MYTILINEOS

SEMI-ANNUAL FINANCIAL REPORT

FOR THE PERIOD FROM THE

1st OF JANUARY TO THE 30th OF JUNE 2017

Table of Contents

A. Representation of the Members of the Board of Directors

(according to article 5 par. 2 of L.3556/2007)

The,

a. Evangelos Mytilineos, Chairman of the Board of Directors and Chief Executive Officer

b. Ioannis Mytilineos, Vice - Chairman of the Board of Directors

c. George Kontouzoglou, Member of the Board of Directors

CERTIFY

a. as far as we know, the interim separate and consolidated financial statements of the company " MYTILINEOS S.A." for the period 1st January 2017 to 30th June 2017, prepared according to the International Financial Reporting Standards, present truly and fairly the assets and liabilities, the equity and the financial results of the Group and the Company, as well as of the consolidated companies, for the period then ended, according to par. 3 - 5 of article 5 of L. 3556/2007.

b. as far as we know, the semi - annual Board of Directors Management Report presents in a true and fair view the information required according to par. 6 of article 5 of L. 3556/2007.

Maroussi, 8 August 2017

The designees

Evangelos Mytilineos	Ioannis Mytilineos	George Kontouzoglou
Chairman of the Board of Directors and Chief Executive Officer	Vice - Chairman of the Board of Directors	Member of the Board of Directors

B. Semi-annual Board of Directors Management Report

Board of Directors Semi – Annual Management Report

(According to 7/448/ 10.11.2007 resolution of the Capital Market Committee)

This report summarizes financial information for the Group and the Company "MYTILINEOS S.A." for the period ended 30 June 2017, significant events during that period and their effect on the interim financial statements. It also presents the main risks and uncertainties that the Group companies may face till the end of the year and significant related party transactions.

The present report contains financial details on the entity titled «MYTILINEOS S.A.» and its subsidiaries and associated companies for the first semester of 2017. It describes major events that occurred in the same period and their influence on interim financial statements. It also describes the main hazards and risks that may be faced by the Group member companies in the forthcoming semester; finally, it lists major transactions between the Company and the persons associated with it.

I. REVIEW OF DEVELOPMENTS DURING THE FIRST HALF OF 2017– PERFORMANCE AND FINANCIAL POSITION

At the end of the first half of 2017, the Greek economy finds itself at a crucial turning point as far as its return back on a growth path and the improvement in employment and investments are concerned.

In particular, after a prolonged period of recession and stagnation, the completion of the second review of the country's economic adjustment programme in June 2017 mitigates the risks for the Greek economy, bolsters investor confidence and contributes crucially to the improvement of the economic climate. However, the conditions with respect to the financing of the real economy remain adverse, in spite of the steadily lessening pressure on the banking system after 2015. The rate of return of deposits remains low, as the restrictions in fund transfers and the delays regarding the critical problem of the resolution of non-performing loans sustain a climate of scepticism among depositors.

On the international front, the mitigation of political risk in the EU during the first half of 2017 creates positive prospects for a strengthened performance by the European economies. At the opposite end, the widespread geopolitical instability, the UK's impending exit from the EU and the refugee crisis continue to be areas of concern.

2017 is a milestone year for MYTILINEOS, as the completion of the corporate transformation, which was announced in December 2106 and was completed in July, marked the evolution of MYTILINEOS Group into a new Company with a sound balance sheet and enhanced financial strength. The increased majority with which the corporate transformation was approved at the historic General Meetings of 1 June 2017, in combination with the fully successful issue of the common bond loan in June, which was oversubscribed and attracted the increased participation of private investors, demonstrate the market's confidence in the Company, which is now entering a new era.

Metallurgy and Mining Sector

After the lows of many years which had been observed in the first quarter of 2016, the prices for Aluminium followed an upward trend, which was continued during the first half of 2017.

More specifically, the average price for Aluminium in the LME stood at $1,885/tn in the first half of 2017, up by approximately 22% relative to the previous year, while the premia for Aluminium products remained at the same levels with those of first half of 2016. The performance of the USD against other currencies was strengthened, with the Euro/USD parity standing at 1.08 for the first half of 2017, compared to 1.12 in the first half of 2016.

The sector’s fundamentals remain strong, as demand in the first half of 2017 reached nearly 30 million tonnes, growing by 5.7% relative to the same period in 2016. On the production side, the progress of reforms in China remains a key driver of developments, through the limitation of aluminium production of aluminium without license as well as as because of the environmental protection requirements.

In this environment, MYTILINEOS remains committed to the strict control of costs with the implementation of its third cost optimization programme under the name “The Best”.

EPC & Infrastructure Sector

Despite the continuing volatility of the external environment, the Business Unit EPC showed a positive performance during the reference period continuing the successful execution of the existing projects.

At the same time the dynamic entry in the energy market of the sub-Saharan Africa continued with the signature of another significant contract in Ghana, valued at USD 363 m. The contract, includes the engineering, procurement construction and commissioning of a new Combined Cycle Power Plant located in Tema, 16 miles east of Accra.

It should be noted that the backlog of the existing projects amounts up to € 1,12 bil. for the Group and € 727mio for the Company.

Power & Gas Sector

In the domestic energy market, demand for electricity remains at low levels, as it is negatively affected by the weak performance of the Greek economy. Demand for electricity grew by 3.4% in the first half of 2017 to reach 25.4 TWh, a development that was nevertheless also due to the climate conditions.

In terms of the generation mix, natural gas posted the strongest growth in the first half of 2017 (+36.4%), with its share in the generation mix rising to 28%, up by 21% from the previous year. The production of electricity from lignite-fired plants also increased, (+23.4%), with the lignite’s share in the generation mix standing at 32%. In contrast, net imports of electricity and generation from hydropower plants decreased by 35.% and 29.5%, respectively, with the total generation from RES-based plants remaining stable.

As a consequence of the above trend, the average System Marginal Price (SMP) grew to €53.1, up by +24.9% relative to the same period in 2016.

In this environment, in the first half of 2017 MYTILINEOS continued to strengthen its presence in both the wholesale and retail electricity markets. More specifically, the Company ranks first among all private suppliers, with a market share of 3.6%, expanded by 50% relative to the same period in 2016 At the same time, the generation of electricity by the Company's units grew by 6% to 2 million MWhrs for the first half of 2017, corresponding to 9.0% of domestic production.

VARIANCE ANALYSIS

The effects on the Group's sales, operating and net profitability during the first semester 2017, comparing to last year are presented bellow:

A. Group Sales

Amounts in mil. €	**Variance Analysis**
Turnover 1H2016	**635,8**
Effect from:	
Organic $/€ eff.	12,4
Volumes	(5,7)
Premia & Prices	11,7
LME	11,7
Energy	85,4
Zn-Pb discontinued operation	(1,5)
EPC	41,0
LNG Trading	20,6
Turnover 1H2017	**811,4**

B. Group EBITDA

Amounts in mil. €	Variance Analysis
EBITDA 1H2016	**101,4**
Effect from:	
Organic $/€ eff.	11,8
Fuel Oil + NG + Steam	1,2
LNG	0,9
Volumes	4,5
Premia & Prices	12,4
Opex & R/M	(9,0)
LME	11,7
EPC	4,7
Electricity	9,9
Other	(3,1)
Energy Sector	10,0
Zn-Pb discontinued operation	0,1
EBITDA 1H2017	**156,5**

C. Group Net Profit after minorities

Amounts in mil. €	Variance Analysis
Net Profit after Minorities 1H2016	**12,4**
Effect from:	
Operating Results (EBIT)	55,1
Net Financials	4,0
Share in Associates Results	0,1
Minorities	10,6
Discontinued Operations	(0,3)
Taxes	(1,3)
Net Profit after Minorities 1H2017	**80,7**

The Group's policy is to monitor its performance on a month to month basis thus tracking on time and effectively the deviations from its goals and undertaking necessary actions. The group evaluates its financial performance using the following generally accepted Key Performance Indicators (KPI's).

-EBITDA (Operating Earnings Before Interest, Taxes, Depreciation & Amortization): The Group defines the «Group EBITDA» quantity as profits/losses before tax, itemized for financial and investment results; for total depreciation (of tangible and intangible fixed assets) as well as for the influence of specific factors, i.e. shares in the operational results of liaised bodies where these are engaged in business in any of the business sectors of the Group, as well as the influence of write-offs made in transactions with the above mentioned liaised bodies.

- ROCE (Return on Capital Employed): This index is derived by dividing profit before tax and financial results to the total capital employed by the Group, these being the sum of the Net Position; the sum of loans; and long - term forecasts.

- ROE (Return on Equity): This index is derived by dividing profit after tax by the Group's Net Position.

- EVA (Economic Value Added): This metric is derived by multiplying the total capital employed with the difference (ROCE – Capital Expenditure) and constitutes the amount by which the financial value if the company increases. To calculate the capital expenditure, the Group uses the WACC formula – « Weighted Cost of Capital».

The Weighted average cost of capital is calculated as, the quotient of Equity Capital to Total Capital Employed (Equity Capital and Debt) multiplied by the return on Equity* plus the quotient of Debt to Total Capital Employed (Equity Capital and Debt) multiplied by the return on Debt adjusted by the company tax rate (due to tax saving on interest paid).

$$WACC = \frac{E}{E+D} r_E + \frac{D}{E+D} r_D (1 - Tc)$$

Where
E Equity Capital
D Debt
rE Return on equity
rD Return on debt
Tc Tax rate

The calculation of the indicator Weighted Average Cost of Capital (WACC) for the 1st half of 2017 sums to 5,84%.

*Return on Equity is calculated by utilizing the "Capital Asset Pricing Model" (CAPM) and is equal to risk-free rate of return plus a risk premium multiplied by beta coefficient that reveals the variability of the stock in relation to market fluctuations.

	2017	2016
EBITDA	277.559	222.363
ROCE	12,43%	12,10%
ROE	11,18%	3,45%
EVA	147.231	205.562

The above indicators for the presented period (on an annualized basis) as well as for the previous year, are as follows:

EBITDA & EVA in k€.

II. Significant corporate events during the first half of the year

During the reporting period the company proceeded to the below decisions and actions:

- On 21.07.2017, MYTILINEOS (under its identity as legal successor of METKA due to merger) announced that it has concluded an agreement with the General Authority for Electricity and Renewable Energy of Libya (GAEREL) to carry out the engineering, procurement and construction (EPC) contract for a new power plant in Tobruk, Libya. The project, with total output of more than 500MW, includes the supply and installation of 3 General Electric GT13E2 gas turbines in open cycle configuration, together with all associated balance of plant equipment and a 220/66kV substation. The contract value for MYTILINEOS amounts to $380 million. The contract is subject to final approval from the responsible state authorities in Libya, and will only become effective upon opening of an irrevocable letter of credit confirmed by 1st class international bank. The project will be carried out on a fasttrack schedule so that the first gas turbine will be ready to connect to the grid within 9 months from commencement, and the second and third gas turbines will be ready for connection within 10 and 11 months respectively. This is METKA's first major project in Libya and emphasizes the company's commitment towards supporting markets with critical needs for power. This is MYTILINEOS' first major project in Libya and emphasizes the company's commitment towards supporting markets with critical needs for power.

- On 14.02.2017, MYTILINEOS (under its identity as legal successor of Aluminium of Greece due to merger) and General Electric signed a 10-year agreement, to implement global first-of-their-kind digital smelter solutions for AoG to enhance its aluminium smelting process and contribute to increased operational efficiency and productivity.

- Following the BoD decisions of 23.03.2017, the AGM decisions of MYTILINEOS S.A. and METKA S.A of 01.06.2017 and AGM decisions of ALUMINIUM OF GREECE, PROTERGIA and PROTERGIA AGIOS NIKOLAOS POWER S.A of 06.06.2017 as well as the as the BoD Report on the merger in line with article 69 paragraph 4 of Law 2190/1920 and the article 4.1.4.1.3 of the Athens Exchange Rulebook, all the aforementioned companies have approved the corporate restructuring by absorption of METKA, ALUMINIUM OF GREECE, PROTERGIA and PROTERGIA AGIOS NIKOLAOS POWER S.A by MYTILINEOS.

  It shall be noted that on 06.07.2017 , the merger was approved by the Ministry of Economy and Development.

  Said corporate restructuring has no effect on the control of MYTILINEOS. On a Group level, the sole change is the conversion of METKA's non-controlling shareholders, to shareholders of the new entity.

- On 23.06.2017, the completion of the Public Offer of the bonds of MYTILINEOS was announced. A total of 300.000 common, bearer bonds of the Company with a nominal value of €1.000 each (the Bonds) have been allocated and as a result capital of an amount of €300.000.000 has been raised. The total demand from investors that participated in the Public Offer was €740,8 m. The final yield has been set at 3,10%, the Bonds interest rate at 3,10% and the offer price of the Bonds at €1.000 each, namely 100% of the nominal value.

- On 30.06.2017, MYTILINEOS (under its identity as legal successor of METKA due to merger) announced the signature of a new EPC contract with Early Power Limited (EPL), Consortium consisting of Endeavor Energy, a leading independent power development and generation company focused on Africa, Sage, a leading independent Ghanaian energy trading firm, and General Electric, for a new power plant in Ghana. The Bridge Power project (stage 1) will be executed through MYTILINEOS' 100% subsidiary Power Projects Limited, and its scope includes the engineering, procurement, construction and commissioning of a 200 MW power project being fueled by LPG, Natural Gas and Diesel. This is MYTILINEO's third major project in Ghana and the contract value is approximately 363$ million.

III PROSPECTS – RISKS AND UNCERTAINTIES FOR THE SECOND HALF OF 2017

1. Prospects for the second half of 2017

Metallurgy and Mining Sector

In the Metallurgy and Mining sector, the growth rate of global aluminium demand is expected to remain strong during the second half of 2017, thus helping support aluminium prices.

The developments regarding the performance of emerging economies and especially of the Chinese economy, the energy costs, the evolution of the Euro/USD parity as well as a potential strengthening of protectionist policies are expected to be the key factors that will determine the developments in the sector in the months ahead.

The strong fundamentals, as these are reflected in the upward trend of Aluminium prices, and the Company's steadfast focus on the strict control of production costs, create the conditions for achieving a strong financial performance in the second half of 2017.

EPC & Infrastructure Sector

The Group adjusts its strategic planning by focusing on the development of its activities in markets with particular demands, where its prestige and know-how can generate significant added value.

Based on this strategy, the company will pursue the timely execution of existing projects and the signing of new contracts in targeted markets. Group will continue to implement its plan for the expansion and strengthening of its presence in the markets of Asia and Africa. Penetration in the market of Iran will remain an essential business objective for the company, with a view to exploiting the new opportunities in the energy infrastructure sector. At the same time, the Group will continue to implement photovoltaic projects, through its subsidiary METKA EGN.

Power & Gas Sector

In spite of the progress made during the last few years, the energy market is still in a transition stage and the achievement of the targets set for strengthening competition and for the effective opening up of the market will require the promotion of major regulatory changes.

With 1.3 GW of installed capacity currently in full operation, MYTILINEOS is firmly established as the largest independent energy producer and supplier in the country and has secured the critical size required in order to benefit the most from the expected full liberalisation of the domestic electricity market.

2. Risks & Uncertainties

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk and price risk), credit risk, liquidity risk, cash flow risk and fair value interest-rate risk. The Group's overall risk management programme focuses on the unpredictability of commodity and financial markets and seeks to minimise potential adverse effects on the Group's financial performance. The Group uses derivative financial instruments to hedge the exposure to certain financial risks.

Risk management is carried out by a central treasury department (Group Treasury) under policies approved by the Board of Directors. Group Treasury operates as a cost and service centre and provides services to all business units within the Group, co-ordinates access to both domestic and international financial markets and manages the financial risks relating to the Group's operations.

Credit Risk

The Group has no significant concentrations of credit risk with any single counter party. Credit risk arises from cash and cash equivalents, derivative financial instruments and deposits with banks and financial institutions, as well as credit exposures to wholesale customers.

Concerning trade accounts receivables, the Group is not exposed to significant credit risks as they mainly consist of a large, widespread customer base. However, the atypical conditions that dominate the Greek market and several other markets in Europe are forcing the Group to constantly monitor its business claims and also to adopt policies and practices to ensure that such claims are collected. By way of example, such policies and practices include insuring credits where possible; pre-collection of the value of product sold to a considerable degree; safeguarding claims by collateral loans on customer reserves; and receiving letters of guarantee.

To minimize credit risk on cash reserves and cash equivalents; in financial derivate contracts; as well as other short term financial products, the Group specifies certain limits to its exposure on each individual financial institution and only engages in transactions with creditworthy financial institutions of high credit rating.

Liquidity Risk

Liquidity risk is related with the Group's need for the sufficient financing of its operations and development. The relevant liquidity requirements are the subject of management through the meticulous monitoring of debts of long term financial liabilities and also of payments made on a daily basis.

The Group ensures that there is sufficient available credit facilities to be able to cover its short-term business needs, after the calculation of cash flows arising from the operation as well as cash and cash equivalents which are held. The funds for long-term liquidity needs ensured by a sufficient amount of loanable funds and the ability to sell long-term financial assets.

Capital Control imposition in Greece

Regarding the capital control imposition there was no differentiation to what was stated on the Group's Annual Financial Report of 31/12/2016.

Price Risk

The Group's earnings are exposed to movements in the prices of the commodities it produces, which are determined by the international markets and the global demand and supply.

The Group is price risk from fluctuations in the prices of variables that determine either the sales and/or the cost of sales of the group entities (i.e. products' prices (LME), raw materials, other cost elements etc.). The Group's activities expose it to the fluctuations of the prices of Aluminium (AL), Zinc (Zn), Lead (Pb) as well as to Fuel Oil as a production cost.

Regarding price fluctuation of metals, the Group's policy is to minimize risk by using financial derivative instruments.

Foreign Exchange Risk

The Group is activated in a global level and consequently is exposed to foreign exchange risk emanating mainly from the US dollar. This kind of risk mainly results from commercial transactions in foreign currency as well as net investments in foreign entities. For managing this type of risk, the Group Treasury Department enters into derivative or non derivative financial instruments with financial institutions on behalf and in the name of group companies.

At Group level, such financial instruments are considered to constitute compensation means for the exchange rate risk of specific assets, liabilities or future commercial transactions

Interest rate risk

The Group's assets that are exposed to interest rate fluctuation primarily concern cash and cash equivalents. The Group's policy as regards financial assets is to invest its cash in floated interest rates so as to maintain the necessary liquidity while achieving satisfactory return for its shareholders. In addition, for the totality of its bank borrowing, the Group uses floating interest rate instruments. Depending on the level of liabilities in floating interest rate, the Group proceeds to the assessment of interest rate risk and when necessary examines the necessity to use interest bearing financial derivative instruments. The Group's policy consists in minimizing its exposure to interest bearing cash flow risk as regards long-term funding.

Other risks and uncertainties

a. Risk Factors

Mytilineos Group (the "Group") being active in three main business areas such as Metallurgy & Mining, Power & Gas and EPC & Infrastructure, faces a number of diversified risk factors. Therefore, its business, financial condition or results of operations may be impacted by such risk factors.

In addition to any other factors presented and discussed elsewhere in this report, the following are the main important factors that could cause the Group's actual results to differ materially from those expected in any projection.

Market risk

The global economic conditions remain generally highly cyclical. The Group is subject to cyclical fluctuations in LME prices, €/$ parity, general economic, financial and credit conditions, and aluminium end-use markets.

The Group implemented a number of actions to hedge its exposure to market risk, improve its cost structure and secure liquidity.

Such actions mainly include:

- Forward selling of Aluminium by use of several financial instruments.
- Mitigation of its €/$ parity exposure by use of derivative products.
- Assessment and/or restructuring of its energy cost items.
- Asset optimization and cost reduction programs.
- Production process improvements.
- Re-assessment of its credit policy and customer credit worthiness procedures.

Increase in the cost of raw materials or significant lag effects

The Group's operational results are influenced by the rising cost of raw materials like metallurgic coke, soda and other basic materials as well as by the cost of freights related to the transportation of the aforementioned materials.

The Group tries to negotiate and "lock" the main freight contracts with competitive terms. At the same time, the Group has implemented a new system of assessing the prices for the procurement of raw materials, while it also runs a continuous cost optimization and reduction program.

Moreover, the Group’s operational results may be influenced by unfavorable conjuncture, when the drop in the price of cost items that are linked with the price of LME or the parity €/$ is not enough to counterbalance the respective reduction in the price of LME or the US Dollar during the same period.

Availability of Greek Bauxites and market concentration

The Group for its Alumina operations is highly dependent on the availability of Greek Bauxites. By the operation of its own mines through its 100% subsidiary Delphi Distomon S.A., the Group covers almost the 38-40% of its requirements in Greek Bauxites. However, in the years to come there might be difficulties in the licensing of new sites and the exploration of new bauxite mines in Greece. Furthermore, the Greek bauxite market is already quite concentrated; therefore this fact along with a possibility of a further concentration could have a negative impact on the Group’s input cost for Greek bauxite in the future. For these reasons the Group is continuously trying to negotiate long term bauxite contracts as well as joint ventures or strategic alliances with Greek miners.

Health, safety and environmental laws and regulations and cost / liabilities associated with such laws and regulations

The Group’s activities fall under the laws and regulations that are relevant to health, safety and environmental protection. The compliance cost with such regulations involves, among others, either investments or the significant spending for actions relating to the safe management of industrial wastes and measures for remedying environmental damages.

Group’s personnel is exposed to a series of hazards that can influence or threat, either directly or indirectly, their health and safety. In order for these risks to be addressed the Group has taken all the necessary actions, starting from estimating their possible consequences on the human capital and evaluating the need for corrective measures at work place environment.

Environmental issues within our responsibility might arise in the future in relation to our current facilities that we owned in the past or facilities where we conducted our operations even if the Management has not been or could not be aware of such issues up to date or these issues have not been present yet.

Moreover, the continuous application of Best Available Techniques for operational procedures and waste management as well as environment friendly use of fossil fuels (mainly Natural Gas), especially for Metallurgy and Energy business sectors, is not only a crucial factor of Group’s business growth but also depicts Group’s commitment towards environmental protection issues and sustainable management of natural resources.

Climate change, climate change legislation or regulations and greenhouse effects.

Energy is a significant raw material relevant to the activities of our Group while it is considered that in the immediate future it shall be an important source of revenue as well. Moreover, the Group is active in the wider energy sector being involved in the construction of integrated energy projects (EPC). There is a widely spread belief that the consumption of the energy that is generated by fossil fuel constitutes one of the main factor contributing to the warming of our planet.

A continuously increasing number of governments, governmental bodies and committees have initiated or intend to pursue regulatory and legislative changes in order to deal with the potential risks of such phenomenon.
As a result of the EU regulatory amendments, the Group's operating margins might be affected by the changes that could be put in place in its production facilities having increased emissions of greenhouses gases and in its facilities with high energy needs.

Given the width of the scope of such changes, the assessment of the eventual impact of the future legislation and legislative framework for the climate change, as well as of the European and international conventions and agreements is unclear. The Group might be obliged to undertake significant investments in the future in order to comply with the new, amended legislation and the new regulations.

Finally, the Group, as a result of an eventual deficit or surplus in terms of CO2 emission rights management and due to its large energy consumptions mainly because of the production of aluminum, might recognize significant cost or revenue in future.

On the other hand, due to anyone of the aforementioned legislative changes relating to the climate change, the Group might be given opportunities in the EPC & Infrastructure sector.

Failure of achieving the expected long term benefits from productivity and the cost reduction initiatives.
The Group has undertaken and will pursue initiatives relevant to productivity and cost reduction in order to improve the performance and reduce the overall production cost. All such actions may not be fulfilled or the entire estimated savings might not be achieved for various reasons beyond the Group's control.

Political and regulatory issues
The Group's activities in Greece relevant to energy remain regulated , in a significant degree, by the government and depend on political decisions or legal and regulatory framework matters. The developments within this environment, which could be translated into delays in the essential deregulation of the energy market, might affect the activities of the Group and its future results as well as the value of its energy assets or assets, the operation of which requires an important consumption of energy products.

Moreover, the Group may be affected by adverse political developments or developments relating to the regulatory framework that could be connected to its EPC activities in areas outside Greece and mainly in countries with political instability.

IT Security
Our business operations are supported by different software and data processing systems. However, we cannot fully exclude an eventual non availability of such systems or violation in terms of data safety.

We mitigate such risks by applying high standards and taking measures in order to obtain and ensure their availability, reliability, confidentiality and traceability. In addition and in order to control eventual hazards we regularly invest in the upgrading of software, hardware and equipment and we conduct regular internal and external audits supported by international consulting groups and we apply continuing progress procedures.

EPC & Infrastructure related risks

The Group through its activity on the EPC & Infrastructure sector, is contractually exposed to risks related to the design, engineering, procurement, construction and deliver of ready-to-operate energy facilities for an agreed price. Said risks involve mainly cost overruns associated with:

- unanticipated increases in the costs of raw materials and equipment,
- equipment or mechanical failures,
- unforeseen construction conditions,
- delays caused by adverse weather conditions
- performance failure or defaults by suppliers or subcontractors
- additional works required as the customer changes its instructions or is unable to provide on time and on schedule the required information relating to the design or engineering of the project
- unforeseen or unexpected changes relating to sociopolitical situations mainly in countries with political and governmental instability.

In cases were more resources in terms of time and expenses are required from the Group due to a client’s fault, the Group negotiates a refund.

Unforeseen events

Unforeseen events, including natural disasters, acts of war or terrorist attacks, non-scheduled interruption of the production operation/ outage, interruption of supply or incapacity of the equipment and/or of the processes to meet the specifications may increase the cost and affect the Group’s financial results. Moreover, the Group’s insurance terms in force may not provide sufficient coverage for the entire damage generated by such events

Pendency of proceedings

The Group, has been involved in a number of cases against third parties, either as complainant or as respondent. The outcome of such cases may involve expenses or revenues that can significantly affect the results as well as the financial position of both the subsidiaries and the Group alike.

Organization and implementation of risk management

The Group determines risk as a set of uncertain and unpredictable situations that may affect all its activities, its business operation, its economic performance as well as the implementation of its strategy and the achievement of its goals. For this reason it has established a specific risk management approach in all its fields of activities where certain risks have been recognized as follows:

- Identification and assessment of risk factors
- Design of a risk management policy
- Implementation and evaluation of risk policies

The Group has applied specific and complete processes for the Enterprise Risk Assessment and Management (ERM). All the senior executives are involved in a process of initial recognition and assessment of any kind of enterprise risk in order to enhance the role of the Executive Committees and BODs in respect of design and approval of specific actions on the basis of said ERM procedures.

With regard to Non-Financial Information, since 2010 the Group has introduced a specific Stakeholder engagement process for evaluating the materiality of the sustainability issues which are related to its activity sectors. This process, coupled with the prioritisation of these issues by the Group's subsidiaries, is at the core of the policy that the Group follows in preparing and disclosing its annual Sustainability Report.

The process for determining the material sustainability issues is an ongoing exercise that is constantly developed and improved. The purpose of this process is to highlight the issues that reflect the Group's significant environmental and social impacts and influence substantially the decisions of its Stakeholders.

By identifying and understanding the material sustainability issues, the Group formulates and develops its uniform business strategy and the latter's purposes, targets and social and environmental initiatives, while in parallel promoting Responsible Entrepreneurship across the entire range of its activities at the local, national and international level.

Last but not least the Group conducts regular internal audits to ensure the appropriate and effective implementation of the risk detection and assessment procedures as well as the management policy for such risks.

Internal Audit System

In addition to everything mentioned herein and everything described above relevant to the competences of the Audit Committee, the Internal Audit Division of the Company is an independent unit which reports to the BoD. Its competences involve, among others, the assessment and improvement of risk management and internal audit systems as well as monitoring of the compliance with the established institutional policies and procedures as those are determined by the Internal Operation Regulation, the legislation in force and the regulatory provisions.

Moreover, the following are examined and analyzed on a continuous basis:

- The efficiency of the Group's accounting and financial systems, the audit mechanisms, the quality control systems, the health and safety and environmental systems as well as the business risk management ones.
- Drafting of the financial statements and of other important data and information for notification
- The reliability, the qualifications and the independence of chartered auditors
- Cases of conflict between the private interests of the members of the BoD or its managers and the Company's interests
- Relations and transactions of the Company with affiliated companies as well as relations of the Firm with the firms in the equity capital of whom participate members of the Board of Directors in a percentage of at least 10% or shareholders with a percentage of at least 10%.
- The legality of the fees and any kind of bonuses to the members of administration regarding the decisions of the responsible bodies/agencies of the Firm.

The Board of Directors in a continuous and consistent way reexamines the firm strategy and the principal business risks, in particular in a constantly changing financial and business environment. Moreover, in regular time intervals, it receives reports on what is done regarding the audits made by the Auditor Committee, based on the annual program of the specific audits of the administration of Internal Audit of the firm. The above mentioned allow the Board of Directors to formulate a complete opinion on the effectiveness of the systems, processes and regulations of the firm.

The certified chartered auditors do not offer non audit services to the firm.

IV. Significant Related Party Transactions

The commercial transactions of the Group and the Company with related parties during the first semester of 2016, were realized under the common commercial terms. The Group or any of its related parties has not entered in any transactions that were not in an arm's length basis, and do not intent to participate in such transactions in the future. No transaction was under any special terms.

The tables bellow present the intercompany sales and transactions, among the Parent Company and its subsidiaries and associates and the executives as at 30 June 2017.

Benefits to executives at Group and Parent level

(Amounts in thousands €)	MYTILINEOS GROUP 30/06/2017	MYTILINEOS GROUP 30/06/2016	MYTILINEOS S.A. 30/06/2017	MYTILINEOS S.A. 30/06/2016
Short term employee benefits				
- Wages and Salaries and BOD Fees	10.846	8.245	9.741	1.233
- Insurance service cost	371	317	324	132
- Other remunerations	37	-	-	-
	11.254	**8.562**	**10.064**	**1.365**
Pension Benefits:				
- Defined benefits scheme	27	-	23	-
- Defined contribution scheme	-	15	-	-
Total	**11.281**	**8.578**	**10.088**	**1.365**

Transactions with related parties

(Amounts in thousands €)		MYTILINEOS GROUP 30/06/2017	MYTILINEOS S.A. 30/06/2017
Stock Sales	SERVISTEEL	-	32
Stock Sales	KORINTHOS POWER S.A	-	33.126
Stock Sales	DELFI DISTOMON A.M.E	-	288
Stock Sales	RENEWABLE SOURCES KARYSTIA S.A.	-	9
Stock Sales	AIOLIKI SIDIROKASTROU S.A.	-	10
Stock Sales	HELLENIC SOLLAR S.A.	-	11
Stock Sales	YDROXOOS .S.A.	-	2
Stock Sales	M&M GAS Co S.A.	-	6.450
Stock Sales	AIOLIKI TRIKORFA S.A.	-	3
Stock Sales	METKA-EGN Ltd UK	-	55
Stock Sales	TATOI CLUB	157	157
Stock Sales	ELIA S.A.	114	114
Stock Purchases	DELFI DISTOMON A.M.E	-	9.089
Services Sales	ELEMKA S.A.	-	2
Services Sales	ANEMODRASI RENEWABLE ENERGY SOURCES S.A.	-	2
Services Sales	ENEMORAHI RENEWABLE ENERGY SOURCES S.A.	-	2
Services Sales	ANEMOSKALA RENEWABLE ENERGY SOURCES S.A.	-	2
Services Sales	ANEMOSTRATA RENEWABLE ENERGY SOURCES S.A.	-	2
Services Sales	CHORTEROU S.A.	-	2
Services Sales	KISSAVOS DROSERI RAHI S.A.	-	2
Services Sales	AETOVOUNI S.A.	-	2
Services Sales	KISSAVOS PLAKA TRANI S.A.	-	2
Services Sales	KISSAVOS FOTINI S.A.	-	2
Services Sales	LOGGARIA S.A.	-	2
Services Sales	KORINTHOS POWER S.A	-	292
Services Sales	DELFI DISTOMON A.M.E	-	10
Services Sales	RENEWABLE SOURCES KARYSTIA S.A.	-	86
Services Sales	MOVAL S.A.	-	8
Services Sales	PROTERGIA THERMOILEKTRIKI S.A.	-	3
Services Sales	OSTENITIS S.A.	-	1
Services Sales	PROTERGIA ENERGY S.A.	-	3
Services Sales	ANEMOROI S.A.	-	2
Services Sales	NORTH AEGEAN RENEWABLES S.A.	-	2
Services Sales	GENERAL INDUSTRY S.A. DEFENSE MATERIAL	-	1
Services Sales	MYTILINEOS HELLENIC WIND POWER S.A.	-	8
Services Sales	AIOLIKI ANDROU TSIROVLIDI S.A.	-	26
Services Sales	MYTILINEOS AIOLIKI NEAPOLEOS S.A.	-	2
Services Sales	AIOLIKI EVOIAS PIRGOS S.A.	-	2
Services Sales	AIOLIKI EVOIAS POUNTA S.A.	-	2
Services Sales	AIOLIKI EVOIAS HELONA S.A.	-	2
Services Sales	AIOLIKI ANDROU RAHI XIROKABI S.A.	-	2
Services Sales	METKA AIOLIKI PLATANOU S.A.	-	2
Services Sales	AIOLIKI SAMOTHRAKIS S.A.	-	2
Services Sales	AIOLIKI EVOIAS DIAKOFTIS S.A.	-	2
Services Sales	AIOLIKI SIDIROKASTROU S.A.	-	53
Services Sales	KILKIS PALIAON TRIETHNES S.A.	-	2
Services Sales	HELLENIC SOLAR S.A.	-	103
Services Sales	SPIDER ENERGY S.A.	-	8
Services Sales	DELTA RENEWABLE ENERGY SOURCES S.A.	-	8
Services Sales	EN. DY. S.A.	-	2
Services Sales	THESSALIKI ENERGY S.A.	-	2
Services Sales	YDRIA ENERGY S.A.	-	2
Services Sales	YDROXOOS S.A.	-	2
Services Sales	FOIVOS ENERGY S.A.	-	2
Services Sales	IKAROS ANEMOS .S.A	-	2
Services Sales	KERASOUDA S.A.	-	2
Services Sales	AIOLIKI ARGOSTYLIA S.A.	-	2
Services Sales	M&M GAS Co S.A.	-	2
Services Sales	AIOLIKI TRIKORFA S.A.	-	62
Services Sales	DESFINA S.A.	-	1
Services Sales	MAKRINOROS S.A.	-	6
Services Sales	MYTILINEOS FINANCIAL PARTNERS S.A.	-	4.702
Services Sales	SOLIEN S.A.	-	6
Services Sales	St. Nikolaos S.A.	-	25
Services Sales	TATOI CLUB	1.259	1.259
Services Sales	ELIA S.A.	268	-
Services Purchases	SERVISTEEL	-	529
Services Purchases	ELEMKA S.A.	-	2.236
Services Purchases	STANMED TRADING LTD	-	194
Services Purchases	KORINTHOS POWER S.A.	-	9
Services Purchases	DELFI DISTOMON A.M.E	-	14
Services Purchases	M&M GAS Co S.A.	-	3.314
Services Purchases	MYTILINEOS FINANCIAL PARTNERS S.A.	-	4.574
Services Purchases	TATOI CLUB	37	37
Services Purchases	ELIA S.A.	2.080	1.940
Services Purchases	Other Related Parties	1.337	1.337

(Amounts in thousands €)		MYTILINEOS GROUP 30/06/2017	MYTILINEOS S.A. 30/06/2017
Balance from sales of stock/services receivable	SERVISTEEL	-	69
Balance from sales of stock/services receivable	ELEMKA S.A.	-	730
Balance from sales of stock/services receivable	STANMED TRADING LTD	-	295
Balance from sales of stock/services receivable	ANEMOSKALA RENEWABLE ENERGY SOURCES S.A.	-	3
Balance from sales of stock/services receivable	ANEMOSTRATA RENEWABLE ENERGY SOURCES S.A.	-	3
Balance from sales of stock/services receivable	METKA BRAZI SRL	-	1.353
Balance from sales of stock/services receivable	KORINTHOS POWER S.A.	-	52.815
Balance from sales of stock/services receivable	DELFI DISTOMON A.M.E	-	327
Balance from sales of stock/services receivable	RENEWABLE SOURCES KARYSTIA S.A.	-	377
Balance from sales of stock/services receivable	MOVAL S.A.	-	9.838
Balance from sales of stock/services receivable	PROTERGIA THERMOILEKTRIKI S.A.	-	70
Balance from sales of stock/services receivable	OSTENITIS S.A.	-	578
Balance from sales of stock/services receivable	NORTH AEGEAN RENEWABLES S.A.	-	42
Balance from sales of stock/services receivable	GENERAL INDUSTRY S.A. DEFENCE MATERIAL	-	39
Balance from sales of stock/services receivable	MYTILINEOS HELLENIC WIND POWER S.A.	-	16.125
Balance from sales of stock/services receivable	AIOLIKI ANDROU TSIROVLIDI S.A.	-	62
Balance from sales of stock/services receivable	AIOLIKI EVOIAS HELONA S.A.	-	9
Balance from sales of stock/services receivable	AIOLIKI ANDROU RAHI XIROKABI S.A.	-	1
Balance from sales of stock/services receivable	AIOLIKI SIDIROKASTROU S.A.	-	16
Balance from sales of stock/services receivable	HELLENIC SOLAR S.A.	-	3.060
Balance from sales of stock/services receivable	SPIDER ENERGY S.A.	-	8.530
Balance from sales of stock/services receivable	DELTA RENEWABLE ENERGY SOURCES S.A.	-	2.096
Balance from sales of stock/services receivable	GREEN ENERGY S.A.	-	178
Balance from sales of stock/services receivable	POWER PROJECT SANAYI INSAAT TICARET LIMITED SIRKETI	-	3.855
Balance from sales of stock/services receivable	M&M GAS Co S.A.	-	123
Balance from sales of stock/services receivable	AIOLIKI TRIKORFA S.A.	-	148
Balance from sales of stock/services receivable	DESFINA S.A.	-	26
Balance from sales of stock/services receivable	MAKRINOROS S.A.	-	3
Balance from sales of stock/services receivable	MYTILINEOS FINANCIAL PARTNERS S.A.	-	58.523
Balance from sales of stock/services receivable	Mytilineos International Trading Company AG (MIT Co)	-	204
Balance from sales of stock/services receivable	SOLIEN S.A.	-	2
Balance from sales of stock/services receivable	St. Nikolaos IKE	-	6
Balance from sales of stock/services receivable	METKA-EGN Ltd Cyprus	-	1.759
Balance from sales of stock/services receivable	METKA-EGN Ltd UK	-	-
Balance from sales of stock/services receivable	METKA-EGN USA LLC	-	-
Balance from sales of stock/services receivable	METKA POWER WEST AFRICA LIMITED	-	197
Balance from sales of stock/services receivable	TATOI CLUB	34	34
Balance from sales of stock/services receivable	ELIA S.A.	2.158	2.110
Balance from sales of stock/services receivable	Other Related Parties	424	424
Balance from sales/purchases of stock/services payable	SERVISTEEL	-	2.363
Balance from sales/purchases of stock/services payable	ELEMKA S.A.	-	2.869
Balance from sales/purchases of stock/services payable	STANMED TRADING LTD	-	20.085
Balance from sales/purchases of stock/services payable	RDA TRADING	-	3
Balance from sales/purchases of stock/services payable	METKA BRAZI SRL	-	18
Balance from sales/purchases of stock/services payable	KORINTHOS POWER S.A.	-	25
Balance from sales/purchases of stock/services payable	DELFI DISTOMON A.M.E	-	4.329
Balance from sales/purchases of stock/services payable	AIOLIKI EVOIAS PIRGOS S.A.	-	-
Balance from sales/purchases of stock/services payable	POWER PROJECT SANAYI INSAAT TICARET LIMITED SIRKETI	-	3.372
Balance from sales/purchases of stock/services payable	M&M GAS Co S.A.	-	1.229
Balance from sales/purchases of stock/services payable	AIOLIKI TRIKORFON S.A.	-	500
Balance from sales/purchases of stock/services payable	MYTILINEOS FINANCIAL PARTNERS S.A.	-	32.035
Balance from sales/purchases of stock/services payable	Mytilineos International Trading Company AG (MIT Co)	-	176
Balance from sales/purchases of stock/services payable	METKA-EGN Ltd Cyprus	-	-
Balance from sales/purchases of stock/services payable	METKA POWER WEST AFRICA LIMITED	-	-
Balance from sales/purchases of stock/services payable	TATOI CLUB	2	-
Balance from sales/purchases of stock/services payable	ELIA S.A.	135	-

V. Post Balance Sheet events

It shall be noted that on 06.07.2017 , the merger was approved by the Ministry of Economy and Development. Said corporate restructuring has no effect on the control of MYTILINEOS. On a Group level, the sole change is the conversion of METKA's non-controlling shareholders, to shareholders of the new entity.

Maroussi, 8 August 2017

THE BOARD OF DIRECTORS

C. Report on the Allocation of Raised Capital from the issuance of an Ordinary Bond Loan with payment in cash for the period 27.06.2017 to 30.06.2017

Under the provisions of par. 4.1.2 of the Athens Exchange (hereinafter "Athex") Regulation, the decision, No. 25/17.07.2008, of the BoD of the Athex and the decision, No. 8/754/14.04.2016, of the BoD of the Hellenic Capital Market Commission (hereinafter "HCMC"), it became known that a capital of EUR three hundred million (€300,000,000) was raised from the issuance of an Ordinary Bond Loan of EUR three hundred million (€300,000,000), of a duration of five (5) years, divided into 300,000 dematerialized, common, bearer bonds with a nominal value of €1,000 each, carried out according to the decision of the Board of Directors of MYTILINEOS S.A., dated 08.06.2017, and the decision approving the content of the Prospectus of HCMC dated 15.06.2017. The issuance costs came up to €5,096,986, reduced the overall raised capital.

The issuance of the Ordinary Bond Loan was fully covered and the payment of the raised capital was certified by the Company's Board of Directors on 27.06.2017.

Furthermore, the issued three thousand (300,000) dematerialized, common, bearer bonds were listed to be traded in the fixed-income securities of the regulated market of the Athens Exchange on 28.06.2017.

According to the commitments set out in the relevant Prospectus approved by the Hellenic Capital Market Commission and the decision, dated 08.06.2017, of the Company's BoD, it is known that the raised capital of EUR three hundred million (€300,000,000), minus an amount of EUR five million ninety-six thousand nine hundred eighty-six (€5,096,986), relating to the issuance costs, were allocated on 30.6.2017 as follows:

USE OF RAISED CAPITAL	APPROVED PROSPECTUS SCHEDULE		BALANCE TO BE ALLOCATED
	TOTAL AMOUNT	PERIOD OF CAPITAL USE	
	(in thousand €)	1st HALF 2017	2nd HALF 2017
Issuance Costs of Ordinary Bond Loan	-5,097	-71	-5,026
Raised capital in the period 27/6/2017 to 30/6/2017	**300,000**		
a) Refinancing of existing debt with collateral	236,000	235,000	1,000
b) Refinancing of short-term debt	29,501	6,917	22,584
c) Financing of Working Capital	29,402	23,870	5,532
Total raised capital after the issuance costs	**294,903**	**265,787**	**29,116**

Maroussi, 8 August 2017

Evangelos Mytilineos	**Ioannis Mytilineos**	**Ioannis Kalafatas**
Id.C. No. AB649316/2006	Id.C.No. AE044243/2007	Id.C.No. AZ 556040/2008
BoD Chair and CEO	**Vice-Chair of the Board of Directors**	**Chief Finance Officer**

D. Independent Auditor's Report

To the Shareholders of **MYTILINEOS HOLDINGS S.A.**

Introduction

We have reviewed the accompanying separate and consolidated condensed statement of financial position of **MYTILINEOS HOLDINGS S.A.** as of 30 June 2017 and the related separate and consolidated condensed statement of comprehensive income, changes in equity and cash flows for the six-month period then ended, and the selected explanatory notes that comprise the interim financial information, which form an integral part of the six-month financial report of Law 3556/2007. Management is responsible for the preparation and fair presentation of this interim condensed financial statement in accordance with the International Financial Reporting Standards as adopted by the European Union and apply for interim financial information (International Accounting Standard "**IAS 34**"). Our responsibility is to express a conclusion on these interim condensed financial statements based on our review.

Scope of Review

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information has not been prepared in all material respects, in accordance to IAS 34.

Emphasis of matters

We would like to draw your attention to

1.Note 8.16 to the financial statements, making reference to the fact that on 26/10/2016, the Court of Justice of the European Union issued the decision lifting the First Instance General Court Decision as of October 8th 2014, in respect of the government grant provided by Greece to the MYTILINEOS S.A as universal successor of ALUMINIUM OF GREECE S.A. The aforementioned decision referred the case back to the General Court so that the remaining reasons behind the appeal, previously omitted, should be examined. The appeal in question revives the contingent liability of the MYTILINEOS S.A to return the amount of €17,4 million plus interest to the Public Power Corporation S.A. – Hellas (PPC S.A.). MYTILINEOS S.A has submitted all the required statements regarding the procedures. The Management of MYTILINEOS S.A. estimates that the appeal will be reaccepted by the General Court and, therefore, no amounts will potentially outflow in order to settle the aforementioned contingent liability.

2. Note 8.1 of the financial statements, making reference to the fact that the financial statements of the Company following the 6/7/2017 approval by the Ministry of Economy and Development of the merger of the companies "MYTILINEOS S.A - GROUP OF COMPANIES", "METKA S.A “, "ALUMINUM OF GREECE S.A ",“PROTERGIA S.A” and PROTERGIA THERMOELEKTRIKI AGIOU NIKOLAOU S.A” by absorption of the second, third, fourth and fifth companies from the first, incorporate the assets and the liabilities of the merged companies, as well as to the accounting policy of incorporating these assets and liabilities.
Our opinion is not qualified in respect of that matters.

Reference to other legal requirements

Based on our review, we concluded that the content of the six-month financial report, as required by article 5 of L.3556/2007, is consistent with the accompanying condensed interim financial information.

Athens, 8th of August 2017

The Chartered Accountants

Manolis Mihalios	Thanasis Xynas
SOEL Reg. No. 25131	SOEL Reg. No. 34081

Grant Thornton
An instinct for growth™

Chartered Accountants Management Consultants
56, Zefirou str., 175 64 Palaio Faliro, Greece
Registry Number SOEL 127

E. Interim Financial Statements (According to the International Financial Reporting Standards)

The attached Interim Financial Statements are those approved by the Board of Directors of "MYTILINEOS S.A." at 8 August 2017 and have been published to the website www.mytilineos.gr according to the International Financial Reporting Standards (IFRS).

Table of Contents

1.A Interim Income Statement

		MYTILINEOS GROUP		MYTILINEOS S.A.	
(Amounts in thousands €)		1/1-30/06/2017	1/1-30/06/2016	1/1-30/06/2017	1/1-30/06/2016
Sales		811.419	635.750	591.446	-
Cost of sales		(636.644)	(552.855)	(472.894)	-
Gross profit		**174.775**	**82.895**	**118.553**	**-**
Other operating income		28.075	25.784	24.942	6.453
Distribution expenses		(4.565)	(3.571)	(4.039)	-
Administrative expenses		(38.185)	(29.197)	(28.822)	(5.089)
Research & Development expenses		(46)	(43)	-	-
Other operating expenses		(38.564)	(9.436)	(23.464)	(23)
Earnings before interest and income tax		**121.490**	**66.430**	**87.170**	**1.340**
Financial income		3.566	1.221	5.312	170
Financial expenses		(28.776)	(30.719)	(23.587)	(3.974)
Other financial results		(3.000)	(2.747)	2.373	4.555
Share of profit of associates		212	153	-	-
Profit before income tax		**93.492**	**34.338**	**71.267**	**2.091**
Income tax expense		(11.374)	(10.076)	(8.125)	1.534
Profit for the period		**82.118**	**24.262**	**63.142**	**3.624**
Result from discontinuing operations	8.11	(779)	(529)	(295)	-
Profit for the period		**81.340**	**23.733**	**62.847**	**3.624**
Attributable to:					
Equity holders of the parent	8.23	*80.654*	*12.437*	*62.847*	*3.624*
Non controlling Interests		*686*	*11.296*	-	-
Basic earnings per share		*0,5644*	*0,1064*	*0,4398*	*0,0310*
Earnings per share		*0,5644*	*0,1064*	*0,4398*	*0,0310*
		Summury of Results from continuing operations			
Earnings before income tax,financial results,depreciation and amortization (Circular No.34 Hellenic Capital Market)		156.004	100.942	112.551	1.517
Oper.Earnings before income tax,financial results,depreciation and amortization		**156.547**	**101.351**	**112.551**	**1.517**
Earnings before interest and income tax		121.490	66.430	87.170	1.340
Profit before income tax		93.492	34.338	71.267	2.091
Profit for the period	8.26	82.118	24.262	63.142	3.624
Definition of line item: OperEarnings before income tax,financ.res,depr&amort. (EBITDA)					
Profit before income tax		93.492	34.338		
Plus: Financial results		28.210	32.246		
Plus: Capital results		(212)	(153)		
Plus: Depreciation		34.513	34.512		
Subtotal		**156.004**	**100.942**		
Plus: Other operating results (II)		543	409		
Oper.Earnings before income tax,financial results,depreciation and amortization (EBITDA)		**156.547**	**101.351**		

The notes on pages 28 to 68 are an integral part of these financial statements.

(*)The Group defines "Group EBITDA" as the Operating earnings before any interest income and expenses, investment results, depreciation, amortization and before the effects of any special factors. "Group EBITDA" is an important indicator used by Mytilineos Group to manage the Group's operating activities and to measure the performance of the individual segments.

1.B Interim Statement of Comprehensive Income

	MYTILINEOS GROUP		MYTILINEOS S.A.	
(Amounts in thousands €)	1/1-30/06/2017	1/1-30/06/2016	1/1-30/06/2017	1/1-30/06/2016
Other Comprehensive Income:				
Net Profit/(Loss) For The Period	81.340	23.733	62.847	3.624
Items that will not be reclassified to profit or loss:				
Actuarial Gain / (Losses)	-	1	-	-
Items that may be reclassified subsequently to profit or loss:				
Exchange Differences On Translation Of Foreign Operations	(1.300)	(9.786)	455	-
Cash Flow Hedging Reserve	(7.496)	(4.548)	(8.076)	-
Deferred Tax From Cash Flow Hedging Reserve	2.174	1.319	2.342	-
Other Comprehensive Income:	**(6.623)**	**(13.014)**	**(5.279)**	**-**
Exchange Differences On Translation Of Foreign Operations	**74.717**	**10.720**	**57.568**	**3.624**
Total comprehensive income for the period attributable to:				
Equity attributable to parent's shareholders	73.996	(5.368)	57.568	3.624
Non controlling Interests	721	16.088	-	-

The notes on pages 28 to 68 are an integral part of these financial statements.

2. Interim Statement of Financial Position

(Amounts in thousands €)		MYTILINEOS GROUP 30/06/2017	MYTILINEOS GROUP 31/12/2016	MYTILINEOS S.A. 30/06/2017	MYTILINEOS S.A. 31/12/2016
Assets					
Non current assets					
Tangible Assets		1.069.143	1.073.255	814.067	9.529
Goodwill		209.313	209.313	-	-
Intangible Assets		241.348	243.034	89.160	159
Investments in Subsidiary Companies		-	-	238.888	638.057
Investments in Associates		23.408	23.242	17.212	-
Other Investments		-	100	-	100
Deferred Tax Receivables		97.303	102.012	25.366	11.600
Financial Assets Available for Sale		167	169	37	37
Derivatives		-	-	-	-
Other Long-term Receivables	8.19	162.660	200.268	54.333	178
		1.803.342	**1.851.395**	**1.239.064**	**659.659**
Current assets					
Total Stock	8.8	150.250	257.409	126.401	-
Trade and other receivables	8.18	709.429	590.578	418.383	264
Other receivables		280.683	209.706	289.529	47.482
Financial assets at fair value through profit or loss		1.572	959	1.572	69
Derivatives		18.777	491	18.777	-
Cash and cash equivalents	8.9	100.717	197.884	52.761	336
		1.261.429	**1.257.025**	**907.423**	**48.150**
Assets		**3.064.771**	**3.108.420**	**2.146.487**	**707.809**
Liabilities & Equity					
Equity					
Share capital		138.839	113.643	138.604	113.408
Share premium		193.311	210.195	124.701	141.585
Fair value reserves		(9.816)	(4.073)	(10.511)	-
Other reserves		137.238	104.627	(147.675)	3.492
Translation reserves		(17.071)	(15.040)	-	-
Retained earnings		879.090	580.029	781.757	225.821
Equity attributable to parent's shareholders		**1.321.591**	**989.382**	**886.878**	**484.306**
Non controlling Interests		51.111	294.869	-	-
Equity		**1.372.702**	**1.284.251**	**886.878**	**484.306**
Non-Current Liabilities					
Long-term debt	8.10	475.818	428.650	337.744	5.250
Derivatives		11.993	2.948	11.993	-
Deferred Tax Liability		167.438	191.141	129.724	28.982
Liabilities for pension plans		17.944	18.583	15.656	710
Other long-term liabilities		99.683	133.895	75.360	27.585
Provisions	8.17	13.245	13.913	19.914	268
Non-Current Liabilities		**786.121**	**789.130**	**590.391**	**62.795**
Current Liabilities					
Trade and other payables	8.20	520.109	571.263	365.969	17.601
Tax payable		13.786	19.524	10.520	485
Short-term debt	8.10	124.300	219.012	81.813	15.363
Current portion of non-current liabilities	8.10	151.227	168.513	117.566	3.468
Derivatives		23.676	6.930	21.588	-
Other payables		64.841	49.778	71.763	123.791
Current portion of non-current provisions		8.009	18	-	-
Current Liabilities		**905.947**	**1.035.039**	**669.218**	**160.708**
Liabilities		**1.692.068**	**1.824.169**	**1.259.609**	**223.503**
Liabilities & Equity		**3.064.771**	**3.108.420**	**2.146.487**	**707.809**

The notes on pages 28 to 68 are an integral part of these financial statements.

3. Interim Statement of changes in Equity (Group)

(Amounts in thousands €)	MYTILINEOS GROUP								
	Share capital	Share premium	Fair value reserves	Other reserves	Translation reserves	Retained earnings	Total	Non controlling Interests	Total
Adjusted Opening Balance 1st January 2016, accoarding to IFRS - as published-	**113.643**	**210.195**	**557**	**103.557**	**(9.360)**	**545.765**	**964.358**	**265.980**	**1.230.339**
Change In Equity									
Dividends Paid	-	-	-	19	-	(150)	(131)	(3.117)	(3.248)
Transfer To Reserves	-	-	-	(1.562)	-	3.041	1.479	(1.473)	6
Transactions With Owners	**-**	**-**	**-**	**(1.543)**	**-**	**2.890**	**1.347**	**(4.590)**	**(3.243)**
Net Profit/(Loss) For The Period	-	-	-	-	-	12.437	12.437	11.296	23.733
Other Comprehensive Income:									
Exchange Differences On Translation Of Foreign Operations	-	-	-	-	(14.594)	-	(14.594)	4.808	(9.786)
Cash Flow Hedging Reserve	-	-	(4.343)	(188)	-	-	(4.531)	(16)	(4.548)
Actuarial Gain / (Losses)	-	-	-	1	-	-	1	-	1
Dererred Tax From Cash Flow Hedging Reserve	-	-	1.260	59	-	-	1.319	-	1.319
Total Comprehensive Income For The Period	**-**	**-**	**(3.084)**	**(128)**	**(14.594)**	**12.437**	**(5.368)**	**16.088**	**10.720**
Adjusted Closing Balance 30/06/2016	**113.643**	**210.195**	**(2.526)**	**101.886**	**(23.954)**	**561.093**	**960.337**	**277.479**	**1.237.816**
Opening Balance 1st January 2017, accoarding to IFRS - as published-	**113.643**	**210.195**	**(4.073)**	**104.627**	**(15.040)**	**580.029**	**989.382**	**294.869**	**1.284.251**
Change In Equity									
Dividends Paid	-	-	-	-	-	(4.510)	(4.510)	-	(4.510)
Transfer To Reserves	-	-	-	662	-	(662)	-	-	-
Impact From Transfer Of Subsidiary	-	-	-	-	-	2.765	2.765	311	3.076
Impact From Merge Through Acquisition Of Subsidiary	25.196	(16.884)	-	31.073	-	220.573	259.958	(244.790)	15.168
Transactions With Owners	**25.196**	**(16.884)**	**-**	**31.735**	**-**	**218.166**	**258.214**	**(244.479)**	**13.735**
Net Profit/(Loss) For The Period	-	-	-	-	-	80.654	80.654	686	81.340
Other Comprehensive Income:									
Exchange Differences On Translation Of Foreign Operations	-	-	-	455	(2.031)	241	(1.335)	35	(1.300)
Cash Flow Hedging Reserve	-	-	(8.089)	592	-	-	(7.496)	-	(7.496)
Dererred Tax From Cash Flow Hedging Reserve	-	-	2.346	(172)	-	-	2.174	-	2.174
Total Comprehensive Income For The Period	**-**	**-**	**(5.743)**	**875**	**(2.031)**	**80.894**	**73.996**	**721**	**74.717**
Closing Balance 30/06/2017	**138.839**	**193.311**	**(9.816)**	**137.238**	**(17.071)**	**879.090**	**1.321.591**	**51.111**	**1.372.702**

The notes on pages 28 to 68 are an integral part of these financial statements.

4. Interim Statement of changes in Equity (Company)

	MYTILINEOS S.A.					
(Amounts in thousands €)	Share capital	Share premium	Fair value reserves	Other reserves	Retained earnings	Total
Opening Balance 1st January 2016, according to IFRS -as published-	**113.408**	**141.585**	**-**	**3.496**	**225.835**	**484.324**
Transactions With Owners	-	-	-	-	-	-
Net Profit/(Loss) For The Period	-	-	-	-	3.624	3.624
Total Comprehensive Income For The Period	**-**	**-**	**-**	**-**	**3.624**	**3.624**
Closing Balance 30/06/2016	**113.408**	**141.585**	**-**	**3.496**	**229.459**	**487.949**
Opening Balance 1st January 2017, according to IFRS -as published-	**113.408**	**141.585**	**-**	**3.492**	**225.821**	**484.306**
Change In Equity						
Dividends Paid	-	-	-	-	(3.896)	(3.896)
Impact From Merge Through Acquisition Of Subsidiary	25.196	(16.884)	(4.767)	(151.630)	496.986	348.900
Transactions With Owners	**25.196**	**(16.884)**	**(4.767)**	**(151.630)**	**493.089**	**345.003**
Net Profit/(Loss) For The Period	-	-	-	-	62.847	62.847
Other Comprehensive Income:						
Exchange Differences On Translation Of Foreign Operations	-	-	-	455	-	455
Cash Flow Hedging Reserve	-	-	(8.089)	13	-	(8.076)
Deferred Tax From Cash Flow Hedging Reserve	-	-	2.346	(4)	-	2.342
Total Comprehensive Income For The Period	**-**	**-**	**(5.743)**	**464**	**62.847**	**57.568**
Closing Balance 30/06/2017	**138.604**	**124.701**	**(10.511)**	**(147.675)**	**781.757**	**886.878**

The notes on pages 28 to 68 are an integral part of these financial statements.

5. Interim Cash Flow Statement

(Amounts in thousands €)		MYTILINEOS GROUP 1/1-30/06/2017	MYTILINEOS GROUP 1/1-30/06/2016	MYTILINEOS S.A. 1/1-30/06/2017	MYTILINEOS S.A. 1/1-30/06/2016
Cash flows from operating activities					
Cash flows from operating activities	8.26	110.518	100.819	78.813	(6.591)
Interest paid		(14.930)	(24.318)	(17.367)	(1.367)
Taxes paid		(1.141)	(1.388)	(977)	-
Net Cash flows continuing operating activities		**94.446**	**75.112**	**60.469**	**(7.958)**
Net Cash flows discontinuing operating activities		**(596)**	**(523)**	**(136)**	**-**
Net Cash flows from continuing and discontinuing operating activities		**93.850**	**74.588**	**60.333**	**(7.958)**
Net Cash flow from continuing and discontinuing investing activities					
Purchases of tangible assets		(78.330)	(45.609)	(15.599)	(31)
Purchases of intangible assets		(1.905)	(1.913)	(130)	(14)
Sale of tangible assets		(18)	1.264	1	-
Dividends received		-	-	147	5.078
Purchase of financial assets at fair value through profit and loss		-	(2.000)	-	-
Acquisition /Sale of subsidiaries (less cash)		700	-	-	-
Sale of financial assets held-for-sale		4	3	-	-
Interest received		1.662	587	379	12
Grants returns		(2.018)	-	(2.018)	-
Other cash flows from investing activities		49	3	49	-
Net Cash flow from continuing investing activities		**(79.855)**	**(47.664)**	**(17.171)**	**5.045**
Net Cash flow from discontinuing investing activities		**-**	**-**	**-**	**-**
Net Cash flow from continuing and discontinuing investing activities		**(79.855)**	**(47.664)**	**(17.171)**	**5.045**
Net Cash flow continuing and discontinuing financing activities					
Tax payments		(3)	6	-	-
Dividends payed to shareholders		(3.955)	(3.433)	(3.355)	-
Proceeds from borrowings		438.710	116.872	422.447	10.200
Repayments of borrowings		(519.637)	(67.681)	(507.376)	(7.500)
Other cash flows from financing activities		(25.225)	-	(37.406)	-
Net Cash flow continuing financing activities		**(110.110)**	**45.763**	**(125.691)**	**2.700**
Net Cash flow from discontinuing financing activities		**-**	**-**	**-**	**-**
Net Cash flow continuing and discontinuing financing activities		**(110.110)**	**45.763**	**(125.691)**	**2.700**
Net (decrease)/increase in cash and cash equivalents		**(96.115)**	**72.687**	**(82.528)**	**(213)**
Cash and cash equivalents at beginning of period		197.884	200.859	336	1.249
Cash and cash equivalents at beginning of period (merged companies)				134.979	
Exchange differences in cash and cash equivalents		(1.052)	(494)	(26)	-
Net cash at the end of the period		**100.717**	**273.052**	**52.761**	**1.036**

The notes on pages 28 to 68 are an integral part of these financial statements.

6. Segment reporting

Primary reporting format – business segments

MYTILINEOS Group is active in three main operating business segments: Metallurgy, EPC & Infrastructure and Power & Gas. In identifying its operating segments, management generally follows the Group's service lines, which represent the main products and services provided by the Group. Each of these operating segments is managed separately as each of these service lines requires different technologies and other resources as well as marketing approaches. The adoption of IFRS 8 has not affected the identified operating segments for the Group compared to the recent annual financial statement.

The Group has applied IFRS 5 "Non Current Assets Available for Sale & Discontinued Operations" and present separately the results of the discontinued operations of the subsidiary company SOMETRA S.A.

Segment's results for the six month period ended June 30, 2017 and 2016 of the Group and the entity are as follows:

(Amounts in thousands €) *1/1-30/06/2017*	Metallurgy	EPC & Infrastructure	Power & Gas	Others	Discontinuing Operations	Total
Total Gross Sales	367.130	311.071	242.570	4.462	(1.503)	923.730
Intercompany sales	(91.993)	(4.135)	(4.597)	(4.462)	-	(105.187)
Inter-segment sales	-	(7.050)	(74)	-	-	(7.124)
Net Sales	**275.137**	**299.886**	**237.899**	**-**	**(1.503)**	**811.419**
Earnings before interest and income tax	**64.760**	**44.208**	**17.797**	**(6.031)**	**756**	**121.490**
Financial results	(11.273)	884	(12.134)	(5.710)	23	(28.210)
Investment Results	-	-	-	212	-	212
Profit before income tax	**53.487**	**45.092**	**5.663**	**(11.529)**	**779**	**93.492**
Assets depreciation	15.758	2.028	19.498	(2.591)	(180)	34.513
Other operating included in EBITDA	-	543	-	-	-	543
Oper.Earnings before income tax,financial results,depreciation and amortization	**80.518**	**46.779**	**37.295**	**(8.622)**	**576**	**156.546**

(Amounts in thousands €) *1/1-30/06/2016*	Metallurgy	EPC & Infrastructure	Power & Gas	Others	Discontinuing Operations	Total
Total Gross Sales	276.728	262.625	155.433	-	-	694.786
Intercompany sales	(52.400)	-	(2.900)	-	-	(55.300)
Inter-segment sales	-	(3.736)	-	-	-	(3.736)
Net Sales	**224.328**	**258.889**	**152.533**	**-**	**-**	**635.750**
Earnings before interest and income tax	**22.253**	**39.786**	**6.828**	**(2.957)**	**520**	**66.430**
Financial results	(10.485)	(4.851)	(11.425)	(5.494)	9	(32.246)
Investment Results	-	-	153	-	-	153
Profit before income tax	**11.768**	**34.935**	**(4.444)**	**(8.451)**	**529**	**34.337**
Assets depreciation	14.754	1.891	20.421	(2.549)	(5)	34.512
Other operating included in EBITDA	-	409	-	-	-	409
Oper.Earnings before income tax,financial results,depreciation and amortization	**37.007**	**42.086**	**27.249**	**(5.506)**	**515**	**101.351**

Figures from Group's subsidiaries of material operating activity are included in Category "Others".

Segment's assets and liabilities are as follows:

(Amounts in thousands €)	Metallurgy	Constructions	Energy	Others	Total
30/06/2017					
Assets	1.155.780	1.270.193	1.028.625	(389.827)	3.064.771
Consolidated assets	1.155.780	1.270.193	1.028.625	(389.827)	3.064.771
Liabilities	878.088	598.021	602.604	(386.193)	1.692.520
Consolidated liabilities	878.088	598.021	602.604	(386.193)	1.692.520

(Amounts in thousands €)	Metallurgy	Constructions	Energy	Others	Total
31/12/2016					
Assets	1.172.182	1.288.219	1.043.223	(395.204)	3.108.420
Consolidated assets	1.172.182	1.288.219	1.043.223	(395.204)	3.108.420
Liabilities	942.490	656.047	626.202	(400.570)	1.824.169
Consolidated liabilities	942.490	656.047	626.202	(400.570)	1.824.169

The negative value of assets in category "Others" is a result of intercompany eliminations made in order to reconcile the figures on segment report and those on financial statements.

Geographical Information

The Group's Sales and its non-current assets (other than financial instruments, investments, deferred tax assets and postemployment benefit assets) are divided into the following geographical areas:

MYTILINEOS GROUP

(Amounts in thousands €)	Sales 30/06/2017	Sales 30/06/2016	Non current assets 30/06/2017	Non current assets 31/12/2016
Hellas	417.062	256.892	1.492.365	1.503.282
European Union	186.654	165.240	25.651	20.227
Other Countries	207.703	213.619	1.788	2.094
Regional Analysis	**811.419**	**635.751**	**1.519.804**	**1.525.603**

7. Information about MYTILINEOS S.A.

MYTILINEOS S.A. is today one of the biggest industrial Groups internationally, activated in the sectors of Metallurgy, EPC & Infrastructure, Power & Gas. The Company, which was founded in 1990 as a metallurgical company of international trade and participations, is an evolution of an old metallurgical family business which began its activity in 1908.

Devoted to continuous growth and progress and aiming to be a leader in all its activities, the Group promotes through its long presence its vision to be a powerful and competitive European Group of "Heavy Industry".

The group's headquarters is located in Athens – Maroussi (5-7 Patroklou Str., P.C. 151 25) and its shares were listed in the Athens Stock Exchange in 1995.

The financial statements for the period ended 30.06.2017 (along with the respective comparative information for the previous year 2016), were approved by the Board of directors on 8 August 2017.

Nature of activities

During the last ten years the Company's activities have expanded from the traditional sector of international metal's trading to those of construction and energy. The aim is the development of synergies between the three different areas of activities.

Pursuant to the resolution adopted on 01.06.2017 by the Ordinary General Meeting of the shareholders of the company, the object of the Company has been amended to read as follows:

1. The object of the Company is:

a. To participate in the capital of other undertakings;

b. To produce and manufacture alumina and aluminium in Greece and to trade in same in any country;

c. To manufacture metal structures of any type;

d. To perform the design, construction, operation, maintenance, management and exploitation of plants for the generation of electrical energy from any source in general;

e. To engage in power and heat generation, trading, supply, transmission and distribution, the import and export, acquisition and transfer of electricity, and heat;

f. To carry on all types of activities relevant to the building, repair and scrapping (breaking) of ships and, in general, defense material;

g. To engage in the production, extraction, acquisition, storage, gasification, transport, distribution and transfer (including by sale/supply) of natural gas;

h. To elaborate studies, undertake the construction of public and private technical projects and works of any nature, to perform assembly and installation activities for the structures and products produced by the Company in Greece and abroad;

i. To construct, operate and exploit hydraulic, sewerage and other similar installations to serve the purposes of the Company and/or other third parties whom the Company does business with;

j. To produce and sell steam, water (indicatively demineralized water, water for firefighting, etc.) as well as;

k. To provide various services to third parties with whom the Company does business with, including, indicatively, services for a) decontamination, b) firefighting, c) monitoring and recording air quality, d) collection, transportation, disposal and management of solid and liquid waste and wastewater, etc.;

l. To elaborate feasibility studies with respect to processes for the operation of power and heat generation plants of all types,

m. To purchase, erect, sell and resell real property, and to acquire, lease, rent, sublease, install, develop and exploit mines and quarries, industrial sites and shops;

n. To provide advice and services in the areas of business administration and management, administrative support, risk management, information systems, financial management;

o. To provide services in connection with market research, analysis of investment programmes, elaboration of studies and plans, the commissioning, supervision and management of the relevant work, risk management and strategic planning, development and organization;

p. To carry on any business act and undertake any activity or action directly or indirectly related to the above objects of the Company.

8. Additional Information

8.1 Basis for preparation of the financial statements

The accompanying consolidated financial statements that constitute the Group's consolidated financial statements for the period from 01.01 to 30.06.2017 have been prepared in accordance with International Financial Reporting Standards ("IFRS"), adopted by the European Union, and more specifically with the provisions of IAS 34 "Interim financial reporting". Moreover, the consolidated financial statements have been compiled on the basis of the historic cost principle as is amended by the readjustment of specific asset and liability items into market values, the going concern principle and are in accordance with the International Financial Reporting Standards (IFRS) that have been issued by the International Accounting Standards Board (IASB) and their interpretations that have been issued by the International Financial Reporting Interpretations Committee (IFRIC) of the IASB.

The reporting currency is Euro (currency of the country of the domicile of the parent Company) and all amounts are reported in thousands unless stated otherwise.

According to the IFRS, the preparation of the Financial Statements requires estimations during the application of the Company's accounting principles. Important admissions are presented wherever it has been judged appropriate. The accounting principles, applied by the Group for the reporting period are consistent with the accounting principles applied for fiscal year 2016.

Pooling of Interest type method

By the BoD resolutions of "MYTILINEOS HOLDINGS SA" (Mytilineos) and "METKA INDUSTRIAL – CONSTRUCTION SOCIÉTÉ ANONYME" (METKA) of 23.03.2017, the Shareholders' General Assembly approvals of METKA and Mytilineos of 01.06.2017 and the Shareholders' General Assembly approvals of "ALUMINIUM OF GREECE INDUSTRIAL AND

COMMERCIAL SOCIÉTÉ ANONYME" (ALUMINIUM OF GREECE), "PROTERGIA POWER GENERATION AND SUPPLIERS" (Protergia) and PROTERGIA AGIOS NIKOLAOS POWER SOCIÉTÉ ANONYME" (Protergia THERMO) of 06.06.2017, as well as reports by the BoD of Mytilineos and METKA on the aforementioned merger under the provisions of article 69 par. 4 of the C.L. 2190/1920 and article 4.1.4.1.3 of the Regulation of Athens Stock Exchange, the said companies approved the draft merger agreement by absorption of the companies METKA, ALUMINIUM OF GREECE, Protergia and Protergia THERMO from Mytilineos. On the 06.07.2017 the Ministry of Economy and Development approved the merger of Mytilineos, METKA, ALUMINIUM OF GREECE, Protergia and Protergia Thermo by absorption of the second, third, fourth and fifth company by the first one.

The merger of the companies Mytlineos, METKA, ALUMINIUM OF GREECE, Protergia and Protergia Thermo by absorption of the second, third, fourth and fifth company by the first one and the modification of the articles of association of the acquiring company has no effect on the companies' control as well as the final controlling company (Mytilineos SA – Mother Company) is the same company as before (par.B1 IFRS 3). Because of this the companies' transformation (merger) is considered to be a transaction among entities under the same control and for this it constitutes an exception of the application of IFRS 3.

The management complied with the provisions of paragraphs 10 to 12 of IFRS 8 "Accounting Policies, Changing in Accounting Estimates and Errors", which among others state that "In the absence of an IFRS that specifically applies to a transaction, other event or condition, management shall use its judgement in developing and applying an accounting policy that results in information that is relevant to the economic decision-making needs of user and reliable".
The company has chosen the merger accounting method or pooling of interests method. Under this method the Statements of Financial Positions of the merging companies are aggregated, by the use of the book values of the assets and liabilities without further calculation of their fair value.
Under the merger accounting method or pooling of interests method we detail the following:

- Assets and liabilities of the merged companies are recognized using their book values although adjustments should be recorded to achieve uniform accounting policies. The book values used are derived from each company's Financial Statements.
- No goodwill is recognized. The difference between the cost of an investment and the acquired company's equity is recognized as a distinct reserve in the Company's equity
- Intangible assets and contingent liabilities are recognized only to the extent that they are also recognized in the financial statements of the acquired companies
- Transaction costs are directly recognized in the P&L statement
- The financial statements of the acquiring companies were composed using data until the 31.12.2016, so the financial statements of the Company incorporated their figures as of the 01.01.2017

Comparative period's figures haven't been restated

8.2 New Standards, Interpretations, Revisions and Amendments to existing Standards that are effective and have been adopted by the European Union

There are no new Standards, Interpretations, Revisions or Amendments to existing Standards that have been issued by the International Accounting Standards Board (IASB), are adopted by the European Union, and their application is mandatory from or after 01/01/2017.

8.3 New Standards, Interpretations, Revisions and Amendments to existing Standards that have not been applied yet or have not been adopted by the European Union

The following new Standards, Interpretations and amendments of IFRSs have been issued by the International Accounting Standards Board (IASB), but their application has not started yet or they have not been adopted by the European Union.

IFRS 15 "Revenue from Contracts with Customers" (effective for annual periods starting on or after 01/01/2018)

In May 2014, the IASB issued a new Standard, IFRS 15. The Standard fully converges with the requirements for the recognition of revenue in both IFRS and US GAAP. The key principles on which the Standard is based are consistent with much of current practice. The new Standard is expected to improve financial reporting by providing a more robust framework for addressing issues as they arise, increasing comparability across industries and capital markets, providing enhanced disclosures and clarifying accounting for contract costs. The new Standard will supersede IAS 11 "Construction Contracts", IAS 18 "Revenue" and several revenue related Interpretations. The Group is already examining the impact of the above on its Financial Statements. The above have been adopted by the European Union with effective date of 01/01/2018.

IFRS 9 "Financial Instruments" (effective for annual periods starting on or after 01/01/2018)

In July 2014, the IASB issued the final version of IFRS 9. The package of improvements introduced by the final version of the Standard, includes a logical model for classification and measurement, a single, forward-looking "expected loss" impairment model and a substantially-reformed approach to hedge accounting The Group is already examining the impact of the above on its Financial Statements. The above have been adopted by the European Union with effective date of 01/01/2018.

IFRS 16 "Leases" (effective for annual periods starting on or after 01/01/2019)

In January 2016, the IASB issued a new Standard, IFRS 16. The objective of the project was to develop a new Leases Standard that sets out the principles that both parties to a contract, i.e. the customer ('lessee') and the supplier ('lessor'), apply to provide relevant information about leases in a manner that faithfully represents those transactions. To meet this objective, a lessee is required to recognise assets and liabilities arising from a lease. The Group will examine the impact of the above on its Financial Statements, though it is not expected to have any. The above have not been adopted by the European Union.

Amendments to IAS 12: " Recognition of Deferred Tax Assets for Unrealized Losses" (effective for annual periods starting on or after 01/01/2017)

In January 2016, the IASB published narrow scope amendments to IAS 12. The objective of the amendments is to clarify the accounting for deferred tax assets for unrealized losses on debt instruments measured at fair value. The Group will examine the impact of the above on its Financial Statements, though it is not expected to have any. The above have not been adopted by the European Union.

Amendments to IAS 7: "Disclosure Initiative" (effective for annual periods starting on or after 01/01/2017)

In January 2016, the IASB published narrow scope amendments to IAS 7. The objective of the amendments is to enable users of financial statements to evaluate changes in liabilities arising from financing activities. The amendments will require entities to provide disclosures that enable investors to evaluate changes in liabilities arising from financing activities, including changes arising from cash flows and non-cash changes. The Group will examine the impact of the above on its Financial Statements, though it is not expected to have any. The above have not been adopted by the European Union.

Clarification to IFRS 15 "Revenue from Contracts with Customers" (effective for annual periods starting on or after 01/01/2018)

In April 2016, the IASB published clarifications to IFRS 15. The amendments to IFRS 15 do not change the underlying principles of the Standard, but clarify how those principles should be applied. The amendments clarify how to identify a performance obligation in a contract, how to determine whether a company is a principal or an agent and how to determine whether the revenue from granting a license should be recognized at a point in time or over time. The Group will examine the impact of the above on its Financial Statements, though it is not expected to have any. The above have not been adopted by the European Union.

Amendment to IFRS 2: "Classification and Measurement of Share-based Payment Transactions" (effective for annual periods starting on or after 01/01/2018)

In June 2016, the IASB published narrow scope amendment to IFRS 2. The objective of this amendment is to clarify how to account for certain types of share-based payment transactions. More specifically, the amendments provide requirements on the accounting for the effects of vesting and non-vesting conditions on the measurement of cash-settled share-based payments, for share-based payment transactions with a net settlement feature for withholding tax obligation, as well as, a modification to the terms and conditions of a share-based payment that changes the classification of the transaction from cash-settled to equity-settled. The Group will examine the impact of the above on its Financial Statements, though it is not expected to have any. The above have not been adopted by the European Union.

Amendments to IFRS 4: "Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts" (effective for annual periods starting on or after 01/01/2018)

In September 2016, the IASB published amendments to IFRS 4. The objective of the amendments is to address the temporary accounting consequences of the different effective dates of IFRS 9 Financial Instruments and the forthcoming insurance contracts Standard. The amendments to existing requirements of IFRS 4 permit entities whose predominant activities are connected with insurance to defer the application of IFRS 9 until 2021 (the "temporary exemption") and also permit all issuers of insurance contracts to recognize in other comprehensive income, rather than profit or loss, the volatility that could arise when IFRS 9 is applied before the new insurance contracts Standard is issued (the "overlay approach"). The Group will examine the impact of the above on its Financial Statements, though it is not expected to have any. The above have not been adopted by the European Union.

Annual Improvements to IFRSs – 2014-2016 Cycle (effective for annual periods starting on or after 01/01/2017 and 01/01/2018)

In December 2016, the IASB issued Annual Improvements to IFRSs – 2014-2016 Cycle, a collection of amendments to IFRSs, in response to several issues addressed during the 2014-2016 cycle. The issues included in this cycle are the following: IFRS 12: Clarification of the scope of the Standard, IFRS 1: Deletion of short-term exemptions for first-time adopters, IAS 28: Measuring an associate or joint venture at fair value. The amendments are effective for annual periods beginning on or after 1 January 2017 for IFRS 12, and 1 January 2018 for IFRS 1 and IAS 28. The Group will examine the impact of the above on its Financial Statements, though it is not expected to have any. The above have not been adopted by the European Union.

IFRIC 22 "Foreign Currency Transactions and Advance Consideration" (effective for annual periods starting on or after 01/01/2018)

In December 2016, the IASB issued a new Interpretation, IFRIC 22. IFRIC 22 provides requirements about which exchange rate to use in reporting foreign currency transactions (such as revenue transactions) when payment is made or received in advance. The Group will examine the impact of the above on its Financial Statements, though it is not expected to have any. The above have not been adopted by the European Union.

Amendments to IAS 40: "Transfers of Investment Property" (effective for annual periods starting on or after 01/01/2018)

In December 2016, the IASB published narrow-scope amendments to IAS 40. The objective of the amendments is to reinforce the principle for transfers into, or out of, investment property in IAS 40, to specify that (a) a transfer into, or out of investment property should be made only when there has been a change in use of the property, and (b) such a change in use would involve the assessment of whether the property qualifies as an investment property. That change in use should be supported by evidence. The Group will examine the impact of the above on its Financial Statements, though it is not expected to have any. The above have not been adopted by the European Union.

IFRS 17 "Insurance Contracts" (effective for annual periods starting on or after 01/01/2021)

In May 2017, the IASB issued a new Standard, IFRS 17, which replaces an interim Standard, IFRS 4. The aim of the project was to provide a single principle-based standard to account for all types of insurance contracts, including reinsurance contracts that an insurer holds. A single principle-based standard would enhance comparability of financial reporting among entities, jurisdictions and capital markets. IFRS 17 sets out the requirements that an entity should apply in reporting information about insurance contracts it issues and reinsurance contracts it holds The Group will examine the impact of the above on its Financial Statements, though it is not expected to have any. The above have not been adopted by the European Union.

IFRIC 23 "Uncertainty over Income Tax Treatments" (effective for annual periods starting on or after 01/01/2019)

In June 2017, the IASB issued a new Interpretation, IFRIC 23. IAS 12 "Income Taxes" specifies how to account for current and deferred tax, but not how to reflect the effects of uncertainty. IFRIC 23 provides requirements that add to the requirements in IAS 12 by specifying how to reflect the effects of uncertainty in accounting for income taxes. The Group will examine the impact of the above on its Financial Statements, though it is not expected to have any. The above have not been adopted by the European Union.

8.4 Pro forma figure "Operating Earnings before Financial & Investment results, Tax, Depreciation & Amortization" (Group EBITDA)

Pro forma figures (EBITDA, EBITDA margin, free cash flow, net debt) are not governed by the International Financial Reporting Standards (IFRS). Thus, these figures are calculated and presented by the Group in a way that provides a more fair view of the financial performance of its Business Sectors. The Group defines "Group EBITDA" as the Operating earnings before any interest income and expenses, investment results, depreciation, amortization and before the effects of any special factors. "Group EBITDA" is an important indicator used by Mytilineos Group to manage the Group's operating activities and to measure the performance of the individual segments.

The special factors that affect the Group's net profit / (losses) and EBITDA are the following:
a) the share in the EBITDA of associates when these are active in one of the Group's reported Business Sector and
b) the effects of eliminations of any profit or loss from asset construction transactions of the Group with the associates.

It is noted that the Group financial statements, prepared according to IAS 1 and IAS 28, include:

The Group's profit realized in connection with the construction of fixed assets on account of subsidiaries and associates, when these are active in one of its reported Business Segments. Such profits are deducted from the Group's equity and fixed assets and released in the Group accounts over the same period as depreciation is charged. Consequently, for the calculation of EBITDA (operational results before depreciation), the Group does not eliminate the profit from the construction of fixed assets as its recovery through their use will effect only the profit after depreciation.

The Group states that the calculation of "Group EBITDA" may differ from the calculation method used by other companies/groups. However, "Group EBITDA" is calculated with consistency in each financial reporting period and any other financial analysis presented by the Group. Specifically financial results contain interest income/expense, while investment results contain gains/loss of financial assets at fair value through profit and loss, share of results in associates companies and gains/losses from the disposal of financial assets (such as subsidiaries and associates).

8.5 Group Structure and method of Consolidation

Group companies, included in the consolidated financial statements are:

	NAME OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES	COUNTRY OF INCORPORATION	PERCENTAGE	CONSOLIDATION METHOD
1	**MYTILINEOS S.A.**	**Greece**	**Parent**	
2	SERVISTEEL	Greece	99,98%	Full
3	RODAX ROMANIA SRL	Romania	100,00%	Full
4	ELEMKA S.A.	Greece	83,50%	Full
5	DROSCO HOLDINGS LIMITED	Cyprus	83,50%	Full
6	BRIDGE ACCESSORIES & CONSTRUCTION SYSTEMS S.A.	Greece	62,63%	Full
7	METKA BRAZI SRL	Romania	100,00%	Full
8	POWER PROJECT SANAYI INSAAT TICARET LIMITED SIRKETI	Turkey	100,00%	Full
9	DELFI DISTOMON A.M.E.	Greece	100,00%	Full
10	DESFINA SHIPPING COMPANY	Greece	100,00%	Full
11	DESFINA MARINE S.A.	Marshall Islands	100,00%	Full
12	ST. NIKOLAOS SINGLE MEMBER P.C.	Greece	100,00%	Full
13	RENEWABLE SOURCES OF KARYSTIA S.A.	Greece	100,00%	Full
14	SOMETRA S.A.	Romania	92,79%	Full
15	STANMED TRADING LTD	Cyprus	100,00%	Full
16	MYTILINEOS FINANCE S.A.	Luxembourg	100,00%	Full
17	RDA TRADING	Guernsey Islands	100,00%	Full
18	MYTILINEOS BELGRADE D.O.O.	Serbia	92,79%	Full
19	MYVEKT INTERNATIONAL SKOPJE	FYROM	100,00%	Full
20	MYTILINEOS FINANCIAL PARTNERS S.A.	Luxembourg	100,00%	Full
21	MYTILINEOS INTERNATIONAL COMPANY AG "MIT Co"	Switzerland	100,00%	Full
22	GENIKI VIOMICHANIKI S.A.	Greece	Joint Management	Full
23	DELTA PROJECT CONSTRUCT SRL	Romania	95,01%	Full
24	DELTA ENERGY S.A.	Greece	90,03%	Full
25	FOIVOS ENERGY S.A.	Greece	90,03%	Full
26	HYDROHOOS S.A.	Greece	90,03%	Full
27	HYDRIA ENERGY S.A.	Greece	90,03%	Full
28	EN.DY. S.A.	Greece	90,03%	Full
29	THESSALIKI ENERGY S.A.	Greece	90,03%	Full
30	NORTH AEGEAN RENEWABLES	Greece	100,00%	Full
31	MYTILINEOS HELLENIC WIND POWER S.A.	Greece	80,00%	Full
32	AIOLIKI ANDROU TSIROVLIDI S.A.	Greece	80,20%	Full
33	MYTILINEOS AIOLIKI NEAPOLEOS S.A.	Greece	80,20%	Full
34	AIOLIKI EVOIAS PIRGOS S.A.	Greece	80,20%	Full
35	AIOLIKI EVOIAS POUNTA S.A.	Greece	80,20%	Full
36	AIOLIKI EVOIAS HELONA S.A.	Greece	80,20%	Full
37	AIOLIKI ANDROU RAHI XIROKABI S.A.	Greece	80,20%	Full
38	METKA AIOLIKA PLATANOU S.A.	Greece	80,20%	Full
39	AIOLIKI SAMOTHRAKIS S.A.	Greece	100,00%	Full
40	AIOLIKI EVOIAS DIAKOFTIS S.A.	Greece	80,20%	Full
41	AIOLIKI SIDIROKASTROU S.A.	Greece	80,20%	Full
42	HELLENIC SOLAR S.A.	Greece	100,00%	Full
43	SPIDER S.A.	Greece	100,00%	Full
44	GREEN ENERGY A.E.	Bulgaria	80,00%	Full
45	MOVAL S.A.	Greece	100,00%	Full
46	PROTERGIA THERMOELEKTRIKI S.A.	Greece	100,00%	Full
47	ANEMOSTRATA RENEWABLE ENERGY SOURCES S.A.	Greece	100,00%	Full
48	ANEMODRASI RENEWABLE ENERGY SOURCES S.A.	Greece	100,00%	Full
49	ANEMORAHI RENEWABLE ENERGY SOURCES S.A.	Greece	100,00%	Full
50	ANEMOSKALA RENEWABLE ENERGY SOURCES S.A.	Greece	100,00%	Full
51	HORTEROU S.A.	Greece	100,00%	Full
52	KISSAVOS DROSERI RAHI S.A.	Greece	100,00%	Full
53	KISSAVOS PLAKA TRANI S.A.	Greece	100,00%	Full
54	KISSAVOS FOTINI S.A.	Greece	100,00%	Full
55	AETOVOUNI S.A.	Greece	100,00%	Full
56	LOGGARIA S.A.	Greece	100,00%	Full
57	IKAROS ANEMOS SA	Greece	100,00%	Full
58	KERASOUDA SA	Greece	100,00%	Full
59	AIOLIKH ARGOSTYLIAS A.E.	Greece	100,00%	Full
60	M & M GAS Co S.A.	Greece	50,00%	Full
61	J/V METKA – TERNA	Greece	10,00%	Equity
62	KORINTHOS POWER S.A.	Greece	65,00%	Full
63	KILKIS PALEON TRIETHNES S.A.	Greece	100,00%	Full
64	ANEMOROE S.A.	Greece	100,00%	Full
65	PROTERGIA ENERGY S.A.	Greece	100,00%	Full
66	SOLIEN ENERGY S.A.	Greece	100,00%	Full
67	OSTENITIS S.A.	Greece	100,00%	Full
68	THERMOREMA S.A.	Greece	40,00%	Equity
69	FTHIOTIKI ENERGY S.A.	Greece	35,00%	Equity
70	METKA RENEWABLES LIMITED	Cyprus	100,00%	Full
71	IONIA ENERGY S.A.	Greece	49,00%	Equity
72	AIOLIKH TRIKORFON S.A.	Greece	100,00%	Full
73	MAKRYNOROS ENERGEIAKH S.A.	Greece	100,00%	Full
74	RIVERA DEL RIO	Panama	50,00%	Full
75	METKA-EGN LTD	Cyprus	50,10%	Full
76	METKA-EGN LTD	England	50,10%	Full
77	METKA-EGN SpA	Chile	50,10%	Full
78	METKA-EGN USA LLC	Puerto Rico	50,10%	Full
79	METKA POWER WEST AFRICA LIMITED	Nigeria	100,00%	Full
80	METKA INTERNATIONAL LTD	United Arab Emirates	100,00%	Full
81	METKA POWER INVESTMENTS	Cyprus	100,00%	Full
82	HIGH POINT SOLAR LIMITED	England	50,10%	Full
83	GREEN LANE SOLAR LIMITED	England	50,10%	Full
84	NORTH TENEMENT SOLAR LIMITED	England	50,10%	Full
85	SEL PV 09 LIMITED	England	50,10%	Full
86	INTERNATIONAL POWER SUPPLY AD	Bulgaria	10,00%	Equity
87	AURORA VENTURES	Marshal Islands	100,00%	Full
88	LION VENTURES COMPANY	Marshal Islands	100,00%	Full
89	SPLENDOR MARINE S.A.	Marshal Islands	100,00%	Full
90	SYMBOL HOLDING LTD	Marshal Islands	100,00%	Full
91	ESPRIT SHIP MANAGEMENT CO.	Marshal Islands	100,00%	Full
92	PLEASURE FINANCE COMPANY	Marshal Islands	100,00%	Full
93	CHARM SHIPTRADE CORP.	Marshal Islands	100,00%	Full
94	EXPEDITION ENTREPRISES LTD	Marshal Islands	100,00%	Full
95	SEALAND MARINE CORP.	Marshal Islands	100,00%	Full
96	UNIQUE SHIPTRADE S.A.	Marshal Islands	100,00%	Full
97	MELODIA VENTURES S.A.	Marshal Islands	100,00%	Full
98	REGION CONSULTING S.A.	Marshal Islands	100,00%	Full
99	VERA SHIPTRADE CORP.	Marshal Islands	100,00%	Full

8.5.1 Foundation & Acquisition

- During the presented period of 2017, the 100% Group's subsidiary company Power Projects LTD founded AURORA VENTURES LTD in Marshall Islands
- AURORA VENTURES founded the companies VICTORY HOLDING, LIONS VENTURES, SYMBOL HOLDING LTD, PLEASURE FINANCE COMPANY, EXPEDITION ENTERPRISES LTD, UNIQUE SHIPTRADE S.A. and REGION CONSULTING S.A. located in the Marshall Islands with a 100% participation
- VICTORY HOLDING founded THAYER MARITIME LTD in the Marshall Islands with a 100% participation
- LION VENTURES COMPANY founded SPLENDOR MARITIME S.A. in the Marshall Islands with a 100% participation
- SYMBOL HOLDING LTD founded ESPRIT SHIP MANAGEMENT CO in the Marshall Islands with a 100% participation
- PLEASURE FINANCE COMPANY founded CHARM SHIPTRADE CORP in the Marshall Islands with a 100% participation
- EXPEDITION ENTERPRISES LTD founded SEALAND MARINE CORP in the Marshall Islands with a 100% participation
- UNIQUE SHIPTRADE founded MELODIA VENTURES S.A. in the Marshall Islands with a 100% participation
- REGION CONSULTING founded VERA SHIPTRADE CORP in the Marshall Islands with a 100% participation

The newly founded companies will be consolidated in the Group's financial statements using the full consolidation method

8.5.2 Other changes

- On 09.06.2017, the 90,03% Group's subsidiary DELTA ENERGY SA signed a transfer agreement of the total number of shares of its 100% subsidiary SMALL HYDROELECTRIC STATIONS PELOPONNESE S.A.
- On 20.06.2017 subsidiary ELECTRON WATT was sold
- BUSINESS ENERGY OF TRIZINIA is eliminated for the Group's structure table as it is fully consolidated by its affiliate company IONIA ENERGY S.A.
- In June 2017, the 100% Group's subsidiary POWER PROJECTS, sold the companies VICTORY HOLDING and THAYER MARITIME.

8.6 Significant information

- On 21.07.2017, MYTILINEOS (under its identity as legal successor of METKA due to merger) announced that is pleased to announce that it has concluded an agreement with the General Authority for Electricity and Renewable Energy of Libya (GAEREL) to carry out the engineering, procurement and construction (EPC) contract for a new power plant in Tobruk, Libya. The project, with total output of more than 500MW, includes the supply and installation of 3 General Electric GT13E2 gas turbines in open cycle configuration, together with all associated balance of plant equipment and a 220/66kV substation. The contract value for MYTILINEOS amounts to $380 million. The contract is subject to final approval from the responsible state authorities in Libya, and will only become effective upon opening of an irrevocable letter of credit confirmed by 1st class international bank. The project will be carried out on a fasttrack schedule so that the first gas turbine will be ready to connect to the grid within 9 months from commencement, and the second and third gas turbines will be ready for connection within 10 and 11 months respectively. This is METKA's first major project in Libya and emphasizes the company's commitment towards supporting markets with critical needs for power. This is MYTILINEOS' first major project in Libya and emphasizes the company's commitment towards supporting markets with critical needs for power.

- On 14.02.2017, MYTILINEOS (under its identity as legal successor of Aluminium of Greece due to merger) and General Electric signed a 10-year agreement, to implement global first-of-their-kind digital smelter solutions for AOG to enhance its aluminium smelting process and contribute to increased operational efficiency and productivity.
- Following the BoD decisions of 23.03.2017, the AGM decisions of MYTILINEOS S.A. and METKA S.A of 01.06.2017 and AGM decisions of ALUMINIUM OF GREECE, PROTERGIA and PROTERGIA AGIOS NIKOLAOS POWER S.A of 06.06.2017 as well as the as the BoD Report on the merger in line with article 69 paragraph 4 of Law 2190/1920 and the article 4.1.4.1.3 of the Athens Exchange Rulebook, all the aforementioned companies have approved the corporate restructuring by absorption of METKA, ALUMINIUM OF GREECE, PROTERGIA and PROTERGIA AGIOS NIKOLAOS POWER S.A by MYTILINEOS.

It shall be noted that on 06.07.2017 , the merger was approved by the Ministry of Economy and Development.
Said corporate restructuring has no effect on the control of MYTILINEOS. On a Group level, the sole change is the conversion of METKA's non-controlling shareholders, to shareholders of the new entity.

- On 23.06.2017, the completion of the Public Offer of the bonds of MYTILINEOS was announced. A total of 300,000 common, bearer bonds of the Company with a nominal value of €1,000 each (the Bonds) have been allocated and as a result capital of an amount of €300,000,000 has been raised. The total demand from investors that participated in the Public Offer was €740.8 m. The final yield has been set at 3.10%, the Bonds interest rate at 3.10% and the offer price of the Bonds at €1,000 each, namely 100% of the nominal value.
- On 30.06.2017, MYTILINEOS (under its identity as legal successor of METKA due to merger) announced the signature of a new EPC contract with Early Power Limited (EPL), Consortium consisting of Endeavor Energy, a leading independent power development and generation company focused on Africa, Sage, a leading independent Ghanaian energy trading firm, and General Electric, for a new power plant in Ghana. The Bridge Power project (stage 1) will be executed through MYTILINEOS' 100% subsidiary Power Projects Limited, and its scope includes the engineering, procurement, construction and commissioning of a 200 MW power project being fueled by LPG, Natural Gas and Diesel. This is MYTILINEO's third major project in Ghana and the contract value is approximately 363$ million.

8.7 Impairments testing of goodwill and intangible assets

On 30/06/2017 the Group analyzed the sensitivity of recoverable amount in relation to a reasonable or possible change in some of key assumptions which were disclosed in the financial statements for the year ended 31 December 2016 (discount rate or growth rate). Sensitivity analysis was based upon some basic assumptions regarding to:

- Discount rate
- Growth rate
- Fx rate €/$
- Metal prices in LME
- Oil prices

This analysis doesn't indicate that the Group's carrying amount of Cash Generating Units exceeds the recoverable amount.

8.8 Stock

	MYTILINEOS GROUP	
(Amounts in thousands €)	**30/06/2017**	**31/12/2016**
Raw materials	48.103	164.838
Semi-finished products	827	898
Finished products	27.619	20.451
Work in Progress	31.004	30.008
Merchandise	426	490
Others	44.702	43.155
Total	**152.682**	**259.841**
(Less)Provisions for scrap, slow moving and/or destroyed inventories:	(2.432)	(2.432)
Total Stock	**150.250**	**257.409**

On 31/12/2016 Group stock related to EPC equipment had not been consumed. Said equipment was consumed during the reported period of six months 2017.

8.9 Cash and Cash equivalents

	MYTILINEOS GROUP		MYTILINEOS S.A.	
(Amounts in thousands €)	**30/06/2017**	**31/12/2016**	**30/06/2017**	**31/12/2016**
Cash	928	859	826	9
Bank deposits	66.664	170.353	19.034	327
Time deposits & Repos	33.125	26.672	32.901	-
Total	**100.717**	**197.884**	**52.761**	**336**

The weighted average interest rate is as:	**30/06/2017**	**31/12/2016**
Deposits in Euro	0,33%	0,15%

8.10 Loans

(Amounts in thousands €)	MYTILINEOS GROUP 30/06/2017	MYTILINEOS GROUP 31/12/2016	MYTILINEOS S.A. 30/06/2017	MYTILINEOS S.A. 31/12/2016
Long-term debt				
Bank loans	1.307	1.465	-	-
Bonds	479.608	427.186	342.841	5.250
Expenses on bond loan	(5.097)	-	(5.097)	-
Total	**475.818**	**428.650**	**337.744**	**5.250**
Short-term debt				
Overdraft	8.581	65.319	3.454	15.363
Bank loans	82.449	70.715	45.088	-
Bonds	33.270	82.979	33.270	-
Total	**124.300**	**219.012**	**81.813**	**15.363**
Current portion of non-current liabilities	151.227	168.513	117.566	3.468
Total	**751.345**	**816.175**	**537.123**	**24.081**

8.11 Discontinued operations

The Group, since 2009, applies IFRS 5 "Non-current assets held for sale & discontinued operations", and presents separately the assets and liabilities of the subsidiary company SOMETRA S.A., following the suspension of the production activity of the Zinc-Lead production plant in Romania, and presents also the amounts recognized in the income statement separately from continuing operations. Given the global economic recession, there were no feasible scenarios for the alternative utilization of the aforementioned financial assets.

From 2011 and on, by applying par. 13 of IFRS 5 "Non-current assets Held for Sale", the Zinc-Lead production ceases to be an asset held for sale and is considered as an asset to be abandoned. The assets of the disposal group to be abandoned are presented within the continuing operations while the results as discontinued operations.

In December 2015, SOMETRA S.A., contributed the Zinc-Lead activity, through a spin – off process, to its newly established subsidiary Reycom Recycling S.A. (REYCOM). The said spin - off is part of the "Mytilineos Group" restructuring process, regarding the Zinc-Lead discontinued operation, targeting on the production of Zn & Pb oxides through the development of a recycling operation of metallurgical residues.

(Amounts in thousands €)	**1/1-30/06/2017**	**1/1-30/06/2016**
Sales	**1.503**	**0**
Cost of sales	916	(0)
Gross profit	**587**	**0**
Other operating income	479	338
Distribution expenses	(91)	(41)
Administrative expenses	(1.330)	(410)
Other operating expenses	(401)	(408)
Earnings before interest and income tax	**(756)**	**(520)**
Financial expenses	(23)	(9)
Profit before income tax	**(779)**	**(529)**
Profit for the period	**(779)**	**(529)**

8.12 Encumbrances

Group’s assets are pledged for an amount of 386,02 m € and other encumbrances of 158,9m€ as bank debt collateral.

8.13 Commitments

Group’s commitments due to construction contracts are as follows:

	MYTILINEOS GROUP		MYTILINEOS S.A.	
(Amounts in thousands €)	30/06/2017	31/12/2016	30/06/2017	31/12/2016
Commitments from construction contracts				
Value of pending construction contracts	1.122.389	1.040.347	726.827	-
Granted guarantees of good performance	463.347	336.364	463.324	-
Total	**1.585.736**	**1.376.711**	**1.190.151**	**-**

8.14 Operating Leases

	MYTILINEOS GROUP		MYTILINEOS S.A.	
(Amounts in thousands €)	30/06/2017	30/06/2016	30/06/2017	30/06/2016
Until 1 year	4.249	4.436	3.314	287
1 to 5 years	15.103	16.036	10.873	996
> 5 years	11.577	9.926	3.449	109
Total Operating Lease	**30.929**	**30.398**	**17.636**	**1.392**

8.15 Contingent Assets & Contingent Liabilities

Disclosures related to contingent liabilities

	COMPANY	YEARS NOT INSPECTED BY TAX AUTHORITIES
1	SERVISTEEL	2010
2	RODAX BRAZI SRL, Bucharest, Romania	2009-2016
3	ELEMKA S.A., Maroussi, Athens	2010
4	DROSCO HOLDINGS LIMITED, Cyprus	2003-2016
5	BRIDGE ACCESSORIES & CONSTRUCTION SYSTEMS S.A., Maroussi, Athens	2010 & 2014-2016
6	METKA BRAZI SRL, Bucharest, Romania	2008-2016
7	POWER PROJECTS, Turkey	2010-2016
8	DELFI DISTOMON A.M.E.	2006-2010
9	DESFINA SHIPPING COMPANY	2010 - 2016
10	DESFINA MARINE S.A.	2013-2016
11	ST. NIKOLAOS SINGLE MEMBER P.C.	2014-2016
12	RENEWABLE SOURCES OF KARYSTIA S.A.	2010
13	SOMETRA S.A., Sibiu, Romania	2003-2016
14	STANMED TRADING LTD, Cyprus	2011-2016
15	MYTILINEOS FINANCE S.A., Luxemburg	2007-2016
16	RDA TRADING, Guernsey Islands	2007-2016
17	MYTILINEOS BELGRADO D.O.O., Serbia	1999-2016
18	MYVEKT INTERNATIONAL SKOPJE	1999-2016
19	MYTILINEOS FINANCIAL PARTNERS S.A.	2011-2016
20	MYTILINEOS INTERNATIONAL COMPANY AG "MIT Co"	2013-2016
21	GENIKI VIOMICHANIKI S.A., Maroussi, Athens	2014-2016
22	DELTA PROJECT CONSTRUCT SRL, Bucharest, Romania	2005-2016
23	DELTA ENERGY S.A., Moshato, Athens	2010 & 2014-2016
24	FOIVOS ENERGY S.A., Amfiklia Fthiotidas	2010 & 2014-2016
25	HYDROCHOOS S.A., Moshato, Athens	2010 & 2016
26	HYDRIA ENERGY S.A., Moshato, Athens	2010 & 2014-2016
27	EN.DY. S.A., Moshato, Athens	2010 & 2014-2016
28	THESSALIKI ENERGY S.A., Moshato, Athens	2010 & 2014-2016
29	NORTH AEGEAN RENEWABLES, Maroussi, Athens	2010 & 2014-2016
30	MYTILINEOS HELLENIC WIND POWER S.A., Maroussi, Athens	2010
31	AIOLIKI ANDROU TSIROVLIDI S.A.,Maroussi,Athens	2010 & 2014-2015
32	MYTILINEOS AIOLIKI NEAPOLEOS S.A., Maroussi, Athens	2010 & 2014-2016
33	AIOLIKI EVOIAS PIRGOS S.A., Maroussi, Athens	2010 & 2014-2016
34	AIOLIKI EVOIAS POUNTA S.A., Maroussi, Athens	2010 & 2014-2016
35	AIOLIKI EVOIAS HELONA S.A., Maroussi, Athens	2010 & 2014-2016
36	AIOLIKI ANDROU RAHI XIROKABI S.A., Maroussi, Athens	2010 & 2014-2016
37	METKA AIOLIKA PLATANOU S.A., Maroussi, Athens	2010 & 2014-2016
38	AIOLIKI SAMOTHRAKIS S.A., Maroussi, Athens	2010 & 2014-2016
39	AIOLIKI EVOIAS DIAKOFTIS S.A., Maroussi, Athens	2010 & 2014-2016
40	AIOLIKI SIDIROKASTROU S.A., Maroussi, Athens	2010
41	HELLENIC SOLAR S.A., Maroussi Athens	2010
42	SPIDER S.A., Maroussi Athens	2010 & 2014-2016
43	GREEN ENERGY A.E.	2007-2010 & 2014-2016
44	MOVAL S.A.	1/7/2009-30/6/2010 & 2014-2016
45	PROTERGIA THERMOELECTRIC S.A	1/7/2009-30/6/2010 & 2014-2016
46	ANEMOSTRATA RENEWABLE ENERGY SOURCES S.A.	2009 - 2010 & 2014-2016
47	ANEMODRASI RENEWABLE ENERGY SOURCES S.A.	2009 - 2010 & 2014-2016
48	ANEMORAHI RENEWABLE ENERGY SOURCES S.A.	2009 - 2010 & 2014-2016
49	ANEMOSKALA RENEWABLE ENERGY SOURCES S.A.	2009 - 2010 & 2014-2016
50	HORTEROU S.A.	2010 & 2014-2016
51	KISSAVOS DROSERI RAHI S.A.	2010 & 2014-2016
52	KISSAVOS PLAKA TRANI S.A.	2010 & 2014-2016
53	KISSAVOS FOTINI S.A.	2010 & 2014-2016
54	AETOVOUNI S.A.	2010 & 2014-2016
55	LOGGARIA S.A.	2010 & 2014-2016
56	IKAROS ANEMOS S.A.	2014-2016
57	KERASOUDA S.A.	2014-2016
58	AIOLIKI ARGOSTYLIAS S.A.	2014-2016
59	J/V METKA - TERNA	2009-2016
60	KORINTHOS POWER S.A.	2010
61	KILKIS PALEON TRIETHNES S.A.	2010 & 2014-2016
62	ANEMOROE S.A.	2010 & 2014-2016
63	PROTERGIA ENERGY S.A.	2010 & 2014-2016
64	SOLIEN ENERGY S.A.	2007-2011 & 2014-2016
65	OSTENITIS S.A.	2010 & 2014
66	THERMOREMA S.A., Moshato, Athens	2007-2016
67	FTHIOTIKI ENERGY S.A., Moshato, Athens	2003-2016
68	METKA RENEWABLES LIMITED	2015-2016
69	IONIA ENERGY S.A., Moshato, Athens	2010-2011, 2013-2016
70	AIOLIKH TRIKORFON S.A.	2008-2014
71	MAKRYNOROS ENERGEIAKH S.A.	2008-2016
72	RIVERA DEL RIO	2015-2016
73	METKA-EGN LTD (CYPRUS)	2015-2016
74	METKA-EGN LTD (ENGLAND)	2015-2016
75	METKA -EGN SpA	2015-2016
76	METKA-EGN USA LLC	2015-2016
77	METKA POWER WEST AFRICA LIMITED	2015-2016
78	METKA INTERNATIONAL LTD	2016
79	METKA POWER INVESTMENTS	2016
80	HIGH POINT SOLAR LIMITED	2016
81	GREEN LANE SOLAR LIMITED	2016
82	NORTH TENEMENT SOLAR LIMITED	2016
83	SEL PV 09 LIMITED	2016
84	INTERNATIONAL POWER SUPPLY AD	2016
85	AURORA VENTURES	New company
86	LION VENTURES COMPANY	New company
87	SPLENDOR MARINE S.A.	New company
88	SYMBOL HOLDING LTD	New company
89	ESPRIT SHIP MANAGEMENT CO.	New company
90	PLEASURE FINANCE COMPANY	New company
91	CHARM SHIPTRADE CORP.	New company
92	EXPEDITION ENTREPRISES LTD	New company
93	SEALAND MARINE CORP.	New company
94	UNIQUE SHIPTRADE S.A.	New company
95	MELODIA VENTURES S.A.	New company
96	REGION CONSULTING S.A.	New company
97	VERA SHIPTRADE CORP.	New company

For the fiscal years that have not been inspected by the tax authorities (as reported in the above table), there is a possibility of additional tax imposition. Therefore the Group assesses, on an annual basis, the contingent liabilities regarding additional taxes from tax inspections in respect of prior years and makes relevant provisions where this is deemed necessary. The Management assesses that apart from the recorded provisions which as at 31.12.2015 amount to € 1,3mil., any tax differences that may arise in the future will not have a material impact on the financial position, results and cash flows of the Group.

For the fiscal year 2012 and 2013, the Group companies which were subject to tax audit by statutory auditors or audit firm, received a Tax Compliance Certificate free of disputes in 2013 and 2014 accordingly.

For the 2014 and 2015 tax audit, the companies of the Group which operate in Greece have been subjected to a tax audit by Chartered Auditors according to article 65A par. 1 of law 4174/2013 and of law 4262/2014. Said tax audit has been completed during 2015 and 2016 accordingly and the tax certificates were distributed by the statutory auditors.

For fiscal year 2016, the tax audit is already being performed by the legal auditors and is not expected to bring any significant differentiation on the tax liabilities incorporated in the Financial Statements. According to the relevant recent law, the audit and issuance of tax certificates are also valid for the fiscal years starting from 2016 onwards on an optional basis.

In March 2017, the tax audit of the absorbed company METKA INDUSTRIAL – CONSTRUCTION SOCIÉTÉ ANONYME, for the fiscal years 2009 and 2010 according to Law 2238/1994, was completed. This audit resulted in additional income taxes amounting to € 377,816.24 and other taxes (stamp duty) amounting to € 2,330.16 and fines and surcharges amounting to € 57,032.48. The aforementioned additional tax liabilities resulting from the tax audit are already covered by the provisions made in the financial statements for the year 2016.

The absorbed companies "METKA INDUSTRIAL – CONSTRUCTION SOCIÉTÉ ANONYME, "ALUMINIUM OF GREECE INDUSTRIAL AND COMMERCIAL SOCIÉTÉ ANONYME" (ALUMINIUM OF GREECE), "PROTERGIA POWER GENERATION AND SUPPLIERS" (Protergia) and PROTERGIA AGIOS NIKOLAOS POWER SOCIÉTÉ ANONYME" (Protergia THERMO) (hereinafter absorbed companies) for the period from 01/01/2017 (date of commencement of the transformation) until 06/07/2017 (date of approval by the competent authorities), according to the applicable regulatory framework (article 54 of Law 4172/2013 and Circular 1057/2017) are required to submit separate income tax statements. Furthermore, the absorbed companies for that period have submitted other statements of indirect and withholding taxes in order to meet their tax obligations.

For the absorbed companies said period, on the one hand, does not fall within the scope of the special audit carried out by chartered auditors in order to obtain a tax certificate (or Report on Tax Compliance) under Article 65A of Law 4174/2013 and, on the other hand, has not been subject to control by the competent tax authorities. As a result, the tax liabilities for the period 01/01/2017 to 06/07/2017 of the absorbed companies have not been deemed definitive, the management estimates that no additional taxes and surcharges are expected to have a material effect on the financial statements.

8.16 Other Contingent Assets & Liabilities

Notes of Independent Power Transmission Operator S.A. (ADMIE)

On 17.12.2014, Independent Power Transmission Operator S.A. (IPTO or ADMIE) sent briefing notes to MYTILINEOS (henceforth the "Company") as universal successor of ALUMINIUM OF GREECE INDUSTRIAL AND COMMERCIAL SOCIETE ANONYME due to merger, requesting the issuance of a credit invoice for the amount of €17.4m relating to the Excise Tax (ET) on Gas consumed at the Combined Heat and Power (CHP) Plant for the period of 28/11/2012 until 31/10/2013 (henceforth the "Reference Period"). Said ET was invoiced to ADMIE during the aforementioned period, pursuant to its related debit notes.

In relation to the above, we note the following:

- The CHP station is a dispatchable cogeneration unit, part of which qualifies as highly efficient (High-Efficiency Combined Heat and Power/ HE-CHP) under the Code's provisions, but also under the specific operational terms which were approved by way of RAE's Decision No. 700/2012 (as amended by Decision 341/2013).

- According to Article 197(2) of Law 4001/2011, from 1/9/2011 onwards, all HE-CHP stations, regardless of their installed capacity, gain priority for the allocation of their loads. In particular, in accordance with Article 197(3) of the above Law, HE-CHP stations with an installed capacity over 35MW are to be compensated with the tariff which derives from the table displayed in Law 3468/2006, plus the Natural Gas Clause Coefficient (CC), which is calculated using the following formula: CC = 1+(AGP-26)/(100 x nel)

Where:

• AGP: the monthly mean average unitary selling price of natural gas to NG users in Greece who are also electricity customers, in €/MWh using the gross calorific value (GCV). This value is determined by the Ministry of Environment, Energy and Climate Change's Petroleum Policy Directorate and is communicated to Hellenic Transmission System Operator S.A. (HTSO or DESMIE) on a monthly basis.

• nel: the electrical efficiency of the provision for High-Efficiency CHP based on the gross calorific value (GCV) of natural gas, which is defined in accordance with the station's technical information, as reported by the relevant Operator.

The CC value cannot be lower than one (1) and is determined on a case-by-case basis by way of a decision made by the Minister of Environment, Energy and Climate Change (henceforth the "Ministerial Decision") following consultation by RAE. RAE's opinion must also take the plant's installed capacity into account, in a way so that the determined value generally decreases as the capacity increases.

Moreover, the AGP is displayed in €/MWh and includes the ET, as specified in the letter sent by the Ministry of Environment, Energy and Climate Change's Petroleum Policy Directorate on 2/11/2011.

The High-Efficiency CHP station owned by the Company has an installed capacity of 334MW, of which 134.6MW has priority in entering the system (HE-CHP) in accordance with the aforementioned decisions which approved the Specific Operational Terms. From 1/9/2011 until 31/10/2013 (which ADMIE set as the final date for settling the ET), the CC value, as defined above, had not been established because the relevant decision had not been issued by the Minister of Environment, Energy and Climate Change, despite the fact that the Regulatory Authority for Energy had issued two relevant opinions in accordance with the provisions of Article 197(2) of Law 4001/2011 (RAE 3/2012 and RAE 5/2013). Consequently, the Subsidiary's HE-CHP neither issued invoices nor received a tariff in accordance with the provisions of Law 4001/2011. Instead, following the signing of a Private Agreement between the Company and the Operator of Electricity Market (LAGIE) on 26.4.2013, HE-CHP issued temporary invoices, for the entire aforementioned period, at the minimum price which could have resulted from the application of the mathematical formula established by Law 4001/2011 (if the CC value was set at the unit price, i.e., if the AGP amounted to 26€/MWh). According to the Private Agreement, the final settlement was to take place following the establishment of the CC by way of the issuance of the relevant Ministerial Decision, so that dispatched HE-CHP energy would be compensated in accordance with the provisions of the "Supplementary Agreement for Transactions relating to Electricity from the Dispatchable High-Efficiency CHP Station" (Government Gazette B' 3108/23.11.2012) which was concluded between the Company and LAGIE on 28.11.2012.

The aforementioned provisions of Law 4001/2011, in conjunction with the provisions specified in the letter sent by the Ministry of Environment, Energy and Climate Change's Petroleum Policy Directorate, as well as the provisions of both the Company's Private Agreement with LAGIE and the "Supplementary Agreement for Transactions relating to Electricity from the Dispatchable High-Efficiency CHP Station" between the two parties, require that the Natural Gas ET is recovered to the extent that the natural gas was consumed in generating electricity. Therefore, the Company also recognized the part of the Natural Gas ET which corresponded to consumptions made in generating useful heat (steam for the Alumina production process) as a liability (deducted from ADMIE's receivables balance), the total value of which amounted to €9.1m.

Regarding the remaining balance of ADMIE's relevant briefing note, which amounts to €8.3m and relates to the Natural Gas ET which corresponded to consumptions for electricity generation (HE- CHP), it is noted that this does not constitute a liability for the Company. Specifically, in accordance with IAS 37, "a liability is a present obligation of the entity arising from past events, the settlement of which is expected to result in an outflow from the entity of resources embodying economic benefits". Based on the above and given that the Company has not received a final compensatory price for the Period (by way of the CC, see above), while, based on the Private Agreement between the Company and LAGIE, the final settlement will take place following the issuance of the relevant Ministerial Decision regarding the establishment of the CC (which has not been issued), the Company believes that it has no commitment which would legally constitute an obligation to return the amount of €8.3m. A relevant liability may arise once the aforementioned Ministerial Decision regarding the establishment of the CC is issued, in which case the Company estimates that the final compensation that it will receive for electricity dispatched to the system as High-Efficiency CHP will exceed the amount of €8.3m. Therefore, it is not expected that a loss will result for the Company .

Finally, in respect of the final settlement of the CHP pricing for 2013 it is noted that, on the 4th of June 2015 the Company, sent a letter to the Operator of the Electricity Market (LAGHE) asking the convene of the Dispute Settlement Committee as provided in the article 16 p. 2 of the “Supplementary Agreement for Transactions relating to Electricity from the Dispatchable High-Efficiency CHP Station” signed between the parties. The dispute in consideration concerns the imposition of a 10% special tax plus an extra 10% of one-off discount on tariffs, both regarding the financial year 2013.

Following negotiations, the parties have reached a mutually acceptable draft arbitration agreement, so as to jointly apply for the resolution of the dispute by the special arbitration of the Regulatory Authority for Energy (RAE), in accordance with article 37 of L.4001/2011. The approval of the arbitration agreement by the board of directors of the companies is expected, in order to appoint arbitrators and the third arbitrator and the arbitration procedure to be initiated.

According to IAS 37.14: A provision shall be recognised when:

(a) an entity has a present obligation (legal or constructive) as a result of a past event;

(b) it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and

(c) a reliable estimate can be made of the amount of the obligation.

If these conditions are not met, no provision shall be recognised.

No provision has been made for this matter, since according to the relevant opinions of the Company's legal advisers and the management of the Company: (a) the existence of a commitment has not yet been finalized; and (b) there is no probability that there will be an outflow of financial resources.

State aid in favour of MYTILINEOS (as universal successor of ALUMINIUM OF GREECE INDUSTRIAL AND COMMERCIAL SOCIETE ANONYME due to merger), Decision of the European Commission

In October 2011, the Company (in its capacity as universal successor of ALUMINIUM OF GREECE INDUSTRIAL AND COMMERCIAL SOCIETE ANONYME due to merger) instituted proceedings before the General Court of the European

Union against the European Commission's decision of 13.07.2011 that ordered the recovery from the Company of state aid received by the latter amounting to approximately €17.5m (plus interest currently at around 4.5 million EUR)). This amount represents the European Commission's assessment of the difference between the market electricity price and the price paid by the Company to PPC following the relevant interim measures decision, for the period January 2007 to March 2008.

The appeal was granted for purely procedural reasons by virtue of the General Court's decision on 8.10.2014 on case T-542/11. The decision did not assess the substance of the case.

PPC, who intervened to the case, submitted an appeal against this decision. The appeal was granted by the European Union Court's decision of 26.10.2016 on case C-590/14P.

Further to the aforementioned, the case (T-524/11 RENV) is pending before the General Court of the European Union, which will examine the substantive reasons, for which the Company seeks annulment of the European Commission's decision dated 13.07.2011. It is noted that the pending appeal has no suspensive effect. The Company has the right to apply for suspension before the General Court of the European Union. However, until a decision is issued, accepting any application for suspension, the European Commission's decision constitutes a valid and enforceable legal title for recovery under Greek law. It should also be noted that if the Greek State seeks recovery from the Company through an enforcement proceeding, of the amount awarded by the European Commission as constituting unlawful State aid, the Company has the right to bring legal proceedings (opposition and application for suspension) before the Greek courts. The Company questions the correctness of the classification by the European Commission as State aid, of the difference between the market price of the electricity sold and that paid by the Company to PPC for the period January 2007-March 2008. This is because, according to the Company, PPC invoicing to it for the electricity supplied to it by PPC cannot be the same with that for the balance of industrial consumers, since the Company is the best customer (in terms of consumption profile) of PPC. To support this view, the Company claims that it has recently signed with PPC a long-term electricity procurement contract with an entirely specialized tariff, which is significantly lower than the average industrial tariff. In addition, the Company claims that the European Commission no longer has any interest in the outcome of this case, as evidenced by the fact that it has not appealed against the decision of the General Court of the European Commission, which annulled its decision dated 13.07. 2011.

However, the European Commission, in a recent letter, insists on the obligation to (temporarily) recover the amount from the competent authorities of the Hellenic Republic, a letter to which PPC referred, in May 2017 to claim recovery of the amount from the Company.

The final judgment on the nature of the difference in the selling price of electricity as illegal or non-State aid, lies with the Courts of the European Union, before which the case is pending.

According to IAS 37.14: A provision shall be recognised when:

(a) an entity has a present obligation (legal or constructive) as a result of a past event;

(b) it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and

(c) a reliable estimate can be made of the amount of the obligation.

If these conditions are not met, no provision shall be recognised.

No provision has been made for this matter, since according to the relevant opinions of the Company's legal advisers and the management of the Company: (a) the existence of a commitment has not yet been finalized; and (b) there is no probability that there will be an outflow of financial resources.

DEPA claim against the Company (as universal successor of ALUMINIUM OF GREECE INDUSTRIAL AND COMMERCIAL SOCIETE ANONYME and Protergia Thermoilektriki Agiou Nikolaou Power Generation and Supply S.A. due to merger) and Korinthos Power S.A.

DEPA S.A. demands:

For the year 2014 regarding charges for the Annual Quantity Deficit (clause take or pay):

- the amount of €1,331,609.06 plus interest by the Company (as universal successor of Protergia Thermoilektriki Agiou Nikolaou Power Generation and Supply S.A.);
- The amount of €1,539,312.97 plus interest by Korinthos Power S.A.

Regarding charges that arose from the retrospective revision of the contract price due to the revision of the prices charged by DEPA's supplier, the Turkish company "BOTAS PETROLEUM PIPELINE CORPORATION":

- the amount of €6,256,309.53 plus interest €867,441 by the Company (as universal successor of Protergia Thermoilektriki Agiou Nikolaou Power Generation and Supply S.A.);
- the amount of €7,245,689.86 plus interest €1,580,818 by the Company (as universal successor of ALUMINIUM OF GREECE INDUSTRIAL AND COMMERCIAL SOCIETE ANONYME) and
- the amount of €4,653,532.99 plus interest €618,601 by Korinthos Power S.A.

The Company and Korinthos Power S.A. contested the existence of the said amounts. More specifically:

The Company (as universal successor of Protergia Thermoilektriki Agiou Nikolaou Power Generation and Supply S.A. due to merger) and Korinthos Power S.A. have already filed arbitration lawsuits against DEPA S.A. in order to resolve the aforementioned disputes.

Moreover the Company (as universal successor of ALUMINIUM OF GREECE INDUSTRIAL AND COMMERCIAL SOCIETE ANONYME) intends to file for arbitration against DEPA S.A.

The above arbitration proceedings of Company and Korinthos Power S.A. are currently ongoing. In any case, it is expected that a relevant arbitration award will be taken into account, which was issued in order to resolve a related dispute between the opposing party DEPA S.A. and another electricity producer, according to which it was held that the relevant retrospective charging of said electricity producer due to revisions to the price of natural gas in DEPA S.A.'s relation with its supplier BOTAS PETROLEUM PIPELINE CORPORATION cannot concern a period of time longer than thirty (30) months prior to the date of issuance and notification of the invoice for the retroactive revision of the contract price, and that said charge would not be burdened retroactively for the period prior to its imposition with default interest, and on this basis it is expected that there is an even greater probability of success of the claims that were respectively raised by the aforementioned companies in relation to this dispute.

Following the aforementioned, the Group has recognized a provision of possible liability of 3,9mio€, which has been taken into account for the year 2016 results.

Other Contingent Assets & Liabilities

Legal claim of the Company (as universal successor of METKA S.A. due to merger) from its supplier.

There is a pending claim of the Company (as universal successor of METKA S.A. due to merger) against a supplier amounting to € 28.1 million, which relates to compensation for poor performance.

For the above case, the defendant company has also requested arbitration against the absorbed company RODAX S.A., the cases of which are automatically taken over by the Company. Following the above request the Arbitration Court of International Chamber of Commerce (ICC) issued a final judgment, by virtue of which it held the defendant company RODAX SA equally responsible (ie 50%) for the harmful event from which the aforementioned legal claims of the Company arise. The aforesaid litigation of the Company has been scheduled at first to be heard before the Court of Livadia on 20th of April, 2017 further postponed to 02.11.2017.

Litigation with UBAF

After the termination of the agreement between the Company (as universal successor of METKA S.A. due to merger) with UBAF (Bank) to keep cash of the Company amounting to € 59,7 mil. within a term deposit account, followed the refusal of UBAF to transfer the aforementioned balance it maintained to the Company's current account. The reason of the above was the invocation of the need to use the specific amount as pledge, in case that any demands be raised, from counter guarantees that the Bank has provided, on the Company's request, in order to issue good performance guarantee letters. Following the above, the Company proceeded with the commencement of proceedings before the courts of France. The litigation addresses the legal and substantial merits of the claim by UBAF to keep that amount to a pledge account for the sake of its own assurance, without in any case UBAF questioning that the Company is the beneficiary of that amount.

Arbitration with ENTREPOSE ALGERIE SPA

ENTREPOSE ALGERIE SPA as a subcontractor of the Company (in its capacity as a universal successor of METKA S.A. as a result of merger) on the basis of a relevant contract (No A-7449) entered into on 1 June 2014, concerning the execution of part of the works relating to the construction of Hassi R'mel II power plant in Algeria, referred to arbitration against the Company before the Court of Arbitration of the International Chamber of Commerce (ICC), claiming payment of the amount of EUR 6,968,496.39 plus interest, as compensation for damage suffered on the basis of that contract. The Company (as a universal successor of METKA SA due to merger) intends to respond to the above-mentioned application for arbitration by submitting a claim against ENTREPOSE ALGERIE SPA for the payment of damages and penalties amounting to approximately EUR 8,650,000 due to non- compliance of the contractor with its contractual obligations under the same contract.

Company's other Contingent Assets & Liabilities

The Company has a pending legal claim against the Republic of Serbia for the amount of US$ 98,9 million including interest and expenses until the hearing, which relates to compensation for the damages caused to the Company as a result of the failure by "RTB BOR", a state enterprise of former Yugoslavia (now "Serbia"), to comply with obligations that the latter had contractually undertaken, and for which compensation the Republic of Serbia is also liable due to breaching its international contractual obligations. For said case, the Company filed a claim against the Republic of Serbia before an international arbitral tribunal. Following the conducting of the arbitration proceedings and the submission of pleadings by both parties outlining their claims, the arbitration proceedings were completed and the arbitral decision is currently being awaited. In its results, the Company will acknowledge the amount that may be awarded to it by the Arbitral Tribunal at the time of the expected positive outcome. The amount expected to be awarded may not be accurately assessed.

There are other potential third party claims of € 3.97 million against the Company for which no provision has been made.

According to IAS 37.14: A provision shall be recognised when:

(a) an entity has a present obligation (legal or constructive) as a result of a past event;

(b) it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and

(c) a reliable estimate can be made of the amount of the obligation.

If these conditions are not met, no provision shall be recognised.

No provision has been made for this matter, since according to the relevant opinions of the Company's legal advisers and the management of the Company: (a) the existence of a commitment has not yet been finalized; and (b) there is no probability that there will be an outflow of financial resources.

Moreover, there are claims of the Company against third parties, which totally amount to €21.85m.

8.17 Provisions

The Group's and the Company's recorded provisions as at 30.06.2017 are analyzed bellow:

MYTILINEOS GROUP

(Amounts in thousands €)	Environmental Restoration	Tax liabilities	Other	Total
1/1/2016	**1.269**	**1.315**	**12.909**	**15.492**
Additional Provisions For The Period	-	-	1.029	1.029
Exchange Rate Differences	-	-	1	1
Realised Provisions For The Period	(170)	-	(2.422)	(2.592)
31/12/2016	**1.099**	**1.315**	**11.517**	**13.930**
Long -Term	1.099	1.315	11.499	13.913
Short - Term	-	-	18	18
Merge Through Acquisition Of Subsidiary	-	365	-	365
Additional Provisions For The Period	-	7.996	574	8.570
Unrealised Reversed Provisions	-	(348)	-	(348)
Exchange Rate Differences	-	-	(1)	(1)
Realised Provisions For The Period	(55)	(434)	(773)	(1.263)
30/06/2017	**1.044**	**8.893**	**11.317**	**21.254**
Long -Term	1.044	898	11.303	13.245
Short - Term	-	7.996	13	8.009

MYTILINEOS S.A.

(Amounts in thousands €)	Environmental Restoration	Tax liabilities	Other	Total
1/1/2016	**-**	**2**	**949**	**951**
Realised Provisions For The Period	-	-	(683)	(683)
31/12/2016	**-**	**2**	**266**	**268**
Long -Term	-	2	266	268
Merge Through Acquisition Of Subsidiary	-	365	-	365
Additional Provisions For The Period	-	7.996	578	8.573
Unrealised Reversed Provisions	-	(348)	-	(348)
Realised Provisions For The Period	-	(434)	(773)	(1.208)
30/06/2017	**-**	**8.611**	**11.303**	**19.914**
Long -Term	-	8.611	11.303	19.914
Short - Term	-	7.996	-	-

Environmental Restoration. This provision represents the present value of the estimated costs to reclaim quarry sites and other similar post-closure obligations.

Tax Liabilities. This provision relates to future obligations that may result from tax audits.

Other provisions. Comprise other provisions relating to other risks none of which are individually material to the Group and to contingent liabilities arising from current commitments.

8.18 Trade Receivables

	MYTILINEOS GROUP		MYTILINEOS S.A.	
(Amounts in thousands €)	30/06/2017	31/12/2016	30/06/2017	31/12/2016
Customers	685.460	522.602	400.426	1.795
Notes receivable	300	-	-	-
Checks receivable	4.312	4.383	2.463	1.917
Less: Impairment Provisions	(6.186)	(5.923)	(3.902)	(3.603)
Net trade Receivables	**683.885**	**521.063**	**398.987**	**109**
Advances for inventory purchases	161	131	-	-
Advances to trade creditors	25.382	69.384	19.396	155
Total	**709.429**	**590.578**	**418.383**	**264**

8.19 Other Long Term Receivables

	MYTILINEOS GROUP		MYTILINEOS S.A.	
(Amounts in thousands €)	30/06/2017	31/12/2016	30/06/2017	31/12/2016
Customers - Withholding quarantees falling due after one year	148.722	187.964	44.885	-
Given Guarantees	1.813	1.732	1.360	178
Other long term receivables	12.125	10.572	8.088	-
Other Long-term Receivables	**162.660**	**200.268**	**54.333**	**178**

8.20 Trade Creditors

	MYTILINEOS GROUP		MYTILINEOS S.A.	
(Amounts in thousands €)	30/06/2017	31/12/2016	30/06/2017	31/12/2016
Suppliers	280.099	315.518	151.132	17.441
Cheques Payable	-	6	-	-
Customers' Advances	94.295	98.469	69.546	160
Liabilities to customers for project implementation	145.716	157.270	145.291	-
Total	**520.109**	**571.263**	**365.969**	**17.601**

8.21 Share Capital

MYTILINEOS HOLDINGS S.A.'s shares are freely traded on the Athens Exchange. The Company's share capital is fully paid–up and the shares have been fully paid. Upon the completion of the merger by absorption of "METKA INDUSTRIAL – CONSTRUCTION SOCIETE ANONYME" , "ALUMINIUM OF GREECE INDUSTRIAL AND COMMERCIAL SOCIETE ANONYME", "PROTERGIA POWER GENERATION AND SUPPLIES SOCIETE ANONYME" and "PROTERGIA AGIOS NIKOLAOS POWER SOCIETE ANONYME OF GENERATION AND SUPPLY OF ELECTRICITY" by "MYTILINEOS HOLDINGS S.A.", the Company will proceed with all the necessary actions in order to ensure that the new shares that METKA's beneficiary shareholders are entitled to as a result of the Merger are credited to their SAT (Dematerialized Securities System-DSS) accounts. No new shares will be issued for the balance of the Absorbed Companies, given that the Absorbing Company owns the entirety (100%) of their shares either directly or indirectly. Therefore, their total contributed assets (assets and liabilities) will not result in an increase of the Absorbing Company's share capital, but the amount relating to the value of the Absorbing Company's participation in the aforementioned Absorbed Companies will be deleted from the Absorbing Company's

“Participating Interests” account, and any differences will be registered under equity accounts as differences resulting from the Merger. As of the date of the completion of the Merger, the new shares that are attributable to the beneficiaries of METKA’s shares will confer to them the right to participate in the Absorbing Company’s profits and the right to receive dividends. The share capital and the alterations to the Absorbing Company’s share capital before and after the Merger are shown in the following table:

	Acquiring company's equity before & post merger
I. Mytilineos' Equity before merger	**113.408.386**
Share's nominal value	0,97
Number of shares before merger	116.915.862
II. Change in Equity due to merger	
Equity increase equal to METKA's contributed equity (Acquired Company A), amount of €8.312.096,32, which remains after the elimination due to merger of the acquiring company's interest in the acquired	8.312.096
Above par reserve capitalization of the acquiring	16.883.944
Total Equity Increase	25.196.040
New Company's Equity post merger (I+II)	138.604.426
Share's nominal value	0,97
Number of common shares post merger	142.891.161

8.22 Financial Assets – Financial Liabilities

The following table presents financial assets and liabilities measured at fair value in the statement of financial position in accordance with the fair value hierarchy. This hierarchy groups financial assets and liabilities into three levels based on the significance of inputs used in measuring the fair value of the financial assets and liabilities. The fair value hierarchy has the following levels:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;

- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The level within which the financial asset or liability is classified is determined based on the lowest level of significant input to the fair value measurement.

The Group’s financial assets and liabilities measured at fair value in the statement of financial position are grouped into the fair value hierarchy for 30/06/2017 and 31/12/2016 as follows:

(Amounts in thousands €)	30/06/2017	Level 1	Level 2	Level 3
	MYTILINEOS GROUP			
Financial Assets				
Financial assets at fair value through profit or loss				
Stock Shares	1.512	1.512	-	-
Bank Bonds	60	60	-	-
Financial Assets Available For Sale	167	122	8	37
Foreign Exchange Contracts For Cash Flow Hedging (Forward)	18.777	-	18.777	-
Financial Assets	**20.516**	**1.694**	**18.786**	**37**
Financial Liabilities				
Foreign Exchange Swap Contracts (Swaps)	2.087	-	2.087	-
Commodity Futures	32.099	-	32.099	-
Commodity Options	1.482	-	1.482	-
Financial Liabilities	**35.668**	**-**	**35.668**	**-**

(Amounts in thousands €)	31/12/2016	Level 1	Level 2	Level 3
	MYTILINEOS GROUP			
Financial Assets				
Financial assets at fair value through profit or loss				
Stock Shares	900	900	-	-
Bank Bonds	59	59	-	-
Financial Assets Available For Sale	169	124	8	37
Foreign Exchange Contracts For Cash Flow Hedging (Forward)	491	-	491	-
Financial Assets	**1.618**	**1.082**	**499**	**37**
Financial Liabilities				
Foreign Exchange Swap Contracts (Swaps)	2.660	-	2.660	-
Foreign Exchange Contracts For Cash Flow Hedging (Forward)	13	-	13	-
Commodity Futures	3.111	-	3.111	-
Commodity Options	4.094	-	4.094	-
Financial Liabilities	**9.878**	**-**	**9.878**	**-**

(Amounts in thousands €)	30/06/2017	Level 1	Level 2	Level 3
	MYTILINEOS S.A.			
Financial Assets				
Financial assets at fair value through profit or loss				
Stock Shares	1.512	1.512	-	-
Bank Bonds	60	60	-	-
Financial Assets Available For Sale	37	-	-	37
Foreign Exchange Contracts For Cash Flow Hedging (Forward)	18.777	-	18.777	-
Financial Assets	**20.386**	**1.572**	**18.777**	**37**
Financial Liabilities				
Commodity Futures	32.099	-	32.099	-
Commodity Options	1.482	-	1.482	-
Financial Liabilities	**33.581**	**-**	**33.581**	**-**

(Amounts in thousands €)	31/12/2016	Level 1	Level 2	Level 3
	MYTILINEOS S.A.			
Financial Assets				
Financial assets at fair value through profit or loss				
Stock Shares	10	10	-	-
Bank Bonds	59	59	-	-
Financial Assets Available For Sale	37	-	-	37
Financial Assets	**105**	**69**	**-**	**37**

8.23 Earnings per Share

Earnings per share have been calculated on the total weighted average number of common and preference shares excluding the average number of treasury shares.

	MYTILINEOS GROUP		MYTILINEOS S.A.	
(Amounts in thousands €)	**1/1-30/06/2017**	**1/1-30/06/2016**	**1/1-30/06/2017**	**1/1-30/06/2016**
Equity holders of the parent	80.654	12.437	62.847	3.624
Weighted average number of shares	142.891	116.916	142.891	116.916
Basic earnings per share	**0,5644**	**0,1064**	**0,4398**	**0,0310**
Continuing Operations (Total)				
Equity holders of the parent	81.432	12.966	63.142	3.624
Weighted average number of shares	142.891	116.916	142.891	116.916
Basic earnings per share	**0,5699**	**0,1109**	**0,4419**	**0,0310**
Discontinuing Operations (Total)				
Equity holders of the parent	(779)	(529)		
Weighted average number of shares	142.891	116.916		
Basic earnings per share	**(0,0055)**	**(0,0045)**		

8.24 Number of employees

The number of employees at the end of the current reporting period for the Group amounts to 2.060 and for the Company to 1.728. Accordingly, on 30/06/2016, the number of employees for the Group amounted to 1.886 and for the Company (prior to the merger) to 71.

8.25 Management remuneration and fringes

	MYTILINEOS GROUP		MYTILINEOS S.A.	
(Amounts in thousands €)	30/06/2017	30/06/2016	30/06/2017	30/06/2016
Short term employee benefits				
- Wages and Salaries and BOD Fees	10.846	8.245	9.741	1.233
- Insurance service cost	371	317	324	132
- Other remunerations	37	-	-	-
	11.254	**8.562**	**10.064**	**1.365**
Pension Benefits:				
- Defined benefits scheme	27	-	23	-
- Defined contribution scheme	-	15	-	-
Total	**11.281**	**8.578**	**10.088**	**1.365**

No loans have been given to members of BoD or other management members of the Group (and their families).

8.26 Cash Flows from Operating Activities

	MYTILINEOS GROUP		MYTILINEOS S.A.	
(Amounts in thousands €)	1/1-30/06/2017	1/1-30/06/2016	1/1-30/06/2017	1/1-30/06/2016
Cash flows from operating activities				
Profit for the period	**82.118**	**24.262**	**63.142**	**3.624**
Adjustments for:				
Tax	11.374	10.076	8.125	(1.534)
Depreciation of property,plant and equipment	32.825	32.201	24.034	154
Depreciation of intangible assets	2.869	3.294	1.712	23
Impairments	-	149	-	-
Provisions	51	(719)	138	-
Profit/Loss from sale of tangible assets	(6)	(60)	(1)	-
Profit/Loss from sale of subsidiary	(3.373)	-	-	-
Profit/Loss from fair value valuation of financ.assets at fair value through PnL	(614)	2.826	(614)	63
Profit/Loss from sale of financial assets at fair value	100	-	100	-
Interest income	(3.566)	(1.221)	(5.312)	(170)
Interest expenses	25.567	26.136	21.427	3.974
Dividends	-	-	(1.961)	(4.617)
Grants amortization	(1.232)	(869)	(523)	-
Parent company's portion to the profit of associates	-	(153)	-	-
Exchange differences	(3.764)	1.405	(8.243)	(405)
Other differences	882	-	-	-
	61.115	**73.065**	**38.881**	**(2.512)**
Changes in Working Capital				
(Increase)/Decrease in stocks	107.071	89.448	25.748	11
(Increase)/Decrease in trade receivables	(93.689)	(3.211)	178.743	2.815
(Increase)/Decrease in other receivables	(4.100)	5.316	(1.189)	-
Increase / (Decrease) in liabilities	(41.320)	(86.943)	(225.778)	(10.554)
Pension plans	(677)	(1.117)	(733)	25
	(32.715)	**3.493**	**(23.210)**	**(7.703)**
Cash flows from operating activities	**110.518**	**100.819**	**78.813**	**(6.591)**

8.27 Related Party Transactions according to IAS 24

	MYTILINEOS GROUP		MYTILINEOS S.A.	
(Amounts in thousands €)	30/06/2017	30/06/2016	30/06/2017	30/06/2016
Stock Sales				
Subsidiaries	-	-	39.985	-
Other Related parties	272	149	272	-
Total	**272**	**149**	**40.257**	**-**
Stock Purchases				
Subsidiaries	-	-	9.089	-
Total	**-**	**-**	**9.089**	**-**
Services Sales				
Subsidiaries	-	-	5.459	6.210
Other Related parties	1.527	4	1.259	-
Total	**1.527**	**4**	**6.719**	**6.210**
Services Purchases				
Subsidiaries	-	-	10.871	3.332
Management remuneration and fringes	11.281	8.578	10.088	1.365
Other Related parties	3.455	2.390	3.315	237
Total	**14.736**	**10.968**	**24.273**	**4.935**

	MYTILINEOS GROUP		MYTILINEOS S.A.	
(Amounts in thousands €)	30/06/2017	31/12/2016	30/06/2017	31/12/2016
Loans given to Related Parties				
Subsidiaries	-	-	-	-
Other Related parties	-	-	-	-
Total	**-**	**-**	**-**	**-**
Loans received from Related Parties				
Subsidiaries	-	-	-	148.530
Total	**-**	**-**	**-**	**148.530**
Balance from sales of stock/services receivable				
Subsidiaries	-	-	161.462	45.054
Management remuneration and fringes	114	-	109	-
Other Related parties	2.616	2.488	2.567	-
Total	**2.730**	**2.488**	**164.139**	**45.054**
Guarantees granted to related parties				
Subsidiaries	-	-	398.765	1.541.063
Total	**-**	**-**	**398.765**	**1.541.063**
Balance from sales/purchases of stock/services payable				
Subsidiaries	-	-	67.096	17.188
Management remuneration and fringes	4	47	2	47
Other Related parties	137	54	92	46
Total	**141**	**101**	**87.355**	**17.281**

Out of the above mentioned parent company guarantees:

- € 206.2 mio are parent company guarantees for bank loans of the Group's subsidiaries and other Financials and
- € 192.60 mio are parent company guarantees on behalf of customers and suppliers of the Group's subsidiaries.

It is noted that the above amount of guarantees issued by the parent on behalf of customers and suppliers of its subsidiaries, refers to the maximum amount of the guarantee and the respective risk undertaken by the parent regardless of the probability of realization of said risk.

The parent company assesses the price that shall be invoiced to its subsidiaries for guarantees issued by the parent on behalf of them based on generally accepted pricing methods. In cases where such pricing exceeds the amount of the already agreed and charged management fees, there will be an incremental charge to cover the difference.

The above mentioned related party transactions are on a pure commercial basis. The Group or any of its related parties has not entered in any transactions that were not in an arm's length basis, and do not intent to participate in such transactions in the future. No transaction from the above mentioned was under any special terms.

8.28 Capital Expenditure

The Group realized capital expenditures for the six month period ended June 30, 2017 of €80.235 thousands (€47.522 thousands for the six month period ended June 30, 2016).

8.29 Post – Balance Sheet events

It shall be noted that on 06.07.2017 , the merger was approved by the Ministry of Economy and Development. Said corporate restructuring has no effect on the control of MYTILINEOS. On a Group level, the sole change is the conversion of METKA's non-controlling shareholders, to shareholders of the new entity.

Maroussi, 8 August 2017

THE PRESIDENT OF THE BOARD & CHIEF EXECUTIVE OFFICER	THE VICE-PRESIDENT OF THE BOARD	THE CHIEF FINANCE OFFICER	THE FINANCIAL DIRECTOR
EVANGELOS MYTILINEOS I.D. No AB649316/2006	**IOANNIS MYTILINEOS** I.D. No AE044243/2007	**IOANNIS KALAFATAS** I.D. No AZ 556040/2008	**SPYRIDON PETRATOS** I.D. No AB 263393/2006