

Announcement

14/12/2016

“MYTILINEOS HOLDINGS S.A.”
“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”

ANNOUNCEMENT

**“MYTILINEOS GROUP: TAKING THE NEXT STEP IN ENHANCING LONG-TERM
SUSTAINABLE VALUE”**

The Boards of Directors of the companies "MYTILINEOS HOLDINGS S.A." ("MYTILINEOS"), "METKA INDUSTRIAL – CONSTRUCTION SOCIETE ANONYME" ("METKA"), "ALUMINIUM OF GREECE INDUSTRIAL AND COMMERCIAL SOCIETE ANONYME" ("AoG"), "PROTERGIA POWER GENERATION AND SUPPLIES SOCIETE ANONYME" ("Protergia") and "PROTERGIA AGIOS NIKOLAOS POWER SOCIETE ANONYME OF GENERATION AND SUPPLY OF ELECTRICITY" ("Protergia Thermo") have decided to commence the process of the merger into a single entity by absorption of METKA, AoG, Protergia and Protergia Thermo by MYTILINEOS.

The contemplated restructuring will simplify the Group's structure and will result in synergies from both an operational and financial standpoint. The new, flexible structure will benefit from a significant reduction of financial cost, economies of scale, optimization of procurement, homogenization and improved management of human capital and the sharing of expertise, knowledge and best practice across the various divisions of the new entity, resulting in estimated annual pre-tax run-rate operational synergies of **€20,6mio** to be fully realised one year post

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completion. The new, flexible and simplified structure will grant greater financial flexibility, allowing the diversification of the new merged company's cash flow and the strengthening of its balance sheet. This will enable the optimal allocation of capital towards investments offering the highest returns, enhanced by the robust financial strength of the new entity

The intended corporate restructuring is expected to be completed by no later than 30/08/2017 and to be accretive to near term earnings as well as create value for all shareholders.

In accordance with the provisions of Regulation (EU) 596/2014, the assessment of the Boards of Directors of MYTILINEOS and METKA regarding the exchange ratio, which remains subject to the approval by the General Meeting of shareholders of each of the merging companies, is hereby announced. Specifically, it is proposed that METKA's shareholders will receive 1 common listed MYTILINEOS share with voting rights, each with a nominal value of €0.97, for each METKA share, with voting rights and nominal value of €0.32, they hold.

In accordance with applicable laws, the Board of Directors of MYTILINEOS has appointed Nomura International plc ("**Nomura**") and the Board of Directors of METKA has appointed Barclays Bank PLC, acting through its Investment Bank ("**Barclays**"), in each case acting as financial advisors to provide to their respective clients, pursuant to article 4.1.4.1.3 of the Athex Regulation and subject to Nomura's and Barclays' respective internal processes and approvals, an independent opinion as to the fairness and reasonableness of the share exchange ratio detailed herein.

Lazard & Co. Limited ("**Lazard**") has been appointed as sole financial advisor to MYTILINEOS, while Eurobank Ergasias SA will act as Process Adviser with regard to the issue of the new shares. McKinsey & Company has been appointed to support the operational migration of the merged entities, while PKF Euroauditing SA has been appointed as independent auditor to verify, pursuant to Law 4172/2013, article 53, the fair market value of the assets and liabilities of all merging companies.

The merger, as decided in principle by the Boards of Directors of the merging companies, will bear the transformation balance sheet date of 31.12.2016 and will be executed in accordance with the provisions and exemptions of Law 4172/2013, article 61 of Law 4438/2016, Articles 69 et seq. of Law 2190/1920 and Greek corporate law in general. The completion of the merger is subject to the approval by the General Meeting of the shareholders of each of the merging companies, and is also subject to obtaining all of the necessary approvals from the relevant regulatory authorities, as prescribed for by law.

Lazard is acting as financial advisor to MYTILINEOS and for no one else in connection with the matters described in this announcement and is not, and will not be, responsible to anyone other than MYTILINEOS for providing the protections afforded to clients of Lazard, or for providing advice in connection with the matters described in this announcement.

Lazard is authorised and regulated in the United Kingdom by the Financial Conduct Authority. Neither Lazard nor any of its affiliates owes or accepts any duty, liability or responsibility whatsoever (whether direct or indirect, whether in contract, in tort, under statute or otherwise) to any person who is not a client of Lazard in connection with this announcement or the matters described in this announcement.

Nomura, which is authorized by the Prudential Regulation Authority and regulated by the Prudential Regulation Authority and the Financial Conduct Authority, is acting for MYTILINEOS and no one else and Nomura, its affiliates and its respective officers, employees, agents, representatives and/or associates will not regard any other person as their client, nor will they be responsible to anyone other than MYTILINEOS for providing the protections afforded to their clients nor for providing advice in connection with the matters or arrangements referred to in this announcement.

Barclays, which is authorized by the Prudential Regulation Authority and regulated in the United Kingdom by the Financial Conduct Authority and the Prudential Regulation Authority, is acting exclusively for METKA and no one else in connection with the matters described in this announcement and will not be responsible to anyone other than METKA for providing the protections afforded to clients of Barclays nor for providing advice in relation to any matter referred to in this announcement.

MYTILINEOS Group is a leading Greek industry active in Metallurgy & Mines, Energy and EPC Projects. Established in Greece in 1990, the Group's holding company, MYTILINEOS HOLDINGS S.A., is listed on the Athens Exchange, has a consolidated turnover in excess of €1.3 billion and employs some 2,700 people directly and many more indirectly in Greece and abroad. For more details, please visit the Group's website at: www.mytilineos.gr.