VIOHALCO

ANNUAL REPORT 2014

ANNUAL REPORT

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Viohalco S.A.

Viohalco SA is the holding company of various metal processing companies in Europe, based in Belgium.
Viohalco's companies are committed to the sustainable manufacture, processing and trading of aluminium, copper, cables, steel and steel pipes. They also have activities in real estate development and other services.

Viohalco's subsidiaries provide high quality, innovative and value-added products to their customers in diverse markets around the world, including building and construction, energy and telecommunication networks, oil and gas, transportation, food and pharmaceutical packaging, heating and air conditioning, lithographic printing and other industrial applications.

Viohalco's subsidiaries operate production facilities in Greece, Bulgaria, the United Kingdom, Romania, Russia and FYROM and have commercial presence in more than 100 countries worldwide and hold significant market shares in various geographical markets, serving a diverse customer base consisting of some of the largest companies. Their commercial activity is conducted directly by the subsidiaries or through a network of commercial companies in Germany, Italy, the United Kingdom, France, Romania, the United States, Turkey, Russia, and Hong Kong.

To further strengthen their market positions, Viohalco's subsidiaries invest significantly in research and development of state-of-the-art technology in order to continuously bring value-added products and services to the market and improve production processes, as well as to promote materials recycling and the proper use of natural resources.

Viohalco key data

- Listed on Euronext Brussels Exchange (VIO) and on Athens Exchange.
- Subsidiaries listed on Athens Exchange: Elval (ELBA), Halcor (XAKO), Hellenic Cables (ELKA), Sidenor (SIDE), Corinth Pipeworks (SOLK).

Viohalco key figures in 2014

- Revenue: EUR 2.9 billion
- EBITDA: EUR 120 million
- EBIT: EUR 4 million
- Loss of the year: EUR 88 million
- Equity: EUR 1.2 billion
- Total assets: EUR 3.5 billion

Subsidiaries' investments

- 2001-2014: over EUR 2.1 billion
- 2014: EUR 196 million
- Focusing on maintaining state-of-the-art equipment and high productivity, as well as on people development and sustainability.

Message from the President of the Board of Directors

In 2014, even though the market conditions remained challenging, Viohalco witnessed the beginning of a turnaround in the operating performance of its subsidiaries with several of the key business sectors reporting increased sales revenues. The gradual improvement in their key performance indicators reflects the considerable investment in the companies' production facilities aimed at strengthening their position in business sectors, where they enjoy a distinct competitive advantage.

In February 2014, a successful secondary listing for Viohalco shares on the Athens Exchange took place, while November 2014 marked the first anniversary of Viohalco's listing on the regulated Euronext Brussels market.

Viohalco's companies have made significant steps operationally throughout 2014, including a restructuring of the aluminium business and multiple investments throughout the aluminium, copper and cables and steel and steel pipes businesses. Nevertheless, the subsidiaries did suffer from depressed metals prices, reduced demand because of a slowdown in both the construction and energy sectors and a higher cost of financing than their peers during the year. In the Eurozone, some of the companies experienced modest growth for their products, as they suffered from intense competitive pressures, but continued improvement of economic conditions in the US and the UK helped sales, especially during the second half of the year.

Viohalco consolidated revenue during 2014 increased by 2% to EUR 2,943 million. The trend was largely driven by growing sales volumes across a number of business sectors, mostly aluminium and cables. Consolidated EBIT before non-recurring items improved from a loss of EUR 17 million in 2013 to a positive result of EUR 2 million in 2014, driven by improvement at steel and steel pipes, and aluminium sectors, which offset a deterioration in EBIT recorded at the copper and cables sector. Loss of the year amounted to EUR 87.5 million in 2014, compared to a loss of EUR 224 million for 2013. In addition to improvement in sales volumes and cost efficiency, results in 2014 were supported by a lower income tax compared to 2013, due to a recalculation of the deferred tax in 2013, as a result of increased tax rates.

The **aluminium sector**, which consists of Elval and its subsidiaries, continued to perform positively with strong performance in the rolling sector, despite pricing pressures. In line with strategy, during the year, a restructuring process aimed at offering complete solutions to customers, especially in architectural applications was initiated.

The **copper and cables sector,** which consists of Halcor and its subsidiaries, experienced a slight decline in the revenue of the sector versus 2013, mainly as a result of a significant deterioration in metals prices. In cables sector, Hellenic Cables and its subsidiaries experienced increased sales volumes for many of its main products, although the bottom line suffered due to declining copper prices, inactivity costs and lower margins relating to increased competition. However, Hellenic Cables is optimistic regarding the prospects of 2015, since it has signed two important contracts for the supply and installation of high voltage submarine cables.

The **steel and steel pipes sector**, which consists of Sidenor and its subsidiaries, significantly improved its financial results over the previous year despite unfavourable conditions in the Greek economy, the construction sector and the international steel market as a whole. Many factors contributed to this, not least the mild recovery in the reinforcing bars market in Greece, the improvement in costs of the Stomana Industry subsidiary and the growing presence in the plate products market in the US. Owing partly to the slowdown in energy projects worldwide in the steel pipes sector, Corinth Pipeworks witnessed decreased demand for steel pipes which coupled with more intense competition put pressure on profitability. On a more positive note, Corinth Pipeworks signed significant pipe contracts in the US, with two of these contracts representing the largest pipes projects ever assumed by the Company in that region.

In the **real estate sector,** further progress was made as the development of a 15,000 square meter retail park named Mare West, was initiated. The park should commence operations by summer 2015. Mare West is being developed to modern design and construction standards and will take into account environmental protection and respect for the local communities, with the aim of attracting leading retail tenants.

Sustainability is fully integrated into Viohalco's companies' strategy, which are dedicated to continue improving their environmental performance, operational health and safety, employee development and local community support. For the year ahead, the companies will continue to ensure that through their operations, they deliver positive results for their people and communities, while at the same time reducing their environmental footprint.

During 2015, Viohalco's subsidiaries will continue to successfully adapt to economic changes worldwide by leveraging their competitive advantages. The companies are well placed to benefit from the expected recovery in the Eurozone, driven by fiscal easing. Additionally, the current weakness of the Euro relative to the US Dollar increases the competitiveness of the companies' products outside of the Eurozone. Through the commitment to ongoing investment programs and product innovations, the companies will take every opportunity to advance operations internationally and look to the year ahead with confidence.

Mission Statement

Viohalco's companies operate in a world without boundaries that constantly changes. A world that demands skills, continuous innovation, financial investment and responsible use of natural resources.

Subsidiaries' mission is to provide their customers with top quality, innovative products, whilst maintaining a strong commitment to the highest standards of business ethics and the creation of value for the shareholders, with respect towards the environment, people and society.

Driven by the strong belief that growth and success come from people, the companies' operational system is based on mutual respect, integrity and responsibility across all organisational levels.

The quest for quality and reliability is a demanding daily process that allows for no compromises and guarantees that the products and services consistently deliver on their promise. Viohalco's companies seek top quality not only in terms of production, but throughout their business structure with respect to business practices.

Quality is closely associated with creative innovation and advanced technology. In that respect, the companies have continuously invested in R&D, in order to design and deliver high end, yet practical, products and services, which serve their customer needs, solve their problems, enhance their reputation and exceed their expectations.

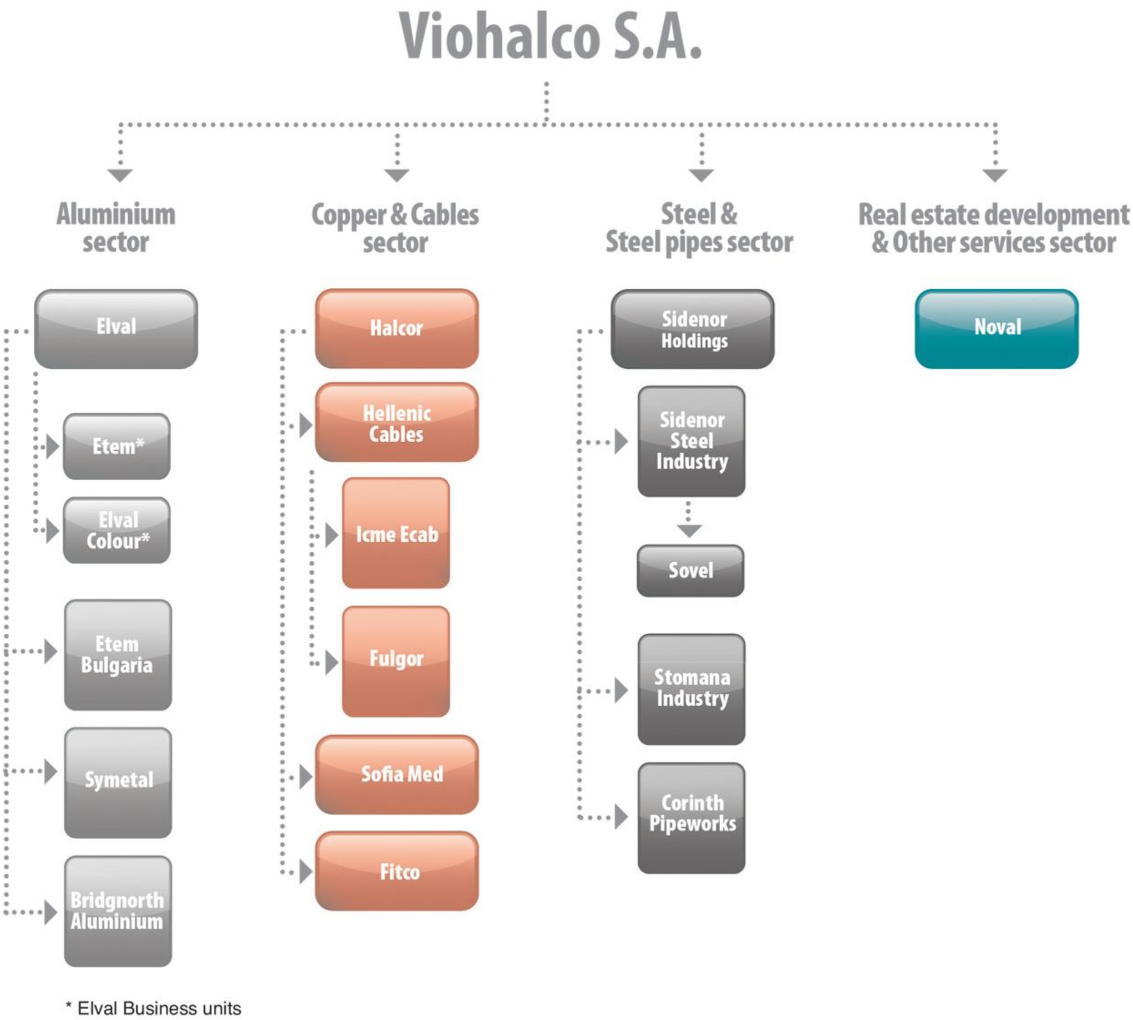
Viohalco's companies seek to foster profitable, long-term business relationships with their partners, clients and employees. They are committed to creating strong bonds based on professionalism, trust, transparency, genuine sincerity and mutual understanding aiming to provide value to all stakeholders.

Safety comes first. The companies do not negotiate on health and safety issues, regarding either their people or the environment. They constantly invest in health and safety measures in the workplace and safeguard responsible working conditions that comply with the strictest safety standards.

The business procedures are designed with environmental and carbon footprint targets in mind, to further reduce the impact they have on the environment. The subsidiaries implement programs for recycling and waste management in their production facilities. This is a commitment not only towards the communities that host their production facilities, but to future generations as well.

Viohalco's portfolio - Business sectors

Viohalco holds a portfolio of companies operating in four core business sectors:



- **Aluminium sector**: Elval S.A. and its subsidiaries operate in the aluminium sector, delivering an extensive range of products 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 industries and lithographic coils.
- **Copper and cables sector**: Halcor S.A. and its subsidiaries 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 in plastic and rubber compounds.

- **Steel and steel pipes sector**: Sidenor S.A. and its subsidiaries are 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.

- **Real estate development sector and other services sector**: Viohalco creates value from the development of its former industrial real estate properties in Greece and Bulgaria and also holds participations in smaller companies, mainly providing services.

Viohalco history

Viohalco started 75 years ago as a family commercial business and now is a Europe-based holding company of various companies with global presence, active in the processing and trading of aluminium, cables, copper, zinc, steel and steel pipe products. Viohalco is also active in the real estate development and other services.

1930s
The Company was incorporated in 1937 under the name Hellenic Copper Industry S.A.

1940s
Viohalco was listed on the Athens Exchange in 1947.

1950s
Significant investments into new machinery took place. A state-of the-art aluminium rolling mill was introduced, paving the way for the launch of a new dynamic aluminium rolled products manufacturer, Elval.
The Company was renamed to Viohalco-Hellenic Copper and Aluminium Industry S.A.

1960s
Significant corporate expansion included the launch of the steel producing sector, cable operations, sanitary wear and tile production. Holding company structure was adopted to secure full independence and flexibility at subsidiary level.

1970s
A series of further new companies were founded, including aluminium profiles company Etem S.A. and Elval S.A., a spin-off from Viohalco Aluminium.

1980s
Viohalco was restructured through multiple spin-offs.

1990s
Major subsidiaries obtained listings on the Athens Exchange, followed by a capital increase at Viohalco to finance the swift expansion of subsidiaries in Greece and abroad.

2000s
By 2002, Viohalco's portfolio included a series of promising major investments including Bridgnorth Aluminium Ltd (United Kingdom), Stomana Industry S.A. (Bulgaria), Sofia Med S.A. (Bulgaria) Icme Ecab S.A. (Romania) and Corinth Pipeworks S.A. (Greece).

2011
Viohalco's subsidiary Hellenic Cables S.A. acquired Fulgor S.A., increasing substantially its cables production capacity and expanding its product portfolio into medium and high voltage submarine cables.

2013
In November 2013, the corporate transformation (merger) by absorption of the Greek company Viohalco-Hellenic Copper and Aluminium Industry S.A. and the Belgian company Cofidin S.A. by the Belgian company Viohalco S.A., took effect.

Listing and trading on Euronext Brussels Exchange of Viohalco shares issued in the context of the mergers took place on 22 November 2013.

2014
In February 2014, Viohalco S.A. successfully obtained a secondary listing of its shares on the Athens Exchange.
In May 2014, Elval S.A. absorbed its 100% subsidiary Elval Colour.
In November 2014, Elval S.A. merged with Etem S.A, through absorption of the latter by the former.

Management Report

1. 2014 Highlights and 2015 Outlook

- Viohalco financial highlights 2014

  - Consolidated revenue of EUR 2,943 million, up 2% from 2013, mainly driven by increased sales volumes in most business sectors, partially offset by the lower copper price and reduced conversion prices in the copper and cables sector
  - EBITDA of EUR 120 million compared to EUR 4 million in 2013
  - Positive EBIT of EUR 4 million, compared to a negative EBIT of EUR 109 million in 2013, due to increased revenues, costs improvements, the positive impact on inventories of a lower decline in the copper price compared with 2013 and positive non-recurring items of EUR 2 million versus the negative EUR 91 million posted in 2013
  - Loss before income tax of EUR 90 million, compared to a loss of EUR 192 million in 2013
  - Loss of the period of EUR 88 million versus EUR 224 million in 2013, significantly affected by the lower income tax in 2014 due to the recalculation of the deferred tax balance in 2013
    - Loss attributable to the owners of the Company amounted to EUR 59 million (EUR 0.2941 per share) compared to a loss of EUR 173 million (EUR 0.8583 per share) in 2013
  - As at 31 December 2014, net debt amounts to EUR 1,484 million, compared to EUR 1,274 million as at December 2013
  - Successful secondary listing of Viohalco SA/NV on Athens Exchange on 14 February 2014 under the symbol “VIO” (“BIO” in Greek characters)

- Subsidiaries’ operational highlights 2014

  - Restructuring of aluminium sector operations commenced following absorption of Elval Colour in May 2014 and Etem in December 2014 by Elval Group
  - Upgrade of Elval’s Oinofyta plant on track with new continuous casting line in operation, upgrade of coating production line completed, and orders for new machinery placed
  - Copper production facilities enhanced through installation of fire-refining furnace at Halcor’s subsidiary, Sofia Med, resulting in higher utilisation of scrap
  - Upgrade of existing equipment and installation of new equipment at the Fulgor cable plant completed
  - Production of high-voltage submarine cables for the Cyclades Islands Interconnection project started in September 2014
  - Operation of a new induction furnace at the steel subsidiary Sovel and commencement of a EUR 10 million investment for a new induction furnace at Sidenor’s Thessaloniki steel plant
  - Three new contracts for the supply of a total of 163 kt of steel pipes for pipeline construction in the US signed by Corinth Pipeworks

- Enhancement of tenant mix of River West shopping mall by introduction of widely popular brands
- Construction of a new retail park in Corinth

- Outlook 2015

With the majority of Eurozone countries experiencing stabilization in their economic conditions, a gradual recovery of construction activity and increased demand for industrial products is expected in 2015. The weaker EUR relatively to USD will also enhance the competitiveness of Viohalco companies, providing further revenue growth. In addition, companies' strategy aimed at increasing penetration in markets providing superior growth opportunities remains unchanged. At the same time, Viohalco's companies plan to maintain their strong focus on further improving the efficiency of their operations and implementing ongoing investment programmes aimed at enhancing their production facilities.

In Greece, where most of Viohalco's subsidiaries are located, the continuous negotiations in 2015 in respect of the re-evaluation of the terms of the Greek finance program have rendered the macroeconomic and financial environment volatile. The return to economic stability depends largely on the actions and decisions of the financial institutions in Greece and in the Eurozone. This uncertainty in the economic and financial environment in Greece constitutes a key risk factor and any development in this respect is likely to affect the operations and activities of Viohalco's subsidiaries in Greece, and their financial performance and position. However, 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. In addition, Viohalco's companies' debt amounting to EUR 1,583 million comprises of 60% long term and 40% short term facilities, of which 90% are extended by Greek banks or their subsidiaries abroad and 10% by international banks and supranational financial institutions. 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.

2. Subsequent events

On February 24, 2015, Elval announced that minority shareholders had filed a case to the Courts requesting a cancelation of the absorption of Etem by Elval S.A. Elval S.A. believes that the aforesaid lawsuit will be rejected by the Court.

On March 23, 2015, Elval announced the commencement of the separation process of the sector of painted aluminium coils for architectural use and the sector of production and trading of etalbond.

Halcor Group has accepted written offers for the assumption of new bond loans totalling EUR 12,721,963. The loans will be of a five year maturity and will be used to repay short-term bank loans.

On February 17, 2015, Corinth Pipeworks signed a EUR 4 million extension to its existing loan agreement with Commerzbank amounting to EUR 47.7 million for the financing of the new investment for the LSAW pipe mill for high-strength offshore and onshore energy pipes. Following successful negotiations, the prevailing terms of the existing loan agreement will also apply to the aforementioned extension.

3. Business performance and activity report

- **Viohalco's financial performance 2014**

Viohalco's companies continued to operate in a difficult macroeconomic environment and challenging market conditions in 2014 driven by modest growth of the economies in the Eurozone, competitive pressure, volatility of the LME prices of aluminium, copper and zinc and delays to energy projects. Despite these challenges, a gradual improvement in the companies' financial performance was reflected in the consolidated figures

Summary consolidated statement of profit or loss

	For the year ended 31 December	
Amounts in EUR thousand	**2014**	**2013**
Revenue	2,943,462	2,885,071
Gross profit	205,653	174,982
EBITDA before non-recurring items **(1)**	117,540	94,892
EBITDA **(2)**	119,624	4,072
EBIT before non-recurring items **(3)**	2,011	-17,846
EBIT **(4)**	4,094	-108,666
Loss before income tax	-90,033	-192,038
Loss of the year	-87,543	-223,931
Loss attributable to owners of the Company	-59,405	-173,336

(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

The consolidated **revenue** of Viohalco for 2014 amounted to EUR 2,943 million, an increase of 2%, compared to the EUR 2,885 million recorded in 2013. The trend in the revenue was largely driven by growing sales volumes in the aluminium and copper and cables sectors and the increase in the average price of primary aluminium to EUR 1,405 per ton in 2014 compared with EUR 1,395 per ton in 2013. On the other hand, the 6.2% decline in the copper price from EUR 5,514 per ton to EUR 5,174 per ton in 2013 and the reduced conversion prices in the copper and cables sector negatively affected revenue.

EBIT improved from negative EUR 109 million in 2013 to positive EUR 4 million in 2014. In addition to the improvement in the operating results of the steel and steel pipes and aluminium sectors, this recovery was mainly driven by the significant reduction of non-recurring items, from negative EUR 91 million in 2013 to positive EUR 2 million in 2014. Non-recurring items in 2014 included EUR 2.4 million of impairment losses on PP&E, EUR 0.6 million of idle costs, EUR 0.3 million of impairment losses on investment property and a EUR 5.3 million reversal of impairment losses on investment property.

Net finance costs increased by 12% to EUR 96 million in 2014 from EUR 86 million in 2013. This was mainly due to increased borrowings and refinancing costs.

Loss before income tax of Viohalco in 2014 amounted to EUR 90 million compared to a loss before income tax of EUR 192 million in 2013. Loss before income tax is the sum of operating profit of EUR 4 million, net finance costs of EUR 96 million and the share of profit of equity-accounted investees of EUR 2 million.

Loss of the year amounted to EUR 87.5 million in 2014, compared to a loss of EUR 224 million for 2013. It results from the sum of the loss before income tax and the income tax expenses which amounted to EUR -2.5 million in 2014 versus EUR 32 million in 2013. This variation of the income tax expenses was due to the recalculation of deferred tax balances in 2013, resulting from the change in the Greek corporate tax rate from 20% to 26%.

Summary of consolidated statement of financial position

	As at 31 December	
Amounts in EUR thousand	**2014**	**2013**
ASSETS		
Non-current assets	2,004,489	1,951,019
Inventories	860,709	773,729
Trade and other receivables	535,085	464,333
Other current assets	112,251	178,169
TOTAL ASSETS	**3,512,534**	**3,367,250**
EQUITY & LIABILITIES		
Non-current liabilities	1,183,464	1,187,640
Current liabilities	1,069,567	823,146
Other current liabilities	16,497	15,772
Total liabilities	**2,269,528**	**2,026,558**
Equity of the Company's shareholders	920,214	992,944
Non-controlling interest	322,792	347,748
Total equity	**1,243,006**	**1,340,692**
TOTAL EQUITY & LIABILITIES	**3,512,534**	**3,367,250**

Non-current assets increased by 2.7% from EUR 1,951 million in 2013 to EUR 2,004 million in 2014. This increase is mainly explained by the increase in PP&E (EUR 66 million) and investment property (EUR 16 million) partially offset by lower other non-current assets (EUR 29 million).

Current assets increased by EUR 92 million, or 6.5%, from EUR 1,416 million to EUR 1,508 million. This is mainly due to higher inventories (EUR 87 million) and trade and other receivables (EUR 71 million), largely offset by lower cash and cash equivalents.

Liabilities increased by 12% from EUR 2,027 million in 2013 to EUR 2,270 million in 2014 driven by higher loans and borrowings of EUR 136 million and trade and other payables of EUR 111 million.

- **Subsidiaries' financial performance 2014**

Aluminium Sector : Elval and its subsidiaries

Elval companies offer a wide variety of aluminium products, including coils, strips, sheets and foil for numerous applications, coils for lithographic printing, as well as architectural and industrial aluminium profiles. Elval S.A. is listed on the Athens Exchange.

Activities

The Elval Group is actively engaged in the processing, manufacturing and marketing of aluminium product solutions for highly demanding multinational customers in a number of markets. With state-of-the-art production facilities in Greece, the United Kingdom and Bulgaria, and a dynamic commercial presence in all of its key geographical markets, Elval maintains a solid position within the global aluminium industry.

Elval Group has established international presence in over 90 countries thanks to a solid commercial structure that operates through group-owned sales offices and teams, and long-standing sales agents that are part of a broader commercial network. This network includes business associates in Austria, Belgium, Bulgaria, France, Germany, Italy, Luxembourg, the Netherlands, Romania, Russia, Turkey, Ukraine, the United Kingdom and Ireland.

Product portfolio

Rolled products

- **Construction:** Mill finish and coated aluminium coils and sheets, composite panels, corrugated and perforated sheets for building facades, roofing, rainwater gutters and other construction applications,
- **Rigid packaging:** Aluminium for food and beverage cans, closures, packaging caps and precision valves.
- **Flexible packaging:** Aluminium foil for household use and industrial applications, cigarette packaging, food, pharmaceutical and aseptic packaging,
- **Transportation sector:** Aluminium products for automotive, marine, road and rail industries, and the HVAC sector,
- **Lithographic coils:** Coils for the production of lithographic plates used in printing lines,
- **Household use**: Aluminium sheets and circles used as a semi-finished product by manufacturers of domestic ware and cookware, and
- **Industrial applications:** Aluminium sheets, coils and circles for engineering applications.

Extruded products

- **Architectural systems:** aluminium systems for doors, windows, building facades, curtain wall systems, sun louvres, rolling shutters, ventilated facades systems, security systems etc.
- **Industrial aluminium applications:** aluminium profiles and processed hard alloy bars for various industrial uses:
    - **General engineering applications:** furnitures, ladders, machine benches, heat syncs for electrical applications
    - **Building applications:** scaffolding systems, lighting systems and special shading applications

- **Energy applications:** photovoltaic systems, solar water heaters, heat exchangers
- **Transportation:** aluminium profiles for truck bodies, trailers, bicycles and marine applications
- **Automotive applications:** extruded aluminium profiles and parts that have undergone special tooling and machining and are used in car chassis, suspension systems, doors and decorative aluminium profiles for roof railings.

Solutions

One of the Elval Group's key competitive advantages lies in its technical excellence in delivering innovative solutions to its clients, largely due to its significant investments and strategic focus on R&D.

The Elval Group has allocated significant resources to advancing internal and external R&D. Internally, R&D centres such as the Elval Technology centre have been built, and externally, active working relationships have been established with research institutes and scientific bodies to facilitate exchange of technical and operational expertise. These relationships include the Elkeme-Hellenic Research Centre for Metals S.A., Manchester University's School of Materials and the Research and Development Department of the United Aluminum Company of Japan (UACJ Corp.), among others.

Thanks to its focus on product research, Elval continually develops solutions to improve clients' manufacturing processes. Examples include highly-resistant special products with anti-slip properties, products subjected to deep drawing and extrusion, tension levelled sheets with top-quality lacquer-coatings and products made of 100% recycled aluminium.

Elval Group manufactures environmentally friendly products such as:

- Aluminium composite panels and Elval ENF coated aluminium sheets for architectural applications,
- Green alloy: an alloy produced solely from aluminium scrap,
- Brazing alloys: high-tech, multi-layer alloys for heat exchangers,
- Aluminium alloys for multi-layer tubes, and
- Wide tread plates and mill finish sheets for wind turbines and solar panels for the renewable energy industry.

Key companies

Elval Group's key companies and divisions are:

Elval S.A., the parent company, is active in the production of a wide range of rolled aluminium products. Elval's offices and production facilities are located in Oinofyta, Greece and its shares are listed on the Athens Exchange.

Elval Colour, an Elval business unit with two production units in Thiva and Agios Thomas in Greece, engages in aluminium coil and sheet coating and the production of composite aluminium panels, corrugated and perforated aluminium sheets.

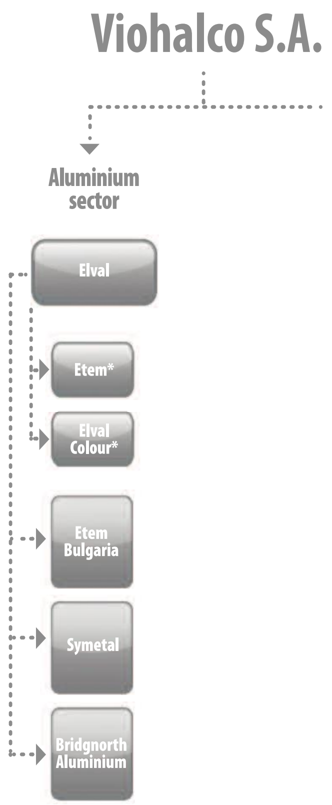
Etem, an Elval business unit that markets worldwide the group's aluminium architectural systems, aluminium profiles for industrial applications and extruded aluminium profiles for the automotive industry.

Etem Bulgaria S.A. manufactures aluminium profiles for architectural and industrial applications, such as the automotive industry, ship-building and photovoltaic systems.

Symetal S.A. produces an extensive line of aluminium foil products both plain and converted, providing a variety of solutions to a number of companies, primarily in the food, tobacco and

pharmaceutical sectors. Symetal manufacturing takes place at two production plants located in the Oinofyta and Mandra regions of Greece.
Bridgnorth Aluminium Ltd is headquartered in the United Kingdom and produces lithographic sheets, semi-finished coils and electrical strip for transformer windings.
Viomal S.A. is active in the processing of aluminium coils used to produce door and window roller shutters. The plant is located in Evia, Greece.
Afsel S.A. is a joint venture between Elval and the United Aluminum Company of Japan (UACJ Corp.). It is active in the marketing of aluminium products to manufacturers of automotive heat exchangers, mainly in Europe.

Viohalco's main subsidiaries in the aluminium sector that constitute the Elval Group are:



* Elval Business units

Corporate Strategy
The key pillars of Elval Group strategy are as follows:

Production and quality
- To increase production capacity and further improve manufacturing effectiveness as well as operational competitiveness through new investments and innovations, automations, business process reengineering and advanced personnel training
- To remain focused on maintaining top-tier quality attributes across all product categories and fully utilise the Group's cooperation with major European research centers and United Aluminum Company of Japan (UACJ Corp).

Commercial activity

- To strengthen the product portfolio with innovative solutions which are reinforced through pre-sales and after-sales services
- To fortify its presence and increase its share in traditional and new international markets.
- To focus more thoroughly on the commercial activity of the extrusion sector
- To expand its presence in the lithography market through production effectiveness and an increase in capacity
- To strengthen sales volumes on the basis of increased production capacity and a commercial shift towards high added value products.

Sustainable Development

- To promote corporate responsibility, protect the environment and emphasise Health and Safety measures at the workplace through continuous investments.

Production Facilities

The manufacturing base of the Elval Group includes production facilities in Greece, Bulgaria and the United Kingdom:

Elval plant | Oinofyta (Greece)

Annual production capacity: 250,000 tons

Elval's plant at Oinofyta is the main production facility of the Group. It is active in aluminium rolling, manufacturing a wide range of products from coils and sheets for industrial applications to beverage and food cans. Elval S.A. is certified as per ISO 9001:2008, ISO TS 16949:2009, ISO 14001:2004, OHSAS 18001:2007 accredited for production and quality control, environmental management and health and safety management systems respectively. Elval S.A. is also certified by the major classification communities (DNV, ABS, TUV) as an approved manufacturer for Hi-Mg transportation products.

Anoxal plant | Agios Thomas (Greece)

Annual production capacity: 26,000 tons

Through a horizontal casting facility, three casting furnaces and three homogenisation furnaces, the Agios Thomas plant of Anoxal specialises in recycling and casting aluminium, as well as manufacturing billets and slabs.

Elval Colour (Elval business unit) **plant** | Thiva (Greece)

Annual production capacity: 25,000 tons

Elval Colour's plant in Thiva processes sheets and coils using wet and electrostatic powder coating in order to produce aluminium products for the construction, food and automotive industry.

Elval Colour (Elval business unit) **lant** | Agios Thomas (Greece)

The Agios Thomas plant is active in the manufacturing of composite panels and corrugated sheets for the building sector.

Elval Colour is certified as per ISO 9001:2008, ISO14001:2004, OSHAS 18001:2007 accredited for production and quality control, environmental management and health and safety management systems respectively. Elval Colour is a member of the European Aluminium Association Building Board (EAA) and the Aluminium Association of Greece and also a member of the European Coil Coating Association (ECCA).

CCS plant | Oinofyta (Greece)
The CCS plant in Oinofyta forms aluminium sheets into various shapes for use on roofs and building façades, addressing the needs of the construction sector.

Symetal plant | Oinofyta (Greece)
Annual production capacity: 43,000 tons
The Symetal plant is active in the production of aluminium foil in various forms and sizes, delivering a wide variety of products from household foil, yoghurt lids, candy wrapping and cigarette packs to foil for cables and insulation applications.

Symetal plant | Mandra (Greece)
Annual production capacity: 15,000 tons
The Mandra plant complements the Oinofyta production facility by receiving the semi-ready foil products and continuing their processing through coating and embossing. The plant produces inner wrappers for cigarette packs, chocolate, chewing gum and other food packaging as well as yoghurt and jam covers and pharmaceutical products.

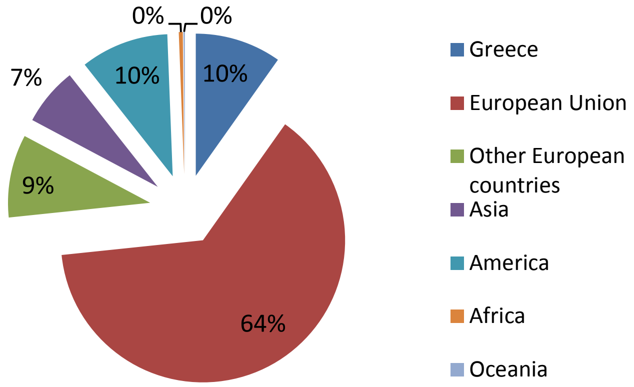
Viomal plant | Nea Artaki (Greece)
Annual production capacity: 4,500 tons
At the Nea Artaki plant, Viomal manufactures aluminium rolls for doors, windows and garage doors, screen and shading systems as well as retractable security doors.

Bridgnorth Aluminium plant (Bridgnorth – United Kingdom)
Annual production capacity: 110,000 tons
Bridgnorth's plant is active in the production of lithographic sheets for the creation of litho plates for offset printing as well as in the manufacturing of semi-finished coils for the production of aluminium foil.

Etem Bulgaria plant | Sofia (Bulgaria)
Annual production capacity: 27,000 tons
The industrial complex of Etem Bulgaria in Sofia includes a logistics centre which serves customers for extruded products in Central and Eastern Europe and the Balkans and is active in aluminium extrusion, manufacturing architectural, automotive and industrial profiles.
The Etem Bulgaria plant features 4 extrusion lines, a vertical electrostatic powder coating line, a horizontal electrostatic powder coating line, a horizontal electrostatic powder coating line for wood-like surfaces and a thermo-break aluminium systems production line.

2014 Financial Performance
Elval's consolidated revenue increased by 5.1% to EUR 1,060 million versus EUR 1,009 million in 2013, largely driven by increased sales volumes which rose by 6.2% during the period. It should be noted that in 2014, the price of primary aluminium demonstrated an upward trend with an average price of EUR 1,405 per ton compared to EUR 1,395 per ton in 2013, with a significant portion of this increase witnessed at the end of the year. Nevertheless, the extremely high premiums that prevailed in the international aluminium markets counterbalanced the above increase.

It is also worth noting that during 2014, the Elval Group was present in more than 90 countries on a worldwide scale. In addition to Greece, the Group primarily operated in Germany, Italy, France, Poland, the Netherlands, the United Kingdom, Turkey and the USA.



During 2014, the Elval Group's gross profit amounted to EUR 84.4 million compared to EUR 82.1 million in 2013. Earnings before interest, taxes, depreciation and amortization (EBITDA) increased by 6.5% during the year amounting to EUR 78.9 million compared to EUR 74.2 million in 2013. Administrative expenses stood at EUR 26.8 million for the Group (EUR 24.5 million in 2013. It is also noted that expenses of EUR 1 million were made in the context of the Elval Group's restructuring. Financial expenses of the Group remained high due to expensive borrowing rates and the net financial result stood at EUR 12.9 million, compared to EUR 12.5 million in 2013. Finally, consolidated earnings before tax stood at EUR 18.6 million, an increase of 19.7 %. The profit of the period attributable to owners of the Company totaled EUR 17 million (EUR 0.137 per share) compared to EUR 0.4 million (EUR 0.0029 per share) in 2013. The significant increase in the after tax profitability was largely due to the fact that income tax in 2014 was significantly lower than in the previous year, due to a recalculation of the deferred tax in 2013, as a result of increased tax rates.

Summary consolidated statement of profit or loss

	For the year ended 31 December	
Amounts in EUR thousand	**2014**	**2013**
Revenue	1,060,398	1,008,502
Gross profit	84,433	82,141
EBITDA	78,978	74,165
EBIT	31,847	28,435
Profit (loss) before income tax	18,610	15,545
Profit (loss) of the year	15,698	-3,166
Profit (loss) attributable to owners of the Company	17,018	365

The rolling sector which includes the parent company Elval and its production plants in Oinofyta and Agios Thomas, the Symetal subsidiary which has a production plant in Oinofyta and the Bridgnorth Aluminium Ltd subsidiary which has a production plant in the United Kingdom, retained profitability due to increased volumes and cost improvements, despite pricing pressures. The sales volume of rolling products amounted to 332.8 thousand tons and the sector's operational profits amounted to EUR 43.4 million. On the other hand, the extrusion sector remained loss making during the period and the operational loss amounted to EUR 15.2 million.

Finally, it is also worth noting that during 2014, Elval initiated its restructuring process, aimed at offering complete solutions to customers, particularly in the architectural applications segment.

Summary of consolidated statement of financial position

	As at 31 December	
Amounts in EUR thousand	**2014**	**2013**
ASSETS		
Non-Current Assets	543,427	525,342
Inventories	301,377	283,887
Trade and other receivables	205,381	175,414
Other current assets	7,652	1,626
Cash and cash equivalents	25,787	40,964
TOTAL ASSETS	**1,083,624**	**1,027,233**
EQUITY & LIABILITIES		
Non-current liabilities	178,432	175,926
Other non-current liabilities	88,605	92,546
Current liabilities	94,909	72,847
Other current liabilities	116,676	99,615
TOTAL LIABILITIES	**478,622**	**440,934**
Total company shareholders' equity	569,474	556,809
Non-controlling interest	35,528	29,490
TOTAL EQUITY	**605,002**	**586,299**
TOTAL EQUITY & LIABILITIES	**1,083,624**	**1,027,233**

Investments

The Oinofyta plant of Elval commenced operations of the new continuous casting line during 2014 with a total value of EUR 17 million. The new unit includes a new melting furnace that will operate "Green Melt" and is expected to further reduce environmental footprint and provide wider opportunities for aluminium scrap purchasing. Production through continuous casting will assist in increasing the total production capacity of the plant and will be used mainly in the production of foilstock rolls. In addition, the upgrade of the coating production line has been completed and down payments have been paid for the acquisition of new machinery. Also, EUR 20.1 million was disbursed for the investment program in progress in the plant in the United Kingdom and EUR 5 million for the Symetal subsidiary. Total outflows for the investments in the Oinofyta and UK plants reached EUR 61.5 million. Additionally, reserves of EUR 9.9 million were distributed to shareholders (0.08 EUR per share). Finally, Group net debt stood at EUR 247.5 million compared to EUR 207.8 million on December 31, 2013.

Further information on the Elval Group is available on the Elval SA website: www.elval.gr

Copper and Cables : Halcor and its subsidiaries

Activities
The copper sector consists of Halcor S.A. and its subsidiaries Sofia Med S.A. in Bulgaria and Fitco S.A. in Greece. Through an extended product portfolio that primarily comprises copper and brass tubes, copper and zinc titanium rolled products and copper and brass extruded products, Halcor Group caters to the complex needs of its international clientele, across major geographical markets. In addition to this, its subsidiary Hellenic Cables S.A. produces cables, conductors, enamelled wires and rubber and plastic compounds.

Halcor Group's production base includes efficient manufacturing facilities in Greece, Bulgaria and Romania that provide versatile and dynamic solutions for customers.

Product portfolio
From copper and brass tubes to copper and brass rolled products, Halcor and its subsidiaries provide their clients with innovative solutions that cover a wide range of consumer and industrial needs. The Halcor Group's main product categories are:

- **Copper tubes:** Talos®, Talos Ecutherm®, Cusmart®, Talos Geotherm®, Talos® ACR, Talos ACR Inner Grooved®, Talos ACR Ecutherm, Talos Gas®, Talos Med®, Talos Solar Plus®, Talos Form® tubes, and Talos Plated copper tubes.
- **Rolled products:** Copper and brass strips, sheets, discs and plates, titanium-zinc sheets and strips, and special copper alloy strips.
- **Extruded products:** Copper bus bars and rods, brass rods and tubes, profiles and wires.
- **Cables**: Cables and conductors, enamelled wires, copper and aluminium wire rods, as well as plastic and rubber compounds. (Cables sector is further discussed in the next pages)

Over the years, Halcor Group has built a solid track record in developing innovative products that expand its reach, widen its market, and further strengthen its commercial presence.
Some key product examples include:

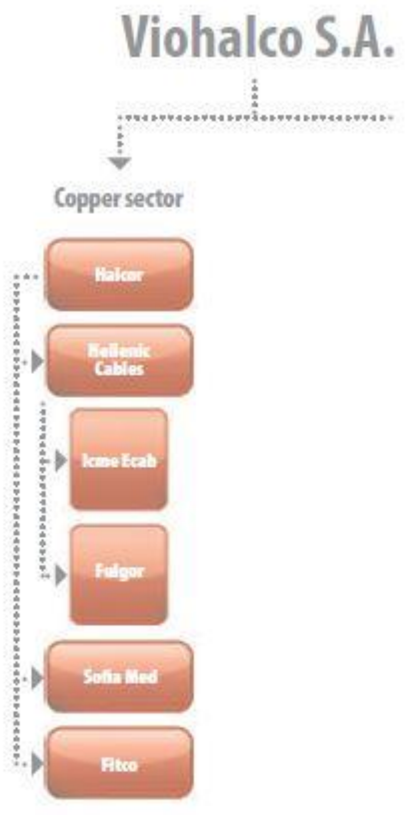
- Talos Ecutherm®: Pre-insulated copper tube with advanced insulating characteristics
- Cusmart®: a patented flexible copper tube coated with a special PE compound
- Talos Geotherm®: Coated, PVC-insulated copper tube used in geothermal applications
- Inner Grooved tubes: high-technology tubes with inner grooves and minimum wall thickness of 0.25mm. Halcor is one of the few European manufacturers that can deliver products using micro groove technology and produce inner grooved tubes with a cross-section of 5mm
- Talos plated copper tubes: combine excellent technical attributes with a unique design.

Key companies
The key companies of Halcor Group are the following:

Halcor S.A., the parent company of the Group, is listed on the Athens Exchange. Through several production units in Oinofyta, Greece, Halcor is active in the manufacturing of copper tubes for installation and industrial applications. Uses of its products include water supply, heating, cooling and natural gas networks, air-conditioning and refrigeration.
Sofia Med S.A., headquartered in Sofia, Bulgaria, engages in the production of copper, brass and titanium-zinc rolled products and a number of copper extruded products.
Fitco S.A.'s production facility in Oinofyta, Greece is primarily active in the production of brass extrusions, manufacturing bars, profiles, rods, wires, mesh for fish farm cages and tubes.

Cablel ® Hellenic Cables Group is focused on the cables sector.
Hellenic Cables S.A. is active in the manufacturing of telecommunication and low, medium, high and extra high voltage power cables, enamelled wires and plastic and rubber compounds, individually tailored to customers' specifications. The production base of the company and its subsidiaries includes six plants in Greece, Romania and Bulgaria. Hellenic Cables' shares are listed on the Athens Exchange.
Fulgor S.A. has industrial facilities in Corinth, Greece and manufactures medium, and high and extra high voltage submarine cables, power cables, fibre-optic cables, special purpose cables, copper and aluminium wires, and aluminium and copper rods. Fully-equipped port facilities operate within the plant to ensure immediate loading of cables onto cable ships.
Icme Ecab S.A. operates industrial facilities in Bucharest, Romania. The company's extensive product portfolio includes cables for indoor installations, energy, control, industrial and external applications, low and medium voltage, fire-retardant, fire-resistant and halogen-free cables, mine cables, marine and special-requirement cables, telecommunication cables, and signalling, remote control and data transmission cables. Icme Ecab also offers copper and aluminium conductors, and plastic and rubber compounds. A well-equipped research and development unit, responsible for on-going improvements to product quality, operates in the plant.
Lesco Ltd. manufactures wooden reels and pallets in Blagoevgrad, Bulgaria.

The main subsidiaries of Viohalco in the copper sector that constitute the Halcor Group of companies are:



Corporate Strategy
The key strategic pillars of Halcor Group's operational strategy are the following:

Product and service portfolio

- Strength of the Halcor Group's product portfolio with innovative, high added value products through continuous focus on R&D activities
- Creation of a customer oriented business mentality across all activities and processes and further improvement of its top-quality after-sales service.

Commercial development

- Further increase in international sales through the expansion of underdeveloped product segments. This will be done through expansion in attractive geographical regions, such as those of the US, the Benelux, Canada, the Baltic countries and Poland and through the fortification of the Group's leading position in the South-Eastern Europe region,
- Focus on the commercial utilisation of the Group's reorganised production base and commercial synergies, and
- Continued efforts in the promotion of selected high value product categories, including innovative tubes, and high and extra high voltage cables.

Production and operations

- Further increase the Halcor Group's efficiency and decrease its fixed production cost
- Maintain a nurturing working environment
- Continue efforts in the improvement of the Group's environmental performance
- Increase the share of copper scrap used by the Group
- Continue efforts aimed at maintaining top quality attributes in regards to the Group's products.

Production Facilities

The industrial base of the Halcor Group comprises ten primary manufacturing facilities in Greece, Bulgaria and Romania.

Halcor Foundry | Oinofyta (Greece)

Annual production capacity: 235,000 tons

The company's foundry in Oinofyta produces mainly semi-finished products of copper, copper alloys, brass and zinc, in billet and slab forms. The plant has a fully operational copper and copper alloy scrap sorting and recovery center and it is fully certified under ISO 9001:2008, ISO 14001:2004, and OHSAS 18001:2007.

Halcor Copper Tubes plant | Oinofyta (Greece)

Annual production capacity: 75,000 tons

The state-of-the-art copper tubes plant in Oinofyta produces copper tubes for heating, water supply, natural gas, air conditioning and industrial applications. Its manufacturing facilities are certified under ISO 9001:2008, ISO 14001:2004 and OHSAS 18001:2007.

Fitco Extrusion plant for Brass Bars and Tubes | Oinofyta (Greece)

Annual production capacity: 40,000 tons

Fitco's production comprises primarily solid and hollow brass rods and profiles, brass wire and bars, seamless brass tubes of different cross-sections, welded brass tubes with a circular cross-section as well as brass wire and brass fish farm cages. The plant's facilities are certified under ISO 9001:2008, ISO 14001:2004 and ISO 18001:2007 while its products comply with various quality specifications (EN, DIN, BS, NF, ASTM).

Sofia Med Copper Processing plant | Sofia (Bulgaria)

Annual production capacity: 155,000 tons

Sofia Med is active in the production of copper, brass, zinc and special copper alloy flat products, copper bus bars and rods. Its production facilities are certified under ISO 9001:2008, ISO 14001:2004, and OHSAS 18001:2007.

Apart from the abovementioned four facilities the Halcor Group operates the following six production sites that are active in the production of cables, wires, plastic and rubber compounds:

- Hellenic Cables Cable plant |Thiva (Greece)
- Fulgor Cable plant and port | Soussaki, Corinth (Greece)
- Icme Ecab Cable plant | Bucharest (Romania)
- Hellenic Cables Copper conductors and enamelled wires plant | Livadia (Greece)
- Hellenic Cables Plastic and rubber compounds plant | Oinofyta (Greece)
- Lesco Wooden reels and pallets plant| Blagoevgrad (Bulgaria)

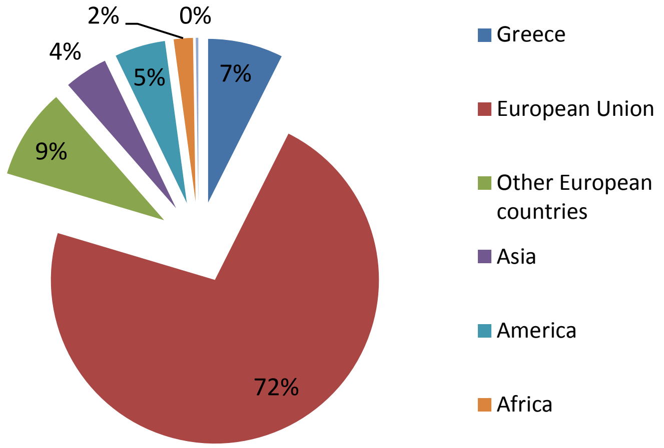
(Cables sector is further discussed in the next pages)

Having strategically focused on the competitive advantages that derive from innovation, Halcor has allocated significant resources in Research and Development. Within this framework, the Halcor Group, among other initiatives, supports the operations of the Elkeme Hellenic Research Centre for Metals S.A. Elkeme which is active in applied technological research related to the quality characteristics and attributes of metal products, the development of new, innovative solutions and the improvement of current production processes.

2014 Financial Performance

The modest growth of the economies in the Eurozone intensified competitive pressures and negatively affected conversion prices for Halcor products. Nevertheless, continued improvement of economic conditions in the US and the UK led to increased sales and better margins. Demand for installation products was especially depressed, while demand for industrial products showed signs of stabilization following a drop in 2013, and as a result the Halcor Group increased sales of such products.

Halcor’s consolidated revenue (incl. Hellenic Cables) in 2014 amounted to EUR 1,080 million compared to EUR 1,102 million in 2013, representing a decrease of 2%. The decrease in revenue was due to the decline in the price of copper in comparison to the previous year (average price of copper in 2014 at EUR 5,170 per ton versus EUR 5,514 per ton in 2013), but also due to the reduced conversion prices in certain product categories. The volume of sales marked a significant increase of 6.7% with most product categories showing an increase, except copper bus bars, the sales of which were on a decline as a result of a stagnation in demand for these specific products and increased competition. More specifically, there was an increase in industrial tubes and rolled copper products, while installation products were adversely affected by the lack of growth of the construction sector in most European markets, but also by strong competition and substitution trends. Thus sales of tubes for installations remained unchanged, while sales of rolled copper products for installation declined. Regarding metal prices in 2014, copper was negatively affected by the difficult macroeconomic environment, especially in developed markets, as well as by a lack of liquidity in the international financial markets, while zinc was positively affected by its fundamentals of supply and demand. The average price of copper was lower by 6.2% at EUR 5,170 per ton compared to EUR 5,514 per ton in 2013, while the average price of zinc was higher by 13.6% at EUR 1,632 per ton compared to EUR 1,437 per ton in 2013.



Regarding costs, the decreasing price of energy in conjunction with the optimisation of procedures in production led to a further decrease in production costs and helped in bolstering the competitiveness of Halcor Group products abroad. However, the high cost of financing continued to negatively affect the profitability of the Group versus main competitors. Consolidated gross profit rose by 81.0% and amounted to EUR 29.9 million versus EUR 16.5 million in 2013, mainly due to a lower decline in copper prices during the period. This resulted in an improved gross margin due to the fact that the valuation of the basic operating stock of all manufacturing companies of the Halcor Group were affected to a lesser extent than in 2013. Additionally, at the end of the year, in order to more accurately reflect the real values of its assets, Halcor changed its accounting policy with respect to valuation of land, buildings and machinery. This change had a significant positive effect of EUR 113.6 million (net of tax) on the equity, but a negative effect of EUR 23.4 million on the Group's profit and loss (EUR 14.8 million after tax and minority interests). Consolidated earnings before taxes, depreciation and amortization (EBITDA) without the effect of the revaluation of assets amounted in 2014 to EUR 18.2 million versus EUR 6.7 million in the prior year, marking an increase of 171.8%. However, following the effect of devaluation, it equated to losses of EUR 5.2 million. Consolidated results (profit / loss before taxes) amounted to losses of EUR 73.0 million in 2014 compared to a loss of EUR 53.6 million in 2013. The loss of the period attributable to owners of the Company amounted to EUR 51 million (EUR 0.5059 per share) in 2014 compared to a loss of EUR 58 million (EUR 0.5725 per share) in 2013. Thus, the consolidated loss of the period attributable to owners of the Company, without the effect of the revaluation of assets, would have amounted to EUR 36.4 million. However, these effects of the revaluation of the assets are not reflected in Viohalco's financials, as they have been restated to comply with the accounting policies adopted by Viohalco for the preparation of its consolidated financial statements.

Summary consolidated statement of profit or loss

	For the year ended 31 December	
Amounts in EUR thousand	2014	2013
Revenue	1,079,874	1,102,022
Gross profit	29,932	16,541
EBITDA	-5,222	6,703
EBIT	-28,754	-15,554
Loss before income tax	-73,009	-53,637
Profit (loss) of the year	-59,470	-63,669
Profit (loss) attributable to owners of the Company	-51,235	-57,979

Summary of consolidated statement of financial position

Amounts in EUR thousand	As at 31 December 2014	2013
ASSETS		
Non-Current Assets	584,601	422,726
Inventories	233,836	208,236
Trade and other receivables	126,407	131,229
Other current assets	1,657	777
Cash and cash equivalents	18,579	49,125
TOTAL ASSETS	**965,080**	**812,093**
EQUITY & LIABILITIES		
Non-Current liabilities	407,131	415,312
Other Non-Current liabilities	61,254	38,977
Current liabilities	341,778	167,556
Other Current liabilities	7,577	114,007
TOTAL LIABILITIES	**817,740**	**735,852**
Total company shareholders' equity	120,827	51,497
Non-controlling interest	26,513	24,744
TOTAL EQUITY	**147,340**	**76,241**
TOTAL EQUITY & LIABILITIES	**965,080**	**812,093**

Investments

In 2014, the Halcor Group carried out total investments of EUR 45.8 million, of which EUR 31.1 million related to the Hellenic Cables Group for the completion of the investment program for the production of high voltage submarine cables. Having completed their investment plan, Hellenic Cables is now one of very few cable manufacturers worldwide able to produce high voltage submarine cables. Correspondingly, EUR 4.9 million was spent in upgrading the production facilities of the parent company focusing mainly in the tubes plant. Finally, EUR 9.3 million was invested in improving productivity, producing high added value products and increasing the scrap usage of its subsidiary Sofia Med SA in Bulgaria, with the main investment being in the installation of a new fire-refining line for scrap.

Further information on the Halcor Group is available on the Halcor SA website: www.halcor.gr

Hellenic Cables and its subsidiaries

Activities

Hellenic Cables is a subsidiary of Halcor. It is separately listed on the Athens Exchange and active in the manufacturing of cables, conductors, enamelled copper and aluminium wires, and plastic and rubber compounds. Over the past decade, the Cablel ® Hellenic Cables Group has evolved into the largest cable manufacturer in South-Eastern Europe, exporting to more than 50 countries. Its production base comprises six plants in Greece, Romania and Bulgaria which manufacture a wide range of products from high voltage submarine cables to extra high voltage power cables and enamelled wires. The Group's product portfolio is commercially traded under the registered brand "Cablel ®".

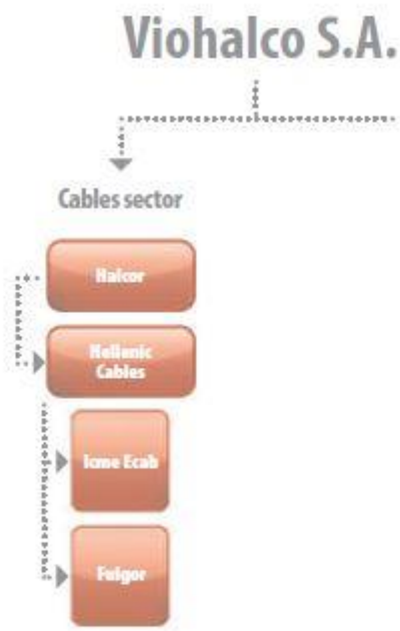
Product portfolio
Cablel ® Hellenic Cables Group's product portfolio includes a variety of cables and wires catering to a wide range of demands, from high profile individual projects to generic industrial applications. More specifically, product solutions provided by Hellenic Cables and its subsidiaries are used in the building, telecommunication and energy industries, as well as for specialised industrial applications. The key product categories are as follows:

- Power cables: Submarine cables, medium, high and extra high voltage cables, internal installation cables, control cables, cables for industrial applications and external installations, fire-retardant, fire-resistant and halogen-free cables, marine cables, copper conductors (grounding), aluminium, ACSR and ACSS/TW conductors.
- Telecommunication cables: Conventional telephone cables, telephone exchange and data transmission cables (LAN), fibre-optic (single-mode and multi-mode), submarine cables, and signalling cables.
- Enamelled wires: Enamelled copper and aluminium wires (round and rectangular) for electric motors and transformers, and copper wires for grounding, earthing and welding applications (can industry). Hellenic Cables is the sole manufacturer of enamelled wires in Greece.
- Plastic and rubber compounds: PVC-based plastic compounds, low smoke halogen free, polyolefin-based plastic compounds and rubber compounds.

Solutions
One of Cablel ® Hellenic Cables Group's key competitive advantages is its ability to provide turnkey solutions to its customers. The Group's capabilities include the following:

- System design and engineering,
- Cable route survey,
- Design and manufacturing of suitable underground and submarine cable types,
- Loading and transportation of cables to the project site,
- Installation of cables (with the use of specialised cable laying vessels for submarine cables),
- Protection of cables along the cable route,
- Supply and installation of repair joints, transition joints and cable terminations,
- Supply and installation of terminal equipment,
- System testing and commissioning,
- Project management,
- Training of customer personnel in the operation of the system, and
- Provision of maintenance and repair solutions.

Viohalco's main subsidiaries in the cable sector that constitute the Cablel ® Hellenic Cables Group are:



Corporate Strategy

The key strategic objectives that guide the operational activities of Hellenic Cables and its subsidiaries are as follows:

- To capitalise commercially on the Hellenic Cables Group's investments by focusing on added value products such as high voltage submarine cables and extra high voltage underground cables,
- To expand the Hellenic Cables Group's presence in geographical regions outside Europe, focusing on markets that invest heavily in the development of power and telecommunication networks, as well as in renewable energy projects
- To increase the level of direct sales to energy network operators
- To boost the Group's productivity by further rationalising its cost base, enforcing stricter inventory management and further improving the operational performance of the production units
- To further fortify the Group's liquidity through prudent working capital management
- To sustain focus on the Group's human assets and on the sustainable development of its companies.

Production facilities and ports

Having invested significantly in the expansion and improvement of its manufacturing facilities, the Hellenic Cables Group of companies operates a solid production base that comprises four plants in Greece, one in Romania and one in Bulgaria:

Hellenic Cables Power and Optical Fibres Cable plant | Thiva (Greece)
Annual production capacity: 60,000 tons
The Thiva plant of the Group is primarily active in the production of power, control and internal installation cables, medium, high and extra high voltage power cables, fire-retardant halogen-free cables, marine and offshore cables, as well as fibre-optic cables. The plant has been certified under ISO 9001:2008, ISO 14001:2004 and ISO 18001:2007.

Fulgor Cable plant and port | Soussaki, Corinth (Greece)
Annual production capacity: 50,000 tons of cables and 120,000 tons of 8mm diameter copper wire rod.

Fulgor has industrial facilities in Soussaki, Corinth, Greece, and manufactures medium, high and extra high voltage submarine cables, submarine fibre optic cables, composite cables, special purpose cables, and copper and aluminium wires and rods. The Fulgor plant has been certified under ISO 9001:2008, ISO 14001:2004 and ISO 18001:2007 standards and one of its key competitive advantages is the fully operational port facility that enables direct loading of products onto cable ships.

Icme Ecab Cable plant | Bucharest (Romania)
Annual production capacity: 50,000 tons
Icme Ecab has industrial facilities in Bucharest, Romania. The company has an extensive product portfolio which includes cables for indoor installations, energy, control, industrial and external applications, low and medium voltage, fire-retardant, fire-resistant and halogen-free cables, mine cables, marine and special-requirement cables, telecommunication cables, signalling, remote control and data transmission cables, copper and aluminium conductors, as well as plastic and rubber compounds. A well-equipped research and development unit operates in the plant and is responsible for the on-going improvement of product quality. Its facilities have been certified under ISO 9001:2008 and ISO 14001:2004.

Hellenic Cables Copper conductors and enamelled wires plant | Livadia (Greece)
Annual production capacity: 14,000 tons
The Livadia plant manufactures copper wires for grounding, earthing and welding applications, as well as enamelled copper and aluminium wires. Its production units have been certified under ISO 9001:2008, ISO 14001:2004 and ISO 18001:2007.

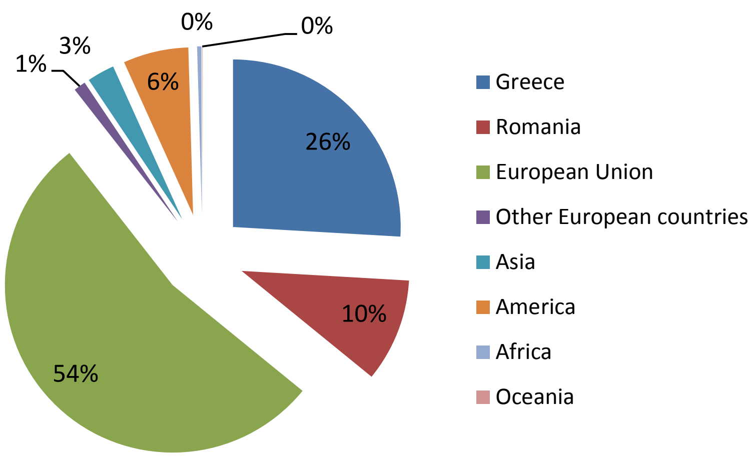
Hellenic Cables plastic and rubber compounds plant | Oinofyta (Greece)
Annual production capacity: 24,000 tons
The Oinofyta plant engages in the production of rubber and plastic compounds that are used for the supply of insulation, filling and sheathing production lines for finished cables. Part of its production is used by the parent company Halcor in the manufacturing of ECUTHERM® and CUSMART® products. The facilities have been certified under ISO 9001:2008, ISO 14001:2004 and ISO 18001:2007.

Lesco Ltd. | Blagoevgrad (Bulgaria)
Wooden reels and pallets plant

2014 Financial Performance

Hellenic Cables revenue in 2014 amounted to EUR 359 million, versus EUR 345 million in 2013, an increase of 4%. Despite the sales volume increase of 15% for the main products, the revenue increase versus 2013 was smaller due to lower copper prices. In the Greek market, Hellenic Cables maintained its leadership position for yet another year and the respective increase in sales came mainly from the construction and energy sector, as Hellenic Cables Group continued to focus on utilities and large industrial and construction companies, in order to limit exposure and reduce credit risk. Regarding sales outside of Greece, they showed an increase of 5% versus 2013 and amounted to EUR 266 million. It is worth reporting that the Hellenic Cables Group showed a significant increase in sales to America, which more than offset reduced exports to the countries of the European Union and Asia. This increase was the result of the continuing efforts of the Group to increase exports outside Europe and expand its customer base.

Consolidated gross profit amounted to EUR 7.9 million, increased by 14% compared to 2013. In order to more accurately reflect the real values of its assets, Hellenic Cables Group also changed its accounting policy with respect to valuation of land, buildings and machinery and revaluated its fixed assets, which resulted in a negative effect of EUR 8.3 million in net profitability and a positive effect of EUR 28.7 million (net of tax) in equity. Profitability was further affected by a loss due to the valuation of the unhedged metal stock of the manufacturing subsidiaries, because of the decline in the copper price. Moreover, financial performance was negatively affected by the inactivity costs that occurred during both the upgrading of existing equipment as well as the installation of new equipment at the Fulgor plant in addition to lower margins relating to increased competition. Thus, consolidated earnings before interest, taxes and depreciation and amortization (EBITDA) before fixed assets revaluation for FY 2014 amounted to EUR 0.5 million compared to EUR 1.1 million in 2013, whereas after the effect of the revaluation of assets, the loss amounted to EUR 10.7 million. Hellenic Cables Group's results before taxes amounted to losses of EUR 37.9 million compared to losses of EUR 19.6 million in 2013. Finally, the loss of the period attributable to owners of Hellenic Cables stood at EUR 30 million (EUR 1.0258 per share) compared to a loss of EUR 21.1 million in 2013 (EUR 0.7125 per share), whereas without the effect of the revaluation of assets, this would have amounted to EUR 22 million.



Summary consolidated statement of profit or loss

Amounts in EUR thousand	For the year ended 31 December 2014	2013
Revenue	359,418	345,345
Gross profit	7,864	6,914
EBITDA	-10,669	1,104
EBIT	-20,033	-7,067
Loss before income tax	-37,927	-19,611
Profit (loss) of the year	-30,338	-21,054
Profit (loss) attributable to owners of the Company	-30,309	-21,052

Summary of consolidated statement of financial position

Amounts in EUR thousand	As at 31 December 2014	2013
ASSETS		
Non-Current Assets	260,444	201,562
Inventories	92,646	78,987
Trade and other receivables	79,548	76,269
Other current assets	350	373
Cash and cash equivalents	4,665	17,724
TOTAL ASSETS	**437,653**	**374,915**
EQUITY & LIABILITIES		
Non-Current liabilities	113,166	113,897
Other Non-Current liabilities	38,019	26,709
Current liabilities	109,081	83,169
Other Current liabilities	88,945	68,225
TOTAL LIABILITIES	**349,211**	**292,000**
Total company shareholders' equity	87,610	82,107
Non-controlling interest	832	808
TOTAL EQUITY	**88,442**	**82,915**
TOTAL EQUITY & LIABILITIES	**875,306**	**749,830**

Investments

Investments in Hellenic Cables Group during 2014 amounted to EUR 31 million, the majority of which were disbursements for investments for the production of submarine high voltage cables in the subsidiary company Fulgor. Moreover, selective investments in the remaining Group plants aimed at capacity, productivity and flexibility improvements, in order to increase competitiveness in the ever-changing market conditions.

(*) The financial results of Hellenic Cables are included in the financial results of Halcor.

Further information is available on the Cablel ® SA website: www.cablel.com

<u>Steel and Steel Pipes: Sidenor Holdings and its subsidiaries</u>

Activities

Sidenor and its subsidiary companies are active in the manufacturing, processing and trading of steel products. The Sidenor Group's extensive product portfolio, which includes long and flat steel products, pipes, hollow structural sections and downstream products, is manufactured across ten primary facilities in Greece, Bulgaria, Russia and FYROM.

Following more than five decades of success and growth, the Sidenor Group is firmly established in the international markets in which it operates and has built solid business relationships with high profile, global customers.

The key pillars of the Group's business excellence include its constant focus on innovation, its consistency in delivering top quality solutions, its high production performance and its highly efficient commercial ability.

Product portfolio

From buildings, road works, metro stations, bridges and shopping malls to hydroelectric dam projects, Sidenor Group and its subsidiaries cater to the complex needs of international clients via a portfolio of value-added products and solutions. Project locations span Greece, Bulgaria, Cyprus, France, Croatia, Tunisia and the U.S.A., making the Sidenor Group a global supplier. The Sidenor Group product family is structured as follows:

- **SD integrated reinforcing system**: The SD integrated concrete reinforcing system represents Sidenor's approach to addressing significant demand for high ductility steel that provides increased protection against earthquakes. The system consists of SD concrete reinforcing steel, SD stirrup reinforcing mesh, Sidefit special mesh, SD wire mesh, Sidefor and Sidefor Plus prefabricated stirrup cages, Inomix steel fibres and lattice girders.
- **Merchant bars**: Sidenor Group is the sole producer of merchant bars in Greece. Its portfolio of merchant bars consists of hot-rolled square bars, hot-rolled flat bars of rectangular cross-section, hot-rolled round bars of circular cross-section, hot-rolled equal angle bars with round edges, I-section beams (IPE) and UPN channels.
- **Wire rod:** Wire rod of SAE 1006, 1008, 1010 grades, RSt37-2 and electrode quality, in cross sections from Ø 5.5 to Ø 16.0, which is suitable for a wide range of size reduction applications and meets all low-carbon wire production needs.
- **Steel pipes – hollow structural sections**: Steel pipes of medium and large diameter for pipelines and construction purposes, steel pipes of small diameter and hollow structural sections (HSS).
- **Hot-rolled flat products:** Steel plates.
- **SBQ-Special steels:** Hot-rolled round bars (diameter: 22-120mm) and peeled turned and polished round bars (diameter: 30-115mm) used in the automotive industry and in various industrial applications.
- **Special Profiles:** THN mining profiles for use in the manufacturing of steel arches in public works (tunnels and road works), underground and other mines, offering high resistance and top support. Railway connections are hot-rolled special profiles used in the construction of S49-type railway tracks and constitute the connections between separate rails. Boron flats are widely used in the forklift industry for the construction of forklifts where high resistance, hardness and weldability are required. Ploughshare blades are special hot-rolled profiles which are manufactured according to customer specifications and are used in the construction of ploughs.
- **Other products:** Double-twist hexagonal mesh (serasanetti), wire products (galvanized and black), welding products, steel balls and metallurgical by-products.

In order to achieve the optimum balance between operational and commercial flexibility, and production effectiveness, Sidenor Group has structured its operations to focus on the following four areas:

- Mini-mills
- Pipes, tubes and hollow structural sections
- Downstream operations for steel product processing
- Sales and distribution

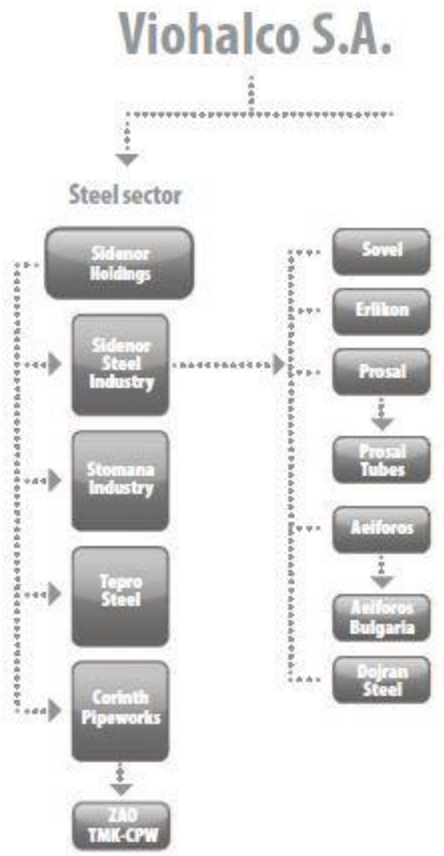
Key companies

Sidenor Group’s key companies are:

Sidenor Holdings S.A. is Sidenor Group’s parent company and is listed on the Athens Exchange. Through the Thessaloniki plant of its subsidiary, **Sidenor Steel Industry**, the Company produces a wide range of steel products from billets to SD concrete reinforcing steel (in bars and coils), wire rods and merchant bars.
Sovel S.A.’s Almyros production facility produces SD concrete reinforcing steel in bars, spooled coils and mesh, as well as Sidefit, Sidefor and Sidefor Plus lines of products.
Stomana Industry S.A. has production facilities in Pernik, Bulgaria which manufacture a wide range of steel products, from steel quarto plates to SBQs, SD concrete reinforcing steel, steel balls, special profiles and merchant bars.
Dojran Steel S.A. has production facilities in Nikolic, FYROM. The company is active in the production of the SD concrete reinforcing steel, merchant bars, as well as SD wire mesh, and lattice girders.

Corinth Pipeworks S.A. is the Group’s leading company in the steel pipes sector. With state-of-the-art facilities near Thisvi, Viotia, it delivers a high profile product portfolio that includes steel pipes for oil and gas transmission and hollow structural sections for the construction industry. Corinth Pipeworks is listed on the Athens Exchange.
ZAO TMK-CPW is a joint venture between Corinth Pipeworks (through its 100% subsidiary Humbel Ltd., which controls 49% of the joint venture) and TMK, the largest manufacturer of steel pipes in Russia and one of the top three globally. Through production facilities in Polevskoy, Russia, ZAO TMK-CPW manufactures pipes and hollow structural sections.

Viohalco’s main subsidiaries in the steel sector constituting Sidenor Group are:



Corporate Strategy

Sidenor Group bases its operational development initiatives on the following strategic objectives:

- Continued investments to further improve international competitiveness.
- Leveraging high capacity production facilities and extensive sales network with the aim of establishing a fortified market position in Central Europe, the Balkans and the neighboring countries of the Eastern Mediterranean.
- Further optimization of Sidenor Group's operating performance through cost reduction, strict working capital management, updated logistics processes and ongoing investments in personnel training.
- Consolidation of Corinth Pipeworks' presence in the energy project markets of Western Europe, Middle East, North Africa, North America and Russia.
- Continuous efforts to reduce the Sidenor Group's environmental footprint.

Production facilities and ports

With the aim of establishing and maintaining a strong competitive advantage, Sidenor Group has focused and invested significantly over the past two decades in the fortification of its production base, by implementing a comprehensive investment program that exceeded EUR 860 million.

Through these consistent, long-term efforts in modernizing and upgrading its manufacturing sites, Sidenor and its subsidiaries have become a vertically integrated group, capable of delivering top quality, high value-added solutions.

The steel group's manufacturing facilities include the following plants:

Sidenor Steel Industry plant | Thessaloniki (Greece)

Annual Production Capacity: meltshop: 800,000 tons, long products rolling mill: 800,000 tons (upon completion of investments).

The Thessaloniki plant of Sidenor Steel Industry produces primarily billets, SD concrete reinforcing steel (in bars and coils), merchant bars and wire rod products. Its facilities have been qualified under ISO 9001:2008, ISO 14001:2004, and OHSAS 18001:2007.

Sovel plant and port| Almyros (Greece)
Annual Production Capacity: meltshop: 1,350,000 tons, long products rolling mill: 1,200,000 tons.
Sovel's state-of-the-art production facilities produce a wide range of products from billets, SD concrete reinforcing steel, SD spooled coils, SD wire mesh, SD stirrup reinforcing mesh SIDEFIT special mesh and SIDEFOR and SIDEFOR PLUS prefabricated cages. The plant has access to privately owned port facilities and is certified under ISO 9001:2008, ISO 14001:2004, and OHSAS 18001:2007.

Stomana Industry plant | Pernik (Bulgaria)
Annual Production Capacity: meltshop: 1,400,000 tons, long products rolling mill: 1,000,000 tons, plate products rolling mill: 400,000 tons.
The Stomana Industry plant represents one of the Group's key investments. Its product portfolio includes SD concrete reinforcing steel, steel quarto plates, SBQ-Special Steels, merchant bars, steel balls, special profiles, beams and continuously cast semi-products (billets, blooms and slabs). The plant is certified under ISO 9001:2008, ISO 14001:2004 and OHSAS 18001:2007 and its products meet the requirements of EN, DIN, ASTM, JIS, BS, Lloyd's Register and Germanischer Lloyd.

Aeiforos and **Aeiforos Bulgaria plants** | Thessaloniki and Almyros (Greece), Pernik (Bulgaria)
The Thessaloniki, Almyros and Pernik facilities engage primarily in the recycling and recovery of by-products related to the production activities of other subsidiaries of the Sidenor Group in Greece and Bulgaria. The process results in a wide variety of products from sand for industrial floors to lime cement for mortars and adhesives. Aeiforos is certified under ISO 9001:2008 and ISO 14001:2004.

Thermolith plant | Halkidiki and Grevena (Greece)
Thermolith S.A. is involved in the mining and processing of the industrial mineral Olivine and in the production of basic refractory mixes. The company produces a wide range of graded olivine products such as slag conditioner, EBT taphole filler sand, foundry sand, sandblasting media and raw material for the refractory industry. Thermolith S.A. also manufactures refractory mixes mostly for the metallurgical industry, but also for the mortar and glass industry, such as tundish unshaped refractories (for ramming, gunning).

Erlikon plant | Kilkis, (Greece)
Erlikon is the sole producer of welding products in Greece and its Kilkis production plant manufactures primarily welding electrodes, copper-plated wires, galvanized and black wires, galvanized meshes in rolls and sheets and concrete reinforcing steel fibres. Its facilities are certified under ISO 9001:2008 and BS OHSAS 18001:2007.

Prosal tubes plant | Pernik (Bulgaria)
Prosal is active in the production and trading of pipes made of cold and pre-galvanised steel.

Teprosteel plant | Pernik (Bulgaria)
Teprosteel's plant in Pernik, manufactures circular cross section bars (special steels), which are used for the construction of machine and vehicle parts, farm machinery and hydraulic systems.

Dojran Steel plant | Nikolic (FYROM)
Annual Production Capacity: long products rolling mill: 200,000 tons, wire mesh production unit: 20,000 tons, lattice girders unit: 10,000 tons. Dojran Steel plant in FYROM is active in the production of SD concrete reinforcing steel, merchant bars, SD wire mesh and Double-twist hexagonal mesh (serasanetti). Its facilities are certified under ISO 9001:2008, ISO 14001:2004 and OHSAS 18001:2007.

Port Svishtov West I (Bulgaria)
As part of the Sidenor Group's extrovert policy and aiming at better linking Stomana Industry with Central and Western Europe, Sidenor acquired "Port Svishtov West S.A." which is situated at the banks of the Danube River, at a distance of 1,840 km from the port of Regensburg, where materials are frequently dispatched by barges and from there delivered by trucks/wagons to final destination point.

Apart from the aforementioned production plants, the Sidenor Group operates the following two production sites that are active primarily in the production of pipes and hollow structural sections:

- Corinth Pipeworks plant in Thisvi, Greece
- ZAO TMK-CPW plant in Polevskoy, Russia

2014 Financial Performance
During 2014, Sidenor achieved significant improvement in its financial results compared to 2013 despite unfavourable conditions in the Greek economy, the construction sector and the international steel market. The mild recovery in the reinforcing bars market in Greece due to the resumption of significant infrastructure projects, the improvement in costs of the Stomana Industry subsidiary, the new higher value-added products (such as special steels and 2.5 meter wide steel plates), along with growing penetration into the plate products market in the US, all contributed to the improvement in Sidenor's financial results during 2014.

Sidenor's consolidated revenue (incl. Corinth Pipeworks) during 2014 reached EUR 822 million compared to EUR 808 million in FY 2013, marking an increase of 1.8%. The pre-tax result for the current period amounted to losses of EUR 55 million, compared to losses of EUR 75 million for the corresponding period of 2013, while consolidated earnings before taxes, depreciation and amortization (EBITDA) amounted to EUR 23.4 million, compared to EUR 11.5 million a year earlier. The loss of the period attributable to owners of the Company amounted to EUR 50 million (EUR 0.5165 per share) compared to a loss of EUR 74 million (EUR 0.7663 per share) in 2013.

Summary consolidated statement of profit or loss

	For the year ended 31 December	
Amounts in EUR thousand	2014	2013
Revenue	822,135	807,668
Gross profit	75,493	53,579
EBITDA	23,048	11,474
EBIT	-20,637	-40,957
Loss before income tax	-54,927	-75,394
Profit (loss) of the year	-55,588	-86,191
Profit (loss) attributable to owners of the Company	-49,705	-73,747

Summary of consolidated statement of financial position

Amounts in EUR thousand	As at 31 December 2014	2013
ASSETS		
Non-Current Assets	742,607	711,501
Inventories	282,954	242,416
Trade and other receivables	221,270	172,053
Other current assets	1,538	1,710
Cash and cash equivalents	26,560	56,721
TOTAL ASSETS	**1,274,929**	**1,184,401**
EQUITY & LIABILITIES		
Non-Current liabilities	373,248	359,329
Other Non-Current liabilities	85,395	77,354
Current liabilities	272,682	207,537
Other Current liabilities	230,044	159,371
TOTAL LIABILITIES	**961,369**	**803,591**
Total company shareholders' equity	244,378	303,267
Non-controlling interest	69,181	77,543
TOTAL EQUITY	**313,559**	**380,810**
TOTAL EQUITY & LIABILITIES	**1,274,928**	**1,184,401**

Investments

Given its international commercial orientation, Sidenor Group has included in its strategic priorities the continuous upgrade of its industrial facilities. By committing to these upgrades, the Sidenor Group aims to reduce operating costs, expand production output, enhance productivity and generally improve the quality of the product portfolio, while also reinforcing both safety in the work place and sustainable growth. In August 2014, a new induction furnace was successfully installed in the production facilities of Sovel in Almyros Magnesia. With this investment, the traditional reheating of billets as done in gas-fired furnaces is avoided. Instead, the installation of an electric induction furnace, in line with the continuous caster, raises the temperature of the already hot billets to the required rolling temperature, before cooling. Thanks to this investment, significant energy savings will be achieved and at the same time, the total carbon footprint will be reduced due to the fact that steel rolling has no direct carbon footprint (no use of natural gas). A similar investment in the Thessaloniki plant is currently underway. The total investment program of Sidenor Group during 2014 totaled EUR 77.6 million, the majority of which referred to the investment for the production unit of large-diameter pipe mill (LSAW) in the Corinth Pipeworks subsidiary.

Further information on the Sidenor Group is available on the Sidenor SA website: www.sidenor.gr

Corinth Pipeworks and its subsidiaries

Activities

Corinth Pipeworks, a subsidiary of Sidenor Group, is separately quoted on the Athens Exchange and represents the steel pipes sector.

With industrial plants in Greece and Russia, Corinth Pipeworks Group is one of the most reliable pipe manufacturers for energy projects worldwide. The Group 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 Pipework's clients include Chevron, BP, Greek Public Natural Gas Corporation (DEPA), Natural Gas National System Operator S.A. (DESFA), OMV, GRTGAZ, Snam, National Grid, RWE, Spectra Energy, Energy Transfer, Denbury, DCP Midtream, McJunkin, Spartan, EPCO, Spectra, Enbridge, Cheniere Energy, Talisman, STEG, Sonatrach, PDO, OGC, Aramco, Socar, ABB, EDF, TIGF, Saipem, Genesis, Allseas and Subsea 7.
The Group's high operational efficiency and commercial success is based primarily on its ability to manufacture technologically advanced products and remain up-to-date with the latest developments within its field. On this basis, Corinth Pipeworks collaborates with international research organisations such as the European Pipeline Research Group (EPRG) and the Welding Institute, and regularly participates in research projects that are linked to its core business activities.

Product Portfolio

Corinth Pipeworks produces top quality steel pipes for oil, gas, CO_2, water and slurry pipelines, as well as casing pipes for drilling operations. The Group also produces a wide range of structural hollow sections for the construction sector. Corinth Pipeworks long history of innovation and 'One-stop-shop' integrated service offerings has helped the Company to become one of the top steel pipe suppliers worldwide.

The Group's three main product categories are divided as follows:

- **Line pipes:** These pipes are manufactured either in the Group's high frequency induction welding unit (ERW/HFI) or the helically submerged arc welding unit (HSAW) and are mainly used in oil, gas, CO_2 and water transmission networks. Also, a new LSAW/JCOE pipe mill is being installed (commissioning Q2 2015) to manufacture medium/large diameter and heavy gauge pipelines, to target the increasing market need for offshore and deep offshore pipelines.
- **Casing pipes:** These high-frequency induction welded pipes (ERW/HFI) are used in oil and gas extraction drills. The new LSAW mill is further expanding the production range offered for this application
- **Hollow structural sections**: Used in the construction sector

Solutions

- Internal and external coating of pipes produced by other pipe manufacturers
- Accredited laboratory for raw material and pipe testing, in accordance with EN/ISO 17025
- In-house corrosion testing laboratory for sour service applications
- Weld on connector facilities for casing pipes
- Pipe storage
- Supply of pipes or assignment of pipe coating outside the Group's product portfolio to third party authorised subcontractors, in the context of major project implementation
- Pipe transportation

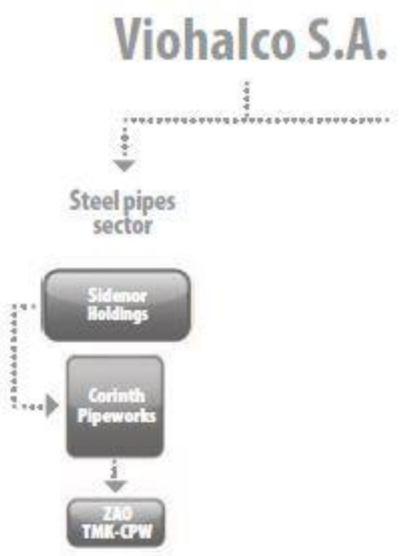
Key companies

Corinth Pipeworks Group's key companies are:

Corinth Pipeworks S.A. is the leading company within the Group in the steel pipes sector. With state-of-the-art facilities in the area of Thisvi, Viotia, it delivers a product portfolio that includes steel pipes for oil and gas transmission and hollow structural sections for the construction industry. Port facilities of exclusive use are located approximately 1.5 Km from the plant, a strategically important factor enabling the company to offer both more competitive pricing on its products and faster delivery times.

ZAO TMK-CPW is a joint venture between Corinth Pipeworks (through its 100% subsidiary Humbel Ltd., which controls 49% of the joint venture) and TMK, the largest manufacturer of steel pipes in Russia and one of the top three globally. Through its production facilities in Polevskoy, Russia, ZAO TMK-CPW is active in the manufacturing of pipes and hollow structural sections.

Viohalco's main subsidiaries in the steel sector that constitute the Corinth Pipeworks Group are:



Corporate Strategy

Corinth Pipeworks has extensive experience in carrying out complex projects for the energy sector worldwide. Corinth Pipeworks is an approved supplier for major oil and gas companies and EPC contractors, and has a long track record in both offshore and onshore projects around the globe. Corinth Pipeworks offers high performance services to its customers, from the initial phase focused on analysis and compliance with technical requirements of a project through to completion and delivery to the final site. Corinth Pipeworks aims to meet the needs of the international energy market by focusing on the following key strategic priorities:

- Growth across Europe, Middle East, North Africa, North America, as well as the emerging markets of East and West Africa and the CIS
- Leveraging the Group's LSAW investment to offer one of the widest product ranges of welded products (ERW/HFI, HSAW, LSAW), which meet the highest international standards. The Group acts as an integrated "One stop shop" for energy steel pipe products and related services
- Continued improvement in operating efficiency of production plants to strengthen the Group's competitive and financial position
- Cultivating long-term strategic cooperation with top quality raw material manufacturers for the steel industry worldwide

Production Facilities and ports

Corinth Pipeworks Group's industrial plants are located in Thisvi, Viotia, Greece and Polevskoy, Russia. Details for each of these plants are below:

Corinth Pipeworks plant and port| Thisvi (Greece)

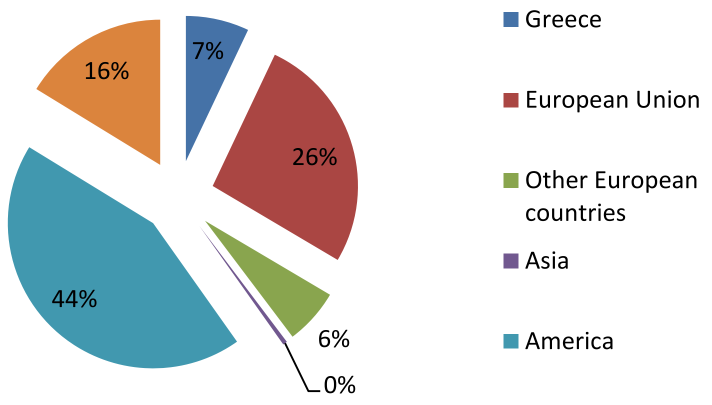
Annual Production Capacity: 925,000 tons

The Thisvi plant has state-of-the-art machinery and produces pipes and hollow structural sections. Its total annual production capacity amounts to 925,000 tons. The plant's facilities cover a total surface area of 89,000 sq.m. and are located within an area of 497,000 sq.m. in Thisvi, Viotia, Greece. The fact that the plant is approximately 1.5 km away from the Group's own port facilities is of strategic importance. More specifically, the Thisvi port enables Corinth Pipeworks to achieve better transportation costs on raw materials, more competitive pricing on its products and faster delivery times. The port includes a fully operational set of cranes, forklifts and other machinery that are in line with the provisions of the International Ship and Port Facility Security Code.

The facilities accommodate a 26" line for high frequency welded pipes (HFIW), a 100" line for spiral submerged arc welded pipes (SAWH), a 7 5/8" line for high frequency welded pipes (HFIW), lines for pipe internal and external coating, as well as a Weld-on Connectors welding unit in cooperation with the MITE and OSI companies in order to provide integrated final products for casing pipes. A new state-of-the-art 56" LSAW/JCOE pipe mill will be available by mid-2015.

ZAO TMK-CPW plant | Polevskoy (Russia)
Annual Production Capacity: 200,000 tons.
The Corinth Pipeworks Group's plant in Russia manufactures high frequency welded pipes and hollow structural sections, with a total annual production capacity of 200,000 tons. The equipment used has very high technical specifications and allows for the production of pipes measuring 168-530mm in diameter, with 4.8-12.7mm wall thickness and up to 18m in length, as well as hollow sections in accordance with international quality standards.

2014 Financial Performance
In 2014, there was a significant slow-down and delays in energy projects worldwide, particularly during the first half of the year. This led to decreased demand for pipes, which coupled with more intense competition put pressure on the profitability. However, during the second half of the year, demand for large diameter pipes increased, especially in the US, which led to a partial recovery in this market. Taking advantage of this situation, Corinth Pipeworks signed three new contracts totaling 163 kt for the supply and internal and external coating of steel pipes in the US. It must be noted that two of the three contracts signed were with the same customer and represent the biggest projects ever assumed by Corinth Pipeworks Group in the US.



Corinth Pipeworks' consolidated revenue reached EUR 188 million during 2014, compared to EUR 165 million during 2013, marking an increase of 13.8%. Sales of energy sector amounted to EUR 161 million increased by 18.6%. On the other hand, due to the weakened European construction sector, sales of structurals amounted to EUR 28 million, 8.0 % lower than in 2013. Consolidated gross profit showed an increase of 18% versus the previous year and stood at EUR 19.2 million (2013: EUR 16.3 million), while consolidated loss before tax amounted to EUR 4.9 million (EUR 3.4 million profit in 2013). Finally, the result of the period attributable to owners of the Company amounted to a loss of EUR 5.6 million (EUR 0.0447 per share), versus losses of EUR 6.1 million (EUR 0.0494 per share) during FY 2013.

Summary consolidated statement of profit or loss

	For the year ended 31 December	
Amounts in EUR thousand	**2014**	**2013**
Revenue	188,190	165,365
Gross profit	19,210	16,270
EBITDA	4,637	4,637
EBIT	-4,025	-5,107
Loss before income tax	-4,909	-3,420
Profit (loss) of the year	-5,556	-6,138
Profit (loss) attributable to owners of the Company	-5,556	-6,138

Summary of consolidated statement of financial position

	As at 31 December	
Amounts in EUR thousand	**2014**	**2013**
ASSETS		
Non-Current Assets	172,641	140,362
Inventories	83,726	50,402
Trade and other receivables	94,725	58,031
Other current assets	1,709	1,335
Cash and cash equivalents	9,575	41,070
TOTAL ASSETS	**362,376**	**291,200**
EQUITY & LIABILITIES		
Non-Current liabilities	76,797	52,549
Other Non-Current liabilities	14,467	16,142
Current liabilities	32,312	1,450
Other Current liabilities	98,983	64,758
TOTAL LIABILITIES	**222,559**	**134,899**
Total company shareholders' equity	139,818	156,301
Non-controlling interest	-	-
TOTAL EQUITY	**139,818**	**156,301**
TOTAL EQUITY & LIABILITIES	**362,376**	**291,200**

Investments

The installation of the new LSAW pipe mill is currently at its final stage. The LSAW mill (manufactured by SMS Meer) of total asset value of approx. EUR 70 mil., is expected to enable Corinth Pipeworks to compete in major offshore Oil and Gas projects and will complement its product range of welded pipes. The mill is expected to be operational bymid-2015. In addition, further enhancing Corinth Pipeworks's "one stop shop" philosophy and product range, two investment projects, the 24m Hydraulic test press and the coating plant upgrade, of total asset value circa EUR 7 mil. will also be concluded and be operational by the second half of 2015.

Further information on the Corinth Pipeworks Group is available on the corporate website: www.cpw.gr

Real Estate Development and Other Services

Real Estate

The real estate development sector focuses on the development of commercial and industrial properties, both for Viohalco S.A. and its subsidiaries. Properties may include former Viohalco production or office facilities that are idle or have been relocated, due to the expansion of new urban areas or for operational efficiency. Viohalco's main subsidiary in this sector is Noval S.A., which is fully-owned by Viohalco.

Activities

Noval S.A.'s main objective is to optimise the use of Viohalco's real estate holdings. Viohalco S.A. and its companies develop a significant portfolio of commercial and industrial properties on international level. The most significant properties developed by Viohalco S.A. and its subsidiaries are located in Greece and Bulgaria and include office complexes, shopping malls, industrial buildings and warehouses.

The investment property has a total value of EUR 141.5 million. The table below summarizes the Group's most important properties:

REAL ESTATE	LOCATION	m² (1)
Ikea store and River West shopping mall	96, Kifissos Av., Egaleo, Greece	123,459
Hotel	Karaiskaki Square, Athens, Greece	23,922
Industrial buildings and offices (ex-BIC plant)	Oinofyta, Greece	9,314
Mare West (former premises of Corinth Pipeworks)	Corinth, Greece	13,990
Office Complex	115, Kiffissias Ave., Athens, Greece	38,261
Office Complex	57, Ethnikis Antistasseos St., Halandri, Greece	4,454
Office Complex	26, Apostolopoulou St., Halandri, Greece	10,833
Office Building	53A, Nikola Vaptzarov Blvd, Sofia , Bulgaria	4,968

(1) refers to built surface

In 2014, actions were taken that are expected to have positive effects on the real estate development sector. In particular:

- Introduction of new, well-known and widely popular brands (such as Bershka, Mango, Pull & Bear etc.) that enhanced the tenant mix of the River West shopping mall.
- Targeted efforts aimed at leasing out the Office complex on 115, Kifissias Ave., Athens resulting in on-going negotiations with several potential tenants, most of them interested in the building as a whole.
- Re-launching of negotiations with potential operators for the lease of the Hotel Karaiskaki Square, Athens
- Start of construction works at former premises of Corinth Pipeworks during the first half of 2014 aimed at developing them into a retail park.. Works are on track for completion by summer 2015.

In general, optimization of the overall development and management of Viohalco's investment property has been put under scrutiny and a more effective corporate structure is expected to be in place by the end of 2015.

Other services

Viohalco also holds a stake in smaller companies which cover a range of sectors including ceramic sanitary ware and tiles, metals recovery, ERP application services, insurance brokerage, travel brokerage and mechanical engineering applications (Other Services Sector).

Subsequent to the merger with Cofidin SA, as at 16 November 2013, Viohalco also holds an important portfolio of high quality equity instruments and bonds. The value of this portfolio as at 31 December 2014 amounts to EUR 43.8 million and is presented in the table below.

Participations in other investments * (in Euro thousands)	As at 31 December 2014
International equity instruments	23,945
Corporate bonds	14,579
Sovereign bonds	5,307
Total	43,831

This investment portfolio consists of a limited number of high quality equity instruments and a diversified portfolio of debt instruments.

The choice of portfolio investments is made in regards to creating value for the shareholders. Viohalco seeks to attenuate risk by diversifying its portfolio and monitoring its different investments on a continuous basis. Every investment or divestment is analysed in depth and external specialists in financial markets are consulted when planning a transaction.

The summary consolidated statement of profit or loss of the sector is as follows:

	For the year ended 31 December	
Amounts in EUR thousand	2014	2013
Revenue	11,525	20,147
EBITDA	-3,446	-53,696
EBIT	-5,897	-56,720
Loss before income tax	-4,824	-57,554
Loss of the year	-6,548	-49,998

Viohalco S.A. - Greek branch

Viohalco S.A. has established a branch in Greece ("Greek branch"). The Greek branch holds the Company's assets in Greece.

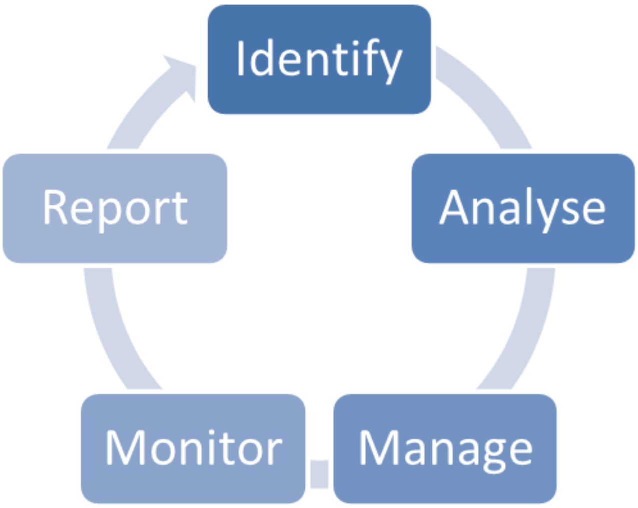
4. Risks and Uncertainties

Viohalco's Board of Directors is responsible for assessing the Company's risk profile. Yet since Viohalco is a holding company and since it does not have any production operations, neither customers and suppliers, nor personnel (except 7 employees), the risks affecting the Company are mainly factors such as market conditions, competitor positioning, technology developments etc. related to its subsidiaries. Each of Viohalco's subsidiary is responsible for the mitigation of its own risks. In turn, Viohalco's executive management is tasked with successfully exploiting business opportunities, whilst at the same time limiting possible business losses.

In order to achieve this, Viohalco has established a risk management system. The aim of this system is to enable the Company to identify risks, either own or related to its subsidiaries, in a proactive and dynamic way and to manage or mitigate these identified risks to an acceptable level, to the extent possible. Internal controls exist throughout the operations of Viohalco to provide management with reasonable assurance of the Company's ability to achieve its objectives. These controls cover the effectiveness and efficiency of operations (including the mitigation of fraud), the reliability of financial processes and reporting and the compliance with applicable laws and regulations.

Risk Management Process

Viohalco has implemented a five-step risk management process.



Risks are identified through a periodic process that is undertaken both at a Viohalco and at a sectoral level. This results in the drafting of the Risk Universe, which is then subject to both quantitative and qualitative analysis and assessment, in order to define Viohalco's updated Risk Profile.

This list of prioritised risks is then subject to an extensive review, in order to ensure correct and up-to-date mapping with the applicable Risk Response, i.e. the structures, policies, procedures, systems and monitoring mechanisms put in place by executive management in order to manage these risks. The Company officials responsible for ownership / oversight for each risk are also identified and agreed.

A consolidated review takes place at the level of the executive management, the outcome of which is presented to the Audit Committee and to the Board of Directors. The Audit Committee monitors the effectiveness of the Company's internal control and risk management systems and looks into specific aspects of internal control and risk management on an on-going basis.

Key Risks

Viohalco's risks, either own or related to its subsidiaries, are organised in four major categories (each category is further broken down in risk sub-categories, which are in turn disaggregated into specific risk events):

- **Strategic and Markets Risk** – External forces that could affect the viability of Viohalco's business model, including the fundamentals that drive the overall objectives and strategies that define that model.
- **Operations Risk** – The risk that operations are inefficient and ineffective in executing Viohalco's business model, satisfying customers and achieving the Company's quality, cost and time performance objectives.
- **Financial Risk** – The risk that cash flows and financials are not managed cost-effectively, in order to (a) maximise cash availability; (b) reduce uncertainty of currency, interest rate, credit, commodity and other financial risks; or (c) move cash funds quickly and without loss of value to wherever they are needed most.
- **EHS (Environment, Health and Safety) and Compliance Risk** – The risk of non-compliance with prescribed organisational policies and procedures or laws and regulations, including environmental and health and safety rules, which may result in penalties, fines, property damage, injury and / or reputational loss.

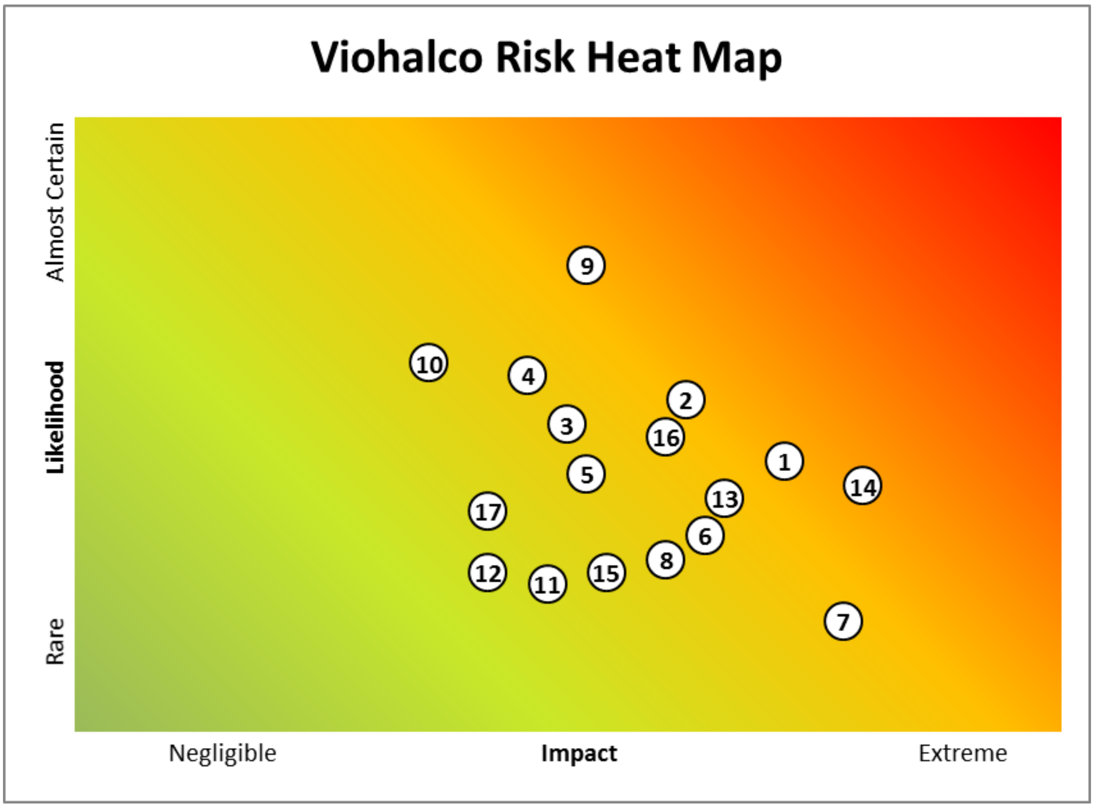
Viohalco and its subsidiaries Risk Universe

Strategic and Markets	Operations	Financial	EHS and Compliance
1. Country Risk	6. Sourcing Risk	11. Interest Rate Risk	16. Environmental and Health and Safety Risk
2. Industry Risk	7. Business Interruption Risk	12. Currency Risk	17. Compliance Risk
3. Competitor Risk	8. Product Failure Risk	13. Commodity Risk	
4. Channel Effectiveness Risk	9. Human Resources Risk	14. Liquidity Risk	
5. Technological Innovation Risk	10. Information Technology Risk	15. Credit Risk	

A graphical representation of Viohalco's and its subsidiaries current exposure to risks (in terms of potential impact and likelihood) is provided[1]. This is accompanied by a short description of each risk[2].

[1] Please note that this information is likely to change at any time and is given only as an indication. Viohalco makes no declarations, warranties or commitments of any kind as to the relevancy accuracy or comprehensiveness of this information.

[2] Where mentioned, the term 'Viohalco' also includes the various Segments.



1. Country Risk

Adverse political actions may threaten the Company and its subsidiaries resources and future cash flows in a country in which Viohalco has invested significantly, is dependent on for a significant volume of business or has entered into a significant agreement with a counterparty subject to the laws of that country.

The Company and its subsidiaries address this exogenous risk by differentiating its companies' manufacturing and, especially, their market reach. Viohalco's companies currently have manufacturing sites in 6 countries, a commercial network in 21 countries, while their products are distributed in more than 100 countries worldwide.

2. Industry Risk

Changes in opportunities and threats, capabilities of competitors, and other conditions affecting the companies' industries may threaten the attractiveness or long-term viability of these industries. Industry risk for Viohalco is primarily associated with the cyclicity of demand and the substitution rate of some of its companies' products.

The companies manage the former by expanding their exports to global markets, to differentiate cyclical exposure across geographical areas. The risk of substitution is addressed through the differentiation of their product mix, for example by shifting part of the production to products where the substitution rate is lower.

3. Competitor Risk

Actions of competitors or new entrants to the market may impair Viohalco's companies' competitive advantage or even threaten their ability to survive.

Exposure to competitor risk is captured through daily review of market information. Strategic issues regarding response to competition are assessed as part of the annual budget process and the strategic markets plan by each subsidiary. Relevant mitigating actions include a strong commitment to quality throughout the production phase, a competitive pricing policy in commodity products and a targeting on high-margin products and market diversification.

4. Channel Effectiveness Risk

Poorly performing or positioned distribution channels may threaten Viohalco's companies' capacity to effectively and efficiently access current and potential customers and end users.

Viohalco's companies manage the channel effectiveness risk through commercial executives per project / market. Budgets are the main tools used for the setting up and monitoring of distribution channel objectives.

5. Technological Innovation Risk

Viohalco's companies may not be leveraging advancements in technology in their business model to achieve or sustain competitive advantage or may be exposed to the actions of competitors or substitutes that do leverage technology to attain superior quality, cost and/or time performance in their products, services and processes.

This risk is primarily managed by the Viohalco's companies through the establishment of technical assistance and knowledge transfer agreements with global leaders in various sectors where the companies are active. Viohalco's companies also cooperate with scientific bodies and prominent international research centres. This strong focus on technology and innovation is additionally demonstrated through dedicated research and development departments at a number of Viohalco's companies.

6. Sourcing Risk

Limited sources of energy, metals and other key commodities, raw materials and component parts may threaten Viohalco's companies' ability to produce quality products at competitive prices on a timely basis.

The companies constantly and actively strive to minimise the likelihood of such a risk occurring. Relevant measures include maintaining a wide and diverse supplier base where possible, especially geographic; the existence of alternate material lists; the establishment of Service Level Agreements with key vendors; and the reduction of exposure to the spot market through long term contracts.

7. Business Interruption Risk

Business interruptions stemming from the unavailability of raw materials, information technologies, skilled labour, facilities or other resources may threaten Viohalco's companies' capacity to continue operations.

In order to manage this risk, companies' plant equipment is maintained thoroughly by the corresponding maintenance departments, according to a planned maintenance schedule. Plant equipment and production lines are also upgraded systematically. All spare parts and consumables are gauged on criticality and safety stock levels are monitored. Some of the plants, facilities and production lines are interchangeable and have been mapped to ensure shifting and continuation of production if such a need arises. Regarding information technology, disaster recovery plans have been defined per segment and facility.

8. Product Failure Risk

Faulty or non-performing products may expose Viohalco's companies to customer complaints, warranty claims, field repairs, returns, product liability claims, litigation and loss of revenues, market share and business reputation.

In order to proactively mitigate the risk of arising from actual or claimed defects in its products, Viohalco's companies have established rigorous quality management systems at their plants, by applying fixed and formalised quality control procedures and also maintain appropriate insurance coverage against such claims. The quality control procedures include sample testing per production batch or at item level at specific phases of production; establishment of monitoring equipment at set production phases and production lines and work centres to capture defects; implementation of end-to-end traceability systems, etc.

9. Human Resources Risk

Possible lack of requisite knowledge, skills and experiences Viohalco's companies key personnel may threaten the execution of business model and achievement of critical business objectives.
In order to mitigate the above risk, top management at both company and sectoral level regularly perform comprehensive reviews regarding key personnel. There is also a continuous effort to develop junior staff and also rotate, where possible, more senior staff in key positions across the companies.

10. Information Technology Risk

Viohalco's companies may not have the information technology infrastructure it needs to effectively support the current and future information requirements of the business in an efficient, cost-effective and well-controlled fashion. Additionally, failure to adequately restrict access to information (data or programs) may result in unauthorised knowledge and use of confidential information or a compromise of its integrity.

Teka Systems, a subsidiary of Viohalco that is focused on the implementation, customisation and support of information systems, is the official customer competence centre of Viohalco.

11.Interest Rate Risk

Significant movements in interest rates may expose Viohalco and its companies to higher borrowing costs, lower investment yields or decreased asset values. Floating rate payables expose Viohalco and its companies to a cash flow risk, while fixed rate liabilities entail assumption of the risk of a change in fair value.

In order to manage interest rate risk, Viohalco and its companies hold interest rate swaps which convert floating into fixed interest rates.

12.Currency Risk

Volatility in foreign exchange rates may expose Viohalco and its companies to economic and accounting losses.

Viohalco and its companies offset this risk through hedging practices, such as the use of forward contracts, cross currency swaps, and also natural hedging (i.e. anticipated sales and purchases, as well as receivables and liabilities, in foreign currency).

13.Commodity Risk

Fluctuations in commodity prices (particularly copper, zinc and aluminum) may expose Viohalco's companies to lower product margins or trading losses.

Companies active in metals that are traded in the London Metal Exchange (LME)mitigate this risk by hedging, through trading in future contracts on the LME. Specifically, all metal price fixing sales and purchase contracts are netted daily and the change in the net open commodity is generally hedged by LME future contracts so that Viohalco's companies are not exposed to commodity price risk.

14.Liquidity Risk

Exposure to lower returns or the necessity to borrow due to shortfalls in cash or expected cash flows (or variances in their timing). Exposure to loss due to participation in a narrow market consisting of a limited group of counterparties (i.e. financial institutions) resulting in inability to consummate transactions at reasonable prices within a reasonable timeframe.

In order to avoid liquidity risks, Viohalco and its companies set up a provision for cash flows when preparing the annual budget and a monthly rolling provision of three months, so as to ensure sufficient cash on hand to meet its operating needs, including coverage of its financial obligations. The cash needs of Viohalco's companies are monitored by their respective financial departments and are communicated to Steelmet S.A., a Viohalco's company, which agrees upon financing terms with credit institutions in Greece and other countries.

In Greece, where most of Viohalco's subsidiaries are located, the continuous negotiations in 2015 in respect of the re-evaluation of the terms of the Greek finance program have rendered the macroeconomic and financial environment volatile. The return to economic stability depends largely on the actions and decisions of the financial institutions in Greece and in the Eurozone. This uncertainty in the economic and financial environment in Greece constitutes a key risk factor and any development in this respect is likely to affect the operations and activities of Viohalco's subsidiaries in Greece, and their financial performance and position. However, 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. In addition, Viohalco's companies' debt amounting to EUR 1,583 million comprises of 60% long term and 40% short term facilities, of which 90% are extended by Greek banks or their subsidiaries abroad and 10% by international banks and supranational financial institutions. 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.

15.Credit Risk

Viohalco's companies' customers may default on their obligations. Credit risk may be accentuated if a significant portion of business is concentrated to customers that are similarly impacted by events.

This risk is mitigated by no one customer accounting for 10% of total revenue and by credit insurance. In addition, Viohalco's companies mitigate credit risk through robust creditworthiness checks via banks and other credit ratings and also by setting payment terms and credit limits. They demand real or other security (e.g. letters of guarantee) in order to secure its receivables, where possible. They also record an impairment provision representing its loss estimate in terms of trade and other receivables and investments in securities. This provision mainly consists of impairment losses of specific receivables that are estimated.

16.Environmental and Health and Safety Risk

Activities harmful to the environment may expose Viohalco's companies to liabilities for bodily injury, property damage, shut down of sites or part of sites, cost of removal, punitive damages, and unwelcome media attention. This risk also includes the potential non-conformance with environmental licenses and regulations, which could cause fines and reputation damage. Additionally, failure to provide a safe working environment for workers may expose Viohalco's companies to compensation liabilities, loss of business reputation and other costs. Incidents at plants could cause death / injuries or personnel might suffer health problems due to heavy machinery and production processes and materials. Consequences relate to loss of key personnel and resources, prosecution, fines, imprisonment, compensation pay-outs and other financial implications, reputation damage and business interruptions.

Viohalco's companies have established extensive environmental and health and safety policies and procedures, for each individual facility. Detailed risk assessments are performed annually and regular reviews and audits are carried out to ensure all preventive measures exist and operate as they should in order to manage the environmental and health and safety risks.

17.Compliance Risk

Non-compliance with customer requirements, prescribed organisational policies and procedures or laws and regulations (including listing requirements) may result in lower quality, higher production costs, lost revenues, unnecessary delays, penalties, fines, etc. for Viohalco's companies

With regard to requirements arising from its stock exchange listings, Viohalco has established the necessary structures and procedures in order to ensure continuous compliance, including the adoption of its Corporate Governance Charter, which covers issues such as Directors' and Managers' accountability, good governance principles, insider dealing, and conflicts of interest. Also in order to mitigate the risk of arising from actual or claimed defects in its products, Viohalco's companies have established rigorous quality management systems at their plants and also maintain appropriate insurance coverage against such claims.

5. Technology and R&D

Viohalco's companies, keeping ahead of technological developments, promote on-going R&D and develop innovative solutions, while maintaining strategic partnerships with scientific bodies and international research centres, as well as, with global pioneering companies. Continuous scientific research and experience from the Viohalco's companies' foundries in copper, aluminium and steel have resulted in significant in-house knowledge in metallurgy.

Viohalco companies invest in leading edge factory lines and constantly upgrade existing lines to be competitive in the global market.

Viohalco's companies cooperate with scientific entities and prominent international research centres, such as the following:

- Manchester University, UK
- IEHK, Institut für Eisenhüttenkunde, RWTH Aachen, Germany
- Delft University of Technology, The Netherlands
- University of Ghent, Belgium
- European Pipeline Research Group (EPRG)
- TWI – The Welding Institute, UK
- Institut für Korrosionsshutz in Dresden, Germany
- SINTEF Energy Research, Norway
- NTUA - National Technical University of Athens, Greece
- University of Ioannina, Greece
- University of Patras, Greece
- University of Thessaly, Greece
- Technical University of Crete, Greece
- Aristotle University of Thessaloniki, Greece
- Democritus University of Thrace, Greece
- NCSR Demokritos, Greece

To gain new expertise in emerging technologies and keep up to date with best practices, the companies maintain long-term partnerships with global leaders, such as:

- United Aluminum Company of Japan (UACJ Corp.)
- Mitsubishi
- Daido Steel Co
- Viscas Corporation
- Automatic Wire Machines Spa
- GMH Gruppe Georgsmarienhuette

The companies' demonstrating their commitment to innovation, through their technology and R&D centres have a strong track record of success, producing solutions that allow them to manufacture and market, specialised and competitive products.

Elval Technology center developed highly-resistant special products with non-skid properties. Elval also produces extra flat sheets with top-quality lacquer-coatings, products made of 100% recycled aluminium and products subjected to deep drawing and extrusion.

Halcor operates a new and innovative laboratory to test the thermal performance of inner grooved tubes – IGT. This allows the company to improve the energy efficiency of its products, as well as offer an entirely new range of services.

Cablel® Hellenic Cables Group has established a state-of the-art Polymer Laboratory at its plant in Oinofyta. The laboratory mainly conducts chemical analyses and identification of raw materials, with emphasis on quality control and analysis of polymers of high and extra high underground and submarine cables. Research and development of new plastics and elastomer compounds takes place in the laboratory.

Etem is continually developing manufacturing processes for the automotive industry, investing in dedicated machining and processing tools, and vigorous testing to deliver high quality products. Following years of development and collaboration with customers and European institutes and research centres, Etem is a Tier 2 and Tier 1 supplier to the automotive industry, certified to produce aluminium profiles and parts for crash relevant systems.

The Sidenor Group's long-lasting culture for innovation is emphatically exemplified by the thorough research and considerable investments in high-tech machinery, that have been implemented throughout its history. The Sidenor Group takes pride in having gone one step further, by developing in-house and globally promoting a state-of-the-art technology, patented under the name Synthesis™. Synthesis™ is a unique system for the fully -industrial -scale prefabrication of reinforcing steel. The concept of Synthesis was developed by Sidenor's Research & Development arm, Praksys, who also developed the complete software package accompanying the technology, including such components as product design, machine operation control, e-ordering, production planning and logistics.

Elkeme, Hellenic Research Centre for Metals S.A.

Elkeme, a Viohalco's company, was founded in 1999 to support the Greek metallurgical industry. Through its state of the art laboratories, Elkeme focuses on industrial research and technological development. Most of its efforts are concentrated in four major metals sectors (aluminium, copper, steel and zinc) with the aim to provide efficient solutions to its customers. Elkeme activities are mainly focused on applied technological research towards:

a. Improvement in the quality of existing and development of new, innovative and high value added products

b. Optimisation of industrial processes, to support energy and cost efficient operations with respect for human health and safety as well as the environment

In parallel, in order to achieve sustainable growth, Elkeme conducts impact assessment on plant environmental performance across different industrial sectors, and research in the fields of recycling, stabilisation and utilisation of by-products in the production of new high-added value products exploiting their chemical and/or energy content.

The key objective of Elkeme is the deployment and provision of high added value R&D services and technical solutions applicable to business and plant production processes, through:

- Employment of highly capable scientists, engineers and technicians
- Investment in human assets via continuous professional development and education
- Adoption of a flexible "customer-focus" business model
- High quality and cutting-edge laboratories
- Conducting research projects in metallurgy, materials science and environmental engineering

- Shaping strong relationships with customers, employees and partners, together with national and international research and/or academic organizations building a “knowledge”, “competence” and “excellence network”

Elkeme laboratories focus on excellence and are recognized and distinguished worldwide through:

- Successful collaboration in joint research projects with outside consulting and technical partners/organizations and
- Participating in international contests, such as proficiency testing and inter-laboratory measurement schemes (Analytical chemistry lab).

Elkeme team members participate in international scientific/engineering associations and serve as members of worldwide scientific committees and Boards, such as Hellenic Metallurgical Society (member of Federation of the European Materials Societies, FEMS), as well as international/European ones, such as ASM International and European Microbeam Analysis Society (EMAS), Waste-to-Energy Research and Technology Council (WTERT) and Technical Working Group (TWG) of European IPPC Bureau for Non-Ferrous Metals. They also regularly contribute with research papers to scientific journals and conferences and are invited to offer lectures at Universities and in technical meetings and seminars.

The company cooperates regularly with national and foreign Universities for the implementation of practical training internships and elaboration of Diploma, Master and PhD theses based on industrial projects with significant technical and economic impact. Elkeme participates to national and EU-funded research projects in collaboration to VG industries, renowned Research centres and Universities.

Elkeme is a company member of Hellaslab (member of Eurolab).

The management of Elkeme applies robust and modern Quality Management Systems in accordance to ISO 9001:2008 requirements while a recently implemented ISO/IEC 17025:2005 system is under accreditation.

Elkeme is also supported by the technology centres of the Viohalco’s companies that closely monitor market new trends in order to meet work on customers’ expectations and fulfil requirements.

As a continuously evolving competence and excellence centre, Elkeme management invests in human capital, forming strong and long term professional relationships and promoting lifelong education and training. Elkeme team members are motivated by management to improve their knowledge, scientific status and skillsets by supporting their participation to various post-graduate programs designed and elaborated also in cooperation and alignment with industrial companies and their needs.

Engineering

Viohalco core competitive advantage is the expertise of its companies in building and upgrading factories, through the heritage in planning, re-engineering process optimisation and supervisory control systems, following the latest trends and developments in the production processes.

The tradition of applying the highest level of management systems, the production optimisation procedures and the supervisory control systems, which have been embedded to all its subsidiaries, secure the long-term growth of Viohalco.

The subsidiaries’ highly skilled and experienced scientists and engineers can provide unique engineering solutions matching their partners’ personalised requirements from an innovative technology or process up to engineering a new plant.

Teka Systems S.A., a Viohalco's subsidiary, implements large scale engineering projects for the steel, aluminium, copper, power and telecommunication cables and other industries. It specialises in the assembly and erection of machinery such as rolling mills, extrusion presses for aluminium, copper and copper alloys, copper tube making equipment as well as engineering, manufacturing and erection of melting and casting furnaces, handling systems, chain conveyors, etc. Teka Systems S.A. is also a leading company in automation process, supervisory control, IT applications and ERP systems.

6. Circumstances that may considerably impact the development of Viohalco

Circumstances which may considerably impact the development of Viohalco are reported in the section Risk and Uncertainties.

7. Shareholder Information and Market Data

Share information and evolution of the shares

Viohalco's share capital is set at EUR 104,996,194.19 divided into 219,611,308 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 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.
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 under the symbol VIO (in latin characters) and BIO (in Greek characters).

Market data

The table below sets forth, for the periods indicated, the maximum and minimum month-end closing prices, and the end of the year closing prices of Viohalco SA. on Euronext Brussels and Athens Exchange.

Share price In EUR	2014	2013
At the end of the year	1.91	3.71
Maximum	5.08	4.40
Minimum	1.78	3.70
Dividends	0	0
Gross annual return in %	**-48.3%**	**-15.7%**

Investor relations

Sofia Zairi
Head of Investor Relations
Email: ir@viohalco.com

Contact Details

Viohalco S.A.	Viohalco S.A. – Greek Branch
30 Marnix Avenue,	16 Himaras Street,
1000 Brussels,	151 25 Maroussi, Athens
Belgium	Greece

Belgium tel: (+32) 22 240966
Greece tel: (+30) 210 6861 111, (+30) 210 6787 773

Market NYSE Euronext Brussels
Ticker VIO
ISIN code BE0974271034

Market Athens Exchange
Ticker VIO (in latin characters) and BIO (in Greek characters)
ISIN code BE0974271034

Viohalco remains committed to high-quality and transparent financial reporting. Viohalco's consolidated financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the EU ("IFRSs as adopted by the EU").

Shareholder's structure

In accordance with the Belgian law of 2 May 2007 on the disclosure of significant shareholdings in issuers whose securities are admitted to trading on a regulated market and containing various provisions, implemented in Belgian law Directive 2004/109/EC shareholders whose stake in Viohalco's capital crosses the threshold of 5 % and each multiple of 5 %, in either direction, are required to notify the Belgian Financial Services and Markets Authority (FSMA).

The following is an overview of the current shareholding structure shown on the FSMA website resulting from the transparency notifications filed with the FSMA:

- Evangelos Stassinopoulos holds 42.81% of the voting rights of the Company, which are held indirectly;
- Nikolaos Stassinopoulos holds 32.27% of the voting rights of the Company, which are held directly;
- Michail Stassinopoulos directly and indirectly held a percentage representing 3.93% of the voting rights of the Company, and
- Ippokratis-Ioannis Stasinopoulos held directly and indirectly a percentage representing 3.92% of the voting rights of the Company.

Following the latest information received by the Company and the above transparency notifications, Viohalco's major shareholders are:

Name Shareholders	Number of voting rights	% voting rights
Evangelos Stassinopoulos	94,010,302	42.81%
Nikolaos Stassinopoulos	70,863,807	32.27%
Michail Stassinopoulos	8,624,275	3.93%
Ippokratis-Ioannis Stasinopoulos	8,618,155	3.92%

Distribution and dividend policy

Since its incorporation in 2013, Viohalco does not have any history of dividend distribution.

It is the present intention of the Board of Directors that in the short term any of the Company's profits be reinvested into the Company's businesses. This policy will be reviewed by the Board of Directors in due course and, if the policy changes, the Company will inform the market accordingly. However, no assurances can be given that Viohalco will make dividend payments in the future. Such payments will depend upon a number of factors, including Viohalco's prospects, strategies, results of operations, earnings, capital requirements and surplus, general financial conditions, contractual restrictions and other factors considered relevant by the Board of Directors. Due to its interest and participation in a number of subsidiaries and affiliated companies, Viohalco's stand-alone income and its ability to pay dividends depends in part on the receipt of dividends and distributions from these subsidiaries and affiliated companies. The payment of dividends by these subsidiaries and affiliated companies is contingent upon the sufficiency of earnings, cash flows, and distributable reserves.

Financial calendar

Date	Publication / Event
26 May 2015	Annual General Meeting 2015
28 May 2015	Subsidiaries' Q1 2015 announcement
27 August 2015	Subsidiaries' Half Yearly 2015 announcement
30 September 2015	Half Yearly 2015 results
26 November 2015	Subsidiaries' Q3 2015 announcement

Other information

The Management Report for the accounting period ending on 31 December 2014, consisting of pages 10 to 56, and 57 to 73 (Corporate Governance Statement), has been prepared in accordance with article 119 of the Belgian Companies Code and was approved by the Board of Directors on 30 March 2015. It includes the consolidated financial statements of Viohalco.

Corporate Governance Statement

INTRODUCTION

Viohalco applies standards compliant with the Belgian Code on Corporate Governance of 12 March 2009 (the **2009 Code**) to its corporate governance practices and policies as a company listed on the Brussels Stock Exchange (Euronext Brussels). The 2009 Code is available on the website of the Corporate Governance Committee (www.corporategovernancecommittee.be). The Corporate Governance Charter (the **Charter**) is available on the Company's website (www.Viohalco.com).

The 2009 Code is based on a «comply or explain» rule. Belgian listed companies must abide by the 2009 Code but are authorised to deviate from certain provisions of the Code, as long as they provide a justified explication for such deviation. The internal organisation of Viohalco deviates from the following principles of the 2009 Code:

- **Principle 6.2** "The executive management comprises at least all executive Directors".

  Certain Directors are considered executive Directors due to the management functions they undertake in one of the Viohalco's companies, without being part of the Company's executive management.

- **Principle 7.11** "For the interests of an executive manager to be aligned with those of the Company and its shareholders, an appropriate proportion of an executive manager's remuneration package is structured in such a way as to be linked to individual and corporate performance".

  The remuneration policy of the Company is set out in the remuneration report. Such policy does not include variable remuneration. The Board of Directors will consider the proposals submitted by the Nomination and Remuneration Committee in order to determine whether, and to what extent, a modification of this policy is justified in light of the Company's specific nature and strategy.

Viohalco's Board of Directors updated the Charter on 30 March 2015. It will review corporate governance at regular intervals and adopt any amendments deemed necessary and appropriate. The Charter includes the rules and policies of Viohalco and must be read in combination with the Company's Articles of Association, the Corporate Governance Statement in the annual report and the corporate governance provisions set forth in the Belgian Companies Code (**BCC**).

Given the secondary listing of Viohalco's shares on the Athens Exchange (**Athex**), the Greek Law 3340/2005, transposing into Greek legislation Directive 2003/6/EC on insider dealing and market manipulation (market abuse), as currently applicable, and the Athex Regulation of Operation also apply to the Company, in addition to Belgian laws and regulations.

BOARD OF DIRECTORS

1. Role

The Board is vested with the power to perform all necessary or useful acts in order to attain the Company's objectives, with the exception of acts specifically reserved by law or the Articles of Association to the shareholders' meeting or other management bodies.

Specifically, the Board is responsible for:

- defining the general policy orientations of the Company;
- taking decisions on the main strategic, financial and operational matters of the Company;
- supervising the executive management of the Company;
- taking all measures necessary to guarantee the quality, reliability, integrity and timely publication of the Company's financial statements and other financial or non-financial information pertinent to the Company;
- monitoring and reviewing the effective operation of the Audit Committee and the Nomination and Remuneration Committee;
- adopting an internal control and risk management framework established by the executive management;
- monitoring the quality of the services provided by the external auditor(s) and the internal audit, taking into account the assessment made by the Audit Committee;
- approving the remuneration report; and
- all other issues conferred to the Board by the Belgian Companies Code.

Within certain limits, the Board is entitled to delegate part of its powers to the members of the Executive Management. Moreover, it has delegated the day-to-day management of Viohalco to the Managing Director (**CEO**). Viohalco has not chosen to establish a Management Committee (Executive Committee) as defined by Belgian law.

2. Composition

In accordance with article 8 of Viohalco's Articles of Association, the Board of Directors is composed of minimum five members and maximum fifteen members. As of 31 December 2014, the Board of Directors comprises twelve members:

Name	Position	Term started	Term expires
Nikolaos Stassinopoulos	Non-executive Director, President	2014	2015
Jacques Moulaert	Executive Director, Vice-President	2014	2015
Evangelos Moustakas	Executive Director, CEO	2014	2015
Michail Stassinopoulos	Executive Director	2014	2015
Ippokratis Ioannis Stasinopoulos	Executive Director	2014	2015
Jean Charles Faulx	Executive Director	2014	2015
Xavier Bedoret	Non-executive Director	2014	2015
Rudolf Wiedenmann	Non-executive Director	2014	2015
Efthimios Christodoulou	Non-executive Director Independent	2014	2015
Yvan de Launoit	Non-executive Director Independent	2014 (December - appointment by cooptation)	2015
Francis Mer	Non-executive Director Independent	2014	2015
Thanassis Molokotos	Non-executive Director Independent	2014	2015

3. Information on the Directors

Over the past five years, the Directors have held the following positions (apart from their directorship of the Company) and maintained associations with the following bodies which, in theory, could become the source of conflict of interests:

Nikolaos Stassinopoulos, non-executive Director, President. Mr. Stassinopoulos holds a master's degree from the Athens University of Economics and Business. He served as Vice-President and President of Viohalco Hellenic. In the past, Mr. Stassinopoulos was also a member of the Board of the National Bank of Greece and the Eurobank-Ergasias Bank.

Jacques Moulaert, executive Director, Vice President. Mr. Moulaert holds a Ph.D in law from the University of Ghent and a master's degree in public administration from Harvard University. He serves as honorary Managing Director at Groupe Bruxelles Lambert SA and as honorary Chairman of the Board of ING Belgium SA/NV. He is the founder and honorary vice-President of the Louvain Foundation. In the past, Mr. Moulaert served as visiting professor at the Catholic University of Louvain (UCL).

Evangelos Moustakas, executive Director, CEO. Mr. Moustakas joined Viohalco Hellenic in 1957 and has held various technical and managerial positions at the company, including President of the Board of several subsidiaries of Viohalco Hellenic, such as Hellenic Cables SA and Etem SA He serves as President of the Board of the Hellenic Copper Development Institute and is a member of a considerable number of metals-related institutes abroad, such as ICA, IWCC, ECI and others, which are active in the development and promotion of copper and cable products around the world.

Michail Stassinopoulos, executive Director. Mr. Stassinopoulos holds a master's degree from the London School of Economics, a degree from City University in London and a master's degree in shipping, trade and finance from City University. He has served as a member of the executive committee of Viohalco Hellenic since 1995 and is a member of the Board of Elval Hellenic Aluminium Industry SA.

In the past, Mr. Stassinopoulos served as a member of the Board of the Hellenic Federation of Enterprises and the Greek-Japanese Chamber of Commerce.

Ippokratis-Ioannis Stasinopoulos, executive Director. Mr. Stassinopoulos holds a master's degree in management sciences from City University and a master's degree in shipping, trade and finance from City University's Business School. He serves as a member of the General Council of SEV (Hellenic Federation of Enterprises), the Young Presidents Organisation, and the Board of Endeavor Greece. Mr. Stassinopoulos has held a managerial position at the Viohalco Hellenic since 1995.

Jean Charles Faulx, executive Director. Mr. Faulx holds a master's degree in economic sciences from the Catholic University of Louvain (UCL). He was a member of the Board of Cofidin, Genecos SA (Paris), Terra Middle East (Dusseldorf), Base Metals (Istanbul), and Metal Agencies (London). He was also member of the Board of International Trade SA and Cofidin Treasury Center SA prior to their absorption by Cofidin in August 2013. Mr. Faulx also serves as CEO of Tepro Metall AG, a Viohalco's subsidiary, Studio58 SA and Promark SPRL. In the past, Mr. Faulx held various positions at Techno Trade SA, JCT Invest and Elval Automotive SA.

Xavier Bedoret, non-executive Director. Mr. Bedoret holds a master's degree in law from the Catholic University of Louvain (UCL). He serves as internal auditor and member of the Audit and Risk Management Committee at Group GDF Suez. Prior to joining GDF Suez, he worked as a certified public accountant, senior bank and financial risk manager, and senior manager at KPMG (Brussels).

Rudolf Wiedenmann, non-executive Director. Mr. Wiedenmann holds a master's degree in chemistry from Ludwig-Maximilians Universität München and a PhD in natural sciences. He is a member of the Board of Icme Ecab SA. In the past, he has worked in the research and development department, as well as in other departments such as that of energy cables, of Siemens in Germany. He served as President in the European Association of Cable Manufacturers.

Efthimios Christodoulou, non-executive and independent Director. Mr. Christodoulou holds a BA in economics from Hamilton College and an MA in economics from Columbia University. He served on the staff of the National Bureau of Economic Research (New York) and was a lecturer at New York

University. Mr. Christodoulou was also Governor of the National Bank of Greece, President of the Union of Hellenic Banks, and Director General of the National Investment Bank for Industrial Development (ETEVA). He also acted as President of the Board and CEO of Olympic Airways, Executive President of Hellenic Petroleum SA, and was a member of the European Parliament. He was Minister of Foreign Affairs and Minister of National Economy in Greece. Until June 2013, Mr. Christodoulou also served as President of EFG Eurobank. He is also President of various philanthropic institutions.

Yvan de Launoit non-executive and independent Director. M. Yvan de Launoit holds a Ph.D in science from the Université Libre de Bruxelles. He worked in the medical research sector, particularly in experimental cancerology, and is currently Director of a research laboratory in CNRS at the Institut Pasteur de Lille (France). He sits in numerous scientific councils. Yvan de Launoit is also actively involved in the associative sector in Belgium: he is the vice-President of the Queen Elisabeth Music Competition.

Francis Mer, non-executive and independent Director. Mr. Mer holds a master's degree from Ecole Polytechnique and a master's degree in engineering from Ecole des Mines. He serves as honorary President of Safran Group. In the past, Mr. Mer held various positions at Usinor Sacilor Group, including President of the Board and CEO, and served as President of Cockerill Sambre, Eurofer (European Steel Association) and the International Iron and Steel Institute. He was President of the French Steel Federation, the National Technical Research Association, EpE (Entreprises pour l'Environnement) and the Cercle de l'Industrie, and co-President of the Board of Arcelor. Mr. Mer was the French Minister of Economy, Finance and Industry from 2002 to 2004.

Thanasis Molokotos, non-executive and independent Director. Mr. Molokotos holds a master's degree in mechanical engineering and a master's degree in marine engineering and naval architecture from the Massachusetts Institute of Technology (Cambridge, MA), and a master's degree in mechanical engineering from Tuft University (Medford, MA); He is President and chief executive officer of Assa Abloy Americas. In the past, he served as general manager of Molokotos Textile Corporation and design specialist at Rangine Corporation.

All Directors' term of office will expire at the shareholders' Ordinary General Meeting of 26 May 2015, when Yvan de Launoit's appointment with co-optation on 3 December 2014 will also be confirmed.

4. <u>Appointment of Directors</u>

The Board members are elected by the Shareholders' Meeting following a Board's proposal. The Directors' appointment requires a quorum of two thirds of the share capital. If this quorum is not reached, a second meeting may be convened with the same agenda and shall lawfully meet if 60% of the share capital is present or represented. If this quorum is not reached, a third meeting may be convened and shall lawfully meet if 58% of the share capital is present or represented. The Directors are elected with a 75% majority of the votes. If a Director's position becomes vacant, the remaining Directors may co-opt a Director to fill such office on a temporary basis. In this case, the definite appointment will take place in the next shareholders' meeting. In 2014, the Board proceeded to the co-optation of Count Yvan de Launoit, following the decease of Count Jean-Pierre de Launoit.

The Directors are appointed for a one-year term. This term is renewable. If a Director does not take part in any Board meeting for six months without a valid reason, he is considered as having resigned from the Board.

The Nomination and Remuneration Committee examines the candidacies proposed, particularly by the shareholders, and seeks to ensure a satisfactory balance of experience and knowledge among the Board members. The Committee submits proposals to the Board which decides on the documented proposals to be made to the General Meeting.

Pursuant to article 518 bis, § 3 of the BCC, at least one third of the Company Board members must be of a different sex than the others, as of the financial year starting on 1 January 2019. The Board is aware of that and will comply with the Law.

5. Criteria for Independence

The Board indicates those members who meet the independence criteria. To be considered as independent, a Director must meet the criteria defined in article 526ter of the BCC. All independent Directors who no longer fulfill the aforementioned criteria of independence must immediately inform the Board thereof.

In December 2014, the Viohalco Board reviewed all criteria applying to the assessment of Directors' independence pursuant to the BCC and the 2009 Code. Based on the information provided by all Directors on their relationships with Viohalco, the Company decided that Messrs. Efthimios Christodoulou, Yvan de Launoit, Francis Mer and Thanasis Molokotos are independent according to the criteria of the BCC and the 2009 Code.

6. Functioning

The Board has elected a President from among its members, Mr. Nikolaos Stassinopoulos. The President ensures that all Directors receive accurate, timely and clear information. He manages all discussions, draws the relevant conclusions and, if necessary, puts to vote the resolutions that require a decision.

The Board has appointed Mr. Jacques Moulaert to consult the Board on all governance matters (the **Corporate Governance Secretary**).

The Board meets as often as required by the interests of the Company and, in any case, at least five times a year. Most Board meetings take place in Belgium.

The Board of Directors met on 10 January 2014 by telephone, with two Directors absent. It met in Brussels on 31 March 2014 with all Directors present, in Brussels on 3 June 2014 with five Directors absent and represented, in Athens on 29 September 2014 with two Directors absent and represented, and in Brussels on 3 December with three Directors absent and represented.

Committees of the Board

In 2014, the Board was assisted by two committees, entrusted to assist the Board and submit recommendations to it in specific sectors: the Audit Committee and the Nomination and Remuneration Committee. The competences of these committees are mainly defined in the Corporate Governance Charter.

1. Audit Committee

In 2014, the Audit Committee was composed of Mr. Efthimios Christodoulou (President), Mr. Xavier Bedoret and, until his decease, the Count Jean-Pierre de Launoit, replaced since 3 December by Count Yvan de Launoit. All are non-executive Directors and two are independent.

All Directors belonging to the Audit Committee meet the criteria of competence by their training and experience acquired during their previous functions.

Pursuant to the Charter, the Audit Committee is convened at least four times a year and meets with the statutory auditors at least twice a year.

The Audit Committee consults the Board on accounting, audit and internal control matters. In particular, its tasks include:

- monitoring the financial reporting process,
- monitoring the effectiveness of the Company's internal control and risk management systems,
- monitoring the internal audit and its effectiveness,
- monitoring the external audit of annual and consolidated accounts, including any follow-up on the external auditor's potential questions and recommendations, and
- verifying and monitoring the external auditor's independence, particularly when the auditor provides additional services to the Company.

The Audit Committee met four times: on 31 March 2014 with all members present, on 8 May 2014, on 29 September 2014 and on 3 December 2014 with one member being excused. The external auditor attended two meetings and the internal auditor attended the meeting of 29 September in Athens.

2. Nomination and Remuneration Committee

In 2014, the Nomination and Remuneration Committee was composed of Mr. Nikolaos Stassinopoulos (President), Mr. Francis Mer and, until his decease, Count Jean-Pierre de Launoit. The latter was replaced, pursuant to Board decision of 3 December 2014, by Mr. Efthimios Christodoulou.

Messrs. Mer and Christodoulou are independent non-executive Directors.

The Committee meets twice a year. The President reported to the Board on the Committee's effectiveness on 3 December 2014.

The Nomination and Remuneration Committee mainly consults the Board on matters concerning the appointment and remuneration of Directors and senior management. In particular, its tasks include:

- submitting proposals to the Board concerning the remuneration of Directors and executive management,
- submitting a remuneration report to the Board,
- making recommendations to the Board concerning the appointment of the Directors, the CEO and the vice-President,
- periodically assessing the Board's composition and size and making recommendations to the Board with respect to any potential changes,
- identifying and nominating, for the Board's approval, candidates for vacant positions, and
- giving advice on proposals for appointment submitted by third parties.

The Nomination and Remuneration Committee met twice, on 2 June and 3 December 2014, with all its members present. The Committee submitted its recommendations to the Board on the Directors' remuneration, the succession of Count Jean-Pierre de Launoit, and the CEO and Vice-President's remuneration.

Assessment of the Board and its Committees

The Board, in its meeting of 3 December 2014, entrusted its President with a first evaluation of the functioning of the Board, its Committees, the executive management and in particular the CEO, of each Director's contribution to the Board functioning, and of the existing relationships between the executive management and the Board.

During the same meeting, the Board also decided that the non-executive Directors would meet on Monday, 30 March 2015, without the executive Directors, in order to evaluate the quality of their relationships with the executive Directors, taking into account recommendation 4.12 of the BCC.

Executive Management

The executive management is ensured by four persons: the Managing Director and CEO Mr. Evangelos Moustakas, the executive Vice-President Mr. Jacques Moulaert, the CFO Mr. Dimitri Kyriacopoulos and the accounting and fiscal affairs manager Mr. Panteleimon Mavrakis. The four members of the executive management act by virtue of a one-year term of office lasting from one Ordinary General Meeting to that of the following year, which is renewable by the Board. The actual term of office expires at the Ordinary General Meeting of 26 May 2015 and may be renewed.

The Managing Director is assigned the task of day-to-day management. He carries out the decisions of the Board and reports to the latter. In this task, he is assisted by his three colleagues.

The Chairman of the Board maintains a close cooperation with him, assists and consults him while respecting his autonomy.

The Board has assigned the following missions to the executive management:

- to carry out the day-to-day management of the Company;
- to apply the Company's internal control system, without prejudice to the monitoring role undertaken by the Board and, on its behalf, by the Audit Committee;
- to present to the Board, within the required deadlines, a thorough, reliable and accurate report of the Company's financial statements, in line with the accounting standards and policies established by the latter;
- to disclose mandatorily financial statements and other essential information on the Company's financial and non-financial position;
- to present to the Board a balanced and comprehensible evaluation of the Company's financial position;
- to provide the Board, within the required deadlines, with the information required by the latter to carry out its duties;
- the financial responsibility toward the Board of Directors for the execution of its responsibilities.

Remuneration report

1. Remuneration policy

The policy regarding the remuneration of executive and non-executive Directors is determined by the Board of Directors, on the basis of a proposal from the Nomination and Remuneration Committee. It leads to proposals that must be approved by the shareholders during the Annual Ordinary General Meeting as far as the Directors are concerned. The Nomination and Remuneration Committee makes its proposals based on a review of the current market conditions with respect to responsibilities and comparable companies.

The Nomination and Remuneration Committee reported to the Board, during its meeting of 31 March 2014, on the remuneration policy proposed to it, as well as on the individual remuneration amounts.

Viohalco does not foresee any significant change in its actual remuneration policy for the years 2015 and 2016.

2. Board of Directors

The remuneration policy for the year 2014-2015 foresees a fixed fee for each Director amounting to euro 25,000, plus an equal sum in case they are members of a committee.

That was the Board remuneration initially decided during the Extraordinary Meeting of Shareholders of 24 October 2013 and confirmed by the General Meeting of June 2014.

The fee of the Board's Chairman is equal to that of other non-executive Directors.

These fees are allocated pro rata temporis for the period lasting from one Ordinary Meeting to that of the following year, and are due at the end of such period. No variable remuneration is foreseen.

The following table provides an overview of the fees paid to the Board members during their term of office (2014-2015):

Name (amounts in EUR)	Fixed amount for members of the Board	Fixed amount for members of the Audit Comm.	Fixed amount for members of the Nomination and Remuneration Comm.	Total
Nikolaos Stassinopoulos	25,000	0	25,000	50,000
Jacques Moulaert	25,000	0	0	25,000
Evangelos Moustakas	25,000	0	0	25,000
Michail Stassinopoulos	25,000	0	0	25,000
Ippokratis-Ioannis Stasinopoulos	25,000	0	0	25,000
Jean-Charles Faulx	25,000	0	0	25,000
Xavier Bedoret	25,000	25,000	0	50,000
Rudolf Wiedenmann	25,000	0	0	25,000
Efthimios Christodoulou (*)	0	0	0	0
Jean-Pierre de Launoit (+)	37,500	37,500	37,500	112,500
Francis Mer	25,000	0	25,000	50,000
Thanasis Molokotos	0	0	0	0
Yvan de Launoit	0	0	0	0
Total remuneration	**262,500**	**62,500**	**87,500**	**412,500**

The total remuneration paid to the non-executive directors is disclosed in the table above, except that Mr. Wiedenmann received an additional amount of EUR 2,400 from ICME ECAB

(*) This Director has waived all remuneration.

3. Executive Directors and executive management:

The remuneration policy for the executive Directors and members of the executive management of Viohalco foresees a fixed fee. They are entitled to neither stock options nor a supplementary pension scheme. No contingent or deferred compensation has been paid by the Company to the executive Directors or the members of the executive management. They do not have any service contract with the Company which would entitle them to benefits at the end of their term of office.

The remuneration scheme for the managing Director and the executive vice-President does not include a variable part. The fee of other executive Directors and proxies is not determined by the Company but by its subsidiaries.

The remuneration of the Chief Executive Officer for the fiscal year 2014 amounts to EUR 1,256,000 (in addition to his compensation as board member)

The remuneration paid in 2014 for the executive directors and executive management amounts EUR 2,400,000 (in addition of the executive directors compensations disclosed in table above)

No member of the executive management left Viohalco in 2014.

External Audit

Two statutory auditors, appointed by the General Meeting of Shareholders from among the members of the Belgian Institute of Company Auditors, are entrusted with the audit of the Company's financial statements.

On 24 October 2013, the Company appointed KPMG Bedrijfsrevisoren/Réviseurs d'Entreprises SCRL, represented by Benoît Van Roost, as well as Renaud de Borman, Réviseurs d'Entreprises-

Bedrijfsrevisoren SPRL, represented by Renaud de Borman, as statutory auditors for a three-year period. KPMG has been assigned the audit of the consolidated financial statements, and KPMG and Renaud de Borman the audit of corporate accounts.

The statutory auditors' mission and powers are those defined by the law. The General Meeting of Shareholders sets the number of statutory auditors and determines their emoluments in compliance with the law. Statutory auditors are appointed for a renewable term of three years which cannot be revoked by the General Meeting of Shareholders other than for good reason.

Risk Management and Internal Control

The Belgian legislative and regulatory framework on risk management and internal control consists of the relevant provisions of the Acts of 17 December 2008 and of 6 April 2010 (on Corporate Governance), as well as of the 2009 Code on Corporate Governance.

As mentioned in the "Risks and uncertainties" chapter of this annual report, the executive management is responsible for risk management and the internal control systems. The main risks faced by Viohalco and its companies are identified and managed at the appropriate Company level.

The internal control is a control environment mechanism, defined and implemented under the responsibility of the executive management. It involves a set of means, procedures and actions which:

- contribute to the control of activities, the effectiveness of operations and the efficient use of resources, and
- must allow major risks to be taken properly into account, whether they are operational, financial or related to conformity.

Specifically, the internal control mechanism aims at ensuring:

- conformity with laws and regulations;
- application of instructions and guidelines specified by the executive management
- proper execution of internal Company processes, especially those contributing to the protection of its assets;
- reliability of financial information.

The internal audit services are provided to the Company by Steelmet S.A. (a Viohalco company) pursuant to a subcontracting agreement, under the leadership of Mr. Karonis.

The internal audit is an independent and objective activity which guarantees the Company adequate control of its operations, provides advice for their improvement and contributes to the creation of added value.

The internal audit helps the Company achieve its objectives by systematically and methodically evaluating its risk management, control and corporate governance procedures, and by submitting proposals to enhance their effectiveness. The person responsible for the internal audit reports to the Audit Committee at least twice a year.

The Audit Committee supervises the audit function and ensures compliance with the internal audit Charter within the Company. It ensures the auditors' independence, objectivity and competence, proper mission planning, and the effective implementation of the auditing recommendations by the executive management.

Risk assessment

Risks are identified through a periodic process that is undertaken both at a Viohalco and at a sectoral level. This process results in the drafting of the Risk Universe, which is then subject to both quantitative and qualitative analysis and assessment, in order to define updated Risk Profile.

This list of prioritised risks is then subject to an extensive review, in order to ensure correct and up-to-date mapping with the applicable Risk Response, i.e. structures, policies, procedures, systems & monitoring mechanisms put in place by management in order to manage these risks. A consolidated review takes place at the level of the executive management, the outcome of which is presented to the Audit Committee and to the Board of Directors. The Audit Committee monitors the effectiveness of the Company's internal control and risk management systems and looks into specific aspects of internal control and risk management on an on-going basis.

Each of Viohalco's sector is responsible for the mitigation of its own risks.

Viohalco's risks are organised in four major categories (each category is further broken down in risk sub-categories, which are in turn disaggregated into specific risk events):

- Strategic & Markets Risk – External forces that could affect the viability of Viohalco Sector' business model, including the fundamentals that drive the overall objectives and strategies that define that model.

- Operations Risk – The risk that operations are inefficient and ineffective in executing Viohalco Sectors' business model, satisfying customers and achieving each Company's quality, cost and time performance objectives.

- Financial Risk – The risk that cash flows and financials are not managed cost-effectively, in order to (a) maximise cash availability; (b) reduce uncertainty of currency, interest rate, credit, commodity and other financial risks; or (c) move cash funds quickly and without loss of value to wherever they are needed most.

- EHS (Environment, Health & Safety) & Compliance Risk – The risk of non-compliance with prescribed organisational policies and procedures or laws and regulations, including environmental and health & safety rules, which may result in penalties, fines, property damage, injury and / or reputational loss.

A graphical representation of Viohalco's current exposure to risks, along with a description of each risk, is provided in the relevant section of this report ('Risks and Uncertainties').

Control Activities and Relationship with subsidiaries

Viohalco, being purely a holding company operates in a decentralised way. Each one of Viohalco's companies is responsible for its results and performance. The management of subsidiaries is organised around solid global and regional teams, with responsibility assigned to the members of their respective executive management.

All Viohalco's companies are accountable for their internal control responsibilities, implemented at all sectors, locations and production installations. The objective of each Policy is to define the strategy and goals on each particular area, to provide the necessary guidance for their achievement, and to set the framework that should lead behaviours and actions. Each Policy includes a documentation of roles and key controls and their aim is to serve as a guide for each sector to develop and maintain its own set of relevant processes, in order to affect each Policy. These specific processes may be developed at sector level, company level and /or location (production installation) level, as appropriate.

The Company is preparing new procedures for faster collection of data from its subsidiaries for the needs of prompt consolidation

Financial reporting and Monitoring Activities

Viohalco has established procedures for the collection of financial and operational information from its various subsidiaries. These also aim to ensure reconciliation of separate transactions and the homogenous implementation of accounting principles.

Each sector submits to Viohalco a monthly report with financial information including P&L, Balance Sheet, Cash Flow, Receivables and Gross Margin Analysis. In addition to this, a Working Capital Scorecard is communicated monthly at group level regarding the actual commitment of cash though working capital versus targets.

The executive management is presented through an extensive report on the performance of the major companies of each sector through the quarterly Budget Review Process. This report combines operational and financial information and is a key component for Viohalco's decision-making process. The Audit Committee is responsible, on behalf of the Board of Directors, to monitor the financial reporting process and the effectiveness of the Company's internal control and risk management systems. In doing so, it is primarily assisted by the Internal Audit function, which has a reporting line to the Audit Committee. Viohalco's Internal Audit function is staffed by qualified individuals, both at group level and at each of its sectors.

The Internal Audit implements a risk-based audit plan that focuses on the proper application of policies and procedures which have been put in place to manage risk. Internal control deficiencies are communicated to the Audit Committee and Management in a timely manner and periodic follow-up is performed to verify the implementation of the agreed corrective measures.

Conflicts of interest

Article 10 of the Corporate Governance Charter defines Viohalco's policy concerning the transactions or other contractual relationships that could arise between the Company, including its associated companies, and Directors, when such transactions are not governed by the respective legal provisions.

In case of conflicts of interest with a director, a shareholder or another company of Viohalco, the Board of Directors must apply the specific procedures defined in articles 523 and 524 of the BCC.

In general, each Director and member of the executive management acts without conflict of interest and always puts the interests of Viohalco before his or her individual interest. To achieve this objective, each Director and member of the executive management organises his or her personal activities accordingly.

All Directors inform the Board of Directors of any conflict of interest as soon as it arises. If the conflict of interest concerns proprietary interests, they abstain from participating in discussions and deliberations on the matter, pursuant to article 523 of the BCC.

The minutes of the meeting during which the conflict of interest arises must be included in the company's annual report.

If the conflict of interest is not governed by the provisions of the BCC and involves a transaction or a contractual relationship between Viohalco or one of its related entities, on the one hand, and any Director or member of the executive management (or a company or entity closely related to this Director or member of the executive management), on the other hand, such Director must inform the Board of Directors of the conflict. The Board of Directors then will take steps to ensure that the approval of the transaction is motivated by the sole interest of Viohalco and takes place at arm's length.

In all cases involving a conflict of interest not governed by article 523 of the BCC, the Director affected by the conflict of interest shall be responsible for judging whether he or she should abstain from participating in the Board of Directors discussions and vote.

Since the listing of the Company, the Board of Directors has not been notified of any transaction or other contractual relationship between Viohalco and its Board of Directors members which caused a conflict of interest within the meaning of articles 523 and 524 of the BCC.

Shareholders

1. Capital Structure

On 31 December 2014, the Company's share capital amounted to euro 104,996,194.19 represented by 219,611,308 shares without nominal value. There is no authorised capital.

All shares of the Company belong to the same class of securities and are in registered or dematerialised form. Shareholders may elect, at any time, to have their registered shares converted into dematerialised shares and vice versa.

No restriction of share transfer is provided in the Company's Articles of Association. Therefore, all shares are freely transferable. Each share entitles to one vote. No special rights are attached to the Company shares.

2. Restrictions on Voting Rights

The Company's Articles of Association do not include any restrictions on the exercise of voting rights by the shareholders provided that the relevant shareholders are admitted to the General Meeting and their rights are not suspended. The relevant provisions governing the shareholders' admission to the General Meeting are set out in article 19 of Viohalco's Articles of Association.

Article 8.3 of the Articles of Association provides that Company shares are indivisible and that it recognises only one holder per share. The Board of Directors has the right to suspend the exercise of all rights attached to jointly owned shares until a single representative of the joint owners has been appointed.

In case of usufruct, the rights associated to shares must be exercised by the bare owner unless otherwise provided in the usufruct establishment deed. On 27 January 2015, Mr. Nikolaos Stassinopoulos donated by notarial deed to each of his two sons, Michail and Ioannis, bare ownership of 9,524,897 Company shares by reserving for himself, for life, the usufruct of these shares and the voting rights thereof. The deed stipulates that Mr. Nikolaos Stassinopoulos retains the voting rights and the dividend rights in his capacity as usufructuary.

Similarly, on 14 February 2015, Mr. Nikolaos Stassinopoulos donated by notarial deed, to each of his two sons, bare ownership of 18,753,759 Company shares by reserving for himself, for life, the usufruct of these shares and the voting rights thereof.

3. Transparency

Pursuant to the Belgian law of 2 May 2007 on the disclosure of shareholdings in listed companies and containing various provisions (the **Transparency Law**) transposing into Belgian law Directive 2004/109/EC, all natural and legal entities must inform the Company and the Financial Services and Markets Authority (FSMA) in the following cases:

- an acquisition or disposal of voting shares or financial instruments that are treated as voting securities;
- the holding of voting rights at the time of the initial public offering;
- the passive reaching of a threshold;
- the reaching of a threshold by persons acting in concert or a change in the nature of an agreement to act in concert;
- where a previous notification concerning the voting securities is updated;
- the acquisition or disposal of the control of an entity holding the voting securities; and
- where the Company introduces additional notification thresholds in its Articles of Association, in each case where the percentage of voting rights attached to the voting securities held by these persons reaches, exceeds or falls below the legal threshold set at 5% of the total voting rights and at 10%, 15%, 20% and so on at intervals of 5% or, as the case may be, the additional thresholds provided in the Articles of Association.

The notification must be made as soon as possible and, at the latest, within four trading days following the acquisition or disposal of the voting rights triggering the reaching of the initial threshold. Where the Company receives a notification of information concerning the reaching of a threshold, it must publish such information within three trading days following receipt of the notification.

During a General Meeting of Shareholders, no shareholder can cast a greater number of votes than those attached to the securities or rights it has notified, pursuant to the Transparency Law, at least 20 days before the date of the General Meeting in question, subject to certain exceptions.

The form on which such notifications must be made, together with additional explanations, is provided on the FSMA website (www.fsma.be).

Based on the latest transparency declarations communicated to the Company, the voting rights held by major shareholders of the Company on 31 December 2014 are allocated as follows:

- 42.81% held by Mr. Evangelos Stassinopoulos directly or through companies or entities controlled by him;
- 32.27% held by Mr. Nikolaos Stassinopoulos directly or through companies or entities controlled by him;
- As already mentioned, on 27 January 15, Mr. Nikolaos Stassinopoulos donated by notarial deed to each of his two sons, Michail and Ioannis, bare ownership of 28,278,656 Company shares by reserving for himself, for life, the usufruct of these shares and the voting rights thereof. Since then, Messrs. Michail Stassinopoulos and Ippokratis-Ioannis Stasinopoulos continue to hold 3.93% and 3.92%, respectively, of the Company's voting rights.

The latest transparency declarations are available on the website of Viohalco (www.viohalco.com).

Viohalco is not aware of the existence of any agreement between shareholders concerning the transfer or exercise of the voting rights attached to the shares of the Company.

General Meeting of Shareholders

1. Meetings

The General Meeting of the Company Shareholders is held on the last Tuesday of May at 12:00 p.m. (noon) or, if the day is a public holiday in Belgium, on the previous business day, at the same time. It takes place in Brussels, at the registered office of the Company or at the place indicated in the notice convening the shareholders' meeting.

The other shareholders' meetings of the Company must take place on the day, at the hour and in the place indicated in the notice of meeting. They may take place at locations other than the registered office.

The annual, special and extraordinary shareholders' meetings of the Company may be convened by the Board of Directors or the auditor of the Company and must be convened at the request of shareholders representing at least one fifth of the Company's share capital.

2. Quorum and Majority Required for Modifying the Articles of Association

The modification of Viohalco's Articles of Association requires that two thirds of the share capital are present or represented and that it is approved by a 75% majority of votes. If the quorum of two thirds is not reached during a first meeting, a second meeting may be convened with the same agenda and shall lawfully meet if 60% of the Company capital is present or represented. If this quorum is not reached, a third meeting may be convened and shall lawfully meet if 58% of the Company capital is present or represented.

VIOHALCO

FINANCIAL STATEMENTS 2014 AND AUDITOR'S REPORT

1. Consolidated Statement of Financial Position

Amounts in EUR thousand	Note	As at 31 December 2014	2013
ASSETS			
Non-current assets			
Property, plant and equipment	17	1,759,024	1,692,668
Intangible assets and goodwill	18	21,278	19,701
Investment property	19	141,497	125,395
Equity - accounted investees	20	18,495	23,416
Other investments	21	50,366	65,765
Derivatives	22	887	295
Trade and other receivables	15	7,624	7,448
Deferred tax assets	13	5,318	16,330
		2,004,489	**1,951,019**
Current assets			
Inventories	14	860,709	773,729
Trade and other receivables	15	535,085	464,333
Derivatives	22	9,454	2,407
Other investments	29	818	282
Income tax receivables		2,366	2,079
Cash and cash equivalents	16	99,612	173,401
		1,508,045	**1,416,231**
Total assets		**3,512,534**	**3,367,250**
EQUITY			
Equity			
Share capital		104,996	104,996
Share premium		432,201	432,201
Translation reserve		-12,755	-11,524
Other reserves	23	363,003	439,411
Retained earnings		32,768	27,858
Equity attributable to owners of the Company		**920,214**	**992,944**
Non-controlling interests		322,792	347,748
Total equity		**1,243,006**	**1,340,692**
LIABILITIES			
Non-current liabilities			
Loans and borrowings	25	944,599	944,135
Derivatives	22	148	285
Employee benefits	11	25,675	20,018
Grants	27	48,632	45,305
Provisions	28	3,093	4,063
Trade and other payables	26	23,227	11,476
Deferred tax liabilities	13	138,091	162,357
		1,183,465	**1,187,640**
Current liabilities			
Loans and borrowings	25	638,848	503,305
Trade and other payables	26	430,718	319,841
Current tax liabilities		4,857	12,003
Derivatives	22	11,225	3,094
Provisions	28	415	675
		1,086,064	**838,918**
Total liabilities		**2,269,529**	**2,026,558**
Total equity and liabilities		**3,512,534**	**3,367,250**

The notes on pages 83 to 146 are an integral part of these Consolidated Financial Statements.

2. Consolidated Statement of Profit or Loss

Amounts in EUR thousand	Note	For the year ended 31 December 2014	2013
Continuing operations			
Revenue		**2,943,462**	**2,885,071**
Cost of sales	8.C	-2,737,809	-2,710,089
Gross profit		**205,653**	**174,982**
Other income	8.A	29,460	22,916
Selling and distribution expenses	8.C	-126,138	-118,533
Administrative expenses	8.C	-84,107	-81,407
Other expenses	8.B	-22,859	-15,803
Operating result before non-recurring items		**2,011**	**-17,846**
Non-recurring items	8.D	2,083	-90,820
Operating result (EBIT)		**4,094**	**-108,666**
Finance income	9	14,302	18,403
Finance costs	9	-110,635	-104,299
Net finance income/costs (-)		**-96,333**	**-85,896**
Share of profit/loss (-) of equity-accounted investees, net of tax	20	2,206	2,525
Profit/Loss (-) before tax		**-90,033**	**-192,038**
Tax expense (-)/ income on continuing operations	13	2,491	-31,893
Profit/Loss (-) from continuing operations		**-87,543**	**-223,931**
Profit/Loss (-)		**-87,543**	**-223,931**

Profit/Loss (-) attributable to:		
Owners of the Company	-59,405	-173,336
Non-controlling interests	-28,138	-50,595
	-87,543	**-223,931**

Earnings per share (in euro per share)	2014	2013
Basic and diluted	-0.2705	-0.8583

The notes on pages 83 to 146 are an integral part of these Consolidated Financial Statements.

3. Consolidated Statement of Comprehensive Income

Amounts in EUR thousand	Note	For the year ended 31 December 2014	2013
Profit/Loss (-)		**-87,543**	**-223,931**
Items that are or may be reclassified subsequently to profit or loss			
Foreign currency translation differences		408	-4,359
Available-for-sale financial assets - effective portion of changes in fair value		1,107	201
Cash flow hedges - effective portion of changes in fair value		245	-1,254
Related tax	13	41	0
Items that will never be reclassified to profit or loss:			
Remeasurement of defined benefit liability	11	-5,168	4,827
Related tax	13	1,355	-1,021
Other comprehensive income, net of taxes		**-2,011**	**-1,606**
Total comprehensive income		**-89,554**	**-225,537**
Total comprehensive income attributable to			
Owners of the Company		-62,518	-173,642
Non-controlling interests		-27,036	-51,895
		-89,554	**-225,537**

The notes on pages 83 to 146 are an integral part of these Consolidated Financial Statements.

4. Consolidated Statement of Changes in Equity

Amounts in EUR thousand	Share capital	Share premium	Other reserves	Translation reserve	Retained earnings	Total	Non-controlling interests	Total Equity
Balance as at 1 January 2014	**104,996**	**432,201**	**439,411**	**-11,524**	**27,858**	**992,944**	**347,748**	**1,340,692**
Total comprehensive income								
Profit/Loss (-)	0	0	0	0	-59,405	**-59,405**	-28,138	**-87,543**
Other comprehensive income, net of taxes	0	0	1,393	-754	-3,753	-3,114	1,102	-2,011
Total comprehensive income	0	0	1,393	-754	-63,157	-62,518	-27,036	-89,554
Transactions with owners of the Company								
Transfer of reserves	0	0	-77,301	-3	77,202	**-102**	474	**372**
Dividend	0	0	-50	0	0	**-50**	-4,269	**-4,319**
Total	0	0	-77,350	-3	77,202	-152	-3,795	-3,947
Changes in ownership interests	0	0	-450	-475	-9,135	-10,060	5,874	-4,185
Balance as at 31 December 2014	**104,996**	**432,201**	**363,003**	**-12,755**	**32,768**	**920,214**	**322,792**	**1,243,006**

Amounts in EUR thousand	Share capital	Share premium	Other reserves	Translation reserve	Retained earnings	Total	Non-controlling interests	Total Equity
Balance as at 1 January 2013	**59,842**	**411,618**	**397,276**	**-9,176**	**198,141**	**1,057,702**	**442,189**	**1,499,891**
Total comprehensive income								
Profit/Loss (-)	0	0	0	0	-173,336	**-173,336**	-50,595	**-223,931**
Other comprehensive income, net of taxes	0	0	-692	-2,415	2,801	-306	-1,300	-1,606
Total comprehensive income	0	0	-692	-2,415	-170,535	-173,642	-51,895	-225,537
Transactions with owners of the Company								
Transfer of SC & R. to parent company	0	20,583	18,667	0	0	**39,250**	0	**39,250**
Transfer of reserves	-150,440	0	18,792	0	-18,799	**-150,447**	22	**-150,425**
Dividend	0	0	0	0	0	**0**	-529	**-529**
Total	-150,440	20,583	37,459	0	-18,799	-111,196	-507	-111,703
Changes in ownership interests	195,594	0	5,368	67	19,051	220,080	-42,039	178,041
Balance as at 31 December 2013	**104,996**	**432,201**	**439,411**	**-11,524**	**27,858**	**992,944**	**347,748**	**1,340,692**

The notes on pages 83 to 146 are an integral part of these Consolidated Financial Statements.

5. Consolidated Statement of Cash Flows

Cash Flows from operating activities		**For the year ended 31 December**	
Amounts in EUR thousand	Note	**2014**	**2013**
Profits/ (loss) of the period		**-87,543**	**-223,931**
Adjustments for:			
Income tax	13	-2,492	31,893
Depreciation of PP&E, intangible assets and investment property	17,18,19	119,619	117,106
Bargain purchase		0	-5,532
Impairment, write off, destruction of PP&E, intangible assets and investment property	17,18,19	-1,219	76,089
Gain (-)/loss on sale of property, plant and equipment		-89	-754
Impairment loss on inventories and receivables		2,144	2,808
Gain (-)/loss on sale of financial assets		0	-1,096
Gain (-)/ loss of investments and derivatives fair value		378	950
Fair value (profits)/loss on other financial assets at fair value through profit or loss		0	2,829
Finance income	9	-7,974	-8,736
Finance costs	9	103,041	94,896
Income from dividends	9	-980	-223
Amortization of grants	27	-4,089	-4,368
Share of profit/loss of equity-accounted investees, net of tax	20	-2,206	-2,525
Foreign exchange differences		812	747
		119,403	**80,151**
Changes			
Increase (-) / decrease in inventories		-87,328	56,878
Increase (-) / decrease in receivables		-70,330	37,319
Increase/decrease (-) in liabilities		136,425	27,097
Increase/decrease (-) in provisions		3,463	3,721
Increase/decrease (-) in employee benefits		489	-1,181
		-17,279	**123,834**
Cash generated from operating activities		**102,124**	**203,986**

The notes on pages 83 to 146 are an integral part of these Consolidated Financial Statements.

5. Consolidated Statement of Cash Flows (continued)

		For the year ended 31 December	
		2014	2013
Amounts in EUR thousand	Note		
Cash Flows from operating activities (continued)			
Cash generated from operating activities		102,124	203,986
Interest paid		-110,327	-99,175
Income tax paid		-10,872	-10,699
Net cash from/used in (-) operating activities		**-19,075**	**94,112**
Cash flows from investing activities			
Acquisition of PP&E, investment property and intangible assets	17,18,19	-195,996	-154,374
Proceeds from sale of PP&E, investment property and intangible assets	17,18,19	817	4,579
Acquisition of equity-accounted investees	20	-2,289	-103
Dividends received		3,571	2,786
Acquisition of available-for-sale financial assets	21	-147	-10,215
Proceeds from sale of available-for-sale financial assets		16,221	12,514
Purchase of financial assets at fair value through profit or loss		-1,100	-25,002
Proceeds from sale of financial assets at fair value through profit or loss		0	23,100
Interest received		7,747	8,421
Proceeds from collection of grants	27	8,371	12,403
Acquisition of subsidiary net of cash acquired - Cofidin	6	0	7,198
Acquisition of subsidiary net of cash acquired - Viohalco SA	6	0	163
Effect of change in holdings		-1,526	-2,138
Net cash used in investing activities		**-164,330**	**-120,667**
Cash flows from financing activities			
Proceeds from new borrowings		338,791	1,028,531
Repayment of borrowings		-226,873	-971,457
Payment of finance lease liabilities		-87	-784
Dividends paid		-3,888	-547
Proceeds/payments from share capital increase (portion of minority)		889	0
Other		0	-40
Net cash from financing activities		**108,832**	**55,704**
Net decrease (-)/ increase in cash and cash equivalents		**-74,574**	**29,149**
Cash and cash equivalents at beginning of period		173,401	144,251
Effects of movements in exchange rates on cash held		785	0
Cash and cash equivalents at 31 December		**99,612**	**173,401**

The notes on pages 83 to 146 are an integral part of these Consolidated Financial Statements.

6. Notes to the Consolidated 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"), and Viohalco's interest in associates accounted for using the equity method.

Viohalco SA is the holding company and holds participations in approximately 90 companies, six of which are listed on the Athens Exchange. With production facilities in Greece, Bulgaria, Romania, FYROM and the United Kingdom, Viohalco subsidiaries specialise in the manufacture of steel, copper and aluminium products. In addition, Viohalco owns substantial real estate properties in Greece and redeveloped some of its properties as real estate development projects. Its shares are traded on Euronext Brussels and has since February 2014 its secondary listing on the Athens Stock exchange (trading ticker "VIO").

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

2. Basis of accounting

Statement of compliance

The Consolidated Financial Statements have been prepared by Management in accordance with the International Financial Reporting Standards (IFRS) as adopted by the European Union up to 31 December 2014. They were autorised for issue by the Company's Board of Directors on 30 March 2015. The notes to these financial statements were finalized subsequently by Management.

Details of the Viohalco's accounting policies are included in note 38.

These Consolidated Financial Statements are subject to the approval of the Company's Ordinary General Meeting, on 26 May 2015.

Basis of measurement

The Consolidated Financial Statements have been prepared in accordance with the historical cost principle with the exception of the following assets and liabilities which are measured on an alternative basis on each reporting date.

- Financial assets at fair value through profit or loss (fair value);
- Derivative financial instruments (fair value);
- Available-for-sale financial assets (fair value);
- Net defined benefit liability (present value of the obligation).

Important note in relation to the presentation of financial information

The Company merged on 16 November 2013 with, respectively, Cofidin SA (hereafter the *Domestic Merger*), and Viohalco Hellenic Copper and Aluminium Industry SA, a Greek limited liability company listed on the Athens Exchange and with registered office at 2-4 Megoseion ave., 11527 Athens, Greece (hereafter the *Cross-Border Merger*, and together with the Domestic Merger, the *Mergers*).

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 was considered to be the continuation of Viohalco-Hellenic Copper and Aluminium Industry SA. Therefore, the Fiscal Year 2013 financial data reflected 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.

Please refer to Note 6 Business Combinations for further information with regard to the Business Combinations.

3. Functional currency and presentation currency

The functional and presentation currency of the parent Company is euro. All amounts in the Consolidated Financial Statements are rounded to the nearest thousand, unless otherwise indicated. As such, due to rounding, figures shown as totals in certain tables may not be arithmetic aggregations of the figures that precede them.

4. Use of estimates and judgements

Preparing Financial Statements in line with IFRS requires that Management makes judgements, makes estimates and assumptions that affect the application of Viohalco's accounting policies and the reported amounts of assets, liabilities, income and expenses. The actual results may differ from these estimates.

Management's estimates and judgements are reviewed on an ongoing basis. Revisions to estimates are recognised propectively.

A. Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the consolidated financial statements is included in the following notes:

- Note 30 and 38 - consolidation: whether Viohalco has de facto control over an investee;
- Note 19 – Investment property; classification of property as investment property versus owner-occupied property

B. Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have significant risk of resulting in a material adjustment in the year ended 31 December 2014 is included in the following notes:

- Note 11 – measurement of defined benefit obligations: key actuarial assumptions;
- Note 13 – recognition of deferred tax assets, availability of future taxable profits against which carryforward tax losses can be used;
- Note 17, Note 18 and Note 19 – impairment test: key assumptions underlying recoverable amounts;
- Note 28 and 34 – recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources.

5. Operating sectors

A. Basis for the division into sectors

Viohalco is divided into 4 primary business sectors:

- Aluminium sector;
- Copper & Cables sector ;
- Steel & Steel Pipes sector; and
- Real Estate Development & Other Services sector

For management purposes, Viohalco is split into four major strategic sectors which operate in different industries and are managed separately.

Such structural organization is determined by the nature of risks and returns associated with each business sector. It is based on the management structure, as well as the internal reporting system. It represents the basis on which Viohalco reports its sectoral information.

The sector analysis presented in these Consolidated Financial Statements reflects operations analysed by business. This best describes the way Viohalco is managed and provides a meaningful insight into its business activities.

Steel & Steel Pipes sector: Sidenor S.A. and its subsidiariesare 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 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 and its subsidiaries 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 extrusions, for the shipbuilding and automotive industry.

Real Estate Development & Other Services sector: Viohalco creates value from the development of its former industrial real estate properties. Viohalco also 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).

Transfers and transactions between sectors take place under actual commercial terms and conditions pursuant to the provisions applying to transactions with third parties.

B. Information about reportable sectors

The information disclosed in the tables below is derived directly from the internal financial reporting system used by the Board (i.e. chief operating decision maker) to monitor and evaluate the performance of the operating sectors separately.

The following tables illustrate the information about the reportable sectors profit or loss, assets and liabilities at 31 December 2014 and 2013, and for the years then ended.

A1. Revenue and operating profit per sector for 2014 were as follows:

Amounts in EUR thousand	Aluminium	Copper and Cables	Steel and Steel Pipes	Real Estate and Other Services	Total
Total revenue per sector	**1,114,928**	**1,474,794**	**1,136,471**	**24,901**	**3,751,094**
Inter-sector revenue	-76,110	-406,823	-311,323	-13,375	**-807,632**
Revenue per sector after elimination of inter-sector revenue	**1,038,818**	**1,067,971**	**825,147**	**11,525**	**2,943,462**
Operating result before non-recurring items	**27,508**	**-1,734**	**-14,934**	**-8,829**	**2,011**
Non-recurring items	0	-293	-557	2,933	**2,083**
Operating result (EBIT)	27,508	-2,026	-15,491	-5,897	**4,094**
Finance income	5,701	5,394	1,164	2,043	**14,302**
Finance costs	-18,907	-53,387	-37,371	-970	**-110,635**
Share of profit/loss (-) of equity-accounted investees, net of tax	239	472	1,494	0	**2,206**
Profit/Loss (-) before tax	**14,540**	**-49,547**	**-50,203**	**-4,824**	**-90,033**
Income tax expense	-2,853	7,681	-613	-1,724	**2,491**
Profit/Loss (-)	**11,687**	**-41,866**	**-50,816**	**-6,548**	**-87,543**

A2. Other information per sector for 2014 is as follows:

Amounts in EUR thousand	Aluminium	Copper and Cables	Steel and Steel Pipes	Real Estate and Other Services	Total
Sector assets	1,083,899	868,185	1,252,648	289,307	**3,494,039**
Equity-accounted investees	353	8	18,134	0	**18,495**
Sector liabilities	479,831	825,254	949,471	14,973	**2,269,529**
Capital expenditure	61,784	49,219	80,979	4,015	**195,997**
Depreciation and amortisation	-48,230	-25,055	-43,883	-2,451	**-119,619**
Non-recurring items					
Impairment losses on investment property	0	-293	0	0	**-293**
Reversal of impairment losses on investment property	0	0	0	5,354	**5,354**
Impairment losses on property, plant and equipment	0	0	0	-2,421	**-2,421**
Idle costs	0	0	-557	0	**-557**
Total non-recurring items	**0**	**-293**	**-557**	**2,933**	2,083

A3. Revenue and operating profit per sector for 2013 were as follows:

Amounts in EUR thousand	**Aluminium**	**Copper and Cables**	**Steel and Steel Pipes**	**Real Estate and Other Services**	**Total**
Total revenue per sector	**1,053,432**	**1,529,498**	**1,140,376**	**53,141**	**3,776,449**
Inter-sector revenue	-49,639	-473,458	-335,286	-32,995	**-891,377**
Revenue per sector after elimination of inter-sector revenue	**1,003,793**	**1,056,041**	**805,091**	**20,147**	**2,885,071**
Operating result before non-recurring items	**33,872**	**-12,759**	**-36,969**	**-1,990**	**-17,846**
Non-recurring items	-8,124	-5,651	-22,315	-54,731	**-90,820**
Operating result (EBIT)	**25,748**	**-18,410**	**-59,284**	**-56,720**	**-108,666**
Finance income	6,317	9,691	1,474	920	**18,403**
Finance costs	-17,315	-47,858	-37,303	-1,824	**-104,299**
Share of profit/loss (-) of equity-accounted investees, net of tax	181	-96	2,369	70	**2,525**
Profit/Loss (-) before tax	**14,931**	**-56,672**	**-92,743**	**-57,554**	**-192,038**
Income tax expense	-18,948	-9,462	-11,038	7,556	**-31,893**
Profit/Loss (-)	**-4,017**	**-66,134**	**-103,781**	**-49,998**	**-223,931**

A4. Other information per sector for 2013 is as follows:

Amounts in EUR thousand	**Aluminium**	**Copper and Cables**	**Steel and Steel Pipes**	**Real Estate and Other Services**	**Total**
Sector assets	1,002,830	822,828	1,158,801	359,375	**3,343,833**
Equity-accounted investees	502	14	22,900	0	**23,416**
Sector liabilities	434,140	739,038	810,427	42,953	**2,026,558**
Capital expenditures	62,538	62,347	28,773	714	**154,372**
Depreciation and amortisation	-47,306	-23,427	-43,349	-3,025	**-117,106**
Non-recurring items					
Impairment losses on investment property	**0**	0	0	**-45,367**	**-45,367**
Impairment losses on property, plant and equipment	-8,124	-5,651	-10,957	-4,260	**-28,992**
Idle costs	0	0	-11,358	0	**-11,358**
Relocation expenses	**0**	0	0	-9,788	**-9,788**
Badwill / Goodwill resulting from mergers with Cofidin and VIOHALCO HELL	**0**	0	0	**4,684**	**4,684**
Total non-recurring items	**-8,124**	**-5,651**	**-22,315**	**-54,731**	**-90,820**

Please refer to Note 8.D "Non-recurring items" for additional information on the non-recurring items.

C. Geographic information

Viohalco's sectors are managed on a worldwide basis, but operate manufacturing facilities and sales offices primarily in Greece, Germany, United Kingdom, France, Bulgaria, Romania and FYROM.

The sectoral information below is based on the sector revenue from external customers by country of domicile of customers and sector assets were based on the geographic location of the assets. The global scale operations of Viohalco are divided into seven principal geographical areas. In Europe, information for Greece is reported separately.

Amounts in EUR thousand	For the year ended 31 December	
Revenue	**2014**	**2013**
Greece	350,921	381,413
Other EU Member States	1,819,391	1,727,150
Other European countries	309,159	307,960
Asia	143,892	172,350
USA	242,333	200,659
Africa	73,214	91,216
Oceania	4,553	4,323
Total	**2,943,462**	**2,885,071**

	For the year ended 31 December	
Total Assets	**2014**	**2013**
Greece	2,647,238	2,644,300
Belgium	52,420	64,965
International	812,876	656,158
Total	**3,512,534**	**3,365,423**

6. Business combinations

2014

In 2014 there was no effect resulting from the reverse acquisition of Viohalco by Viohalco Hellenic and from the acquisition of Cofidin by Viohalco which occurred in 2013.

2013

On 16 November 2013, Viohalco merged with, respectively, Cofidin SA, (hereafter the *Domestic Merger*) and Viohalco Hellenic Copper and Aluminium Industry SA (hereafter *Viohalco Hellenic*) (hereafter the *Cross-Border Merger*, and together with the Domestic Merger, the *Mergers*).

Based on the provisions of IFRS 3 Business Combinations, the Cross-Border Merger was accounted for as a reverse acquisition and the Domestic Merger as a business combination as defined by IFRS 3. For further information regarding these mergers, please refer to the financial statements for the year ended 31 December 2013.

In the financial statements for the year ended 31 December 2013, the reverse acquisition of Viohalco by Viohalco Hellenic (i.e., the Cross-Border Merger) had the following provisional effect on Viohalco's assets and liabilities at 16 November 2013:

Fair value of the consideration transferred: EUR 46 thousand
Fair value of the net assets acquired: EUR -802 thousand
Goodwill on acquisition: EUR 848 thousand

No additional consideration was transferred, nor was the fair value of the net assets acquired adjusted during the remeasurement period.

The composition of the net assets acquired is as follows:

in euro thousand	**Pre acquisition Carrying Amounts (BE GAAP)**	**IFRS Adjustments**	**Fair Value Adjustments**	**IFRS/ Fair Values on Aquisition**
Other intangible assets	739	-739	0	0
Property, plant and equipment	0	0	0	0
Available-for-sale financial assets	0	0	0	0
Trade and other receivables	153	0	0	153
Treasury shares	0	0	0	0
Income tax advance payment	0	0	0	0
Cash and cash equivalents	163	0	0	163
Trade and other payables	-1,118	0	0	-1,118
Current tax liabilities	0	0	0	0
Net identifiable assets and liabilities	-63	-739	0	-802
non controlling interests	0	0	0	0
Net assets acquired				-802
Goodwill on acquisition				848
Fair value of the consideration transferred				46
Net cash outflow				0

In the financial statements for the year ended 31 December 2013, the acquisition of Cofidin by Viohalco (after the Cross-Border Merger) (i.e. the Domestic Merger) had the following provisional effect on Viohalco's assets and liabilities at 16 November 2013:

Fair value of the consideration transferred: EUR 195,548 thousand
Fair value of the net assets acquired: EUR 201,080 thousand
Bargain purchase on acquisition: EUR -5,532 thousand

No additional consideration was transferred, nor was the fair value of the net assets acquired adjusted during the remeasurement period.

The composition of the net assets acquired is as follows:

in euro thousand	**Pre acquisition Carrying Amounts (BE GAAP)**	**IFRS Adjustments**	**Fair Value Adjustments**	**IFRS/ Fair Values on Aquisition**
Other intangible assets	270	-269	0	1
Property, plant and equipment	2,186	0	0	2,186
Available-for-sale financial assets	71,113	7,489	776	79,378
Trade and other receivables	1,530	0	-776	754
Treasury shares	111,189	0	0	111,189
Income tax advance payment	721	0	0	721
Cash and cash equivalents	7,198	0	0	7,198
Trade and other payables	-283	194	0	-89
Current tax liabilities	-4	0	0	-4
Net identifiable assets and liabilities	193,920	7,414	0	201,334
non controlling interest	0	0	0	-254
Net assets acquired				201,080
Bargain purchase on acquisition				-5,532
Fair value of the consideration transferred				195,548
Net cash outflow				0

7. Revenue

	For the year ended 31 December	
Amounts in EUR thousand	**2014**	**2013**
Sales of goods	2,911,202	2,857,870
Rendering of services	8,128	16,671
Investment property rentals	3,397	3,476
Construction contract revenue	20,735	7,054
Total revenue	**2,943,462**	**2,885,071**

8. Income/expenses

A. Other income

Amounts in EUR thousand	For the year ended 31 December 2014	2013
Other income		
Government grants	408	386
Income from incidental activities	8,099	6,705
Insurance indemnity	921	166
Rental income from buildings - machinery	5,034	4,680
Income from prior periods provisions	865	1,016
Amortization of grants received	4,730	4,368
Foreign exchange gains	3,449	1,536
Income from consulting services	2,334	558
Gain on sale of property, plant and equipment	445	754
Other income	3,175	2,746
Total other income	**29,460**	**22,916**

B. Other expenses

Amounts in EUR thousand	For the year ended 31 December 2014	2013
Non-cost expenses of operation-production	-3,048	-255
Operation & development expenses	-438	-271
Impairment of holdings & other financial assets	-20	-1,945
Foreign exchange losses	-2,393	-2,323
Impairment loss on trade receivables	-1,108	-700
Provisions for stock	-1,314	0
Depreciation and amortization	-1,683	-1,149
Employee benefits	-3,073	-4,855
Other expenses	-9,781	-4,306
Total other expenses	**-22,859**	**-15,803**
Other operating income-expenses (net)	**6,602**	**7,113**

C. Expenses by nature

For the year ended 31 December 2014

Amounts in EUR thousand	Cost of goods sold	Selling and distribution expenses	Administrative expenses	Total
Cost of inventories recognized as an expense	2,119,158	1,428	102	2,120,687
Employee benefits	153,444	30,020	36,526	219,989
Energy	126,205	392	463	127,060
Depreciation and amortisation	105,096	4,630	6,655	116,381
Taxes - duties	1,946	765	276	2,986
Insurance premiums	5,434	3,936	893	10,263
Rental fees	3,515	2,468	1,778	7,761
Transportation	38,398	56,320	2,163	96,881
Promotion & advertising	13	1,355	487	1,855
Third party fees and benefits	90,661	9,212	21,797	121,669
Provisions	16	4,789	89	4,894
Interest	17	0	0	17
Other expenses	93,907	10,824	12,878	117,609
Total	**2,737,809**	**126,138**	**84,107**	**2,948,053**

For the year ended 31 December 2013

Amounts in EUR thousand	Cost of goods sold	Selling and distribution expenses	Administrative expenses	Total
Cost of inventories recognized as an expense	2,093,781	1,435	153	2,095,368
Employee benefits	149,030	31,038	33,463	213,531
Energy	136,876	328	409	137,613
Depreciation and amortisation	98,157	4,728	7,845	110,729
Taxes - duties	0	0	11	11
Insurance premiums	6,030	4,889	955	11,873
Rental fees	4,653	2,396	2,780	9,829
Transportation	33,880	45,243	1,339	80,463
Promotion & advertising	4	1,100	216	1,321
Third party fees and benefits	113,050	17,784	19,122	149,957
Provisions	2,424	3,007	1,251	6,682
Interest	4	1	0	4
Other expenses	72,200	6,585	13,863	92,648
Total	**2,710,089**	**118,533**	**81,407**	**2,910,030**

D. Non-recurring items

		For the year ended 31 December	
	Note	**2014**	**2013**
Amounts in EUR thousand			
Impairment losses of investment property	19	-293	-45,367
Reversal of impairment losses of investment property	19	5,354	0
Impairment losses on property, plant & equipment	17	-2,421	-28,992
Idle costs		-557	-11,358
Relocation expenses		0	-9,788
Badwill / Goodwill resulting from mergers with Cofidin and VIOHALCO HELL	6	0	4,684
		2,083	**-90,820**

9. Net finance costs

Amounts in EUR thousand	For the year ended 31 December 2014	2013
Income		
Interest income	7,303	7,399
Foreign exchange gains	5,363	10,458
Dividend income	980	223
Other	656	322
Financial income	**14,302**	**18,403**
Expenses		
Interest charges and related expenses	-98,858	-91,197
Finance Leases	-22	-1
Foreign exchange losses	-7,231	-10,959
Interest rate swaps, fair value hedging	-286	0
Other	-4,236	-2,142
Finance costs	**-110,635**	**-104,299**
Financial cost (net)	**-96,333**	**-85,896**

10. Basic and diluted earnings per share

Considering that there are neither share options, nor convertible bonds, basic and diluted earnings per share are identical and have been based on the following profit/loss (-) attributable to the ordinary shareholders and weighted-average numbers of ordinary shares outstanding.

A. Profit/loss (-) attributable to the shareholders

For the year ended 31 December	2014	2013
Amounts in EUR thousand		
Profit/loss (-) attributable to the owners of the Company	-59,405	-173,336

B. Weighted-average number of ordinary shares outstanding

in thousands of shares		
Issued ordinary shares at 1 January	219,611	199,474
Effect of shares issued related to a business combination	0	2,483
Weighted-average number of ordinary shares at 31 December	219,611	201,957

The weighted-average number of equity shares refers to shares in circulation during the period.

C. Earnings per share

The basic and diluted earnings per share are as follows:

Earnings per share (in euro per share)		
Basic and diluted	-0.2705	-0.8583

11. Other employee benefits

Amounts in EUR thousand	**2014**	**2013**
Net defined benefit liability	25,675	20,018
Liability for social security contributions	7,795	8,634
Total employee benefit liabilities	33,470	28,652
Non-current	25,675	20,018
Current	7,795	8,634

For details on the related employee benefit expenses, see Note 12.

(a) Post-employment plans

The following post-employment plans exist:

Defined contribution plan

All the employees of Viohalco's companies are insured for their main pension by the respective social insurance organizations as required by the local legislation. Once the contributions have been paid, Viohalco's companies have no further payment obligations. The regular contributions constitute net periodic costs for the year in which they are due, and as such are included in employee benefit expenses.

Defined benefit plan

In Greece, employees of Viohalco's companies are entitled to receive a lump sum when they are retired. The lump sum is determined in accordance with the years of service and the salary at the retirement date. Viohalco's companies believe that this meets the definition of defined benefit plan and charge the accumulated benefits through profit or loss in each period with a corresponding increase of the retirement liability. Benefits paid to pensioners during each period are charged against this liability. Viohalco's companies' liability for personnel benefits as of 31 December 2014 and 2013 is EUR 25,675 thousand and EUR 20,018 thousand respectively. This plan is unfunded.

(b) Movement in net defined benefit liability

The following table shows the reconciliation from the opening balance to the closing balances for net defined benefit liability and its components.

	Defined benefit obligation	
Amounts in EUR thousand	**2014**	**2013**
Balance at 1 January	**20,018**	**25,451**
Included in profit or loss		
Current service cost	952	1,523
Past service credit	216	524
Settlement/curtailment/termination loss	2,218	514
Interest cost/income (-)	564	637
	3,951	**3,197**
Included in OCI		
Remeasurement loss/gain (-):		
-Actuarial loss/gain (-) arising from:		
-Demographic assumptions	-32	0
-Financial assumptions	5,074	-4,678
-Experience adjustements	126	-149
	5,168	**-4,827**
Other		
Benefits paid	**-3,461**	**-3,803**
Balance at 31 December	**25,675**	**20,018**

(c) Defined benefit Obligation

(i) Actuarial assumptions

The following were the principal actuarial assumptions at the reporting date:

	2014	**2013**
Discount rate	1,5%-2%	2,35-3,2%
Future salary growth	1,5%-3%	1,5%-2,5%

12. Employee benefit expenses

	For the year ended 31 December	
	2014	**2013**
Amounts in EUR thousand		
Wages and salaries	173,851	171,263
Social security contributions	40,350	39,761
Contributions to defined contribution plans	458	362
Expenses related to post employement defined benefit plans	3,951	3,197
Other employee benefits	4,453	3,803
Total	**223,063**	**218,386**

Other employee benefits		
Profits distributed to personnel	304	320
Incidental benefits	2,222	2,030
Travel & accommodation expenses	335	276
Bonus	947	894
Other	644	283
Total	**4,453**	**3,803**

Employee benefits are broken down as follows:

Amounts in EUR thousand		
Cost of goods sold	153,444	149,030
Distribution expenses	30,020	31,038
Administrative expenses	36,526	33,463
Other expenses	3,073	4,855
	223,063	**218,386**

13. Income taxes

A. Amounts recognised in profit or loss

Amounts in EUR thousand	2014	2013
Current tax expense	**-9,507**	**-12,927**
Deferred tax expense (-) / income		
Origination and reversal of temporary differences	4,580	20,538
Change in tax rate or composition of new tax	-3	-39,931
Recognition of previously unrecognised tax losses, tax credit or temporary differences of a prior period	7,449	426
Change in recognised deductible temporary differences	-29	0
	11,997	**-18,966**
Tax expense (-) / income on continuing operations	**2,491**	**-31,893**

B. Reconciliation of effective tax rate

Reconciliation of tax expense and the accounting profit multiplied by the domestic tax rate for 2013 and 2014:

Amounts in EUR thousand		2014		2013
Accounting Profit/loss (-) before income tax		**-90,033**		**-192,038**
At Greece's statutory income tax rate of 26%		23,409		49,921
Non-deductible expenses for tax purposes		-3,292		-12,907
Tax-exempt income		4,173		3,252
Recognition of previously unrecognised tax losses, tax credit or temporary differences of a prior period		7,449		426
Effect of tax rates in foreign jurisdictions		-1,370		-1,474
Current-year losses for which no deferred tax asset is recognised		-22,751		-29,341
Temporary differences in tax base of property, plant and equipment		653		0
Tax-exempt reserves recognition		-74		5,200
Partial reversal or use of provision for taxes		-391		888
Changes in estimates related to prior years		319		-468
Withholding tax on international dividends		-310		66
Change in tax rate or composition of new tax		-3		-39,931
Other taxes		-263		-412
Reversal of deferred tax assets		-3,239		-4,307
Provision for tax free reserves contributed		0		-2,807
Statutory tax audit		-1,819		0
Income tax expense (-)/ income reported in the statement of profit or loss at the effective tax rate	**3%**	**2,491**	**-17%**	**-31,893**

According to the tax law No. 4110/2013 of the Greek State, the corporate income tax rate of legal entities in Greece is set at 26% for fiscal year 2013 and onwards. The variation of the income tax expenses was due to the recalculation of deferred tax balances in 2013, resulting from the change in the Greek corporate tax rate from 20% to 26%.

Deferred tax assets on tax losses carried forward are recognized only if it is expected to be settled with future taxable profit according to the business plan of Viohalco's companies. At 31 December 2014, deferred tax assets on tax losses carried forward amounted to EUR 18.9 million (31/12/2013: EUR 12.9 million) related to tax losses of EUR 70.4 million.

C. Movement in deferred tax balances

2014 *Amounts in EUR thousand*	Net balance at 1 January	Recognised in profit or loss	Recognised in OCI	Foreign exchange differences	Other	Balance at 31 December: Net	Deferred tax assets	Deferred tax liabilities
Property, plant and equipment	-147,417	6,421	0	-254	-67	-141,318	2,513	-143,831
Intangible assets	2,346	-245	0	0	9	2,109	6	2,103
Investment property	-20,974	-1,621	0	0	0	-22,595	25	-22,620
Available-for-sale financial assets	153	-68	-79	0	0	6	-50	57
Derivatives	-2,163	-444	140	-13	0	-2,479	-125	-2,355
Inventories	-880	1,041	0	0	-109	52	41	11
Loans and borrowings	-4,032	504	0	0	0	-3,527	0	-3,527
Employee benefits	4,515	-580	1,355	0	-49	5,241	459	4,781
Provisions	4,011	76	0	-1	181	4,268	135	4,133
Other items	5,515	872	-20	147	16	6,531	273	6,258
Carry forward tax loss	12,898	6,041	0	0	0	18,939	2,041	16,898
Tax assets/liabilities (-)	**-146,027**	**11,997**	**1,396**	**-120**	**-19**	**-132,773**	**5,318**	**-138,091**

2013 *Amounts in EUR thousand*	Net balance at 1 January	Recognised in profit or loss	Recognised in OCI	Foreign exchange differences	Other	Balance at 31 December: Net	Deferred tax assets	Deferred tax liabilities
Property, plant and equipment	-131,262	-24,185	0	-13	8,042	-147,417	2,006	-149,423
Intangible assets	-2,437	4,149	0	0	633	2,346	6	2,340
Investment property	-25,772	4,305	0	0	493	-20,974	3,214	-24,187
Available-for-sale financial assets	54	21	39	0	39	153	0	153
Derivatives	-1,154	-1,754	734	12	0	-2,163	0	-2,163
Inventories	-183	-698	0	0	0	-880	0	-880
Loans and borrowings	-2,906	-1,126	0	0	0	-4,032	0	-4,032
Employee benefits	6,058	2,441	-1,559	0	-2,425	4,515	4,515	0
Provisions	2,310	-677	0	0	2,379	4,011	606	3,406
Other items	12,075	126	-234	-2	-6,450	5,515	2,897	2,618
Carry forward tax loss	17,179	-1,569	0	-1	-2,712	12,898	3,087	9,811
Tax assets/liabilities (-)	**-126,037**	**-18,966**	**-1,021**	**-3**	**0**	**-146,027**	**16,330**	**-162,357**

14. Inventories

Amounts in EUR thousand	2014	2013
Merchandise	76,983	70,125
Finished goods	224,187	250,882
Semi-finished goods	167,794	127,563
By-products & scrap	19,637	12,919
Work in progress	50,600	42,908
Raw and auxiliary materials, consumables, spare parts and packaging materials	312,778	265,202
Down payments for purchase of inventory	16,391	12,833
Total	**868,370**	**782,430**
Impairments:		
Merchandise	-1,615	-958
Finished goods	-1,539	-953
Semi-finished goods	-1,268	-83
By-products & scrap	0	-1
Work in progress	-18	-831
Raw and auxiliary materials, consumables, spare parts and packaging materials	-3,222	-5,874
	-7,661	**-8,701**
Total net realizable value	**860,709**	**773,729**

In 2014, the amount of inventories recognised as expense during the period and included in "Cost of sales" was EUR 2,119 thousand (2013: EUR 2,093 thousand)

By application of the provisions of IAS 2, according to which inventories are valued at the lower of the acquisition cost and the net realizable value, an impairment of EUR 7,661 thousand for Viohalco's companies was recorded (2013:EUR 8,701 thousand). This amount was charged on the Consolidated Statement of Profit or Loss in "Cost of sales".

The amount of impairment derived mainly from the subsidiaries Corinth Pipeworks SA, Elval SA, Vitruvit SA and Sofia Med SA.

There are inventories with carrying amount of EUR 127.2 million pledged as security for borrowings received by Viohalco's companies (see note 25).

15. Trade and other receivables

Current assets	**31/12/2014**	**31/12/2013**
Amounts in EUR thousand		
Trade receivables	405,956	352,996
Gross amount due from customers for contract work	4,837	7,054
Less: Impairment losses	-45,414	-39,864
Net trade receivables	**365,378**	**320,187**
Other advance payments	25,386	7,739
Cheques and notes receivable & cheques overdue	26,647	24,441
Receivables from related parties	12,158	15,146
Other debtors	61,989	62,635
Income tax receivables	0	2,508
Current tax assets	51,104	38,978
Receivables from dividends of affiliated companies	539	579
Receivables from factoring agreements	0	63
Less: Impairment losses	-8,115	-7,943
Net other receivables	**169,707**	**144,146**
Net current trade and other receivables	**535,085**	**464,333**
Non-current assets		
Non-current receivables from other associates	546	0
Other Non-current receivables	7,079	7,448
Non-current trade and other receivables	**7,624**	**7,448**
Total receivables	**542,710**	**471,781**

Viohalco's companies have not concentrated their credit risk in relation to receivables from customers, since they have a large number of customers.

During 2010, the subsidiary Corinth Pipeworks S.A has recorded impairment for a receivable of EUR 18 million (USD 24.8 million) due to its overdue status. On 31/12/2014, the same amount is valued at EUR 20.5 million. While subsidiary's judicial actions, both in Greece and other jurisdictions, for the collection of the aforementioned debt are ongoing and since no final judgments have been issued, the subsidiary considers that there is no reason to revise the provision amounting to EUR 10 million (2013: EUR 9 million) for the moment. Corinth Pipeworks management estimates that potential loss will not exceed the amount provided.

The application that was submitted by the subsidiary before Dubai's Court of Cassation for review of the decision that ordered the set off between the subsidiary's claim which was recognized by the court with res judicata and the customer's counterclaim which was raised by the latter under the legal action brought against him by the subsidiary company and which counterclaim is denied by the subsidiary company as fictitious, was accepted by the Court of Cassation which ordered the cancelation of the decision as regards to the customer's counterclaim and to refer the case back to the Court of appeal for review with new panel. The legal office that handles the case before Dubai courts believe that the Court of appeal will most probably dismiss the customer's counterclaim. Therefore, management estimates that the likelihood of an outflow of resources from the outcome of the counterclaim of that customer versus the company is remote.
In order to ensure its rights, according to the decision made by the First Instance Court of Athens during the procedures related to provisional and protective measures, the subsidiary imposed a prudent attachment on the property of third party involved in the aforementioned case.

For 2014, there were no changes regarding the collection of the due amount.

A. Construction contracts in progress

	31/12/2014	31/12/2013
Amounts in EUR thousand		
Amount of contract revenue recognised	20,735	7,054
Gross amount due from customers for contract work	4,837	0
Amount of advances received	5,496	448
Amount of retentions	859	543

There are no contingent liabilities relating to projects under construction as at the reporting date.

B. Credit and market risks and impairment losses

Information about Viohalco's companies' exposure to credit and market risks, and impairment losses for trade and other receivables, excluding construction contracts in progress, is included in Note 29.

16. Cash and cash equivalents

	2014	2013
Amounts in EUR thousand		
Cash in hand and at banks	8,468	4,182
Short-term bank deposits	91,144	169,218
Total	**99,612**	**173,401**

17. Property, plant and equipment

A. Reconciliation of carrying amount

Amounts in EUR thousand	Land,Plants & Other Buildings	Machinery	Furniture and other equipment	Under construction	Total
Cost					
Balance as at 1 January 2014	**854,465**	**1,925,363**	**62,326**	**148,287**	**2,990,441**
Additions	3,445	28,787	2,338	155,493	**190,062**
Disposals	-328	-3,349	-287	-255	**-4,218**
Effect of loss of control over subsidiaries	-460	-273	-176	-57	**-967**
Reclassification to investment property	-12,624	0	0	-11	**-12,635**
Other reclassifications	24,576	144,523	-662	-167,092	**1,344**
Effect of movements in exchange rates	863	4,506	33	1,785	**7,186**
Balance as at 31 December 2014	**869,936**	**2,099,556**	**63,572**	**138,150**	**3,171,214**
Accumulated depreciation and impairment losses					
Balance as at 1 January 2014	**-240,629**	**-1,003,095**	**-52,048**	**-2,000**	**-1,297,773**
Depreciation	-18,499	-94,210	-3,222	0	**-115,931**
Disposals	76	2,500	280	0	**2,857**
(Acquisition) / Disposal through business combination	439	296	129	0	**864**
Impairment loss	0	-2,421	0	0	**-2,421**
Reclassification to investment property	4,638	0	0	0	**4,638**
Other reclassifications	-95	-1,213	1,268	0	**-40**
Effect of movements in exchange rates	-215	-4,138	-31	0	**-4,384**
Balance as at 31 December 2014	**-254,285**	**-1,102,281**	**-53,624**	**-2,000**	**-1,412,190**
Carrying amounts as at 31 December 2014	**615,651**	**997,275**	**9,948**	**136,150**	**1,759,024**

Amounts in EUR thousand	Land,Plants & Other Buildings	Machinery	Furniture and other equipment	Under construction	Total
Cost					
Balance as at 1 January 2013	**895,609**	**1,863,250**	**59,127**	**108,660**	**2,926,646**
Additions	2,340	21,158	2,025	127,160	**152,684**
Disposals	-939	-5,369	-490	-3,108	**-9,905**
Acquisition through business combination	1,000	26	1,251	0	**2,277**
Reclassification to investment property	-49,430	0	0	-25,526	**-74,956**
Other reclassifications	6,351	48,046	465	-58,812	**-3,950**
Effect of movements in exchange rates	-467	-1,749	-51	-88	**-2,355**
Balance as at 31 December 2013	**854,465**	**1,925,363**	**62,326**	**148,287**	**2,990,441**
Accumulated depreciation and impairment losses					
Balance as at 1 January 2013	**-202,244**	**-913,649**	**-49,151**	**-2,000**	**-1,167,045**
Depreciation	-18,423	-90,457	-3,278	0	**-112,158**
Disposals	183	4,767	346	0	**5,297**
Reclassification to investment property	3,421	0	0	0	**3,421**
Other reclassifications	0	12	-1	0	**11**
Impairment loss	-23,781	-5,204	-7	0	**-28,992**
Effect of movements in exchange rates	213	1,435	44	0	**1,692**
Balance as at 31 December 2013	**-240,629**	**-1,003,095**	**-52,048**	**-2,000**	**-1,297,773**
Carrying amounts as at 31 December 2013	**613,836**	**922,267**	**10,279**	**146,286**	**1,692,668**

B. Leased Buildings and Machinery

Viohalco's companies lease Buildings and Machinery under a number of finance leases. The leased equipment secures lease obligations. At 31 December 2014, the net carrying amount of Buildings and Machinery was EUR 3.3 million (2013: EUR 3.6 million). During 2014, Viohalco's companies have not acquired PP&E under a finance lease.

Buildings	**31/12/2014**	**31/12/2013**
Amounts in EUR thousand		
Cost	1,394	1,394
Accumulated depreciation	-197	-128
	1,196	**1,266**

Machinery	**31/12/2014**	**31/12/2013**
Amounts in EUR thousand		
Cost	9,447	9,493
Accumulated depreciation	-7,391	-7,137
Net carrying amounts	**2,055**	**2,356**

C. Security

Property, plant & equipment with carrying amount of EUR 1,171 million are pledged as security for borrowings received by Viohalco's companies (see note 25).

D. Property, plant and equipment under construction

The most important additions in property, plant and equipment under construction during 2014 are the following:

- the ongoing investment in Oinofyta's aluminium rolling plant held by Elval Group,
- the investment program in progress in the plant in the United Kingdom owned by Elval Group,
- the investment related to the LSAW-JCOE large-diameter pipe mill for longitudinally welded pipes in Corinth Pipeworks mill (component of steel sector) in the Industrial Area of Thisvi, the completion of which is expected in 2 years.

The investments made for the manufacturing of high voltage submarine cables in the subsidiary Fulgor (component of copper sector) were completed during the year.

A significant part of the aforementioned investments included in property, plant and equipment under construction are expected to be completed during 2015.
Capitalized borrowing costs related to property, plant and equipment under construction amount to EUR 3,618 thousand, which have been calculated using an average capitalization rate of 5.3%.

E. Transfer to investment property

During 2014, some companies of Viohalco properties were transferred to investment property (see Note 19), because they will no longer be used them and are expected to be leased to a third party in the future. As a result, a reclassification of properties with net book value of EUR 8 million was made from property, plant and equipment to investment property.

F. Impairment of property, plant and equipment

During 2013, Viohalco and its companies recognized an impairment loss of EUR 27.5 million with respect to property, plant and equipment as a result of the impairment test performed for the year ended December 31, 2013.

On December 31, 2014, an impairment test was performed at Viohalco's companies level for each Cash Generating Unit (further CGU), for which indications of impairment existed at December 31, 2014. The identified indications of impairment concerned the losses incurred by these CGUs over the last years. For the calculation of recoverable amount per CGU, cash flow projections based on a period of five years were used. The results of this test concluded that the property, plant and equipment used by Viohalco's companies' CGUs were not impaired at 31 December 2014, since the recoverable amount of each CGU exceeded the respective carrying amount.

Finally, an impairment loss on the carrying value of specific assets of Viohalco's companies was recorded because these assets became obsolete. This impairment loss amounted to EUR 2.4 million (2013: EUR 1.5 million).

18. Goodwill and intangible assets

(a) Reconciliation of carrying amount

Amounts in EUR thousand	**Goodwill**	**Development costs**	**Trademarks and licenses**	**Software programs**	**Other**	**Total**
Cost						
Balance as at 1 January 2014	**3,211**	**535**	**15,503**	**28,487**	**2,266**	**50,002**
Additions	0	0	101	1,140	259	**1,500**
Disposals	-80	0	0	-44	0	**-123**
Acquisition through business combinations	0	0	0	37	0	**37**
Reclassifications	0	-2	1,227	1,417	-16	**2,626**
Effect of movements in exchange rates	0	0	0	-5	12	**7**
Balance as at 31 December 2014	**3,132**	**534**	**16,832**	**31,032**	**2,520**	**54,049**
Accumulated amortisation and impairment						
Balance as at 1 January 2014	**-1,500**	**-535**	**-2,598**	**-24,753**	**-915**	**-30,301**
Amortisation	0	0	-508	-1,917	-88	**-2,512**
Disposals	0	0	0	48	0	**48**
Reclassifications	0	1	-265	214	52	**3**
Effect of movements in exchange rates	0	0	0	1	-9	**-8**
Balance as at 31 December 2014	**-1,500**	**-534**	**-3,371**	**-26,407**	**-960**	**-32,771**
Carrying amounts as at 31 December 2014	**1,632**	**0**	**13,461**	**4,625**	**1,560**	**21,278**

Amounts in EUR thousand	**Goodwill**	**Development costs**	**Trademarks and licenses**	**Software programs**	**Other**	**Total**
Cost						
Balance as at 1 January 2013	**3,211**	**534**	**12,462**	**27,134**	**1,574**	**44,915**
Additions	0	0	74	488	803	**1,364**
Disposals	0	0	0	-20	-107	**-127**
Reclassifications	0	2	2,968	904	-2	**3,872**
Effect of movements in exchange rates	0	-1	0	-19	-2	**-21**
Balance as at 31 December 2013	**3,211**	**535**	**15,503**	**28,487**	**2,266**	**50,002**
Accumulated amortisation and impairment						
Balance as at 1 January 2013	**-1,500**	**-526**	**-2,121**	**-22,982**	**-807**	**-27,937**
Amortisation of the year	0	-8	-477	-1,792	-134	**-2,411**
Disposals	0	0	0	5	23	**28**
Reclassifications	0	-1	0	0	1	**0**
Effect of movements in exchange rates	0	0	0	16	2	**19**
Balance as at 31 December 2013	**-1,500**	**-535**	**-2,598**	**-24,753**	**-915**	**-30,301**
Carrying amounts as at 31 December 2013	**1,711**	**1**	**12,905**	**3,734**	**1,350**	**19,701**

(b) Amortization

The amortization of trademarks and licenses with finite useful lives, software programs and development costs is allocated to the cost of inventory and is included in “cost of sales” as inventory is sold. All intangible assets have finite useful life (see Note 38.10), except of the following assets, included in trademarks and licenses category:

i. Trade Name “Fulgor” (carrying amount of EUR 1.4 million as at 31 December 2014)
ii. License of Port use in Soussaki, Corinth (carrying amount of EUR 8.3 million as at 31 December 2014)
iii. the Trade Name “Fulgor”

It relates to the sector of medium voltage submarine cables and terrestrial high voltage cables that Fulgor was operating prior to its acquisition by Hellenic Cables in 2011 and which has revealed significant economic benefits. Based on the analysis of relevant factors (e.g. knowledge, no longstanding engagement with a wide range of clientele, future development of the sector), the useful life of the brand was considered indefinite.

iv. License of Port use in Soussaki, Corinth

Fulgor holds license for permanent and exclusive use of port located in the premises of the factory in Sousaki Corinth. The port is necessary for the production of submarine cables of medium and high voltage. The subsidiary, during the years 2012-2013 invested EUR 86 million in the upgrade and expansion of production capacity in producing high-voltage submarine cables. The useful life of the asset is considered indefinite, since the use of these port facilities is for an indefinite period of time, in the context of the significant development of the sector.

Impairment test

As these intangible assets do not generate independent cash inflows, it was considered appropriate to carry out the impairment test on the basis of the Cash Generating Unit (CGU) of Fulgor production plant, which incorporates these assets. In order to evaluate the Value in use, cash flow projections based on estimates by management covering a five-year period were used. These estimates take into consideration the contracts that the company has already signed, as well as contracts that are expected to be announced in Greece and abroad. Cash flows after the first five years were calculated using an estimated growth rate of 2%, which mainly reflects subsidiary’s management's estimates for the growth prospects of the high voltage submarine cable sector.

The rate used to discount these cash flows is from 8.6 % to 9.9% for the five year period and 8.7% for the terminal value and was based on the following:

- Risk free rate was determined according to AAA Eurozone rates and is fluctuating from 0% for the five years to 0.2% for the terminal value.
- The country risk for operating in Greece determined at 1.5% for the five years and 1.7% for the terminal value.
- The market risk premium was determined at 5.5%

The results of this test indicated that the recoverable amount as at December 31, 2014 exceeds the carrying value of the CGU amounting to EUR 124 million by EUR 160 million.

A sensitivity analysis was carried out on the key assumptions of the model (discount rates and growth in perpetuity), so as to examine the adequacy of the headroom. The result of the sensitivity analysis indicated that the recoverable amount still exceeds the carrying value of the CGU.

Results of the sensitivity analysis for the impairment testing:

	Assumptions used	Upper limit for which recoverable amount still exceeds carrying value
Discount rate	8.6% to 9.9%	16.4% to 17.7%
Terminal growth	2%	-15%

19. Investment property

(a) *Reconciliation of carrying amount*

Amounts in EUR thousand	2014	2013
Balance as at 1 January	**125,395**	**101,539**
Acquisitions	4,906	329
Tranferred from property, plant and equipment	7,997	71,524
Disposals	-682	0
Impairment loss	-293	-45,367
Reversal of impairment loss	5,354	0
Depreciation	-1,172	-2,630
Other	-7	0
Balance as at 31 December	**141,497**	**125,395**
Gross carrying amount	207,262	190,404
Accumulated depreciation and impairment losses	-65,765	-65,009
Net carrying amount as at 31 December	**141,497**	**125,395**

The investment property has a carrying amount of EUR 141.5 million. The table below summarizes the most important properties held by the Viohalco and its subsidiaries in the Real Estate Development sector:

Real Estate	**Location**	**Surface in m²**
IKEA store & River West shopping mall	96, Kifissos Av., Egaleo, Greece	123,459
Hotel	Karaiskaki Square, Athens, Greece	23,922
Industrial buildings & offices (ex-BIC plant)	Oinofyta, Greece	9,314
Mare West (former premises of Corinth Pipeworks)	Corinth, Greece	13,990
Office complex	115, Kiffissias Ave., Athens, Greece	38,261
Office complex	57, Ethnikis Antistasseos St., Halandri, Greece	4,454
Office complex	26, Apostolopoulou St., Halandri, Greece	10,833
Office building	53A, Nikola Vaptzarov Blvd, Sofia, Bulgaria	4,968

Investment property comprises a number of commercial properties that are either leased to third parties or Viohalco and its subsidiaries, in the Real Estate Development sector, intend to do so in the foreseeable future.

Each of these leases is indexed to consumer prices. Subsequent renewals are negotiated with the lessee and on average renewal periods last for four years. No contingent rents are charged.

(b) Measurement of fair value – Impairment loss and subsequent reversal

In 2013, the land and buildings held by the Viohalco and its subsidiaries in the Real Estate Development sector and classified as investment property were tested for impairment in accordance with IAS 36 "Impairment of assets". The impairment test was performed due to the continuing economic recession in Greece and the resulting decline in real estate values. The recoverable amount of the investment property was based on the fair value less costs to sell which was determined by applying several valuation techniques. As a result of the above, an impairment loss of EUR 45.4 million was recorded.

During 2014, the significant change in the extent and manner in which certain properties are expected to be used and the indication that the performance of these assets will be better than expected were two internal indications which were considered in assessing whether the impairment loss recognized in 2013 may have decreased. The fair values of these assets were obtained for 2014 by external, independent property valuers, having appropriate recognised professional qualifications and recent experience in the location and category of the properties being valued. As a result, the recoverable amount of those impaired assets subsequently increased and EUR 5.4 million concerning previously recorded impairment was reversed. The recoverable amount of assets for which Viohalco and its subsidiaries in the Real Estate Development sector reversed impairment previously recorded was EUR 57.6 million.

However, the market value for specific properties had significantly declined more than could be expected indicated that these assets were impaired. The fair values of these assets were obtained by external, independent property valuers and as a result an impairment loss of EUR 293 thousand was recorded. The recoverable amount of assets for which the group recorded impairment was EUR 872 thousand.

Impairment losses recognised and impairment losses reversed are recognised in the Consolidated Statement of Profit or Loss and included in "non-recurring items".

The fair value of the Viohalco and its subsidiaries in the Real Estate Development sector investment property is EUR 147.3 million (31/12/2013: EUR 128.6 million).

Valuation techniques and significant unobservable inputs (Level 3)

The fair value measurement for investment property has been categorized as a Level 3 fair value based on the inputs to the valuation techniques used.

The recoverable amount of the investment property was based on the fair value less costs to sell which was determined by external, independent property valuers, having appropriate recognised professional qualifications and recent experience in the location and category of the properties being valued. Valuations methods used to determine the fair value of Viohalco and its subsidiaries in the Real Estate Development sector properties were reflecting the highest and best use of these properties.

- For buildings currently rented or expected to be rented out in the foreseeable future for which no observable prices were available, the income approach method was used. This method considered the present value of net cash flows to be generated from each property, taking into account expected rental growth rate, void periods, occupancy rate, lease incentive costs such as rent-free periods and other costs not paid by tenants. The expected net cash flows are discounted using risk-adjusted discount rates that ranged from 8%-13.5%. Among other factors, the discount rate estimation considers the quality of each building, its location, tenant credit quality, lease terms and the expected market return. The estimated fair value would decrease if either the expected market rental growth was lower or the risk-adjusted discount rates were higher.

- For buildings, which were either vacant or under construction and which are intended to be used as investment property in the future, the depreciated replacement cost method was primarily used. The fair value determined by this method reflects the amount that currently would be required to replace or to reconstruct these assets.

- For land owned by Viohalco and its subsidiaries in the Real Estate Development sector, a market approach was used. Inputs used to determine the fair value of land were based on observable prices of similar properties. These observable data were significantly adjusted considering the status of the property and the volume of transactions and/or asking prices in real estate market for similar properties.

There has been no change to the valuation techniques during the year.

(c) Restrictions - Contractual obligations

There are neither restrictions nor contractual obligations in Viohalco and its subsidiaries in the Real Estate Development sector‘s investment property.

20. Equity-accounted investees

A. Reconciliation of carrying amount of associates

Amounts in EUR thousand	2014	2013
Balance as at 1 January	**23,416**	**25,477**
Share of profit/loss (-) net of tax	2,206	2,525
Dividends received	-2,551	-2,540
Additions	2,289	164
Impairment loss	-20	0
Other changes	0	-154
Effects of movements in exchange rates	-6,844	-2,056
Balance as at 31 December	**18,495**	**23,416**

B. Financial information per associate

Company	Principal places of business	Profit or loss from continuing operations	Other comprehensive income	Total comprehensive income	Proportion of ownership interest
		In EUR thousand	*In EUR thousand*	*In EUR thousand*	
2014					
AFSEL SA	Greece	404	0	404	36,32%
SIDMA SA	Greece	-9.842	-121	-9.963	26,95%
DOMOPLEX LTD	Cyprus	-563	0	-563	33,95%
ZAO TMK-CPW	Russia	4.366	0	4.366	32,60%
SMARTREO	Australia	-1.506	0	-1.506	36,97%
AWM SPA	Italy	1.673	0	1.673	25,65%
		-5.468	**-121**	**-5.589**	

Company	Current assets	Non-current assets	Current liabilities	Non-current liabilities	Revenue
	In EUR thousand	*In EUR thousand*	*In EUR thousand*	*In EUR thousand*	*In EUR thousand*
2014					
AFSEL SA	862	4	0	228	914
SIDMA SA	73.372	49.084	-81.493	-55.287	100.558
DOMOPLEX LTD	2.614	3.863	-4.006	-323	2.912
ZAO TMK-CPW	22.213	10.492	-7.047	1	59.160
SMARTREO	537	3.961	-782	0	81
AWM SPA	10.181	6.212	-8.385	-1.751	21.013
	109.780	**73.616**	**-101.713**	**-57.132**	**184.638**

Company	Principal places of business	Profit or loss from continuing operations	Other comprehensive income	Total comprehensive income	Proportion of ownership interest
		In EUR thousand	*In EUR thousand*	*In EUR thousand*	
2013					
AFSEL SA	Greece	363	0	363	36,55%
SIDMA SA	Greece	-11.265	16	-11.249	26,95%
DOMOPLEX LTD	Cyprus	-806	0	-806	33,95%
ZAO TMK-CPW	Russia	9.200	0	9.200	29,04%
AWM SPA	Italy	897	0	897	25,65%
		-1.611	**16**	**-1.596**	

Company	Current assets	Non-current assets	Current liabilities	Non-current liabilities	Revenue
	In EUR thousand	*In EUR thousand*	*In EUR thousand*	*In EUR thousand*	*In EUR thousand*
2013					
AFSEL SA	826	4	0	252	838
SIDMA SA	78.289	53.981	-89.562	-47.069	98.788
DOMOPLEX LTD	2.765	4.148	-3.620	-581	3.256
ZAO TMK-CPW	30.138	17.202	-8.170	-42	70.900
AWM SPA	11.291	5.966	-9.860	-2.019	12.841
	123.309	**81.301**	**-111.213**	**-49.459**	**186.623**

21. Other investments

A. Available-for-sale financial assets

	2014	**2013**
Amounts in EUR thousand		
Balance as at 1 January	**65,765**	**9,180**
Additions	1,732	10,160
Sales	-17,803	-9,918
Change in fair value through direct effect on profit or loss	-583	-2,144
Changes in ownership interests	0	58,626
Change in fair value through equity	1,116	-191
Impairment	0	0
Reclassification to commercial portfolio	139	53
Balance as at 31 December	**50,366**	**65,765**

Other investments are substantially available-for-sale financial assets and include the following:

	2014	**2013**
Amounts in EUR thousand		
Listed securities		
- Greek equity instruments	305	562
- International debt Instruments	19,887	37,106
- International equity instruments	23,943	21,520
Unlisted shares		
- Greek equity instruments	5,341	4,899
- International equity instruments	46	484
- Mutual funds	826	1,180
- Other	17	14
	50,366	**65,765**

The part of the financial assets that concerns unlisted securities was estimated at acquisition cost less any impairment given that it could not be estimated at its fair value. For the fair value hierarchy of the available for sale financial assets, see note 29.

B. Financial performance of debt securities

	2014	2013
Range of interest rates	0%-8%	0%-8%
Range of maturity dates	1-3 years	1-4 years

The corporate debt securities classified as available-for-sale have stated interest rates of 1 to 7% (2013: 1% to 7%) and mature in one or two years. Sovereign debt securities classified as available-for-sale have stated interest rates of 0 to 8% (2013: 0% to 8%) and mature in 1 or 3 years.

The equity securities are classified as available-for-sale, because they are neither held for trading nor designated as held to maturity investments.

22. Derivatives

Amounts in EUR thousand	2014	2013
Non-current assets		
Forwards for hedging cash flows	739	0
Futures contracts	147	0
Foreign exchange swaps	0	295
Total	**887**	**295**
Current assets		
Foreign exchange swaps	0	587
Forwards for hedging cash flows	3,222	188
FX futures contracts	0	0
Futures contracts	6,232	1,632
Total	**9,454**	**2,407**
Non-current liabilities		
Interest rate swaps	82	155
Foreign exchange swaps	0	131
Futures contracts	56	0
Futures contracts	10	0
Total	**148**	**285**
Current liabilities		
Interest rate swaps	187	214
Foreign exchange swaps	0	0
Forwards for hedging cash flows	9,225	686
FX futures contracts	0	0
Futures contracts	1,813	2,194
Total	**11,225**	**3,094**

Hedge accounting

Viohalco's companies hold derivative financial instruments for cash flow and fair value hedges.

The abovementioned derivative financial instruments cover risks from:

- Changes in the prices of metals
- Fluctuations of foreign exchange rates
- Changes in loan interest rates

The maturity and the nominal value of derivatives held by Viohalco's companies match the maturity and nominal value of the underlying assets / liabilities (hedged items).

Derivatives held by Viohalco's companies concerns mainly:

- Future contracts to hedge the risk from the change of the price of metals listed in LME (London Metal Exchange) and used in production of Viohalco's companies (i.e. mainly copper, aluminum and zinc).
- Forward and future contracts to hedge the risk from the change in exchange rate of US Dollar and British Pound (i.e. currencies to which Viohalco's companies are mainly exposed). Such hedges are either designated as fair value or cash flow hedges depending on the item hedged (see note 38.17).
- Interest rate swaps to hedge the risk of future cash flows from the variation of interest rates.

Derivatives (hedging instruments) are recognised at fair value both initially and subsequently.

Derivatives are recognised when Viohalco's companies enter into the transaction in order either to hedge the fair value of receivables, liabilities or commitments (fair value hedges) or highly probable transactions (cash flow hedges).

Fair value hedges

Derivatives are designated as fair value hedges when the exposure to changes in the fair value of a recognized financial asset or liability is hedged. Changes in the fair value of derivatives that are designated and qualified as fair value hedges are recorded in the Consolidated Statement of Profit or Loss, along with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

Cash flow hedges

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

The amounts accounted to "Fair value reserve" are carried forward to the results of the periods where the hedged items are realized.

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

Viohalco's companies examine the effectiveness of the cash flow hedge at inception (prospectively) by comparing the critical terms of the hedging instrument with the critical terms of the hedged item, and then at every reporting date (retrospectively) it examines the effectiveness of the cash flow hedge by applying the dollar offset method on a cumulative basis.

The effective part of cash flow hedges is recorded in 'Fair value reserve' the result of the valuation of the open positions to the part that valuation is effective.

The profit or loss of hedging activities is recognized in the statement of profit or loss when realised (i.e. difference of interest on interest rate swaps and stock exchange results in aluminum or copper and foreign currency).

Viohalco's companies' results from the hedging activities recorded in the statement of profit or loss for the fiscal year 2014 and 2013 that presented for metal future contracts and FX future contracts in the "Revenue" and the "Cost of sales" while for interest rate swaps in the "Finance income / (expenses)" are as follows:

Amounts in EUR thousand	2014	2013
Gain / loss (-) on future contracts	-2,550	3,139
Gain / loss (-) on FX forwards contracts	-4,604	2,141
Gain / loss (-) on interest rate swaps	0	-111
Gain / loss (-) on FX swaps	1,666	251
Amounts posted to profit or loss as income or (expense)	**-5,488**	**5,419**

Profit or loss related to derivatives used for cash flow hedging and recognized in other comprehensive income (Fair value reserve) as at 31 December 2014 will be recognized in the Income Statement during the next financial year

23. Capital and reserves

A. Share capital and share premium

The share capital of the Company amounts to EUR 104,996,194.19 divided into 219,611,308 shares without nominal value.

Share premiums of the Company amount to EUR 432,201,433.

B. Nature and purpose of reserves

(a) Statutory reserve

Pursuant to the Belgian tax legislation, the companies are obliged, from their fiscal year profits, to form 5% as a legal reserve until it reaches 10% of their paid share capital. The distribution of the legal reserve is prohibited.

(b) Translation reserve

The translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations.

(c) Fair value reserve

The hedging reserve comprises the effective portion of the cumulative net change in the fair value of hedging instruments used in cash flow hedges pending subsequent recognition in profit or loss as the hedged cash flows affect profit or loss; and the cumulative net change in the fair value of the available-for-sale financial assets until the assets are derecognised or impaired.

(d) The Special reserve and Tax exempt reserve

The special reserves and the Tax exempt reserve:

- Blocked reserves to cover equity participation of subsidized investment programs.
- Tax-exempt earnings based on specific provisions of incentive laws as prescribed by tax legislation in the countries where Viohalco and its subsidiaries operate (on the condition that there are sufficient earnings for their creation).
- Reserves pursuant to specific legislation concerning either tax-exempt income or income from interest for which tax has been withheld.

C. Reconciliation of other reserves

Amounts in EUR thousand	Statutory Reserve	Fair value reserves	Special reserves	Tax-exempt reserves	Other reserves	Total
Balance as at 1 January 2013	**58,495**	**4,302**	**14,733**	**314,138**	**5,608**	**397,276**
Reclassification	-38,247	0	0	0	190,855	**152,609**
Cancellation of the treasury shares	0	0	0	0	-111,189	**-111,189**
Other comprehensive income, net of taxes	0	-692	0	0	0	**-692**
Changes in ownership interests	611	121	387	360	-72	**1,407**
Transfer of reserves	866	0	2,353	10,463	-13,682	**0**
Balance as at 31 December 2013	**21,725**	**3,732**	**17,473**	**324,961**	**71,521**	**439,411**

Amounts in EUR thousand	Statutory Reserve	Fair value reserves	Special reserves	Tax-exempt reserves	Other reserves	Total
Balance as at 1 January 2014	**21,725**	**3,732**	**17,473**	**324,961**	**71,521**	**439,411**
Other comprehensive income, net of taxes	0	1,436	-44	0	0	**1,393**
Transfer of reserves	1,134	0	1,589	-88,468	8,445	**-77,301**
Changes in ownership interests	358	-175	156	2,910	-3,700	**-450**
Dividend	0	0	0	-50	0	**-50**
Balance as at 31 December 2014	**23,217**	**4,993**	**19,174**	**239,354**	**76,266**	**363,003**

24. Capital management

Viohalco and its companies' policy consists in maintaining a strong capital structure so as to keep the confidence of investors, creditors and the market and enable the future development of their activities. The Board of Directors monitors the return on capital which is defined as net results divided by total equity save non-controlling interests. The Board of Directors also monitors the level of dividends distributed to holders of ordinary shares.

The Board of Directors tries to maintain equilibrium between higher returns that would be feasible through higher borrowing levels and the advantages and security offered by a strong and robust capital structure. In this context, the Board of Directors monitors the Return on Capital Employed (ROCE) index, otherwise the Return on Invested Capital (ROIC) index, which is defined as Earnings before Interest and Tax (EBIT) divided by total Capital Employed, i.e. equity and debt. The Board of Directors seeks opportunities and examines feasibility to leverage Viohalco's companies with relatively high ROCE (in every case higher than the cost of debt) and deleverage companies that go through relatively low ROCE performance period.

25. Loans and borrowings

A. Overview

Amounts in EUR thousand	2014	2013
Non-current liabilities		
Secured bank loans	193,863	180,749
Unsecured bank loans	3,357	4,874
Secured bond issues	740,234	752,387
Unsecured bond issues	6,000	5,001
Finance lease liabilities	1,144	1,125
Total	**944,599**	**944,135**
Current liabilities		
Current portion of secured bank loans	6,453	7,066
Unsecured bank loans	599,542	482,266
Current portion of secured bond issues	13,213	8,696
Current portion of unsecured bond issues	19,368	4,900
Current portion of finance lease liabilities	271	377
Total	**638,848**	**503,305**
Total loans and borrowings	**1,583,447**	**1,447,440**

Information about the Viohalco's companies' exposure to interest rate, foreign currency and liquidity risk is included in Note 29.

The maturities of non-current loans are as follows:

Amounts in EUR thousand	2014	2013
Between 1 and 2 years	135,459	45,948
Between 2 and 5 years	751,868	867,826
Over 5 years	57,272	30,361
Total	**944,599**	**944,135**

The effective weighted average interest rates on the reporting date are as follows:

	2014	2013
Bank loans (non-current)	5.15%	5.34%
Bank loans (current)	5.71%	5.40%
Bond issues	5.17%	5.27%
Finance lease liabilities	4.92%	3.21%

Viohalco's companies carrying value of loans is denominated in Euro.

The increase in the short term borrowings of Viohalco's companies financed the working capital needs of its subsidiaries. They have available adequate credit lines to meet future needs.

Mortgages and pledges in favour of banks have been recorded on the fixed assets and inventories of subsidiaries for the amount of EUR 1,007 million. More specific EUR 379 million have been raised on behalf of Halcor S.A. and its subsidiaries, EUR 438 million on behalf of Sidenor S.A. and its subsidiaries and EUR 190 million have been raised on behalf of Elval S.A. and its subsidiaries.

For the bank loans of Viohalco's companies that have been assumed from banks, there are clauses of change of control that provide the lenders with an early redemption clause.

There was no incident in 2014 which could lead to a breach of the terms of the loans of Viohalco's companies.

C. Finance leases liabilities

Finance lease liabilities are payable as follows.

Amounts in EUR thousand	2014	2013
Future minimum lease payments		
Up to 1 year	303	416
From 1 to 5 years	864	705
Over 5 years	378	555
Total	**1,545**	**1,676**
Less: Future finance lease interest charges	-130	-174
Present value of minimum lease payments	**1,415**	**1,502**

26. Trade and other payables

Amounts in EUR thousand	31/12/2014	31/12/2013
Suppliers	321,821	216,714
Notes payable	42,269	41,052
Cheques payable	155	143
Down payments from customers	16,073	17,079
Social security funds	7,795	8,634
Taxes- duties	13,945	11,586
Amounts due to affiliated parties (Note 35)	1,973	4,925
Sundry creditors	20,059	7,184
Unearned and deferred income	115	2,571
Accrued expenses	25,706	16,511
Other credit transit balances	4,001	4,808
Proportion of third parties in payable dividends	32	59
Other liabilities	0	52
Total	**453,945**	**331,317**
Current balance of trade and other payables	430,718	319,841
Non-current balance of trade and other payables	23,227	11,476
Balance as at 31 December	**453,945**	**331,317**

27. Grants

The movement of grants for the fiscal years 2014 and 2013 is as follows:

Amounts in EUR thousand	2014	2013
Balance at 1 January	**45,305**	**36,939**
Collection of subsidies	8,371	12,403
Reversal of amortization of grants	641	0
Transfer of subsidy to receivables/ payables	-955	331
Amortization of grants	-4,730	-4,368
Balance at 31 December	**48,632**	**45,305**

Government grants have been received for investments in property, plant and equipment. All conditions attached to the grants received by Viohalco's companies were met as of 31 December 2014.

28. Provisions

Non-current

Amounts in EUR thousand	Pending court rulings	Indemnities to customers	Other provisions	Total
Balance as at 1 January 2013	**60**	**987**	**3,081**	**4,127**
Foreign exchange differences	0	0	-23	**-23**
Additional provisions of the fiscal year	46	0	-38	**8**
Transfer to short term provisions	0	0	0	**0**
Reversal of unused provisions	0	0	0	**0**
Provisions used during the fiscal year	-41	0	-8	**-49**
Balance as at 31 December 2013	**65**	**987**	**3,012**	**4,063**
Balance as at 1 January 2014	**65**	**987**	**3,012**	**4,063**
Foreign exchange differences	0	0	76	**76**
Additional provisions of the fiscal year	91	0	11	**102**
Transfer to short term provisions	138	0	0	**138**
Reversal of unused provisions	0	-142	0	**-142**
Provisions used during the fiscal year	-51	-844	-247	**-1,143**
Balance as at 31 December 2014	**243**	**0**	**2,851**	**3,093**

Current

Amounts in EUR thousand	Pending court rulings	Indemnities to customers	Other provisions	Total
Balance as at 1 January 2013	**144**	0	**348**	**492**
Foreign exchange differences	0	0	-3	**-3**
Additional provisions of the fiscal year	0	0	356	**356**
Transfer from long term provisions	0	0	0	**0**
Reversal of unused provisions	0	0	0	**0**
Provisions used during the fiscal year	0	0	-170	**-170**
Balance as at 31 December 2013	**144**	**0**	**531**	**675**
Balance as at 1 January 2014	**144**	0	**531**	**675**
Foreign exchange differences	0	0	**8**	**8**
Additional provisions of the fiscal year	**13**	0	**917**	**929**
Transfer from long term provisions	**-138**	0	0	**-138**
Reversal of unused provisions	**-1**	0	0	**-1**
Provisions used during the fiscal year	**-5**	0	**-1,054**	**-1,059**
Balance as at 31 December 2014	**13**	**0**	**402**	**415**

Other provisions mainly relate to provisions for open tax years, other receivables and provisions related to obligation to cover environmental conditions.

29. 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.

31/12/2014 *Amounts in EUR thousand*	Carrying amount	First Level	Second Level	Third Level	Total
Available-for-sale financial assets	50,366	43,439	1,600	5,326	**50,366**
Financial instruments at fair value	818	809	0	9	**818**
Derivative financial assets	10,341	6,379	3,962	0	**10,341**
	61,525	**50,627**	**5,562**	**5,335**	**61,525**
Derivative financial liabilities	-11,373	-1,823	-9,550	0	**-11,373**
	50,152	**48,804**	**-3,988**	**5,335**	**50,152**

31/12/2013 *Amounts in EUR thousand*	Carrying amount	First Level	Second Level	Third Level	Total
Available-for-sale financial assets	65,765	60,368	0	5,397	**65,765**
Financial instruments at fair value	282	265	0	17	**282**
Derivative financial assets	2,702	1,685	1,017	0	**2,702**
	68,749	**62,318**	**1,017**	**5,414**	**68,749**
	0				
Derivative financial liabilities	-3,379	-2,403	-976	0	**-3,379**
	65,370	**59,915**	**41**	**5,414**	**65,370**

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 2013	7,381	16
Additions	0	2
Impairment posted in profit or loss	-1,985	0
Balance at 31 December 2013	**5,397**	**17**
Balance at 1 January 2014	5,397	17
Additions	35	0
Sales	-306	-8
Impairment posted in profit or loss	16	0
Reclass	184	0
Balance at 31 December 2014	**5,326**	**9**

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.

The following table shows the valuation techniques used in measuring fair values, as well as the significant unobservable inputs used:

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

(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 2014 and no transfers in either direction in 2013.

C. Financial risk management

Viohalco and its companies are exposed to credit, liquidity and market risk due to the use of its financial instruments. This Note sets forth information on their exposure to each one of the above risks, their objectives, the policies and procedures applied to risk measurement and management and Viohalco's Capital Management (Note 24). More quantitative particulars on these disclosures are included in the entire range of the Consolidated Financial Statements.

The risk management policies are applied in order to identify and analyze the risks facing Viohalco and its companies, set risk-taking limits and apply relevant control systems. The risk management policies and relevant systems are examined from time to time so as to take into account any changes in the market and the companies' activities.

The implementation of risk management policies and procedures is supervised by the Internal Audit department, which performs ordinary and extraordinary audits relating to the implementation of procedures, whereas the results of such audits are notified to the Board of Directors.

C.1. Credit risk

Credit risk is the risk of the financial loss to Viohalco and its companies, if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the companies' receivables from customers and investments in debt securities.

The carrying amount of financial assets represents the maximum credit exposure.

Amounts in EUR thousand	31/12/2014	31/12/2013
Trade receivables	377,537	335,333
Available-for-sale financial assets	50,366	65,765
Financial assets at fair value through profit or loss	818	282
Cash and cash equivalents	99,612	173,401
Derivatives	10,341	2,702
	538,673	**577,483**

Trade receivables in the above table include receivables from third-party customers and receivables from related parties (see note 15).

(a) Trade and other receivables

The Viohalco's companies' exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, the companies' management also considers the factors that may influence the credit risk of its customer base, including the default risk of the industry and country in which customers operate. No client exceeds 10% of consolidated sales and, consequently, commercial risk is spread over a large number of clients.

Viohalco's companies have established a credit policy on the basis under which each new customer is examined on an individual basis in terms of creditworthiness before the standard payment and delivery terms are proposed to such customer. Viohalco's companies review includes external ratings, if they are available, and in some cases bank references. Credit limits are set for each customer, which are reviewed in accordance with current circumstances and the terms of sales and collections are readjusted, if necessary. As a rule, the credit limits of customers are set on the basis of the insurance limits received for them from insurance companies and, subsequently, receivables are insured according to such limits.

When monitoring the credit risk of customers, the latter are grouped according to their credit characteristics, the maturity characteristics of their receivables and any past problems of receivability they have shown. Trade and other receivables include mainly wholesale customers of Viohalco's companies. Any customers characterized as being of "high risk" are included in a special list of customers and future sales must be received in advance. Depending on the background of the customer and its status, Viohalco's companies demand real or other security (e.g. letters of guarantee) in order to secure its receivables, if possible.

Viohalco's companies record an allowance for impairment that represents its estimate of incurred losses in respect of trade and other receivables.

At 31 December 2014, the maximum exposure to credit risk for trade and other receivables by geographic region was as follows:

In EUR thousand	Carrying amount 2014	2013
Greece	183,922	160,983
Other EU Member States	193,683	161,975
Other European countries	59,024	63,699
Asia	26,831	27,633
USA	68,485	49,633
Africa	12,360	9,249
Oceania	771	687
	545,076	**473,861**

At 31 December 2014, the maximum exposure to credit risk for trade and other receivables by type of counterparty was as follows:

In EUR thousand	Carrying amount 2014	2013
Industrial customers	411,024	374,652
Distributors/ resellers	19,211	21,756
Other	114,840	77,453
	545,076	**473,861**

At 31 December 2014, the aging of trade and other receivables that were not impaired was as follows:

In EUR thousand	2014	2013
Neither past due nor impaired	284,406	280,778
Overdue		
- Up to 6 months	63,869	48,756
- Over 6 months	29,261	5,799
	377,537	**335,333**

Subsidiaries' management believes that the impaired amounts that are past due up to 6 months and over 6 months are still collectible in full, based on historical payment behaviour and extensive analysis of customer credit risk, including underlying customers' credit ratings, if they are available.

The movement in the allowance of impairment in respect of trade and other receivables is as follows:

Amounts in EUR thousand	2014	2013
Balance as at 1 January	47,807	45,994
Impairment loss recognized	6,255	3,074
Amounts written off	-1,433	-820
Impairment loss reversed	-174	-1
Transfer to other provisions	38	0
Transfer to other assets	0	-415
Transfer to results	-207	0
Foreign exchange differences	1,244	-24
Balance as at 31 December	**53,529**	**47,807**

The impairment loss of EUR 6,255 thousand at 31 December 2014 related to several customers that have indicated that they are not expected to be able to pay their outstanding balances, mainly due to economic circumstances.

The following collateral exists for securing receivables from customers:

	31/12/2014	31/12/2013
Amounts in EUR thousand		
Bank letters of guarantee	43,300	1,501
Guarantees for securing receivables from customers	1,537	37,384
	44,838	**38,885**

(b) Debt securities

Viohalco limits its exposure to credit risk by investing mainly in liquid corporate and sovereign debt securities which yield rates and ratings are reasonable. The counterparties of the corporate bonds are mostly well known companies.

The maximum exposure to credit risk for debt securities classified as available-for-sale at the reporting date by geographic region was as follows.

	Carrying amount	
Amounts in EUR thousand	31/12/2014	31/12/2013
Other EU Member States	17,149	30,476
USA	2,737	6,111
Oceania	0	521
	19,886	**37,107**

(c) Cash and cash equivalents

Viohalco and its companies held cash and cash equivalents of EUR 99,612 thousand at 31 December 2014 (2013: EUR 173.401 thousand). The cash and cash equivalents are held with bank and financial institution counterparties, which are rated from AA to B- based on ratings of Fitch.

C.2. Liquidity risk

Liquidity risk is the risk that Viohalco and its companies will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The approach to manage liquidity is to ensure, as far as possible, that they will have sufficient liquidity to meet their liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to their reputation.

In order to avoid liquidity risks, Viohalco and its companies estimate the expected cash flows for the next year when preparing the annual budget and monitor the monthly rolling forecast of its cash flows for the next quarter, so as to ensure sufficient cash on hand to meet its operating needs, including coverage of its financial obligations. This policy does not take into account the relevant effect from extreme conditions that cannot be foreseen.

The companies monitor their cash needs through Steelmet S.A., a Viohalco'scompany, which agrees upon financing terms with credit institutions in Greece and other countries.

Exposure to liquidity risk

The following are the contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted.

Amounts in EUR thousand	31/12/2014	<1 year	1 - 2 years	2 -5 years	>5 years	Total
Financial liabilities						
Bank loans	**803,216**	605,996	87,401	105,867	3,953	**803,216**
Bond loans	**778,816**	32,582	59,403	646,821	40,010	**778,816**
Finance lease obligations	**1,415**	271	1	739	405	**1,415**
Trade and other payables	**453,945**	430,718	6,269	11,928	5,029	**453,945**
	2,037,392	**1,069,566**	**153,074**	**765,355**	**49,397**	**2,037,392**

Derivatives (Analysis by category)	31/12/2014	<1 year	1 - 2 years	2 -5 years	>5 years	Total
Nominal value of interest rate swaps (in €)	**8,916**	1,426	7,490	0	0	**8,916**
Nominal value of forward foreign exchange contracts ($)	**-76,580**	-63,094	-13,485	0	0	**-76,580**
Nominal value of Forwards (in USD)	**32,739**	32,739	0	0	0	**32,739**
Nominal value of Forwards (in GBP)	**15,322**	15,322	0	0	0	**15,322**
Nominal value of Forwards (in CHF)	**-118**	-118	0	0	0	**-118**
Nominal value of Aluminium Derivatives	**-17,178**	-20,075	2,897	0	0	**-17,178**
Nominal value of Copper Derivatives	**-13,036**	-13,036	0	0	0	**-13,036**
Nominal value of Zinc Derivatives	**-2,469**	-2,469	0	0	0	**-2,469**
Nominal value of Lead Derivatives	**-3,070**	-3,070	0	0	0	**-3,070**
	-55,474	**-52,376**	**-3,099**	**0**	**0**	**-55,474**

Amounts in EUR thousand	31/12/2013	<1 year	1 - 2 years	2 -5 years	>5 years	Total
Financial liabilities						
Bank loans	**640,588**	450,383	35,454	154,231	519	**640,588**
Bond loans	**805,350**	52,545	10,493	712,998	29,314	**805,350**
Finance lease obligations	**1,502**	377		597	528	**1,502**
Trade and other payables	**331,317**	319,725	1,514	4,660	5,418	**331,317**
	1,778,757	**823,030**	**47,462**	**872,485**	**35,780**	**1,778,757**

Derivatives (Analysis by category)	31/12/2013	<1 year	1 - 2 years	2 -5 years	>5 years	Total
Nominal value of interest rate swaps (in €)	**9,663**	1,333	1,333	6,997	0	**9,663**
Nominal value of forward foreign exchange contracts ($)	**-81,356**	-18,774	-28,062	-34,520	0	**-81,356**
Nominal value of Forwards (in USD)	**102,669**	102,669	0	0	0	**102,669**
Nominal value of Forwards (in GBP)	**1,426**	1,426	0	0	0	**1,426**
Nominal value of Forwards (in CHF)	**-10**	-10	0	0	0	**-10**
Nominal value of Aluminium Derivatives	**10,196**	10,196	0	0	0	**10,196**
Nominal value of Copper Derivatives	**-11,358**	-11,358	0	0	0	**-11,358**
Nominal value of Zinc Derivatives	**-1,956**	-1,956	0	0	0	**-1,956**
Nominal value of Lead Derivatives	**321**	321	0	0	0	**321**
	29,594	**83,846**	**-26,729**	**-27,523**	**0**	**29,594**

Viohalco's companies have syndicated loans that contain loan covenants. A future breach of covenants may require the companies to repay the loans earlier than indicated in the above table. Under the agreement, the covenants are monitored on regular basis by Steelmet S.A. and regularly reported to companies' management to ensure compliance with the agreements. For those covenants that were breached at December 2014, waiver letters were received by respective banks before the year-end close.

C.3. Market risk

Market risk is the risk that changes in the market prices – such as commodity prices, foreign exchange rates and interest rates - will affect Viohalco and its companies income or the value of their financial instruments. Viohalco's companies use derivatives to manage market risk.

All such transactions are carried out through Steelmet S.A. Generally, the companies seek to apply hedge accounting to manage volatility in profit or loss.

(a) Currency risk:

Viohalco and its companies are exposed to currency risk in relation to the sales and purchases carried out and the loans issued in a currency other than the functional currency of Viohalco and its companies, which is mainly euro. The most important currencies in which these transactions are held are mainly euro, USD and GBP.

Over time, Viohalco's companies hedge the greatest part of its estimated exposure to foreign currencies in relation to the anticipated sales and purchases, as well as to the receivables and liabilities in foreign currency. Viohalco's companies enter mainly into forward contracts with external counterparties so as to deal with the risk of the exchange rates varying, which mainly expire within less than a year from the reporting date. When deemed necessary, these contracts are renewed upon expiry. As the case may be, the foreign exchange risk may also be covered by taking out loans in the respective currencies.

Loan interest is denominated in the same currency with that of cash flows, which arises from the Viohalco's companies' operating activities.

The investments of Viohalco and its companies in their subsidiaries are not hedged, because these exchange positions are considered to be long-term and have been made mainly in euro.

Exposure to currency risk

The summary quantitative data about Viohalco and its companies' exposure to currency risk as reported is as follows.

	31 December 2014							
Amounts in EUR thousand	EURO	USD	GBP	LEV	DINAR	RON	OTHER	TOTAL
Trade and other receivables	364,920	104,223	30,498	21,146	544	15,528	7,659	**544,517**
Loans and Borrowings	-1,501,716	-4,985	-31,121	-36,695	-4,862	-4,041	-27	**-1,583,447**
Trade and other payables	-359,186	-34,300	-22,357	-29,506	-1,389	-6,765	-442	**-453,945**
Cash & cash equivalents	76,418	7,600	9,708	1,270	1,123	2,633	860	**99,612**
	-1,419,564	72,538	-13,272	-43,785	-4,585	7,355	8,050	**-1,393,263**
Derivatives for risk hedging (Nominal Value)	328	144,988	-17,388	0	0	0	-628	**127,300**
Total risk	**-1,419,236**	**217,525**	**-30,660**	**-43,785**	**-4,585**	**7,355**	**7,422**	**-1,265,964**

	31 December 2013							
Amounts in EUR thousand	EURO	USD	GBP	LEV	DINAR	RON	OTHER	TOTAL
Trade and other receivables	231,131	37,906	44,750	5,698	126,746	20,379	7,251	**473,861**
Loans and Borrowings	-1,385,921	-2,486	-21,863	-34,184	0	-2,889	-96	**-1,447,440**
Trade and other payables	-271,471	-16,987	-19,654	-11,123	-3,907	-6,846	-1,330	**-331,317**
Cash & cash equivalents	137,063	20,380	10,756	1,755	960	1,642	846	**173,401**
	-1,289,199	38,813	13,988	-37,854	123,799	12,286	6,671	**-1,131,496**
Derivatives for risk hedging (Nominal Value)	133	-2,413	1,397	0	0	0	-10	**-893**
Total risk	**-1,289,066**	**36,401**	**15,385**	**-37,854**	**123,799**	**12,286**	**6,661**	**-1,132,389**

The following exchange rates have been applied during the year.

	Average exchange rate		Year end spot rate	
	2014	2013	2014	2013
USD	1.33	1.35	1.21	1.38
GBP	0.81	0.84	0.78	0.83
LEV	1.96	1.96	1.96	1.96
DINAR	89.41	113.09	91.09	114.94
RON	4.44	4.44	4.48	4.47

Sensitivity analysis

A reasonably possible strengthening (weakening) of the euro, US dollar, pound sterling, DINAR, or RON against other currencies at 31 December would have affected the measurement of financial instruments denominated in a foreign currency and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

Effect In EUR thousand	Profit or loss Strengthening	 Weakening	Equity, net of tax Strengthening	 Weakening
31/12/2014				
USD (10% movement in relation to EUR)	2,266	-2,266	10,197	-10,197
GBP (10% movement in relation to EUR)	1,438	-1,438	1,307	-1,307
LEV (10% movement in relation to EUR)	-8	8	107	-107
DINAR (10% movement in relation to EUR)	126	-126	169	-169
RON (10% movement in relation to EUR)	-212	212	87	-87
31/12/2013				
USD (10% movement in relation to EUR)	-5,239	5,239	-3,121	3,121
GBP (10% movement in relation to EUR)	-1,535	1,535	1,787	-1,787
LEV (10% movement in relation to EUR)	-536	536	-494	494
DINAR (10% movement in relation to EUR)	57	-57	-125	125
RON (10% movement in relation to EUR)	-311	311	-139	139

(b) Interest rate risk:

Viohalco's companies during the prolonged low interests period have adopted a flexible policy of ensuring that between 0 % and 20% of its interest rate risk exposure is at a fixed rate. This is achieved partly by entering into fixed–rate instruments and partly by borrowing at a float rate and using interest rate swaps as hedges of the variability in cash flows attributable to interest rate risk.

Exposure to interest rate risk

The interest rate profile of Viohalco's companies' interest-bearing financial instruments, as reported is as follows.

	Nominal amount	
Amounts in EUR thousand	**2014**	**2013**
Fixed-rate instruments		
Financial liabilities	-38,912	-94,841
Variable-rate instruments		
Financial liabilities	-1,544,535	-1,352,599

Fair value sensitivity analysis for fixed-rate instruments

A change of 25 basis points in interest rates would have a positive or negative effect of EUR 91 thousand after tax (2013: EUR 134 thousand) in consolidated statement of Profit or Loss.

Cash flow sensitivity analysis for variable-rate instruments

A reasonably possible change of 0.25% in interest rates at the reporting date would have increased/ decreased (-) equity and profit or loss by the amount shown below. This analysis assumes that all other variables, in particular foreign currency exchange rate, remain constant.

	Profit or loss		Equity, net of tax	
Effect In EUR thousand	**0.25% increase**	**0.25% decrease**	**0.25% increase**	**0.25% decrease**
31 December 2014				
Financial liabilities	-3,932	3,932	0	0
Interest rate swaps	0	0	-55	55
Cash flow sensitivity (net)	-3,932	3,932	-55	55
31 December 2013				
Financial liabilities	-3,866	3,866	-1,384	1,384
Interest rate swaps	0	0	0	0
Cash flow sensitivity (net)	-3,866	3,866	-1,384	1,384

C.4. Risk of macroeconomic and financial environment in Greece

In Greece, where most of Viohalco's subsidiaries are located, the continuous negotiations in 2015 in respect of the re-evaluation of the terms of the local finance program have rendered the macroeconomic and financial environment volatile. The return to economic stability depends largely on the actions and decisions of the financial institutions in Greece and in the Euro zone. This uncertainty in the economic and financial environment in Greece constitutes a key risk factor and any development in this respect is likely to affect the operations and activities of Viohalco's subsidiaries in Greece, and their financial performance and position. However, 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 1,583 million comprises of 60% long term and 40% short term facilities, of which 90% are extended by Greek banks or their subsidiaries abroad and 10% by international banks and supranational financial institutions.

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. Viohalco and its companies nevertheless continuously evaluate the potential consequences as to ensure that all necessary measures and actions are taken promptly, to minimize any impact on their operations and activities.

30. Subsidiaries

The Viohalco's subsidiaries and the percentages held by the parent company at the end of the reporting period are as follows:

SUBSIDIARIES COMPANIES	Country	Participation percentage 2014	Participation percentage 2013
AEIFOROS SA	(2) GREECE	67.89%	67.89%
AEIFOROS BULGARIA SA	(2) BULGARIA	67.89%	67.89%
ALCOMET SA	(1) GREECE	99.36%	99.36%
ALUBUILD SRL	(3) ITALY	72.63%	53.56%
ALURAME SPA	(3) ITALY	71.52%	71.92%
ANOXAL SA	(3) GREECE	72.63%	73.11%
ANAMET SA	(1) GREECE	88.62%	88.75%
ANAMET DOO	(1) SERBIA	88.62%	88.75%
ANTIMET AE	(1) GREECE	100.00%	100.00%
ATTIKI SA	(1) GREECE	75.00%	75.00%
BET SA	(2) GREECE	77.02%	77.02%
BIEXAL SA	(3) GREECE	70.94%	71.29%
BLYTHE LTD	(3) CYPRUS	72.63%	73.11%
BOZETTI LTD	(2) CYPRUS	75.45%	75.45%
BRIDGNORTH LTD	(3) ENGLAND	72.63%	73.11%
CLUJ INTERNATIONAL TRADE SRL	(1) ROMANIA	100.00%	100.00%
COMMERCIAL PARK CORINTHOS SA	(1) GREECE	100.00%	100.00%
CONSUTANT & CONSTRUCTION SOLUTION SA	(3) GREECE	72.23%	70.95%
COPPERPROM LTD	(4) GREECE	57.25%	57.25%
CORINTH PIPEWORKS SA	(2) GREECE	66.54%	66.54%
CPW AMERICA Co	(2) USA	66.54%	66.54%
DE LAIRE LTD	(4) CYPRUS	49.96%	49.98%
DIA.VI.PE.THI.V SA	(2) GREECE	71.32%	71.40%
DIAPEM SA	(1) GREECE	71.47%	71.65%
DIATOUR SA	(1) GREECE	98.74%	98.62%
DOJRAN STEEL LLCOP	(2) FYROM	75.44%	75.45%
ELVAL COLOUR SA	(3) GREECE	0.00%	73.11%
ELVAL SA	(1) GREECE	72.63%	73.11%
ELKEME SA	(1) GREECE	69.34%	68.21%
ENERGY SOLUTIONS SA	(1) BULGARIA	92.75%	91.61%
ERGOSTEEL SA	(4) GREECE	38.62%	38.07%
ERGOPAMA SA	(4) GREECE	38.62%	22.83%
ERLIKON SA	(2) GREECE	75.68%	75.68%
ETEM SA	(2) GREECE	0.00%	53.56%
ETEM ALBANIA SA	(3) ALBANIA	72.63%	53.56%
ETEM BULGARIA SA	(3) BULGARIA	72.63%	53.56%
ETIL SA	(2) GREECE	52.78%	52.80%
ETEM COMMERCIAL SA	(3) GREECE	72.63%	53.56%
ETEM SYSTEMS LLC	(3) UCRAINE	72.63%	53.56%
ETEM SYSTEMS SRL	(3) ROMANIA	72.63%	53.56%
FITCO SA	(4) GREECE	66.34%	66.36%
FLOCOS SA	(1) GREECE	85.78%	83.12%
FULGOR SA	(4) GREECE	49.96%	49.98%
GENECOS SA	(3) FRANCE	67.08%	46.60%
HALCOR SA	(1) GREECE	66.34%	66.36%
HELLENIC CABLES SA	(4) GREECE	49.96%	49.98%
HUMBEL LTD	(2) CYPRUS	66.54%	66.54%
ICME ECAB SA	(4) ROMANIA	49.28%	49.29%
INOS BALCAN	(1) SERBIA	88.62%	88.75%
JOSTDEX LIMITED	(2) CYPRUS	75.30%	70.92%
KIFISSOS MALL SA	(1) GREECE	54.43%	54.43%
LESCO ROMANIA SA	(4) ROMANIA	32.49%	32.49%
LESCO OOD	(4) BULGARIA	49.96%	49.98%
METAL AGENCIES LTD	(4) ENGLAND	65.91%	66.13%
METAL GLOBE DOO	(4) SERBIA	64.14%	64.14%
METAL VALIUS LTD	(1) BULGARIA	88.62%	88.75%
METALLOURGIA ATTIKIS SA	(1) GREECE	37.73%	37.73%
MKC GMBH	(1) GERMANY	68.46%	68.66%
MOPPETS LTD	(3) CYPRUS	72.63%	53.56%
NOVAL SA	(1) GREECE	100.00%	100.00%
NOVOMETAL DOO	(1) FYROM	88.62%	88.75%
PORT SVISHTOV WEST SA	(2) BULGARIA	55.13%	55.14%
PRAKSIS SA	(2) GREECE	46.02%	46.03%
PRISTANISHTEN KOMPLEX SVILOSA EOOD	(2) BULGARIA	55.13%	55.14%
PROSAL TUBES SA	(2) BULGARIA	75.44%	75.44%
SANIPARK SA	(1) GREECE	100.00%	100.00%
SANITAS REPRESENTATIVE SA	(1) GREECE	100.00%	100.00%
SANITAS SA	(1) GREECE	100.00%	100.00%
SIDENOR INDUSTRIAL SA	(2) GREECE	75.44%	75.45%
SIDENOR SA	(1) GREECE	75.44%	75.45%
SIDERAL SHRK	(2) ALBANIA	75.40%	75.45%
SIDEROM STEEL SRL	(2) ROMANIA	75.44%	75.45%
SIGMA IS SA	(2) BULGARIA	52.25%	52.28%
SOFIA MED AD	(4) BULGARIA	66.34%	66.36%
SOVEL SA	(2) GREECE	77.02%	77.02%
STEELMET BULGARIA SA	(3) BULGARIA	72.63%	53.56%
STEELMET CYPRUS LTD	(4) CYPRUS	64.32%	63.38%
STEELMET ROMANIA SA	(3) ROMANIA	70.11%	66.50%
STEELMET SA	(4) GREECE	64.32%	63.38%
STOMANA IDUSTRY SA	(2) BULGARIA	75.44%	75.45%
SYMETAL SA	(3) GREECE	72.63%	73.11%
TECHOR SA	(4) GREECE	76.79%	76.81%
TEPRO METAL AG	(1) GERMANY	68.46%	68.66%
TEPROMETAL SA	(1) BULGARIA	100.00%	100.00%
TEPROSTEEL SA	(2) BULGARIA	75.44%	75.45%
THERMOLITH SA	(2) GREECE	47.53%	47.54%
TEKA SYSTEMS SA	(1) GREECE	50.01%	50.01%
VIANATT SA	(1) GREECE	88.62%	88.75%
VIOMAL SA	(3) GREECE	36.32%	36.55%
VITRUVIT SA	(1) GREECE	100.00%	100.00%
XENCA SA	(1) GREECE	100.00%	100.00%

(1) Subsidiaries of VIOHALCO SA
(2) Subsidiaries of SIDENOR SA
(3) Subsidiaries of ELVAL SA
(4) Subsidiaries of HALCOR SA

During 2014, the absorptions of the subsidiaries Etem S.A. & Elval Colour from Elval S.A. were concluded. The effect on consolidated accounts due to the aforementioned mergers was not material.

During the current year, certain immaterial components were not consolidated, since during the year the liquidation process started for these companies and loss of control incurred. The results of the liquidations are not expected to have any material effect on consolidated financial statements.

Other minor changes in percentages held by the parent company took place during the period. These changes did not have any material effect on consolidated financial statements.

31. Non-controlling interests

The following table summarises the information relating to each of the subsidiaries that have material NCI, before any elimination.

31 December 2014 *In EUR thousand*	**Sidenor S.A.**	**Halcor S.A.**	**Elval S.A.**	**Other individually immaterial subsidiaries**	**Eliminations**	**Total**
Non-controlling interests percentage	**25%**	**34%**	**27%**			
Non-current assets	742,607	449,531	543,427			
Current assets	532,322	380,371	540,197			
Non-current liabilities	458,643	447,230	267,037			
Current liabilities	502,726	349,246	211,585			
Net assets	313,560	33,426	605,002			
Attributable to NCI by the Companies	69,181	18,429	35,528			
Net attributable to the equity holders & NCI of Viohalco	244,378	14,997	569,474			
Attributable to NCI by Viohalco	60,019	5,048	155,865			
Carrying amount of NCI	129,201	23,477	191,393	98,391	-119,670	322,792
Revenue	822,135	1,079,873	1,060,398			
Profit	-55,588	-42,416	15,698			
OCI	-11,624	-288	9,119			
Total comprehensive income	-67,212	-42,704	24,817			
Attributable to NCI by the Companies	-8,362	-6,105	906			
Net attributable to the equity holders & NCI of Viohalco	-58,850	-36,599	23,911			
Attributable to NCI by Viohalco	-14,454	-12,319	6,544			
Total OCI of NCI	-22,815	-18,424	7,451	-1,092	7,845	-27,036
Cash flows from operating activities	-32,741	-20,827	23,282			
Cash flows from investment activities	-77,240	-49,639	-55,790			
Cash flows from financing activities	79,674	39,908	14,258			
Net increase (decrease) in cash and cash equivalents	-30,307	-30,558	-18,250			

31 December 2013 *In EUR thousand*	**Sidenor S.A.**	**Halcor S.A.**	**Elval S.A.**	**Other individually immaterial subsidiaries**	**Eliminations**	**Total**
Non-controlling interests percentage	**25%**	**34%**	**27%**			
Non-current assets	711,501	422,726	525,342			
Current assets	472,900	389,368	501,891			
Non-current liabilities	436,683	454,289	268,473			
Current liabilities	366,908	281,563	172,461			
Net assets	380,810	76,241	586,299			
Attributable to NCI by the Companies	77,543	24,744	29,490			
Net attributable to the equity holders & NCI of Viohalco	303,267	51,498	556,809			
Attributable to NCI by Viohalco	74,452	17,324	149,726			
Carrying amount of NCI	151,995	42,068	179,216	102,827	-128,358	347,748
Revenue	807,668	1,102,022	1,008,502			
Profit	-86,191	-63,669	-3,166			
OCI	-2,239	472	-259			
Total comprehensive income	-88,430	-63,197	-3,424			
Attributable to NCI by the Companies	-12,853	-5,754	-4,100			
Net attributable to the equity holders & NCI of Viohalco	-75,577	-57,443	676			
Attributable to NCI by Viohalco	-18,554	-19,324	182			
Total OCI of NCI	-31,407	-25,078	-3,918	-2,993	11,500	-51,895
Cash flows from operating activities	40,082	15,794	56,162			
Cash flows from investment activities	-24,575	-52,648	-63,996			
Cash flows from financing activities	-243	58,113	9,258			
Net increase (decrease) in cash and cash equivalents	15,265	21,259	1,424			

32. Operating leases

A. Leases as lessee

Viohalco and its companies lease buildings and motor vehicles under operating leases agreements.

(a) Future minimum lease payments

At 31 December, the future minimum lease payments under non-cancellable leases were as follows.

Amounts in EUR thousand	**2014**	**2013**
Less than one year	3,967	3,970
Between one and five years	8,511	7,563
More than five years	461	803
	12,939	**12,336**

(b) Amounts recognized in profit or loss

Amounts in EUR thousand	**2014**	**2013**
Lease expense	5,525	4,517

B. Leases as lessor

Viohalco and its companies in the Real Estate Development sector lease out their investment properties (See Note 19)

(a) Future minimum lease payments

At 31 December, the future minimum lease payments under non-cancellable leases were as follows.

Amounts in EUR thousand	**2014**	**2013**
Less than one year	3,879	3,894
Between one and five years	20,061	19,862
More than five years	51,013	55,091
Total	**74,953**	**78,846**

(b) Amounts recognized in profit or loss

The figures below are related to investment property that has been recognised in the statement of profit or loss:

Amounts in EUR thousand	2014	2013
- Rental income from investment property	4,540	4,352
- Direct operating expenses from investment properties that generate rental income	-2,739	-2,014
- Direct operating expenses from investment properties that do not generate rental income	-405	-1,456
Total	**1,397**	**883**

33. Commitments

A. Purchase commitments

The below mentioned commitments relate to contracts that the subsidiaries have entered into according to their investment plans.

Amounts in EUR thousand	31/12/2014	31/12/2013
Property, plant and equipment	35,713	64,585

B. Guarantees

Amounts in EUR thousand	31/12/2014	31/12/2013
Guarantees for securing liabilities to suppliers	83,360	72,349
Guarantees for securing the good performance of contracts with customers	27,773	19,332
Guarantees for securing the good performance of contracts with suppliers	19,556	133

34. Contingent liabilities

(a) Litigations matters

Please refer to the ongoing claim described in Note 15.

(b) Contingent tax liabilities

The tax filings of the subsidiaries are routinely subjected to audit by tax authorities in most of the jurisdictions in which Viohalco and its companies conduct business. These audits may result in assessments of additional taxes. Viohalco and its companies provide for additional tax in relation to the outcome of such tax assessments, to the extent that a liability is probable and estimable.

35. Related parties

A. Equity-accounted investees and other related parties

The following transactions, together with the amounts due from and to as at the period end, have been made with equity-accounted investees and other related parties.

Amounts in EUR thousand	**2014**	**2013**
Sales of goods / services		
Equity accounted investees	17,746	19,242
Other related parties	0	10,066
	17,746	**29,309**
Purchases of goods / services		
Equity accounted investees	3,825	4,973
Other related parties	0	13,085
	3,825	**18,058**
Purchase of property, plant and equipment		
Equity accounted investees	**1,009**	**988**

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

Amounts in EUR thousand	**2014**	**2013**
Receivables from related parties:		
Equity accounted investees	12,704	15,108
Other related parties	0	38
	12,704	**15,146**
Liabilities to related parties:		
Equity accounted investees	1,973	1,929
Other related parties	0	2,996
	1,973	**4,925**

Services to and from related parties as well as sales and purchases of goods are carried out in accordance with the price lists applying to non-affiliated parties.

B. Transactions with key management personnel

The table below provides an overview of the transactions with Board members and executive management:

Amounts in EUR thousand	**2014**	**2013**
Compensation to BoD members and executives	1,919	1,661

The compensation to directors and executive management in the table above are fixed compensation. No variable compensation, post-employment benefits or share based benefits were paid in 2013 and in 2014.

36. Subsequent events

On February 24, 2015, Elval announced that minority shareholders had filed a case to the Courts requesting a cancelation of the absorption of Etem by Elval S.A. Elval S.A. believes that the aforesaid lawsuit will be rejected by the Court.

On March 23, 2015, Elval announced the commencement of the separation process of the sector of painted aluminium coils for architectural use and the sector of production and trading of etalbond.

Halcor Group has accepted written offers for the assumption of new bond loans totalling EUR 12,721,963. The loans will be of a five year maturity and will be used to repay short-term bank loans.

On February 17, 2015, Corinth Pipeworks signed a EUR 4 million extension to its existing loan agreement with Commerzbank amounting to EUR 47.7 million for the financing of a new investment at LSAW-JCOE. Following successful negotiations, the prevailing terms of the existing loan agreement will also apply to the aforementioned extension.

37. Auditor’s fees

Viohalco’s statutory auditors, KPMG Réviseurs d’Entreprises and Renaud de Borman Réviseurs d’Entreprises, and a number of member firms of the KPMG network, received fees amounting to EUR 695 thousand and EUR 746 thousand for the periods ended 31 December 2014 and 31 December 2013 respectively for the following services:

Amounts in EUR thousand	**For year ended 31 December**	
	2014	**2013**
KPMG Réviseurs d'Entreprises		
Audit	209	80
Audit related services	0	5
	209	**85**
Renaud de Borman Réviseurs d'Entreprises		
Audit	5	10
Audit related services	1	44
	6	**54**
KPMG Network		
Audit	397	409
Audit related services	0	9
Tax related services	83	151
Other services	0	37
	480	**606**
Total	**695**	**746**

38. Significant accounting policies

The accounting principles described below have been consistently applied to all periods presented in these Financial Statements and have also been consistently applied Viohalco and its companies with the exception of the implementation of new standards, amendments and interpretations that are mentioned below, the implementation of which is compulsory for the annual reporting period on or after January 1, 2014. The new standards that have been adopted in 2014 and did not have significant impact on the Consolidated financial statements are:

- IFRS 11 "Joint Arrangements"
- Presentation – Offsetting Financial Assets and Financial Liabilities" (amendment to IAS 32)
- Novation of Derivatives and Continuation of Hedge Accounting (Amendments to IAS 39)
- Recoverable Amount Disclosures for Non-Financial Assets (Amendments to IAS 36)As a result of the amendments to IAS 36, Viohalco and its companies have expanded their disclosures of recoverable amounts when they are based on fair value less cost of sell and recognized an impairment (see note 19).
- Amendments to IAS 27 Separate Financial Statements and IAS 28 Investment in Associates and Joint Ventures
- Amendments to IFRS 10, IFRS 12 and IAS27: Investment entities
- Amendments to IFRS 10, IFRS 11 and IFRS 12: Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities – Transition guidance

38.1. Basis of Consolidation

(a) Business combinations

Acquisition of subsidiaries is accounted for using the acquisition method on the acquisition date, i.e. the date on which control is transferred to Viohalco. To assess control, Viohalco takes into account substantive potential voting rights.

Viohalco and its companies measure goodwill on the acquisition date as follows:

- the fair value of the consideration paid, plus
- the value of any non-controlling interest in the acquired subsidiary less
- the fair value of identifiable assets and liabilities assumed.

Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is immediately recognized in the Consolidated Statement of Profit or Loss. Any expenses directly linked with acquisition are directly posted in the Consolidated Statement of Profit or Loss. Any contingent acquisition cost is recognized at its fair value on the acquisition date.

(b) Subsidiaries

Subsidiaries are entities controlled by Viohalco. Viohalco controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of the subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

(c) Non-controlling interests

NCI are measured at fair value or at their proportionate share of the acquiree’s identifiable net assets at the date of acquisition. This measurement is done on an acquisition by acquisition basis.

Changes in Viohalco’s interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions

(d) Loss of control

When Viohalco and its companies lose control over a subsidiary, they derecognise the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair vaue when control is lost.

(e) Interests in equity-accounted investees

Viohalco’s interests in equity-accounted investees comprise interests in associates .

Associates are those entities in which Viohalco has significant influence, but not control or joint control, over the financial and operating policies.

Interests in associates are accounted for using the equity method. They are initially recognised at cost, which includes transaction costs. Subsequently to initial recognition, the consolidated financial statements include Viohalco's share of the profit or loss and OCI of equity-accounted investees, until the date on which significant influence or joint control ceases.

(f) Transactions eliminated on consolidation

Balances and transactions, and any unrealised income and expenses arising from transactions between Viohalco's subsidiaries, are eliminated. Unrealised gains from transactions with equity-accounted investees are eliminated. Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of Viohalco's interest in the investee. Unrealised losses are eliminated in te same way as unrealised gains, but only to the extent that there is no evidence of impairment.

38.2. Foreign currency

(a) Foreign currency transactions

Transactions in foreign currencies are translated into the respective functional currencies of Viohalco's companies at the exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional curreny at the exchange rate, when the fair value was determined. Foreign currency gains and losses are recognized and classified in the consolidated statement of profit or loss based on the nature of the related item of the consolidated statement of financial position.
Non-monetary items that are measured based on historical cost in the foreign currency are not translated.
Foreign currency differences arising from the translation of qualifying cash flow hedges to the extend that the hedges are effective are recognised in OCI.

(b) Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated into euro at the exchange rates of the reporting date. The income and expenses of foreign operations are translated into euro at the exchange rates at the date of the transactions. The average rate for the period is deemed to be an appropriate rate.

Foreign currency differences are recognised in OCI and accumulated in the translation reserve, except to the extent that the translation difference is allocated to NCI.

When a foreign operation is disposed of in its entirety or partially such that the control, significant influence or joint control is lost, the cumulative amount in the translation reserve related that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. If Viohalco disposes of parts of its interest in the subsidiary but retains control, then the relevant proportion of the cumulative amount is reattributed to NCI. When Viohalco disposes of only part of an associate or joint venture while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

38.3. Revenue

(a) Sale of goods

Viohalco's companies recognize revenue when the significant risks and rewards of ownership have been transferred to the customer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with the goods, and the amount of the revenue can be measured reliably. Revenue is measured net of returns, trade discounts and volume rebates.

The timing of the transfer of risks and awards varies on the individual terms of the sales agreement. The transfer occurs when the product is **delivered** to the customer; however for some international shipments the transfer occurs on loading the goods onto the carrier at the port.

(b) Rendering of services

Viohalco's companies recognise revenue from rendering of services in proportion to the stage of completion of the transaction at the reporting date. The stage of completion is assessed based on surveys of work performed.

(c) Construction contracts

Contract revenue for Viohalco's companies includes the initial amount agreed in the contract plus any variations in contract work, claims and incentive payments, to the extent that it is probably that they will result in revenue and can be measured reliably.

If the outcome of a construction contract can be estimated reliably, then contract revenue is recognized in the profit or loss in proportion to the stage of completion of the contract. The stage of completion is assessed with reference to surveys of work performed. Otherwise, contract revenue is recognized only to the extent of contract costs incurred that are likely to be recoverable.

Contract expenses are recognized as incurred unless they create an asset related to future contract activity. An expected loss on a contract is recognized immediately in profit or loss.

(d) Investment property rental income

Rental income from investment property for Viohalco and its subsidiaries in the Real Estate Development sector is recognised as revenue on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an inteegral part of the total rental income, over the term of the lease.

Rental income from other property is recognized as other income

38.4. Employee benefits

(a) Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if Viohalco and its companies have a present legal or constructive obligation to pay this amount, as a result of past service provided by the employee and the obligation can be estimated reliably.

(b) Defined contribution plans

Defined-contribution plans are plans for the period after the employee has ceased to work during which Viohalco and its companies pay a defined amount to a third legal entity without any other obligation. The accrued cost of defined-contribution programs is recorded as an expense in the period that it concerns.

(c) Defined benefit plans

Viohalco and its companies' net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets. The discount rate is based on I Boxx AA-rated euro corporate bond 10+ year Index.

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

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, are recognised immediately in OCI. Viohalco and its companies determine the net interest expense on the net defined benefit liability for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability, taking into account any changes in the net defined benefit liability during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

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

(d) Termination benefits

Termination benefits are expensed at the earlier of when Viohalco and its companies can no longer withdraw the offer of those benefits and when they recognise costs for a restructuring. If benefits are not expected to be settled wholly within 12 months of the reporting date, then they are discounted.

In the case of employment termination in which Viohalco and its companies are not able to determine the number of employees who will take advantage of this incentive, these benefits are not accounted for, but are recorded as a contingent liability.

38.5. Government Grants

Grants from the government are recognized at their fair value where there is a reasonable assurance that the grant will be received and Viohalco's companies will comply with all attached conditions.

Government grants relating to costs are deferred and recognized in the statement of profit or loss over the period necessary to match them with the costs that they are intended to compensate.

Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred government grants and are credited to the income statement on a straight line basis over the expected lives of the related assets.

38.6. Finance income and finance costs

Viohalco and its companies finance income and finance costs mainly include:

- interest income;
- interest expense;
- dividend income;
- the net gain or loss on the disposal of available-for-sale financial assets;
- impairment losses recognised on financial assets (other than trade receivables);
- Foreign currency gains and losses from loans

Dividend income is recognised in profit or loss on the date on which their right to receive payment is established.

(a) Income from interest

Income from interest is recognised on the time proportion basis using the effective interest rate method.
Interest expense is recognized using the effective interest method.

(b) Income from dividends

Dividends are accounted for as income when a right to collect them has been established.

38.7. Income tax

Income tax expense comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in OCI.

A. Current tax

Current tax comprised the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax also includes any tax arising from dividends.

B. Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is not recognised for:

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

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

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that is has become probable that future taxable profits will be available against which they can be used.

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

The measurements of deferred tax reflects the tax consequences that would follow from the manner in which Viohalco and its companies expect, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes relate to the same fiscal authority.

38.8. Inventories

Inventories are stated at the lower cost and net realisable value. The cost is determined by applying the method of weighted average cost and includes the production and conversion cost and all direct expenses required to bring inventories at their current condition. Financial expenses are not included in the acquisition cost. The net realisable value is estimated based on the inventory's current sales price, in the ordinary course of business activities, less any possible selling expenses, whenever such a case occurs.

The write-down of inventories to net realisable value and any reversals are recognized in 'cost of sales in the period in which the write-downs or losses occur.

38.9. Property, plant and equipment

A. Recognition and measurement

Property, plant and equipment are presented at their acquisition cost less accumulated depreciation and impairment. The acquisition cost includes all expenses that are directly associated with the asset's acquisition or self-construction. The cost of self-constructed fixed assets includes the cost of direct labour, materials and any other cost that is required for the fixed asset to be ready for use as well as any borrowing costs.

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to Viohalco and its companies. Repair and maintenance costs are recorded in the Consolidated Statement of Profit or Loss when these are incurred.

On the sale of property, plant and equipment, any difference that may arise between the price that is received and the carrying value thereof is recorded through profit or loss in the category "other operating income (expenses)".

Borrowing costs related to the construction of assets are capitalised during the period required for the construction to be completed.

B. Depreciation

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

Buildings	10-33 years
Plants	50 years
Machinery	2-25 years
Furniture and other equipment	2-8 years
Transport means	4-15 years

Computers are included in the category "Furniture and other equipment".

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

C. Reclassification to investment property

When the use of a property changes from owner-occupied to investment property, the property is reclassified to investment property.

The item is reclassified at its net book value at the date of reclassification which becomes its deemed cost for subsequent accounting purposes.

D. Reclassification to assets held for sale

Non-current assets and disposal groups are reclassified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than continuing use.

38.10. Intangible assets and goodwill

A. Recognition and measurement

Goodwill: Goodwill arising on the acquisition of subsidiaries is measured at cost less accumulated impairment losses.

Research and development: Expenditure on research activities is recognised in profit and loss as incurred. Development expenditure is capitalised only if the expenditure can be measured reliably, the product or process is technically and commercial feasible, future economic benefits are probable and Viohalco's companies intend to and have sufficient resources to complete development and to use or sell the asset. Otherwise, it is recognised in profit or loss as incurred. Subsequent to initial recognition, development expenditure is measured at cost less accumulated amortisation and any accumulated impairment losses.

Software programs: Software licenses are recorded at their acquisition cost less accumulated amortisation. These assets are amortised on the straight line method over their estimated useful lives, which ranges between 3 to 5 years. Expenses that are associated with the software's maintenance are recognised as expenses in the year in which they are incurred.

Other intangible assets: Other intangible assets, including customer relationships, patents and trademarks, that are acquired by Viohalco and its companies and have finite useful lives are measured at cost less accumulated amortisation and any accumulated impairment losses. Other intangible assets having indefinite useful lives are measured at cost less accumulated impairment losses.

A. Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.

B. Amortisation and usefull lives

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

The estimated useful lives for the current and comparative periods are as follows:

- Trademarks and licenses 10 – 15 years
- Software programs 3 – 5 years

Some intangible assets included in "Trademarks and licences" have indefinite useful lives and are therefore not amortised, but subject to an impairment test. See Note 18 for detailed information.

Amortisation methods, useful lives and residual values ar reviewed at each reporting date and adjusted if appropriate.

38.11. Investment property

Investment property, which mainly includes land and buildings, is owned by Viohalco and its subsidiaries in the Real Estate Development sector for the collection of rents and is not used for self-purposes. Investment property is presented at cost less depreciation. When the carrying amounts of investment property exceed their recoverable value, the difference (impairment) is directly recorded in profit and loss an an expense. The reversal of impairment losses is also recognised in profit and loss as income. The land is not depreciated. The buildings are depreciated by applying the straight line method. The expected useful life of buildings is 18-33 years.

38.12. Assets held for sale

Non-current assets, or disposal groups comprising assets and liabilities, are classified as held-for-sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use.

Such assets, or disposal groups, are generally measured at the lower of their carrying amount and fair value less costs to sell. Any impairment loss on a disposal group is allocated first to goodwill, and then to the remaining assets and liabilities on a pro rata basis, except that no loss is allocated to inventories, financial assets, employee benefits or investment property which continue to be measured in accordance Viohalco and its companies' other accounting policies. Impairment losses on initial classification as held-for-sale and subsequent gains and losses on remeasurement are recognised in profit or loss.

Once classified as held-for-sale, intangible assets and property, plant and equipment are no longer amortised or depreciated, and any equity-accounted investee is no longer equity accounted.

38.13. Impairment

A. Non-derivative financial assets

Available-for-sale financial assets and financial asset interests in an equity-accounted investee, are assessed at each reporting date to determine whether there is objective evidence of impairment.

Objective evidence that financial assets are impaired includes:

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

B. Non-financial assets

At each reporting date, Viohalco and its companies review the carrying amounts of its non-financial assets (other than inventories and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill and intangible assets with indefinite useful life is tested annually for impairment.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs. Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

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

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognised in profit or loss under "Non-recurring items" on the face of consolidated statement of profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

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

38.14. Leases

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

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

38.15. Financial instruments

Viohalco and its companies classify non-derivative financial assets into the following categories: "financial assets at fair value through profit or loss", "Cash and receivables", "available-for-sale financial assets".

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

Viohalco and its companies initially recognise Cash and receivables on the date when they are originated. All other financial assets and financial liabilities are initially recognised on the trade date.

Viohalco and its companies derecognise a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred, or it neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control over the transferred asset.
Viohalco and its companies derecognise a financial liability when its contractual obligations are discharged or cancelled, or expire.
Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, Viohalco and its companies have a legal right to offset the amounts and intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

(b) Non-derivative financial assets – measurement

Financial assets at fair value through profit or loss

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

Trade and other receivables

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

Cash and cash equivalents

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

Available-for-sale financial assets

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

(c) Non-derivative financial liabilities – measurement

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

38.16. Derivatives and hedge accounting

Viohalco's companies hold derivative financial instruments for cash flow hedge. Derivatives include futures to hedge the financial risk from the change of the stock exchange price of the aluminum, as well as of the parity of US Dollar or the British Pound and interest rate swaps to hedge the risk of future cash flows of the Group from the variation of interest rates.

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

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

Fair value hedge

Derivatives are designated as fair value hedges when the exposure to changes in the fair value of a recognized financial asset or liability is hedged.

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in the Consolidated Statement of Profit or Loss, along with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

Cash flow hedge

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

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

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

Viohalco's companies in regular basis, examine the effectiveness of the cash flow hedge and in every reporting date records in 'Equity' the result of the valuation of the open positions to the part that valuation is effective.

38.17. Share capital

Shareholder's equity is composed of ordinary shares.

Direct expenses that are associated with the issue of shares are recorded, after the relative income tax has been deducted, as a reduction to the increase amount. Direct expenses relating to shares that have been issued for the acquisition of a company are included in the acquisition cost thereof.

38.18. Provisions

Provisions are recognised when:

(a) There is a present legal or constructive obligation as a result of past events.

(b) Payment is probable to settle the obligation.

(c) The amount of the payment in question can be reliably estimated.

Provisions are calculated at the fair value of expenses, which based on the Viohalco and its companies best estimation, are required to cover the present liability as at the reporting date. The discount rate used for the determination of present value reflects current market assessments of the time value of money and the risks specific to the obligation. Contingent assets and contingent liabilities are not recognized in the Consolidated Financial Statements.

38.19. Earnings per Share

Viohalco presents basic and diluted earnings per share. Basic earnings per share are calculated by dividing the net profits/ loss (-) attributable to holders of the Company's ordinary shares by the average weighted number of outstanding ordinary shares during each period.

Diluted earnings per share are determined by adjusting the profit or loss attributable to holders of ordinary shares and the average weighted number of outstanding ordinary shares by the effect of all diluted eventual ordinary shares consisting of convertible notes and shares with options granted to the staff.

38.20. Reclassifications

The following reclassifications have been made compared to prior year's published figures:

- In the Consolidated Statement of Profit or Loss, a reclassification of EUR 9.44 million from other income to financial income and EUR 9.40 million from other expenses to financial expenses for the year ended 2013 was made. The reclassification has been made for comparability purposes in accordance with the new classification of exchange differences for 2014, which was made for better information purposes.
- In the Consolidated Statement of Financial Position, for 2013 an amount of EUR 2.08 million related to income tax receivables is separate disclosed under the caption Current tax assets. The amount was reclassified from caption Current tax liabilities for comparability purposes.
- In the Consolidated Statement of Cash flows, the amounts for 2013 have been adjusted compared to prior year's published figures to depict the effect of movements in exchange rates on cash held. As a result an amount of EUR 1.1 million has been reclassified from the cash flows from operating activities to a separate line, for comparability purposes.

The above reclassifications had no effect on the Consolidated Statement of Profit or Loss and Viohalco's equity of 2013.

38.21. New standards of IFRS's

A number of new standards, amendments to standards and interpretations are not yet effective for the year ended 31 December 2014, and have not been applied in preparing these consolidated financial statements. The management has not determined yet the extent on impact of these standards, amendments and interpretations on the Viohalco consolidated financial statements.

(a) **IFRS 9 Financial Instruments** published in July 2014 replaces the existing guidance in IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 includes revised guidance on the classification and measurement of financial instruments, including a new expected credit loss model for calculating impairment on financial assets, and the new general hedge accounting requirements, which align hedge accounting more closely with risk management. It also carries forward the guidance on recognition and derecognition of financial instruments from IAS 39. IFRS 9 is effective for annual periods beginning on or after 1 January 2018, with early adoption permitted. This new standard has not yet been endorsed by the EU.

(b) **Annual Improvements to IFRS *2010-2012 cycle*** is a collection of minor improvements to 6 existing standards. This collection, which becomes mandatory for the 2015 consolidated financial statements, is not expected to have a material impact on our consolidated financial statements.

(c) **Annual Improvements to IFRS *2011-2013 cycle*** is a collection of minor improvements to 4 existing standards. This collection, which becomes mandatory for the 2015 consolidated financial statements, is not expected to have a material impact on our consolidated financial statements.

(d) **Amendments to IAS 19 Employee Benefits – Defined Benefit Plans: Employee Contributions** introduce a relief that will reduce the complexity and burden of accounting for certain contributions from employees or third parties. The amendments which become mandatory for the 2015 consolidated financial statements are not expected to have a material impact on the consolidated financial statements.

(e) **IFRS 15 Revenue from Contracts with Customers** establishes a comprehensive framework for determining whether, how much and when revenue is recognized. It replaces existing revenue recognition guidance, including IAS 18 Revenue, IAS 11 Construction Contracts and IFRIC 13 Customer Loyalty Programmes. IFRS 15 is effective for the annual reports beginning on or after 1 January 2017, with early adoption permitted. This standard has not yet been endorsed by the EU. Viohalco is assessing the potential impact on its consolidated financial statements resulting from the application of IFRS 15.

(f) **Annual Improvements to IFRS *2012-2014 cycle*** is a collection of minor improvements to 4 existing standards. This collection, which becomes mandatory for the 2016 consolidated financial statements, is not expected to have a material impact on our consolidated financial statements. These changes have not yet been endorsed by the EU.

(g) **Accounting for Acquisitions of Interests in Joint Operations (Amendments to IFRS 11)** determines that when an entity acquires an interest in a joint operation that is a business, as defined in IFRS 3, it shall apply all of the principles on business combinations accounting in IFRS 3, and other IFRSs, that do not conflict with the guidance in this IFRS. The amendments which become mandatory for the 2016 consolidated financial statements are not expected to have a material impact on the consolidated financial statements. These amendments have not yet been endorsed by the EU.

(h) **Clarification of Acceptable Methods of Depreciation and Amortisation (Amendments to IAS 16 and IAS 38)** emphasizes that a depreciation method that is based on revenue that is generated by an activity that includes the use of an asset is not appropriate for property, plant and equipment. For intangible assets, only in limited circumstances revenue-based amortization can be permitted. The amendments which become mandatory for the 2016 consolidated financial statements, are not expected to have a material impact on the consolidated financial statements. These amendments have not yet been endorsed by the EU.

(i) **Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28)** provides guidance on the recognition of the gain or loss when accounting for the sale or contribution of a subsidiary to an associate or joint venture. The amendments which become mandatory for the 2016 consolidated financial statements are not expected to have a material impact on the consolidated financial statements. These amendments have not yet been endorsed by the EU.

KPMG

KPMG Bedrijfsrevisoren - Réviseurs d'Entreprises
Bourgetlaan - Avenue du Bourget 40
1130 Brussel - Bruxelles
Belgium

Tel. +32 (0)2 708 43 00
Fax +32 (0)2 708 43 99
www.kpmg.be

Statutory auditor's report to the general meeting of Viohalco SA as of and for the year ended 31 December 2014

In accordance with the legal requirements, we report to you in the context of our statutory auditor's mandate. This report includes our report on the consolidated financial statements as of and for the year ended 31 December 2014, as defined below, as well as our report on other legal and regulatory requirements.

Report on the consolidated financial statements - Unqualified opinion

We have audited the consolidated financial statements of Viohalco SA ("the Company") and its subsidiaries (jointly "the Group"), prepared in accordance with International Financial Reporting Standards as adopted by the European Union, and with the legal and regulatory requirements applicable in Belgium. These consolidated financial statements comprise the consolidated statement of financial position as at 31 December 2014 and the consolidated statements of profit or loss, comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information. The total of the consolidated statement of financial position amounts to EUR 3.512.534.000 and the consolidated statement of profit or loss shows a loss of EUR 87.543.000.

Board of directors' responsibility for the preparation of the consolidated financial statements

The board of directors is responsible for the preparation of these consolidated financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union, and with the legal and regulatory requirements applicable in Belgium, and for such internal control as the board of directors determines, is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Statutory auditor's responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing (ISAs). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

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

We have obtained from the Company's officials and the board of directors the explanations and information necessary for performing our audit.

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

Unqualified opinion

In our opinion, the consolidated financial statements give a true and fair view of the Group's equity and consolidated financial position as at 31 December 2014 and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union, and with the legal and regulatory requirements applicable in Belgium.

Report on other legal and regulatory requirements

The board of directors is responsible for the preparation and the content of the annual report on the consolidated financial statements.

In the context of our mandate and in accordance with the Belgian standard which is complementary to the International Standards on Auditing as applicable in Belgium, our responsibility is to verify, in all material respects, compliance with certain legal and regulatory requirements. On this basis, we provide the following additional statement which does not modify the scope of our opinion on the consolidated financial statements:

- The annual report on the consolidated financial statements includes the information required by law, is consistent, in all material respects, with the consolidated financial statements and does not present any material inconsistencies with the information that we became aware of during the performance of our mandate.

Brussels, 24 April 2015

KPMG Réviseurs d'Entreprises
Statutory Auditor
represented by

Benoit Van Roost
Réviseur d'Entreprises

Condensed Statutory Balance Sheet and Income Statement

In accordance with Article 105 of the Company Code, the non-consolidated accounts are presented hereafter in a summary version of the annual accounts, which does not include all the attachments required by law or the Statutory Auditor's report. The complete version of the annual accounts, as deposited with the National Bank of Belgium, will be available on request from the company's registered office, they will also be available on the website (www.viohalco.com). The statutory Auditor's report on the annual accounts was unqualified.

Summary balance sheet

In euro thousand	As at 31 December 2014
Non- current assets	**1.058.097**
Start-up costs	2.353
Intangible assets	927
Tangible assets	59.997
Financial assets	994.820
Current assets	**35.245**
Amounts receivable	1.862
Investments	26.549
Cash at the bank and in hand	6.275
Deferred charges and accrued income	559
Total assets	**1.093.342**
Capital and reserves	**1.091.249**
Capital	104.996
Share premium account	432.201
Revaluation	17.119
Reserves	367.468
Profit carried forward	169.464
Creditors	**2.093**
Amounts payable at more than one year	**104**
Amounts payable within one year	**1.773**
Accrued charges and deferred income	**216**
Total liabilities	**1.093.342**

Summary income statement

In euro thousand	For the year ended 31 December 2014
Sales and services	**4.419**
Operating charges	**10.694**
Miscellaneous goods and services	6.051
Remuneration, social security and pensions	711
Depreciation and amounts written off on start-up costs, intangible and tangible assets	2.891
Amounts written off stocks, contracts in progress and trade debtors	0
Other operating expenses	1.042
Loss of operating activities	**-6.275**
Financial income	**9.816**
Income from financial assets	9.121
Income from current assets	695
Financial expenses	**-6**
Debt expenses	14
Amount written off current assets	-20
Other financial expenses	0
Current profit (loss) before taxes	**3.547**
Extraordinary income	**102.681**
Adjustments to amounts written off financial fixed assets	98.284
Extraordinary reversal of depreciation on fixed assets	4.397
Extraordinary expenses	**118**
Extraordinary depreciation of and extraordinary amounts written off formation expenses, intangible and tangible fixed assets	0
Amounts written off financial fixed assets	12.039
Loss on disposal of fixed assets	1.450
Other extraordinary expenses	0
Profit (loss) for the year before income taxes	**92.739**
Income taxes on result	**2**
Use of untaxed reserves	**1.324**
Profit (loss) for the year	**94.062**

GLOSSARY

The following explanations are intended to assist the general reader to understand certain terms used in this Annual Report. The definitions set out below apply throughout the annual report, unless the context requires otherwise.

Accounts Receivable Revenue Ratio	Accounts receivable/Revenue * 365
Accounts Payable Revenue Ratio	Accounts payable/ Cost of goods sold * 365
BCC	the Belgian Companies Code
Belgian GAAP	the applicable accounting framework in Belgium
Board of Directors or **Board**	the Board of Directors of the Company from time to time appointed in accordance with the Articles of Association
Coverage of Financial Expenses	EBITDA/Financial expenses
Cross-Border Merger	the cross-border merger through absorption of Viohalco Hellenic by the Company in accordance with articles 772/1 and following of the BCC and the Greek law 3777/2009 in conjunction with articles 68 §2 and 69 to 77a of the Greek Codified Law 2190/1920
Debt/Equity	Total liabilities/equity or (Total assets-equity)/equity
Domestic Merger	the merger through absorption of Cofidin by the Company in accordance with articles 693 and following of the BCC
EBIT	Operating result as reported in the consolidated financial statements (Earnings before Interest and Taxes)
EBITDA	EBIT+amortization+Depreciation **(**Earnings before Interest, Taxes, Depreciation and Amortization)
EEA	the European Economic Area
FSMA	Financial Services and Market Authority, which succeeded the Belgian Banking, Finance and Insurance Commission as the financial regulatory agency for Belgium on 1 April 2011
FYROM	the Former Yugoslav Republic of Macedonia
General Liquidity	Current Assets/Short term liabilities
Gross annual return	the gross annual return is calculated on the share price it equals to (change in price from January 1 to 31 December/share price on January)
HVAC	Heating, ventilation and air-conditioning
IAS	International Accounting Standards
IFRS	International Financing Reporting Standards, as adopted by the EU
Inventories Revenue Ratio	Inventory/Cost of goods sold * 365
LSAW	Longitudinal Submerged Arc Welded Mill for the production of high-strength offshore and onshore energy pipes
Special Liquidity	(Current Assets-Inventory)/ Short term liabilities
Transparency Law	the law of 2 May 2007 on the disclosure of significant shareholdings in issuers whose securities are admitted to trading on a regulated market

The annual report, the full versions of the statutory and consolidated annual accounts, as well as the audit reports regarding said annual accounts are available on the website (www.viohalco.com)