	menump, vy wwn parties outsining tries casins, the arbitration proceedings were completed iribunal at the time of the expected positive outcome. The amount expected to be awarded	or any one amount occusion is currently being awaited. In its results, if may not be accurately assessed						
DECOMPANY OF STREET			PA .	and the second s				
THE DRIVING OBJECTOR GROUP							THE EXECUTIVE DIRECT	TOR GROUP
THE PRESIDENT OF THE BOARD OF DETERMINE ORDER DETERMINED. THE WORLD PRESIDENT OF THE BOARD THE ORDER DESCRIPTION OF SUPERIOR OR ORDER PRINANCE THROUGH OR ORDER PRINANCE CHITICALLY AMASTASSIO DESCRIPTIONS INMINISTRALISATION AMASTASSION DESCRIPTIONS AMASTASSION DESCRIPTIONS OF THROUGH ORDER DESCRIPTIONS OF							FINANCIAL CONTRI	OLLER
10. No. AMPRISIAGOS 1. D. NO. AMPRISIAGOS 1.								





Availability of Financial Statements

Availability of Financial Statements

The Annual Financial Statements of the Group and the Company as well as the financial statements of the companies that are consolidated, the auditor's report and the report of the Board of Directors for the year ending December 31st 2016 have been posted on the web site of the company. Finally, the present Annual Financial Report, the prior years' Annual Reports and other significant information can be found on the web site of the company (www.mytilineos.gr).

THE PRESIDENT OF THE BOARD & CHIEF EXECUTIVE OFFICER

THE VICE-PRESIDENT OF THE BOARD

EVANGELOS MYTILINEOS

I.D. No AB649316/2006

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