VALUATION REPORT

in respect of the companies

"METKA INDUSTRIAL – CONSTRUCTION SOCIETE ANONYME" and

"MYTILINEOS HOLDINGS S.A."

for the former's merger with and into the latter, in conformance with the provisions of articles 68-77a of Codified Law 2190/1920 and the provisions of article 54 of Law 4172/2013

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Contents

1. INTRODUCTION

1.1 Engagement scope and object

We have been engaged by the management of MYTILINEOS HOLDINGS S.A. (hereinafter referred to as "MYTILINEOS") and METKA INDUSTRIAL – CONSTRUCTION SOCIETE ANONYME (hereinafter referred to as "METKA"), (hereinafter collectively referred to as the "Companies") to prepare a valuation report for MYTILINEOS and METKA, in respect of the latter's merger with and into MYTILINEOS (merger by absorption), pursuant to the provisions of articles 68-77a of Codified Law 2190/1920 and the provisions of article 54 of Law 4172/2013.

The tasks undertaken are as follows:

- Expression of opinion on the fairness and reasonableness of the proposed share exchange ratio
  For this purpose:
  - we shall conduct a valuation of the business of the Companies;
  - we shall report on and describe the methodologies for the valuation of the two Companies, as employed for the determination of the share exchange ratio;
  - we shall report on the valuation figures determined and the resulting share exchange ratio.

1.2 Reference date for our work

The reference date for our work is 31/12/2016, when pro-forma financial statements were prepared by the management of the two Companies to be merged, in conformance with the International Financial Reporting Standards (IFRS).

1.3 The transaction

The Board of Directors of MYTILINEOS jointly with METKA, in the context of the merger into a single entity by absorption of METKA INDUSTRIAL – CONSTRUCTION SOCIETE ANONYME, ALUMINIUM OF GREECE INDUSTRIAL COMMERCIAL SOCIETE ANONYME, PROTERGIA POWER GENERATION AND SUPPLIES SOCIETE ANONYME and PROTERGIA AGIOS NIKOLAOS POWER SOCIETE ANONYME OF GENERATION AND SUPPLY OF ELECTRICITY by MYTILINEOS, has decided to advance the procedures for the merger by absorption of all the assets of subsidiary METKA by MYTILINEOS.

The Board of Directors of MYTILINEOS proposes that METKA shareholders are to exchange their shares with shares in MYTILINEOS at the ratio of one (1) common listed voting share in METKA, of a nominal value of thirty two eurocents (€0.32) each, for one (1) common listed voting share in the Company, of a nominal value of ninety seven eurocents (€0.97) each.

It is noted that the Valuation Date shall be the date of the Transformation Balance Sheet, i.e. 31/12/2016.

1.4 Brief description of the business of the Companies

1.4.1 MYTILINEOS

MYTILINEOS HOLDINGS S.A. is one of the leading industrial Groups in the country, with business activities in the sectors of EPC Projects, Metallurgy & Mining, and Energy.

In the period from 1991 to 1994 the parent Company acquired, by means of mergers and acquisitions, all the businesses of its subsidiaries. In 1995 the Company got listed on the Athens Stock Exchange, its share forming part of the FTSE 25 large-cap index. In the last years it has seen considerable growth both in terms of both its turnover and its profits and has decisively contributed, through its activities, to the creation of infrastructure in the country.

METKA S.A. is the construction business segment of MYTILINEOS Group and a globally competitive player in the construction of large energy projects. It was established in 1962 and has been listed on the Athens Stock Exchange since 1973. Presently METKA is the leading Greek EPC (Engineering – Procurement – Construction) project contractor, undertaking the implementation of turn-key projects, from the stage of design and procurement through to construction and completion. The Company has expertise in the construction of power plants (combined cycle plants, conventional thermal and hydroelectric plants) and has achieved an unprecedented penetration of foreign developing markets, with projects under way in the markets of Europe, Turkey, Middle East, Asia and North Africa. METKA competes on an equal footing against the sector's global giants, having established itself as one of the strongest EPC contractors in Europe and beyond, as well as one of the leading Greek exporting companies

The acquisition of "ALUMINIUM OF GREECE", in early 2005, has laid the foundations for the new era for MYTILINEOS, boosting its significant commercial presence of the Group in the Metallurgy sector enabling it to expand to industrial production. Presently, ALUMINIUM OF GREECE is the largest vertically-integrated producer of aluminium and alumina in the European Union and one of the most robustly growing industrial businesses in crisis-stricken Greece. Together with DELPHI-DISTOMON, its international business activity is a driving force for the national economy and the Greek periphery.

The establishment of the Group's position in the field of Energy has been a challenging proposition, first made in 2007 when the Group started its cooperation with Endesa of Spain to create Endesa Hellas, placing MYTILINEOS S.A. among the leading private players in the Energy sector, securing thus also its future dynamic growth. In 2010 the Group acquired Endesa' stake of 50.01% in ENDESA HELLAS, renaming it to PROTERGIA. A wholly-owned subsidiary of MYTILINEOS Group, PROTERGIA brings under the same roof all of the

Group’s energy assets and activities and is the largest independent electricity producer in Greece. During the five-year period from 2006 to 2011, the Group completed the first phase of its €1 billion investment plan in the Energy sector, and has presently a total of 1200 MW installed capacity from thermal plants and another 130 MW from RES plants, while 900MW from RES plants are under development; an investment plan that, in sharp contrast to the barren investment landscape in Greece, modernizes the country’s infrastructures, opens up prospects and creates added value.

The Group’s carefully planned business growth in this Sector is also demonstrated by the establishment, in 2010, of “M&M GAS Co.”, together with MOTOR OIL HELLAS S.A. M&M GAS engages in the supply of and trade in natural gas, aiming at serving the Group’s needs in natural gas under competitive terms as well as selling natural gas to third parties.

The dynamic business growth of MYTILINEOS Group is inextricably linked to the principles of Corporate Responsibility and Sustainable Development. The company’s sustainability policy is based on a harmonious coexistence of its operations with the needs of the local communities where such operations are located. In this context, MYTILINEOS HOLDINGS S.A. actively supports important initiatives and actions in the areas of Culture, Education and Environmental Protection.

1.4.2 METKA

METKA S.A. was established in 1962 in Nea Ionia, Volos, while the operation of its plant started in 1964. In 1973 the company got listed on the Athens Stock Exchange where its stock is traded to this day.

On the strength of its industrial activity spanning half a century, its knowhow, and its constant investment in human resources and infrastructure, METKA is an industrial construction and engineering leading company in the sectors of Energy, Infrastructure and Defense.

In the Energy sector in particular, METKA is the leading EPC (Engineering – Procurement – Construction) project contractor in Southeastern Europe for specialized large-scale energy projects using gas-fired combined cycle technology, with a presence in the markets of Europe, Turkey, Middle East and Africa. The company undertakes the implementation of turn-key projects, from the stage of design and procurement through to construction and completion.

The high added value projects that METKA has secured abroad have placed the company in a very advantageous position globally.

The capabilities of the company are further enhanced by its strong industrial manufacturing base, enabling METKA to produce original custom mechanical and electrical parts and supporting its strong presence in Infrastructure and Defense projects.

2. EQUITY VALUATION FOR THE COMPANIES TO BE MERGED

2.1 Introduction

We have been engaged by the management of the companies to be merged, MYTILINEOS and METKA, in order to undertake a valuation of the assets and liabilities of the companies to be merged in accordance with the provisions of article 71 of Codified Law 2190/20. A valuation of the Companies was undertaken in order to determine the value of the Companies to be merged and verify the fairness and reasonableness of the exchange ratio of the shares of MYTILINEOS and METKA pursuant to the provisions of articles 68 – 77a of Codified Law 2190/1920 and the provisions of article 54 of Law 4172/2013.

More specifically our report, as stipulated in the provisions of article 71 of Codified Law 2190/1920, includes reference to the value of the contributed property in its entirety for the change of the capital of the absorbing company which the merger entails, reference to the valuation methods applied and attestation as to whether the values derived by applying the said valuation methods correspond to the number and the nominal value of the shares to be issued in consideration of such contributions. Furthermore, our report includes a description of the methods adopted for the determination of the proposed share exchange ratio, an assessment as to whether the methods adopted are appropriate for the specific case, a reference to the determined values that were derived by applying the said methods as well as description of any difficulties encountered during the valuation.

2.2 Information relied upon for our work

- Pro-Forma financial statements of the Companies as at 31/12/2016, as per IFRS, as well as historical data
- Annual Reports and company presentations for the Companies
- Business plans of the Companies and supporting financial models
- Recent stock analyses for the Companies
- Studies of the Greek energy and natural gas markets
- Studies on the global bauxite, alumina and aluminium markets
- Figures and data of the Companies made available to us by management as well as published information relevant to the Companies
- Discussions with the management of the Companies
- Terms included in the Draft Merger Agreement

2.3 Valuation methods

Two methods were used for our valuation of the companies:

- Discounted cash flow
- Trading multiples of comparable companies

2.3.1 Discounted Cash Flow

In order to determine the range of the exchange ratio between the parties to be merged it is necessary to calculate the fair value of the participating companies. Valuations of the companies to be merged, MYTILINEOS and METKA, were undertaken using the Discounted Cash Flow (DCF) method. The DCF method adopted is, in our view, appropriate for the valuation of the Companies, it is widely used and internationally recognized.

The Discounted Cash Flow methodology was applied for the determination of the fair value of the two companies on the basis of the assumption that the valuation of the enterprise is derived by discounting the forecast cash flows to its shareholders. In the discounted cash flow methodology the following analyses are to be made: analysis of income, expenses, capital investment, capital structure, working capital evolution, determination of the suitable discount rate and other corresponding analyses, normally for a period of 5-10 years, as well as an analysis of the terminal value which defines the enterprise value at the end of the forecast period.

Based on the results of the above analyses, a projection is made of the expected operating cash flows for the forecast period. Cash flows are discounted at the Weighted Average Cost of Capital and their present value is determined. The Weighted Average Cost of Capital is calculated taking into account the return to all providers of capital, i.e. providers of equity as well as (interest-bearing) debt providers; from the above, we subtracted the net debt (interest-bearing loans less excess cash or cash equivalents) of each company as at the valuation date, i.e. as at 31.12.2016.

Clarifications on the Application of this Method

For the determination of the value of the Companies on the basis of this method, financial models were developed for forecasting their main financial figures. Such development was based on assessments, analyses and information provided by the management of the companies, which we assumed to have been prepared reasonably on the basis of the best available estimates and judgments of the management and reflecting past achievements, the current condition and the expected future results of the companies, as well as on additional adjustments where deemed advisable that such adjustment be adopted. More specifically it is clarified that among the main assumptions made in the context of the Companies' valuation is the premise that the Companies shall in the future continue in their current form as an ongoing operating business enterprise (going concern).

Finally, a sensitivity analysis was undertaken in order to assess the impact that key assumptions shall have on the valuation results.

It is noted that no difficulties or other adversities have arisen in the valuation of the companies to be merged and the determination of the share exchange ratio.

2.3.2 *Trading multiples of comparable companies*

Under this methodology it is assumed that the value of an enterprise must equal the amount that well-informed investors acting in a rational manner would be willing to pay for its equity. The first step in this methodology is to select a set of companies comparable to the company being examined, whose stock is traded in a regulated stock market.

The key aspect in the application of this methodology is the identification of a suitable set of comparable companies, on the basis of some logical criteria.

For each company within the set, indices are calculated comprised of the ratio of the stock market value to some fundamental metric (e.g. turnover, pre-tax profits, cash flow, etc.); then, a median is calculated for the entire set. The median is multiplied by the corresponding financial metrics of the company being evaluated, and the products provide a first assessment of the value of the enterprise, as derived in relation to each fundamental metric.

For the purposes of this valuation, we have considered that Enterprise Value / EBITDA multiples to be the most appropriate. Allocated net debt was then deducted to derive equity valuation.

This methodology operates on the assumption that stock market values reflect fair market values and therefore on market efficiency (efficient market hypothesis).

2.4 *Valuation of Companies and share exchange ratio*

The following tables present the results of the valuation of the Companies based on the above valuation methodologies. It is noted that MYTILINEOS owns 50.00% of the shares in METKA (25,975,301 shares).

Discounted Cash Flow

	Number of Shares (in millions)	Minimum Value (€ mil.)	Maximum Value (€ mil.)
MYTILINEOS	116.916	1229	1353
METKA	51.951	539	608

Trading Multiples of Comparable Companies

	Number of Shares (in millions)	Minimum Value (€ mil.)	Maximum Value (€ mil.)
MYTILINEOS	116.916	1116	1165
METKA	51.951	498	514

The above equity valuations imply a share exchange ratio range:

- from 0.90 to 1.11 MYTILINEOS shares for each share in METKA, under the Discounted Cash Flow methodology;
- from 0.96 to 1.04 MYTILINEOS shares for each share in METKA, under the Trading Multiples of Comparable Companies methodology.

Weighting the valuation results dependent on the appropriateness of each method, and more specifically attributing greater weight to the **Discounted Cash Flow (80%)** and lesser to the **Trading Multiples of Comparable Companies (20%)** for both companies, we have arrived at the following indicative equity valuation range between METKA and MYTILINEOS:

Methods weighting 80% : 20%

	Number of Shares (in millions)	Minimum Value (€ mil.)	Maximum Value (€ mil.)
MYTILINEOS	116.916	1206	1315
METKA	51.951	531	589

Therefore the relative equity valuation range for the Companies is 2.05 to 2.48.

Based on the weightings of the methodologies applied and the valuations determined above, we arrive at a share exchange ratio range of 0.91 to 1.10 MYTILINEOS shares for each (1) share in METKA.

2.5 Conclusions

Under the Draft Merger Agreement, the Boards of Directors of the two Companies have resolved that the shareholders of METKA are to exchange their shares with MYTILINEOS shares under an exchange ratio of one (1) common listed voting share in METKA, of a nominal value of thirty two eurocents (€0.32) each, to one (1) common listed voting share in MYTILINEOS, of a nominal value of ninety seven eurocents (€0.97) each.

Based on the documents and information reviewed and the financial analysis conducted by us, as above described, we believe that:

- the methods applied for determining the value of the parties to be merged are appropriate for the merger by absorption of METKA by MYTILINEOS, and that no difficulties or adversities were encountered in the application of the methods.
- the share exchange ratio proposed by the Boards of Directors of the companies, namely one (1) METKA share for each (1) share in MYTILINEOS is confirmed by the share exchange ratio derived on the basis of the company valuations conducted. Therefore the proposed share exchange ratio is fair and reasonable.

2.6 Limitations

The valuation of the Companies is subject to the limitations set out below:

- We have relied upon the accuracy and completeness of the information, data, assumptions and forecasts and projections provided by the Management of the Companies in respect of their progress and development, past and future, without conducting an independent verification ourselves. Full responsibility as to the validity of the financial and other information on the Companies provided to us lies with the Management of the Companies. Therefore, we have no responsibility for any damage that might be caused directly or indirectly as a result of inaccuracies in our work due to erroneous information provided to us by the Company.

- Our work includes no guarantee that the forecasts shall be achieved or that the assumptions relied upon shall be accurate, and makes no assurance that material events that may have come up under more thorough verification procedures have been taken into consideration. It is noted that the estimations on the future course of various figures may change in the future due to changes in the financial, business and other conditions prevailing in the market in general, leading to change in the relevant results of this opinion, a change that can be both significant and material.

- The present was prepared only for the purpose set out herein and may not be used for any other purpose.

No difficulties have arisen with respect to the valuation conducted and the expression of an opinion on the equity valuation of the companies to be merged.

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