Press Release

Financial results 2017

The consolidated turnover of ElvalHalcor marked an increase of 21.5% for the full year 2017[1] amounting to Euro 1,863 mil versus Euro 1,534 mil in 2016. Consolidated earnings before taxes, interest depreciation and amortization (EBITDA), in a twelve-month basis, amounted to profit of Euro 160.5 mil. versus profit of Euro 124.7 mil. the prior year, increased by Euro 35.8 mil (+29%) while consolidated earnings before taxes and interest (EBIT) amounted to Euro 102.0 mil in 2017 versus Euro 68.5 mil for the previous year, increased by Euro 33.5 mil (+49%). Finally, consolidated results before taxes amounted in 2017 to profit of Euro 63.9 mil. increased by 98%.

Consolidated revenue was positively affected by increases in both sales volumes and metal prices. At the same time, a decline in production costs, production process optimization and the development of technological innovations, further strengthened the competitive position of ElvalHalcor's products globally, resulting in increased profitability for the year.

Amounts in thousands EURO	31/12/2017 As published	31/12/2016 As published	31/12/2017 For the twelve months	31/12/2016 For the twelve months
Sales	1,150,369	842,699	1,863,319	1,534,127
Cost of Sales	103,566	74,182	156,871	114,056
EBITDA	113,206	89,412	160,521	124,701
a-EBITDA	89,319	88,120	129,437	118,047
EBIT	69,616	48,915	101,967	68,471
Profit before tax	50,674	33,346	63,924	32,282
Profit after tax	33,264	21,907	61,330	23,546
Profit after tax & non-controlling interests	33,549	21,978	-	-
Earnings per share	0.1188	0.0802	-	-

[1]The consolidated results of FY 2017, as published, and due to the accounting treatment of the merger (IFRS 3, Business Combinations) and the date that it was concluded, include the revenues and results of Elval and its subsidiaries for the whole year, of Halcor and Fitco only for the 12th, and of Sofia Med for the 8th -12th months. Respectively for FY 2016, only the results of the Elval group are included.For the best comparability and depiction of the figures of the ElvalHalcor group, the company has prepared and is showing proforma financial statements that depict the figures of the financial results as if the merger had taken place in 01/01/2016

Aluminium

In 2017, the aluminium segment increased its volumes by 3.2% and its revenue by 13.8% to Euro 959 mil. Profit before income tax amounted to Euro 53.8 mil. versus Euro 33.3 mil. in prior year.

- In December 2017, the aluminium-rolling sector of ElvalHalcor signed a contract with EIB for a loan of Euro 70 mil. up to 8 years for financing part of the new investment program of Euro 150 mil.
- A new plant adjoining to the Oinofyta plant was acquired and reallocation of some machinery is in progress.
- A third Continuous Casting Line started operation, increasing the production capacity and output of the Oinofyta plant in 2017.
- In 2017 the operation of the passivation Globus line provided the ability for further increase of the sales in markets of food packaging and multilayer tubes.
- The completion of investments that allow the company to enhance its presence in the thick gauge aluminium plates such as those for the ship building industry.

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

	For the period ended 31 December	
Amounts in EUR thousand	**2017**	**2016**
Revenue	958,756	842,699
Gross profit	96,113	74,182
EBITDA	110,398	89,413
EBIT	67,245	48,916
Profit / Loss (-) before income tax	53,844	33,347

In the next two years, Euro 150 mil. will be invested in equipment, technology and infrastructure. This investment program aims to increase the production capacity of the aluminium rolling division of ElvalHalcor by more than 20% and to set the basis for additional future investments that will more than double the capacity. This investment will allow ElvalHalcor to increase its current presence in aluminium packaging, industrial, transportation and architectural applications and sets the base for expansion in the automotive and aerospace sectors. In the framework of this investment program, the sector announced the signing of a contract for the installation of a new four-stand tandem aluminium hot finishing mill for its Oinofyta plant.

Furthermore, the Aluminium sector through its technology department and its cooperation with Elkeme and UACJ Corp., aims at developing innovative products and solutions.

Copper

In 2017, the copper segment saw significant growth in sales volumes, which rose by 15.4% year-on-year, and increased utilization rates that led to improved segment results. Profit before income tax amounted to Euro 10.1 mil. profit versus Euro 1,0 mil. loss in prior year.

- The segment increased its sales in copper tubes. Anti-dumping duties imposed in Turkey did not hinder the rising trend of sales.

- As a consequence of higher global demand and continued improvements in quality and service at Sofia Med, sales of copper and copper alloy rolled products saw significant growth particularly in products used for industrial applications. In contrast, sales of copper rolled products used in roofing applications decreased, as a result of the continuing substitution of copper for this application. The company has focused on products used for industrial applications, with higher profitability, which are now the largest part of its sales, reversing the past trend.

- In the extruded alloys segment, Fitco focused on higher value-added products, like alloy tubes. As a result, production and sales of alloy tubes almost doubled, while alloy rod production remained flat compared to the previous year.

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

	For the period ended 31 December	
Amounts in EUR thousand	**2017**	**2016**
Revenue	922.772	692.898
Gross profit	60.758	39.934
EBITDA	50.123	35.290
EBIT	34.722	19.617
Profit / Loss (-) before income tax	10.079	-965

Looking to 2018, as international economic conditions continue to improve, positive trends in demand for industrial products are expected to continue. At the same time the segment is already benefiting from investments made during the previous years, and from the strategic shift towards industrial products.

Strong demand for industrial rolled products is expected to continue and Sofia Med is well-positioned to take advantage of this by increasing utilization and sales.

Following the signing of an agreement to acquire 50% of Netherlands-based NedZink B.V. and after approval by the competition authorities the segment will contribute EUR 15 million in order to establish a joint venture with the aim of developing titanium zinc. Part of this amount is for the existing, and currently idle, zinc production lines which will be utilized to increase the production capacity of Nedzink.