ANNUAL FINANCIAL REPORT

OF ELVAL S.A

FOR THE FISCAL YEAR 2016

ELVAL S.A.
GE.MI. No. 121836901000
2-4 Mesogheion Ave, Athens Tower

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Annual Report of the Board of Directors for fiscal year 2016

Dear shareholders,

In the context of the provisions of Law 2190/1920 and the Articles of Association of ELVAL S.A (hereinafter the “Company”), we herewith submit this Annual Financial Report of the Board of Directors for the fiscal year 2016, namely from 1 January 2016 to 31 December 2016.

1. Development, performance and financial position of the Company

a. General Comments

The year ended 2016 was the first year that the rolling segment, absorbed by the Company in October 2015, had a full year impact in the financial statements. The incumbent foil segment spin-off in April 2016, thus affecting the financials only for the first quarter of 2016. As a consequence, the financial results of 2016 mainly concern the aluminium rolling segment.

In 2016, turnover amounted to €771 mill., gross profit amounted to €55.7 mill, earnings before interest, taxes depreciation & amortization (EBITDA) amounted to €72.8 mill, profit before tax amounted to €27.1 million and finally profit for the year amounted to €18.6 mill.

Sales volume increased to 267 thousand tons of aluminium products, product prices remained at the same levels compared to those of 2015 and the cost did not have any significant fluctuations.

During 2016, cash outflows for investing activities stood at €30.4 million, however the positive cash inflows from operation that amounted to €36.7 million lead to a decrease in Company’s net borrowing to the amount of €171.4 million (leasing liabilities are exempted), in comparison to €213.9 million in 2015.

b. Important events during 2016

i. Completion of the foil sector’s spin-off to SYMETAL

On the 1st of July 2016, the spin-off of the foil sector to SYMETAL S.A., a 100% subsidiary was approved, in accordance with the provisions of Articles 69-78 of Codified Law 2190/1920 and articles 1-5 of Law 2166/1993, based on a transformation balance sheet dated 31/3/2016.

c. Course of operations – financial data

<u>Market information – International economic environment</u>

In 2016, demand remained strong and the conversion prices of our products reached the same levels as in 2015, along with the primary aluminium price (1,451.37 €/ton compared to 1,496.79 €/ton in 2015). The premium (added to the market price) de-escalated in comparison to the high levels that reached early in 2015.

Finally, the average Euro-dollar rate remained at the same favourable levels, enhancing the exports in dollar-based countries.

Production - Turnover

In 2016, as in previous years, the Oinofyta plant worked at full capacity resulting in the production of 267 thousand tons of aluminium products and respectively, sales volume stood at 267 thousand tons.

In detail, the sales of the Company per category are presented in the table below:

SALES BREAKDOWN						
	QUANTITIES IN TONS		AMOUNTS IN THOUSAND EUROS		DIFFERENCE (%) IN VOLUME & IN VALUE	
	2016	2015	2016	2015	2016/2015	2016/2015
Company						
DOMESTIC	77,318	16,919	175,763	46,618	357%	277%
INTERNATIONAL SALES	189,655	127,446	530,591	321,906	49%	65%
TOTAL	**266,973**	**144,365**	**706,354**	**368,524**	**85%**	**92%**

Since year 2015 data concern the last five months following the absorption of rolling segment, year 2015 is not comparable to the year ended 2016.

Geographical Destinations

The destinations of Company's products are presented in the table below:

GEOGRAPHICAL DISTRIBUTION OF SALES (in thousand €)		
	2016	
Geographical sector	**Amount**	**%**
Greece	183,307	23.77%
European Union	430,205	55.80%
Other European countries	46,212	5.99%
Asia	29,958	3.89%
America	75,463	9.79%
Africa	5,028	0.65%
Oceania	841	0.11%
Total	**771,013**	**100.00%**

In particular, during 2016, the Company was present in more than 70 countries on a worldwide scale. Apart from Greece the main countries are Germany, Italy, the USA, France, Poland, Netherlands, Switzerland, United Kingdom, Turkey and Bulgaria, to which almost 60% of the sales are directed.

It is worth to mention, that the greatest portion of domestic sales (Greece) is directed to its subsidiary SYMETAL S.A., a company with strong export presence, therefore total direct and indirect exports are exceeding the 85% of total sales volume.

Plants - Investments

The Company operates two plants in Oinofyta, Viotia. The core rolling plant located at the 61st km of Athens-Lamia National Road, and a plant located at the 59th km of Athens-Lamia National Highway. A branch at Kalochori, Thessaloniki that serves commercially Northern Greece, is also in operation (7th km of Athens-Thessaloniki National Road).

The Company also possesses investment properties (valued at approximately €16.5 million) in Oinofyta, Thiva and Agios Thomas, which are leased to the subsidiaries SYMETAL, VEPAL and ELVAL COLOUR respectively.

In December 2016, the Company acquired industrial buildings in Magoula, Attica (Iroon Polytechniou 1), part of which are leased to the affiliate ETEM S.A..

Apart from the aforementioned acquisition, an expansion to Oinofyta rolling core plant took place, with the acquisition of land properties (valued at € 706 thousand).

A total amount of €26.8 million invested for machinery equipment in the Oinofyta plant. During 2016, the installation of a pre-treatment line was completed along with the installation of a plates strecher(financed with leasing). Also upgrades in the productive lines of the plant took place, such as the coating line (new baths), the hot rolling line (installation of edger mill) and a cold rolling mill.

Among the considerable investments underway, stands the installation of the third continuous casting line.

Participations

The major holdings of the company are as follows:

- VEPAL S.A. (100%): Aluminium coils lacquering. It operates a plant in Thiva.
- ELVAL COLOUR S.A. (100%): Etalbond production company with a plant at Agios Thomas, Oinofyta.
- VIOMAL S.A. (50%): The company processes aluminium strips and produces roller shutters for doors, windows, screen and shading systems. The company has its production premises in Nea Artaki, Evia and a branch in Kalochori, Thessaloniki.
- ANOXAL S.A. (100%): Aluminium processing and recycling company with a plant at Agios Thomas, Oinofyta.
- SYMETAL S.A. (former CCS S.A. (100%)): Absorbed the spun-off foil segment during the 2nd quarter and operates a plant at Oinofyta for the production of aluminium foil and a plant in Mantra Attica of foil processing.

The acquisition cost of holdings amounts to €118.6 million.

The Company also participates in ANAMET S.A. with 26.67%, ELKEME S.A. with 67.5%, AFSEL S.A. with 50%, and UEHEM Gmbh with 49%. UEHEM Gmbh is a new established company based in Germany, in co-operation with the United Aluminium Company of Japan (UACJ Corp). UACJ Corp holds the 51% of UEHEM Gmbh. UEHEM Gmbh trades aluminium products (manufactured by ELVAL) in heat exchanger manufactures for the automotive industry.

Notes on the Balance Sheet

The major changes in the Statement of Financial Position of the Company are due to the spin-off of the foil sector. In brief, the table below presents the absorbed items of the sector:

Amounts in Euros	
ASSETS	
Non-current assets	
Property, plant and equipment	55,126,851
Intangible assets	56,100
Other assets	26,252
Total non-current assets	**55,209,203**
Current assets	
Inventories	34,878,198
Trade and other receivables	39,220,670
Cash on hand and cash equivalents	8,061,861
Total current assets	**82,160,729**
Total assets	**137,369,932**
LIABILITIES	
Long-term liabilities	
Loans	19,610,171
Employee benefits	1,440,222
Government grants	6,064,183
Other liabilities	150,000
Deferred tax liability	5,551,135
Total long-term liabilities	**32,815,711**
Short-term liabilities	
Trade and other payables	14,134,863
Loans	14,813,686
Total short-term liabilities	**28,948,549**
Total liabilities	**61,764,260**

Notes on Income Statements

Company Sales amounted to €771 million. As cited above, this item includes the sales of the rolling sector for the whole fiscal year, and the sales of the foil sector for the first quarter of 2016. The international price of primary aluminium (LME), the conversion prices that reached 2015 levels, as well as the aluminium premium prices that de-escalated in 2016, shaped the above turnover.

The cost of goods sold amounted to €715.3 million, and gross profit totalling €55.7 million amounted to 7.23% of sales, stood in 2015 levels.

Administrative expenses totalling €22.1 million amounted to 2.87% of sales, compared to 2.92% in 2015.

Financial expenses were lower due to the decreased average net borrowing and amounted to €14.2 million.

Finally, profit before tax amounted to €27.1 million in comparison to €15.1 million in 2015.

For the fiscal year 2016, the taxes analysis is the following:

Taxes		
Amounts in Euros	**31/12/2016**	**31/12/2015**
Current income tax	(12,487,664)	(2,724,302)
Deferred tax	4,016,990	7,354,672
Total Income Tax	**(8,470,674)**	**4,630,370**

Current income tax for 2016 amounts to €12.5 million in respect to €2.7 million in 2015, as the possibility of tax-free reserves is exhausted

Earnings after tax amounted to €18.6 million and the following distribution of profits is proposed:

Distribution of Profits	
Amounts in Euros	**2016**
Legal Reserves	960,500
Fees of BoD & profits to executives	362,335
Proposed Dividend	4,800,000

The proposed dividend does not exceed 35% of the profits

2. Financial Ratios

The Management monitors and reports both internally and externally, Financial Ratios as well as Alternative Ratios of Performance measurement of the Company. The aforementioned ratios present a comparable image of the Company's performance and they are a basis for decision-making. The most important Company ratios are presented below:

RATIOS	31/12/2016	31/12/2015
Profitability (% of sales)		
Gross profit	7.23%	7.23%
Earnings before interest, taxes, depreciation and amortization (EBITDA)	9.44%	8.85%
Earnings after taxes and non-controlling interests	2.41%	4.40%
Evolution (%)		
Sales	71.47%	147.96%
Earnings before interest, taxes, depreciation and amortization (EBITDA)	82.84%	249.21%
Earnings after taxes and non-controlling interests	-5.97%	397.41%
Financial (%)		
Interest expense / Earnings before interest, taxes, depreciation and amortization (EBITDA)	19.54%	18.14%
Liquidity (:1)		
General Liquidity (Current Assets / Current Liabilities)	1.77	2.00
Debt (:1)		
Total Liabilities / Equity	0.77	0.94
Bank Loans / Equity	0.42	0.54
Equity / Total Liabilities	1.30	1.06
Fixed Assets turnover (:1)		
Equity / Non-current assets	1.01	1.01

EBITDA: It is a ratio of the profitability of the Company before taxation, financial expenses and depreciation and amortization. It is calculated by adding depreciation and amortization to the Operating Profit as stated in the Income Statement. For the years 2016 and 2015 EBITDA is calculated as follows:

EBITDA		
Amounts in Euro	**31/12/2016**	**31/12/2015**
Operating Profit	39,677,073	22,311,659
Plus: Depreciation of Fixed Assets	33,597,568	18,024,656
Plus: Amortization of intangible Assets	221,257	270,167
Plus: Depreciation of Investment properties	555,964	232,116
Minus: Amortization of Government Grants	(1,298,653)	(1,047,719)
EBITDA	**72,753,209**	**39,790,879**

3. Corporate Responsibility and Sustainable Development

Corporate Responsibility is in line with the philosophy, the strategy and the corporate principles of ELVAL.
For ELVAL, Corporate Responsibility is a basic condition for Sustainable Development and also a key factor of stability and success. It is a vision we put in practice each and every day, to respect the principles of Sustainable Development (economic prosperity, environmental protection and social cohesion). We have made the strategic choice of implementing responsible practices and Corporate Social Responsibility issues are managed by the Company systematically, by focusing on material issues that promote Sustainable Development.

ELVAL manages all issues concerning Corporate Responsibility and Sustainable Development in a comprehensive and systematic way:

- A Corporate Responsibility and Sustainable Development Policy has been established and is implemented
- A Corporate Responsibility team has been set up and is fully operational
- Corporate Responsibility and Sustainable Development issues are approached strategically
- Corporate Responsibility and Sustainable Development is governed by international standards, guidelines and initiatives
- A specific materiality analysis process is used to identify the material issues of Corporate Responsibility and Sustainable Development
- A Corporate Responsibility and Sustainable Development Report is published annually according to the guidelines of the Global Reporting Initiative (GRI-G4)

Corporate Responsibility and Sustainable Development Policy
In order to deal with the issues of Corporate Responsibility and Sustainable Development in an organized manner, ELVAL has established and implements a specific Corporate Responsibility and Sustainable Development Policy, according to which it is bound to:

- Full compliance with the legislation in force and full implementation of standards, policies, internal guidelines and procedures applied by the Company as well as with other requirements
- Continuous two-way communication with all stakeholders in order to identify and record their needs and expectations. The development of mutual trust-based relations with the stakeholders contributes significantly to meeting Sustainable Development objectives.
- Providing and maintaining a safe and healthy working environment for our people, associates and visitors of the Company
- Protecting human rights and providing an equal opportunities work environment, without discrimination
- Open communication based on transparency, with all stakeholders
- Continuous efforts to reduce our environmental footprint, through implementing responsible actions and preventive measures, in accordance with Best Available Practices, in order to control and

minimize the impact of the Company's operations on the environment
- Continuous pursuit of creating added value for stakeholders.

The full text of the Company's Corporate Social Responsibility Policy is available on the website *www.elval.gr*

ELVAL is firmly focused on the principles of Sustainable Development (economic prosperity, environmental protection and social cohesion) and activates responsibly across the entire range of its operations so that it is regarded as a reliable business partner. ELVAL manages Corporate Social Responsibility issues systematically by focusing on essential issues that promote Sustainable Development. The main issues concerning ELVAL's operation are grouped in the following axes:

- Economy
- Employees
- Society
- Encironment.

Concern for our people

In recognition of our employees' valuable contribution to our business development and future growth, we are committed to responsible working practices implementation. For us, it is our people who breathe life into the values and principles of the Company and actively contribute to ELVAL's vision. We strive to offer our employees an excellent, safe working environment where every personality is respected. Our strategic choice is to constantly invest in our people by ensuring their continuous growth and development, adapting to the latest technological requirements of the sector and recognizing and rewarding efforts. In this context we focus on:

- safeguarding of Health and Safety of our people and our associates
- creating a work environment of fair remuneration, respect of human rights and diversity
- maintaining jobs and supporting local employment
- providing equal opportunities for all employees
- implementing objective evaluation systems
- continuous training and education of our employees
- providing additional benefits schemes

ELVAL's Code of Conduct

It is our belief that a company can be competitive and efficient and at the same time operates with respect to values and social sensitivity. For this reason, we created ELVAL's Code of Conduct, the main tool for the formation of our corporate culture. It contains all fundamental principles, procedures and rules as well as all those corporate values that form our business practices and define our daily behavior and actions. Our commitment to those values is confirmed on a daily basis and is a key element in order to continue our course.

Health and Safety

Health and Safety management in our working environment is not only an obligation we have to follow, dictated by international standards or regulations, but it is a strategic decision that we systematically approach by applying the best available practices. Our 'zero accidents' goal remains our ultimate priority. For this reason, we have put in practice a certified Occupational Health and Safety Management System (in compliance with the requirements of the international OHSAS 18001:2007 standard), we run targeted prevention programs, we focus on providing continuous briefing and training to our people and associates on related topics and at the same time we consistently invest in systems to optimize working conditions and infrastructure thus fostering a 'safety climate'.

Environmental Protection

The protection of the environment is a strong commitment for the Company and this has been integrated into ELVAL's strategy. As a proof, each year we implement a major capital expenditure plan that includes environmental protection projects and we also implement practices that continuously improve our environmental performance. In this context:

- We implement a certified Environmental Management System (ISO 14001:2004)
- We invest in new infrastructure to constantly improve our environmental performance
- We focus on our employees' training and awareness concerning issues of environmental management
- We implement targeted programs concerning environmental protection, such as:
  - Use of aluminium scrap
  - Energy saving activities (e.g. energy saving program for gradual replacement of conventional lamps)
  - Actions for efficient water use (e.g. saving practices)
  - Practices to reduce air emissions (e.g. use of fuels that create less greenhouse gas emissions per energy produced, such as natural gas, frequent and proper maintenance and calibration of equipment and automations)
  - Waste Management and Recovery by implementing management practices in accordance with the relevant legislation and the Best Available Techniques.

Focus on Customers and Supply Chain Responsibility

We continuously communicate and cooperate with our customers for identifying their needs and suggest for solutions, in order to ensure excellent service and customer satisfaction. The above strategic actions lead to high levels of customer satisfaction, which is the most important reward for us. We systematically invest in research and development aiming to provide innovative solutions and top quality products, and at the same time we cooperate with research, scientific and professional institutions for the development of new technologies and we actively participate in global developments. In 2016 ELVAL invested EUR 34 mill and it is noteworthy that over the past 15 years we have completed a series of large, successful capital expenditure plans worth more than EUR 385 mill.

We strive to promote Sustainable Development across our entire supply chain. The development and maintenance of a responsible supply chain that generates added value for both sides, is a strong commitment for ELVAL -and will continue to be- by building long-lasting partnerships at national and local level. ELVAL seeks to increase the positive impact of its operations on the national economy, the environment and the society. The Company’s concern is to meet its procurement needs in a responsible way, by implementing environmental and social responsibility practices and criteria into its procedures.

Concern for the society

ELVAL believes it is very important to co-exist and collaborate with the local community in harmony. This is why we feel obliged to be as consciously present as possible and to support the local communities and the environment of the areas of operations. Our goal is to contribute to the development and sustainability of local communities, by adopting and implementing a series of social solidarity programs. To that end, we support local jobs and encourage local entrepreneurship. For one more year, we have supported schemes and activities for the society, the environment, for vulnerable social groups, for culture and sport, and we are committed to continue to do so, for years to come.

4. Main Risks and Uncertainties

The Company’s risk management policies are applied in order to identify and analyse the risks facing the Company, set risk-taking limits and apply relevant control systems. The risk management policies and relevant systems are re-examined occasionally so as to take into account any changes in the market and the Company's activities.

Credit Risk
Credit risk is the risk of the Company's loss in cases where a customer or a third party in a financial transaction does not fulfil his contractual obligations and is mainly related to trade receivables and securities investments.

(a) Trade and other receivables
Company exposure to credit risk is primarily affected by the features of each customer. The demographic data of the Company's clientele, including payment default risk characterising the specific market and the country in which customers are active, affect the credit risk less since no geographical concentration of credit risk has been noted.

Based on the credit policy adopted by the Board of Directors, each new customer is checked individually for creditworthiness before normal payment terms are proposed. The creditworthiness test implemented by the Company includes the examination of bank sources and other third sources of credit rating, if any. Credit limits are set for each customer, which are reviewed in accordance with current circumstances and the terms of sales and collections are readjusted, if necessary. In principal, the credit limits of customers are set on the basis of the insurance limits received for them from insurance companies and, subsequently, receivables are insured according to such limits.

While monitoring the credit risk of customers, the latter are grouped according to their credit characteristics, the maturity characteristics of their receivables and any past problems of receivability they have demonstrated. Trade and other receivables include mainly wholesale customers of the Company. Any customers characterised as being "high risk" are included in a special list of customers and future payments must be received in advance and approved by the Board of Directors. Depending on the background of the customer and its status, the Company demands real or other security (e.g. letters of guarantee) in order to secure its receivables, if possible.

The Company makes impairment provisions which reflect its assessment of losses from customers, other receivables and investments in securities. This provision mainly consists of impairment losses of specific receivables estimated based on given circumstances that may materialize though have not been finalized yet.

(b) Investments
Investments are classified by the Company according to the purpose for which they were acquired. The Management decides on the appropriate classification of the investment at the time of acquisition and reviews such classification on each presentation date.

The Management estimates that there will be no payment default for such investments.

(c) Guarantees

The Company's policy requires that no financial guarantees are provided. By way of exception, however, such guarantees can be provided only to subsidiaries and affiliates based on a resolution passed by the Board of Directors.

Liquidity risk
Liquidity risk is the Company's inability to honour its financial obligations when they mature. The approach adopted by the Company in order to manage liquidity is to ensure, by adequate fiscal management and sufficient credit limits from cooperating banks, that it will always have satisfactory levels of liquidity to meet its obligations when they mature, under ordinary or more difficult conditions, without there being unacceptable losses or its reputation being jeopardised.

To avoid liquidity risks the Company makes a cash flow provision for one year when preparing the annual budget, as well as a rolling provision covering three months to ensure that it has adequate cash flow to meet its operating needs, including the fulfilment of its financial obligations. This policy does not take into account the impact of extreme conditions which cannot be foreseen.

Market Risk

Market risk is the risk of changes in raw material prices, exchange rates and interest rates, which affect the Company's results or the value of its financial instruments. The purpose of risk management in respect to market conditions is to control Company exposure to such risks in the context of acceptable parameters while at the same time improving performance.

The Company enters transactions involving derivative financial instruments in order to counterbalance some of the risks arising from market conditions.

(a) Fluctuation risk of metal prices (aluminium)

The Company bases both its purchases and sales on stock market prices / indexes for the price of aluminium used and contained in its products. The risk from metal price fluctuation is covered by hedging instruments (futures on London Metal Exchange-LME). The Company, however, does not use hedging instruments for the entire stock of its operation and, as a result, any drop in metal prices may have a negative effect on its results through inventory impairment.

(b) Exchange rate risk

The Company is exposed to foreign exchange risk in relation to the sales and purchases carried out and the loans issued in a currency other than the functional currency of Company, which is mainly the Euro. The currencies in which these transactions are held are mainly Euro, USD and GBP.

Over time, the Company counterbalances the greatest part of its estimated exposure to foreign currencies in relation to the anticipated sales and purchases as well as receivables and liabilities in foreign currency. In most of the cases, the Company signs foreign currency forward contracts with its foreign counterparties in order to hedge the risk of foreign exchange rate fluctuations, which expire normally in less than one year from the balance sheet date. When deemed necessary, these contracts are renewed upon expiry. Per case, the foreign exchange risk may be covered by taking out loans in respective currencies.

Loan interest is denominated in the same currency as cash flow, which arises from the Company's operating activities and is mainly Euro.

The Company's investments in other subsidiaries are not hedged because these exchange positions are considered as long-term.

(c) Interest rate risk

The Company finances its investments and its needs for working capital from bank and bond loans resulting in interest charges affecting its results. Rising interest rates will have a negative impact as the Company's borrowing costs will increase.

Interest rate risk is mitigated since part of the Company's borrowing is set at fixed rates either directly or using financial instruments (interest rate swaps).

Capital management

The Board of Directors policy is to maintain a strong capital base to ensure investor, creditor and market trust in the Company and to allow Company's activities to expand in the future. The Board of Directors monitors the return on capital which is defined by the Company as net results divided by total equity, save non-controlling interests. The Board of Directors also monitors the level of dividends distributed to holders of common shares.

The Board of Directors tries to maintain equilibrium between higher returns that would be feasible through higher borrowing levels and the advantages and security offered by a strong and robust capital structure.

The Company does not have a specific plan for own shares purchase. There have not been made any changes in Company’s approach according to the Capital management.

Macroeconomic Environment

In June 2016 the first review of Greece’s economic adjustment programme was completed, and the disbursement in several instalments, of the second tranche of the financial assistance was approved. The first instalment was released during June and covered short-term debt servicing needs, as well as part of the arrears of the Greek public sector to the private sector. The last instalment was disbursed in October 2016, following the implementation of the agreed prior actions. The completion of the first review and the disbursement of the second tranche instalments lead to the strengthening of the Greek economy and to the improvement of the economic conditions. At the same time, during the fourth quarter of 2016, the second review of Greece’s financial stability programme began, which is due to be completed in the near future. The above mentioned, combined with the continuation of the reforms in the Greek economy, and taking also into account the measures for ensuring the sustainability of Greece’s public debt agreed in the Eurogroup on the 24th of May 2016, it is expected to contribute to the gradual improvement of the Greek economy and to secure the return to sustainable economic growth. It is worth to mention however, that further delay in the completion of the second review of the programme will have negative consequences in the above mentioned areas.

However, taking into account the fact that the Company’s activities consist in their majority in exports, specifically the 86% of Sales in 2016 directed into direct and indirect exports in comparison to 89% of Sales in 2015, and having regard to the Company’s financial position, any negative developments in the Greek economy are not expected to have a significant effect on its smooth operation. Moreover, the production capacity of the plants is not expected to encounter any problems given that the exports, for which no negative consequences are expected, generate adequate cash flows to cover the imports of materials required for production. The availability and prices of core raw materials follow and are determined by the international market and, therefore, are not affected by the domestic situation in Greece.

Concerning Brexit, sales percentage of the Company in UK reaches 2% of total sales, and as a result we do not foresee that any significant risk will occur. Nevertheless, Management assesses the situation and its eventual effects on an ongoing basis in order to ensure that all necessary and possible steps and actions are taken to minimise any effects on the Company's activities.

5. Transactions with related parties

Company’s related parties have been identified based on requirements of IAS 24 and comprise of its subsidiaries, its associates, VIOHALCO S.A/NV which controls the Company (together with its related parties) and the members of the Board of Directors and the key management personnel.

The Company purchases goods and services from these related parties, sells goods, provides services to them and receives dividends. A summary of Company’s transactions with related parties is the following:

Period 1/1-31/12/2016 - amounts in €						
Entities	**Relation**	**Sales**	**Purchases**	**Receivables**	**Payables**	**Dividends Revenue**
VIOMAL S.A	Subsidiary	5,820,040	39,488	2,424,919	15,428	
SYMETAL S.A	Subsidiary	90,370,836	10,952,324	11,908,972	-	
ANOXAL S.A.	Subsidiary	3,663,410	7,781,005	919,306	1,195,066	
ELVAL COLOUR S.A.,	Subsidiary	13,071,820	681,127	8,014,224	-	
VEPAL S.A.	Subsidiary	1,644,616	24,413,250	-	6,337,686	1,203,948
Total subsidiaries		**114,570,722**	**43,867,194**	**23,267,421**	**7,548,181**	**1,203,948**
ELKEME S.A.	Associate	138,697	609,573	-	543,510	
AFSEL S.A.	Associate	5,160	386,754	-	185,422	300,000
ANAMET S.A.	Associate	178,180	4,238,104	763,235	766,447	
UEHEM Gmbh	Associate	22,491,046	44,820	6,442,252	22,481	
Total associates		**22,813,083**	**5,279,251**	**7,205,487**	**1,517,861**	**300,000**
ETEM BG	Other	37,636,393	7,600,381	19,802,932	11,840,253	
GENECOS SA	Other	3,760,587	510,088	1,246,498	250,378	
TEPRO METAL AG	Other	14,421,751	2,871,761	2,270,378	539,399	
BASE METALS	Other	501,322	599,781	-	153,247	
TEKA SYSTEMS S.A.	Other	-	7,422,025	-	1,824,027	
SIDENOR Steel Industry S.A.	Other	300,542	415,309	4,570,654	36,597	
Other entities	Other	14,020,603	16,555,891	9,080,752	2,136,609	
Total other		**70,641,198**	**35,975,237**	**36,971,214**	**16,780,511**	**-**
GRAND TOTAL		**208,025,003**	**85,121,682**	**67,444,122**	**25,846,553**	**1,503,948**

Benefits to Key Management Personnel - *Amounts in €*	**31/12/2016**	**31/12/2015**
Fees - benefits to the members of the Board of Directors and executives	2,196,462	1,717,423

6. Subsequent events after the year ended 2016

There are no subsequent events after the year ended 2016.

7. Outlook and development

After the completion of the Company’s restructuring, the rolling sector, along with the gradual completion of new investments, it is expected to have a major impact in the financial result of 2017. The increased production capacity that new invesments will offer, it will be fully leveraged, thus resulting in further increase of sales volume.

Through the continuous implementation of quality improvement programs, the Company seeks to distribute the excess production to demanding markets such as the market of heat exchanger manufactures for the automotive industry through its subsidiary UEHEM (in collaboration with UACJ Corp), as well as the market of thick sheets with the installation of a new thick sheet production line.

Meanwhile, by pursuing our investment plan we focus on the increased production capacity, on the continuous quality improvement, on the protection of the environment and our people and on product differentiation.

Under these circumstances, we believe that 2017 will be also a creative year for the Company, with improved financial results.

Following the aforementioned, dear Shareholders, we kindly request you to approve the Company's Financial Statements and this report for the year from 1 January to 31 December 2016 and deliberate on the other issues set by the General Meeting.

Athens, 28 April 2017

The Chairman of the B.o.D.

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LAMBROS VAROUCHAS

KPMG

Independent Auditor's Report
(Translated from the original in Greek)

To the Shareholders of
ELVAL HELLENIC ALUMINUM INDUSTRY SA

Report on the Financial Statements

We have audited the accompanying Financial Statements of ELVAL HELLENIC ALUMINIUM INDUSTRY S.A. (the "Company") which comprise the Statement of Financial Position as of 31 December 2016 and the Statements of Income and 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 Financial Statements

Management is responsible for the preparation and fair presentation of these Financial Statements in accordance with International Financial Reporting Standards as adopted by the European Union, and for such internal control as Management determines is necessary to enable the preparation of 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 Financial Statements based on our audit. We conducted our audit in accordance with International Standards on Auditing, which have been incorporated in Greek Legislation. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the 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 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 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 Financial Statements give a true and fair view of the financial position of ELVAL HELLENIC ALUMINIUM INDUSTRY S.A. as of 31 December 2016 and of its financial performance and its cash flows for the year then ended, in accordance with International Financial Reporting Standards as adopted by the European Union.

Report on Other Legal and Regulatory Requirements

Taking into consideration that Management is responsible for the preparation of the Board of Directors' Report, pursuant to the provisions of paragraph 5 of Article 2 (part B) of Law 4336/2015, we note that:

(a) In our opinion, the Directors' report has been prepared in accordance with the applicable legal requirements of articles 43a of C.L. 2190/1920 and its content corresponds with the accompanying Financial Statements for the year ended 31 December 2016.

(b) Based on the knowledge acquired during our audit, relating to ELVAL HELLENIC ALUMINIUM INDUSTRY S.A. and its environment, we have not identified material misstatements in the Board of Directors' Report.

Athens, 15 May 2017

KPMG Certified Auditors A.E.

KPMG Certified Auditors A.E.
Stratigou Tombra 3
153 42 Aghia Paraskevi
Greece
AM SOEL114

Alexandros-Petros Veldekis, Certified Auditor Accountant
AM SOEL 26141

Annual Financial Statements
for the fiscal year 2016
according to International Financial Reporting Standards

The Chairman of the B.o.D. and General Manager	A Member of the B.o.D.	The Finance Director
LAMBROS VAROUCHAS	NIKOLAOS KOUDOUNIS	NIKOLAOS PSYRAKIS
Id.C.No AB 535203	Id.C.No AE 012572	Id.C.No T 015643
		Reg. No 9239 CLASS A’

ELVAL S.A
GE.MI. No 121836901000
2-4 Mesogeion Ave., Athens Tower

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I. Statements of financial position

Amounts in Euros	*note*	COMPANY 31/12/2016	31/12/2015
ASSETS			
Non-current assets			
Property, plant and equipment	*9*	297,293,797	363,573,285
Intangible assets	*10*	912,855	727,776
Investment properties	*11*	16,477,212	9,997,464
Investments in subsidiaries	*12*	118,570,837	46,062,528
Investments in equity-accounted investees	*13*	1,607,944	1,595,201
Available-for-sale investments	*14*	1,544,786	1,434,216
Trade and other receivables	*16*	1,230,062	1,330,438
Total non-current assets		**437,637,493**	**424,720,908**
Current assets			
Inventories	*17*	176,248,272	218,897,946
Trade and other receivables	*16*	159,560,906	171,198,470
Derivatives	*15*	2,302,287	342,642
Cash on hand and cash equivalents	*18*	8,344,113	16,941,285
Total current assets		**346,455,578**	**407,380,343**
Total assets		**784,093,071**	**832,101,251**
EQUITY			
Capital and reserves attributable to equity holders of the Company			
Share capital	*19*	105,750,180	105,750,180
Fair value reserves	*21*	994,149	(1,076,149)
Other reserves	*20*	208,818,194	180,729,934
Retained earnings		127,850,453	143,432,536
Total equity attributable to equity holders of the Company		**443,412,976**	**428,836,501**
LIABILITIES			
Long-term liabilities			
Loans	*22*	91,773,160	129,015,144
Derivatives	*15*	-	159,772
Employee benefits	*23*	7,828,326	9,692,122
Government grants	*24*	12,388,060	19,750,896
Deferred tax liability	*27*	32,447,520	40,927,336
Total long-term liabilities		**144,437,066**	**199,545,270**
Short-term liabilities			
Trade and other payables	*26*	85,993,096	96,125,325
Income tax payable		12,761,372	4,066,157
Loans	*22*	96,586,483	101,829,425
Derivatives	*15*	902,078	1,698,573
Total short-term liabilities		**196,243,029**	**203,719,480**
Total liabilities		**340,680,095**	**403,264,750**
Total equity and liabilities		**784,093,071**	**832,101,251**

The notes on pages 8 to 38 constitute an integral part of these financial statements.

II. Income statements

For the year ended 31 December 2016		COMPANY			
		Continued Operations	Discontinued Operations	Eliminnations and adjustments	Total
Amounts in Euros	*note*	12months up to 31/12/2016	3months up to 31/03/2016	3months up to 31/03/2016	12months up to 31/12/2016
Sales	*7,8*	**745,572,332**	**54,826,299**	**(29,385,754)**	**771,012,877**
Cost of sales	*28*	(692,612,805)	(52,054,031)	29,385,754	(715,281,082)
Gross profit		**52,959,527**	**2,772,268**	**-**	**55,731,795**
Other operating income	*29*	6,673,197	117,294	-	6,790,491
Selling and distribution expenses	*28*	(5,599,356)	(608,466)	-	(6,207,822)
Administrative expenses	*28*	(15,164,147)	(723,249)	-	(15,887,396)
Other operating expenses	*29*	(725,855)	(24,140)	-	(749,995)
Operating results		**38,143,366**	**1,533,707**	-	**39,677,073**
Finance income	*30*	93,369	523	-	93,892
Finance expense	*30*	(13,923,094)	(296,149)	-	(14,219,243)
Revenue from Dividends		1,503,948	-	-	1,503,948
Net finance costs		**(12,325,777)**	**(295,626)**	**-**	**(12,621,403)**
Profit before tax		**25,817,589**	**1,238,081**	**-**	**27,055,670**
Income tax expense	*27*	(8,026,589)	(444,085)	-	(8,470,674)
Profit for the year		**17,791,000**	**793,996**	**-**	**18,584,996**

For the year ended 31 December 2015(*)		Continued Operations	Discontinued Operations	Eliminnations and adjustments	Total
Amounts in Euros	*note*	5months up to 31/12/2015	12months up to 31/12/2015	5months up to 31/12/2015	12months up to 31/12/2015
Sales	*7,8*	**297,888,747**	**205,002,576**	**(53,254,614)**	**449,636,709**
Cost of sales	*28*	(279,876,436)	(190,515,640)	53,254,614	(417,137,462)
Gross profit		**18,012,311**	**14,486,936**	**-**	**32,499,247**
Other operating income	*29*	2,167,203	1,005,778	-	3,172,981
Selling and distribution expenses	*28*	(2,087,952)	(2,926,077)	-	(5,014,029)
Administrative expenses	*28*	(4,829,304)	(2,663,451)	(630,864)	(8,123,619)
Other operating expenses	*29*	(28,565)	(194,356)	-	(222,921)
Operating results		**13,233,693**	**9,708,830**	**(630,864)**	**22,311,659**
Finance income	*30*	32,860	9,275	-	42,135
Finance expense	*30*	(5,950,830)	(1,268,986)	-	(7,219,816)
Revenue from Dividends		-	-	-	-
Net finance costs		**(5,917,970)**	**(1,259,711)**	-	**(7,177,681)**
Profit before tax		**7,315,723**	**8,449,119**	**(630,864)**	**15,133,978**
Income tax expense	*27*	7,427,345	(2,796,975)	-	4,630,370
Profit for the year		**14,743,068**	**5,652,144**	**(630,864)**	**19,764,348**

*In the comparative figures for 2015, an analysis of the effect of the discontinued operation is presented (note 7 of the financial statements).

The notes on pages 8 to 38 constitute an integral part of these financial statements.

III. Statements of comprehensive income

For the year ended 31 December 2016		ETAIPEIA Continued Operations	Discontinued Operations	Eliminnations and adjustments	Total
Amounts in Euros	note	12months up to 31/12/2016	3months up to 31/03/2016	3months up to 31/03/2016	12months up to 31/12/2016
Profit for the year		**17,791,000**	**793,996**	**-**	**18,584,996**
Items that will not be transferred to profit or loss in future periods:					
Remeasurements of the employee benefit liability	23	836,875	-	-	**836,875**
Income tax on other comprehensive income	27	(242,694)	-	-	**(242,694)**
Items that are or may reclassified subsequently to profit or loss:					
Net change in fair value of cash flow hedges	21	2,915,912	-	-	**2,915,912**
Income tax on other comprehensive income	27	(845,614)	-	-	**(845,614)**
Other comprehensive income after taxes		**2,664,479**	**-**	**-**	**2,664,479**
Total comprehensive income for the year		**20,455,479**	**793,996**	**-**	**21,249,475**

For the year ended 31 December 2015(*)		Continued Operations	Discontinued Operations	Eliminnations and adjustments	Total
Amounts in Euros	note	5months up to 31/12/2015	12months up to 31/12/2015	5months up to 31/12/2015	12months up to 31/12/2015
Profit for the year		**14,743,068**	**5,652,144**	**(630,864)**	**19,764,348**
Items that will not be transferred to profit or loss in future periods:					
Remeasurements of the employee benefit liability	23	669,467	145,565	-	**815,032**
Income tax on other comprehensive income	27	(194,145)	(37,847)	-	**(231,992)**
Items that are or may reclassified subsequently to profit or loss:					
Net change in fair value of cash flow hedges	21	(1,321,918)	(224,308)	-	**(1,546,226)**
Income tax on other comprehensive income	27	383,356	64,134	-	**447,490**
Other comprehensive income after taxes		**(463,240)**	**(52,456)**	**-**	**(515,696)**
Total comprehensive income for the year		**14,279,828**	**5,599,688**	**(630,864)**	**19,248,652**

*In the comparative figures for 2015, an analysis of the effect of the discontinued operation is presented (note 7 of the financial statements).

The notes on pages 8 to 38 constitute an integral part of these financial statements.

IV. Statements of changes in equity

Amounts in Euros	***note***	**Share capital** *(note 19)*	**Fair value reserves** *(note 21)*	**Other reserves** *(note 20)*	**Retained earnings**	**Total equity**
COMPANY						
Balance as of 1 January 2015		**42,663,773**	**22,587**	**16,731,300**	**23,252,162**	**82,669,822**
Profit for the period		-	-	-	19,764,348	19,764,348
Valuation of derivatives for cash flow hedges		-	(1,098,736)	-	-	(1,098,736)
Remeasurements of the employee benefit liability		-	-	-	583,040	583,040
Total comprehensive income for the period		**-**	**(1,098,736)**	**-**	**20,347,388**	**19,248,652**
Transactions with owners						
Absorption of rolling segment		63,086,407	-	163,998,634	99,832,986	326,918,027
Total transactions with owners		**63,086,407**	**-**	**163,998,634**	**99,832,986**	**326,918,027**
Balance as of 31 December 2015		**105,750,180**	**(1,076,149)**	**180,729,934**	**143,432,536**	**428,836,501**
Balance as of 1 January 2016		**105,750,180**	**(1,076,149)**	**180,729,934**	**143,432,536**	**428,836,501**
Profit for the period		-	-	-	18,584,996	18,584,996
Valuation of derivatives for cash flow hedges		-	2,070,298	-	-	2,070,298
Remeasurements of the employee benefit liability		-	-	-	594,181	594,181
Total comprehensive income for the period		**-**	**2,070,298**	**-**	**19,179,177**	**21,249,475**
Transactions with owners						
Transfer of reserves		-	-	28,088,260	(28,088,260)	-
Dividend	***20***	-	-	-	(6,673,000)	(6,673,000)
Total transactions with owners		**-**	**-**	**28,088,260**	**(34,761,260)**	**(6,673,000)**
Balance as of 31 December 2016		**105,750,180**	**994,149**	**208,818,194**	**127,850,453**	**443,412,976**

The notes on pages 8 to 38 constitute an integral part of these financial statements.

V. Statements of cash flow

For the year ended 31 December		COMPANY	
Amounts in Euros	***note***	**2016**	**2015**
Operating activities			
Profit before taxes for the year		27,055,670	15,133,978
Adjustments for:			
Depreciation of fixed assets	***9,11***	34,153,532	18,256,772
Amortization of intangible assets	***10***	221,257	270,167
Amortization of government grants	***24***	(1,298,653)	(1,047,719)
Results from investing activities		(798,097)	130,156
Finance expense and related expenses	***30***	14,219,243	6,993,139
Impairment losses on inventories	***17***	-	447,579
Impairment loss on trade receivables		264,546	-
Other provisions		413,301	68,043
Change in inventories		7,771,474	7,012,877
Change in trade and other receivables		(27,773,529)	6,780,015
Change in trade and other payables (except bank loan liabilities)		(2,780,022)	(3,323,069)
Interest paid		(14,098,569)	(10,511,329)
Income tax paid		(670,502)	(1,625,745)
Net cash flows from / (used in) operating activities		**36,679,651**	**38,584,864**
Investing activities			
Acquisition of subsidiaries, associates and other investments	***12,13 14***	(121,448)	(29,050)
Proceeds from share capital return/sale of subsidiaries	***12***	3,097,364	35,000
Purchase of property, plant and equipment		(30,279,638)	(28,243,699)
Purchase of intangible assets	***10***	(109,625)	(17,969)
Proceeds from sale of property, plant and equipment	***9***	3,334,619	79,349
Interest received	***30***	93,892	42,134
Dividends received		1,503,948	-
Net cash flows from / (used in) investing activities		**(22,480,888)**	**(28,134,235)**
Financing activities			
Loans received	***22***	10,000,000	-
Repayment of borrowings	***22***	(35,393,811)	(7,275,536)
Net change in short-term loans	***22***	17,332,737	4,288,543
Dividends Paid		(6,673,000)	-
Net cash flows from / (used in) financing activities		**(14,734,074)**	**(2,986,993)**
Net (decrease) / increase in cash on hand and cash equivalents		**(535,311)**	**7,463,636**
Cash and cash equivalents at the beginning of year	***18***	16,941,285	5,276,259
Spin-off of foil segment / Absorption of rolling segment	***12***	(8,061,861)	4,201,390
Cash and cash equivalents at the end of year		**8,344,113**	**16,941,285**

The notes on pages 8 to 38 constitute an integral part of these financial statements.

VI. Notes to annual financial statements

1. General Information

The financial statements presented here include the corporate financial statement of ELVAL S.A (the “Company”).

During 2016 a corporate restructuring was completed with a spin-off of the foil sector which incorporated to SYMETAL S.A., a 100% subsidiary of ELVAL HELLENIC ALUMINIUM INDUSTRY S.A.. The absorbed assets and liabilities are analysed in note 12 in the financial statements.

The Company is active in rolling aluminium products, in Greece, and promotes its products internationaly, primarily to the European Union, the United States of America and the Far East. The Company is seated in Greece, 2-4 Mesogheion Ave, Athens and its main facilities are located at the 61th kilometre of the Athens-Lamia National Road, Oinofyta, Viotia. Company’s electronic address is **www.elval.gr.**

The Company is exempted from the compilation of consolidated financial statements because its financial statements are included in the consolidated financial statements of VIOHALCO SA/NV which is traded on EURONEXT stock exchange in Belgium and on the Athens Stock Exchange.

2. Basis of preparation

Company’s annual financial statements included herein (the “Financial statements”) concern the fiscal year that ended on 31 December 2016 and have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as adopted by the European Union..

The financial Statements have been approved from the Board of Directors of the Company on 28h April 2017.

3. Functional and presentation currency

These financial statements are presented in Euro, which is the Company’s functional and presentation currency. All financial information presented in Euro has been rounded to the nearest unit.

4. Use of estimates and judgments

The preparation of the Company’s financial statements in accordance with the IFRS requires management to make judgments, estimations and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may eventually differ from these estimates.

The management’s estimations and judgements are reviewed on an ongoing basis and are based on historical figures and expectations of future events, which are deemed fair pursuant to current market prices.

Estimations and judgements that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities in the following 12 months concern:

(a) Income tax (note 27)

Upon the normal flow of the business a lot of transactions and estimates take place for which the exact estimation of the tax is uncertain. In the event that the final taxes arising after the tax audits are different than the amounts that were initially recorded, these differences will affect the income tax and the provisions for deferred taxes in the fiscal year that the determination of the tax differences took place.

(b) Inventory (note 17)

The Company makes estimates for calculation of the net realizable value.

(c) Impairment

The Company makes estimates about the valuation of the assets that are not measured at fair value (Investments in subsidiaries and associates; Property, plant and equipment; Intangible assets; Investment property) for indications of impairment. Especially regarding property, plant and equipment, the Company evaluates the recoverability thereof based on the value in use of the cash generating unit under which such assets fall. The calculated value in use is based on a five-year business plan prepared by the Management and, thus, it is sensitive to the verification or not of expectations relating to the attainment of sales objectives, gross margin percentages, operating results, growth rates and discount rates of the estimated cash flows.

VI. Notes to annual financial statements

4. Use of estimates and judgments (continued)

(d) Provisions (Notes 23 and 25)

The provisions are estimated in the present value of the expenses which based on the best evaluation of management, they are required to cover the current liabilities on the balance sheet date. The discount rate used for the determination of the current value reflecting the current market estimates for the time value of the money and increases regarding the specific liability.

(e) Measurement of liabilities for employee benefits (note 23)

This obligation is based on principal actuarial assumptions.

(e) Measurement of fair values

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

When measuring the fair value of an asset or a liability, the Company uses market observable data as far as possible. Fair values are categorized into different levels in a fair value hierarchy as follows:

Level A: Quoted prices (unadjusted) in active markets for identical assets or liabilities.
Level B: Inputs observable, either directly or indirectly.
Level C: Non-observable data for the asset or liability.

Level B includes inputs other than quoted prices included in Level A that are observable for the asset or liability, either directly or indirectly. Over-the-counter derivative financial instruments which are based on broker quotes are classified in this level.

The non-observable prices are classified to Level C. The fair value of shares not traded in an active market is defined based on the provisions of the Company for the future profitability of the issuer after taking into account the expected growth rate of its operations as well as the discounted interest rate. The fair value of financial liabilities is estimated based on the present value of the future cash flows that arise from specific contracts using the effective interest rate that is available for the Company for the use of similar financial instruments.

The Company recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in the note 33.

5. Basis of measurement

These financial statements have been prepared on the historical cost basis except the derivative financial instruments.

6. Significant accounting policies

The Company has consistently applied the accounting policies to all periods presented in these financial statements, except for the adoption of new Standards, amendments on Standards and Interpretations which became effective for the annual periods beginning on or after 1 January 2016 which didn't have impact on the Company's financial statements:

IAS 19 (Amendment) "Employee Benefits", This limited scope amendment is applicable to contributions of employees or third parties to programs of defined benefit contribution and simplify the accounting treatment for contributions when they are independent of the number of years of employment, for instance, employees contributions which are being calculated based on a fixed percentage of the remuneration.

IFRS 11 (Amendment) "Joint Arrangements", This amendment adds new guidance for the accounting of acquisition of participation in a jointly controlled entity that is a business according to IFRS and clarifies the appropriate accounting treatment for these acquisitions. This amendment is applicable prospectively for fiscal years starting as of the 1st January 2016, although earlier application is permitted. This amendment has been approved by the European Union.

IAS 16 and IAS 38 (Amendments) "Clarification of Acceptable Methods of Depreciation and Amortization", These amendments clarify that the use of revenue-based methods to calculate the depreciation of an asset is not appropriate and they also clarify that revenue is generally presumed to be an inappropriate basis for measuring the consumption of the economic benefits embodied in an intangible asset. The amendments are applicable for annual

VI. Notes to annual financial statements

6. Significant accounting policies (continued)

periods starting on or after the 1st of January 2016 with prospective application and have been adopted by the European Union. Earlier application is permitted.

IAS 27 (Amendment) "Separate Financial Statements", This amendment allows entities to use the equity method to account for investments in subsidiaries, joint ventures and associates in their separate financial statements and clarifies the definition of separate financial statements. This amendment is applicable for annual periods beginning on or after 1st January of 2016. The amendments have been adopted by the Europeran Union. Earlier application is permitted.

IAS 1 (Amendments) "Presentation of Financial Statements", This amendment aims at the improvement of the financial statements that are being prepared according to IFRS (Disclosure initiative). This amendment has been adopted by the European Union and is applicable after the 1st of January 2016.

<u>Annual Improvements to IFRSs (2012-2014) :</u>

The amendments set out below describe the key changes to certain IFRSs

IFRS 5 "Non-current Assets Held for Sale and Discontinued Operations", The amendment clarifies that, when an asset (or disposal group) is reclassified from "held for sale" to "held for distribution", or vice versa, this does not constitute a change to a plan of sale or distribution, and does not have to be accounted for as such.

IFRS 7 "Financial Instruments: Disclosures", The amendment adds specific guidance to help management determine whether the terms of an arrangement to service a financial asset which has been transferred constitute continuing involvement and clarifies that the additional disclosure required by the amendments to IFRS 7, "Disclosure – Offsetting financial assets and financial liabilities" is not specifically required for all interim periods, unless required by IAS 34.

IAS 19 "Employee Benefits", The amendment clarifies that, when determining the discount rate for post-employment benefit obligations, it is the currency that the liabilities are denominated in that is important, and not the country where they arise.

IAS 34 "Interim Financial Reporting", The amendment clarifies what is meant by the reference in the standard to "information disclosed elsewhere in the interim financial report".

VI. Notes to annual financial statements

6. Significant accounting policies (continued)

6.1 Subsidiaries and Associated Companies

(a) Subsidiaries

Subsidiaries are those companies controlled by the Company. The Company controls a subsidiary when it is exposed or is entitled to benefits from its link with the company, and can have an impact on such benefits through its power within the company. Subsidiaries are fully consolidated by the listed parent Viohalco SA/NV as of the date on which control over them is acquired and cease to be consolidated as of the date on which no such control is exercised.

In its financial statements, the Company assesses holdings in subsidiaries at their acquisition cost, reduced by any impairment of holdings.

(b) Associated companies and investments in joint ventures

Associated are the companies over which the Company exercises substantial influence but not any control or joint control over their financial and operating policies. Investments in joint ventures are agreements over which the Company exercises joint control.

These companies are consolidated by the listed parent company Viohalco SA/NV.

These investments are initially recognised at their acquisition cost including acquisition expenses, and are tested for impairment.

6.2 Foreign currency

(a) Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies at exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated to the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated to the functional currency at the exchange rate when the fair value was determined. Foreign currency differences are generally recognised in profit or loss. Non-monetary items that are measured based on historical cost in a foreign currency are not translated.

However, foreign currency differences arising from the translation of the following items are recognised in OCI:

- Available-for-sale equity investments (except on impairment, in which case foreign currency differences that have been recognised in OCI are reclassified to profit or loss).
- A financial liability designated as a hedge of the net investment in a foreign operation to the extent that the hedge is effective.
- Cash flow hedges to the extent that the hedges are effective.

6.3 Property, plant and equipment

(a) Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. The cost of certain items of property, plant and equipment at 1 January 2004, the date of transition to IFRS, was determined with reference to its fair value at that date.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

(b) Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

(c) Depreciation

Depreciation is calculated to write off the cost of items of property, plant and equipment less their estimated residual values using the straight-line method over their estimated useful lives, and is generally recognised in profit or loss. Land is not depreciated.

VI. Notes to annual financial statements

6. Significant accounting policies (continued)

6.3 Property, plant and equipment (continued)

The estimated useful lives of property, plant and equipment are as follows:

-	Buildings	10-20	years
-	Machinery	2-25	years
-	Motor vehicles	4-6	years
-	Other equipment	5-7	years

The depreciation method, the residual values and useful lives are reviewed at each reporting date if this is necessary.

6.4 Intangible assets and goodwill

(a) Software

Software licenses are estimated at their acquisition cost less accumulated amortisation and accumulated impairment losses. Expenditures that are required for the maintenance of software programs are recognised as an expense when these programs are developed.

(b) Other intangible assets

Other intangible assets that are acquired by the Company and have finite useful lives are measured at cost less accumulated amortisation and any accumulated impairment losses.

(c) Amortisation

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values using the straight-line method over their estimated useful lives, and is generally recognised in profit or loss. Goodwill is not amortised.

The estimated useful lives are 3-4 years.

6.5 Investment property

Investment properties related to lands and buildings which are not used from the Company for own use. Lands are measured at their cost less any impairments and buildings are depreciated on a straight-line basis over their estimated useful lives. Based on Management's estimations, the fair value of investment properties as of 31 December 2016 does not differ significantly from the value that is noted in the balance sheet.

6.6 Financial instruments

The Company classifies non-derivative financial assets into the following categories: "financial assets at fair value through profit or loss", "Cash and receivables", "available-for-sale financial assets".

The Company classifies non-derivative financial liabilities into the "Other financial liabilities" category.

(a) Non-derivative financial assets and financial liabilities – recognition and derecognition

The Company initially recognises Cash and receivables on the date when they are originated. All other financial assets and financial liabilities are initially recognised on the trade date.

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred, or it neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control over the transferred asset.

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company has a legal right to offset the amounts and intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

VI. Notes to annual financial statements

6. Significant accounting policies (continued)

6.6 Financial instruments (continued)

(b) Non-derivative financial assets – measurement

Financial assets at fair value through profit or loss

A financial asset is classified as at fair value through profit or loss if it is classified as held-for-trading or is designated as such on initial recognition. Directly attributable transaction costs are recognised in profit or loss as incurred. Financial assets at fair value through profit or loss are measured at fair value and changes therein, including any interest or dividend income, are recognised in profit or loss.

Trade and other receivables

These assets are initially recognised at fair value and subsequent to initial recognition, they are measured at amortised cost using the effective interest method.

Cash and cash equivalents

Cash on hand and equivalent cash accounts include cash on hand, sight deposits, short-term (up to 3 months) high-liquid and low-risk investments.

Available-for-sale financial assets

These assets are initially recognised at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, they are measured at fair value and changes therein, other than impairment losses and foreign currency differences on debt instruments are recognised in OCI and accumulated in the "Fair value" reserve. When these assets are derecognised, the gain or loss accumulated in equity is reclassified to profit or loss.

(c) Non-derivative financial liabilities – measurement

Non-derivative financial liabilities include loans and borrowings and are initially recognised at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these liabilities are measured at amortised cost using the effective interest method.

(d) Share capital

Ordinary shares are classified as equity. Expenses that are directly associated with the issuance of shares capital, after the deduction of the relative income tax, appeal as a reduction of equity.

6.7 Derivatives and hedge accounting

The Company holds derivative financial instruments for cash flow hedge. Derivatives include futures to hedge the financial risk from the change of the stock exchange price of the aluminum, as well as of the parity of USDollar or the British Pound and interest rate swaps to hedge the risk of future cash flows of the Company from the changes of interest rates.

The results from the liquidated acts of hedging are recognized in profit and loss when effected (difference of interest on interest rate swaps and stock exchange results in aluminum and foreign currency).

Derivatives are recognised at fair value both initially and subsequently. The method by which profits and losses are recognised depends on whether derivatives are designated as a hedging instrument or are held for trading. Derivatives are recognised when the transaction is entered into by the Company as hedges for the fair value of receivables, liabilities or commitments (fair value hedges) or very probable transactions (cash flow hedges).

Cash flow hedge

The effective proportion of change in the fair value of derivatives defined as cash flow change hedges are recorded to "Fair value" reserve. The gain or loss on the non-effective proportion is recorded to the profit or loss.

The amounts accounted to "Fair value" reserve are carried forward to the results of the periods where the hedged items affect profits or losses.

VI. Notes to annual financial statements

6. Significant accounting policies (continued)

6.7 Derivatives and hedge accounting (continued)

When a hedge item matures or is sold or when the hedging proportion no longer meets the hedge accounting criteria, the profits and losses accrued to 'Equity' remain as a reserve and are carried forward to the results when the hedged asset affects profits or losses. In the case of a hedge on a forecast future transaction which is no longer expected to be realized, the profits or losses accrued to Equity are carried forward to profit and loss.

The Company in regular basis, examines the effectiveness of the cash flow hedge and in every reporting date records in 'Equity' the result of the valuation of the open positions to the part that valuation is effective.

6.8 Impairment

(a) Non-derivative financial assets

Financial assets not classified as at fair value through profit or loss, including an interest in an equity accounted investee, are assessed at each reporting date to determine whether there is objective evidence of impairment.

Objective evidence that financial assets are impaired includes:

- default or delinquency by a debtor;
- restructuring of an amount on terms that would not consider otherwise;
- indications that a debtor or issuer will enter bankruptcy;
- adverse changes in the payment status of borrowers or issuers;
- the disappearance of an active market for a security; or
- observable data indicating that there is measurable decrease in expected cash flows of financial assets.

Financial assets measured at amortised cost

The Company considers evidence of impairment for these assets at both an individual asset and a collective level. All individually significant assets are individually assessed for impairment. Those found not to be impaired are then collectively assessed for any impairment that has been incurred but not yet individually identified. Assets that are not individually significant are collectively assessed for impairment. Collective assessment is carried out by grouping together assets with similar risk characteristics.

An impairment loss is calculated as the difference between an asset's carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognised in profit or loss and reflected in an allowance account. When the Company considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, then the previously recognised impairment loss is reversed through profit or loss.

Available-for-sale financial assets

Impairment losses on available-for-sale financial assets are recognised by reclassifying the losses accumulated in the "Fair value" reserve to profit or loss. The amount reclassified is the difference between the acquisition cost and the current fair value, less any impairment loss previously recognised in profit or loss. If the fair value of an impaired available-for-sale debt security subsequently increases and the increase can be related objectively to an event occurring after the impairment loss was recognised, then the impairment loss is reversed through profit or loss; otherwise, it is reversed through OCI.

VI. Notes to annual financial statements

6. Significant accounting policies (continued)

6.8 Impairment (continued)

(b) Non-financial assets

At each reporting date, the Company reviews the carrying amounts of its non-financial assets (other than investment property, inventories and deferred tax assets) to determine whether there is any indication of impairment. Goodwill is tested annually for impairment. Assets that have indefinite lives are not depreciated but are subject to an impairment test on an annual basis and when certain facts indicate that their carrying amounts may not be recovered.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognised if the carrying amount exceeds its recoverable amount.

Impairment losses are recognised in profit or loss.

An impairment loss in respect of goodwill is not reversed. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

6.9 Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the annual average weighted cost method and includes production and conversion costs and other costs incurred in bringing them to their existing location and condition. Financial expenses are not included to the cost of inventories. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

6.10 Income tax

The income tax of the year includes both current and deferred tax. Income tax is calculated according the tax legislation and tax rates applied by the Company and is recorded in profit and loss unless it concerns amounts that are directly recorded in Equity, in which case it is recorded in 'Equity'.

(a) Current income tax

Current income tax is the tax expected to be paid on the taxable income for the year, based on tax rates on the balance sheet date and any adjustment to prior-period payable tax.

(b) Deferred income tax

Deferred income tax arises from temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill

VI. Notes to annual financial statements

6. Significant accounting policies (continued)

6.10 Income tax (continued)

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

Deferred tax assets and liabilities are offset only if certain criteria are met.

6.11 Employee benefits

(a) Short term fringe benefits

Short-term personnel fringe benefits in the form of cash or in kind are recorded as an expense when these accrue.

(b) Defined contribution plans

The defined contribution plan is a program whereby the Company pays a determined amount to a third party legal entity without any other obligation for the period following the termination of employment of personnel. The duties towards benefits in defined contribution plan are registered as an expense in the profit and loss during their year of realization.

(c) Defined benefit plans

The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligations is performed annually by independent qualified actuary using the projected unit credit method.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets and the effect of the asset ceiling, are recognised immediately in OCI. The discount rate used concern European bonds of low credit risk "I Boxx AA-rated Euro corporate bond 10+year". Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

(d) Employment fringe termination benefits

Employment termination fringe benefits are paid when employees decide to retire prior to their respective date of retirement. The Company records these fringe benefits when it is bound, or when it terminates the employment of existing employees based on a detailed schedule for which there is no possibility of withdrawal or when it offers these fringe benefits as an incentive for voluntary retirement. Employment termination fringe benefits that are due in 12 months after the balance sheet date are discounted.

(e) Profit sharing plans
The Company records a liability and a corresponding expense for profit sharing. This amount is included in post-tax profits less any reserves stipulated by law.

VI. Notes to annual financial statements

6. Significant accounting policies (continued)

6.12 Government grants

Government grants are recognised at their fair value when it is certain that the grant will be received and that the Company will comply with all stipulated terms.

Government grants that concern operating expenses are recognised in profit and loss so that these will match the expenses that they will cover.

Government grants regarding the purchase of property, plant and equipment are presented in “Long-term liabilities” as deferred income and are transferred as income to the profit and loss based on a straight-line basis over the expected useful lives of the assets.

6.13 Provisions

Provisions are calculated at the present value of expenses that, based on the Management’s best possible estimation, are required to cover the present liability on the reporting date. The discount rate that is used in determining the present value reflects the current market estimations for the time value of money and increases that concern the specific liability. Contingent assets and liabilities are not recognized in the financial statements.

6.14 Leases

Leases of property, plant and equipment, in which the Company substantially maintains all the risks and benefits of ownership, are classified as financial leasing. Financial leasing is capitalised from the moment the lease begins at the lower amount between the fixed asset’s fair value and the present value of the minimum lease payments. Financial leases net of financial expenses are classified on “Liabilities”. The part of financial expenses that concerns financial leasing is recorded in profit and loss during the term of the lease. Items of property, plant and equipment that were acquired through financial leasing are depreciated over the shorter period between the useful lives thereof and the term of their lease.

Leases, in which the lessor substantially maintains all the risks and benefits of ownership, are classified as operating leases. Payments that are made with regard to operating leases are recognised in profit and loss proportionately during the term of the lease.

6.15 Revenue recognition

(a) Sale of goods

Revenue from the sales of goods is recognised when the significant risks and rewards of ownership have been transferred to the buyer, recovery of consideration is probable and the associated costs and possible return of goods can be estimated reliably. The returns of money are accounted for at each reporting date as reduction of sales.

(b) Services

Revenue from services is accounted for in the period in which the services are rendered, based on their stage of completion with relation to services provided overall.

(c) Rental income

Rental income is recognised as revenue on a straight-line basis over the term of the lease.

VI. Notes to annual financial statements

6. Significant accounting policies (continued)

6.16 Finance income and finance costs

The finance income and finance costs include:

- Interest income
- Interest expense
- Foreign currency gain or loss on loans and borrowings
- Dividend income
- The net gain or loss on the disposal of available-for-sale financial assets
- The net gain or loss on financial assets that are recognised in profit or loss; and
- Impairment losses recognised on financial assets

Interest income or expense is recognised using the effective interest method. Dividend income is recognised in profit or loss on the date that the Company's right to receive payment is established upon their approval of their distribution.

6.17 Segment reporting

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incure expenses, including revenues and expenses that relate to transactions with any of the Company's other components. All operating segments' operating results are reviewed regularly by the chief operating decision maker which is considered to be the Board of Directors that is responsible for measuring the business performance of the segments.

6.18 New Standards and Interpretations

The following standards and amendment of standards have not been put in effect and have not been adopted by the Company. The Management estimates that the following standards will not have any impact on the financial position and profitability of the Company. However, the effect on the financial statements is yet to be estimated.

a) IFRS 9 "Financial instruments" (effective for annual periods beginning on or after January 1, 2018): The Standard will replace IAS 39 and deals with the classification and measurement of financial assets and financial liabilities. The Company is assessing the potential impact on its financial statements resulting from the application of IFRS 9 "Financial instruments". The amendment has not yet been adopted by the EU.

b) IFRS 15 "Revenue from Contracts with Customers" (effective for annual periods beginning after 1 January 2018): It replaces existing revenue recognition guidance, including IAS 18 "Revenue", IAS 11 "Construction Contracts", IFRIC 13 "Customer Loyalty Programs", IFRIC 15 «Agreements for the Construction of Real Estate», IFRIC 18 «Transfers of assets from customers» and SIC-31 «Revenue – Barter Transactions involving Advertising Services». IFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognized and it requires entities to provide more informative disclosures in the financial statements. IFRS 15 provides a single, principles-based five-step model for the determination and recognition of revenue to be applied to all contracts with customers. The standard has not yet been adopted by the EU.

c) IFRS 16 "Leases". IFRS 16 has been issued in January 2016 and supersedes IAS 17. The objective of the standard is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. IFRS 16 requires a lessee to recognize assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. The standard has not yet been adopted by the EU.

d) IAS 12 (Amendments) "Recognition of Deferred Tax Assets for Unrealized Losses" (effective for annual periods beginning on or after January 1, 2017): These amendments clarify the accounting for deferred tax assets for unrealized losses on debt instruments measured at fair value. The amendments have not yet been adopted by the EU.

e) IAS 7 (Amendments) "Disclosure initiative" (effective for annual periods beginning on or after January 1, 2017): These amendments require entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities. The amendments have not yet been adopted by the EU.

VI. Notes to annual financial statements

6. Significant accounting policies (continued)

6.18 New Standards and Interpretations (continued

f) IFRS 2 (Amendments) "Classification and measurement of Shared-based Payment transactions" (effective for annual periods beginning on or after January 1, 2018): These amendments clarify the measurement basis for cash-settled, share-based payments and the accounting for modifications that change an award from cash-settled to equity-settled. These amendments have not yet been adopted by the EU.

g) IFRS 4 (Amendments) "Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts". (effective for annual periods beginning on or after January 1, 2018) The amendments are applied for amendment in insurance contracts and will pride the choice to all entities that issue insurance contracts to recognize in other comprehensive income any deviation that may arise due to the implementation of IFRS 9 and namely with entities that are operating in the insurance industry the choice for temporary suspension of implementaion from IFRS 9 until 2021. The amendments have not been adopted by the European Union.

h) IAS 40 (Amendments) "Transfers of Investment Property" (effective for annual periods beginning on or after January 1, 2018): These amendments clarify that to transfer to, or from, investment properties there must be a change in use. To conclude if a property has changed use there should be an assessment of whether the property meets the definition and the change must be supported by evidence. These amendments have not yet been adopted by the EU.

Annual Improvements to IFRSs 2014 (2014 – 2016 Cycle) These amendments set out below describe the key changes to certain IFRSs. These amendments have not yet been endorsed by the EU.

IFRS 12 "Disclosures of Interests in Other Entities" (effective for annual periods beginning on or after January 1, 2017). The amendement clarified that the disclosures requirement of IFRS 12 are applicable to interest in entities classified as held for sale.

IAS 28 "Investments in associates and Joint ventures" (effective for annual periods beginning on or after January 1, 2017). The amendments clarified that when venture capital organisations, mutual funds, unit trusts and similar entities use the election to measure their investments in associates or joint ventures at fair value through profit or loss (FVTPL), this election should be made separately for each associate or joint venture at initial recognition.

IFRIC 22 "Foreign currency transactions and advance consideration" (effective for annual periods beginning on or after January 1, 2018): The interpretation provides guidance on how to determine the date of the transaction when applying the standard on foreign currency transactions, IAS 21. The interpretation has not yet been adopted by the EU.

VI. Notes to annual financial statements

7. Operating segments

The Company, following the spin-off of foil segment has one operating segment, the Aluminium rolling sector that produces and sells aluminium strips, aluminium coils and aluminium sheets.

The following table present sales to third parties and non-current assets based on geographical location for the year ended in 31 December 2016:

31 December 2016 – amounts in €	**Continued operations (Roling)**	**Discontinued operations (Foil)**	**Eliminations and adjustments**	**Total**
Sales to third parties	720,011,651	51,001,226	-	771,012,877
Intersegment sales	25,560,681	3,825,073	(29,385,754)	-
Total Sales	**745,572,332**	**54,826,299**	**(29,385,754)**	**771,012,877**
Operating Profit	**38,143,366**	**1,533,707**	-	**39,677,073**
Financial Income	93,369	523	-	93,892
Financial Expenses	(13,923,094)	(296,149)	-	(14,219,243)
Deprepeciation	(32,960,978)	(1,413,811)	-	(34,374,789)
Income tax	3,992,846	24,144	(12,487,664)	(8,470,674)
Capital Expenditure	33,407,940	671,369	-	34,079,309
Segment Total assets	**784,093,071**	**-**	**-**	**784,093,071**
Segment Total liabilities	**340,680,095**	**-**	**-**	**340,680,095**

	Sales to customers				
Geographical Sales data - amounts in €	**Continued operations (Roling)**	**Discontinued operations (Foil)**	**Eliminations and adjustments**	**Total Sales**	**Non-current assets**
Greece	205,400,992	7,291,333	(29,385,754)	**183,306,571**	437,637,493
European Union	403,051,844	27,152,732		**430,204,576**	-
Other European countries	32,643,002	13,568,892		**46,211,894**	-
Asia	26,198,965	3,758,593		**29,957,558**	-
USA	73,783,205	1,679,659		**75,462,864**	-
Africa	3,716,521	1,311,903		**5,028,424**	-
Oceania	777,803	63,187		**840,990**	-
Total	**745,572,332**	**54,826,299**	**(29,385,754)**	**771,012,877**	**437,637,493**

Non-current assets consist of property, plant and equipment, intangible assets, investment properties and investments in equity-accounted investees.

31 December 2015 – amounts in €	**Continued operations (Roling)**	**Discontinued operations (Foil)**	**Eliminations and adjustments**	**Total**
Sales to third parties	250,652,168	198,984,541	-	449,636,709
Intersegment sales	47,236,579	6,018,035	(53,254,614)	-
Total Sales	**297,888,747**	**205,002,576**	**(53,254,614)**	**449,636,709**
Operating Profit	**13,233,694**	**9,077,967**	**-**	**22,311,661**
Financial Income	32,859	9,275	-	42,134
Financial Expenses	(5,950,830)	(1,268,986)	-	(7,219,816)
Deprepeciation	(13,232,716)	(5,294,222)	-	(18,526,938)
Income tax	7,427,345	(72,673)	(2,724,303)	4,630,369
Capital Expenditure	18,042,876	10,218,793	-	28,261,669
Segment Total assets	**674,886,170**	**156,023,226**	**1,191,855**	**832,101,251**
Segment Total liabilities	**351,912,044**	**47,436,552**	**3,916,154**	**403,264,750**

The following table present sales to third parties and non-current assets based on geographical location for the year ended in 31 December 2015:

	Sales to Customers				
Geographical Sales data - amounts in €	**Continued operations (Roling)**	**Discontinued operations (Foil)**	**Eliminations and adjustments**	**Total Sales**	**Non-current assets**
Greece	85,793,905	21,470,020	(53,254,614)	**54,009,311**	424,720,908
European Union	149,904,408	102,389,456		**252,293,864**	-
Other European countries	19,628,869	54,721,384		**74,350,253**	-
Asia	12,598,024	16,509,507		**29,107,531**	-
USA	28,713,533	4,328,726		**33,042,259**	-
Africa	877,147	4,826,397		**5,703,544**	-
Oceania	372,861	757,086		**1,129,947**	-
Total	**297,888,747**	**205,002,576**	**(53,254,614)**	**449,636,709**	**424,720,908**

Non-current assets consist of property, plant and equipment, intangible assets, investment properties and investments in equity-accounted investees.

VI. Notes to annual financial statements

7. Operating segments (continued)

The discontinued segment concern the foil business unit that spun-off and transferred to subsidiary SYMETAL S.A..The raw materials used were aluminium coils from the rolling segment. Following the foil segment spin-off, SYMETAL is considered a customer that buys its raw materials from ELVAL, resulting in the increase of sales of the rolling segment.

8. Sales

Amounts in Euros	**31/12/2016**	**31/12/2015**
Sales of goods	765,792,442	446,531,694
Sales of services	5,220,435	3,105,015
	771,012,877	**449,636,709**

9. Property, plant and equipment

The property, plant and equipment for the Company as of December 31, 2015 and 2016 analyzed as follows:

Amounts in Euros	**Land**	**Buildings**	**Plant and machinery**	**Transportation means**	**Furniture and fixtures**	**Assets under construction**	**Total**
Cost							
Balance as of 1 January 2015	**2,161,514**	**5,580,608**	**76,904,028**	**812,856**	**2,031,952**	**2,842,665**	**90,333,623**
Additions	386,578	935,934	1,687,372	493,836	512,903	24,224,795	**28,241,418**
Sales / deletions	-	-	(175,177)	(146,849)	(14,234)	-	**(336,260)**
Transfers to intangible assets	-	-	-	-	-	(241,127)	**(241,127)**
Transfers to expenses	-	(782,945)	-	-	-	(18,450)	**(801,395)**
Absorption of rolling segment	40,082,079	86,707,726	441,909,904	10,498,724	9,548,670	26,608,367	**615,355,470**
Reclassification	-	3,333,954	11,726,343	-	-	(15,060,297)	-
Balance as of 31 December 2015	**42,630,171**	**95,775,277**	**532,052,470**	**11,658,567**	**12,079,291**	**38,355,953**	**732,551,729**
Accumulated depreciation							
Balance as of 1 January 2015	-	**(2,373,049)**	**(34,346,170)**	**(506,781)**	**(1,494,542)**	-	**(38,720,542)**
Depreciation of the period	-	(2,146,579)	(15,234,099)	(246,388)	(397,590)	-	**(18,024,656)**
Absorption of rolling segment	-	(42,204,738)	(252,877,047)	(9,198,888)	(8,836,005)	-	**(313,116,678)**
Transfers to expenses	-	616,986	-	-	-	-	**616,986**
Sales / deletions	-	-	106,954	146,849	12,643	-	**266,446**
Balance as of 31 December 2015	-	**(46,107,380)**	**(302,350,362)**	**(9,805,208)**	**(10,715,494)**	-	**(368,978,444)**
Net book value at 31 December 2015	**42,630,171**	**49,667,897**	**229,702,108**	**1,853,359**	**1,363,797**	**38,355,953**	**363,573,285**

Amounts in Euros	**Land**	**Buildings**	**Plant and machinery**	**Transportation means**	**Furniture and fixtures**	**Assets under construction**	**Total**
Cost							
Balance as of 1 January 2016	**42,630,171**	**95,775,277**	**532,052,470**	**11,658,567**	**12,079,291**	**38,355,953**	**732,551,729**
Additions	3,425,017	3,733,458	1,432,559	137,253	310,546	24,930,851	**33,969,684**
Sales / deletions	(4,754)	-	(791,101)	(102,519)	(3,817,120)	(2,421,401)	**(7,136,895)**
Transfers to investment property	(2,089,341)	(9,464,665)	-	-	-	-	**(11,554,006)**
Transfers to expenses	-	9	(17,907)	-	-	(1,114,741)	**(1,132,639)**
Spin-off of foil segment	(2,156,760)	(7,427,150)	(81,549,489)	(897,721)	(2,525,835)	(1,581,943)	**(96,138,898)**
Reclassification		899,025	37,203,755			(38,455,593)	**(352,813)**
Balance as of 31 December 2016	**41,804,333**	**83,515,954**	**488,330,287**	**10,795,580**	**6,046,882**	**19,713,126**	**650,206,162**
Accumulated depreciation							
Balance as of 1 January 2016	-	**(46,107,380)**	**(302,350,362)**	**(9,805,208)**	**(10,715,494)**	-	**(368,978,444)**
Depreciation of the period	-	(4,359,439)	(28,386,268)	(436,395)	(415,466)	-	**(33,597,568)**
Spin-off of foil segment	-	2,798,042	35,831,421	606,260	1,776,324	-	**41,012,047**
Transfers to investment property	-	4,518,294	-	-	-	-	**4,518,294**
Transfers to expenses	-	(18)	86,440	-	-	-	**86,422**
Sales / deletions	-	-	128,511	102,519	3,815,854	-	**4,046,884**
Balance as of 31 December 2016	-	**(43,150,501)**	**(294,690,258)**	**(9,532,824)**	**(5,538,782)**	-	**(352,912,365)**
Net book value at 31 December 2016	**41,804,333**	**40,365,453**	**193,640,029**	**1,262,756**	**508,100**	**19,713,126**	**297,293,797**

On property, plant and equipment of €225.3 mill. have been used encumbrances of €177.3 mill.

VI. Notes to annual financial statements

10. Intangible assets

Amounts in Euros	**Software**
Cost	
Balance as of 1 January 2015	**1,062,600**
Additions	17,969
Absorption of rolling segment	10,870,580
Reclassifications	241,127
Balance as of 31 December 2015	**12,192,276**
Accumulated amortization	
Balance as of 1 January 2015	**(803,772)**
Amortization	(270,167)
Absorption of rolling segment	(10,390,561)
Balance as of 31 December 2015	**(11,464,500)**
Net book value as of 31 December 2015	**727,776**

Amounts in Euros	**Software**
Cost	
Balance as of 1 January 2016	**12,192,276**
Additions	109,625
Deletions	(3,039,150)
Spin-off of foil segment	(978,071)
Reclassifications	352,813
Balance as of 31 December 2016	**8,637,493**
Accumulated amortization	
Balance as of 1 January 2016	**(11,464,500)**
Amortization	(221,257)
Deletions	3,039,148
Spin-off of foil segment	921,971
Balance as of 31 December 2016	**(7,724,638)**
Net book value as of 31 December 2016	**912,855**

11. Investment property

Amounts in Euros	**31/12/2016**	**31/12/2015**
Opening balance	**9,997,464**	**-**
Absorption of rolling segment	-	10,227,299
Depreciation	(555,964)	(232,116)
Additions	-	2,281
Transfer from owner-occupied property	7,035,712	-
Closing balance	**16,477,212**	**9,997,464**
Cost	**26,942,773**	**15,388,766**
Accumulated depreciation	**(10,465,561)**	**(5,391,302)**

Investment properties consist of land and premises for industrial uses. The expected useful life of premises is fixed at 20-25 years while mortgage liens have been raised for their entire value. Income from property leasing for 2016 amounts to €1.3 mill. and is included in the "Other income" in the Company's Income Statement. Current value of properties is approximately equal to their book value.

12. Investment in subsidiaries

Company’s investments in subsidiaries are analyzed as follows:

Amounts in Euros	**31/12/2016**	**31/12/2015**
Opening balance	**46,062,528**	**-**
Additions	-	16,800
Sales	-	(60,000)
Share capital return	(3,097,364)	-
Spin-off of foil segment/absorption of rolling segment	75,605,673	46,105,728
Closing balance	**118,570,837**	**46,062,528**

Ownership percentages are analyzed below:

Entity Name	**Field of activity**	**Country**	**Holding percentage 2016**	**Holding percentage 2015**
VIOMAL S.A.	Formation of aluminium products	Greece	50.00%	50.00%
ANOXAL S.A.	Metal processing and recycling	Greece	100.00%	100.00%
VEPAL S.A.	Lacquering of rolled products	Greece	100.00%	100.00%
ELVAL COLOUR S.A.	Aluminium Rolling	Greece	100.00%	100.00%
SYMETAL S.A	Aluminium foil Production	Greece	100.00%	100.00%

VI. Notes to annual financial statements

12. Investment in subsidiaries (continued)

a) On the 1st of July 2016 the spin-off of the aluminium foil sector and its contribution to SYMETAL S.A. was completed, in accordance with the provisions of Law 2166/1993. The 31st of March 2016 had been set as the date of the transformation balance sheet.

The assets and liabilities of the spun-off foil sector, as reflected in the financial position as of 31 March 2016, are presented below:

Amounts in Euros	
ASSETS	
Non-current assets	
Property, plant and equipment	55,126,851
Intangible assets	56,100
Trade and other receivables	26,252
Total non-current assets	**55,209,203**
Current assets	
Inventories	34,878,198
Trade and other receivables	39,220,670
Cash on hand and cash equivalents	8,061,861
Total current assets	**82,160,729**
Total assets	**137,369,932**
LIABILITIES	
Long-term liabilities	
Loans	19,610,171
Employee benefits	1,440,222
Government grants	6,064,183
Other liabilities	150,000
Deferred tax liability	5,551,135
Total long-term liabilities	**32,815,711**
Short-term liabilities	
Trade and other payables	14,134,863
Loans	14,813,686
Total short-term liabilities	**28,948,549**
Total liabilities	**61,764,260**

The change in cash flows from discontinued operations is following:

Discontinued Operations	**2016**	**2015**
Cash inflows / (outflows) from operating activities	(14,827,101)	12,138,952
Cash inflows / (outflows) from investing activities	(671,368)	(10,188,763)
Cash inflows / (outflows) from financing activities	16,364,991	(31,107)
	866,522	**1,919,082**

In the spun-off foil segment, cash amounted € 8.061.861 was transferred.

b) In September, during the General Meeting of Shareholders of ANOXAL S.A., a share capital increase through the capitalization of reserves was decided, along with the increase of the company's share nominal value. Also, a share capital return of €3,097,363.50 was decided.

13. Investment in equity-accounted investees

Amounts in Euros	**31/12/2016**	**31/12/2015**
Opening balance	**1,595,201**	-
Additions	116,648	12,250
Transfer to available for sale investments	(103,905)	-
Absorption of rolling segment	-	1,582,951
Closing balance	**1,607,944**	**1,595,201**

Brief financial information follows:

2015 – *Amounts in €*	Country	Activity	Assets	Liabilities	Sales	Holding percentage
ANAMET S.A.	Greece	Commercial	54,198,060	51,177,990	196,804,377	26,67%
DIAPEM COMMERCIAL S.A.	Greece	Commercial	361,872	6,468	-	33,33%
ELKEME S.A.	Greece	Metal research	1,881,247	250,517	1,592,950	67,50%
AFSEL S.A.	Greece	Services	1,541,186	701,019	1,187,019	50,00%
			57,982,365	**52,135,994**	**199,584,346**	

VI. Notes to annual financial statements

13. Investment in equity-accounted investees (continued)

2016 – *Amounts in €*	Country	Activity	Assets	Liabilities	Sales	Holding percentage
ANAMET S.A.	Greece	Commercial	42,654,242	5,187,542	155,751,355	26.67%
ELKEME S.A.	Greece	Metal research	1,523,764	111,791	1,717,565	67.50%
UEHEM GmbH	Germany	Commercial	7,168,642	-	23,102,187	50.00%
AFSEL S.A.	Greece	Services	496,354	-	461,754	50.00%
			51,843,002	**5,299,333**	**181,032,861**	

- In February, the Company contributed to the share capital increase of UEHEM Gmbh based in Germany, with € 110,225
- Also, in February, DIAPEM COMMERCIAL S.A. was absorbed by VI.ENER. S.A., which was reclassified to the available for sale investments.
- In October, the Company contributed to the share capital increase of ANAMET S.A with € 6,398.

14. Available-for-sale investments

Avaliable for sales investments concern to equity securities non-listed to active markets.

Amounts in Euros	**31/12/2015**	**31/12/2015**
Open Balance	**1,434,216**	**563,015**
Additions	4,800	-
Sales	-	(6)
Valuation through profit and loss	1,865	-
Reclassifications	103,905	-
Absorption of rolling segment	-	871,207
Closing Balance	**1,544,786**	**1,434,216**

Information about the Company's exposure to credit and market risks and fair value measurement, is included in note 33.

15. Derivatives

The fair values of derivatives as of 31 December 2016 and 2015, are analyzed as follows:

Amounts in Euros	**31/12/2016**	**31/12/2015**
Current assets		
Foreign exchange swaps	163,606	223,355
Future contracts	2,138,681	119,287
Total	**2,302,287**	**342,642**
Long-term liabilities		
Future contracts	-	159,772
Total	**-**	**159,772**
Short-term liabilities		
Foreign exchange swaps	672,847	1,056,727
Future contracts	229,231	641,846
Total	**902,078**	**1,698,573**

Company's results from the acts of hedging recorded in the profit and loss for the fiscal year 2016 & 2015 are presented for metal future contracts and fx future contracts in the "Sales" and the "Cost of sales" while for interest rate swaps in the "Financial income / (expenses)" are as follows:

Amounts in Euros	**31/12/2016**	**31/12/2015**
Future contracts (metal)	(1,849,495)	(1,663,054)
Forwards	(648,678)	(1,758,625)

Information about the Company's exposure to credit and market risks and fair value measurement, is included in note 33.

VI. Notes to annual financial statements

16. Trade and other receivables

Current Assets

Amounts in Euros	**31/12/2016**	**31/12/2015**
Customers	82,883,755	92,597,391
Receivables from related parties *(note 32)*	67,444,122	53,187,689
Notes - cheques receivables	370,044	2,352,592
Less: Allowance for customers	(3,097,235)	(3,137,932)
Net receivables from customers	**147,600,686**	**144,999,740**
Plus:		
Other down payments	308,287	229,934
Current tax claims	7,339,803	17,447,015
Sundry debtors	4,675,589	8,885,240
Less: Allowance for sundry debtors	(363,459)	(363,459)
Total trade and other receivables	**159,560,906**	**171,198,470**

Non-current Assets

Amounts in Euros	**31/12/2016**	**31/12/2015**
Other long-term receivables	1,230,062	1,330,438
Total other long-term receivables	**1,230,062**	**1,330,438**
Total receivables	**160,790,968**	**172,528,908**

Information about the Company's exposure to credit and market risks and impairment losses for trade and other receivables, is included in note 33.

17. Inventories

	31/12/2016	**31/12/2015**
Merchandise	1,568	528,134
Finished products	40,639,889	54,899,140
Semi-finished	52,445,855	65,203,342
By-products and scrap	14,383,156	14,895,212
Work in progress	-	5,396,166
Raw and indirect materials - consumables - spare parts and packaging materials	50,379,350	66,384,011
Down-payments for the purchase of inventory	19,609,950	13,251,015
Total	**177,459,768**	**220,557,020**
Impairments:		
Merchandise	-	-
Finished products	-	(293,418)
Semi-finished	-	(30,361)
Work-in progress	-	(65,551)
Indirect materials - consumables - spare parts and packaging materials	(1,211,496)	(1,269,744)
	(1,211,496)	**(1,659,074)**
Total net realizable value	**176,248,272**	**218,897,946**

18. Cash and cash equivalents

Amounts in Euros	**31/12/2016**	**31/12/2015**
Cash on hand	8,317	82,948
Short-term bank deposits	8,335,796	16,858,337
Total	**8,344,113**	**16,941,285**

The short-term bank deposits, at their largest part, concern time deposits with maturity of less than 3 months.

VI. Notes to annual financial statements

19. Share capital

On 31 December 2016, the share capital of the Company amounted to €105,750,180.62 and was divided into 27,046,082 unregistered shares with a nominal value of €3.91 each.

20. Other Reserves

Amounts in Euros	Legal reserve	Special reserve	Untaxed reserve	Other reserves	Total other reserves
Balance as of 1 January 2015	**1,177,889**	**8,650,115**	**6,903,295**	**-**	**16,731,300**
Absorption of rolling segment	-	14,579,010	142,706,137	6,713,487	**163,998,634**
Balance as of 31 December 2015	**1,177,889**	**23,229,125**	**149,609,433**	**6,713,487**	**180,729,934**
Distribution	1,234,311	-	26,853,949	-	**28,088,260**
Balance as of 31 December 2016	**2,412,200**	**23,229,125**	**176,463,381**	**6,713,487**	**208,818,194**

Legal reserve

Pursuant to the Greek Trade legislation, the companies are obliged to form a legal reserve equal to 5% from their fiscal year profits until it reaches one third of their paid share capital. The distribution of the legal reserve is prohibited.

Special and untaxed reserves

The special reserves and the tax-free reserves include:

(a) Blocked reserves to cover equity participation of subsidized investment programs.

(b) Non-distributed tax-exempt earnings based on special provisions of development laws (on the condition that there are sufficient earnings for their creation).

(c) Reserves from tax-exempt income and reserves specially taxed concerning interest income for which tax deduction has occurred in the source.

21. Fair value reserves

Amounts in Euros	Hedging reserve
Balance as of 1 January 2015	**22,587**
Valuation in equity	(1,098,736)
Balance as of 31 December 2015	**(1,076,149)**
Valuation in equity	2,070,298
Balance as of 31 December 2016	**994,149**

Hedging reserve

The hedging reserve concerns the valuation of the derivatives used by the Company to hedge the risk from the change of their future cash flows.

VI. Notes to annual financial statements

22. Loans

Long-term and short-term loans of the company are analysed as follows:

Amounts in Euros	31/12/2016	31/12/2015
Long-term loans		
Long-term secured bank loans	1,000,000	5,428,571
Long-term unsecured bank loans	4,095,727	3,432,703
Leasing liabilities	7,819,143	-
Secured bond issues	74,286,790	115,153,870
Unsecured bond issues	4,571,500	5,000,000
Total long-term loans	**91,773,160**	**129,015,144**
Short-term loans		
Short-term secured bank loans	-	1,714,286
Short-term unsecured bank loans	69,663,002	69,584,259
Leasing liabilities	809,501	-
Secured bond issues	24,685,480	28,730,880
Long-term secured bank loans	1,000,000	1,000,000
Long-term unsecured bank loans	428,500	800,000
Total short-term loans	**96,586,483**	**101,829,425**
Total loans	**188,359,643**	**230,844,569**

Amounts in Euros		
Between 1 to 2 years	78,693,443	41,125,151
Between 2 to 5 years	9,880,453	87,889,993
Over 5 years	3,199,264	-
	91,773,160	**129,015,144**

During 2016, the Company signed a leasing contract concerning machinery equipment. The current value of the leasing liabilities analyzed as follows:

Amounts in Euros	31/12/2016	31/12/2015
Upt to 1 year	809,501	-
Between 2 to 5 years	5.201,788	-
Over 5 years	2.617,355	-
	8,628,644	**-**

Fair values of loans are approximately equal with their carrying amounts due to their floating rate interest. The Company has sufficient credit limits to cover future needs.

In Company loans, there are covenants that are fully met, in order to ensure them.

The actual weighed average interest rates at the balance sheet date are the following:

31/12/2016	**€**	**US$**
Bank loans (short-term)	6.17%	6.13%
Bank loans (long-term)	4.67%	-
Leasing liabilities	4.96%	-
Bonds	5.01%	-

31/12/2015	**€**	**US$**
Bank loans (short-term)	6.26%	6.7%
Bank loans (long-term)	3.06%	-
Bonds	5.08%	-

Information about the Company’s exposure to interest rate, foreign currency and liquidity risk is included in Note 33.

VI. Notes to annual financial statements

23. Employee benefits

Pursuant to the Greek labor law, employees are entitled to an indemnification in the event of their discharge or their retirement, the amount of which is variable depending on the wages, their years of service and the manner by which they withdraw from the company (discharge or retirement). Employees that resign or are discharged justifiably are not entitled to an indemnification. The payable indemnity in the event of retirement is equal to 40% of the indemnification which would be payable in the event of unjustifiable discharge. The Company charges its results for accumulated benefits in each period with a corresponding increase of the retirement liability. Benefits that are paid to pensioners during each period are charged against this liability. The Company's liability for personnel compensation as of 31 December 2016 and 2015 is analysed as follows:

Amounts in Euros	**31/12/2016**	**31/12/2015**
Statement of Financial Position liabilities for:		
Present value of obligations	**7,828,326**	**9,692,122**
Changes in net liability recognised:		
Net liability at the beginning of the period	**9,692,122**	**1,269,255**
Benefits paid	(184,659)	(98,073)
Spin-off of foil segment / Absorption of rolling segment	(1,440,222)	9,169,856
Total expense recognised in profit and loss *(note 28)*	597,960	166,116
Net liability at the end of the period	**8,665,201**	**10,507,154**
Remeasurements of the employee benefit liability recognised in OCI *(note 27)*	(836,875)	(815,032)
Present value of liability at the end of the period	**7,828,326**	**9,692,122**
Charges to the Income Statement		
Retirement benefits *(note 28)*	**597,960**	**166,116**
Analysis of expenditures recognised in the Income Statement		
Service cost	196,922	168,943
Interest cost	234,552	72,788
Settlement/curtailment/termination loss	101,267	(76,411)
Cost of past service during the period	65,219	796
Total expenditure recognised in the Income Statement *(note 28)*	**597,960**	**166,116**
Discount rate	1.60%	2.0%
Future salary increases	1.75%	2.0%

If the discount rate used was lower by 0.5%, then the present value of the Company's obligation would be 6.5% higher at the end of the period. If the discount rate used was higher by 0.5%, then the present value of the Company's obligation at the end of the period would be 5.9% lower.

24. Government grants

The government grants for the fiscal years 2016 and 2015 are as follows:

Amounts in Euros	**31/12/2016**	**31/12/2015**
Balance at the beginning of the period	**19,750,896**	**8,133,500**
Transfer of Government grants to income statement	-	(27,584)
Spin-off of foil segment / Absorption of rolling segment	(6,064,183)	12,692,699
Amortization of government grants *(note 29)*	(1,298,653)	(1,047,719)
Balance at the end of the fiscal year	**12,388,060**	**19,750,896**

The above grants have been received against investments in property, plant and equipment.

VI. Notes to annual financial statements

25. Provisions

Short-term liabilities	
Amounts in Euros	
1 January 2015	**150,000**
Transfer to income tax provision	(150,000)
31 December 2015	-
31 December 2016	-

26. Trade and other payables

Trade and other payables for the company as of 31 December 2016 and 2015 are analyzed as follows:

Amounts in Euros	**31/12/2016**	**31/12/2015**
Suppliers	52,414,582	36,891,065
Customer down-payments	815,691	1,701,511
Liabilities to insurance organisations	1,549,959	1,867,953
Amounts due to related parties *(note 32)*	25,846,553	38,605,892
Sundry creditors	1,292,400	2,924,221
Accrued expenses	1,314,797	3,080,486
Other transitory credit accounts	1,344,335	9,362,544
Sundry taxes	1,414,779	1,691,653
Total trade and other payables	**85,993,096**	**96,125,325**

Information about the Company's exposure in foreign currency risk and liquidity risk is included in Note 33.

27. Income tax expense

The income tax presented in the Income Statement is analysed as follows:

	31/12/2015	**31/12/2015**
Current tax	(12,487,664)	(2,724,302)
Deferred tax	4,016,990	7,354,672
Total Income Tax	**(8,470,674)**	**4,630,370**

According to Law 4334/2015 the income tax rate applicable to legal entities is set at 29% and income tax advance is set at 100%.

Unqualified Tax Compliance Reports were issued during 2016, in accordance with article 82(5) of Law 2238/1994 on the tax audit of 2015 with respect to the Company and the subsidiaries VEPAL S.A., ELVAL COLOUR S.A., VIOMAL S.A., SYMETAL S.A. and ANOXAL S.A.

As regards 2016, the Company is subject to the tax audit of chartered accountants which is stipulated in Article 65A of Law 4174/2013. This audit is underway and the relevant tax compliance report is expected to be granted following the publication of the financial statements of the year ended on 31 December 2016. We estimate that the audit findings will not have any significant effect on the financial statements.

The Company has not been audited by tax authorities for the year 2016, thus for years 2009 and 2010 a tax audit is currently underway.

Income tax recognised in other comprehensive income

		2016			**2015**	
Amounts in Euros	*Before tax*	*Tax*	*Net of tax*	*Before tax*	*Tax*	*Net of tax*
Remeasurements of the employee benefit liability	836,875	(242,694)	594,181	815,032	(231,992)	583,040
Net change in fair value of cash flow hedges	2,915,912	(845,614)	2,070,298	(1,546,226)	447,490	(1,098,736)
	3,752,787	**(1,088,308)**	**2,664,479**	**(731,194)**	**215,498**	**(515,696)**

VI. Notes to annual financial statements

27. Income tax expense (continued)

Reconciliation of income tax using Company's effective tax rate

Amounts in Euros		31/12/2016	31/12/2015
Profit before tax		**27,055,670**	**15,133,978**
Tax rate		*29%*	*29%*
		(7,846,144)	**(4,388,854)**
Exempt income	0.1%	27,314	277,836
Untaxed reserves	0.0%	-	7,787,645
Expenses non-deductible for tax purposes	-2.7%	(720,582)	(265,200)
Permanent tax differences	-0.7%	(176,509)	(490.701)
Other taxes/ change in tax rate	0.9%	245,247	1.709.644
	-31.3%	**(8,470,674)**	**4,630,370**

Movement in deferred tax balances, assets and (liabilities)

Amounts in Euros	Balance 1/1/2015	((Debit) / credit of profit and loss	Absorption of rolling segment	(Debit) / credit of equity	Balance 31/12/2015	((Debit) / credit of profit and loss	(Debit) / credit of equity	Spin-off of foil segment	Balance 31/12/2016
Fixed Assets	**(5,348,967)**	891,463	-	(41,086,745)	**(45,544,249)**	3,892,343	-	6,082,850	**(35,569,056)**
Intangible assets	**30,174**	(1,164)	-	333,668	**362,678**	(46,705)	-	(47,668)	**268,305**
Difference in provisions	**(97,677)**	3,189,395	(231,992)	546,738	**3,406,464**	(11,290)	(242,694)	(372,746)	**2,779,734**
Hedging	**(7,936)**	-	447,490	-	**439,554**	-	(845,614)	-	**(406,060)**
Investments in participations	-	2,382,734	-	(2,184,417)	**198,317**	-	-	-	**198,317**
Inventories	-	892,244	-	(682,344)	**209,900**	182,641	-	(111,301)	**281,240**
	(5,424,406)	**7,354,672**	**215,498**	**(43,073,100)**	**(40,927,336)**	**4,016,990**	**(1,088,308)**	**5,551,135**	**(32,447,520)**

28. Expenses

Amounts in Euros	31/12/2016	31/12/2015
Employee benefits	39,953,907	26,176,124
Cost of inventories recognised as an expense	518,584,672	309,693,632
Energy cost	21,705,628	11,377,017
Depreciation-Amortization	34,374,789	18,526,939
Insurance costs	2,711,364	1,816,185
Rents	1,281,990	1,371,864
Transportation	24,578,972	15,635,921
Promotional and advertisement expenses	462,335	498,623
Services of third parties	55,303,940	30,819,496
Other expenses	38,418,703	14,359,309
Total cost of sales, selling, distribution and administrative expenses	**737,376,300**	**430,275,110**

"Other Expenses" for the year ended 2016 include maintenance costs of €13.8 mill. (2015: €3.6 mill.)

Employee benefits for fiscal years 2016 and 2015 are analysed as follows:

Amounts in Euros	31/12/2016	31/12/2015
Personnel fees and expenses	27,931,677	19,688,627
Social security expenses	6,887,606	4,873,307
Retirement benefits (Defined benefit plan)	597,960	166,116
Other personnel fringe benefits	4,536,664	1,448,074
Total	**39,953,907**	**26,176,124**

The number of company's employees at the end of the year 2016 was 766 persons (year 2015: 1,062 persons including the spun-off foil segment).

VI. Notes to annual financial statements

29. Other operating income / (expenses)

Amounts in Euros	31/12/2016	31/12/2015
Other operating income		
Subsidies	94,186	1,370
Income from incidental activities	-	205,683
Amortization of government grants received *(note 24)*	1,298,653	1,047,719
Income from services	159,337	14,064
Buildings and machinery rents	1,552,246	394,389
Profit / (loss) from the sale of property, plant and equipment	249,374	9,534
Other income	3,436,695	1,500,222
Total other operating income	**6,790,491**	**3,172,981**
Other operating expenses		
Other expenses	(749,995)	(222,921)
Total other operating expenses	**(749,995)**	**(222,921)**

“Other income” for the year ended 2016 include income of previous years of €1.5 mill. and third party income of €1.7 mill. “Other expenses” for the year ended 2016 include previous years expenses of €0.5 mill.

30. Finance income / (expenses)

Amounts in Euros	31/12/2016	31/12/2015
Finance income		
Interest income	13,877	13,328
Other	80,015	28,807
Total finance income	**93,892**	**42,135**
Finance expenses		
Interest expense and related expenses	(13,968,539)	(6,993,139)
Other	(250,704)	(226,677)
Total finance expense	**(14,219,243)**	**(7,219,816)**
Finance income / (expenses) - net	**(14,125,351)**	**(7,177,681)**

For the year ended 2016, “Other finance expenses” concern finance expenses of Leasing liabilities.

31. Commitments

The Company leases cars and buildings by operating leases. The future payable total leases in accordance to the operating leases are as follows:

Amounts in Euros	31/12/2016	31/12/2015
Up to 1 year	510,200	596,066
From 1-5 years	999,486	1,343,130
Over 5 years	1,548	-
	1,511,234	**1,939,196**

Expenses from operating leases are included in rents *(note 28)*

VI. Notes to annual financial statements

32. Transactions with related parties

Company's main transactions with related parties for the year 2016 and year 2015 and the corresponding receivables and liabilities as of 31 December 2016 and 31 December 2015 are analysed as follows:

Amounts in Euros	**31/12/2016**	**31/12/2015**
Sales of goods		
Subsidiaries	109,840,117	9,201,728
Associates	22,328,898	75,486
Other related parties	69,135,783	55,496,764
	201,304,798	**64,773,978**
Sales of services		
Subsidiaries	2,195,634	207,176
Associates	484,185	61,796
Other related parties	707,261	683,790
	3,387,080	**952,762**
Sales of assets		
Subsidiaries	2,534,971	-
Associates	-	-
Other related parties	798,154	-
	3,333,125	**-**
Purchases of goods		
Subsidiaries	11,033,241	298,746
Associates	4,180,604	1,418,181
Other related parties	10,049,035	74,830,299
	25,262,880	**76,547,226**
Purchases of services		
Subsidiaries	32,833,953	13,507,888
Associates	1,098,647	931,239
Other related parties	13,425,149	7,471,863
	47,357,749	**21,910,990**
Purchases of property, plant and equipment		
Other related parties	12,501,053	3,455,872
Benefits to Management		
Fees – benefits to the members of the B,o,D, and executives	2,196,462	1,717,423

Year-end balances - *Amounts in Euros*	**31/12/2016**	**31/12/2015**
Receivables from related parties:		
Subsidiaries	23,267,421	10,005,962
Associates	7,205,487	622,216
Other related parties	36,971,214	42,559,511
Total receivables from related parties	**67,444,122**	**53,187,689**
Liabilities to related parties:		
Subsidiaries	7,548,181	11,195,970
Associates	1,517,861	2,985,116
Other related parties	16,780,511	24,424,806
Total liabilities to related parties	**25,846,553**	**38,605,892**

VI. Notes to annual financial statements

33. Financial instruments – Fair values and risk management

(a) Accounting classifications and fair values

31/12/2016 – *Amounts in Euros*	Note	Carrying amount Hedging instruments	Cash and receivables	Available-for-sale	Other financial liabilities	Total	Fair value Level A	Level B	Level C	Total
Financial assets measured at fair value										
-Foreign exchange swaps	*15*	163,606	-	-	-	163,606	-	163,606	-	163,606
-Future contracts	*15*	2,138,681	-	-	-	2,138,681	2,138,681	-	-	2.138,681
-Securities	*14*	-	-	1,544,786	-	1,544,786	-	-	1,544,786	1,544,786
Total		**2,302,287**	**-**	**1,544,786**	**-**	**3,847,073**	**2,138,681**	**163,606**	**1,544,786**	**3,847,073**
Financial assets not measured at fair value										
-Trade and other receivables	*16*	-	148,830,748	-	-	148,830,748				
-Cash and cash equivalents	*18*	-	8,344,113	-	-	8,344,113				
Total		**-**	**157,174,861**	**-**	**-**	**157,174,861**				
Financial liabilities measured at fair value										
-Foreign exchange swaps	*15*	672,847	-	-	-	672,847	-	672,847	-	672,847
-Future contracts	*15*	229,231	-	-	-	229,231	229,231	-	-	229,231
Total		**902,078**	**-**	**-**	**-**	**902,078**	**229,231**	**672,847**	**-**	**902,078**
Financial liabilities not measured at fair values										
-Loans	*22*	-	-	-	188,359,643	188,359,643				
-Trade and other payables	*26*	-	-	-	85,993,096	85,993,096				
Total		**-**	**-**	**-**	**274,352,739**	**274,352,739**				

31/12/2015 – *Amounts in Euros*	Note	Carrying amount Hedging instruments	Cash and receivables	Available-for-sale	Other financial liabilities	Total	Fair value Level A	Level B	Level C	Total
Financial assets measured at fair value										
-Foreign exchange swaps	*15*	223,355	-	-	-	223,355	-	223,355	-	223,355
-Future contracts	*15*	119,287	-	-		119,287	119,287			119,287
-Securities	*14*	-	-	1,434,216	-	1,434,216	-	-	1.434,216	1,434,216
Total		**342,642**	**-**	**1,434,216**	**-**	**1,776,858**	**119,287**	**223,355**	**1.434,216**	**1,776,858**
Financial assets not measured at fair value										
-Trade and other receivables	*16*	-	146,330,178	-	-	146,330,178				
-Cash and cash equivalents	*18*	-	16,941,285	-	-	16,941,285				
Total		**-**	**163,271,463**	**-**	**-**	**163,271,463**				
Financial liabilities measured at fair value										
-Foreign exchange swaps	*15*	1,056,727	-	-	-	1,056,727	-	1,056,727	-	1,056,727
-Future contracts	*15*	801,618	-	-	-	801,618	801,618	-	-	801,618
Total		**1,858,345**	**-**	**-**	**-**	**1,858,345**	**801,618**	**1,056,727**	**-**	**1,858,345**
Financial liabilities not measured at fair values										
-Loans	*22*	-	-	-	230,844,569	230,844,569				
-Trade and other payables	*26*	-	-	-	96,125,325	96,125,325				
Total		**-**	**-**	**-**	**326,969,894**	**326,969,894**				

(b) Measurement of fair values

Type	Valuation technique
Derivatives	*Market comparison technique*: The fair values are based on broker quotes. Similar contracts are traded in an active market and the quotes reflect the actual transactions in similar instruments
Equity securities traded in active markets	*Market value*: price as traded in active market.
Equity securities not traded in active markets	*Discounted cash flows*: The fair value of shares not traded in an active market is defined based on the provisions of the Company for the future profitability of the issuer after taking into account the expected growth rate of its operations as well as the discount interest rate.

VI. Notes to annual financial statements

33. Financial instruments – Fair values and risk management (continued)

Level C fair values

The following table shows a reconciliation from the opening to the closing balances for Level C fair values:

Available-for-sale investments –*Amounts in Euro*	
Balance at 1/1/2015	**563,015**
Absorption of rolling segment	871,207
Sale	(6)
Balance at 31/12/2015	**1,434,216**
Additions	4,800
Valuation through profit and loss	1,865
Reclassification	103,905
Balance at 31/12/2015	**1,544,786**

No transfers of financial instruments between the three levels have been made during the year.

(c) Financial risk management

This note provides information regarding the exposure of the Company to each of the above risks, the goals of the Company, its risk assessment and management policies and procedures, as well as the Company's capital management.

The Company's risk management policies are implemented in order to identify and analyse risks faced by the Company as well as set risk-taking limits and implement controls thereon. Risk management policies and related systems are periodically monitored, in order to ensure that they incorporate the changes in market conditions and in the Company's activities.

The Internal Audit department is responsible for monitoring compliance with risk management policies and procedures. The department carries out regular as well as special audits in order to ascertain compliance with proper procedures and its findings are communicated to the Board of Directors.

Credit risk

Credit risk is the risk of loss for the Company in case a customer or third party in a financial instrument transaction, does not fulfil his contractual obligations and is mainly related to the receivables from customers and also to investments in securities.

The Financial assets subject to credit risk are as follows:

Amounts in Euros	**31/12/2016**	**31/12/2015**
Available-for-sale financial assets	1,544,786	1,434,216
Customers (less impairment losses)	148,830,748	146,330,178
Cash in hand and cash equivalents	8,344,113	16,941,285
Derivatives	2,302,287	342,642
	161,021,934	**165,048,321**

i. Customers and other receivables

The Company's exposure to credit risk is mainly affected by the characteristics of each customer. The demographic characteristics of the Company's client base, including the risk of default payments that characterizes the specific market and the country where customers operate in, affect credit risk less as there is no geographic concentration of credit risk.

The Board of Directors has established a credit policy, according to which each new customer is examined on an individual basis for his credit ability before the ordinary payment terms are proposed . The examination of credit ability performed by the Company includes the examination of bank resources and other third party resources for credit rating, if available. Credit lines are defined for each customer, and are re-examined according to the current conditions, while the sales and payment terms are readjusted if necessary. The credit lines of customers are mainly defined according to the insurance limit received for them from insurance companies and the receivables are insured according to such limits.

VI. Notes to annual financial statements

33. Financial instruments – Fair values and risk management (continued)

(c) Financial risk management (continued)

Credit risk (continued)

During the monitoring of customer credit risk, customers are grouped according to their credit characteristics, the maturity characteristics of their receivables and any possibly prior payment problems occured. Customers and other receivables mainly include wholesale customers of the Company. Customers characterized as “high risk” are placed in a special customer statement and future sales must be pre-collected and approved by the Board of Directors. According to the customer’s history and capacity, in order to secure its receivables, the Company requests real guarantees or collateral (i.e. letters of guarantee), when possible.

The Company registers an impairment provision, which represents its estimation for losses regarding its customers, other receivables and investments in securities. This provision is mainly comprised of impairment losses of specific receivables that it is estimated (based on the given conditions) that they will be realized but have not yet been finalized.

The ageing analysis of customers is presented below:

Customers - *Amounts in Euros*	**31/12/2016**	**31/12/2015**
Neither past due nor impaired	140,681,702	136,972,612
Due		
Up to 6 months	7,884,794	9,212,810
> 6 months	264,252	144,756
Total	**148,830,748**	**146,330,178**

The above “Neither past due nor impaired” amounts also include receivables from related parties.

The Company have made an adequate provision in order to cover a bad debt risk. The movement in the allowance for impairment in respect of receivables from customers is as follows:

Amounts in Euros	**31/12/2016**	**31/12/2015**
Opening balance	3,137,932	344,160
Additions	264,546	
Deletions	(22,456)	-
Reversal	38,917	(308,422)
Spin-off of foil segment/Absorption of rolling segment	(321,704)	3,102,194
Closing balance	**3,097,235**	**3,137,932**

i. Investments

Investments are classified by the Company according to the purpose for which they were acquired. The Management decides on the proper classification of the investment when such is initiated and re-examines the classification at each balance sheet date.

ii. Guarantees

The Company has a policy not to provide financial guarantees, except for guarantees to subsidiaries or affiliated companies following a decision by the Board of Directors.

VI. Notes to annual financial statements

33. Financial instruments – Fair values and risk management (continued)

(c) Financial risk management (continued)

Liquidity risk

Liquidity risk is the risk that the Company would be unable to fulfill its financial obligations when they fall due. The approach adopted by the Company for the liquidity management is to secure, through holding the minimum necessary cash and sufficient credit limits from cooperating banks, that will always have enough liquidity in order to fulfill its financial liabilities when those become due, under normal as well as difficult conditions, without sustaining non-acceptable losses or risking the Company's reputation.

In order to avoid liquidity risks, the Company realizes a cash flow provision for a period of one year during the preparation of the annual budget, and a rolling three-month provision in order to secure that is has adequate cash equivalents to cover its operating needs, including covering its financial liabilities. This policy does not take into account the relevant effect from extreme conditions that cannot be forecasted.

The analysis of financial liabilities and derivatives (buys are presented with plus and sells are presented with minus) based on their maturity, is as follows:

Amounts in Euros

Financial liabilities	**31/12/2016**	**<1 year**	**1- 2 years**	**2-5 years**	**>5 years**
Bank debt	75,758,729	70,663,002	2,249,205	2,264,612	581,910
Interest expense of bank debt	-	2,283,708	85,451	139,753	51,146
Leasing liabilities	8,628,644	809,501	1,300,447	3,901,341	2,617,355
Interest expense of leasing liabilities	-	421,822	374,702	733,971	163,996
Bond loans	103,972,270	25,113,980	75,143,790	3,714,500	-
Interest expense of bond loans	-	4,874,127	3,534,752	230,245	-
Trade and other payables	85,993,096	85,993,096			
	274,352,739	**190,159,236**	**82,688,347**	**10,984,422**	**3,414,407**

Derivatives *(Analysis per category)*	**31/12/2016**	**<1 year**
Nominal value of foreign exchange forward contracts (in $)	21,251,620	21,251,620
Nominal value of foreign exchange forward contracts (in £)	133,167	133,167
Nominal value of aluminum derivatives	60,633,956	60,633,956
	82,018,743	**82,018,743**

Amounts in Euros

Financial liabilities	**31/12/2015**	**<1 year**	**1- 2 years**	**2-5 years**
Bank debt	81,959,819	73,098,545	5,228,571	3,632,703
Interest expense of bank debt	-	1,883,544	323,012	170,770
Bond loans	148,884,750	28,730,880	35,896,580	84,257,290
Interest expense of bond loans	-	9,781,389	5,161,661	1,007,694
Trade and other payables	96,125,325	96,125,325	-	-
	326,969,894	**209,619,683**	**46,609,824**	**89,068,457**

Derivatives *(Analysis per category)*	**31/12/2015**	**<1 year**	**1- 2 years**
Nominal value of foreign exchange forward contracts (in $)	19,597,012	19,597,012	-
Nominal value of foreign exchange forward contracts (in £)	8,242,051	8,242,051	-
Nominal value of aluminum derivatives	30,834,254	29,077,889	1,756,365
	58,673,317	**56,916,952**	**1,756,365**

VI. Notes to annual financial statements

33. Financial instruments – Fair values and risk management (continued)

(c) Financial risk management (continued)

Market risk

Market risk corresponds to risk from changes in the prices of raw materials, foreign exchange rates and interest rates that affect the Company's results or the value of its financial instruments. The aim of market condition risk management is to control the Company's exposure to such risks in the context of acceptable parameters, by optimizing performance at the same time.

The Company enters transaction on financial derivatives in order to hedge part of the risk from market conditions.

i. Risk from Fluctuation of Prices of Metal Raw Materials (aluminium)

The Company bases both its purchases and its sales on market prices/indices for the price of aluminium it uses and that are included in its products. The risk from the fluctuation of metal prices is covered with hedging (futures contracts on the London Metal Exchange – LME). However the Company does not cover its entire basic operational stock with hedging and as a result a possible decrease in metal prices may negatively affect its results through the devaluation of stocks.

ii. Foreign exchange risk

The Company is exposed to foreign exchange risk in its sales and purchases and in loans that have been issued in currencies other than the operating currency of the Company, which is principally the Euro. Currencies in which such transactions take place is mainly the Euro and USD.

Throughout time, the Compay hedges the largest part of its estimated exposure to foreign currency in relation to estimated sales and purchases, as well as its receivables and liabilities in foreign currency. The Company mainly takes position into foreign exchange futures contracts with external third parties to face risk from changes in exchange rates. Such contracts mainly expire in less than one year from the balance sheet date. When deemed necessary, the contracts are renewed at their maturity. In some cases foreign exchange risk may be covered also with loans in the respective currencies.

The loan interest is in the same currency as that used in the cash flows, which arise from the Company's operating activities, mainly the Euro.

The risk from changes in foreign exchange fluctuations is as follows:

Amounts in Euros	**31/12/2016**			
Foreign exchange risk	**€**	**$**	**£**	**Other**
Trade and other receivables	140,634,347	17,995,057	930,251	1,251
Loans	(184,229,875)	(4,129,768)	-	-
Trade and other payables	(83,087,245)	(3,000,329)	146,480	(52,002)
Cash and cash equivalents	7,408,507	766,859	168,747	-
	(119,274,266)	**11,631,819**	**1,245,478**	**(50,751)**
Derivatives for hedging	-	(7,115,074)	-	-
Total Risk	**-**	**4,516,745**	**1,245,478**	**(50,751)**

Amounts in Euros	**31/12/2015**			
Foreign exchange risk	**€**	**$**	**£**	**Other**
Trade and other receivables	147,017,329	18,123,916	6,043,637	13,588
Loans	(226,259,552)	(4,585,017)		
Trade and other payables	(91,755,084)	(4,673,560)	375,871	(72,552)
Cash and cash equivalents	13,004,738	3,590,748	345,799	
	(157,992,569)	**12,456,087**	**6,765,307**	**(58,964)**
Derivatives for hedging	-	(16,730,915)	(8,242,051)	-
Total Risk	**-**	**(4,274,828)**	**(1,476,744)**	**(58,964)**

Sensitivity Analysis:

If the foreign currency increased by 10% against the euro, the effect would be:

	Profit and loss		**Equity**	
	2016	**2015**	**2016**	**2015**
$	(1,057,438)	(1,132,372)	(103,956)	(934,261)
£	(113,225)	(615,028)	(80,390)	292,589

VI. Notes to annual financial statements

33. Financial instruments – Fair values and risk management (continued)

(c) Financial risk management (continued)

Interest rate risk

The Company finances its investments as well as its needs in working capital through bank debt and corporate bond loans, and as a consequence its results are charged with interest expense. Increasing trends in interest rates will have a negative effect on results as the Company will be charged with additional borrowing costs.

Interest rate risk is mitigated as part of the Company's loans are with fixed interest rates, either directly or through the use of financial instruments (interest rate swaps).

The risk from interest rate fluctuations is as follows:

Amounts in Euros	**31/12/2016**	**31/12/2015**
Fixed interest rates		
Financial liability items	2,000,000	7,142,857
Floating interest rates		
Financial liability items	186,359,643	223,701,712

If interest rates increased / decreased by 0.25% the effect on profit and loss and equity would be as follows:

	Profit and loss		**Equity**	
	2016	**2015**	**2016**	**2015**
Floating interest rates	+/-495,690	+/-45,080	-	-
Fixed interest rates	+/-6,660	+/-19,199	-	-

Capital management

The policy of the Board of Directors corresponds to maintaining a powerful capital base, in order to maintain trust in the Company from investors, creditors and the market and to allow the future development of the Company's activities. The Board of Directors monitors the return on capital, which is defined by the Company as the net results divided by the total equity, excluding non-controlling interest. The Board of Directors also monitors the level of dividends to shareholders of common shares.

The Board of Directors tries to maintain a balance between higher returns that would be plausible with higher debt levels and the advantages and the security that would be provided by a powerful and healthy capital position.

The Company does not have a specific plan for purchase of own shares. There were no changes in the approach adopted by the Company as regards to capital management during the period.

The Company monitors and examines its capital adequacy overall based on the ratio: Net debt to EBITDA (earnings before interest, taxes, depreciation & amortization). The ratio was as follows:

Amounts in Euros	**2016**	**2015**
Total debt (except leasing liabilities)	179,730,999	230,844,569
Less: Cash and cash equivalents	(8,344,113)	(16,941,285)
Net debt	**171,386,886**	**213,903,284**
EBITDA	72,753,209	39,790,879
Net debt / EBITDA	**2.36**	**5.38**

34. Subsequent events

There are no subsequent events after the year ending 2016.