
2013

FINANCIAL
RESULTS
FOR THE FISCAL
YEAR

VIOHALCO

FINANCIAL RESULTS FOR THE FISCAL YEAR 2013

Brussels, 31 March 2014 – Viohalco SA/NV (Euronext Brussels, Athens Exchange: VIO), hereafter “Viohalco”, “the Company”, today issued its financial results for the year ended 31 December 2013.

Viohalco is one of Europe’s largest and longest-standing metals processing groups. Viohalco has a solid business track record since 1937 and is a top-tier metal processor with firm foundations in Europe with a global reach that extends across all continents. Viohalco is commercially present in approx. 100 countries, counts 28 manufacturing sites in 6 countries and has 7,857 employees.

Key Highlights

- Financial
 - Consolidated revenue of euro 2,885 million, down 13% from 2012, mainly driven by the weak demand and decreased metal prices compared to 2012,
 - Negative EBIT of euro 109 million, compared to a positive EBIT of euro 14 million in 2012, due to a combination of lower revenue as a consequence of the adverse economic environment, an unfavourable euro – USD exchange rate, write downs on inventories as a result of decreasing LME prices for aluminium, copper and zinc, and non-recurring items (euro 91 million),
 - Loss before income tax of euro 192 million, compared to a loss of euro 75 million in 2012,
 - Loss of the period of euro 224 million, impacted by an increase in the Greek state tax rate on corporate profits (from 20% to 26%) and the resulting recalculation of the deferred tax balance,
 - Loss attributable to the owners of the Company amounted to euro 173 million compared to a loss of euro 50 million in 2012,
 - Total cash flow of euro 29 million, compared to a negative cash flow of euro 29 million in 2012, mainly as a result of the favourable evolution in the cash flows from financing activities (euro +128 million),
 - As at 31 December 2013, net debt amounts to euro 1,248 million, up from euro 1,225 million as at December 2012, and
 - Restructuring of euro 727 million of outstanding debt completed through the issuance of a series of long-term syndicated bond loans.
- Group restructuring
 - Incorporation of Viohalco SA/NV on 31 May 2013 as a Belgian limited liability company,
 - Merger by absorption of Viohalco-Hellenic Copper And Aluminium Industry S.A. and Cofidin SA by Viohalco SA/NV concluded on 16 November 2013,
 - Key drivers behind the group restructuring mainly relate to the reinforcement of the capital structure and the higher visibility to international capital markets and investors,
 - Successful listing and admission on Euronext Brussels, on 22 November 2013, under the symbol “VIO”, and
 - Successful secondary listing of Viohalco SA/NV on Athens Exchange on 14 February 2014 under the symbol “VIO” (“BIO” in Greek characters).
- Operational
 - 2013-2015 ongoing capital expenditure plan exceeding euro 330 million, that will increase capacity, optimize the Group’s production processes, enhance the product portfolio, reduce industrial costs and further improve the products’ quality,
 - Steel & Steel Pipes Sector: Signing of a technical assistance agreement with Daido Steel Co. Ltd. for further development of Special Quality Bars (SBQ) existing business in Stomana plant and announcement of investment for an induction furnace in Sovel plant,
 - Copper & Cables Sector: Successful roll out of the investment plan that makes Hellenic Cables one of the very few producers of high- voltage submarine cables worldwide and
 - Aluminium Sector: Purchase of production facilities in Oinofyta in Greece, ongoing investments in Oinofyta’s rolling plant and purchase of new machinery for the plant in the United Kingdom.

Group financial review

Based on the provisions of IFRS 3 Business Combinations, the corporate transformation referred to above was accounted for as a reverse acquisition. For accounting purposes, Viohalco SA is considered to be the continuation of Viohalco-Hellenic Copper and Aluminium Industry SA. Therefore, the Fiscal Year 2012 financial data reflects the financial position and the activities of Viohalco-Hellenic Copper and Aluminium Industry SA, whereas the Fiscal Year 2013 financial data reflects the financial position and the activities of Viohalco-Hellenic Copper and Aluminium Industry SA from 1 January 2013 to 31 December 2013, including Viohalco SA/NV and Cofidin SA from 17 November 2013 to 31 December 2013.

2013 was characterized by a high level of volatility and a number of challenges in the macroeconomic environment in which Viohalco operates. The deceleration of Eurozone economies and uncertainty regarding the South Mediterranean and North Africa economies continued, while Greece remained in a deep recession, made 2013 a challenging year for the Viohalco Group. Weak demand across most Viohalco product segments, decreased metal prices, high energy costs for Greece-based production facilities, and an unfavourable euro-USD exchange rate adversely affected Viohalco's financial performance in 2013.

Summarized consolidated income statement

Amounts in euro thousand	For the year ended 31 December	
	2013	2012
Revenue	2,885,071	3,316,763
Gross profit	174,982	229,061
EBITDA before non-recurring items (1)	94,932	160,068
EBITDA (2)	4,112	155,028
EBIT before non-recurring items (3)	-17,806	18,842
EBIT (4)	-108,626	13,803
Loss before income tax	-192,038	-74,761
Loss of the year	-223,931	-76,184
Loss attributable to owners of the Company	-173,336	-49,934

(1) EBIT before non-recurring items plus amortisation and depreciation

(2) EBIT plus amortisation and depreciation

(3) Operating result before non-recurring items

(4) Operating result

Consolidated **revenue** of Viohalco Group for 2013 amounted to euro 2,885 million, a decrease of 13%, compared to euro 3,317 million recorded in 2012. The decline in Group revenue was largely driven by decreased metal prices and lower sales volumes, particularly in the Steel & Steel pipes sector and in the Copper & Cables sector.

Metal prices fell significantly in 2013, driven mainly by the lack of liquidity in international financial markets and the adverse macroeconomic environment, especially in developed markets. The average price of copper was lower by 10.8% at euro 5,514 per ton compared to euro 6,181 per ton, while, the average LME price for aluminium in 2013, was euro 1,395 per ton compared to euro 1,569 per ton in 2012, marking a decrease of 11%. The effect of metal prices fluctuations in aluminium, copper and zinc resulted in a negative impact of euro 15.1 million.

EBIT before non-recurring items decreased from euro +19 million in 2012 to euro -18 million in 2013. Operating profit before non-recurring items in the aluminium sector (euro 34 million) partially offset the operating loss in the other sectors. Non-recurring items amount to euro 91 million in 2013, mainly due to impairment loss of euro 74 million with regard to Investment property and Property, plant and equipment especially in the Real Estate & Other Services sector, euro 10.6 million of transaction costs for the Viohalco merger and Euronext IPO, and euro 11 million costs related to the temporary shutdown of the Sovel plant and idle cost of Stomana Industry and Corinth Pipeworks plants in the Steel & Steel pipes sector. Consequently, EBIT decreased from euro +14 million last year to euro -109 million in 2013.

Finance costs decreased by 4% to euro 86 million in 2013 from euro 90 million in 2012. This is mainly due to the reduction in effective interest rates driven by a more efficient working capital management which has led to a reduction of the average spread of the short term funding.

Loss before income tax of Viohalco in 2013 amounted to euro 192 million compared to a loss before income tax of euro 75 million in 2012. Loss before income tax is the sum of the operating loss of euro 109 million, the net finance costs of euro 86 million and the share of profit of equity –accounted investees of euro 2.5 million.

Loss of the year amounted to euro 224 million in 2013, compared to a loss of euro 76 million for 2012. Results for 2013 were further affected by an increase in the Greek state tax rate on corporate profits (from 20% to 26%) and the resulting recalculation of deferred tax balances. The total negative impact in 2013 of the changes in Greek tax legislation amounts to euro 36.3 million.

Summarized consolidated statement of financial position

Amounts in euro thousand	As at 31 December	
	2013	2012
ASSETS		
Non-current assets	1,951,272	1,934,442
Current assets	1,414,151	1,486,897
TOTAL ASSETS	3,365,423	3,421,339
EQUITY	1,340,692	1,499,891
LIABILITIES		
Non-current liabilities	1,187,893	603,613
Current liabilities	836,838	1,317,835
TOTAL LIABILITIES	2,024,731	1,921,448
TOTAL EQUITY & LIABILITIES	3,365,423	3,421,339

Total assets of Viohalco decreased by 2% from euro 3,421 million in 2012 to euro 3,365 million in 2013. This decrease is mainly explained by lower Inventories (euro 61 million), lower Trade and other receivables (euro 37 million) and impairment losses on Investment property and Property, plant and equipment (euro 74 million), partially offset by the Other investments of Cofidin (euro 59 million). The lower Inventories and Trade and other receivables are the result of an efficient working capital management and the decrease in consolidated revenue compared to 2012.

Non-current liabilities increased by euro 584 million, or 97% from euro 604 million in 2012 to euro 1,188 million in 2013. This is largely due to the restructuring of debt from short term to long term. Current liabilities decreased by euro 481 million or 36%, from euro 1,318 million in 2012 to euro 837 million in 2013.

On December 27th 2013, Viohalco concluded the **restructuring of 78% of the outstanding debt of its Greek companies**, through the issuance of a series of long-term syndicated bond loans. The total issuance amounts to an aggregate of more than euro 727 million and consists of ten separate bond issues, one for each Greek major subsidiary of the VIOHALCO Group. More specifically the bond loans per business sector are:

- Sidenor Steel Products Manufacturing Company S.A.: euro 298 million,
- Halcor Metal Works S.A.: euro 270 million, and
- Elval Hellenic Aluminium Industry S.A: euro 159 million.

The lead arranger was National Bank of Greece with co-arrangers Alpha Bank, Eurobank and Piraeus Bank. The syndicated bond loans have a five year maturity and an option for the banks to approve an up to two years extension, upon request of the issuing companies, three months prior to the original maturity dates. The bond loans also feature a two-year grace period for capital repayments and a step-down yearly interest rate spread. The new bond loans are secured through pledges on fixed assets, contain customary representations, negative covenants, undertakings and events of default.

Summarized consolidated statement of cash flows

Amounts in euro thousand	For the year ended 31 December	
	2013	2012
Net Cash flows from operating activities	94,112	105,330
Cash flows from investing activities	-120,666	-62,291
Cash flows from financing activities	55,704	-72,031
Net increase (decrease) cash and cash equivalents	29,150	-28,992
Cash and cash equivalents, beginning of period	144,251	173,243
Cash and cash equivalents, end of period	173,401	144,251

Net cash flows from operating activities decreased from euro 105 million in 2012 to euro 94 million in 2013, mainly as a result of the lower EBIT compared to 2012 (euro 122 million) and lower depreciations (euro 29 million). This was partially offset by a decrease in working capital compared to 2012 (euro 60 million), and by higher impairment losses in 2013 (euro 74 million).

Cash flows from investing activities decreased because of higher capital expenditure in 2013 (euro 154 million in 2013 compared to euro 98 million in 2012). It is worth noting that total investments of Viohalco since 2001 have exceeded euro 1.8 billion.

Cash flows from financing activities improved because of a net increase in borrowings.

See appendices for the consolidated statement of income (Appendix A), the consolidated statement of financial position (Appendix B), and the consolidated statement of cash flows (Appendix C).

Performance by business sector

Viohalco SA's financial performance in 2013 was impacted by the performance of its key subsidiaries, which in turn, are significantly affected by market conditions in their respective sectors.

Viohalco operates under the following organizational framework that comprises of four core sectors:

- Steel & Steel Pipes Sector:** Through Sidenor S.A. and its subsidiaries ("Sidenor"), Viohalco is active in the manufacturing of long and flat steel products, as well as downstream products. Corinth Pipeworks S.A., a subsidiary of Sidenor, engages in the production of pipes for the transmission of natural gas, oil and water networks, as well as hollow sections that are used extensively in construction projects.
- Copper & Cables Sector:** Halcor S.A. and its subsidiaries ("Halcor"), are active in the production of a wide range of copper and copper alloy solutions that span from copper and brass tubes, copper strips, sheets and plates to copper bus bars and rods. Hellenic Cables S.A., a subsidiary of Halcor engages in the manufacturing of a full portfolio of cables and conductors, enamelled wires, copper and aluminium wire rods, as well as plastic and rubber compounds.
- Aluminium Sector:** Elval S.A. and its subsidiaries ("Elval"), operate in the aluminium products sector, delivering an extensive set of products, that includes from aluminium coils and sheets for general applications and aluminium foil for household use, to special products, including rolled and extruded aluminium products for the shipbuilding, automotive and construction industry.
- Real Estate Development Sector & Other Services Sector:** Viohalco creates value from the development of its former industrial real estate properties in Greece and Bulgaria.

Note: Sidenor S.A., Corinth Pipeworks S.A., Halcor S.A., Hellenic Cables S.A., Elval S.A. and Etem S.A. ("Etem" a subsidiary of Elval S.A.) are separately quoted on the Athens Exchange.

Steel & Steel Pipes

Sidenor's extensive product portfolio, which includes long and flat steel products, pipes, hollow structural sections and downstream products, is manufactured across 10 primary facilities in Greece, Bulgaria, Russia and FYROM. From buildings, road works, metro stations, bridges, shopping malls to hydroelectric dam projects, Sidenor caters for the complex needs of their international clients via a complete portfolio of added value products and solutions. Project locations span from Greece, Bulgaria and Cyprus to France, Croatia, Tunisia and the USA, making the Group a true global supplier.

The summarized consolidated income statement of Sidenor is as follows:

Amounts in euro thousand	For the year ended 31 December	
	2013	2012
Revenue	807,668	1,046,659
Gross profit	59,695	81,277
EBITDA before non-recurring items	24,266	31,627
EBITDA	11,474	27,067
EBIT before non-recurring items	-28,165	-34,462
EBIT	-40,957	-39,022
Loss before income tax	-75,394	-75,669
Loss of the year	-86,191	-75,456
Loss attributable to owners of the Company	-73,747	-66,655

Sidenor's consolidated revenue amounted to euro 808 million in 2013 compared to euro 1,047 million in 2012, a decrease of 23%. The loss attributable to owners of the Company amounted to euro 74 million in 2013 compared to euro 67 million in 2012. The steel products business was negatively affected by a further decline of the Greek market and in particular the Greek steel market and by the lower product prices due to intensified competition. In addition to this, the increased cost of energy in Greece adversely affected the international competitiveness of Greek factories.

Sidenor's subsidiary **Corinth Pipeworks** represents the Sidenor Group's operations in the steel pipe industry specifically. With industrial plants in Greece and Russia, Corinth Pipeworks is among the most reliable pipe manufacturers for energy projects, worldwide. Corinth Pipeworks mainly produces pipes for oil, gas and water transmission, oil and gas extraction and hollow structural sections for a large number of construction applications. Corinth Pipeworks offers top quality steel pipes for oil, gas, CO², water and slurry pipelines and casing pipes for drilling operations. It offers a wide range of structural hollow sections for the construction sector.

Uncertainty and instability persisted throughout 2013 in international pipe markets. The decreases in capital spending for infrastructure projects regarding extraction and transmission of natural gas and oil, both in Europe and in other foreign markets, as well as the decrease in raw material prices, have negatively affected the annual results of Corinth Pipeworks. As a result, sales decreased, both in terms of volume and value, which put pressure on its profit margins. Corinth Pipeworks' consolidated revenue amounted to euro 165.4 million in 2013 compared to euro 234.7 million in 2012, a decrease of 29%. The result attributable to owners of the Company amounted to a loss of euro 6.1 million in 2013 compared to a profit of euro 9.7 million in 2012.

Copper & Cables

Halcor constitutes the operational sector of Viohalco in the field of copper and copper alloy products' manufacturing and trading. Through an extended product portfolio that primarily comprises of copper and brass tubes, copper and titanium-zinc rolled products, copper and brass extruded products, cables, conductors, enamelled wires and rubber and plastic compounds, Halcor caters for the complex needs of their international clientele across all major geographical markets. The great majority of its revenue originates from markets outside of Greece, mainly from other countries of the European Union. Halcor's solid production base includes highly productive manufacturing facilities in Greece, Bulgaria and Romania that focus on providing versatile and flexible solutions, while remaining consistent in top quality attributes for each product.

The summarized consolidated income statement of Halcor is as follows:

Amounts in euro thousand	For the year ended 31 December	
	2013	2012
Revenue	1,102,022	1,259,306
Gross profit	16,541	44,396
EBITDA before non-recurring items	6,981	34,380
EBITDA	6,703	34,200
EBIT before non-recurring items	-15,277	8,808
EBIT	-15,554	8,628
Loss before income tax	-53,637	-31,117
Loss of the year	-63,669	-29,507
Loss attributable to owners of the Company	-57,979	-26,023

Halcor's consolidated revenue in 2013 amounted to euro 1,102 million compared to euro 1,259 million in 2012, a decrease of 12.5%. The decrease was attributable to a 7% decline in total sales volume and a reduction in average metal prices compared to the previous year. The loss attributable to owners of the Company amounted to euro 58 million in 2013 compared to euro 26 million in 2012.

Through **Hellenic Cables**, a subsidiary of Halcor, Viohalco is active in the manufacturing of cables, conductors, enamelled wires and plastic and rubber compounds. Hellenic Cables has evolved over the past decades into the largest cable manufacturer in South-East Europe, with exports to more than 50 countries. Its production base comprises five plants in Greece and Romania, which manufacture a wide range of products from high voltage submarine cables to copper and aluminium wires. The cable product portfolio of the Group is marketed under the registered brand name "CABLEL". The Group's product portfolio comprises an extended variety of cable and wires that cater to a wide range of needs, from high profile projects to generic industrial applications. More specifically, the product solutions provided by Hellenic Cables and its subsidiaries are used among others in the building, telecommunication and energy sectors, as well as in specialized industrial applications.

During 2013, Hellenic Cables faced low demand in domestic and export markets, increased competition, declining metal prices and unfavourable financing conditions. The company's consolidated turnover amounted to euro 345 million, versus euro 439 million in 2012, a decrease of 21%. The fall in turnover during the second half of 2013 is mainly attributable to lower metal prices and the absence of renewable energy projects. Finally, the loss attributable to owners of the Company stood at euro 21.1 million compared to euro 11.2 million in 2012.

Aluminium

Viohalco is active in the production of aluminium coils, strips, sheets, foil, lithographic plates, as well as architectural and industrial aluminium profiles through **Elval** and its subsidiary Etem. Elval is actively engaged in the processing, manufacturing and trading of aluminium products, addressing the complex needs of a highly demanding portfolio of multinational clients in various industrial sectors. With state-of-the-art production facilities in Greece, the United Kingdom and Bulgaria and dynamic commercial presence in all of its key geographical markets, Elval has established a solid global position in its sector, as a true solution provider to its top-tier client base.

With activities in more than 80 countries, Elval has established its successful international presence through a solid commercial structure that operates on the basis of both internal sales teams and external commercial agents that are part of Viohalco's broader commercial network. This network includes active business associates among other in the United Kingdom and Ireland, Austria, Germany, Belgium, the Netherlands, Luxembourg, Russia, Ukraine, France, Italy, Romania, Bulgaria, and Turkey.

The summarized consolidated income statement of Elval is as follows:

Amounts in euro thousand	For the year ended 31 December	
	2013	2012
Revenue	1,008,502	1,063,780
Gross profit	82,141	81,061
EBITDA before non-recurring items	81,665	80,634
EBITDA	74,165	80,154
EBIT before non-recurring items	35,935	33,271
EBIT	28,435	32,791
Profit before income tax	15,545	22,881
Loss of the year	-3,166	-21,355
Profit attributable to owners of the Company	365	21,888

Despite unchanged sales volumes levels, Elval's revenue decreased by 5.2% to euro 1,009 million, due to a decrease in the LME (London Metal Exchange) prices compared to 2012. The improved product mix helped the aluminium rolling sector division to increase its operating profitability. An impairment loss on non-current assets at Etem had a euro 7.5 million impact. Profit attributable to owners of the Company declined from euro 21.9 million to euro 0.4 million in 2013. The recalculation of deferred taxes due to a change in the corporate income tax rate from 20% to 26% in Greece and the taxation of tax-free reserves had an unfavourable impact of euro 17.2 million in 2013.

Real Estate Development Sector & Other Services Sector

Viohalco Group is also involved in the Real Estate Development Sector, mainly through Noval S.A.. The most important properties which are or were developed by Viohalco, are located in Greece and Bulgaria and include, among others, the development of office complexes, shopping malls and industrial buildings and warehouses. In addition, Viohalco holds a number of plots and a series of office complexes and warehouses in Athens, Thessaloniki, Piraeus, Aspropyrgos, Soussaki in Corinth and Heraklion in Crete.

The real estate portfolio has a total value of euro 125 million. The table below summarizes the most important properties:

REAL ESTATE	LOCATION	m ²
Ikea store & River West shopping mall	96, Kifissos Av., Egaleo, Greece	123,459
Hotel	Karaiskaki Square, Athens, Greece	23,215
Industrial buildings & offices (ex-BIC plant)	Oinofyta, Greece	9,314
Former premises of Corinth Pipeworks	Corinth, Greece	22,404
Office Complex	115, Kiffissias Ave., Athens, Greece	34,435
Office Complex	57, Ethnikis Antistasseos St., Halandri, Greece	4,423
Office Complex	29, Apostolopoulou St., Halandri, Greece	10,006
Office Building	53A, Nikola Vaptzarov Blvd, Sofia , Bulgaria	4,968

The industrial buildings, warehouses and offices of 43,868 m² at 252, Pireos St., Tavros, Greece are actually still used by the Viohalco Group and do therefore not appear in the table above. In the future, this real estate could be repurposed as Investment property.

The investment property was impacted by impairment losses in 2013 by euro 45 million.

Viohalco holds participations in smaller companies in other sectors of activity, such as ceramic sanitary ware and tiles, metals recovery, ERP application services, insurance brokerage, travel brokerage and mechanical engineering applications (Other Services Sector).

Subsequent to the mergers, with Cofidin SA, as at 16 November 2013, the Viohalco Group also holds an important portfolio of high quality equity instruments and bonds. The value of this portfolio as at 31 December 2013 amounts to euro 59 million.

Please note that, whilst the above financial performance by business sector does give insights into the performance of Viohalco Group as a whole, the consolidated revenue for the Viohalco Group does not equal the sum of the revenue/results per sector, as intercompany transactions have not been eliminated

Subsequent events

On 13 January 2014, Viohalco filed a request for admission to secondary listing and trading of its shares on the Athens Exchange in Greece. The Company's shares subsequently commenced trading on the Main Market of the Athens Exchange on 14 February 2014.

Further to the decision of the Public Power Corporation S.A. of Greece to reduce the electricity tariff for industries, Sidenor S.A. announced it will undertake a new investment totalling euro 10 million in the plant of Thessaloniki in order to boost its competitiveness. This new investment aims to avoid reheating billets using natural gas as it occurs in standard reheating furnaces. For this reason, an electric (induction) furnace, in series with casting lines, will be installed, which will raise the temperature of already hot billets to rolling temperature before these cool down. This investment will help save a considerable amount of energy while also reducing the total carbon footprint of the premises, given that steel rolling will now have nil direct carbon footprint (since no natural gas will be used).

Finally, Hellenic Cables announced that it has been commissioned by Admie (Independent Power Transmission Operator) the second sub-project of the Cyclades Islands Interconnection Tender amounting to euro 93 million. The project involves underground and submarine cable links of 150 kV between the islands Syros-Tinos, Syros-Mykonos, Syros-Paros and a 150 kV cable termination in Tinos. Hellenic Cables undertakes, in addition to the supply of cables, the cable laying, the protection of cables in coastal parts and the necessary connections with the existing network of Admie. The contract will be signed after the pre-contractual audit required by the Court of Audit.

Outlook

Going forward, the Viohalco Group continues to focus on further optimising its production processes, reducing industrial costs and maintaining its competitive advantage in the international markets.

- An investment plan of euro 332 million to optimise the Group's production processes was initiated in 2013 and will continue until 2015. The aim of these planned investments is to increase capacity, reduce industrial costs and further improve the Group's product quality through research and development. Planned investments in the Steel & Steel pipes sector, Copper & Cables sector, and Aluminium sector will amount to euro 126 million, euro 80 million, and euro 126 million respectively.
- Moreover, the Viohalco Group is looking to further decrease energy costs, of mainly natural gas and electricity, at the Group's industrial plants in Greece, following the measures that have been announced and expected to be finalised during 2014. This development will not only directly improve the Group's financial performance but also enhance the Group's competitiveness in international markets.

More specifically, the outlook for the main sectors of activity is as follows:

For **the steel & steel pipes sector**, major cost savings are expected following the announced measures for the pricing of the electrical energy and the commissioning of the two electric (induction) furnaces for the reheating of billets. Furthermore, we expect better operational and commercial performance from the recently implemented investments in Stomana Industry plate mill and further growth of the Special Bar Quality products (SBQs) category. As for the pipe industry, Corinth Pipeworks, after the commissioning of the new investment of a new LSAW pipe mill for high-strength and heavy-duty pipes will target the offshore and onshore oil and gas transmission pipes markets. This investment will enable the Viohalco Group to expand its presence into new offshore and onshore markets, such as the Gulf of Mexico, West/East Africa, North Sea, and especially in South East Europe and Middle East, which at this moment are of significant interest, since in these areas major new energy and infrastructure projects are expected to take place.

For **the copper & cables sector**, the improvements of plants' efficiency, particularly in Bulgaria, will help to further reduce industrial costs and enhance the competitiveness of our products. Especially for the cable business, following the successful roll out of the Group's investment plan, Hellenic Cables is now one of the very few producers of high-voltage submarine cables worldwide and has been awarded, among others, part of the Cyclades Islands Interconnection Tender, a contract amounting to euro 93 million.

For **the aluminium sector**, the full utilisation of the added capacity, the cost efficiency and the Group's shift towards value added products point to a positive market outlook.

The improvement in the economic climate and signs of growth in Europe, especially in the engineering and automotive industries, along with the rising optimism in the construction activity, as well as the stabilization of the Greek economy, improve the prospects for our companies. Viohalco is closely monitoring the developments in the international economy and remains flexible and alert in order to capitalize any opportunities that may arise.

Statement of the Auditor

The statutory auditor, KPMG Bedrijfsrevisoren - Réviseurs d'Entreprises, represented by Benoit Van Roost, has confirmed that the audit procedures on the consolidated financial statements, which have been substantially completed, have not revealed any material misstatement in the accounting information included in the Company's annual announcement.

Financial Calendar

Date	Meeting
19 May 2014	1 st quarter 2014 press release
3 June 2014	Annual General Meeting 2014
29 August 2014	Half Yearly 2014 results
19 November 2014	3 rd quarter 2014 press release

The Financial Statements for the period 1 January 2013 – 31 December 2013 will be published on 30 April 2014, together with the Annual Financial Report for 2013 and will be posted on the Company's web site, www.viohalco.com, on the web site of the NYSE Euronext Brussels Exchange Europeanequities.nyx.com, as well as on the Athens Exchange web site www.helex.gr.

About Viohalco

Viohalco SA/NV is the parent company of the Viohalco Group and holds participations in approximately 90 companies, seven of which are listed on the Athens Exchange. With production facilities in Greece, Bulgaria, Romania, Russia, FYROM and the United Kingdom, where about 8,000 personnel is employed, the Group's subsidiaries specialise in the manufacture of steel & steel pipes, copper & cables, and aluminium products, generating an annual revenue of euro 2.9 billion. In addition, the Group owns substantial real estate properties in Greece and redeveloped some of its properties as real estate development projects. For more information about our company, please visit our website at www.viohalco.com.

Contacts

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Appendix A – Consolidated statement of income

<i>Amounts in Euro</i>	For the year ended 31 December	
	<u>2013</u>	<u>2012 *</u>
Revenue	2,885,071,059	3,316,763,067
Cost of Sales	-2,710,089,248	-3,087,702,435
Gross profit	174,981,811	229,060,632
Other income	32,359,067	41,629,252
Distribution expenses	-118,533,481	-135,533,940
Administrative expenses	-81,407,174	-86,450,970
Other expenses	-25,205,902	-29,862,768
Operating result before non-recurring items	-17,805,680	18,842,206
Non-recurring items	-90,820,438	-5,039,123
Operating result	-108,626,118	13,803,083
Finance income	8,736,134	10,336,265
Finance expense	-94,895,947	-100,130,481
Income from dividends	223,480	60,171
Net finance costs	-85,936,333	-89,734,045
Share of profit of equity-accounted investees, net of tax	2,524,626	1,169,806
Loss before income tax	-192,037,824	-74,761,156
Income tax	-31,893,030	-1,422,561
Loss of the period	-223,930,854	-76,183,717
Profit (Loss) attributable to:		
Owners of the Company	-173,335,760	-49,933,519
Non-controlling interests	-50,595,094	-26,250,198
	-223,930,854	-76,183,717
(Loss) / Earnings attributable to the owners of the Company (in euro per share)	<u>31/12/2013</u>	<u>31/12/2012</u>
Basic and diluted	<u>-0.8583</u>	<u>-0.2503</u>

* Restated following the amendment to IAS 19 (IAS 19R)

Appendix B – consolidated statement of financial position

	As at 31 December	
	<u>2013</u>	<u>2012 *</u>
<i>Amounts in Euro</i>		
ASSETS		
Non-current Assets		
Property, plant and equipment	1,692,667,749	1,759,601,027
Goodwill and intangible assets	19,701,261	16,978,397
Investment property	125,394,907	101,538,935
Investments in equity accounted investees	23,416,295	25,476,538
Other investments	65,765,034	9,179,686
Derivatives	295,219	327,695
Other receivables	7,448,354	7,217,871
Deferred tax assets	16,583,005	14,121,742
	<u>1,951,271,824</u>	<u>1,934,441,892</u>
Current Assets		
Inventories	773,729,000	835,208,641
Trade and other receivables	464,332,980	501,007,568
Derivatives	2,406,780	6,414,280
Other investments	282,022	15,568
Cash and cash equivalents	173,400,650	144,251,313
	<u>1,414,151,432</u>	<u>1,486,897,370</u>
Total assets	<u>3,365,423,256</u>	<u>3,421,339,262</u>
EQUITY		
Equity attributable to owners of the Company	992,943,665	1,057,701,876
Non controlling interest	347,748,097	442,189,499
Total equity	<u>1,340,691,761</u>	<u>1,499,891,375</u>
LIABILITIES		
Non-current liabilities		
Loans and borrowings	944,135,039	396,332,396
Derivatives	285,282	560,813
Employee Benefits	20,018,020	25,450,946
Grants	45,305,035	36,939,136
Provisions	4,063,463	4,127,437
Other amounts payable	11,475,841	43,181
Deferred tax liabilities	162,610,301	140,158,895
	<u>1,187,892,983</u>	<u>603,612,804</u>
Current liabilities		
Loans and borrowings	477,060,085	973,387,720
Trade and other payables	319,841,261	326,822,733
Current tax liabilities	9,923,310	7,164,543
Derivatives	3,093,990	3,956,321
Other financial liabilities	26,244,947	6,012,167
Provisions	674,919	491,599
	<u>836,838,512</u>	<u>1,317,835,083</u>
Total liabilities	<u>2,024,731,495</u>	<u>1,921,447,887</u>
Total equity and liabilities	<u>3,365,423,256</u>	<u>3,421,339,262</u>

* Restated following the amendment to IAS 19 (IAS 19R)

Appendix C – consolidated statement of Cash Flow

	For the year ended 31 December	
	2013	2012 *
<i>Amounts in Euro</i>		
Profits/ (loss) of the period	-223,930,854	-76,183,717
<i>Adjustments for:</i>		
Income Tax	31,893,030	1,422,561
Depreciation of tangible and intangible assets and investment property	117,105,756	145,842,595
Bargain purchase	-5,532,218	
Impairment, consumption, destruction of PP&E, intangible assets and investment property	76,089,094	2,434,060
(Gain)/loss from the sale of fixed assets	-754,303	775,986
Impairment loss on inventories and receivables	2,807,506	2,556,208
(Gain)/ loss on sale of financial assets	-1,096,162	-4,149,848
(Gain)/ loss of investments and derivatives fair value	949,808	62,614
Fair value profits/(loss) of other financial assets at fair value through profit or loss	2,829,228	-148,251
Interest income	-8,736,135	-10,336,265
Interest expenses	94,895,947	100,109,095
Income from dividends	-223,480	-60,171
Depreciation of grants	-4,367,850	-4,617,219
Share of profit of equity-accounted investees, net of tax	-2,524,626	-1,169,807
Foreign exchange differences	746,522	721,820
Employee benefits due to retirement	3,197,116	-4,511,951
	83,348,379	152,747,710
Changes in working capital		
(Increase) / decrease in inventories	56,878,155	29,566,770
(Increase) / decrease in receivables	37,319,173	81,556,770
Increase/(decrease) in liabilities	27,096,692	-46,097,385
Increase/(decrease) in provisions	3,721,248	-2,843,430
Increase/(decrease) in employee benefits	-4,377,990	-1,959,360
	120,637,278	60,223,365
	203,985,657	212,971,075
Cash flows from operating activities		
Cash flows from operating activities		
Cash flows from operating activities	203,985,657	212,971,075
Interest paid	-99,174,645	-96,990,432
Income tax paid	-10,698,697	-10,651,031
Net cash flows from/(used in) operating activities	94,112,314	105,329,612
Cash Flows from investing activities		
Acquisition of PP&E, investment property and intangible assets	-154,373,946	-97,878,754
Proceeds from sale of PP&E, investment property and intangible assets	4,579,436	2,416,087
Acquisition of subsidiary, net of cash acquired	-102,877	-
Dividends received	2,786,167	1,625,840
Acquisition of available-for-sale financial assets	-10,215,086	-1,002,000
Proceeds from Sale of available-for-sale financial assets	12,514,406	2,691,339
Purchase of financial assets at fair value through profit or loss	-7,501,788	-4,500,000
Proceeds from Sale of financial assets at fair value through profit or loss	5,600,372	12,910,000
Interest received	8,421,406	9,862,437
Proceeds from Collection of grants	12,402,881	5,727,085
Acquisition of non-controlling interests	-2,138,394	5,857,447
Acquisition of subsidiary net of cash acquired - Cofidin	7,197,866	-
Acquisition of subsidiary net of cash acquired - Viohalco SA	162,549	-
Net cash (from)/used in investing activities	-120,667,008	-62,290,519
Cash flows from financing activities		
Proceeds from new borrowings	1,028,530,793	463,131,321
Repayment of Borrowings	-971,456,562	-534,957,419
Payment of finance lease liabilities	-783,538	367,954
Dividends paid	-546,862	-579,298
Other	-39,800	6,464
Net cash flows from financing activities	55,704,031	-72,030,978
Net (decrease)/ increase in cash and cash equivalents	29,149,337	-28,991,885
Cash and cash equivalents at beginning of period	144,251,313	173,243,198
Cash and cash equivalents at end of period	173,400,650	144,251,313

* Restated following the amendment to IAS 19 (IAS 19R)