INTERIM REPORT FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2016

VIOHALCO

INTERIM REPORT FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2016

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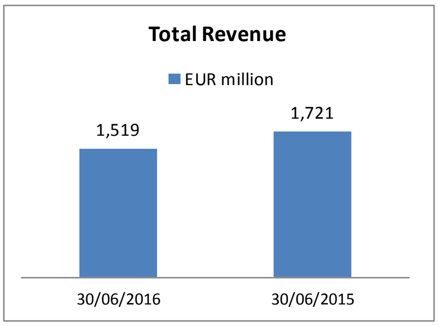
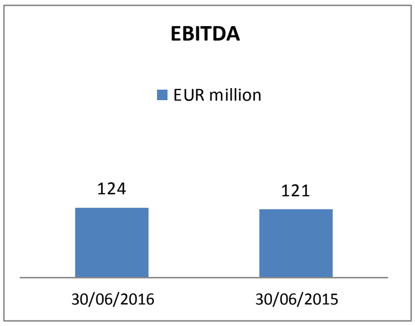
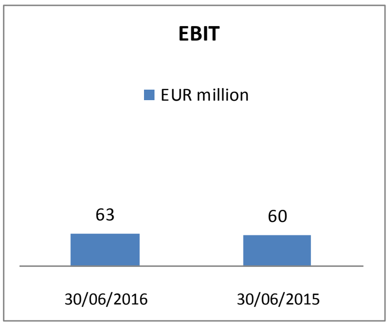
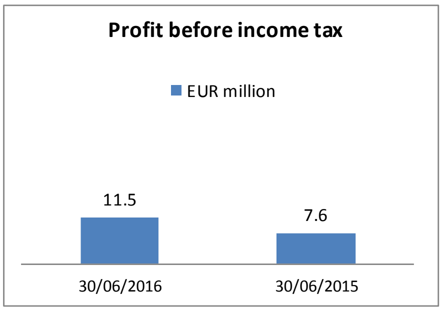
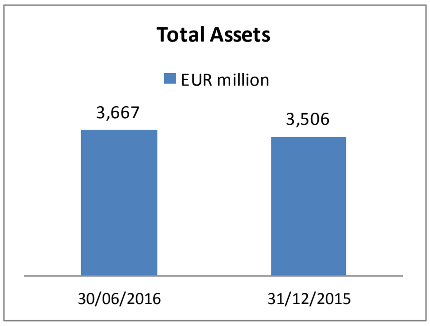
KEY CONSOLIDATED FINANCIAL DATA

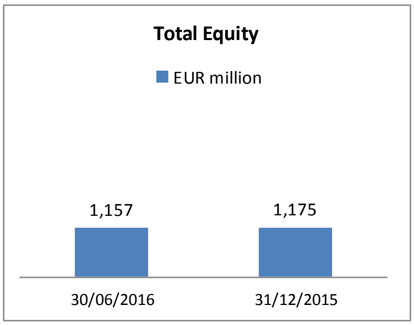


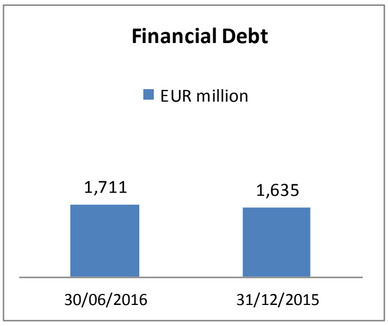












INTERIM MANAGEMENT REPORT

This section focuses on Viohalco's business performance for the period ended 30 June 2016. Interim financial statements, prepared in accordance with IAS 34, are presented on pages 15 to 34.

Key highlights

Financial highlights

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

Operational highlights

Copper	▪ Halcor's subsidiary Sofia Med entered into an agreement with Dowa Metaltech for the exchange of expertise and technological knowledge in the domain of high value added products.
Cables	▪ The spin-off of the industrial and part of the commercial sector of Hellenic Cables S.A. and its absorption by its subsidiary SYMM.EP. S.A. was concluded in June 2016. The company name subsequently changed from SYMM.EP. S.A. to Hellenic Cables S.A. Hellenic Cables Industry, and that of the parent company to Hellenic Cables S.A. Holdings. ▪ The company was awarded a new contract for the cable interconnection of two offshore wind farms in the North Sea by the German electricity transmission system operator TenneT. ▪ New contracts for the cable interconnection of two substations in Denmark and Sweden, and the replacement of an old overhead line in Denmark, were awarded by the Danish national electricity transmission system operator Energinet.dk. ▪ Completion of submarine turnkey project of Cyclades and of electricity supply to St. George island.
Steel	▪ Negotiations between Sidenor Group's management and its bondholders resulted in a restructuring of the capital repayments schedule and a readjustment of the interest rate spreads of the syndicated bond loans for Sidenor and Sovel, that initially decreases the interest cost for the group significantly. ▪ Sidenor's induction furnace launched its operations in March 2016. ▪ The Sovel plant increased its operation by three hours per working day as of April 2016 with strong performance supported by lower electricity costs, the new induction furnace and increased productivity.

Steel pipes	▪ The spin-off of the industrial and commercial activities of the pipe and hollow sections sector of Corinth Pipeworks S.A. Pipe Industry and Real Estate and its absorption by its 100% owned subsidiary E.VI.KE. S.A. was concluded in May 2016. The company name was subsequently changed from E.VI.KE. S.A. to Corinth Pipeworks Pipe Industry S.A., and that of the parent company to Corinth Pipeworks S.A. Holdings Societe Anonyme.
Real estate and other activities	▪ River West|IKEA Shopping Centre recorded a significant increase in footfall (+22%); permission was obtained for the conversion of a part of the underground parking into an additional 1,200sqm of high-value retail space. ▪ Steady monthly growth in both customer footfall and tenant turnover for Mare West Retail Park and inclusion of a 1,900sqm H&M store generated positive feedback in the market. ▪ The hotel on Karaiskaki Square, Athens was leased to Zeus International City Seasons SA which holds a Licence Agreement with the Wyndham Hotel Group (UK) Ltd, the world's largest hotel company based on the number of hotels, for the operation of the first Wyndham Hotel Group establishment in Greece, the "Wyndham Grand Athens".

Financial review

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

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

SUMMARY OF CONSOLIDATED STATEMENT OF PROFIT OR LOSS

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

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

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

Average LME metal prices:

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

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

SUMMARY OF CONSOLIDATED STATEMENT OF FINANCIAL POSITION

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

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

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

SUMMARY OF CONSOLIDATED STATEMENT OF CASH FLOWS

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

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

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

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

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

Performance by business segment

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

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

- **Real estate**: Viohalco creates value through the development of its former industrial real estate properties in Greece and Bulgaria.
- **Technology and R&D:** Viohalco's portfolio includes research and development (R&D) companies and R&D centres within the companies which focus on innovative and high value added products, efficient solutions for the optimisation of industrial and business processes, research into the environmental performance of plants and impact assessment of sustainable growth.
- **Recycling:** Viohalco's recycling segment trades and processes secondary raw materials, undertakes waste management and environmental operations, and provides services to consumers and corporate companies.

Notes:

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

Aluminium

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

Summary consolidated figures for the **aluminium segment**

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

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

Looking into the second half of 2016, we expect continuous strong sales volumes to drive full capacity utilisation of our production facilities. In addition, we plan to complete installation of the new surface treatment line and the plates line by year-end.

Copper

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

Summary consolidated figures for the **copper** segment

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

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

Cables

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

Summary consolidated figures for the **cables** segment

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

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

Steel

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

Summary consolidated figures for the **steel** segment

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

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

Steel pipes

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

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

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

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

Real estate and other activities

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

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

	For the period ended 30 June	
Amounts in EUR thousand	**2016**	**2015**
Revenue	25.838	27.998
Rental income from investment property	3.426	3.025
Gross profit	5.807	6.074
Gross profit (%)	22%	22%
EBITDA before non-recurring items	1.109	1.343
EBITDA before non-recurring items (%)	4%	5%
EBITDA	7.946	1.343
EBITDA margin (%)	31%	5%
EBIT before non-recurring items	-964	-666
EBIT before non-recurring items (%)	-4%	-2%
EBIT	5.872	-666
EBIT margin (%)	23%	-2%
Profit/Loss (-) before income tax	5.539	159
Net margin before income tax (%)	21%	1%

Especially for the **real estate** segment, during the first half of 2016, Mare West Retail Park, launched in September 2015, experienced steady monthly growth in both customer footfall and tenant turnover which, in combination with an expanding catchment area, demonstrates its potential to become the dominant retail destination for northeastern Peloponnese. The new H&M 1,900 sqm store that opened in March 2016 has exceeded the retailer's expectations in terms of performance, generating positive feedback in the market.
River West|IKEA Shopping Centre also experienced a significant increase of more than 22% year-on-year in footfall during the first half of 2016. Tenant demand is exceptionally strong and new leases signed during the period are at significantly higher rental levels than previously estimated. To capitalise on these positive trends, the management has obtained planning permission to convert part of the underground parking into an additional 1,200 sqm of high-value retail space.
Negotiations with interested parties for the lease of the Hotel on Karaiskaki Square in Athens resulted in a long-term lease agreement signed with Zeus International City Seasons SA in Q1 2016. Zeus International City Seasons SA holds a Licence Agreement with Wyndham Hotel Group (UK) Ltd, the world's largest hotel company based on the number of hotels, for the operation of the first Wyndham Hotel Group establishment in Greece, the "Wyndham Grand Athens". Renovation works began in Q2 2016 and are expected to be completed by the end of the year. Viohalco's contribution to the total renovation cost has been financed through a 100% LTC (100% Loan To Cost in relation to Viohalco's contribution to total cost) Bond Loan Facility with satisfactory terms and conditions, at a time when bank financing remains scarce.
With regards to other real estate assets, discussions and negotiations with potential tenants are ongoing. At the same time, the rationalisation of the corporate structure of the segment for a more effective structure are still in progress.

Main risks and uncertainties for H2 2016

This section has been developed in the notes of the condensed consolidated interim financial statements, section 4 "Financial risk management".

Subsequent events

This section has been developed in the notes of the condensed consolidated interim financial statements, section 21 "Subsequent events".

Outlook

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

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

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

Statement of the Auditor

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

MANAGEMENT STATEMENT

STATEMENT ON THE TRUE AND FAIR VIEW OF THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION AND THE FAIR OVERVIEW OF THE INTERIM MANAGEMENT REPORT

Evangelos Moustakas, Jacques Moulaert, Dimitri Kyriacopoulos, Panteleimon Mavrakis , members of the Executive Management certify, on behalf and for the account of the company, that, to their knowledge,

a) the condensed consolidated interim financial statements which have been prepared in accordance with IAS 34, "Interim Financial Reporting" as adopted by the European Union, give a true and fair view of the equity, financial position and financial performance of the company, and the entities included in the consolidation as a whole,

b) the interim management report includes a fair overview of the information required under Article 13, §§ 5 and 6 of the Royal Decree of November 14, 2007 on the obligations of issuers of financial instruments admitted to trading on a regulated market.

SHAREHOLDER INFORMATION

SHARE INFORMATION

Viohalco's share capital is set at EUR 141,893,811.46 divided into 259.189.761 shares without nominal value. The shares have been issued in registered and dematerialised form. All the shares are freely transferable and fully paid up. The Company has not issued any other category of shares, such as non-voting or preferential shares. All the shares representing the share capital have the same rights. In accordance with the articles of association of the company, each share entitles its holder to one vote.

Prior to the completion of the cross-border merger by absorption of ELVAL HOLDINGS SA, DIATOUR, MANAGEMENT AND TOURISM SA, ALCOMET COPPER AND ALUMINIUM SA and EUFINA SA by Viohalco on 26 February 2016, Viohalco' s share capital stood at EUR 117.665.854,70 divided into 233.164.646 shares without nominal value.

Viohalco's shares are listed under the symbol "VIO" with ISIN code BE0974271034 on the regulated market of Euronext Brussels and on the main market of the Athens Exchange with the same ISIN code and with the symbol VIO (in Latin characters) and BIO (in Greek characters).

Financial Calendar

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

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

Contacts

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CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		As at	
Amounts in EUR thousand	Note	30 June 2016	31 December 2015
ASSETS			
Non-current assets			
Property, plant and equipment	13	1.798.841	1.814.588
Intangible assets and goodwill	14	23.234	23.598
Investment property	15	149.636	156.012
Equity - accounted investees		17.251	16.452
Other investments	18	7.247	7.645
Derivatives	18	116	0
Trade and other receivables	12	6.800	8.033
Deferred tax assets		10.706	11.664
		2.013.830	**2.037.993**
Current assets			
Inventories	11	880.972	786.242
Trade and other receivables	12	650.868	538.165
Derivatives	18	4.429	3.654
Other investments	18	2.136	2.138
Income tax receivables		2.725	1.246
Cash and cash equivalents		112.107	136.296
		1.653.237	**1.467.740**
Total assets		**3.667.067**	**3.505.734**
EQUITY			
Equity			
Share capital		141.894	117.666
Share premium		457.571	453.822
Translation reserve		-18.356	-13.968
Other reserves		382.121	328.622
Retained earnings		122.379	42.353
Equity attributable to owners of the Company		**1.085.608**	**928.494**
Non-controlling interests	6,7	71.848	246.349
Total equity		**1.157.457**	**1.174.843**
LIABILITIES			
Non-current liabilities			
Loans and borrowings	13	959.446	895.863
Derivatives	18	5.424	543
Employee benefits		25.290	25.405
Grants		48.444	50.549
Provisions		4.642	3.009
Trade and other payables		15.913	17.924
Deferred tax liabilities		150.065	151.365
		1.209.223	**1.144.656**
Current liabilities			
Loans and borrowings	16	751.592	739.139
Trade and other payables	17	523.243	419.201
Current tax liabilities		17.082	20.534
Derivatives	18	8.116	5.932
Provisions		354	1.428
		1.300.387	**1.186.234**
Total liabilities		**2.509.610**	**2.330.891**
Total equity and liabilities		**3.667.067**	**3.505.734**

The notes on pages 20 to 34 are an integral part of these Condensed Consolidated Interim Financial Statements.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

Amounts in EUR thousand	Note	For the six months ended 30 June 2016	2015
Continuing operations			
Revenue		**1.519.296**	**1.721.135**
Cost of sales		-1.358.172	-1.537.796
Gross profit		**161.124**	**183.339**
Other income		14.771	13.716
Selling and distribution expenses	9	-58.126	-81.528
Administrative expenses		-46.581	-42.294
Other expenses		-14.656	-12.804
Operating result before non-recurring items		**56.530**	**60.430**
Non-recurring items	8,9	6.836	0
Operating result (EBIT)		**63.367**	**60.430**
Finance income	9	3.547	10.982
Finance cost	9	-54.742	-64.418
Net finance income/costs (-)		**-51.195**	**-53.436**
Share of profit/loss (-) of equity-accounted investees, net of tax		-681	621
Profit/Loss (-) before income tax		**11.491**	**7.615**
Income tax	10	-9.133	2.475
Profit/Loss (-) from continuing operations		**2.358**	**10.091**
Profit/Loss (-)		**2.358**	**10.091**

	2016	2015
Profit/Loss (-) attributable to:		
Owners of the Company	828	3.966
Non-controlling interests	1.530	6.124
	2.358	**10.091**

Earnings per share (in euro per share)	For the six months ended 30 June 2016	2015
Basic and diluted	0,004	0,018

The notes on pages 20 to 34 are an integral part of these Condensed Consolidated Interim Financial Statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	For the six months ended 30 June	
Amounts in EUR thousand	**2016**	**2015**
Profit/Loss (-)	**2.358**	**10.091**
Items that are or may be reclassified subsequently to profit or loss		
Foreign currency translation differences	-11.702	11.933
Available-for-sale financial assets - effective portion of changes in fair value	-135	-1.305
Cash flow hedges - effective portion of changes in fair value	-6.430	4.254
Related tax	-1.071	-1.019
Other comprehensive income, net of taxes	**-19.339**	**13.863**
Total comprehensive income	**-16.981**	**23.954**
Total comprehensive income attributable to		
Owners of the Company	-13.583	11.002
Non-controlling interests	-3.398	12.952
	-16.981	**23.954**

The notes on pages 20 to 34 are an integral part of these Condensed Consolidated Interim Financial Statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Amounts in EUR thousand	Note	Share capital	Share premium	Other reserves	Translation reserve	Treasury shares	Retained earnings	Total	Non-controlling interests	Total Equity
Balance as at 1 January 2016		**117.666**	**453.822**	**336.681**	**-13.968**	**-8.059**	**42.353**	**928.495**	**246.349**	**1.174.843**
Total comprehensive income										
Profit/Loss (-)	8	0	0	0	0	0	828	**828**	1.530	**2.358**
Other comprehensive income, net of taxes		0	0	-4.990	-8.681	0	-740	**-14.411**	-4.928	**-19.339**
Total comprehensive income		**0**	**0**	**-4.990**	**-8.681**	**0**	**88**	**-13.583**	**-3.398**	**-16.981**
Transactions with owners of the Company:										
Contributions & distributions:										
Transfer of reserves		0	0	28.191	0	0	-28.193	**-2**	2	**0**
Business combination Eufina	6,8	13.642	515	0	0	0	-11.231	**2.926**	0	**2.926**
Dividend		0	0	0	0	0	0	**0**	-1.144	**-1.144**
Total		**13.642**	**515**	**28.191**	**0**	**0**	**-39.424**	**2.924**	**-1.142**	**1.781**
Changes in ownership interests:										
Change in holdings percentage in subsidiary companies		0	0	638	7	0	1.100	**1.745**	-3.932	**-2.187**
Acquisition of NCI Elval, Alcomet, Diatour	6,7	10.586	3.234	21.601	4.286	8.059	118.261	**166.028**	-166.028	**0**
Balance as at 30 June 2016		**141.894**	**457.571**	**382.121**	**-18.356**	**0**	**122.379**	**1.085.608**	**71.848**	**1.157.456**

Amounts in EUR thousand	Share capital	Share premium	Other reserves	Translation reserve	Treasury shares	Retained earnings	Total	Non-controlling interests	Total Equity
Balance as at 1 January 2015	**104.996**	**432.201**	**363.003**	**-12.755**	**0**	**32.768**	**920.214**	**322.792**	**1.243.006**
Total comprehensive income									
Profit/Loss (-)	0	0	0	0	0	3.966	**3.966**	6.124	**10.091**
Other comprehensive income, net of taxes	0	0	496	6.106	0	435	**7.036**	6.827	**13.863**
Total comprehensive income	**0**	**0**	**496**	**6.106**	**0**	**4.401**	**11.002**	**12.952**	**23.954**
Transactions with owners of the Company:									
Contributions & distributions:									
Transfer of reserves	0	0	-7.865	123	0	7.841	**99**	-316	**-217**
Dividend	0	0	0	0	0	0	**0**	-921	**-921**
Total	**0**	**0**	**-7.865**	**123**	**0**	**7.841**	**99**	**-1.237**	**-1.138**
Changes in ownership interests	0	0	0	0	0	0	**0**	0	**0**
Balance as at 30 June 2015	**104.996**	**432.201**	**355.634**	**-6.526**	**0**	**45.010**	**931.315**	**334.506**	**1.265.822**

The notes on pages 20 to 34 are an integral part of these Condensed Consolidated Interim Financial Statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

		For the six months ended 30 June	
Amounts in EUR thousand	Note	**2016**	**2015**
Profits/ loss(-) of the period		2.358	10.091
Adjustments for:			
Income tax	10	9.133	-2.475
Depreciation of PP&E, intangible assets and investment property		63.214	62.656
Bargain purchase		-7.319	0
Impairment of other holdings and investments		174	0
Impairment (reversal), write-off, retirment of PP&E, intangible assets and investment property		1.265	2.709
Gain (-)/loss on sale of property, plant and equipment		-103	-878
Gain (-)/loss on sale of financial assets		0	-266
Fair value (profits)/loss on other financial assets at fair value through profit or loss		0	61
Finance income		-3.547	-9.861
Finance cost		54.742	64.405
Income from dividends		0	-854
Amortization of grants		-2.105	-2.093
Share of profit/loss of equity-accounted investees		681	-621
		118.492	**122.871**
Increase (-) / decrease in inventories	11	-94.708	-137.113
Increase (-) / decrease in receivables	12	-110.721	-121.277
Increase/decrease (-) in liabilities		69.745	109.845
Increase/decrease (-) in provisions		1.935	3.428
Increase/decrease (-) in employee benefits		-24	978
		-133.774	**-144.139**
Cash generated from operating activities		**-15.282**	**-21.267**
Interest paid		-39.744	-46.804
Income tax paid		-399	-958
Net cash from/used in (-) operating activities		**-55.424**	**-69.029**
Cash flows from investing activities			
Acquisition of PP&E, investment property and intangible assets	13,14,15	-53.831	-94.993
Proceeds from sale of PP&E, investment property and intangible assets		539	2.231
Acquisition of equity-accounted investees		0	-745
Dividends received		704	1.630
Acquisition (-) / Disposal of available-for-sale financial assets		0	-1.691
Proceeds from sale of available-for-sale financial assets		207	20.684
Purchase of financial assets at fair value through profit or loss		-157	0
Net of cash acquired from Eufina	8	9.880	0
Interest received		886	3.009
Proceeds from collection of grants		0	1.690
Net cash used in investing activities		**-41.771**	**-68.186**
Cash flows from financing activities			
Proceeds from new borrowings	16	281.817	321.875
Repayment of borrowings	16	-208.278	-169.781
Payment of finance lease liabilities		-189	-138
Dividends paid		-230	-22
Proceeds/payments from share capital increase (portion of minority)		0	75
Net cash from financing activities		**73.120**	**152.009**
Net decrease (-)/ increase in cash and cash equivalents		**-24.075**	**14.794**
Cash and cash equivalents at beginning of period		136.296	99.612
Effects of movements in exchange rates on cash held		-114	883
Cash and cash equivalents		**112.107**	**115.289**

The notes on pages 20 to 34 are an integral part of these Condensed Consolidated Interim Financial Statements.

1. REPORTING ENTITY

Viohalco SA (hereafter referred to as "the Company" or "Viohalco") is a Belgian Limited Liability Company. The Company's registered office is located at 30 Avenue Marnix, 1000 Brussels Belgium. The Company's Consolidated Financial Statements include those of the Company and its subsidiaries (together referred to as"Viohalco's companies"), and Viohalco's interest in associates accounted for using the equity method.

Viohalco SA is the holding company of various metal processing companies in Europe, based in Belgium. With production facilities in Greece, Bulgaria, Romania, Russia, Australia, FYROM and the United Kingdom, Viohalco's subsidiaries specialise in the manufacture of aluminium, copper, cables, steel and steel pipes products.

In addition, Viohalco and its companies own substantial real estate properties in Greece and have redeveloped some of its properties as real estate development projects.

These interim financial statements were authorised for issue by the Company's Board of Directors on 29 September 2016.

The Company's electronic address is www.viohalco.com, where the Consolidated Financial Statements and the Condensed Consolidated Interim Financial Statements have been posted.

2. BASIS OF PREPARATION

Statement of compliance

These interim financial statements have been prepared in accordance with IAS 34 *Interim Financial Reporting* as adopted by the European Union. They do not include all the information required for a complete set of IFRS financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in Viohalco and its companies financial position and performance since the last annual consolidated financial statements as at and for the period ended 31 December 2015.

Use of estimates and judgements

Preparing financial statements in line with IFRS requires that Management takes decisions, makes assessments and assumptions and determines estimates which affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

The significant judgements made by Management in applying accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the period ended 31 December 2015, except for the change in estimate related to useful lives of PP&E whose impact is described in Note 13 "Property, plant and equipment".

3. SIGNIFICANT ACCOUNTING POLICIES

The condensed consolidated interim financial statements have been prepared using accounting policies consistent with those adopted for the preparation of the annual financial statements as of December 31, 2015 and which are comprehensively presented in the notes of the annual financial statements, except for the adoption of the following new and amended IFRS and IFRIC interpretations which became effective for the accounting periods beginning January 1, 2016 and had no significant impact on the interim financial statements, noted below:

These new standards, amendments to standards and interpretations are as follows:

IFRS 11 (Amendment) "Joint Arrangements":

The amended version of IFRS 11 requires acquirers of an interest in a joint operation that constitutes a business (as defined in IFRS 3 "Business Combinations") to apply all accounting principles of business combinations included in IFRS 3 and other IFRSs save those accounting principles clashing with the stipulations of IFRS 11. In addition, the amendment requires the disclosure of any information required by IFRS 3 and other IFRSs on business combinations.

IAS 16 “Property, Plant and Equipment” and IAS 38 “Intangible Assets” (amendment):

These amendments clarify that a revenue-based method is not considered to be an appropriate method of asset depreciation and also specify that a revenue-based method is an inappropriate basis for measuring the consumption of the economic benefits embodied in an intangible asset.

IAS 27 (Amendment) “Equity Method in Separate Financial Statements”:

IAS 27 is amended to allow the equity method as an accounting option for investments in subsidiaries, joint ventures and associates in an entity’s separate financial statements.

IAS 1 (Amendments) “Disclosure initiative”:

The amendments clarify the guidance of IAS 1 on the concepts of materiality and aggregation, presentation of sub-totals, structure of financial statements and disclosures of accounting policies.

IFRS 10, IFRS 12 and IAS 28 (Amendment) “Investment Entities”: Applying the Consolidation Exception:

The amendments specify how the exemption of investment entities and their subsidiaries from mandatory consolidation is implemented. The amendments have not yet been adopted by the European Union.

Annual Improvements to IFRSs 2012-2014 Cycle:

The Annual Improvements to IFRSs 2012-2014 Cycle have made amendments to the following standards:

IFRS 5 “Non-current assets held for sale and discontinued operations”

IFRS 7 “Financial instruments: Disclosures”

IAS 19 “Employee Benefits”

IAS 34 “Interim Financial Reporting”.

There are new standards and amendment to standards that have been issued since the publication of the annual financial statements of 2015 which are effective for years ending 2017 and onwards. The management has not determined yet the extent on impact of these standards and amendments in the Viohalco consolidated financial statements.

The new issues are the followings:

IFRS 16 - Leases

Amendments to IFRS 2- Classification and Measurement of Share-based Payment Transactions

Amendments to IAS 7- Disclosure Initiative

Amendments to IAS 12- Recognition of Deferred Tax Assets for Unrealized Losses

Management has not determined yet the extent on impact of the standards IFRS 9, IFRS 15 mentioned in the annual financial statements of 2015.

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

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

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

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

Long term facilities have an average maturity of three years. Short term facilities are predominately revolving credit facilities, which are reviewed annually with anniversaries spread throughout the year and, within those revolving credit limits, short term loans of various maturities are drawn and when matured are renewed automatically if needed. There are sufficient credit limits in place to serve working capital requirements and refinance short term loans.

Viohalco and its Companies follow closely and on a continuous basis the developments in the international and domestic environment and timely adapt their business strategy and risk management policies in order to minimize the impact of the macroeconomic conditions on their operations.

5. OPERATING SEGMENTS

Revenue and operating profit per segment for the 6 months ended 30 June 2016 were as follows:

Amounts in EUR thousand	Aluminium	Copper	Cables	Steel	Steel Pipes	Real Estate and Other Activities	Total
Total revenue per segment	**695,998**	**475,250**	**221,974**	**374,474**	**191,043**	**104,482**	**2,063,222**
Inter-segment revenue	-156,553	-132,547	-21,100	-107,509	-47,573	-78,644	**-543,926**
Revenue per segment after elimination of inter-segment revenue	**539,445**	**342,704**	**200,873**	**266,966**	**143,470**	**25,838**	**1,519,296**
Operating result before non-recurring items	**27,573**	**10,535**	**13,017**	**-2,819**	**9,189**	**-964**	**56,530**
Non-recurring items	0	0	0	0	0	6,836	**6,836**
Operating result (EBIT)	**27,573**	**10,535**	**13,017**	**-2,819**	**9,189**	**5,872**	**63,367**
Finance income	77	1,483	1,349	381	69	188	**3,547**
Finance costs	-9,893	-12,783	-12,065	-14,789	-4,692	-521	**-54,742**
Share of profit/loss (-) of equity-accounted investees, net of tax	202	-73	0	-728	-82	0	**-681**
Profit/Loss (-) before tax	**17,958**	**-837**	**2,301**	**-17,955**	**4,484**	**5,539**	**11,490**
Income tax expense	-5,761	237	-2,268	1,379	-1,336	-1,384	**-9,133**
Profit/Loss (-)	**12,198**	**-601**	**33**	**-16,576**	**3,149**	**4,155**	**2,358**

Other information per segment for the 6 months ended 30 June 2016 were as follows:

Amounts in EUR thousand	Aluminium	Copper	Cables	Steel	Steel Pipes	Real Estate and Other Activities	Total
Segment assets	1,094,613	436,893	469,445	841,709	414,883	392,273	**3,649,816**
Equity-accounted investees	398	63	0	4,862	11,469	459	**17,251**
Segment liabilities	525,401	483,176	405,783	767,384	273,452	54,414	**2,509,610**
Capital expenditure	29,121	3,856	4,341	8,738	4,909	2,865	**53,831**
Depreciation and amortisation	-26,830	-5,509	-6,274	-18,197	-4,272	-2,133	**-63,214**

Revenue and operating profit per segment for the 6 months ended 30 June 2015 were as follows:

Amounts in EUR thousand	Aluminium	Copper	Cables	Steel	Steel Pipes	Real Estate and Other Activities	Total
Total revenue per segment	**648,003**	**550,764**	**228,436**	**453,365**	**156,620**	**133,410**	**2,170,598**
Inter-segment revenue	-47,246	-133,773	-20,381	-131,005	-11,646	-105,412	**-449,462**
Revenue per segment after elimination of inter-segment revenue	**600,757**	**416,991**	**208,055**	**322,360**	**144,974**	**27,998**	**1,721,135**
Operating result before non-recurring items	**38,442**	**8,432**	**16,145**	**-9,788**	**7,865**	**-666**	**60,430**
Non-recurring items	0	0	0	0	0	0	**0**
Operating result (EBIT)	**38,442**	**8,432**	**16,145**	**-9,788**	**7,865**	**-666**	**60,430**
Finance income	2,498	3,993	2,361	501	51	1,578	**10,982**
Finance costs	-10,282	-17,665	-14,080	-17,785	-3,773	-833	**-64,418**
Share of profit/loss (-) of equity-accounted investees, net of tax	146	-211	0	-91	698	80	**621**
Profit/Loss (-) before tax	**30,804**	**-5,451**	**4,426**	**-27,163**	**4,840**	**159**	**7,615**
Income tax expense	1,508	674	-947	1,529	493	-783	**2,475**
Profit/Loss (-)	**32,312**	**-4,777**	**3,479**	**-25,634**	**5,334**	**-624**	**10,091**

Other information per segment for the 12 months ended 31 December 2015 were as follows:

Amounts in EUR thousand	Aluminium	Copper	Cables	Steel	Steel Pipes	Real Estate and Other Activities	Total
Segment assets	1,141,492	469,215	396,377	827,664	310,005	344,530	**3,489,282**
Equity-accounted investees	432	639	0	5,456	9,925	0	**16,452**
Segment liabilities	520,028	516,795	338,839	728,646	170,870	55,712	**2,330,891**
Capital expenditures	106,005	12,250	11,401	27,385	36,859	12,135	**206,034**
Depreciation and amortisation	-52,403	-14,041	-11,582	-33,488	-8,558	-4,935	**-125,007**

Total revenue and operating profit per segment have been restated for the six months ended 30 June 2015 according to the new basis of segmentation that Viohalco followed at year end 2015. This new basis has been described at Financial Statements of year ended 31.12.2015.

On Friday December 4, 2015, the boards of directors of the parent company Viohalco S.A., the Greek subsidiaries “Elval Holdings SA” (hereinafter Elval), “Alcomet S.A. Copper and Aluminium SA” (hereinafter Alcomet) and “Diatour, Management and Tourism SA” (hereinafter Diatour) and the Luxembourg non-listed company “Eufina SA” (hereinafter Eufina) decided to proceed with a cross-border merger by absorption of Elval, Alcomet, Diatour and Eufina by Viohalco.

On 26 February 2016 (i.e. transaction date), the absorption of Elval, Alcomet, Diatour and Eufina by Viohalco S.A. was concluded.

On 1 March 2016, Euronext Brussels approved the primary admission to listing and trading of the new shares on the regulated market of Euronext Brussels, and on 3 March 2016 the Managing Committee of the Stock Markets of the Athens Stock Exchange approved the secondary admission to listing and trading of the new shares on the Athens Stock Exchange. The trading of the 38,250,030 new Shares on both Euronext Brussels and the Athens Stock Exchange has commenced simultaneously on 7 March 2016.

Cancellation of treasury shares

As a result of the completion of the Cross-Border Merger on 26 February 2016, Viohalco acquired 9,009,196 of its own shares and 2,075,000 shares of Elval from Eufina at a fair value of EUR 9,684,885.70 and EUR 1,545,875.00 respectively.

Moreover, Viohalco had already acquired 1,574,542 of its own shares from Diatour and 1,641,177 of its own shares from Alcomet through the merger with Sidenor concluded on 22 July 2015.

In accordance with the resolutions adopted by Viohalco’s shareholders at the occasion of the extraordinary meeting of its shareholders held on 17 February 2016, these shares (a total of 12,224,915) were cancelled.

At consolidation level of Viohalco S.A., the treasury shares acquired from Alcomet and Diatour, had already been presented in the consolidated statement of changes in equity of 2015 at the amount of EUR 8 million. Following the cancellation of the underlying shares, this amount was eliminated.

Share capital and share premium

After the aforementioned cancellation the capital increase related to the merger resulting in the creation of 26,025,115 new shares representing the same number of voting rights in the share capital, with a fair value of EUR 27,976,998.63, based on the closing price of EURONEXT on 26 February 2016 (EUR 1.075 per share). The difference between the fair value and the approved capital increase (EUR 24,227,956.76) has been recognized as share premium (EUR 3,75 million).

Consequently, Viohalco’s share capital is set at EUR 141,893,811.46 as at 30 June 2016 divided into 259,189,761 shares.

7. ACQUISITION OF NON-CONTROLLING INTERESTS

As a result of the transaction with Elval, Alcomet and Diatour, Viohalco acquired an additional 25.68% financial interest in Elval (including 1.65% owned by Eufina), an additional 0.64% financial interest in Alcomet and an additional 1.26% financial interest in Diatour through the issuance of new shares.

Viohalco recognised a decrease in non-controlling interest (NCI) of EUR 166 million and an increase in equity attributable to owners of the Company by EUR 152 million including the effect from changes in ownership interests arising in ELVAL group after the completion of the merger.

Amounts in EUR thousand	
Carrying amount of NCI acquired	166,028
Consideration paid to NCI through the issuance of new shares	-13,821
Increase in equity attributable to owners of the group	**152,208**

8. BUSINESS COMBINATION

While the mergers with Viohalco's subsidiaries Elval, Alcomet and Diatour constitute a change in ownership interest, the merger of Viohalco with Eufina is a business combination, which has been accounted for in accordance with IFRS 3, and has been completed for restructuring purposes.

The acquisition of Eufina by Viohalco has the following effect on the Viohalco Group's assets and liabilities at 26 February 2016:

in EUR thousand	**Fair Values on Aquisition**
Available-for-sale financial assets	11,610
Cash and cash equivalents	9,880
Trade and other payables	-14
Net identifiable assets and liabilities	21,476
Net assets acquired	21,476
Bargain purchase on acquisition	-7,319
Fair value of the consideration transferred	14,156
Net cash outflow	0

In accordance with the exchange ratio (which is based on a valuation method for Viohalco and Eufina based on 60% Discounted Cash Flow value and 40% published prices on the stock market), Viohalco issued 13,168,788 shares to the owners of Eufina, representing the 100% of voting rights acquired. Based on the stock price as per 26 February 2016 of EUR 1.075 per share, the fair value of the consideration transferred amounts to EUR 14.15 million and consists of the fair value of the shares to be issued by Viohalco.

The resulting bargain purchase on acquisition amounting to EUR 7.32 million has been recognised in profit or loss on “non-recurring items” together with the related expenses paid for the completion of this business combination and this income has been fully attributed to the “Owners of the Company”.

There was no material profit or loss since acquisition date. If the business combination have taken place at the beginning of the annual reporting period the revenue and profit would not significant differed from the revenue and profit since acquisition date.

9. SIGNIFICANT FLUCTUATION IN PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

- Selling and distribution expenses

Selling and distribution expenses decreased from EUR 81.5 million to EUR 58.1 million mainly due to less direct selling costs (freight, fees to third parties etc.) for the projects realized by the Steel pipes sector in H1 2016 compared with those of the same period in 2015.

- Non-recurring items

Apart from the aforementioned bargain purchase of EUR 7.32 million resulting from the absorption of Eufina in the context of the merger, restructuring cost were incurred during the first semester 2016 due to this merger. The expenses incurred with respect to the restructuring amount to EUR 0.48 million and relate to legal fees, auditor & other experts fees and other related items.

- Finance Income

The interest income is negatively affected by the decrease of cash and cash-equivalents.

- Finance Cost

The interest cost has decreased due to the decline in interest rates and the weakening of the GBP versus the EUR in GBP denominated debt.

- Foreign currency translation differences

The variation in foreign currency translation differences is mainly due to the aforementioned adverse fluctuation of GBP during H1 2016 compared to the same period of 2015.

10. INCOME TAX

Current income tax was calculated based on the best estimate of Group Management of the average annual tax rate that is expected to apply for the full financial year.

	For the six months ended 30 June	
Amounts in EUR thousand	**2016**	**2015**
Current tax expense	-10,521	-10,473
Deferred tax expense (-) / income	1,388	12,948
Total	-9,133	2,475

The consolidated effective tax rate for the six months period ended 30 June 2016 was 79.48% (six months ended 30 June 2015: -32.51%). Current year's tax expense is attributed to the fact that while current income tax expense remained at the same level compared to prior year, there was a decrease in deferred tax credit, which is mainly attributed to the following one-off items incurred during the first semester of 2015:

- Deferred tax credit of EUR 3.6 million as a result of the reversal of temporary differences between tax books and accounting books of the net book value of fixed assets as a result of the spin-offs of Elval Group that took place during the first semester of 2015.
- Reversal of EUR 2 million of deferred tax liabilities related to allowances for doubtful debts recorded in tax books that took place during the first semester of 2015.
- Recognition of deferred tax asset of EUR 2.8 million on the elimination of profit in stock resulting from significant stock in transit at 30 June 2015.

11. INVENTORIES

The increase in inventories held by Viohalco's companies as at June 2016 is attributed to the increased purchase of raw materials in order to cover the needs for the TAP project as well as production of finished products in order to meet upcoming construction projects deliveries. In addition, the uptrend in LME metal prices during H1 2016 and the higher price of scrap in steel products also contributed to the increase of inventories as at period end.

12. TRADE AND OTHER RECEIVABLES

The increased sales performed during the last months of the reporting period including the recognition of revenue from contract deliveries according to percentage of completion method contributed to the increased outstanding amount of trade and other receivables.

There are no significant developments regarding the ongoing litigation of the subsidiary Corinth Pipeworks S.A. described in the Viohalco 2015 annual report.

13. PROPERTY, PLANT AND EQUIPMENT

During the current period, Viohalco acquired assets with a cost of EUR 51.6 million (EUR 87 million during the six months ended 30 June 2015).

The investment in the Aluminium segment amounted to EUR 29 million. Elval S.A. made investments amounting to EUR 15.2 million to the plant in Oinofyta, while Bridgnorth Aluminium Ltd continued the investment plan to double the capacity of the plant in United Kingdom by disbursing an amount of EUR 9 million.

During the first half of 2016, the Copper and Cables segments' invested EUR 3.9 million and EUR 4.3 million respectively for the upgrade of the production facilities and the improvement of production efficiencies.

The Steel segment's investments amounted to EUR 8.7 million, related principally to the completion of an induction furnace, the establishment of new production lines of several steel products and the upgrade of existing production lines.

The Steel Pipes segment continued its investment program and as a result investments of EUR 4.9 million took place during the first semester of 2016, concerning mainly the production unit of the LSAW-JCOE large-diameter pipe mill for longitudinally welded pipes in the Corinth Pipeworks S.A. mill.

Assets with a carrying amount of EUR 0.44 million were disposed of during the current period (EUR 1.3 million during the six months ended 30 June 2015), resulting in a gain of EUR 0.1 million which is included in 'other income' in profit or loss for the six months ended 30 June 2016 (gain of EUR 0.8 million for the six months ended 30 June 2015).

Within the context of the reassessment of the fixed assets' residual values and useful lives, the Group's management amended the subsidiaries' useful lives of property, plant & equipment.

The change in accounting estimate resulted in a reduction of depreciation compared to prior period, which for the six months period ended at 30 June 2016 amounted to EUR 3.8 million at consolidated level. The effect on future periods cannot be estimated.

The useful life was re-assessed in certain subsidiaries (SOFIA MED AD, CORINTH PIPEWORKS SA and ETEM BULGARIA SA).

14. GOODWILL AND INTANGIBLE ASSETS

During the current period, Viohalco acquired assets with a value of EUR 0.8 million (EUR 1.9 million during the six months ended 30 June 2015).

15. INVESTMENT PROPERTY

During the period, Viohalco and its companies acquired assets with a value of EUR 1.4 million (EUR 6 million during the six months ended 30 June 2015).

The main investment in the Real estate segment during H1 2016 was related to the new mall "Mare West" in Corinthos.

16. LOANS AND BORROWINGS

Overview

Amounts in EUR thousand	As at 30 June 2016	 31 December 2015
Non-current liabilities		
Secured bank loans	214,796	176,411
Unsecured bank loans	58,914	9,600
Secured bond issues	630,886	681,377
Unsecured bond issues	53,492	26,886
Finance lease liabilities	1,359	1,588
Total	**959,446**	**895,863**
Current liabilities		
Current portion of secured bank loans	128,779	40,161
Unsecured bank loans	544,531	554,847
Current portion of secured bond issues	76,963	142,739
Current portion of unsecured bond issues	931	1,043
Current portion of finance lease liabilities	389	349
Total	**751,592**	**739,139**
Total loans and borrowings	**1,711,038**	**1,635,001**

The maturities of non-current loans are as follows: *Amounts in EUR thousand*	As at 30 June 2016	 31 December 2015
Between 1 and 2 years	180,482	157,698
Between 2 and 5 years	662,654	712,391
Over 5 years	116,310	25,773
Total	**959,446**	**895,863**

The effective weighted average interest rates on the reporting date are as follows:	As at 30 June 2016	 31 December 2015
Bank loans (non-current) - EUR	5.1%	4.5%
Bank loans (non-current) - GBP	3.0%	3.0%
Bank loans (current) - EUR	4.9%	6.0%
Bank loans (current) - GBP	2.2%	3.0%
Bank loans (current) - USD	6.2%	-
Bond issues - EUR	4.5%	5.0%
Finance lease liabilities	4.6%	4.5%

During the six months period ended June 30, 2016, Viohalco's companies assumed borrowings which amounted to EUR 281,8 million and paid loans of EUR 208.3 million with maturity date in the 1st semester of 2016. The outstanding current bank loans had an average interest rate of 4.75% (6% as at 31/12/2015).

On May 31st of 2016 negotiations between the management of Sidenor and Sovel and the respective bondholders concluded in a decrease in the Spread Interest Rate as well as a restructuring of capital repayments, by transferring EUR 25 million due untill 31 December 2016 to payments with maturity until 2020.

The increase in the short term borrowings of Viohalco's companies financed the working capital needs of its subsidiaries. Adequate credit lines are available to all companies with the purpose of covering future needs.

Mortgages and pledges in favour of the banks have been given on the fixed assets and inventories of subsidiaries. The carrying amount of assets mortgaged or pledged is EUR 1,520 million.

The Bank Loans acquired by Viohalco's companies contain change of control clauses that allow banks to request premature termination.

There was no incident of breach of the terms of the loans of Viohalco's companies in H1 2016.

17. TRADE & OTHER PAYABLES

The fluctuation mainly relates to increased obligations to suppliers of raw materials during the first six months of 2016, for the ongoing projects, (i.e. energy project TAP and projects of cables' projects), the purchase of materials to cover the increased orders for the production of orders and to the fact that the prices of raw materials in steel sector has increased.

18. FINANCIAL INSTRUMENTS

A. Accounting classifications and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including the levels in the fair value hierarchy.

30/6/2016 *Amounts in EUR thousand*	**Carrying amount**	**First Level**	**Second Level**	**Third Level**	**Total**
Available-for-sale financial assets	7,247	3,126	1,291	2,830	**7,247**
Financial assets/liabilities at fair value through profit or loss	2,136	1,349	778	9	**2,136**
Derivative financial assets	4,545	2,951	1,594	0	**4,545**
	13,928	**7,425**	**3,664**	**2,840**	**13,928**
Derivative financial liabilities	13,540	12,954	587	0	**13,540**
	27,468	**20,378**	**4,250**	**2,840**	**27,468**

31/12/2015 *Amounts in EUR thousand*	**Carrying amount**	**First Level**	**Second Level**	**Third Level**	**Total**
Available-for-sale financial assets	7,645	3,316	1,353	2,976	**7,645**
Financial assets/liabilities at fair value through profit or loss	2,138	1,350	779	9	**2,138**
Derivative financial assets	3,654	1,686	1,968	0	**3,654**
	13,438	**6,351**	**4,101**	**2,986**	**13,438**
Derivative financial liabilities	-6,475	-3,796	-2,679	0	**-6,475**
	6,962	**2,555**	**1,422**	**2,986**	**6,962**

The various levels are as follows:

- Level 1: Quoted prices (unadjusted) in an active market for identical assets and liabilities.
- Level 2: Inputs that are observable either directly or indirectly.
- Level 3: Unobservable inputs for assets and liabilities.

The fair value of the following financial assets and liabilities measured at amortised cost approximate their carrying amount:

- Trade and other receivables
- Cash and cash equivalents
- Trade and other payables
- Loans and borrowings

The following table shows reconciliation between opening and closing balances for Level 3 financial assets:

Amounts in EUR thousand	Available-for-sale financial assets	Financial instruments at fair value through profit or loss
Balance at 1 January 2016	**2,976**	**9**
Acquisitions	176	0
Disposals	-121	0
Fair value adjustment through OCI	1	0
Transfer	-202	0
Balance at 30 June 2016	**2,830**	**9**
Balance at 1 January 2015	3,930	9
Acquisitions	60	0
Disposals	-138	0
Fair value adjustment through OCI	-876	0
Balance at 31 December 2015	**2,976**	**9**

During the 1st half of 2016 a non consolidated subsidiary VIENER absorbed a consolidated subsidiary DIAPEM. As a result, management reconsidered the materiality of this subsidiary and reclassified it (EUR 202 thousand) from Available for sale so that to consolidate it.

B. Measurement of fair values

(a) Valuation techniques and significant unobservable inputs

The fair values of financial assets that are traded in active markets (stock markets) (e.g. derivatives, shares, bonds, mutual funds) are set according to the published prices that are valid on the reporting date. The fair value of financial assets is determined by their offer price, while the fair value of financial liabilities is determined by their bid price.

The fair values of financial assets that are not traded in active markets are set through the use of valuation techniques and standards that are based on market data on the reporting date.

The nominal value less allowances for doubtful commercial claims is deemed to approximate their actual value. The actual values of financial liabilities, for the purpose of being recorded in Financial Statements, are estimated based on the present value of the future cash flows that arise from specific contracts using the current interest rate that is available for Viohalco and its companies for the use of similar financial-credit means.

Inputs that do not meet the respective criteria and cannot be classified in Level 1 but are observable, either directly or indirectly, fall under Level 2. Over-the-counter derivative financial instruments based on prices obtained from brokers are classified in this level.

The financial assets, such as unlisted shares that are not traded in an active market whose measurement is based on the Viohalco's companies' forecasts for the issuer's future profitability are classified under Level 3.

(b) Transfers between Levels 1 and 2

There were no transfers from Level 2 to Level 1 or from Level 1 to Level 2 in H1 2016 and no transfers in either direction in 2015.

Valuation process

During the period there were no changes in valuation processes.

19. COMMITMENTS

Contractual commitments as of 30 June 2016 amounted to EUR 8.6 million compared to EUR 14 million as of 31 December 2015.

The aforementioned commitments relate to contracts that the Viohalco's subsidiaries have entered into according to their investment plans.

20. RELATED PARTIES

(a) Related parties with equity-accounted investees and other related parties

Amounts in EUR thousand	30/6/2016	30/6/2015
Sales of goods / services		
Associates	10,420	12,703
Joint Venture	51	0
	10,471	**12,703**
Purchases of goods / services		
Associates	2,595	2,478
	2,595	**2,478**
Purchase of property, plant and equipment		
Associates	**385**	**458**

Closing balances that arise from sales/purchases of goods, services, fixed assets, etc.

Amounts in EUR thousand	30/6/2016	31/12/2015
Receivables from related parties:		
Associates	19,086	19,968
Joint Venture	149	141
	19,234	**20,109**
Liabilities to related parties:		
Associates	**1,572**	**2,305**

Transactions with related parties are carried out in accordance with the price lists applying to non-related parties.

Viohalco's companies sell goods to end consumers mainly through the associated company SIDMA S.A..

(b) Transactions with key management

The remuneration paid during the six months ended 30 June 2016 to the Board members and the executive management for the execution of their mandate amounted to EUR 1.066 thousand (H1 2015: EUR 941 thousand).

The fees to directors and executive management are fixed compensation. No variable compensation, post-employment benefits or share based benefits were paid during the period.

21. SUBSEQUENT EVENTS

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

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

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

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

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

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

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

No other significant events have occurred since 30 June 2016.

STATUTORY AUDITOR'S REPORT ON THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

KPMG

Statutory auditor's report to the board of directors of Viohalco SA on the review of the condensed consolidated interim financial statements as at 30 June 2016 and for the six-month period then ended

Introduction

We have reviewed the accompanying consolidated statement of financial position of Viohalco SA as at 30 June 2016, the consolidated statements of profit or loss, comprehensive income, changes in equity and cash flows for the six-month period then ended, and notes to the interim financial information ("the condensed consolidated interim financial statements"). The board of directors is responsible for the preparation and presentation of this interim financial information in accordance with IAS 34, "Interim Financial Reporting" as adopted by the European Union. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of review

We conducted our review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial statements as at 30 June 2016 and for the six-month period then ended are not prepared, in all material respects, in accordance with IAS 34, "Interim Financial Reporting" as adopted by the European Union.

Brussels, 29 September 2016

KPMG Bedrijfsrevisoren / Réviseurs d'Entreprises
Statutory Auditor
represented by

Benoit Van Roost
Bedrijfsrevisor / Réviseur d'Entreprises