

Press Release

Athens, 28 March 2017

2016 Full-Year Financial Results

STRENGTHENING OF THE GROUP'S POSITION

SIGNIFICANT IMPROVEMENT OF RESULTS IN THE SECOND HALF OF THE YEAR SUPPORTS FORECASTS OF FINANCIAL PERFORMANCE IN 2017, THE FIRST YEAR OF CORPORATE TRANSFORMATION

Following the announcement, in 2016, of its forthcoming corporate transformation, MYTILINEOS Group entered a new phase in its evolution, through a new, flexible organisational structure that will result in **business synergies in both operational and financial terms** and will create additional value for its shareholders. At the same time, in 2016 the Group strengthened significantly its presence in the domestic electricity market, secured the position of ALUMINIUM OF GREECE (AoG) as one of the most competitive aluminium producers globally and succeeded in opening up new markets for its EPC Projects Sector.

With regard to its financial performance in 2016, the Group posted a consolidated **turnover of €1,246.1 million** against €1,382.9 million in 2015, a decline due primarily to the reduced contribution of the EPC Projects Sector. **Earnings before interest, tax, depreciation and amortisation (EBITDA)** stood at **€222.4 million**, down from €234.4 million in 2015, with **net profit after tax and minority rights** standing at **€34.2 million** against €47.5 million in the previous year.

It is noted that 2016 financial results have been negatively affected by €13.5 higher depreciation cost of the Energy Sector. Depreciation cost is expected to settle down to normal levels in 2017.

In particular, the performance of the Group's individual activity sectors was as follows:

Metallurgy & Mining Sector

The Metallurgy & Mining Sector posted a turnover of **€447.9 million** against €549.4 million in 2015. **Earnings before interest, tax, depreciation and amortisation (EBITDA)** stood at **€84.3 million**, against €98.0 million for the previous year. It is pointed out that the average total "LME + Premium" prices for aluminium declined by 14% compared to 2015, adversely affecting the Sector's performance.

The positive developments in the commodities markets witnessed in late 2016 and early 2017, with the significant recovery of aluminium prices and the strong performance of the USD, have

MYTILINEOS Holdings S.A.

5-7 Patroklou Street, 151 25 Maroussi

Tel.: 210 77 300

Fax: 210 77 400

Email: info@mytilineos.gr

Website: www.mytilineos.gr

affected positively the results of the fourth quarter of 2016, creating positive prospects for next year's financial performance. More specifically, in the fourth quarter of 2016 **earnings before interest, tax, depreciation and amortisation (EBITDA)** for the Sector reached **€30.4 million** from €17.0 million in the third quarter, posting an increase of 79.0%.

In 2016, the agreement reached between AoG and the PPC, regarding the supply of electricity, marked the successful completion of the Group's "Excellence" programme aimed at enhancing competitiveness and established AoG as one of the leading aluminium producers globally.

The recent cooperation agreement concluded between AoG and General Electric (GE) for the installation of the world's first "Digital Smelter", an innovative digital solution in the aluminium electrolysis process, together with the launch of the new programme "The Best", scheduled to run until the end of 2018, underline the commitment of the Group's Management towards the target of establishing AoG as one of the world's most competitive aluminium producers.

EPC Projects Sector

In the **EPC Projects Sector**, the Group's subsidiary METKA managed to sustain a satisfactory financial performance, despite the unstable environment prevailing in the Middle East markets.

In 2016, **METKA** posted a **turnover of €445.1 million** against €668.0 million in the previous year. **Earnings before interest, tax, depreciation and amortisation (EBITDA)** stood at **€74.9 million**, down from €116.4 million in 2015. **Net profit after tax and minority rights** stood at **€53.3 million** against €68.9 million for the previous year.

The dividend proposed for distribution for the accounting period ended on 31 December 2016 amounts to €0.15 (gross dividend per share) and is subject to the approval of the Annual General Meeting of the company's shareholders.

It is noted that the EBITDA figure for METKA in the fourth quarter of 2016 includes a non-recurring income of €35.8 million, representing compensation paid in connection with the implementation of the Deir Ali project in Syria, which has been completed.

2016, was the first year of significant contribution from METKA-EGN, a company active in the global market for solar power projects. Going forward, METKA within its new business model, will seek to undertake new contracts, focusing on markets with increased energy needs such as those of Serbia, Ghana, Nigeria and Libya.

Energy Sector

The Group's **Energy Sector** posted a strong growth in terms of business and financial results, as the Group increased its share in the wholesale as well as in the retail electricity market. More specifically, the Sector's **turnover stood at €363.8 million** for 2016 against €187.1 in the previous year, posting an increase of 94.4%. **Earnings before interest, tax, depreciation and amortisation (EBITDA)** stood at **€65.3 million**, up from €22.4 million for 2015.

The Group's power plants posted a 75% increase in output and reached a 10% share of the total domestic generation market for 2016, compared to 5.7% in 2015. At the same time, **at the end**

of 2016 PROTERGIA, taking also advantage of the strategic partnership with COSMOTE for the sale of its products through the extensive network of COSMOTE and GERMANOS retail stores, **rose to No 1 position among all private suppliers**.

In light of the forthcoming corporate transformation, the Annual Financial Report for 2016 will be the last report to reflect the financial performance of the existing corporate structure. During the months ahead, the Management of MYTILINEOS Group will focus on the completion of the procedures for the absorption of the key subsidiaries into a single corporate organisational structure, which will result in significant synergies, will allow for greater financial flexibility and will strengthen its balance sheet. At the same time, it will also allow the optimal allocation of capital to investments that will benefit all shareholders as well as the domestic industry and the Greek economy in general.

For more details, please contact:

Ms Antigoni Fakou: MYTILINEOS Group Press Office

Tel. 210-6877346 | Fax 210-6877400 | E-mail: Antigoni.Fakou@mytilineos.gr.

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 directly or indirectly more than 2,700 people in Greece and abroad. For more details, please visit the Group's website at: www.mytilineos.gr.