



**Annual Financial Statements  
For the year ended 31 December 2015**

**In accordance with article 4 of Law 3556/2007**

**(amounts in thousands € unless stated otherwise)**

**METAL CONSTRUCTIONS OF GREECE S.A.  
COMPANY'S GENERAL COMMERCIAL REG. No 6126401000 &  
COMPANY'S No 10357/06/B/86/113 IN THE  
REGISTER OF SOCIETES ANONYMES  
ARTEMIDOS 8 MAROUSSI (ATHENS)**

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## Contents

<b>A. STATEMENTS OF MEMBERS OF THE BOARD OF DIRECTORS</b> .....	6
<b>B. Independent Auditor's Report</b> .....	7
<b>C. Annual Report of the Board of Directors of the Company METKA S.A. On the consolidated and Company Financial Statements For the financial year 2015</b> .....	9
<b>D. Annual Financial Statements for FY 2015</b> .....	49
<b>I. ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31/12/2015</b> .....	50
Income Statement (Consolidated and Corporate) .....	50
Statement of Comprehensive Income (Consolidated and Corporate) .....	51
Statement of Financial Position (Consolidated and Corporate) .....	52
Consolidated Statement of Changes in Equity .....	53
Company Statement of Changes in Equity .....	54
Cash Flow Statement (Consolidated and Corporate) FY 2015 .....	55
<b>II. NOTES ON THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31/12/2015</b> .....	56
1. General Information for the Company .....	56
2. Nature of operations .....	56
3. Basis for preparation of the financial statements .....	57
3.1 Declaration of Conformity .....	57
3.2 Presentation Currency .....	57
3.3 Measurement Base .....	57
3.4 Use of Estimates .....	57
3.5. Changes in Accounting Policies .....	58
3.5.1 New Standards, Interpretations, Revisions and Amendments to existing Standards that are effective and have been adopted by the European Union .....	58
3.5.2 New Standards and Interpretations that have not been applied yet or have not been adopted by the European Union .....	60
4. Summary of Important Accounting Policies .....	62
4.1 Consolidation .....	62
4.2 Operating Segments .....	64
4.3 Foreign currency conversion .....	65
4.4 Tangible assets .....	65
4.5 Intangible assets .....	66
4.6 Impairment of Assets .....	67
4.7 Financial instruments .....	67
4.8 Inventories .....	68
4.9 Trade receivables .....	69
4.10 Cash and cash equivalents .....	69
4.11 Non current segment assets held for sale .....	69
4.12 Share capital .....	69

4.13 Income tax & deferred tax .....	70
4.14 Employee benefits .....	70
4.15 Grants .....	72
4.16 Provisions .....	72
4.17 Recognition of income.....	72
4.18 Leases .....	73
4.19 Construction contracts .....	73
4.20 Dividend distribution.....	74
4.21 Earnings per share .....	74
5. Significant accounting judgments, estimates and assumptions.....	74
5.1 Judgments .....	75
5.2 Estimates and assumptions .....	75
6. Group Structure and consolidation method.....	77
7. Operating Segments .....	78
8. Property, plant & equipment .....	81
9. Goodwill .....	82
10. Intangible Assets .....	83
11. Investments in Subsidiaries.....	84
12. Investments in Associate Companies .....	84
13. Deferred tax receivables and liabilities .....	85
14. Financial Assets available for sale .....	88
15. Other long-term receivables .....	88
16. Inventories.....	89
17. Customers and other trade receivables.....	89
18. Other receivables – other current assets .....	91
19. Financial assets at fair value through profit and loss.....	92
20. Cash and cash equivalents .....	92
21. Construction contracts.....	93
22. Total equity.....	93
22.1 Share capital .....	93
22.2 Other reserves.....	94
22.3 Retained earnings .....	95
23. Liabilities for pension plans .....	96
24. Other long-term liabilities .....	99
25. Suppliers and other liabilities.....	99
26. Tax Payable .....	100
27. Debt.....	100
28. Other short-term liabilities .....	101
29. Provisions .....	102
30. Sales .....	103
31. Analysis of expenses by their nature .....	103

32. Number of Employees.....	105
33. Other operating income and expense.....	105
34. Financial income / expenses.....	106
35. Other financial results.....	107
36. Income tax expense.....	107
37. Earnings per share.....	108
38. Analysis of Cash Flow Adjustments.....	108
39. Related party transactions.....	109
39.1 Transactions with key management personnel.....	110
40. Contingent liabilities and receivables.....	110
40.1 Encumbrances.....	110
40.2 Commitments.....	110
40.3 Anaudited fiscal years.....	111
40.4 Court claims & arbitration proceedings.....	112
41. Risk management objectives and policies.....	112
41.1 Financial Risk Factors.....	112
41.2 Market Risk.....	113
41.3 Credit Risk.....	114
41.4 Liquidity Risk.....	114
41.5 Cash Flow Risk and fair value risk due to changes in Interest Rate.....	117
41.6 Market Risk.....	117
41.7 Other risks and uncertainties.....	117
42. Fair value of financial instruments.....	119
43. Capital management policies and procedures.....	121
44. Subsequent events.....	122
<b>E) Figures and Information.....</b>	<b>123</b>

## A. STATEMENTS OF MEMBERS OF THE BOARD OF DIRECTORS

(according to article 4 § 2 of law 3556/2007)

The members of the Board of Directors of METAL CONSTRUCTIONS OF GREECE S.A.:

1. Ioannis G. Mytilineos, Chairman and Managing Director of the Board of Directors
2. Panagiotis A. Gardelinos, Board Member, having been specifically assigned by the Board of Directors,
3. Paul M. Smith , member of the Board of Directors, appointed for this by the BoD,

As far as we know the enclosed consolidated and separate financial statements of METAL CONSTRUCTIONS OF GREECE S.A. for the period of 1 January 2015 to 31 December 2015, which were prepared in accordance with the current International Financial Reporting Standards (IFRS), give a true picture of the assets and liabilities, the shareholders' equity and the profit and loss account of the Group and of the Company, as well as of the companies included in the consolidation as a whole.

The annual report prepared by the Board of Directors includes a true presentation of the improvement, the financial performance and the equity of the parent company and its subsidiaries, which are included in the Consolidated Financial Statements. All the important risks and financial uncertainties are taken into consideration for these estimations.

**Maroussi, the 21<sup>st</sup> of March 2016**

### Confirmed by

Ioannis G. Mytilineos

Panagiotis A. Gardelinos

Paul M. Smith

Chairman & Managing  
Director of the Board of  
Directors

Deputy Managing Director

Member of the Board of  
Directors

## **B. Independent Auditor's Report**

Towards the shareholders of **METAL CONSTRUCTIONS OF GREECE S.A.**

### **Report on Separate and Consolidated Financial Statements**

We have audited the accompanying separate and consolidated financial statements of the METAL CONSTRUCTIONS OF GREECE S.A. and its subsidiaries, which comprise the separate and consolidated statements of financial position as at December 31, 2015, the separate and consolidated statements of comprehensive income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

### **Management's Responsibility for the Separate and Consolidated Financial Statements**

Management is responsible for the preparation and fair presentation of these separate and consolidated financial statements in accordance with International Financial Reporting Standards that have been adopted by the European Union as well as for internal control procedures the Management defines as necessary to ensure the preparation of separate and consolidated financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these separate and consolidated financial statements based on our audit. We conducted our audit in compliance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the separate and consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the separate and consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the separate and consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control procedures relevant to the entity's preparation and fair presentation of the separate and consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control procedures. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the separate and consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## Opinion

In our opinion, the separate and consolidated financial statements present fairly, in all material respects, the financial position of the company METAL CONSTRUCTIONS OF GREECE S.A. and its subsidiaries as at December 31, 2015, as well as their financial performance and the cash flows for the year then ended in accordance with International Financial Reporting Standards that have been adopted by the European Union.

## Report on Other Legal and Regulatory Requirements

- a) The Board of Directors' Management Report includes the corporate governance statements, which provides all the information required by paragraph 3d of article 43a of Codified Law 2190/1920.
- b) We have verified that the contents of the Board of Directors' Management Report is consistent with the accompanying parent and consolidated Financial Statements, in the contexts of those stipulated by articles 43a, 108 and 37 of C.L. 2190/20.

Athens, 22<sup>nd</sup> of March 2016  
The Chartered Accountants

Manolis Michalios  
SOEL Reg. No 25131

Dimitra Pagoni  
SOEL Reg. No 30821



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

## **C. Annual Report of the Board of Directors of the Company METKA S.A. On the consolidated and Company Financial Statements For the financial year 2015**

Shareholders Ladies and Gentlemen,

Pursuant to the provision of L.2190/1920 article 43a paragraph 3, article 108 paragraph 3 and article 136 paragraph 2 and the provision of L.3556/2007 article 4 paragraphs 2c, 6, 7 and 8, as well as, the resolution of the Board of the Hellenic Capital Committee 7/448/11.10.2007 article 2, 1/434/03.07.2007 and the Company's Articles of Association, we present to you the Annual Report of the Board of Directors for the financial year from 01/01/2015 to 31/12/2015, which comprises of the audited consolidated and corporate financial statements, the related notes and the Report of the Auditors. This report provides summary information for the Group and the Company (METKA S.A.), financial information aiming in informing the shareholders and investors for the financial position and performance, the overall developments and variations in the financial year under review (01/01/2015 to 31/12/2015), significant events that took place and their impact on the financial statements. Furthermore, an analysis of potential risks and uncertainties that the Group and the Company may face in the future, the anticipated course and evolution of the group companies, the corporate governance, the dividend policy as well as, disclosure of the transactions between the Company and the related parties is provided.

This report accompanies the annual financial statements of fiscal year 2015 (01/01/2015 – 31/12/2015) and is included individually together with those statements as well as the declarations of the members of the board of directors into the annual economic report concerning the fiscal year 2015. Given that the Company also composes consolidated financial statements, this report is cohesive having as a main reference point the consolidated financial information and referring to the corporate financial information of METKA S.A. only where necessary or appropriate in order to gain a better understanding of the content.

### **A. PERFORMANCE AND FINANCIAL POSITION FOR 2015**

#### **Financial Information**

In 2015 the Greek economy faced serious challenges, as after a short-lived rebound in 2014, the country's GDP change rate returned to negative territory.

The climate of uncertainty that had taken shape since the last quarter of the previous year deteriorated in the first half of 2015, reaching a climax after the announcement of the Greek referendum, the bank closure and the imposition of controls on – among others – cash withdrawals from bank accounts, cross-border payments and capital movements.

The flow of adverse developments was stemmed by the agreement reached in the Eurozone Summit of July 12, which in essence confirmed the will of the Greek authorities to secure the country's future in the common currency zone.

The extreme level of concern regarding the funding and the outlook of the Greek economy, the

austerity measures that accompanied the new agreement in order to achieve the revised fiscal targets, as well as the destabilisation of the banking system, which led to a further contraction of funding to the domestic private sector, were the main factors underlying the new downturn.

However, despite the challenges, the negative impact was weaker than initially anticipated. According to the first estimates of the Hellenic Statistical Authority (ELSTAT) the country's GDP recorded a decrease of 0.2% in 2015, featuring among others a decrease in private investments and in imports and exports of goods and services, mainly due to the capital controls.

Against an adverse economic environment in Greece, but also in the countries of the Middle East and North Africa where METKA has a significant activity in the recent years, the company's performance followed a satisfactory course in 2015.

Pursuing its strategic goal to develop its activities in sub-Saharan Africa, METKA announced its first substantial project in the region. It concerns the engineering-procurement-construction-commissioning of a 250mwatt power plant with the BOOT method, a five-year time schedule and a budget of USD 360 million.

Also, through its subsidiary, METKA EGN, which was established with an aim to evolve into a new leader in the solar power sector on a global level, the Group has signed contracts for EPC and O&M for seven solar photovoltaic power plants, valued at approximately Euro 112 million.

For yet another year, the professionalism, the high expertise and the dedication of METKA's employees had a significant contribution to the achievement of exceptional performance, in an environment of intense uncertainty and continuous challenges.

The positive performance of the company is reflected in the financial results of 2015, which confirm METKA's resilience.

More specifically, the Group's turnover for 2015 reached € 668.0 million compared to last year's € 609.3 million, while the Company's turnover for the same period mounted to € 411.9 million compared to last year's € 549.0 million.

The main factors which contributed to the Group's above course are :

a) The project «Engineering, Procurement and Construction (EPC) of 250 MW power plant» in Ghana, with a contractual value \$ 360 million, which in the period under review recorded a turnover of € 209.0 million.

b) The continuation of the project «Construction of a thermal power plant station of 1250 MW» in Iraq, with a contractual value of \$ 567.7 million which in the period under review recorded a turnover of € 164.8 million.

c) The continuation of the project «Construction and commissioning of a 590,726 MW open-cycle, three turbine, dual fueled power plant» in Hassi 'Rmel, Algeria, with a contractual value of € 154 million and 2.311 million DZD, which in the period under review recorded a turnover of € 60.5 million.

d) The continuation of the project «Construction of remaining infrastructure, permanent way, signaling-telecommanding, telecommunications and electrical engineering works for the tunnel facilities for the new railway line Kiato-Rododafni» with a contractual value of €227 million, which in the period under review recorded a turnover of €43.3 million.

e) The continuation of the project «Construction of a power plant station of 701 MW» in Deir Ali, Syria, with a contractual value of €673 million which in the period under review recorded a turnover of €42.5 million.

f) The execution of the project «Defined metal structures of the hull and turret for 62 LEOPARD 2A7 main battle tanks for the Middle East market» of a contractual value €56.5 million, which in the period under review recorded a turnover of €30.2 million.

g) The « engineering, procurement, construction and commissioning of eight (8) mobile gas turbine power generation units with a total output of 179.72 MW » in Algeria, with a contractual value of \$66 million, which in the period under review recorded a turnover of €23.1 million.

h) The «Construction and commissioning of an open-cycle, natural-gas fired, two turbine power plant of 368.152 MW» in Algeria with a contractual value of €72 million and DZD 2.127 million, which in the period under review recorded a turnover of €19.1 million.

The Group's and the company's gross profit margin reached 19.7 % and 18.3% respectively, while the EBITDA (earnings before interest, taxes depreciation and amortization) of the Group were €116.4 million (17.42%). Accordingly the Company's EBITDA amounted to €59.4 million (14.42%).

The Group's net earnings after taxes and non-controlling stakes amounted to €68.9 million, and Company's amounted to €17.3 million.

The Group's net cash at hand at the end of FY 2015 reached €150.5 million, a considerable increase, which despite the negative economic climate remain on a high level.

The financial position of the Group on December 31, 2015 continues to be satisfying and reflects its economic stability and its future perspectives. The total equity in December 31, 2015 amounted to €551 million in comparison to the €508 million of December 31 2014, demonstrating an increase by 8.5%.

It is the Group's policy to constantly assess its results and performance on a monthly basis, aiming to detect any deviations from its objectives and to adopt the required corrective measures timely and effectively. The Group assesses its performance by using financial performance indices, in particular:

- ROCE (Return on Capital Employed) – The index divides the earnings before taxes, financial, investment results and total depreciations with the total Group capital employed, which is the sum of the equity, plus the total borrowing obligations and the long term provisions.
- ROE (Return on Equity) – The index divides the earnings after tax by the Group Equity.
- EVA (Economic Value Added) – This index can be determined by multiplying the Capital Employed with the difference (ROCE – Cost of Capital) and is the amount by which the

Group increases its economic value. The Group uses the model of WACC "Weighted Average Cost of Capital" in order to calculate the Cost of Capital.

Index	2015	2014	2013
ROCE	20%	20%	21%
ROE	13%	18%	20%
EVA	104,095 thous.	91,813 thous.	82,358 thous.

The mean yield values of the Hellenic Republic Bonds during December 2015 were especially high and, therefore, not appropriate to be used in such an assessment.

For this reason, the European bond index iboxx AA Corporate Overall 10+ EUR indices was used as a basis for the estimation of the EVA index. Its average yield for the same period was 1,68%.

## B. Significant events of the year 2015

### I. Projects continued in year 2015

#### A) EPC Projects

##### 1. Thermal Power Plant Construction of 1250 MW in Iraq

Further to a contract signed on 23/11/2011, METKA undertook on behalf of the Ministry of Electricity Republic of Iraq, the engineering, installation and commissioning of a thermal power plant of 1250MW, with General Electric turbine technology, in open cycle, natural gas and LDO fueled, in the area Basra of South Iraq.

Following the client's request and in order to optimize the unit's flexibility, METKA undertook through an agreement on 12/6/2014, the engineering, installation and commissioning of equipment feeding the unit with HFO (Heavy Fuel Oil).

The total contract budget is \$ 567,7 million and the project's completion (end of 2015) is approx. 88%.

## **2. Construction and commissioning of a 590.726 MW open-cycle, three turbine, dual fuel (natural gas/diesel) power plant in Hassi 'Rmel, Algeria**

On 19/11/2013 METKA announced a new contract with Société Algérienne de Production de l'Electricité (SPE Spa which belongs to Sonelgaz Group, the biggest power supplier in Algeria), in a consortium with General Electric. It is the fourth major project undertaken by METKA in Algeria, and highlights the company's commitment towards establishing a strong presence in regional growth markets. The project concerns the engineering, procurement, installation and commissioning of a dual fuel (natural gas/ diesel) open cycle power plant, with three gas turbines and a total output of 590,726 MW at site conditions. The total contractual value for METKA is € 154 million plus DZD 2.311 million and the project's time schedule was 16.5 months.

Further to an agreement with the client, an extension of the contract was signed in 24/2/2015 with a new completion period of 30 months. The electromechanical works are in an advanced state, two units have already been connected to the Algerian network and the commissioning works have already begun, in line with the new time schedule.

Expected is an agreement with a client for a further expansion of the time schedule by 12 months, in order to complete the rest of the works for the 2<sup>nd</sup> (last) phase of the project (roads, fences, administrative buildings, tanks, etc.)

The project's completion (end of 2015) is approx. 87%.

## **3. Power Plant Station of 701 MW in Deir Ali, Syria**

The joint venture of ANSALDO – METKA undertook in 2010 for the account of the Public Establishment of Electricity for Generation (PEEG) the engineering, procurement, construction and commissioning of a natural gas power plant that generates power with natural gas (main fuel) and diesel (auxiliary fuel), in a combined cycle with nominal capacity of 701 MW in Syria (Deir Ali II CCPP).

The execution of the project started in July 2010 following the opening of the Letter of Credit.

The contract price amounts to €673 million.

The construction works have been completed.

## **4. Construction of 8 mobile generators with total output 179.72 MW in Algeria**

METKA announced on 13.2.2014 that its Turkish subsidiary Power Projects Sanayi İnşaat Ticaret Limited Şirketi (Power Projects Limited) signed a new contract with Société Algérienne de Production de l'Electricité (SPE Spa).

This is the fifth major project undertaken by METKA in Algeria, which shall be realized by a consortium of Power Projects Limited with General Electric. It concerns the engineering, procurement, construction and commissioning of eight (8) mobile gas turbine power generation units with a total output of 179.72 MW at site conditions, to be installed at three (3) sites in Algeria. The total contractual value for Power Projects Limited is \$ 66 million.

The project was carried out on a fast-track basis. All units are in operation and the relevant provisional acceptance protocols were signed in September 2014.

The project's completion (end of 2015) is 100%.

## **5. Construction and commissioning of a natural gas fired, open-cycle power plant, with two gas turbines, of 368.152 MW in Hassi 'Rmel, Algeria**

On 14/05/2013 METKA announced a new contract with Société Algérienne de Production de l'Electricité (SPE Spa which belongs to Sonelgaz Group, the biggest power supplier in Algeria), in a joint venture with General Electric. It is the third major project undertaken by METKA in Algeria, and highlights the company's commitment towards establishing a strong presence in regional growth markets. The project concerns the engineering, procurement, installation and commissioning of a natural gas fired, open cycle power plant, with two gas turbines and a total output of 368,152 MW at site conditions. The total contractual value for METKA is € 72 million plus DZD 2.127 million (approx.. €92.8 million in total) and the time schedule is 29.5 months.

Due to delayed civil engineering works by the Client, there will be an extension of the time schedule.

The project's completion (end of 2015) is approx. 70%.

## **6. Power Plant Station of 724 MW in Deir Azzour, Syria**

The consortium ANSALDO – METKA (METKA acting as a leader) undertook for the account of the Public Establishment of Electricity for Generation (PEEG) the works allowed by the prevailing circumstances (engineering, procurement) of the project “ engineering, procurement, construction and commissioning of a natural gas power plant that generates power with natural gas (main fuel) and diesel (auxiliary fuel), with nominal capacity of 724 MW in Syria” (Deir Azzour CAPP).

The budget of the contract is € 687 million paid through a Letter of Credit which already has been opened in our company's name and confirmed in April 2012.

Completed are the engineering and procurement of the main equipment.

## **7. Power Plant Construction of 143 MW in Jordan**

With the contract dated 16/12/2012, METKA undertook on behalf of Samra Electric Power Co. (SEPCO) the expansion of an existing power station in Jordan, following a successful completion of the relevant tender.

The project in Zarqa, near the capital Amman, concerns the engineering, procurement, construction and commissioning of a 143MW expansion to an existing power plant, by the addition of a combined cycle plant, of Alstom technology, to the existing open cycle gas turbines.

The total contract value is US \$143 million and Jordanian Dinars 11 million, with a time schedule of 28 months from the contract date and opening of the letter of credit.

The commercial operation of the unit commenced in June 2015.

## **8. SES Aliveri V, PPC project**

Construction was completed within 2012 but commissioning was postponed due to lack of a natural gas supply. This was arranged in November 2012 and the works re-started. The project was completed in the first half of 2013. Its semi-commercial and commercial operation was completed within the second half of 2013.

The completion by the PPC of the procedure towards the Final acceptance certificate is pending, and is currently at its final stage.

## 9. HES Ilarion Hydroelectric Project, Small Ilarion and small Papadia

The project's time schedule was modified so that its progress is aligned with the activities of the civil works performed by another contractor and PPC's reservoir filling program. The electromechanical erection has been completed and the station has entered into commercial operation in 2014. Final acceptance is pending and is expected within 2016.

### Summarizing

The 2015 turnover from EPC Projects amounts to € 546.2 million which corresponds to a 81.8% of the total 2015 turnover.

## B) Defense Projects

### 1. Patriot production

The production of air defense systems Patriot PAC-3 for Raytheon Company is being continued.

Completed within 2015 was the production and delivery of defense systems for the Government of Kuwait. The contracting party is INTRACOM Defense Electronics under an agreement with the Raytheon Company/IDS (Integrated Defense Systems) and the project's main features were the manufacture of 12 semi-trailers and 10 launcher platforms.

### 2. Defined metal structures of the hull and turret for 62 LEOPARD 2A7 main battle tanks for the Middle East market

On 26/11/2013 METKA signed an industrial coproduction agreement with Krauss-Maffei Wegmann GmbH & Co. KG (KMW), Europe's leading manufacturer of highly protected wheeled and tracked military vehicles. KMW chose METKA to supply defined metal structures of the hull and turret for 62 LEOPARD 2A7 main battle tanks for the Middle East market. The value of the agreement adds up to 56.5 million euro and deliveries are expected to be concluded within 2016. Up to December 2015, 24 turrets and 26 hulls have been delivered.

METKA and KMW have been business partners in producing LEOPARD 2HEL tanks for the Greek Army since 2003 when the two companies set the basis of their co-operation that included extensive know how transfer and substantial investments on highly sophisticated machinery in METKA's two factories in Volos. This new agreement is the result of the successful execution of the Greek program that qualified METKA as one of the very few companies that can perform such demanding fabrication works worldwide and, certainly, sets a milestone in their long-term cooperation, particularly with regard to preservation of jobs and know-how in Greece's Defense Industry.

### Summarizing

The 2015 turnover from Defense projects amounted to € 35.3 million corresponding to a 5.3% of the total 2015 turnover.

### **C) Various Projects -Infrastructure**

**«Construction of remaining infrastructure, permanent way, signaling-telecommanding, telecommunications and electrical engineering works for the tunnel facilities for the new railway line Kiato-Rododafni»**

METKA announced on 11.9.2014 the contract for the project «Construction of remaining infrastructure, permanent way, signaling-telecommanding, telecommunications and electrical engineering works for the tunnel facilities for the new railway line Kiato-Rododafni». The total budget of the project is € 273 million and is co-funded by the European Regional Development Fund (ERDF), under Priority Axis 2 of the Operational Programme “Accessibility Improvement” of the Greek NSRF 2007-2013.

The Kiato-Rododafni railway line is part of the larger construction project for the new double railway line from Athens (SKA) to Patras and is considered an infrastructure project of significant importance, since upon its implementation it will be possible to connect the Peloponnese with the modern railway network of Athens. The New Double High-Speed Railway Line KIATO-PATRAS is the extension of the new ATHENS - KORINTHOS - KIATO Double High-Speed Railway Line, which will link the Greek Capital to Patras, the third largest economic centre of the country.

For the implementation of the project METKA will collaborate with the international company THALES, a global leader in the field of signaling and telecommanding, as well as with XANTHAKIS S.A., a Greek company specialized in railway superstructure works

The Implementation of the project started immediately with the signing of the contract. According to the 15<sup>th</sup> account of works (until February 2016) a 30% of the project has been certified as already executed, amounting to € 68.1 million, whereas the amount received so far is € 50.7 million, which corresponds to the 12<sup>th</sup> account of the works completed within 2015.

It should be noted that the works continued smoothly, financed by METKA, even in conditions of temporary financial inertia with payment delays and “capital control”. Account payments returned into normal in December 2015.

### **C) Other Projects - Sales**

In addition to the aforementioned projects, during 2015 the Group completed various projects (infrastructure, maintenance, machining, etc.)

#### **Summarizing**

Various Projects and other sales participated with € 86.5 million in the 2015 turnover representing a 12.9% of the total turnover.

## **II. New projects awarded to the Company in 2015**

### **Construction of a 250 MW Power Plant in Ghana**

Power Projects, a 100% subsidiary of METKA, has signed a major contract to provide a fast-track EPC as well as Operation and Maintenance support for a 250 MW Power Plant in Ghana.

The project is a 5-year Build, Own, Operate and Transfer (BOOT) and was signed with the government of Ghana and METKA's partners in the deal, Ameri Energy, the energy investment arm of His Royal Highness Sheikh Ahmed Bin Da Imook Al Maktoum member of Ruling family of Dubai.

The total contract budget for Power Projects is \$ 360 million.

### **METKA EGN : New Solar Power EPC Contracts**

METKA EGN, a 50,1% subsidiary of METKA, has recently signed contracts for turn-key engineering, procurement and construction (EPC) and operations and maintenance (O&M) for 7 solar photovoltaic (PV) power plants with a total capacity exceeding 116 MW and contract value of approximately € 112 million.

The largest of the contracts is concluded with Oriana Energy, LLC, a subsidiary of the Sonnedix Group (collectively, "Sonnedix"), a leading solar energy Independent Power Producer (IPP), for a large scale 57MW project in Puerto Rico. Together with the EPC for the solar plant, which will be completed in mid 2016, METKA EGN will also provide operation and maintenance services.

A further six contracts have been signed for projects in the United Kingdom with leading investors – including Lightsource and Moser Baer, both existing clients, and Canadian Solar which is a new client for METKA EGN.

Through these new contracts, METKA EGN demonstrates the strong potential of the company for international growth, and positions itself as a new leader in the solar power sector on a global level.

### **Procurement, installation, commissioning and delivery of 2 new gas-turbine units of 13MW for the Paros and Mykonos power stations**

On 09/06/2015 METKA signed a contract with the Public Power Corporation for the procurement, installation, commissioning and "turn-key" delivery of 2 new gas-turbine, open-cycle TURBOMACH TITAN 130 units, with a power of 13.060 kW at the generators' terminals, in ISO conditions and light- fueled oil (LFO), for the Paros and Mykonos power units. The contractual value is € 16.5 million. The project was realized with a fast-track process and delivered as per the time schedule in July 2015.

### **Construction and commissioning of an Open-Type High-Voltage Substation (AIS) 220/60, 2x120MVA.**

On 29/10/2015 METKA signed a new contract with SPA, Société Algérienne de Gestion du Réseau de Transport de l'Electricité GRTE (GRTE Spa, member of the Sonelgaz Group, the biggest supplier of electric power in Algeria) in consortium with its subsidiary POWER PROJECTS, for the

engineering, procurement, construction and commissioning of an open-type High-Voltage Substation AIS 220/60, 2x120MVA at site conditions. It is the first High-Voltage Substation and the sixth project of METKA in Algeria, and highlights the company's commitment towards establishing a strong presence in regional fast growing markets. The total budget for METKA S.A. is € 14.4 plus DZD 571.6 million (total approx. € 19.7 million) and the time schedule is 24 months.

### **Construction of Patriot**

The fifth contract for the construction of Patriot PAC-3 complexes for Raytheon Company was signed on 16/6/2015. The contractor is INTRACOM Defense Electronics through an agreement with Raytheon Company/IDS (Integrated Defense Systems) and the project is the construction and delivery of 44 semi-trailers and 34 launcher platforms. The total contractual value is \$ 38.6 million and final deliveries are anticipated in 2018.

### **Construction of Patriot**

The sixth contract for the construction of Patriot complexes for Raytheon Company was signed on 24/7/2015. The contractor is INTRACOM Defense Electronics through an agreement with Raytheon Company/IDS (Integrated Defense Systems) and the project is the construction and delivery of 42 semi-trailers and 36 launcher platforms. The total contractual value is \$ 37,8 million and final deliveries are anticipated in 2018.

### **Construction and maintenance of the electricity networks in the areas of Ioannina-Kefalonia-Komotini & Florina**

On 09/06/2015 METKA undertook from the Hellenic Electricity Network Administrator S.A. the construction and maintenance of the network in the areas of Ioannina-Kefalonia-Komotini & Florina, starting on 01/07/2015 and for three years with a total contractual budget of € 13.6 million.

### **Boiler upgrade in Units I and II of SES Agios Dimitrios for NOx emission reduction with primary measures and conformity to the requirements of the European Directive 2010/75/EC**

On 23/11/2015 METKA signed a new contract with the Public Electricity Company S.A. for the design and engineering, manufacturing, tests on site, procurement, transportation and storage of the equipment at the project's facilities, the erection, construction, assembly, installation, tests on site and commissioning of the Boilers further to the upgrade with primary measures (Boilers incorporating the new equipment and modified existing equipment) for NOx emission reduction at Units I and II of SES Agios Dimitrios. The total contract budget for METKA S.A. is € 13.75 million and the time schedule 22 months including the final Performance Tests.

## **III. Other important events in 2015**

### **Commencement of commercial operation of the Power Plant in Zarqa, Jordan**

The commercial operation of the 143 MW combined-cycle Power Plant in Zarqa, Jordan, on behalf of Samra Electric Power Co. (SEPCO) commenced in June 2015.

The project concerns the engineering, procurement, construction and commissioning of a 143MW expansion to an existing power plant, by the addition of a combined cycle plant, of ALSTOM technology, to the existing open cycle gas turbines. The total contract value is US \$143 million and Jordanian Dinars 11 million.

Final acceptance is expected within 2016.

### **Decisions of the Regular General Assembly of 6/5/2015**

The annual Regular General Assembly of the company's shareholders took place on May 6 2015, and the following decisions, among others, were taken:

- a) Approval of the company and consolidated financial statements for the period 01/01-31/12/2014.
- b) Distribution of a dividend € 0.5000 per share. The net payable dividend after a tax deduction of 10% was € 0.4500.
- c) Approval of a € 3,6 million compensation out of the 2014 profit (according to article 24 of law 2190/1920) to the BoD members for their services to the Company.
- d) The General Assembly discharged the Board of Directors and the Auditors from any liability for compensation regarding the activities carried out in connection with the financial year 2014.

### **C. Important events after 2015**

Apart from the already mentioned there are no other important events from the end of 2015 until the present which should be disclosed according to the IFRS.

### **D. Perspectives for 2016**

The year 2016 will be characterized by a mixture of effects, many of which have been defined by the events of the previous year.

The momentum of the recession that was recorded in 2015 is expected to carry over to the first half of 2016, while the capital controls will continue to have a negative impact on the economy during the current year and in the medium term.

The containment of the recession and the return to a positive GDP growth rate during the second half of the year are considered attainable, provided that political stability is maintained and uncertainty is eliminated. This prospect is subject to a series of challenges and risks that may have an influence on domestic macroeconomic circumstances.

A pivotal point is the completion of the first review of the new stabilization program, in order to improve confidence in the Greek economy, accelerate the return of deposits to the Greek banking system, bring forward the further relaxation of capital controls and create more favorable financing conditions for businesses and households.

A negative outcome of the pending negotiations, or even a continuation of the delay, could weaken the positive prospects and potentially lead to a new destabilization of the economy, followed by a deepening of the recession and a further deterioration of financing conditions.

Albeit necessary, the completion of the first review is not a sufficient condition for the recovery of the Greek economy in 2016. This will also depend on the consistent implementation of the program, with an emphasis on structural changes aimed at strengthening competition in critical markets and the creation of a more favorable environment for private investment.

Finally the domestic economic environment will be critically influenced by a set of external factors, including the cost of energy, the geopolitical situation in the broader region and the effectiveness in addressing the refugee crisis, the economic recovery in the Eurozone and the outcome of the UK's European Union membership referendum.

Despite the pressures and uncertainties in the domestic and international environment, METKA is expected to follow a positive course in 2016. It will continue to pursue its strategic goal to build on its successful expansion within the Middle East and North Africa regions and become a leading player in the sub-Saharan Africa power market.

In this context it will also seek to harness the opportunities generated by the removal of the international bans on Iran, which opens the field for the construction of large energy projects.

At the same time, the Group will aim to further strengthen its portfolio of activities in the rapidly growing solar power market on a global level, through METKA EGN. The company will be strongly focused on serving major international clients, primarily in the markets of Europe, Middle East, Africa and Latin America.

METKA's course will continue to be driven by a dynamic and extrovert growth strategy, which was successfully implemented in the previous years by the joint effort of its management and employees. Riding on its experience, its expert know-how and the international prestige that it has built, the Group will continue to generate value for its shareholders, its clients and the national economy.

## **E. Risks and Uncertainties**

The activities of the Group are subject to various risks and uncertainties, related mainly to the technical and timely completion of the projects and their performance according to the guaranteed values.

The Group is active in the Greek territory as well as in Middle East, Syria, North Africa, Turkey and countries of the European Union. Therefore, it is subject to currency exchange risk which may arise from the exchange rate of euros against other currencies (mainly USD). This kind of risk may arise from transactions in foreign currency or valuation of foreign currency reserves. In order to manage

this kind of risk, the Group's Treasury takes care to safeguard the Group's reserves from changes in exchange rates. Concerning the company's transactions with foreign institutions, these are mainly with European Group of Companies transacting in euros, so there is no such risk.

Additionally, in order to control the currency risk in trade transactions, the Group's policy is to invoice in the same currency with its clients/suppliers.

The Group is not subject to significant market risks (fluctuations in the exchange rates, interest rates, market prices etc.), credit risk, foreign currency risk and liquidity risk. This is achieved through cooperation with reliable clients, recourse to short-term bank borrowing only when funding is deemed necessary.

According to Group's risk management policy, an evaluation of the risks related to its activities and operations, the planning of methodology, the selection of the suitable financial products for the reduction of risks and their implementation is performed in accordance with the process approved by the Management.

It should be noted however that the systems and risk management policies by default offer potential but not absolute safety, since although they are designed to limit the possibility of the relevant risks and their consequences, they cannot fully exclude them.

A potential major change in the global circumstances could create risks even with trustworthy clients.

Subsequently, the factors of the basic risks and uncertainties are analysed, as well as the policies for their management and their impact on the activities of the Group.

## **I. Credit Risk**

The credit risk occurs when the inability of the contracting parties to settle their obligations could decrease the amount of the future cash inflows from financial assets at the date of the balance sheet. The Group is regarded as not having any significant concentrations of credit risk.

The Group implements procedures so as to ensure that its receivables result from customers with acceptable credibility and reviews regularly the aging of its receivables.

The fact that the Company is not exposed to significant credit risk from commercial receivables is due to the nature of the activities of the Group as well as its policy, which is directed towards the collaboration with big corporations of the Public Sector and reliable foreign corporations with high credit ratings.

The slowdown of the Greek economy in 2015 is expected not to adversely affect the receivables of the Group, since there is no significant exposure to receivables from Greek government agencies and the customers are primarily creditworthy international customers.

The credit risk also exists in relation to the cash and cash equivalents, the investments and financial derivatives. The risk can result from weakness of the contracting party to meet its obligations towards the Group. The bank balances are retained in bank institutions with high credit ratings and the Company implements processes which minimize its exposure to credit risk in relation to each financial corporation.

## II. Exchange Rate Risk

The exchange rate risk results from future commercial transactions and recognized assets and liabilities that are denominated in currency which is not the functional currency of the Company.

The Group operates in the areas of Greece, Middle East, Syria, North Africa, Turkey and the European Union countries and therefore may be exposed to currency risks that may arise, mainly with American dollars (USD). This type of risk can arise primarily from existing or expected cash flows in foreign currency from trading other than Euro.

The Group is exposed to exchange rate risk due to transactions with customers and suppliers in foreign currency, the majority of which are in USD. Contracts in USD are the Iraq project as well as the project in Ghana.

To manage currency risk, financial section of the Group management minimizes the risk by changes in exchange rates. Regarding the Company's transactions with foreign companies, these are normally with European groups where the settlement currency is in Euro and therefore no such risk arises.

In order to reduce the currency risk from commercial transactions, the Group applies pricing primarily in the same currency with customers / suppliers. Furthermore, for trade with countries outside the European Union (mainly currency United States dollars - US \$) Group Treasury Department enters into forward currency contracts for and on behalf of the individual companies of the group if necessary.

The financial assets as well as the corresponding liabilities of the Group in foreign currency converted into Euros with the closing exchange rate are analysed as follows:

Amounts in thousands €	2015								2014								
	USD	SYP	GBP	TRL	DZD	JOD	IQD		USD	SYP	GBP	RON	TRL	DZD	JOD	IQD	
Nominal Amounts																	
Financial Assets	138,119	382	5,111	8,290	13,123	198	-		85,877	481	33	1,743	14,375	6,162	2,097	-	
Financial Liabilities	(155,369)	(651)	(5,573)	(1,386)	(9,472)	(553)	(67)		(32,300)	(958)	(91)	-	(404)	-8,769	-3,235	(58)	
<b>Total</b>	<b>(17,250)</b>	<b>(269)</b>	<b>(462)</b>	<b>6,905</b>	<b>3,652</b>	<b>(355)</b>	<b>(67)</b>		<b>53,577</b>	<b>(477)</b>	<b>(58)</b>	<b>1,743</b>	<b>13,970</b>	<b>(2,608)</b>	<b>(1,138)</b>	<b>(58)</b>	
<b>Short-term exposure</b>	<b>14,905</b>	<b>(269)</b>	<b>(462)</b>	<b>6,905</b>	<b>3,652</b>	<b>(355)</b>	<b>(67)</b>		<b>58,737</b>	<b>(477)</b>	<b>(58)</b>	<b>1,743</b>	<b>13,970</b>	<b>(2,608)</b>	<b>(1,138)</b>	<b>(58)</b>	

The table below shows the sensitivity analysis of the financial year's result and equity in combination with the financial assets and the financial liabilities at the exchange rate EUR/USD, EUR/GBP, EUR/RON, EUR/TRL, EUR/SYP, EUR/DZD, EUR/JOD and EUR/IQD. The table was prepared based on the scenario that there is a fluctuation at 31 December 2015 of the above exchange rates by 5% (2014: 5%). The effect on result and equity is as follows:

Increase 5% :

Amounts in thousands €	2015								2014							
	USD	SYP	GBP	TRL	DZD	JOD	IQD		USD	SYP	GBP	RON	TRL	DZD	JOD	IQD
Earnings before tax	(863)	(13)	(23)	345	184	-18	(3)		2,679	(24)	(3)	87	699	(130)	-57	(3)
Equity	(1,323)	(10)	(18)	345	149	(15)	(2)		2,021	(18)	(2)	70	559	(106)	(49)	(2)

Decrease 5% :

Amounts in thousands €	2015								2014							
	USD	SYP	GBP	TRL	DZD	JOD	IQD	USD	SYP	GBP	RON	TRL	DZD	JOD	IQD	
Earnings before tax	863	13	23	(345)	(184)	18	3	(2,679)	24	3	(87)	(699)	130	57	3	
Equity	1,323	10	18	(345)	(149)	15	2	(2,021)	18	2	(70)	(559)	106	49	2	

In order to control the exchange rate risk resulting from transactions with non-EU countries (mainly in US \$), the group treasury department signs currency pre-purchase contracts on behalf of the separate Group companies when this is deemed necessary.

### III. Interest Rate Risk

It is the risk from the fluctuations in the financial assets and liabilities value due to changes of the interest rates. The Group is not exposed to significant interest rate risk, since its short-term borrowing on 31/12/2015 was on a quite low level.

The total assets of the Group that are exposed to interest rate fluctuations relate mainly to cash and cash equivalents.

The Group finances the projects using own funds in order to minimize the level of bank borrowing. At 31 December 2015 the total borrowing of the Group was € 4.1 million, the € 2.3 million being short-term borrowing. The following table shows the sensitivity of result and equity given a reasonable change of interest at a rate + 3% or – 3%.

Amounts in thousands €	31/12/2015		31/12/2014	
	3%	-3%	3%	-3%
Earnings before tax	(128)	128	(137)	137
Equity	(91)	91	(101)	101

### IV. Market Price Risk

The Group is exposed in fluctuations in the value of raw and other materials purchased as well as changes in the value of portfolio investments due to uncertainty of their future prices.

The risk of fluctuations of the value of raw and other materials is limited as in major contracts that the Group enters into price readjustment clauses are included.

The market price risk regarding the portfolio of investments of the Group is considered limited, as the investments of the Group are mainly in Government bonds and they represent a very small portion of financial assets of Group.

### V. Liquidity Risk

Liquidity risk is the risk that arises when the cash and cash equivalent assets are not adequate to meet the liabilities at their maturity date.

Liquidity risks is held at low level by maintaining adequate level of cash & cash equivalent and positive working capital, while there are also unused credit lines from banks to meet any cash requirements.

The Group manages its liquidity requirement by close monitoring of the level of liabilities, obligations and payments on a daily basis.

Liquidity risk is closely linked to the project performance and procurement risk, given the financial negative impact that may arise in case of failure to execute the project under the terms of the contract.

In addition, the Group's credit standing allows the efficient utilization of the international capital markets for both financing purposes and for the granting of credit lines (letters of guarantee).

The table below analyses the Group's and Company's financial liabilities, based on the remaining period at the balance sheet date until the expiry of payables. The expiration of liabilities on 31/12/2015 and 31/12/2014 for the Group and the Company is analysed as follows:

Liquidity Risk Analysis - Liabilities (Amounts in thousands €) 2015	Group METKA				Total
	up to 6 months	6 to 12 months	1 to 5 years	after 5 years	
Long Term Loans	-	-	1,251	526	1,777
Short Term Loans	2,189	156	-	-	2,345
Leasing liabilities	-	-	-	-	-
Trade and other payables	144,064	15,257	49,026	-	208,347
Other payables	13,180	49,424	-	-	62,604
Current portion of non-current liabilities	-	-	-	-	-
<b>Total</b>	<b>159,433</b>	<b>64,837</b>	<b>50,277</b>	<b>526</b>	<b>275,168</b>

Liquidity Risk Analysis - Liabilities (Amounts in thousands €) 2014	Group METKA				Total
	up to 6 months	6 to 12 months	1 to 5 years	after 5 years	
Long Term Loans	-	-	1,268	822	2,090
Short Term Loans	2,194	156	-	-	2,350
Leasing liabilities	-	-	-	-	-
Trade and other payables	83,729	5,355	13,773	-	102,857
Other payables	5,950	8,320	-	-	14,270
Current portion of non-current liabilities	-	-	-	-	-
<b>Total</b>	<b>91,872</b>	<b>13,832</b>	<b>15,042</b>	<b>822</b>	<b>121,567</b>

Liquidity Risk Analysis - Liabilities (Amounts in thousands €) 2015	METKA S.A.				
	up to 6 months	6 to 12 months	1 to 5 years	after 5 years	Total
Long Term Loans	-	-	-	-	-
Short Term Loans	-	-	-	-	-
Leasing liabilities	-	-	-	-	-
Trade and other payables	97,918	7,873	19,490	-	125,281
Other payables	9,091	19,424	-	-	28,514
Current portion of non-current liabilities	-	-	-	-	-
<b>Total</b>	<b>107,009</b>	<b>27,297</b>	<b>19,490</b>	<b>-</b>	<b>153,796</b>

Liquidity Risk Analysis - Liabilities (Amounts in thousands €) 2014	METKA S.A.				
	up to 6 months	6 to 12 months	1 to 5 years	after 5 years	Total
Long Term Loans	-	-	-	-	-
Short Term Loans	-	-	-	-	-
Leasing liabilities	-	-	-	-	-
Trade and other payables	82,893	5,355	13,773	-	102,022
Other payables	5,222	8,320	-	-	13,542
Current portion of non-current liabilities	-	-	-	-	-
<b>Total</b>	<b>88,115</b>	<b>13,676</b>	<b>13,773</b>	<b>-</b>	<b>115,564</b>

Not included in the above are liabilities from construction contracts, acknowledged according to IAS 11.

## VI. Other risks and uncertainties

### a) Project's performance and procurement risk

Possible risks which may arise from commercial transactions of Group is the delay in procurement of plant and equipment and the delay by subcontractors in the completion of construction work which may result in overall delay of the completion of the projects undertaken and therefore the imposition of penalties for breaching the contractual terms.

Due to the nature of its projects, the Group is exposed to risks related to the design, procurement, and commissioning of power plants. The risks are due to:

- Mechanical damages to equipment
- Unforeseen construction circumstances
- Delays due to bad weather
- Unforeseen cost increases of material and equipment

Due to the Group's long – standing experience, the strict selection of sub-contractors and suppliers, the Audit Division and the quality assurance of these, is not exposed to major risks regarding the proper implementation of works and supplies that assigns. In addition, guarantees are required from co-suppliers, in the form of bank assurance (performance, supply materials, etc.).

### b) Insurance Risk

The insurance risk arises from the Group's activities and is associated with various events, including accidents, injuries, damage in equipment and force majeure events. All of the above

events are most likely to cause delays and in worst-case cease of work. Any such developments would hinder the financial position and results of the Group.

In order to address the above risks, the Group proceeds to the 100% insurance against such risks to cover the total value of projects and activities with all-risk insurance policies (Erection All Risks & Construction All Risks), including civil liability, employer liability, machinery, vehicles etc to renowned international insurance firms.

However, the existing insurance policies cannot always fully cover possible damages from unexpected events such as natural disaster, war or terrorist attacks.

### **c) Risks arising from geopolitical factors**

Apart from the Group's activity in Syria, there is no foreseeable risk for the Company due to geopolitical factors. Concerning the activity in Syria, it should be clear that METKA is not subjected into investor's risks but to the risks of a manufacturer with assured funding and confirmed credit. Nevertheless, the postponement of works for a certain period, the necessity for extremely high safety measures, our extended presence in the Project, the increased freight and insurance charges, and the extraordinary, in general, conditions under which the Project continues today, have increased significantly the cost although not to a degree which hinders its continuation, expecting of course a compensation from the client for all proven over-expenses which are imposed to us for reasons outside our responsibility.

### **VII. Risks arising from the imposition of capital controls in Greece**

The Greek government and the Institutions, after almost five months of negotiations, failed to reach an agreement until the extended Greek program expired on the 30th of June 2015. During said period a continuous and escalated leak of bank deposits occurred as a result of the increasing uncertainty. Said fact, along with the decision of the European Central Bank (ECB) for no further increase in the Emergency Liquidity Assistance (ELA), led to the Legislative Act (L.A.) of the 28th of July 2015 that introduced the impose of capital controls along with a Bank holiday period. With a later L.A. on the 18th of July 2015, the Greek government decided the termination of the Bank holiday, but retained the measure of capital controls.

The Group monitors said developments very closely, taking every necessary measure to safeguard its going concern. Through the strength of its international profile and export orientation, the Group copes with existing difficulties, supports the liquidity of the Greek system and achieves a smooth and normal operation for all its sectors of activity.

In this context, the Group will continue to monitor and evaluate all the developments and immediately notify the investment community and all its Stakeholders for any possible effect in its financial position and results of operations as a result of the Greek financial crisis.

### **d) Dividend Policy**

Regarding the distribution of dividends, the Company's management, after taking into account, inter alia, the uncertain market conditions, the tight financing policy of businesses by the banks, and aiming to enforce the Group's available cash in order to self-finance the planned growth in 2016, proposes the distribution of a dividend equal to €0,1200/share, as against €0,5000/share in 2014.

The proposed distribution is subject to the approval of the Regular General Assembly of the Shareholders.

#### e) Group's structure and consolidation method

Apart from the parent Company, Group subsidiaries that are included in the consolidated financial statements with the method of full consolidation are:

Company	Main Operation Activity	Headquarters	Participation Percentage	Participation type	Consolidation method
GREEK STEEL INDUSTRY S.A. (SERVISTEEL)	Metal Constructions	Greece	99,98	Direct	Full
ELEMKA	Constructions -	Greece	83,5	Direct	Full
DROSCO HOLDINGS LIMITED	Constructions - Supervision	Cyprus	83,5	Indirect	Full
BRIDGE ACCESSORIES & METKA BRAZI SRL	Constructions - EPC Contractor	Greece Romania	62,625 100	Indirect Direct Direct 99%	Full Full
POWER PROJECTS	EPC Contractor	Turkey	100	Indirect 1%	Full
METKA RENEWABLES LTD	EPC Contractor of Solar Technologies	Cyprus	100	Direct	Full
RIVERA DEL RIO	EPC Contractor of Solar Technologies	Panama	50	Direct	Full
METKA-EGN LTD	EPC Contractor of Solar Technologies	Cyprus	50,1	Direct	Full
METKA-EGN LTD	EPC Contractor of Solar Technologies	England	50,1	Indirect	Full
METKA-EGN SpA	EPC Contractor of Solar Technologies	Chile	50,1	Indirect	Full
METKA-EGN USA LLC	EPC Contractor of Solar Technologies	Puerto Rico	50,1	Indirect	Full
MYTILINEOS FINANCIAL PARTNERS SA	Investments	Luxembourg	25	Direct	Equity
Joint Venture METKA-TERNA	Constructions	Greece	10	Direct	Equity

It is noted that Group's consolidated financial statements are consolidated in the consolidated financial statements of ultimate parent company MYTILINEOS S.A., located in Greece and possesses the 50,0% of the Group.

#### f) Own Shares

As in the previous years, the Company and its subsidiaries did not purchase any of its own shares during the financial year of 2015. There are no parent company shares at the end of the period under review which are possessed by the parent or its subsidiaries.

#### g) Transactions with related parties

According to IAS 24 related parties are subsidiaries, companies with common ownership and /or administration of the company, relatives of company as well as the parent company and

subsidiaries of the parent company, in addition the members of the Board and Administrative executive members of the company. The company receives goods and services by the related parties, while also it supplies the same goods and services to them.

The most important transactions and balances of fiscal year 2015 are as follows:

<b>Amounts of closing period 2015</b>				
<i>Amounts in thousands euro</i>				
<b>Subsidiary</b>	<b>Sales of goods and services</b>	<b>Purchases of goods and services</b>	<b>Receivables</b>	<b>Payables</b>
POWER PROJECT	760	137	2,114	3,255
ELEMKA S.A.	-	8,108	3,010	2,886
<b>AFFILIATED</b>				
PROTERGIA S.A.	5,128	-	96,282	-
MYTILINEOS HOLDINGS	-	6,061	-	-
KORINTHOS POWER	9,357	-	31,549	-
MYTILINEOS FINANCIAL PARTNERS	2,033	-	74,099	-

Clarifications concerning the above transactions:

Transactions with the above companies are on a strictly commercial basis. The Group is not involved in any transaction or unusual nature of content that is substantial for the Group or companies and individuals closely associated with it and it is not intended to engage in such transactions in future.

None of the transactions include special terms and conditions.

**H) Information of para.7 and explanatory report of para. 8 to the Regular General Shareholders' Assembly of METKA S.A. pursuant to article 4 of Law 3556/2007**

According to article 4 para.7 of law 3556/2007, the Company is obliged to publish in the present BoD report detailed information pertaining to the issues below as well as an explanatory report on

the additional information of article 4 para.7 of law 3556/2007, according to the stipulations of para.8 of article 4 of law 3556/2007. The explanatory report concerns the developments related to the information of para.7 of law 3556/2007, for the fiscal year under review.

#### I. Structure of the Company's share capital

The share capital of the Company amounts to € 16,624,192 divided into 51,950,600 common shares with par value of €0.3200 per share and one voting right each. The shares of the Company are listed on the Securities Market of the Athens Exchange.

The rights of the Company's shareholders with respect to their shares are proportional to the share capital stake to which the paid share value corresponds. Each share entitles all the rights and obligations that are stipulated by the Law and Company's Articles of Association, and more specifically:

- The right to dividend on the annual profits or liquidation profits of the Company. A percentage of 35% of the net profits following deduction only of the statutory is distributed from the profits of each year to the shareholders as an initial dividend while the distribution of an additional dividend is resolved upon by the General Meeting. The General Meeting determines the dividend. Dividends are entitled to each shareholder who is registered in the Shareholders' Register held by the Company on the date of approval of the financial statements by the Regular General Shareholders' Meeting. The dividend for each share is paid to its holder within ten (10) working days from the date on which the Ordinary General Meeting approved the annual financial statements according to the announced schedule of intended actions for 2015. The payment date and the payment method of the dividend are released through the Press. The right to receive payment of the dividend is subject to a time limitation and the respective unclaimed amount goes to the State upon the lapse of five years from the end of the year during which the General Meeting approved the distribution of the aforementioned dividend. It is noted that from the above mentioned amount, a tax is applicable and it is withheld in the favour of the Greek Tax Authorities.
- The right to reclaim the amount of someone's contribution during the liquidation or, similarly, the writing off of the capital representing the share, provided that this is resolved by the General Meeting.
- The right of pre-emption at every increase of the Company's share capital via cash payment and the issuance of new shares.
- The right to request a copy of the annual financial statements, the report of the Board of Directors and the report of the Company's Auditors.
- The right to participate in the Company's General Meeting which is analysed to the following rights: legitimacy, presence, participation in discussions, submission of proposals on the items of the agenda, entry of one's opinion on the minutes of the Meeting and finally the right to vote.
- The General Meeting of Company's Shareholders retain all its rights during the winding up (according to paragraph 4 of article 38 of the Articles of Association).

The shareholders' liability is limited to the nominal value of the shares held.

## II. Restrictions on transfer of Company shares

The transfer of Company shares is performed as provided by the Law and the Athens Exchange's regulation. The Articles of Association sets no restriction on the transfer of shares.

## III. Significant Direct / Indirect holdings according to Law 3556/2007

The Shareholders (individuals or legal entities) that hold directly or indirectly more than 5% of Company's shares on December 31, 2015, are presented in the table below.

COMPANY	%
MYTILINEOS S.A. – GROUP OF COMPANIES	50,00% plus one stock
FMR LLC	6,68%

## IV. Shares conferring special control rights

None of the Company's shares provide special rights of control to their holders.

## V. Restrictions on voting rights

No restrictions on voting rights emanate from the Company shares according to the Articles of Association.

## VI. Agreements among Company's shareholders

The Company is not aware of any agreements among shareholders, which would result in restrictions on the transfer of the Company's shares or in the exercise of the voting rights stemming from such shares.

## VII. Rules governing the appointment and replacement of members of the Board of Directors and the amendment of the Articles of Association.

The rules set out in the Articles of Association of the Company on the appointment and replacement of members of the Board of Directors and the amendments of the provisions of the Articles of Association do not differ from those envisaged in Codified Law 2190/1920 as amended by Law 3604/2007.

## VIII. Responsibility of the Board of Directors for the issuance of new shares or acquisition of own shares

A) According to the provisions of article 13 par. 1 item b) and c) of C.L. 2190/1920 and the article 5 of the Articles of Association, the Company's Board of Directors has the right, following a relevant decision by the General Shareholder's Meeting that is subject to the publicity announcements of article 7b of C.L. 2190/1920, to increase the Company's share capital with the issuance of new shares, through a decision by the Board of Directors that is made with a majority of at least two thirds (2/3) of its total members. In this case, Company's share capital may be increased by no

more than the share capital amount paid up on the date when the Board of Directors was granted such power by the General Meeting, This power of the Board of Directors may be renewed by the General Meeting for a period that may not exceed five years per instance of renewal.

B) According to the provisions of article 13 par. 9 item b) of C.L. 2190/1920, the General Meeting may establish a stock option plan for the members of the Board of Directors and Company's staff, in accordance with the specific terms of such decision. The decision of the General Meeting defines, in particular, the highest number of shares to be issued, which may not exceed, by law, the 1/10 of the existed shares, if the beneficiaries exercise their stock option right, the price, and the terms of share distribution to beneficiaries.

The Board of Directors regulates by resolution any other detail not otherwise regulated by the General Meeting, issues stock options certificates and shares for the entitled persons, who exercise their options, increasing the share capital accordingly and certifying such increase in December of every year.

#### **IX. Significant agreement come in force is amended / terminated in the event of a change in the control of the Company following a public offer**

There are no agreements which come in force, are amended or terminated in the event of change in the control of the Company following a public offer.

#### **X. Significant agreement between the Company and the members of the Board of Directors or of the employees**

There is no agreement between the Company and the members of the Board of Directors or staff providing for the payment of any compensation specifically in the event of resignation or dismissal without cause, or termination of their mandate or employment as a result of a Public Acquisition Offer. The provisions formed for retirement compensations as a result of the provisions of the L.3371/2005, amounts to € 885.485 on 31.12.2015 for the company (and € 993.014 at Group level).

### **H. Corporate Governance Declaration**

This is a declaration of conformity of the Company with the provisions of article 2 of law 3873/2010 pertaining to:

#### **1.1 Conformity of the Company with the Corporate Governance Code**

Our Company conforms with the policies and practices adopted by the "Corporate Governance Code for Listed Companies" (henceforth the "Code") which is published in the Association of Hellenic Industries' site.

#### **1.2 Deviation from the Code's special practices**

The Company's practices, applied according to its Statutes, its Internal Regulation and Ethical Code, deviate from the Code's special practices at the following points:

- i. According to the Company's current Statutes, the BoD is comprised of five to eleven members instead of seven to fifteen anticipated by the Code (article 2.1). The Company re-examined its structure, organization and operation, and decided that not to adopt this practice of the Code.

- ii. Given the nature of the company's activity and the duties of the BoD members of the company in the mainland, it becomes imperative to replace the Chairman and Managing Director for the full range of its duties in case of impediment by the Vice President. For that reason, the Company adopts the Code of Practice on the appointment of independent Vice President (Article 3.3).Dsfdsf.
- iii. There is no committee for the designation of candidatures for the BoD positions (article 5.5). Given that this committee is not imposed by law and our Company applies strict criteria to the selection of candidatures, it reserves the right not to establish such a committee and shall examine the possibility of applying a generally accepted methodology and process to this end.
- iv. The company's Statutes do not anticipate a process of electronic voting or voting through mail by the shareholders of the General Assembly (Part II. Article 1.2.). The company expects the issue of relevant ministerial decisions in order to implement this procedure.
- v. The Remuneration Committee hasn't yet been established since it is not considered necessary given the company's structure and operation. Our intention is, however, to establish such a committee in order to conform with article 1.6 part C of the SEV code.
- vi. The head of the Auditing Committee is not an independent non-executive member but simply a non-executive member. Given that the composition of the Auditing Committee does not violate the provisions of law 3693/25.08.2008, our company does not intend to reform the Auditing Committee before the end of its mandate.
- vii. There is no diversity policy pertaining to the composition of the BOD and the top management executives, as well as a gender representation percentage.

## **2. The General Assembly and Shareholders' Rights**

### 2.1 Operation of the General Assembly and its main authorities.

2.1.1 The General Assembly of the Shareholders is the highest authority of the Company which decides for any corporate issue and judges all matters subjected to it. More specifically, the General Assembly exclusively decides for:

- a) modifications of the Articles of Association,
- b) Auditor election,
- c) approval or change of the balance sheet and the annual financial statements of the Company,
- d) distribution of annual profit,
- e) merging, split, modification, revival of the Company,
- f) conversion of the Company's shares to nominal,
- g) extension or short cut of the Company's duration,
- h) the Company's winding up and the appointment of liquidators,
- i) BoD members' election

2.1.2 The decisions of the General Assembly are mandatory for absent shareholders or shareholders who disagree.

2.1.3. The General Assembly of the Shareholders is summoned by the Board of Directors and meets regularly at the Company's headquarters at least once annually and always within six months from the ending of the fiscal year. The Board of Directors may also summon an extraordinary meeting of the Shareholders when needed. In special situations, the General Assembly may session in another domestic place, following a permission by the Minister of Commerce which should detail the terms under which permission is granted. This permission is not required when are present or represented all shareholders in the Assembly and none objects to session and take decisions.

2.1.4 The General Assembly, excluding Repeated Assemblies and simulations, is summoned at least twenty (20) days before the date of the session (including non-working days). Not counting are the day of publication of the invitation and the day of the session. The invitation of the shareholders to a General Assembly should include the date, day, time, and place of the Assembly, the agenda, the shareholders who have a right to participate, as well as precise instructions about the way in which the shareholders may participate to the assembly and exercise their rights in person or through a representative or even remotely. An invitation is not required in case all shareholders are present or represented and none objects to session and take decisions.

2.1.5 The General Assembly is in quorum and valid to session on the agenda when are present or represented shareholders who comprise at least one fifth (1/5) of its share capital. If no quorum is achieved the General Assembly is repeated twenty (20) days from the cancellation date, following an invitation at least ten (10) days before. This repetitive meeting may validly session on the original agenda not taking into account the portion of the share capital represented.

2.1.6 The decisions of the General Assembly are taken with an absolute majority of the votes represented. However, in case of decision concerning a) Company nationality change b) change of Company headquarters c) change of purpose or objective of the Company d) conversion of the Company's shares to nominal e) shareholder additional obligations f) share capital increase or imposed by law or through capitalization of reserves or share capital decrease, unless effected according to para.6 of article 16 of C.L.2190/1920, g) issuance of bond loan pursuant to the provisions of articles 3a and 3b C.L. 2190/1920 as currently valid, h) change of profit distribution, i) merging, split, modification, revival of the Company, j) extension or short cut of the Company's duration, k) the Company's termination, l) authority or renewal of authority to the BoD for share capital increase according to para.1 of article 6 of the Articles of Association, and m) any other case which according to law the quorum of this paragraph is required, the General Assembly is in quorum and may validly session on the agenda when are present or represented shareholders which comprise two thirds (2/3) of the share capital.

2.1.7 Temporary president in the General Assembly is the BoD's president, or its deputy, who appoints as Secretary one of the present shareholders or representatives, until the General Assembly certifies the shareholders' list who are entitled to participate and elects the chair. The chair consists of the President and the Secretary who is also the teller.

2.1.8 The discussions and decisions of the General Assembly are limited to the agenda. The agenda is prepared by the BoD and includes the BoD's proposals to the Assembly as well as any proposals of auditors or shareholders who represent 1/20 of the share capital. The discussions and

decisions of the General Assemblies are recorded in a special book (proceedings) and the relevant proceedings are signed by the Assembly's President and Secretary. At the beginnings of the proceedings the list of the present or represented shareholders is recorded. Following a shareholder's demand the President of the Assembly is obliged to record in the proceedings the opinion of the shareholder who made the demand. If only one (1) shareholder is present in the General Assembly, a notary must be also present in order to sign the session's proceedings.

## 2.2 Shareholders' rights and their exertion

### 2.2.1 Participation and voting right

2.2.1.1 Shareholders exert their rights towards the management of the Company, only in the General Assemblies and according to law and the Articles of Association. Each share offers the right of one vote to the General Assembly, taking into account the requirements of article 16 of C.L. 2190/1920, as is currently valid.

2.2.1.2 Right to participate in the General Assembly has any shareholder appearing in the files of the Dematerialized Securities System of the «Hellenic Stock Markets S.A.», in which the Company's shares are kept. To prove his attribute, the shareholder must bring a relevant written certificate from the aforementioned authority or, alternatively, this can be done through a direct link of the Company with the files of the authority. The shareholder's attribute should exist at the record date which is five (5) days before the General Assembly and the relevant confirmation/certificate or electronic confirmation should reach the Company latest three (3) days before the General Assembly.

2.2.1.3 Right to participate and vote to the General Assembly have only the confirmed shareholders at the record date. In case of non-conformity to the provisions of article 28a of C.L. 2190/1920, the shareholder may participate in the General Assembly only following a permission from the Company.

2.2.1.4 The exertion of the above rights (participation and vote) does not require a freezing of the beneficiary's shares neither the application of any other relevant procedure which limits the share transfer and sale in the period between the record date and the General Assembly date.

2.2.1.5 The shareholder participates in the General Assembly and votes either in person or through a representative. Each shareholder may appoint up to three (3) representatives. Legal entities may participate in the General Assembly through the designation of up to three (3) individuals. However, if the shareholder possesses shares appearing in more than one share account, this limitation does not prevent the shareholder to appoint different representatives for each share account in the General Assembly. A representative who represents more than one shareholders may vote differently for each shareholder. The shareholder's representative is obliged to notify the Company, before the General Assembly starts, any specific event which may be useful to the shareholders in order to assess the risk of the representative operating on behalf of other parties apart of the shareholder. In the context of this paragraph, there may be an interest conflict, especially when the representative:

a) is a shareholder who controls the Company or any other legal person or entity controlled by this shareholder,

b) is a member of the BoD or the Company's management or a shareholder controlling the Company or other legal person or entity controlled by a shareholder who controls the Company,

c) is an employee or chartered auditor of the Company or a shareholder who controls the Company or other legal person or entity controlled by a shareholder who controls the Company,

d) is a spouse or first degree relative with one of the individuals mentioned above in cases (a) to (c).

The appointment or removal of the shareholder's representative is made through a written document and notified to the Company at least three (3) days before the General Assembly.

## 2.2.2 Other shareholder rights

2.2.2.1 Ten (10) days prior to the Regular General Assembly, each shareholder can take from the Company copies of its annual financial statements, and the BoD and auditor reports. Those documents must be timely supplied from the BoD to the Company's office.

2.2.2.2 Following a request by shareholders representing one twentieth (1/20) of the paid share capital, the Board of Directors is obliged to summon a Special General Assembly, designating a session date within forty five (45) days from the date that the request reached the President of the BoD. The request should include the item of the agenda. If the Board of Directors does not summon a general assembly within twenty (20) days after the relevant request, the shareholders who asked for it conduct it on their own, with the expenses charged to the Company, and following a decision of the Court of first instance in the area of the Company's headquarters, issued during the procedure of injunction. This decision details the time and place of the session, as well as the agenda.

2.2.2.3 Following a request by shareholders representing one twentieth (1/20) of the paid share capital, the Board of Directors is obliged to include in the agenda of the General Assembly additional items, provided that the request reaches the BoD at least fifteen (15) days before the date of the General Assembly. It is the BoD's responsibility to publish or disclose additional agenda items, according to article 26 of C.L. 2190/1920, at least seven (7) days before the General Assembly. If the items are not made public, the shareholders who requested them have the right to ask for a postponement of the General Assembly according to para. 3 of article 39 of C.L. 2190/1920 and make themselves the publication, on the expense of the Company and according to the previous paragraph.

2.2.2.4 Following a request by shareholders representing one twentieth (1/20) of the paid share capital, the Board of Directors supplies the shareholders, according to article 27 para. 3 of C.L. 2190/1920, at least six (6) days before the date of the General Assembly, decision drafts for items included in the original or revised agenda, provided that the request reaches the BoD at least seven (7) days before the date of the General Assembly.

2.2.2.5 Following a request by any shareholder handed to the Company at least five (5) days before the General Assembly, the Board of Directors is obliged to supply the General Assembly with all specific information for the Company's affairs, insofar as they are useful for assessing the agenda items.

2.2.2.6 Following a request by shareholder(s) representing (1/20) of the paid share capital, the President of the Assembly is obliged to postpone only once the decision-making for all or selected items of the Special or Regular General Assembly, designating another day as in the shareholders' request, provided that it is no more than thirty (30) days from the postponement day. The new General Assembly is actually a continuation of the previous one and there is no need to publish an

invitation. New shareholders can't participate to the continuation of the General Assembly according to articles 27 para.2 and 28 of C.L. 2190/1920.

2.2.2.7 Following a request by shareholder(s) representing (1/20) of the paid share capital, handed to the Company five (5) full days before the Regular General Assembly, the Board of Directors is obliged to announce at the General Assembly the amounts which were paid during the last two years by the Company for any reason to its managers or other employees, as well as any other Company contract which was made for any reason with the same persons. Also, following a request by any shareholder handed as above, the BoD is obliged to supply the specific information asked, concerning the affairs of the Company, insofar as they are useful in order to assess the agenda items. The BoD may deny the disclosure of information for any fair cause, recording the relevant rationale in the proceedings. Such a cause may be on certain occasions the representation of the requesting shareholders in the Board of Directors according to para.3 or 6 of article 18 of C.L. 2190/1920.

2.2.2.8 Following a request by shareholders representing 1/5 of the paid share capital, handed to the Company within the time limit of the previous paragraph, the Board of Directors is obliged to provide the General Assembly information concerning the course of corporate affairs and the property of the Company. The BoD may refuse to disclose the requested information for a substantial cause, recording the rationale in the proceedings. Such a cause may be on certain occasions the representation of the requesting shareholders in the Board of Directors according to para.3 or 6 of article 18 of C.L. 2190/1920, provided that the BoD members have received adequate relevant information.

2.2.2.9 Following a request by shareholders representing one twentieth (1/20) of the paid share capital, the decision for any agenda item is made through roll-call vote.

2.2.2.10 Shareholders representing one twentieth (1/20) of the paid share capital, have the right to ask for a Company audit addressing the local Court of first instance which judges according to the procedure of voluntary jurisdiction. The audit is imposed if there is possibility of acts against the law or the Statutes or the decisions of the General Assembly.

2.2.2.11 Shareholders representing one twentieth (1/5) of the paid share capital, have the right to ask for a Company audit addressing the Court of the previous paragraph, if there is evidence that the corporate affairs administration does not operate in a moral and sensible way. This provision is not applied if the minority which requests the audit is represented in the Company's BoD.

### 3. Board of Directors and Committees

3.1 The Board of Directors is the administrative instrument of the Company. It is responsible for the management (administration and distribution) of the corporate property and its representation aiming to amplify its financial value and performance, and defend the corporate interests.

The Board of Directors meets regularly (at least once in a month), and specially depending on the urgency of the affairs and the need for decision-making. At the regular meetings, all members of the BoD are usually present. **Up to now there hasn't been a case when the BoD did not make a decision due to unreached quorum. More specifically, during 2015 eighty (80) meetings of the BoD were realized.** The attendance of each BoD member is shown in the following table:

NAME	TOTAL MEETINGS DURING HIS MANDATE	MEETINGS HE ATTENDED IN PERSON	MEETINGS HE ATTENDED THROUGH A REPRESENTATIVE
Ioannis Mytilineos, son of George (President and Managing director)	80	80	-
George Economou, son of Alexandros (Vice-President Executive member)	80	80	-
Panayiotis Gardelinos, son of Antonios (Deputy Manager Director - Executive member)	80	80	-
Christos Pantzikas, son of Nikolaos (Executive member)	80	80	-
Aikaterini Donta, daughter of Anastasios (Executive member)	80	80	-
Paul Smith, son of Michael (Executive member)	80	80	-
Antonios Papantoniou, son of Nikolaos (Executive member)	80	80	-
George Pallas, son of Nikolaos (Non-executive member)	80	80	-
Filippos Zotos, son of Evangelos (Non-executive member)	80	80	-
Iosif Avagianos, son of Andreas (Non-executive independent member)	80	80	-
Nikolaos Bakirtzoglou, son of Haralambos (Non-executive independent member)	80	80	-

3.2 The **Auditing Committee** meets regularly at least once every trimester or especially if the members need to be informed about an issue and make a decision. The following table shows each member's attendance in 2015:

NAME	MEETINGS DURING HIS MANDATE	MEETINGS WHICH HE ATTENDED IN PERSON	MEETINGS WHICH HE ATTENDED THROUGH A REPRESENTATIVE
Filippos Zotos (Non-executive member)	4	4	-
Nikolaos Bakirtzoglou, (Independent non-executive member)	4	4	-
Iosif Avagianos (Independent non-executive member)	4	4	-

3.3 The main authorities of the Board of Directors according to the Articles of Association and the Internal Operation Regulation of the Company are the following:

- To define strategies, including the sale of shares or their distribution in other ways, the acquisition of any company or proposal to the General Assembly for merging the Company,
- To adopt and apply a general policy based on the proposals of the General Managers and Managers of the Company,
- To manage and dispose corporate property and represent the Company in Court or extra judicially,
- To draw up the annual budget and business plan of the Company, to designate and achieve performance goals, to monitor the Company's course and control large capital expenses,
- To conduct full and effective internal control in all the activities of the Company,
- To monitor the effectiveness of the Corporate Governance principles, based on which the Company operates and, if required, make the necessary changes,
- To define a strategy and manage the Company's business risks,
- To select, utilize, and develop the managing executives of the Company and designate their fee policy,
- To appoint an internal auditor and designate his fee,
- To designate the accounting principles followed by the Company,
- To brief the General Assembly of the Shareholders,
- To draw up the annual reports which contain in detail the company's transactions with affiliates according to article 42e para. 5 of the current C.L. 2190/1920.

The rules for representing and binding the Company are designated with special decisions of the Board of Directors.

3.4 The Auditing Committee's main duty is to monitor the financial information procedure, to monitor the effective operation of the internal audit system and the risk management system, as well as to monitor the operation of the internal auditors' Management of the audited entity, to monitor the progress of the mandatory audit of the company and consolidated financial statements, to overview and follow issues pertaining to the existence and conservation of the objectivity and independence of the legal auditor or auditing office, to accept the mandatory reports of the legal Company auditors pertaining to any issue relevant to the course and results of the mandatory audit, as well as to follow the drawing up and receive a possible special report of the legal auditors with the weaknesses of the internal audit system and, especially, the weaknesses in procedures concerning the financial information and compilation of financial statements.

The matters discussed in the Auditing Committee during 2015 are shown in the following table:

<b>MEETING DATE</b>	<b>AGENDA</b>
02/01/2015	Briefing and filing the report for the audits during the fourth trimester of 2014
19/05/2015	Briefing and filing the report for the audits during the first trimester of 2015
20/10/2015	Briefing and filing the report for the audits during the second trimester of 2015
01/12/2015	Briefing and filing the report for the audits during the third trimester of 2015

3.5 According to the Articles of Association, the BoD consists of seven (7) executive members, and four (4) non-executive two (2) of which are independent non-executive. The BoD's composition is as follows:

<b>NAME</b>	<b>STATUS</b>
John Mytilineos, son of George	President and Managing Director - Executive Member
George Economou, son of Alexander	Vice-president - executive member
Panagiotis Gardelinos, son of Antonios	Deputy Managing Director - Executive Member
Christos Pantzikas, son of Nikolaos	Executive Member

Aikaterini Donta, daughter of Anastasios	Executive Member
Paul Smith, son of Michael	Executive Member
Antonios Papantoniou, son of Nikolaos	Executive Member
George Pallas, son of Nikolaos	Non-executive Member
Filippos Zotos, son of Evangelos	Non-executive Member
Nikolaos Bakirtzoglou, son of Haralambos	Non-executive Independent Member
Iosif Avagianos, son of Andreas	Non-executive Independent Member

The executive members deal with everyday administration issues of the Company and monitor the implementation of the BoD's decisions. The non-executive members are responsible for monitoring the implementation of the BoD's decisions and special Company departments appointed to them by the BoD. Independent non-executive members are the ones who do not have any business activity or other commercial relation with the Company which could affect their independent judgment. In this context, a person is not considered independent member of the BoD when: (a) has a business or other type of relation with the company or an affiliate as described in article 42e para.5 of C.L. 2190/1920, which by its nature affects substantially its business activity and especially when he is an important goods or services supplier or a main company client, (b) is the President or General Manager of the company or the same in an affiliate company (executive member) and according to article 42e para.5 of C.L.2190/ 1920, or has an employment relationship or receives a wage from the company or its affiliates, (c) has a family relationship up to the second degree or is married to an executive BoD member or manager or major shareholder of the company or its affiliates according to article 42e para.5 of C.L. 2190/1920, (d) has been appointed according to article 18 para.3 of C.L.2190/1920. The independent non-executive BoD members can file separate reports to the General Assembly. Their presence in a BOD session is not obligatory when there are other members representing and acting on behalf of the minority Shareholders.

3.6. The BoD in force has been elected by the General Assembly of 18.06.14, its service lasts for four years, and may be extended until the first General Assembly following its termination, but not surpassing the fifth year. It consists of seven executive and four non-executive members, two of which are independent non-executive members.

3.7 The executive members of the BoD apart from their work in the Company may all be professionally active in their specific areas of expertise provided that this does not create an interest conflict with the company. Otherwise, an approval is needed by the General Assembly of the shareholders.

3.8 The Company has adopted a policy and principles for formulating the remuneration of executive board members and a method of performance evaluation and calculation of the variable remuneration of the Board for the payment of their salaries.

#### **4. Risk management and internal audit**

##### **4.1 Information regarding risk management and internal audit:**

###### I. Main element description of the risk management and internal audit systems

###### a. Risk factors

The Group faces a number of risk factors in the business sectors of its activity. Its exposure in these risk factors may affect its operation, its financial situation or its operating results. The following, additionally to the risks presented in other parts of the Group's annual operation statement, are the main risks factors which could affect substantially the results and the financial situation of the Group.

###### Market risk

The global economic situation continues to fluctuate. The Group is exposed to risks from fluctuations in the general economic and financial environment, as well as in the purchase of raw and auxiliary material.

During 2015 and 2014, the Group took on a series of actions on order to counterbalance its exposure to market risks, improve cost structure, and safeguard its cash flow.

Those were mainly:

- Risk compensation from exposure in €/€ exchange fluctuations through the use of derivative products.
- Application of property optimal exploitation programs and cost reduce programs.
- Work-out of production improvement plans.

###### Non-realization of expected long-term benefits from productivity and cost reduce initiatives

The Group has taken, and continues to take, initiatives in the areas of productivity and cost reduction in order to improve performance and reduce the total production cost. There are always possibilities those actions or the calculated savings not to be realized in full, and this may be due to circumstances out of the Group's control.

###### Political, Legal, and Regulatory matters

The Group may be affected from unfavorable political and regulatory developments related to its activity in EPC projects in countries outside Greece.

###### Informatics Security

The Group's business processes are supported from various software packages and information processing systems. Nevertheless, one can never fully exclude the possibility of unavailability of the information systems or data safety hacking.

The Group lessens those risks by applying high safety standards and taking measures in order to achieve and assure the availability, reliability, confidentiality, and traceability. Additionally, and in order to control safety risks, the Group invests regularly into software and equipment upgrades, conducts periodic internal and external audits through international consultant groups, and generally applies continuous progress processes.

#### Risks related to EPC projects

The Group is contractually exposed to risks related to mechanical and electrical design, procurement, construction and ready-for-operation delivery of energy facilities in the agreed price. The aforementioned risks mainly relate to cost excesses concerning:

- Unforeseen cost increase of raw materials and equipment
- Equipment damages or mechanical faults
- Unforeseen conditions during construction
- Delays due to extraordinary weather conditions
- Performance faults or supplier/sub-contractor weaknesses
- Additional works required by the client or due to client's delay to supply timely information pertaining to the design of the mechanics of the project.

In cases where additional time or extra costs are involved due to the client's responsibility, the Group negotiates a pecuniary compensation.

The Group's main advantage is its people. Therefore, any inability to maintain its workforce or approach and gain new, proficient employees in order to develop its know-how could affect its current or future performance.

METKA's success in this area depends in its ability to hire, train, and maintain an adequate number of employees, including managers, engineers, and technicians who possess the necessary abilities and specialization.

#### Extraordinary Events

Extraordinary events, including natural disasters, war or terrorist activities, non-planned production interruptions, supply interruptions or inability of the equipment and/or processes to comply to the standards, may increase the cost and affect the Group's financial results. Also, the Group's current insurance terms may not offer enough protection capable to cover all damage that may arise from such circumstances.

#### **b. Risk Assessment and Management**

The Group has designated the risk as a totality of uncertain and random incidents that can have an impact on the Company's activities, business actions and financial performance, as also on the Company's business strategy and goal attainment.

A certain risk assessment approach has been considered for all of the Company's activities, under the following guidelines:

- (i) Identification and assessment of risk factors
- (ii) Risk management policy guidelines

(iii) Implementation and evaluation of Risk management policy guidelines

The Group has not yet implemented a consolidated Risk management structure. However, all heads of the Company's divisions are involved in risk assessment, in order to facilitate the good execution of work of all divisions and the BoD, and also, to assist all related parties involved to designate the appropriate measures and actions for Risk management.

The Group conducts regular internal audits in order to ensure the adequacy and effectiveness of the Risk Assessment and Management procedures.

c. Internal audit

Furthermore, and beyond the responsibilities of the Audit Committee, the Internal Audit Division is an independent and impartial Unit that reports the results of its work to the Board of Directors. The responsibilities of the Internal Audit Division are aiming to assist the Company in attaining its goals, by offering a systematic scientific approach to the assessment and improvement of risk management, of the internal control systems, and of the adjustment of all policies and procedures foreseen by current laws and the corporate governance framework.

Within the Internal Audit's tasks are the permanent analysis and monitoring of:

- the effectiveness of the existing mechanisms used for Financial Data provision, Auditing Control, Quality / Health & Safety / Environmental issues, and risk management
- the preparation of Financial Statements, and other important issues that are for publication
- the adequacy of qualifications and impartiality of chartered accountants
- cases of conflict of personal interests of the BoD or management members of the Company with the interests of the Company
- relations and interactions between the Company and its subsidiaries, and also, the relations of the Company with companies that BoD members or shareholders have an at least 10% capital participation
- legitimacy of fees and allotments to the management members regarding decisions taken by the adequate institutions of the Company

#### **4.2 BoD statement concerning the annual re-examination of corporate strategy, main business risks and internal audit systems**

The company re-examines regularly the corporate strategy, the main business risks and the internal audit systems.

More specifically, the Management:

- a. Is regularly informed for the internal and external company environment which it analyses and evaluates.
- b. Supports the Managing Director during the designation procedure of the corporate vision, the corporate mission, and the strategic goals.
- c. Draws up and proposes the strategy of the Company and its subsidiaries.
- d. Cooperates with the Managing Director for the designation of guidelines.
- e. Draws up, proposes, and monitors the Company's business plan and its subsidiaries.

- f. Monitors and coordinates, in cooperation with the company's organic units and the subsidiaries, the separate actions for the implementation of the strategy and business plan of the company and the subsidiaries.
- g. Notifies the Managing Director and the respective General Managers as regards the implementation of the strategy and the business plan on a Group level.
- h. Notifies the management of the subsidiaries for the guidelines and the company's business plan.
- i. Cooperates with the management of the subsidiaries in order to implement the Group's strategy.
- j. Cooperates with the appropriate organic units for the communication of the strategy of the Group.

4.3 Legal auditors do not offer non-auditing services to the company, nor participate in any way, directly or indirectly, to the decisions connected with the activity of the audited entity. There are no self-audit conditions or self-interest, advocate attribute, familiarity, intimidation, and trust disruption during their work. Therefore, taking into account Law 3693/2008, there are no cases which have affected the objectivity and effectiveness of the mandatory audit.

#### 4.4 BoD members' fees

According to the company's Articles of Association, the compensation of the BoD members must be approved by the Annual General Assembly following a proposal by the BoD.

For the period 1.1.2015 -31.12.2015 no stock option rights have been granted and there is no share distribution program in effect.

The Company and its Subsidiaries have applied a specific policy for the remuneration of the BOD members. Said policy is an integral part of the Corporate Governance policy of the Company and its Subsidiaries, aiming to enhance its Corporate Values and its long term business objectives. With the view to maximize the Value for the Shareholders, this remuneration policy is in line with the Company's corporate strategy that keeps aligned the business objectives with those of all stakeholders - such as employees, management, shareholders

Said policy is based on the following principles:

- Maximizing Performance
- Alignment of remuneration with profitability, risk and Capital adequacy
- Internal transparency

The alignment of the BOD remuneration policy with the Strategy of each one of the core business sectors of the Company is a continuous commitment. The procedures for the definition of the amounts of remuneration are clearly and transparently depicted. The remuneration policy is designed by the Human Resources management with the support of the Company's Finance and Legal departments and the Internal Audit. Said policy is submitted to the Remuneration Committee of the BOD the majority of its members being independent and non – executive members of the BOD.

The structure of the remuneration for the BOD may include both a fixed and a variable part, assuring the link of remuneration with short term and long term business profitability and efficiency.

4.5 The curriculum vitae of the BoD members are as follows:

**IOANNIS MYTILINEOS, SON OF GEORGE**

Born in Athens in 1955. Has a degree from the Polytechnic School of the Aristotle University of Thessaloniki, Department of Civil Engineering. He is the President and Managing Director of METKA S.A., and co-founder and Vice-president of MYTILINEOS S.A.

**GEORGE ECONOMOU, SON OF ALEXANDER**

Born in Volos of Magnisia in 1949. He is the General Manager of the Volos factory and executive member of the BoD. Has a degree in Mechanical Engineering and works in the company since 1977.

**PANAGIOTIS GARDELINOS, SON OF ANTONIOS**

Born in Athens 1961. He is General Project Manager and Deputy Manager Director. Has a degree in mechanical engineering and works in the company since 2006.

**CHRISTOS PANTZIKAS, SON OF NIKOLAOS**

Born in Athens 1969. General Manager of Engineering & Commissioning and executive BoD member, Has a degree in mechanical engineering from the National Polytechnic School of Athens. Works in the company since 1999.

**AIKATERINH DONTA, DAUGHTER OF ANASTASIOS**

Born in Piraeus 1950. She is the manager of the Logistics department and executive BoD member, with a degree from the National Capodistrian University. Works in the company since 1998.

**PAUL SMITH, SON OF MICHAEL**

Born in York, England 1967. General Manager of Sales & Development and executive member of the company's BoD, with a degree from Nottingham University England, in mechanical engineering and specialty in chemical mechanics. Works in the company since 2006.

**ANTONIOS PAPANTONIOY, SON OF NIKOLAOS**

Born in Athens 1958. General Manager of Infrastructures & Projects and Bod executive member. Has a degree from the National Polytechnic of Athens in traffic management and roadworks. Works in the company since 2013.

**GEORGE PALLAS, SON OF NIKOLAOS**

Born in Salamina of Pireaus – Attika in 1956. Has a degree in Electrical Engineering. Member of the Hellenic Technical Chamber. Works in the company since the year 2000 and is a non-executive BoD member.

**FILIPPOS ZOTOS, SON OF EVANGELOS**

Born in Athens in 1953. He is an non-executive member of the BoD. Holds a degree in Civil Engineering from NTUA and Economic Engineering from University of Aachen in Germany and works in the company since 1982.

**NIKOLAOS BAKIRTZOGLU, SON OF HARALAMBOS**

Born in Nikaia of Attika in 1945. He is an independent non-executive member of the BoD. Has a degree in Electrical Engineering and works in the company since 1972.

#### IOSIF AVAGIANOS, SON OF ANDREAS

Born in Mytilini of Lesvos in 1946. He is an independent non-executive member of the BoD. Has a degree in Metallurgy Engineering. Has a 30 year experience as an Industry Manager in the design, installation and commissioning of industrial production units.

### 5. Additional Information

Article 10 para. 1 of Directive 2004/25/EK of the European Parliament and the Council of April 21, 2004, concerning the public acquisition offers, anticipates the following as regards the companies whose shares are fully listed in an organized market:

«1. The member-states assure that the companies mentioned in article 1 paragraph 1 publish detailed information regarding:

- a) their capital structure, including titles not listed for negotiation in an organized market of a member-state and, in certain cases, indication of the share categories with the relevant rights and obligations and the percentage of the total share capital that they represent,
- b) all limitations for share transfer, such as limitations in title possession or obligation to receive approval from the Company or other title owners, taking into account the article 46 of Directive 2001/34/EK,
- c) the important direct or indirect participations (including indirect participations through pyramidal structures or mutual participation) as conceived by article 85 of Directive 2001/34/EK,
- d) the owners of any kind of titles offering special control rights and description of the said rights,
- e) the control mechanism which may be anticipated in a system of employee participation, in cases where the control rights are not exercised directly by the employees,
- f) any kind of limitations in the voting right, such as limitations in voting rights to owners of a specific percentage or number of shares, the deadline for exerting voting rights, or systems in which, through a cooperation with the Companies, the financial rights that result from titles are separated from the title ownership,
- g) the agreements among shareholders which are known to the Company and may lead to limitations in title transfer and/or voting rights, as conceived in directive 2001/34/EK,
- h) the rules pertaining to the appointment and replacement of BoD members as well as the ones concerning the modification of the Statutes,
- i) the authorities of BoD members, and mainly those linked to the issue or repurchase of shares,
- j) any important agreement in which the Company participates and which is valid, modified or expires in case of a change in the control of the Company following a public acquisition offer and the consequences of this agreement, unless its disclosure could cause significant damage to the Company. This exception is not valid when the Company is explicitly obliged to disclose such information based on other legal requirements,
- k) any agreement that the Company has made with BoD members or employees, which anticipates a compensation in case of a resignation or dismissal with no substantial reason or if their employment is terminated due to a public acquisition offer.»

Regarding points c, d, f, h and i of para. 1 of article 10, the Company declares the following:

Company	Main Operation Activity	Headquarters	Participation Percentage	Participation type	Consolidation method
GREEK STEEL INDUSTRY S.A. (SERVISTEEL)	Metal Constructions	Greece	99,98	Direct	Full
ELEMKA	Constructions - Supervision	Greece	83,5	Direct	Full
DROSCO HOLDINGS LIMITED	Constructions - Supervision	Cyprus	83,5	Indirect	Full
BRIDGE ACCESSORIES & CONSTRUCTION SYSTEMS	Constructions - Supervision	Greece	62,625	Indirect	Full
METKA BRAZI SRL	EPC Contractor	Romania	100	Direct	Full
POWER PROJECTS	EPC Contractor	Turkey	100	Direct 99% Indirect 1%	Full
METKA RENEWABLES LTD	EPC Contractor of Solar Technologies	Cyprus	100	Direct	Full
RIVERA DEL RIO	EPC Contractor of Solar Technologies	Panama	50	Direct	Full
METKA-EGN LTD	EPC Contractor of Solar Technologies	Cyprus	50,1	Direct	Full
METKA-EGN LTD	EPC Contractor of Solar Technologies	England	50,1	Indirect	Full
METKA-EGN SpA	EPC Contractor of Solar Technologies	Chile	50,1	Indirect	Full
METKA-EGN USA LLC	EPC Contractor of Solar Technologies	Puerto Rico	50,1	Indirect	Full
MYTILINEOS FINANCIAL PARTNERS SA	Investments	Luxembourg	25	Direct	Equity
Joint Venture METKA-TERNA	Constructions	Greece	10	Direct	Equity

regarding point d: there are no titles of any kind, offering special control rights.

regarding point f: there are no known limitations to voting rights (such as voting right limitations to owners of a given percentage or number of votes, deadline for exerting voting right, or systems in which, through a cooperation with the Companies, the financial rights that result from titles are separated from the title ownership). Regarding the voting rights during the General Assembly, there is a detailed description in Section 3 of this Corporate Governance Declaration.

regarding point h: there are no rules concerning the appointment and replacement of BoD members or the modification of the Company's Statutes, which deviate from the provisions of C.L. 2190/1920 as is valid today. The rules are detailed in Unit 3.II of this Corporate Governance Declaration.

regarding point i: there are no special authorities of the BoD members pertaining to the issue or repurchase of shares.

The present Declaration of Corporate Governance is an integral and special part of the Annual Administration Report of the Company's Board of Directors.

Maroussi, the 21<sup>st</sup> of March 2016

**The President of the Board**

**Ioannis Mytilineos**

**D. Annual Financial Statements for FY 2015**  
**According to the International Financial Recording Standards**  
**as adopted by the European Union**

**(amounts in thousands € unless stated otherwise)**

The Annual Financial Statements presented both for the Group and the Parent Company, have been approved by the Board of Directors of “Metal Constructions of Greece S.A.” on 21/03/2016 and are disclosed to the company’s website [www.metka.com](http://www.metka.com) in addition to the Athens Exchange website. The Annual Financial Statements will remain available to the investors in the company’s website for at least five years from the date of their approval and publication.

It is noted that the published on press Financial Figures and Information that summarize the financial statements aim to give summary information about the financial position and results of METKA S.A. and its subsidiaries. Therefore the above Figures don’t include the full presentation of the financial, investment and cash flow statements according to the International Financial Reporting Standards.

## I. ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31/12/2015

### Income Statement (Consolidated and Corporate)

(Amounts in thousands €)	Note	Group METKA		METKA S.A.	
		1/1-31/12/2015	1/1-31/12/2014	1/1-31/12/2015	1/1-31/12/2014
<b>Sales</b>	30	668,016	609,271	411,924	549,001
Cost of sales	31	(536,272)	(493,373)	(336,625)	(446,058)
<b>Gross profit</b>		<b>131,743</b>	<b>115,898</b>	<b>75,299</b>	<b>102,943</b>
Other operating income	33	30,339	40,496	18,703	31,685
Distribution expenses	31	(2,060)	(1,949)	(1,885)	(1,568)
Administrative expenses	31	(22,139)	(22,069)	(19,294)	(19,782)
Other operating expenses	33	(25,251)	(32,146)	(16,661)	(27,366)
<b>Earnings before interest and income tax</b>		<b>112,632</b>	<b>100,230</b>	<b>56,162</b>	<b>85,912</b>
Financial income	34	3,506	7,786	2,630	5,432
Financial expenses	34	(11,001)	(11,109)	(7,226)	(10,123)
Other financial results	35	(4,399)	1,444	(4,399)	3,537
Share of profit of associates		(217)	(50)	-	-
<b>Profit before income tax</b>		<b>100,521</b>	<b>98,300</b>	<b>47,167</b>	<b>84,758</b>
Income tax expense	36	(31,273)	(7,982)	(29,861)	(10,850)
<b>Profit for the period</b>		<b>69,248</b>	<b>90,319</b>	<b>17,306</b>	<b>73,908</b>
<b>Profit for the period</b>		<b>69,248</b>	<b>90,319</b>	<b>17,306</b>	<b>73,908</b>
<b>Attributable to:</b>					
Equity holders of the parent		68,917	90,199	17,306	73,908
Non controlling Interests		331	120	-	-
Basic earnings per share	37	1.3266	1.7362	0.3331	1.4227

- The attached notes to the accounts form an integral part of the annual financial statements.

## Statement of Comprehensive Income (Consolidated and Corporate)

	GROUP METKA		METKA S.A.	
	1/1-31/12/2015	1/1-31/12/2014	1/1-31/12/2015	1/1-31/12/2014
(Amounts in thousands €)				
<b>Net Profit / (Losses) for the period after taxes (from continued and discontinued operations)</b>	<b>69,248</b>	<b>90,319</b>	<b>17,306</b>	<b>73,908</b>
<b>Other comprehensive income:</b>				
<b>Amounts not reclassified to the income statement in subsequent periods</b>				
Revaluation of liabilities for employee benefits	(49)	(138)	(49)	(113)
Deferred tax from Actuarial Gain/(loses)	15	37	14	29
	<b>(34)</b>	<b>(101)</b>	<b>(35)</b>	<b>(84)</b>
<b>Amounts reclassified to the income statement in subsequent periods</b>				
Exchange differences of foreign operations redistributed to P & L	(15)	(5)	-	-
	<b>(15)</b>	<b>(5)</b>	<b>-</b>	<b>-</b>
<b>Other comprehensive income after taxes</b>	<b>(49)</b>	<b>(106)</b>	<b>(35)</b>	<b>(84)</b>
<b>Total other comprehensive income after taxes</b>	<b>69,199</b>	<b>90,214</b>	<b>17,271</b>	<b>73,824</b>
<b>Attributable to:</b>				
Equity holders of the parent	68,880	90,096	17,271	73,824
Non controlling interests	319	118	-	-

- The attached notes to the accounts form an integral part of the annual financial statements.

## Statement of Financial Position (Consolidated and Corporate)

(Amounts in thousands €)	Note	Group METKA		METKA S.A.	
		31/12/2015	31/12/2014	31/12/2015	31/12/2014
<b>Assets</b>					
<b>Non current assets</b>					
Tangible Assets	8	48,163	49,400	37,849	38,681
Goodwill	9	1,831	1,831	-	-
Intangible Assets	10	1	4	-	1
Investments in Subsidiary Companies	11	-	-	6,793	6,792
Investments in Associate Companies	12	283	501	501	501
Deferred Tax Receivables	13	1,645	1,513	127	48
Financial Assets Available for Sale	14	8	31	-	22
Other Long-term Receivables	15	219,082	78,241	43,505	72,650
		<b>271,013</b>	<b>131,521</b>	<b>88,774</b>	<b>118,694</b>
<b>Current assets</b>					
Total Stock	16	120,825	50,562	81,040	49,614
Trade and other receivables	17	398,517	305,686	355,412	294,928
Other receivables	18	155,670	103,001	118,113	76,801
Financial assets at fair value through profit or loss	19	-	2,500	-	2,500
Cash and cash equivalents	20	154,621	288,314	140,697	192,866
		<b>829,634</b>	<b>750,062</b>	<b>695,262</b>	<b>616,708</b>
<b>Assets</b>		<b>1,100,647</b>	<b>881,584</b>	<b>784,036</b>	<b>735,402</b>
<b>Liabilities &amp; Equity</b>					
<b>EQUITY</b>					
Share capital	22.1	16,624	16,624	16,624	16,624
Other reserves	22.2	23,568	23,167	21,890	21,925
Translation reserves	22.2	(570)	(567)	-	-
Retained earnings	22.3	510,836	468,329	329,824	338,493
<b>Equity attributable to parent's shareholders</b>		<b>550,457</b>	<b>507,554</b>	<b>368,338</b>	<b>377,042</b>
Non controlling Interests		557	237	-	-
<b>EQUITY</b>		<b>551,014</b>	<b>507,790</b>	<b>368,338</b>	<b>377,042</b>
<b>Non-Current Liabilities</b>					
Long-term debt	27	1,778	2,090	-	-
Deferred Tax Liability	13	28,373	18,928	26,627	17,674
Liabilities for pension plans	23	993	932	885	802
Other long-term liabilities	24	56,856	38,186	27,320	38,186
Provisions	29	934	890	780	780
<b>Non-Current Liabilities</b>		<b>88,934</b>	<b>61,027</b>	<b>55,613</b>	<b>57,442</b>
<b>Current Liabilities</b>					
Trade and other payables	25	395,293	294,665	331,115	285,904
Tax payable	26	28,138	12,559	27,047	12,156
Short-term debt	27	2,345	2,350	-	-
Other payables	28	34,922	3,193	1,923	2,857
<b>Current Liabilities</b>		<b>460,698</b>	<b>312,766</b>	<b>360,085</b>	<b>300,917</b>
<b>LIABILITIES</b>		<b>549,633</b>	<b>373,793</b>	<b>415,698</b>	<b>358,359</b>
<b>Liabilities &amp; Equity</b>		<b>1,100,647</b>	<b>881,584</b>	<b>784,036</b>	<b>735,402</b>

- The attached notes to the accounts form an integral part of the annual financial statements.

## Consolidated Statement of Changes in Equity

	Group METKA						
	Share capital	Other reserves	Translation reserves	Retained earnings	Total	Non controlling Interests	Total
<b>(Amounts in thousands €)</b>							
<b>Opening Balance 1st January 2014</b>	<b>16,624</b>	<b>28,568</b>	<b>(713)</b>	<b>388,548</b>	<b>433,026</b>	<b>16,841</b>	<b>449,867</b>
<b><u>Change In Equity</u></b>							
Dividends Paid	-	-	-	(15,585)	(15,585)	(44)	(15,629)
Transfer To Reserves	-	(2,466)	-	2,466	0	-	0
Impact From Transfer Of Subsidiary	-	(2,836)	152	2,701	18	(16,678)	(16,660)
<b>Transactions With Owners</b>	<b>-</b>	<b>(5,302)</b>	<b>152</b>	<b>(10,417)</b>	<b>(15,568)</b>	<b>(16,722)</b>	<b>(32,289)</b>
Net Profit/(Loss) For The Period	-	-	-	90,199	90,199	120	90,319
Exchange Differences On Translation Of Foreign Operations	-	-	(5)	-	(5)	-	(5)
Deferred Tax From Actuarial Gain / (Losses)	-	36	-	-	36	1	37
Actuarial Gain / (Losses)	-	(135)	-	-	(135)	(3)	(138)
<b>Total Comprehensive Income For The Period</b>	<b>-</b>	<b>(99)</b>	<b>(5)</b>	<b>90,199</b>	<b>90,095</b>	<b>118</b>	<b>90,213</b>
<b>Closing Balance 31/12/2014</b>	<b>16,624</b>	<b>23,167</b>	<b>(567)</b>	<b>468,329</b>	<b>507,554</b>	<b>237</b>	<b>507,790</b>
<b>Opening Balance 1st January 2015</b>	<b>16,624</b>	<b>23,167</b>	<b>(567)</b>	<b>468,329</b>	<b>507,554</b>	<b>237</b>	<b>507,791</b>
<b><u>Change In Equity</u></b>							
Dividends Paid	-	-	-	(25,975)	(25,975)	-	(25,975)
Transfer To Reserves	-	435	-	(435)	0	1	0
Treasury Stock Sales/Purchases	-	-	-	-	-	-	-
<b>Transactions With Owners</b>	<b>-</b>	<b>435</b>	<b>-</b>	<b>(26,410)</b>	<b>(25,976)</b>	<b>1</b>	<b>(25,975)</b>
Net Profit/(Loss) For The Period	-	-	-	68,917	68,917	331	69,248
Exchange Differences On Translation Of Foreign Operations	-	-	(4)	-	(4)	(12)	(15)
Deferred Tax From Actuarial Gain / (Losses)	-	14	-	-	14	-	14
Actuarial Gain / (Losses)	-	(48)	-	-	(48)	-	(48)
<b>Total Comprehensive Income For The Period</b>	<b>-</b>	<b>(34)</b>	<b>(4)</b>	<b>68,917</b>	<b>68,879</b>	<b>319</b>	<b>69,199</b>
<b>Closing Balance 31/12/2015</b>	<b>16,624</b>	<b>23,568</b>	<b>(570)</b>	<b>510,836</b>	<b>550,457</b>	<b>557</b>	<b>551,014</b>

- The attached notes to the accounts form an integral part of the annual financial statements.

## Company Statement of Changes in Equity

	METKA S.A.			
	Share capital	Other reserves	Retained earnings	Total
<b>(Amounts in thousands €)</b>				
<b>Opening Balance 1st January 2014</b>	<b>16,624</b>	<b>23,860</b>	<b>278,319</b>	<b>318,803</b>
<b><u>Change In Equity</u></b>				
Dividends Paid	-	-	(15,585)	(15,585)
Transfer To Reserves	-	(1,852)	1,852	-
<b>Transactions With Owners</b>	<b>-</b>	<b>(1,852)</b>	<b>(13,734)</b>	<b>(15,585)</b>
Net Profit/(Loss) For The Period	-	-	73,908	73,908
Deferred Tax From Actuarial Gain / (Losses)	-	29	-	29
Actuarial Gain / (Losses)	-	(113)	-	(113)
<b>Total Comprehensive Income For The Period</b>	<b>-</b>	<b>(84)</b>	<b>73,908</b>	<b>73,824</b>
<b>Closing Balance 31/12/2014</b>	<b>16,624</b>	<b>21,925</b>	<b>338,493</b>	<b>377,042</b>
<b>Opening Balance 1st January 2015</b>	<b>16,624</b>	<b>21,925</b>	<b>338,493</b>	<b>377,042</b>
Dividends Paid	-	-	(25,975)	(25,975)
Transfer To Reserves	-	0	0	-
<b>Transactions With Owners</b>	<b>-</b>	<b>0</b>	<b>(25,975)</b>	<b>(25,975)</b>
Net Profit/(Loss) For The Period	-	-	17,306	17,306
Deferred Tax From Actuarial Gain / (Losses)	-	14	-	14
Actuarial Gain / (Losses)	-	(49)	-	(49)
<b>Total Comprehensive Income For The Period</b>	<b>-</b>	<b>(35)</b>	<b>17,306</b>	<b>17,272</b>
<b>Closing Balance 31/12/2015</b>	<b>16,624</b>	<b>21,890</b>	<b>329,824</b>	<b>368,338</b>

- The attached notes to the accounts form an integral part of the annual financial statements.

## Cash Flow Statement (Consolidated and Corporate) FY 2015

	Group METKA		METKA S.A.	
	12 months until 31 December 2015	12 months until 31 December 2014	12 months until 31 December 2015	12 months until 31 December 2014
Amounts in thousands €				
<b>Operating Activities</b>				
<b>Profit after Tax</b>	<b>100,521</b>	<b>98,300</b>	<b>47,167</b>	<b>84,758</b>
Plus (Less) Adjustments:	38 1,950	(22,334)	1,348	(18,957)
	<b>102,470</b>	<b>75,966</b>	<b>48,515</b>	<b>65,801</b>
<b>Working Capital changes</b>				
Increase / (Decrease) in Inventories	(70,263)	(19,393)	(31,426)	(19,181)
Increase / (Decrease) in Trade and other Receivables	(226,344)	91,108	(20,767)	68,516
Increase / (Decrease) in other current assets	(1,645)	(297)	4,248	(1,813)
Increase / (Decrease) in Trade and other Payables	113,458	29,669	36,248	41,585
	<b>(184,793)</b>	<b>101,087</b>	<b>(11,698)</b>	<b>89,107</b>
<b>Cash flow from Operating Activities</b>	<b>(82,323)</b>	<b>177,053</b>	<b>36,818</b>	<b>154,908</b>
<b>Cash flow from Operating Activities</b>				
Less: Debit interest and similar expenses Paid	(318)	(567)	-	(202)
Less: Income Taxes Paid	(17,449)	(10,982)	(16,931)	(10,501)
<b>Net cash flow from Operating Activities</b>	<b>(100,089)</b>	<b>165,504</b>	<b>19,887</b>	<b>144,205</b>
<b>Investing Activities</b>				
Purchases of tangible assets	(2,584)	(7,344)	(2,441)	(7,109)
Purchases of intangible assets	(3)	(3)	-	-
Disposals from sale of tangible assets	54	168	2	36
Proceeds from dividends	-	-	200	660
Purchase of Bonds	-	(5,000)	-	(5,000)
Purchase of financial assets at fair value through profit and loss	(4,832)	(18,676)	(4,832)	(16,974)
Acquisition of associates and other investments	-	(6)	-	-
Acquisition of subsidiaries (less the cash & cash equivalent of the Subsidiary)	(2)	-	(2)	-
Sales of subsidiaries (less the cash & cash equivalent of the Subsidiary)	-	(1,338)	-	8,000
Borrowings to affiliated parts	(43,000)	-	(43,000)	-
Sales of financial assets available for sale	9	5	-	1
Proceeds from Bonds	8,303	6,398	-	6,398
Sales of financial assets at fair value through profit and loss	3,001	21,529	3,001	18,679
Interest received	1,685	5,472	809	3,591
<b>Net cash flow from Investing Activities</b>	<b>(37,368)</b>	<b>1,204</b>	<b>(46,263)</b>	<b>8,284</b>
<b>Financing Activities</b>				
Dividends Paid	(26,136)	(15,758)	(26,031)	(15,587)
Return of the Share Capital to the Share holders	-	-	-	-
Proceeds from Borrowings of affiliated parts	30,000	-	-	-
Proceeds from Borrowings	-	-	-	-
Borrowings Paid	(317)	(5,214)	-	(4,840)
<b>Net cash flow from Financing Activities</b>	<b>3,547</b>	<b>(20,972)</b>	<b>(26,031)</b>	<b>(20,427)</b>
<b>Net increase / decrease in cash and cash equivalents</b>	<b>(133,911)</b>	<b>145,736</b>	<b>(52,407)</b>	<b>132,061</b>
Cash and cash equivalents at the beginning of the period	288,314	134,542	192,866	56,398
Foreign currency differences in cash and cash equivalents	218	8,035	238	4,407
<b>Cash and cash equivalents at the end of the period</b>	<b>154,621</b>	<b>288,314</b>	<b>140,697</b>	<b>192,866</b>

The operating cash flows of the Group for the fiscal year 2015 amounts to a negative amount of € 100 mil. The above is due primarily to the execution of construction contracts and their financing from the Group's net working capital.

- The attached notes to the accounts form an integral part of the annual financial statements.

## **II. NOTES ON THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31/12/2015**

### **1. General Information for the Company**

The Company was founded in 1962 by the Industrial Development Organization and was involved in the manufacturing of metal constructions, while its plant in Volos started operating in 1964. Following its privatization in 1971, the Company rapidly developed.

METKA belongs to the Sector of Metallurgical Companies and specifically to the Sector of Industrial Production, Process and Conversion of Ferrous Metals. In January 1999, the Company was acquired by MYTILINEOS GROUP S.A. Today, the acquired company is the largest metal constructions complex in Greece, with an essential presence lasting for many decades in Greece and abroad.

In 1980, METKA S. A. acquired the strong and experienced erection company TECHNOM S. A.

During its 53-year course, the company continued to grow at a steady pace and acquired a higher technological level, by constructing innovative works of high-technological demand and of significant added value.

In 1973, the Company's shares were listed on the Athens Stock Exchange. The Company's headquarters are in Attika, Maroussi, 8 Artemidos street, 15125.

The annual financial statements of 2015 (which contain comparative data with FY 2014) were approved by the Board of Directors, on the 21<sup>st</sup> of March 2016. The above statements are to be approved by the General Shareholders Meeting.

It is noted that METKA S.A. is included in the consolidated financial statements of MYTILINEOS S.A., the domicile of which is in Greece, possessed a 50,00 % of METKA on 31/12/2015 and applies the full consolidation method on its consolidated financial statements.

### **2. Nature of operations**

The strategic sectors of the Company's successful activity today are listed below:

- Energy Projects (Deregulation/Renewable Energy Sources/Co-production)

- Infrastructure Projects (Petrochemicals – Refineries, Mining Equipment, Bridge Supporting Systems, Building Infrastructures and Sports Complexes, Cranes and other Harbour Equipment)
- Defense Projects

The company is especially competitive in the Energy sector (construction of Thermoelectric and Hydroelectric Power Stations as EPC Contractor), in the Infrastructure sector and the Co-manufacturing defense sector.

The company's long experience in energy issues has given the opportunity to move forward in this area.

In the defense sector, METKA is dynamically active in the co-manufacture of tanks, other vehicles, frigates, submarines, and PATRIOT missile systems. The Company is based on its fully-equipped plants (two factories in Volos, the industrial facilities of EKME in Thessaloniki and Kavala, and its high experience).

METKA's two factories in Volos are amongst the best in the sector of high-tech metal constructions, exporting their total production in the recent years to the most demanding markets globally.

### **3. Basis for preparation of the financial statements**

#### **3.1 Declaration of Conformity**

The attached consolidated financial statements of METKA S.A. for the year ended December 31, 2015 are in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as well as its Interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC) and have been adopted by the European Union until the 31<sup>st</sup> of December 2015. Also, the Financial Statements have been prepared based on the going concern principle.

The Group applies all International Accounting Standards (IAS), the International Financial Reporting Standards (IFRS) and the Interpretations which apply to its activities. The relevant accounting policies, a summary of which is presented below in note 4, have been applied consistently in all presented periods.

#### **3.2 Presentation Currency**

The currency of the presentation is Euro (currency of the country in which the parent company is based) and all amounts are in thousands of Euro, unless stated otherwise.

#### **3.3 Measurement Base**

The consolidated Financial Statements of METKA have been prepared according to the historical cost as modified for the revaluation at fair value of financial assets at fair value through profit or loss.

#### **3.4 Use of Estimates**

The compilation of financial statements according to the IFRS requires the use of estimates and judgments during the application of the Company's accounting principles. Important assumptions made by the management for the application of the company's accounting methods have been appropriately highlighted whenever this has been deemed necessary.

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Since the estimates and judgments concern the future, real results may deviate from accounting estimates.

### **3.5. Changes in Accounting Policies**

The financial statements of 2015 were prepared using the same accounting policies of the 2014 financial statements, and taking into account any new Standards and Standard Amendments of the IFRS (see par. 3.5.1 and 3.5.2).

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

The following amendments and interpretations of the IFRS have been issued by the International Accounting Standards Board (IASB), adopted by the European Union, and their application is mandatory from or after 01/01/2015.

- **Annual Improvements cycle 2011-2013 (effective for annual periods starting on or after 01/01/2015)**

In December 2013, the IASB issued Annual Improvements to IFRSs 2011-2013 Cycle, a collection of amendments to IFRSs, in response to four issues addressed during the 2011-2013 cycle. The amendments are effective for annual periods beginning on or after 1 July 2014, although entities are permitted to apply them earlier. The issues included in this cycle are the following: **IFRS 1**: Meaning of effective IFRSs, **IFRS 3**: Scope exceptions for joint ventures; **IFRS 13**: Scope of paragraph 52 (portfolio exception); and **IAS 40**: Clarifying the interrelationship of IFRS 3 Business Combinations and IAS 40 Investment Property when classifying property as investment property or owner-occupied property. The Group examined the impact of the above on its Financial Statements and found none.

- **Defined Benefit Plans: Employee Contributions (Amendments to IAS 19) (effective for annual periods starting on or after 01/07/2014)**

In November 2013, the IASB published narrow scope amendments to IAS 19 "Employee Benefits" entitled Defined Benefit Plans: Employee Contributions (Amendments to IAS 19). The narrow scope amendments apply to contributions from employees or third parties to defined benefit plans. The objective of the amendments is to simplify the accounting for contributions that are independent of the number of years of employee service, for example, employee contributions that are calculated

according to a fixed percentage of salary. The Group examined the impact of the above on its Financial Statements and found none.

- **Annual Improvements cycle 2010-2012 (effective for annual periods starting on or after 01/07/2014)**

In December 2013, the IASB issued Annual Improvements to IFRSs 2010-2012 Cycle, a collection of amendments to IFRSs, in response to eight issues addressed during the 2010-2012 cycle. The amendments are effective for annual periods beginning on or after 1 July 2014, although entities are permitted to apply them earlier. The issues included in this cycle are the following: IFRS 2: Definition of 'vesting condition', IFRS 3: Accounting for contingent consideration in a business combination, IFRS 8: Aggregation of operating segments, IFRS 8: Reconciliation of the total of the reportable segments' assets to the entity's assets, IFRS 13: Short-term receivables and payables, IAS 7: Interest paid that is capitalised, IAS 16/IAS 38: Revaluation method—proportionate restatement of accumulated depreciation and IAS 24: Key management personnel. The Group examined the impact of the above on its Financial Statements and found none.

- **Amendment to IAS 27: “Equity Method in Separate Financial Statements» (effective for annual periods starting on or after 01/01/2016)**

In August 2014, the IASB published narrow scope amendments to IAS 27 “Equity Method in Separate Financial Statements “. Under the amendments, entities are permitted to use the equity method to account for investments in subsidiaries, joint ventures and associates in their separate Financial Statements – an option that was not effective prior to the issuance of the current amendments. The Group will examine the impact of the above on its Financial Statements, though it is not expected to have any.

- **Annual Improvements cycle 2012-2014 (effective for annual periods starting on or after 01/01/2016)**

In September 2014, the IASB issued Annual Improvements to IFRSs 2012-2012 Cycle, a collection of amendments to IFRSs, in response to four issues addressed during the 2012-2014 cycle. The amendments are effective for annual periods beginning on or after 1 January 2016, although entities are permitted to apply them earlier. The issues included in this cycle are the following: **IFRS 5**: Changes in methods of disposal, **IFRS 7**: Servicing Contracts and Applicability of the amendments to IFRS 7 to Condensed Interim Financial Statements, IAS 19: Discount rate: regional market, and **IAS 34**: Disclosure of information “elsewhere in the interim financial report”. The Group will examine the impact of the above on its Financial Statements, though it is not expected to have any.

- **Amendments to IAS 16 and IAS 41: «Agriculture: Bearer Plants» (effective for annual periods starting on or after 01/01/2016)**

In June 2014, the IASB published amendments that change the financial reporting for bearer plants. The IASB decided that bearer plants should be accounted for in the same way as property, plant and equipment in IAS 16. Consequently, the amendments include bearer plants within the scope of IAS 16, instead of IAS 41. The produce growing on bearer plants will remain within the scope of IAS 41. The Group will examine the impact of the above on its Financial Statements, though it is not expected to have any.

- **Amendments to IFRS 11: Accounting for Acquisitions of Interests in Joint Operations (effective for annual periods starting on or after 01/01/2016)**

In May 2014, the IASB issued amendments to IFRS 11. The amendments add new guidance on how to account for the acquisition of an interest in a joint operation that constitutes a business and specify the appropriate accounting treatment for such acquisitions. The Group will examine the impact of the above on its Financial Statements, though it is not expected to have any.

- **Amendments to IAS 1: « Disclosures Initiative»(effective for annual periods starting on or after 01/01/2016)**

In December 2014, the IASB issued amendments to IAS 1. The aforementioned amendments address settling the issues pertaining to the effective presentation and disclosure requirements as well as the potential of entities to exercise judgment under the preparation of financial statements. 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 16 and IAS 38: Clarification of Acceptable Methods of Depreciation and Amortisation (effective for annual periods starting on or after 01/01/2016)**

In May 2014, the IASB published amendments to IAS 16 and IAS 38. IAS 16 and IAS 38 both establish the principle for the basis of depreciation and amortisation as being the expected pattern of consumption of the future economic benefits of an asset. The IASB has clarified that the use of revenue-based methods to calculate the depreciation of an asset is not appropriate because revenue generated by an activity that includes the use of an asset generally reflects factors other than the consumption of the economic benefits embodied in the asset. The Group will examine the impact of the above on its Financial Statements, though it is not expected to have any.

### **3.5.2 New Standards and Interpretations that have not been applied yet or have not been adopted by the European Union.**

The following new Standards, Revised Standards as well as the following Interpretations to the existing Standards have been publicized but have not taken effect yet or have not been adopted by the European Union. In particular:

- **IFRS 14 “Regulatory Deferral Accounts” (effective for annual periods starting on or after 01/01/2016)**

In January 2014, the IASB issued a new standard, IFRS 14. The aim of this interim Standard is to enhance the comparability of financial reporting by entities that are engaged in rate-regulated activities. Many countries have industry sectors that are subject to rate regulation, whereby governments regulate the supply and pricing of particular types of activity by private entities. 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 10 and IAS 28: “Sale or Contribution of Assets between an Investor and its Associate or Joint Venture” (effective for annual periods starting on or after 01/01/2016)**

In September 2014, the IASB published narrow scope amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets between an Investor and its Associate or Joint Venture”. The amendments will be applied by entities prospectively in respect of sales or contribution of assets performed in the annual periods starting on or after 01/01/2016. Earlier application is permitted, given that this fact is relatively disclosed in the financial Statements. 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 10, IFRS 12 and IAS 28: “Investment Entities: Applying the Consolidated Exception effective for annual periods starting on or after 01/01/2016)**

In December 2014, the IASB published narrow scope amendments to IFRS 10, IFRS 12 and IAS 28. The aforementioned amendments introduce explanation regarding accounting requirements for investment entities, while providing exemptions in particular cases, which decrease the costs related to the implementation of the Standards. 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 IAS 12 Income Taxes: “ Recognition of Deferred Tax Assets for Unrealised 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 this amendment is to clarify the accounting for deferred tax assets for unrealised 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.

- **IFRS 9 “Financial Instruments” (effective for annual periods starting on or after 01/01/2018)**

In July 2014, the IAB issued the final version of IFRS 9. This version brings together the classification and measurement, impairment and hedge accounting models and presents a new expected loss impairment model and limited amendments to classification and measurement for financial assets. 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 15 “Revenue from Contracts with Customers” (effective for annual periods starting on or after 01/01/2017)**

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 new standard will supersede IAS 11 “Construction Contracts”, IAS 18 “Revenue” and several revenue related interpretations. The Group and the Company is in the process of examining the impact of the above on its Financial Statements. The above have not been adopted by the European Union.

- **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, ie 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.

## **4. Summary of Important Accounting Policies**

### **4.1 Consolidation**

**Subsidiaries:** All the companies that are managed or controlled, directly or indirectly, by another company (parent) either through the holding of majority voting rights in the undertaking or through its dependence on the know-how provided from the Group. That is to say that subsidiaries are companies in which control is exercised by the parent.

The existence of potential voting rights that are exercisable at the time the financial statements are compiled, is taken into account in order to determine whether the parent exercises control over the subsidiaries.

Subsidiaries are consolidated completely (full consolidation) with the purchase method from the date that control over them is acquired and cease to be consolidated from the date that this control no longer exists.

The acquisition of a subsidiary by the Group is accounted for using the purchase method. Paragraph “4.6 Intangible Assets – Goodwill” describes the accounting aspect of goodwill. The acquisition cost of a subsidiary is the fair value of the assets given as consideration, the shares issued and the liabilities undertaken on the date of the acquisition plus any costs directly associated with the transaction. The individual assets, liabilities and contingent liabilities that are acquired during a business combination are valued during the acquisition at their fair values regardless of the participation percentage. The acquisition cost over and above the fair value of the individual assets acquired is booked as goodwill. If the total cost of the acquisition is lower than the fair value of the individual assets acquired, the difference is immediately booked to the results.

Inter-company transactions, balances and unrealized profits from transactions between Group companies are written-off. Unrealized losses are also written-off except if the transaction provides indication of impairment of the transferred asset. The accounting principles of the subsidiaries have been amended so as to conform to the ones adopted by the Group.

**Minority transactions:** For the accounting of transactions with the minority, the Group applies the accounting principle which considers those transactions as transactions with non-Group third parties. Sales to minority create profit and loss for the Group and those are registered in the Profit and Loss Statement. Purchases from the minority create a goodwill which is the difference between the amount paid and the percentage of the net accounting value of the subsidiary acquired.

**Associates:** Associates are companies on which the Group can exert significant influence but which do not fulfill the conditions to be classified as subsidiaries or joint ventures. The assumptions used by the Group imply that a holding of between 20% and 50% of a company’s voting rights suggests significant influence on the company. Investments in associates are initially recognized at cost and are subsequently valued using the equity method.

At the end of each period, the cost increases by the proportion of the investing company in the changes in net worth of the company it invests in and decreases by the dividends received from the associate.

As regards the acquisition goodwill, it reduces the stake value affecting the income statement when its value is reduced.

The Group’s share in the profits or losses of associated companies after the acquisition is recognized in the income statement, while the share of changes in reserves after the acquisition is recognized in the reserves. The cumulated changes affect the book value of the investments in associated companies. When the Group’s share in the losses of an associate is greater than or equal to its participation in the associate, including any other doubtful debts, the Group does not recognize any further losses, unless it has covered liabilities or made payments on behalf of the associate or those that emerge from ownership.

Unrealized gains on transactions between the Group and its associates are eliminated according to the percentage of participations to the associates. Unrealized losses are eliminated unless the transaction provides evidence of an impairment of the asset transferred. The accounting policies of associates are adjusted to be consistent with those used by the Group.

## 4.2 Operating Segments

The Board of Directors is the main body of business decisions and monitors the internal financial information reports in order to evaluate the Company's and Group's performance and decide for the distribution of resources. The Management has designated the activity segments based on these internal reports. The Board of Directors uses various criteria in order to assess the Group's activities, depending on the nature of each segment and taking into account the risks involved and the existing needs in cash.

Operating segments are those in which the Group is activated and in which its internal information system is based. The Group of METKA is active in the sector of complicated electromechanical metal constructions. Every contract that is executed has its own characteristics according to the customer's need (custom made products). The company's projects are mainly differentiated by the use intended by the client, while the degree of business risk and returns remain the same.

The basic principles are summarized as follows:

1. The Group is active in the construction of complex electromechanical metal constructions. Each contract realized by the Group has its own special technical characteristics which differ to a greater or lesser extent from the other contracts. The company's projects are mainly differentiated by the use intended by the client, while the degree of business risk and returns remain the same.
2. The results of each segment are based on the operating results of each individual country in which the company is active (geographical segment). Not included in the segment results are the results of possible discontinued operations. There are asymmetric distributions to the presented segments since the depreciations of the geographic segment are separated based on the direct work-hours of the fixed assets used in each project. It should be noted that the tangible fixed assets of each segment include the fixed assets installed in each segment.
3. The additions of the non-current assets include fixed asset and intangibles, as well as stakes to affiliates and joint-ventures.

If the total income from external sources presented by geographical segments comprises less than the 75% of the Group's income, then more geographical segments are selected for presentation in order to reach the 75% of the Group's income.

Operating segments which have not achieved any of the quantitative limits defined by IFRS 8, are not considered eligible for presentation and are not disclosed separately since the Administration believes that this wouldn't be of any use to the users of its financial statements.

Each one of the geographical segments is separately managed. Inter-segment transactions are effected with the same terms as transactions at arm's length basis.

The accounting principles used by the Group for the segment presentation according to IFRS 8 are the same used for the preparation of its financial statements.

There are no changes compared to the previous period as regards the valuation methods used to designate the profit/loss of the geographic segment.

#### **4.3 Foreign currency conversion**

##### **a) Operating currency and presentation currency**

The measurement of the items in the financial statements of the Group's companies is based on the currency of the primary economic environment in which the Group operates (operating currency). The consolidated financial statements are reported in euros, which is the operating currency and the reporting currency of the parent Company and all its subsidiaries.

##### **b) Transactions and account balances**

Transactions in foreign currencies are converted to the operating currency using the rates in effect at the date of the transactions.

Profits and losses from foreign exchange differences that result from the settlement of such transactions during the period and from the conversion of monetary items denominated in foreign currency using the rate in effect at the balance sheet date, are posted to the results. Foreign exchange differences from non-monetary items that are valued at their fair value are considered as part of their fair value and are thus treated similarly to fair value differences.

The Group's foreign activities in foreign currency (which constitute an inseparable part of the parent's activities), are converted to the operating currency using the rates in effect at the date of the transaction, while the asset and liability items of foreign activities, including goodwill and fair value adjustments, that arise during the consolidation, are converted to euro using the exchange rates that are in effect as at the balance sheet date.

##### **c) Affiliated Companies**

Profit from operating activities and own equity of each firm of the Group (apart from the ones that operate in hyper-inflating economies), in the cases when the functional currency differs from the presentation currency of the Group, are converted to the currency of the Group as follows:

- (i) The Assets and the Liabilities of the Balance Sheets are presented and converted to euro using the exchange rates that are in effect as at the balance sheet date.
- (ii) Incomes and expenses of the income statement of each company are translated at the closing rate at the date of the balance sheet.
- (iii) All exchange differences, are recognized as a "Foreign currency translation reserve" in Equity.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity, are treated as assets and liabilities of the foreign entity and are converted to euro using the exchange rates that are in effect as at the balance sheet date.

#### **4.4 Tangible assets**

Fixed assets are reported in the financial statements at acquisition cost or deemed cost, as such was determined based on fair values as at the transition dates, less accumulated depreciations and any impairment suffered by the assets. The acquisition cost includes all the directly attributable expenses for the acquisition of the assets.

Subsequent expenditure is added to the carrying value of the tangible fixed assets or is booked as a separate fixed asset only if it is probable that future economic benefits will flow to the Group and their cost can be accurately measured. The repair and maintenance cost is booked in the results when such is realized.

Depreciation of tangible fixed assets (other than plots which are not depreciated) is calculated using the straight line method over their useful lives, as follows:

Land	25-35 years
Mechanical equipment	4-20 years
Vehicles	4-10 years
Other equipment	4-7 years

The residual values and useful economic lives of tangible fixed assets are subject to reassessment at each balance sheet date. When the book value of tangible fixed assets exceeds their recoverable amount, the difference (impairment) is immediately booked as an expense in the results.

Upon sale of the tangible fixed assets, any difference between the proceeds and the book value are booked as profit or loss to the results. Finally, when the tangible assets are measured at fair value, any existing revaluation reserve in equity during the sale, is transferred to retained earnings. Expenditure on repairs and maintenance is booked as an expense in the period it relates to.

Self-constructed tangible fixed assets constitute an addition to the acquisition cost of tangible assets at a value that includes the direct cost of employee's salaries (including the relevant employer's contributions), the cost of materials used and other general costs.

The Group applies the IFRS 23 "Cost of Borrowings", by registering the cost of borrowings as cost of the period, without taking into consideration the purpose of the borrowings.

#### 4.5 Intangible assets

The intangible assets include the Goodwill, the rights of use of Property, plant and equipment, as well as software licenses.

**Goodwill:** is the difference between the acquisition cost and the asset/liabilities fair value of the subsidiary/affiliated company on the date of acquisition. The company considers the acquisition goodwill as asset and presents it in the cost. This cost is equal to the amount that the consolidation cost surpasses the company stake in the assets, liabilities and contingent liabilities of the acquired company.

Following initial recognition, goodwill is measured at cost less any accumulated impairment losses. The acquirer tests goodwill for impairment annually, according to IAS 36, if events or changes in circumstances indicate that it might be impaired.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. A cash generated unit is the smallest identifiable group of assets generating cash inflows independently and represents the level used by the Group to organize and present each activities and results in its internal reporting. Impairment is determined for goodwill by assessing the recoverable amount of

the cash-generating units, to which the goodwill relates. Where the recoverable amount (typically the value in use) of the cash-generating units is less than their carrying amount an impairment loss is recognized. Impairment losses relating to goodwill cannot be reserved in future periods. The Group performs its annual impairment test of goodwill as at 31 December each year.

In case the fair value of the Group's interest in the fair value of the acquired entity exceeds the cost of acquisition, the company proceeds to the Group proceeds to a revaluation of the cost of acquisition, the acquired assets, liabilities and contingent liabilities and any remaining difference after the revaluation is recognized directly to the income statement as profit.

**Software:** The authorizations of software are valued in the cost less accumulated depreciation. The accumulated depreciation they are held with the constant method at the duration of beneficial life assets who oscillates from 1 until 3 years.

#### **4.6 Impairment of Assets**

Assets with an indefinite useful life are not depreciated and are subject to an impairment review annually and when some events suggest that the book value may not be recoverable any resulting difference is charged to the period's results. Assets that are depreciated are subject to an impairment review when there is evidence that their value will not be recoverable. The recoverable value is the greater of the net sales value and the value in use. An impairment loss is recognized by the company when the book value of these assets (or cash flow generating unit) is greater than its recoverable amount.

Net sales value is the amount received from the sale of an asset at an arm's length transaction in which participating parties have full knowledge and participate voluntarily, after deducting any additional direct cost for the sale of the asset, while value in use is the present value of estimated future cash flows that are expected to flow into the company from the use of the asset and from its disposal at the end of its estimated useful life.

#### **4.7 Financial instruments**

Financial instrument is any contract that creates a financial asset in an enterprise and a financial liability or equity instrument in another. The financial instruments of the Group are classified in the following categories according to the substance of the contract and the purpose for which they were purchased.

##### **i) Financial instruments valued at fair value through the income statement**

These comprise of assets that satisfy any of the following conditions:

Financial assets that are held for trading purposes (including derivatives, except those that are designated and effective hedging instruments, those that are acquired or incurred for the purpose of sale or repurchase and, finally, those that are part of a portfolio of designated financial instruments). Upon initial recognition it is designated by the company as an instrument valued at fair value, with any changes recognized through the Income Statement.

The realized and unrealized profit or losses that arise from changes in the fair value of financial assets valued at fair value with changes in the results, are recognized in the results of the period they result in.

##### **ii) Loans and receivables**

They include non-derivative financial assets with fixed or predefined payments which are not traded in active markets. The following are not included in this category (loans and receivables):

- a) Receivables from down payments for the purchase of goods or services,
- b) receivables relating to tax transactions, which have been legislatively imposed by the state,
- c) any receivable not covered by a contract which gives the company the right to receive cash or other financial fixed assets.
- d) The loans and receivables are recognized in the net book value based on the real interest rate method.

### **iii) Investments held to maturity**

These include non-derivative financial assets with fixed or defined payments and specific maturity and which the Group intends to hold until their maturity. The Group did not hold investments of this category.

### **iv) Financial assets available for sale**

These include non-derivative financial assets that are either designated as such or cannot be included in any of the previous categories.

Following, the financial assets available for sale are valued at fair value and the relevant profit or loss is booked in equity reserves until such assets are sold or characterized as impaired. During the sale, or when they are characterized as impaired, the profit or loss is transferred to the results. Impairment losses that have been booked to the results are not reversed through the results.

The purchases and sales of investments are recognized during the transaction date, which is also the date the Group commits to purchase or sell the item. Investments are initially recognized at fair value plus the directly related to the transaction costs. The costs directly related to the transaction is not added for items that are valued at fair value with changes in the results. Investments are written-off when the right on cash flows from investments mature or is transferred and the Group has essentially transferred all the risks and rewards implied by the ownership.

The fair values of financial assets that are traded in active markets, are defined by the current ask prices. For non-traded assets, fair values are defined with the use of valuation techniques such as analysis of recent transactions, comparative items that are traded and discounted cash flows. The securities that are not traded in an active market that have been classified in the category Financial assets available for sale, and whose fair value cannot be determined with credibility, are valued at their acquisition cost.

At each reporting date the Group assess whether there are objective indications that lead to the conclusion that financial assets have been impaired. For company shares that have been classified as financial assets available for sale, such an indication consists of a significant or extended decline in the fair value compared to the acquisition cost. If impairment is established, the accumulated loss in equity, which is the difference between acquisition cost and fair value, is transferred to the results.

## **4.8 Inventories**

The cost of the inventories comprises direct labor, other direct costs and related production overheads (based on normal operating capacity) but excludes financial expenses.

At the balance sheet date, inventories are valued at the lower of acquisition cost and net realizable value. Net realizable value is the estimated sales price during the normal course of the company's business less any relevant sales expenses.

#### **4.9 Trade receivables**

Receivables from customers are initially booked at their nominal value and are subsequently valued at their net book cost using the method of the effective interest rate, less the provision for impairment.

The Group has established criteria for granting credit to customers, which is generally based on the size of the customer's operations and consideration of relevant financial information. At each reporting date all potentially uncollectible accounts are assessed to determine the appropriate allowance for doubtful accounts. The balance of such allowance for doubtful accounts is appropriately adjusted at each reporting date to reflect the possible risks. Each deletion charged other customers in the existing provision for contingent receivables.

#### **4.10 Cash and cash equivalents**

Cash and cash equivalents include cash in the bank and in hand as well as short term highly liquid investments such as money market products and bank deposits. Money market products are financial assets which are valued at fair value through the profit and loss account.

#### **4.11 Non current segment assets held for sale**

The segment assets held for sale include the other segment assets (including the capital gains) and the tangible assets that the Group intends to sell within a year after their registration date as "held for sale".

The segment assets registered as "held for sale" are priced at the minimum value between the book value just before their registration as held for sale, and their fair value minus the cost of sale. The segment assets that are registered as "held for sale" are not subject to amortization. The profit or damage from the sale and reevaluation of the "held for sale" segment assets are included in the "other revenue" and "other expenditure", respectively, at the list of the use results

At 31/12/2015 the Group has not registered non-current segment assets as held for sale.

#### **4.12 Share capital**

Expenses incurred for the issuance of shares, reduce after deducting the relevant income tax the proceeds from the issue. Expenses related to the issuance of shares for the purchase of companies are included in the acquisition cost of the company acquired.

When acquiring own shares, the paid amount, including the relevant expenses, is shown as a reduction of share capital (premium reserves).

The shares of the Group's subsidiaries (excluding shares of the parent company) are considered as assets available for sale.

At 31.12.2015, the Group did not hold any treasury shares.

#### **4.13 Income tax & deferred tax**

The period charge for income tax comprises current tax and deferred tax, i.e. the tax charges or tax credits that are associated with economic benefits accruing in the period but have been assessed by the tax authorities in different periods. Income tax is recognized in the income statement of the period, except for the tax relating to transactions that have been booked directly to equity, in which case it is, accordingly, booked directly to equity.

Current income taxes include the short-term liabilities or receivables from the fiscal authorities that relate to taxes payable on the taxable income of the period and any additional income taxes from previous periods (tax audit differences).

Current taxes are measured according to the tax rates and tax laws in effect during the financial years to which they relate, based on the taxable profit for the year. All changes to the short-term tax assets or liabilities are recognized as part of the tax expense in the income statement.

Deferred income tax is determined according to the liability method which results from the temporary differences between the book value and the tax base of assets or liabilities. Deferred tax is not booked if it results from the initial recognition of an asset or liability in a transaction, except for a business combination, which when it occurred did not affect neither the accounting nor the tax profit or loss.

Deferred tax assets and liabilities are valued based on the tax rates that are expected to be in effect during the period in which the asset or liability will be settled, taking into consideration the tax rates (and tax laws) that have been put into effect or are essentially in effect up until the balance sheet date. In the event where it is impossible to identify the timing of the reversal of the temporary differences, the tax rate in effect on the day after the balance sheet date is used.

Deferred tax assets are recognized to the extent that there will be a future tax profit to be set against the temporary difference that creates the deferred tax asset.

Deferred income tax is recognized for the temporary differences that result from investments in subsidiaries and associates, except for the case where the reversal of the temporary differences is controlled by the Group and it is possible that the temporary differences will not be reversed in the foreseeable future.

Most changes in the deferred tax assets or liabilities are recognized as part of the tax expense in the income statement. Only changes in assets or liabilities that affect the temporary differences are recognized directly in the equity of the Group, such as the revaluation of property value, that results in the relevant change in deferred tax assets or liabilities being charged against the relevant equity account.

#### **4.14 Employee benefits**

##### **a) Short-term benefits**

Short-term employee benefits (except post-employment benefits) monetary and in kind are recognized as an expense when they accrue. Any unpaid amount is booked as a liability, while in the case where the amount paid exceeds the amount of services rendered, the company

recognizes the excess amount as an asset (prepaid expense) only to the extent that the prepayment will lead to a reduction of future payments or to reimbursement.

#### **b) Post-employment benefits**

Post-employment benefits include pensions or other benefits (insurances and medical care) which the company offers after the termination of employment to the employees as acknowledgement of their services. Thus, they include both defined contribution schemes as well as defined benefits schemes. The accrued cost of the defined contributions scheme is registered as an expense in the relative period. Post-employment benefits are partly funded through payments to insurance companies or state social insurance institutions.

- **Defined contribution scheme**

Defined benefits plans are relating to contributions to Insurance Carriers (eg Social Security), so the Group doesn't have any legal obligation in the event that the State Fund is unable to pay a pension to the insured. The employer's obligation is limited to the payment of employer contributions to the insurance companies or state social insurance institutions. The payable contribution from the company to a defined contribution scheme, is recognized either as liability, after deduction of the paid contribution, or as an expense.

- **Defined benefits scheme**

According to L.2112/20 and 4093/2012 the company is obliged to compensate it's employees in case of retirement or dismissal. The amount of the compensation paid depends on the years of service, the level of wages and the removal from service (dismissal or retirement). The entitlement to participate in these programs is usually based on years of service of the employee until retirement.

The liability that is reported in the balance sheet with respect to this scheme is the present value of the liability for the defined benefit depending on the accrued right of the employee and the period to be rendered. The commitment of the defined benefit is calculated annually by an independent actuary with the use of the projected unit credit method. For the fiscal year 2014 as a discount rate is used the yield of iBoxx AA Corporate Overall 10 + EUR indices , which is considered consistent with the principles of IAS 19 since is based on bonds corresponding to the currency and term estimation in relation to employee benefits and appropriate for long-term forecasts.

The obligations for benefits payable of an employee benefit scheme are based on various parameters , such as age , years of service and salary. The provisions for the period are included in personnel cost (consolidated and company's financial statements) and consist of current and past service cost , the relative financial cost , actuarial gains or losses and any possible additional charges . Regarding unrecognized actuarial gains or losses the revised IAS 19R is followed, which includes a number of changes in accounting for defined benefit plans, including :

- The recognition of actuarial gains / losses in other comprehensive income and permanent exclusion from the year's income statement,
- The expected returns on investment of the program of each period is not recognized according to the expected returns but it is recognized the interest on net liability / (asset) according to the discount rate used to measure the defined benefit obligation,

- Other changes include new disclosures as quantitative sensitivity analysis

#### 4.15 Grants

The Group recognizes the government grants that cumulatively satisfy the following criteria: a) There is reasonable certainty that the company has complied or will comply to the conditions of the grant and b) it is probable that the amount of the grant will be received. They are booked at fair value and are systematically recognized as revenue according to the principle of matching the grants with the corresponding costs that they are subsidizing.

Grants that relate to assets are included in long-term liabilities as deferred income and are recognized systematically and rationally as revenue over the useful life of the fixed asset.

#### 4.16 Provisions

Provisions are recognized when the Group has present obligations (legal or constructive) as a result of past events, their settlement through an outflow of resources is probable and the exact amount of the obligation can be reliably estimated. Provisions are reviewed during the reference date is compiled so that they may reflect the present value of the outflow that is expected to be required for the settlement of the obligation.

Contingent liabilities are not recognized in the financial statements but are disclosed, except if the probability that there will be an outflow of resources that embody economic benefits is very small. Contingent claims are not recognized in the financial statements but are disclosed provided that the inflow of economic benefits is probable.

#### 4.17 Recognition of income

**Income:** Income includes the fair value of goods and services sold, net of Value Added Tax, discounts and returns. Intercompany revenue within the Group is eliminated completely. The recognition of revenue is done as follows:

- **Construction Contracts:** The income from the execution of construction contracts is accounted for in the period the project is constructed, based on its completion stage.
- **Sale of goods:** Sales of goods are recognized when the Group transfers goods to customers, the goods are accepted by them and the collection of the resulting claim is reasonably assured.
- **Rendering of services:** Income from rendering of services is accounted for in the period during which the services are rendered, based on the stage of completion of the service rendered in relation to the total services to be rendered.
- **Income Interest:** Interest income is recognized on a time proportion basis using the effective interest rate. When there is impairment of assets, their book value is reduced to their recoverable amount which is the present value of the expected future cash flows discounted using the initial real interest rate. Interest is then booked using the same interest rate calculated on the impaired (new book) value.
- **Dividends:** Dividends are accounted for as revenue when the right to receive payment is established.
- **Expenses:** Expenses are recognized in the results on an accrued basis. The payments made for operating leases

are transferred to the results as an expense, during the time the lease is used. Interest expenses are recognized on an accrued basis.

#### **4.18 Leases**

**Group company as Lessee:** Leases of fixed assets with which all the risks and benefits related with ownership of an asset are transferred to the Group, regardless of whether the title of ownership of the asset is eventually transferred or not, are finance leases.

These leases are capitalized at the inception of the lease at the lower of the fair value of the asset and the present value of the minimum lease payments. Each lease payment is apportioned between the reduction of the liability and the finance charge so that a fixed interest rate on the remaining financial liability is achieved.

The relevant liabilities from leases, net of finance charges, are reported as liabilities. The part of the finance charge that relates to finance leases is recognized in the income statement during the term of the lease. Fixed assets acquired through finance leases are depreciated over the shorter of their useful lives and the lease term.

Lease agreements where the lessor transfers the right of use of an asset for an agreed period of time, without transferring, however, the risks and rewards of ownership of the fixed asset are classified as operating leases. Payments made with respect to operating leases (net of any incentives offered by the lessor) are recognised in the income statement proportionately throughout the term of the lease.

**Group Company as lessor:** Fixed assets that are leased through operating leases are included in the balance sheet's tangible assets. They are depreciated during their expected useful life on a basis consistent with similar self-owned tangible assets. The income from the lease (net of possible incentives given to the lessees) is recognized using the constant method during the period of the lease. The Group does not act as a lessor through financial leasing.

#### **4.19 Construction contracts**

Construction contracts refer to the construction of assets or a group of affiliated assets specifically for customers according to the terms provided for in the relevant contracts and whose execution usually lasts for a period of over one fiscal year.

The expenses that refer to the contract are recognized when such are realized.

In the case where the result of one construction contract may not be reliably valued, and especially in the case where the project is at a premature stage, then the income must be recognized only to the extent that the contractual cost may be recovered, and the contractual cost must be recognized in the expenses of the period in which it was undertaken. Thus, for such contracts income is recognized in order for the profit from the specific project to equal zero.

When the result of a construction contract can be valued reliably, the contract's income and expenses are recognized throughout the contract's duration, respectively as income and expense.

The Group uses the percentage completion method to define the appropriate income and expense amount that will be recognized in a specific period.

The completion stage is measured based on the contractual cost that has been realized up to the balance sheet date compared to the total estimated construction cost of each project. When it is likely for the total contract cost to exceed the total income, then the expected loss is directly recognized in the period's results as an expense.

For the calculation of the cost realized until the end of the period, any expenses related to future activities regarding the contract are excluded and appear as a project under construction. The total cost that was realized and the profit/loss that was recognized for each contract is compared with the progressive invoicing until the end of the period.

When the realized expenses plus the net profit (less the losses) that have been recognized, exceed the progressive invoicing, the difference appears as a receivable from construction contract customers in the account "Customers and other receivables". When the progressive invoicing exceed the realized expenses plus the net profit (less the losses) that have been recognized, the balance appears as a liability towards construction contract customers in the account "Suppliers and other liabilities".

#### **4.20 Dividend distribution**

The distribution of dividends to the shareholders of the parent company is recognized as a liability in the consolidated financial statements at the date on which the distribution is approved by the General Meeting of the Shareholders.

#### **4.21 Earnings per share**

Basic earnings per share (Basic EPS) are calculated by dividing the profit after tax that is attributable to the shareholders of the parent company with the weighted average number of ordinary shares outstanding during the period.

Diluted earnings per share are calculated by dividing the profit after tax that is attributable to the shareholders of the parent company after adjusting for the post tax interest expense of the convertible securities with the weighted average number of ordinary shares adjusted by the number of ordinary shares converted from the convertible bond issue.

The weighted average number of ordinary shares outstanding during the accounting period as well as during all presented accounting periods is adjusted in relation to the events that have altered the number of outstanding ordinary shares without the corresponding alteration of the resources.

### **5. Significant accounting judgments, estimates and assumptions**

The preparation of financial statements in accordance with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities, as well as the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

## 5.1 Judgments

In the process of applying the entity's accounting policies, judgments, apart from those involving estimations, made by the management that have the most significant effect on the amounts recognized in the financial statements mainly relate to:

- **Classification of investments**

Management decides on acquisition of an investment whether it should be classified as held to maturity, held for trading, carried at fair value through income statement, or available for sale. For those deemed to be held to maturity management ensures that the requirements of IAS 39 are met and in particular the Group has the intention and ability to hold these to maturity. The Group classifies investments as trading if they are acquired primarily for the purpose of making a short term profit. Classification of investments as fair value through income statement depends on how management monitors the performance of these investments. When they are not classified as held for trading but have readily available reliable fair values and the changes in fair values are reported as part of profit or loss in the management accounts, they are classified as fair value through income statement. All other investments are classified as available for sale.

## 5.2 Estimates and assumptions

Certain amounts included in or affecting our financial statements and related disclosure must be estimated, requiring us to make assumptions with respect to values or conditions which cannot be known with certainty at the time the financial statements are prepared. A "critical accounting estimate" is one which is both important to the portrayal of the company's financial condition and results and requires management's most difficult, subjective or complex judgments, often as a result of the need to make estimates about the effect of matters that are inherently uncertain. Group evaluates such estimates on an ongoing basis, based upon historical results and experience, consultation with experts, trends and other methods considered reasonable in the particular circumstances, as well as our forecasts as to how these might change in the future.

### **Recoverability of accounts receivable**

Trade receivables initially, are recognized at fair value and subsequently are measured at amortized cost, using the method of effective interest method less provision for impairment. When the Company has the objective evidence that the Group will not be able to collect all of the due amounts, according to the terms of each agreement, makes provision for impairment of trade receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The amount of the provision is recognized in other expenses in the Income Statement.

### **Obsolescence in inventory**

Appropriate provisions are made for damage, obsolete and slow moving items. Write-downs to net realizable value and inventory losses are expensed in cost of sales in the period in which the write-downs or losses occur.

## **Lease classification**

Leases where all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the income statement over the period of the lease. Leases of property, plant and equipment where the Group has substantially all the risks and rewards of ownership are classified as finance leases.

## **Goodwill Impairment test and Intangible Assets with Indefinite useful life**

The Group carries out the relevant impairment test on goodwill and intangible assets with indefinite useful life derived from subsidiaries and associates, at least on an annual basis or in case of an indication for impairment, according to IAS 36. In order to determine whether there is evidence leading to impairment, the value in use as well as the fair value of the cash generating unit less the sale cost should be calculated. Usually, methods such as net present value of estimated cash flows are used along with valuations based on similar transactions trading in active markets and stock quotation in case the subject item is traded on an organized market. For the application of these methods, Management is required to use information such as the subsidiary's forecasted future profitability, business plans as well as market data such as interest rates etc.

## **Budget of construction contracts**

The handling of the earnings and the expenses of a construction contract, depends whether the final result, at the completion of contractual project can be estimated with credibility (and is expected to bring gain or loss). When the result of a contractual project can be estimated with credibility, then the earnings and the expenses of the contract are recognised, through the duration of the project, correspondingly as earning and expense. The Group uses the method of percentage of completion, to determine the appropriate amount of income and expense that will be recognised in a specific period. The percentage of completion is measured, according to the contractual expenses that have been realised until the date of the financial statements of the total expected contractual cost of every project.

As a result, the management is required to estimate the gross profit of every construction contract (estimated cost of completion).

## **Income taxes**

The Group and the Company are subjects to income taxes in numerous jurisdictions. Significant estimates are required in determining the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group and the Company recognizes liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

## **Provisions**

Doubtful accounts are reported at the amounts likely to be recoverable. As soon as it is learned that a particular account is subject to a risk over and above the normal credit risk (e.g., low

creditworthiness of customer, dispute as to the existence or the amount of the claim, etc.), the account is analyzed and written down if circumstances indicate the receivable is uncollectible.

### Contingent assets and contingent liabilities

The Group is involved in litigation and claims in the normal course of operations. Management is of the opinion that any resulting settlements would not materially affect the financial position of the Group as at December 31, 2015. However, the determination of contingent liabilities relating to the litigation and claims is a complex process that involves judgments as to the outcomes and interpretation of laws and regulations. Changes in the judgments or interpretations may result in an increase or decrease in the Company's contingent liabilities in the future.

## 6. Group Structure and consolidation method

Group companies that are included in the consolidated financial statements with the method of full consolidation (unless stated otherwise below) are:

Company	Main Operation Activity	Headquarters	Participation Percentage	Participation type	Consolidation method
GREEK STEEL INDUSTRY S.A. (SERVISTEEL)	Metal Constructions	Greece	99,98	Direct	Full
ELEMKA	Constructions - Supervision	Greece	83,5	Direct	Full
DROSCO HOLDINGS LIMITED	Constructions - Supervision	Cyprus	83,5	Indirect	Full
BRIDGE ACCESSORIES & CONSTRUCTION SYSTEMS	Constructions - Supervision	Greece	62,625	Indirect	Full
METKA BRAZI SRL	EPC Contractor	Romania	100	Direct	Full
POWER PROJECTS	EPC Contractor	Turkey	100	Direct 99% Indirect 1%	Full
METKA RENEWABLES LTD	EPC Contractor of Solar Technologies	Cyprus	100	Direct	Full
RIVERA DEL RIO	EPC Contractor of Solar Technologies	Panama	50	Direct	Full
METKA-EGN LTD	EPC Contractor of Solar Technologies	Cyprus	50,1	Direct	Full
METKA-EGN LTD	EPC Contractor of Solar Technologies	England	50,1	Indirect	Full
METKA-EGN SpA	EPC Contractor of Solar Technologies	Chile	50,1	Indirect	Full
METKA-EGN USA LLC	EPC Contractor of Solar Technologies	Puerto Rico	50,1	Indirect	Full
MYTILINEOS FINANCIAL PARTNERS SA	Investments	Luxembourg	25	Direct	Equity
Joint Venture METKA-TERNA	Constructions	Greece	10	Direct	Equity

The unaudited fiscal years of the above mentioned companies are mentioned in detail in note 40.3 of the Financial Statements.

The consolidated financial statements of METKA Group are included in the consolidated financial statements of Mytilineos Group that is based in Greece and owns 50,00% of METKA Group as of 31/12/2015.

### **Changes in Group structure**

Included in the consolidated financial statements of the six-month period ended 31/12/2015, compared to the respective period of 2014, are: (i) Metka Renewables Limited (a newly founded company, fully consolidated since 17/3/2015), (ii) Rivera del Rio (a newly founded company, fully consolidated since 1/4/2015), (iii) Metka-Egn Ltd Cyprus (a newly founded company, fully consolidated since 19/5/2015), (iv) Metka-Egn England (a newly founded company, fully consolidated since 8/6/2015), (v) Metka-Egn USA LLC Puerto Rico (a newly founded company, fully consolidated since 21/10/2015) and (vi) Metka-Egn SpA Chile (a newly founded company, fully consolidated since 3/11/2015).

Not included in the consolidated financial statements of the six-month period ended 31/12/2015, compared to the respective period of 2014 is the joint venture ATERMON-EKME-TMUCB-METKA S.A. (equity method) which was cancelled on 3/3/2015 and EKME S.A. (full consolidation) which was sold on 25/8/2014.

The inclusion or not of those companies to the consolidated financial statements of METKA Group hasn't affected more than 25% in total the turnover, the profit after taxes and minority rights and the parent company's equity.

## **7. Operating Segments**

The Group applies IFRS 8 "Operating Segments" under the provisions of which, the identification of operating segments based on the "management approach" and requires the information disclosed externally is that based on the internal reporting. The Board of Directors is the principal business decision maker of the Group.

In order to present the operating segments, it should be noted that the Group is active in the construction of complex electromechanical metal constructions. Each contract realized by the Group has its own special technical characteristics which differ to a greater or lesser extent from the other contracts. The company's projects are mainly differentiated by the use intended by the client, while the degree of business risk and returns remain the same.

Taking into account the above as well as the construction singularity of each project, for the purpose of segment information, the Group used the geographical area in which products and services are sold and which is subject to different risks and returns compared to other areas. Geographically, the Group is active in Greece, in countries of the European Union (Germany, Romania), in Turkey, Syria, Algeria, Jordan, and Iraq.

During 2015, the sales of the company to foreign countries (Ghana, Syria, Algeria, Iraq, Jordan, Germany and Other countries) constitute a 86,1 % of the total sales turnover and come mainly from Ghana, Algeria, Syria and Iraq. Income from Other countries is mainly from Great Britain and Turkey. Therefore the Group's Operating segments have been modified to Greece, Algeria, Turkey, Syria, Iraq, Jordan, Ghana and Other countries. The results of the above segments for the periods ended on December 31st 2015 and 2014 are as follows:

Amounts in '000 €	Greece	Algeria	Syria	Germany	Other Countries	Ghana	Iraq	Jordan	Total
<b>01/01 - 31/12/2015</b>									
Revenues from external customers	92,650	102,764	47,718	30,230	15,276	209,227	164,845	5,306	668,016
Intersegment revenues	4,325	3,746	745	-	137	835	554	486	10,827
<b>Total Sales</b>	<b>96,975</b>	<b>106,510</b>	<b>48,463</b>	<b>30,230</b>	<b>15,413</b>	<b>210,062</b>	<b>165,399</b>	<b>5,791</b>	<b>678,843</b>
Gross Profit	12,305	26,421	26,835	10,581	17,771	42,719	9,372	(14,261)	131,743
Financial revenues	2,637	-	-	-	869	-	-	-	3,506
Financial expenses	(6,742)	(4,002)	(150)	(145)	(3,051)	(400)	-	(908)	(15,400)
<b>Net Financial profit / loss</b>	<b>(4,105)</b>	<b>(4,002)</b>	<b>(150)</b>	<b>(145)</b>	<b>(2,182)</b>	<b>(400)</b>	<b>-</b>	<b>(908)</b>	<b>(11,894)</b>
Entity's Interest in the Profit of Joint Venture	(217)	-	-	-	-	-	-	-	(217)
Profit before tax	2,863	18,290	24,163	8,875	14,338	44,520	2,950	(15,478)	100,521
Income Tax	(815)	(7,666)	(11,909)	(2,574)	(7,470)	(9)	(829)	0	(31,273)
Profit after tax	2,048	10,624	12,254	6,301	6,869	44,511	2,120	(15,478)	69,248
Depreciation / Amortization	3,050	643	-	-	31	-	-	-	3,724
<b>31/12/2015</b>									
Tangible assets	45,550	2,538	-	-	75	-	-	-	48,163
Other non- current assets	4,991	5,679	36,656	-	5,014	170,510	-	-	222,851
Other assets (less tangible assets)	452,569	69,282	22,342	28,611	107,623	60,204	81,398	7,604	829,634
Total assets	503,110	77,499	58,999	28,611	112,712	230,714	81,398	7,604	1,100,647
Total liabilities	68,739	24,109	246,963	3,865	86,824	45,080	69,705	4,347	549,633
Additions to non-current assets	2,330	249	-	-	8	-	-	-	2,587

Amounts in '000 €	Greece	Algeria	Turkey	Syria	Other Countries	Iraq	Jordan	Σύνολα
<b>01/01 - 31/12/2014</b>								
Revenues from external customers	44,918	186,793	8,413	173,444	20,550	110,631	64,521	609,271
Intersegment revenues	2,209	12,133	4	1,450	-	515	1,970	18,282
<b>Total Sales</b>	<b>47,128</b>	<b>198,926</b>	<b>8,417</b>	<b>174,894</b>	<b>20,550</b>	<b>111,146</b>	<b>66,491</b>	<b>627,553</b>
Gross Profit	(731)	45,635	(3,409)	53,394	6,200	19,849	(5,040)	115,898
Financial revenues	11,492	-	2,414	-	35	-	-	13,942
Financial expenses	(7,400)	(4,707)	(1,738)	(686)	(433)	-	(858)	(15,821)
<b>Net Financial profit / loss</b>	<b>4,092</b>	<b>(4,707)</b>	<b>676</b>	<b>(686)</b>	<b>(398)</b>	<b>-</b>	<b>(858)</b>	<b>(1,880)</b>
Entity's Interest in the Profit of Joint Venture	(50)	-	-	-	-	-	-	(50)
Profit before tax	1,128	39,261	(2,927)	46,986	4,813	17,119	(8,080)	98,300
Income Tax	(341)	(4,694)	1,801	(954)	(1,334)	(4,406)	1,946	(7,982)
Profit after tax	787	34,567	(1,126)	46,032	3,479	12,713	(6,134)	90,319
Depreciation / Amortization	3,294	448	56	-	11	-	-	3,809
<b>31/12/2014</b>								
Tangible assets	46,344	2,932	92	-	31	-	-	49,400
Other non- current assets	5,291	15,966	5,542	53,609	1	1,712	-	82,121
Other assets (less tangible assets)	452,813	60,138	126,507	16,470	21,422	51,213	21,498	750,062
Total assets	504,449	79,037	132,142	70,079	21,455	52,926	21,498	881,584
Total liabilities	53,869	67,205	6,772	195,749	7,148	37,406	5,645	373,793
Additions to non-current assets	4,059	3,286	3	-	-	-	-	7,348

The revenues from of the Group's external clients of the Group's for fiscal years 2015 and 2014 respectively, surpassing 10% of total income of the Group, are as follows:

<b>01/01 - 31/12/2015</b>		
<b>Customers</b>	<b>Sector</b>	<b>Revenue</b>
Customer 1	Ghana	209.227
Customer 2	Iraq	164.809
Customer 3	Algeria	102.764

<b>01/01 - 31/12/2014</b>		
<b>Customers</b>	<b>Sector</b>	<b>Revenue</b>
Customer 1	Algeria	186.793
Customer 2	Syria	173.294
Customer 3	Iraq	94.682
Customer 4	Jordan	64.575

## 8. Property, plant & equipment

The Group's tangible fixed assets are analyzed as follows:

(Amounts in thousands €)	Group METKA				Total
	Land & Buildings	Vehicles & mechanical equipment	Furniture and other equipment	Tangible assets under construction	
Gross Book Value	42,322	51,403	9,406	201	103,332
Accumulated depreciation and/or impairment	(7,801)	(34,074)	(7,296)	-	(49,171)
<b>Net Book value as at 01/01/2014</b>	<b>34,521</b>	<b>17,329</b>	<b>2,110</b>	<b>201</b>	<b>54,161</b>
Gross Book Value	38,014	48,199	9,561	111	95,885
Accumulated depreciation and/or impairment	(6,869)	(32,260)	(7,356)	-	(46,485)
<b>Net Book value as at 31/12/2014</b>	<b>31,145</b>	<b>15,940</b>	<b>2,205</b>	<b>111</b>	<b>49,400</b>
Gross Book Value	38,476	49,614	10,054	108	98,252
Accumulated depreciation and/or impairment	(8,009)	(34,284)	(7,797)	-	(50,090)
<b>Net Book value as at 31/12/2015</b>	<b>30,467</b>	<b>15,330</b>	<b>2,257</b>	<b>108</b>	<b>48,163</b>

(Amounts in thousands €)	Land & Buildings	Vehicles & mechanical	Furniture and other equipment	Tangible assets under construction	Total
	<b>Net Book value as at 01/01/2014</b>	<b>34,521</b>	<b>17,329</b>	<b>2,110</b>	<b>201</b>
Additions	3,712	2,800	827	43	7,382
Sales - Reductions	-	13	39	(89)	(36)
Depreciation	(1,127)	(2,095)	(617)	-	(3,839)
Net Foreign Exchange Differences	-	-	5	-	5
Reduction of gross book value due to the disposal of a subsidiary	(7,805)	(5,103)	(552)	(44)	(13,504)
Reduction of accumulated depreciation due to the disposal of a subsidiary	1,844	2,995	393	-	5,232
<b>Net Book value as at 31/12/2014</b>	<b>31,145</b>	<b>15,939</b>	<b>2,205</b>	<b>111</b>	<b>49,400</b>
Additions	462	1,429	616	77	2,584
Sales - Reductions 'Gross Book Value	-	(11)	(74)	(79)	(164)
Sales - Reductions 'Accumulated depreciation and/or impairment	-	6	65	-	71
Depreciation	(1,140)	(2,037)	(545)	-	(3,722)
Net Foreign Exchange Differences	-	3	(10)	-	(7)
<b>Net Book value as at 31/12/2015</b>	<b>30,467</b>	<b>15,330</b>	<b>2,257</b>	<b>108</b>	<b>48,163</b>

The Company's tangible fixed assets are analyzed as follows:

(Amounts in thousands €)	METKA S.A.			
	Land & Buildings	Vehicles & mechanical equipment	Furniture and other equipment	Total
Gross Book Value	26,647	37,944	7,893	72,485
Accumulated depreciation and/or impairment	(4,674)	(27,275)	(6,059)	(38,009)
<b>Net Book value as at 01/01/2014</b>	<b>21,973</b>	<b>10,669</b>	<b>1,834</b>	<b>34,476</b>
Gross Book Value	30,130	40,596	8,657	79,383
Accumulated depreciation and/or impairment	(5,304)	(28,797)	(6,602)	(40,702)
<b>Net Book value as at 31/12/2014</b>	<b>24,826</b>	<b>11,799</b>	<b>2,055</b>	<b>38,681</b>
Gross Book Value	30,592	41,969	9,242	81,803
Accumulated depreciation and/or impairment	(6,305)	(30,548)	(7,101)	(43,954)
<b>Net Book value as at 31/12/2015</b>	<b>24,287</b>	<b>11,422</b>	<b>2,140</b>	<b>37,849</b>

(Amounts in thousands €)				
	Land & Buildings	Vehicles & mechanical equipment	Furniture and other equipment	Total
<b>Net Book value as at 01/01/2014</b>	<b>21,973</b>	<b>10,669</b>	<b>1,834</b>	<b>34,476</b>
Additions	3,697	2,680	770	7,147
Sales - Reductions	-	(2)	(1)	(3)
Depreciation	(845)	(1,548)	(547)	(2,939)
<b>Καθαρή λογιστική αξία την 31/12/2014</b>	<b>24,826</b>	<b>11,799</b>	<b>2,055</b>	<b>38,681</b>
Additions	462	1,384	595	2,441
Sales - Reductions 'Gross Book Value	-	(11)	(11)	(22)
Sales - Reductions 'Accumulated depreciation and/or impairment	-	6	10	16
Depreciation	(1,001)	(1,760)	(509)	(3,270)
Net Foreign Exchange Differences	-	3	-	3
<b>Καθαρή λογιστική αξία την 31/12/2015</b>	<b>24,287</b>	<b>11,422</b>	<b>2,140</b>	<b>37,849</b>

Impairment test is effected on the fixed assets when events and conditions suggest the non-depreciated value may not be recoverable anymore. In the period under review there was no need to acknowledge impairment losses.

There are no mortgages or encumbrances on the fixed assets on 31/12/2015 both for the Group and the Company.

The Group did not hold tangible assets under finance lease on 31.12.2015 and 31.12.2014.

## 9. Goodwill

On 31/12/2015 was conducted a goodwill impairment test in accordance with the requirements of IAS 36. The recoverable amount of goodwill has been determined based on present value in use, calculated using the method of discounted cash flows. By conducting such checks on 31/12/2015

no impairment has raised. Similarly, there was made an impairment test on the investment in financial statements of the company.

## 10. Intangible Assets

The intangible assets ( Group / Company) on 31/12/2015 and 31/12/2014 are analyzed as follows:

(Amounts in thousands €)	Group METKA Software
Gross Book Value	275
Accumulated depreciation and/or impairment	(252)
<b>Net Book value as at 01/01/2014</b>	<b>23</b>
Gross Book Value	133
Accumulated depreciation and/or impairment	(128)
<b>Net Book value as at 31/12/2014</b>	<b>4</b>
Gross Book Value	131
Accumulated depreciation and/or impairment	(130)
<b>Net Book value as at 31/12/2015</b>	<b>1</b>

(Amounts in thousands €)	Group METKA Software
<b>Net Book value as at 01/01/2014</b>	<b>23</b>
Additions	3
Reduction from Sale Of Subsidiary	(13)
Depreciation	(9)
<b>Net Book value as at 31/12/2014</b>	<b>4</b>
Additions	3
Depreciation	(2)
Net Foreign Exchange Differences	(3)
<b>Net Book value as at 31/12/2015</b>	<b>1</b>

## 11. Investments in Subsidiaries

Investments in subsidiaries were valued at acquisition cost in the company's financial statements. Investments in subsidiaries during the current and previous fiscal years have as follows:

Amounts in thousands €	31/12/2015	31/12/2014
<b>Opening carrying amount</b>	<b>6,792</b>	<b>16,302</b>
Acquisition of Companies	1	-
Sale of companies	-	(9,510)
<b>Closing carrying amount</b>	<b>6,793</b>	<b>6,792</b>

There are no significant restrictions for capital transfer from the above businesses to the company in the form of cash dividends or loan payments or advance payments.

There are no subsidiaries with a significant minority percentage. Also, the Group has no rights into non-consolidated structured entities.

## 12. Investments in Associate Companies

The Group has the following stakes to related companies which due to their significant impact are categorized as affiliates and are included with the method of equity to the consolidated financial statements (the type of activity and the stakes of the Group to these the investments are shown in detail to note 6 of the financial statements. None of those affiliates is listed in a Stock Market and, therefore, there are no stock values.

Based on the contribution of the affiliate companies to the profit/(loss) before tax, the Group judged that each separate affiliate is insignificant and for this reason discloses collectively in the following table its percentage for these affiliates:

(Amounts in thousands €)	Group METKA	
	31/12/2015	31/12/2014
Net profit / (loss) after taxes	(217)	(50)
Other comprehensive income	-	-
<b>Total other comprehensive income</b>	<b>(217)</b>	<b>(50)</b>
<b>Total contribution of the Group to the value of the associates</b>	<b>283</b>	<b>501</b>

The traffic of the affiliate account in the Group's Statement of Financial Position is as follows:

(Amounts in thousands €)

**Opening balance**

Net profit / loss from the associates consolidated with the equity method  
Reduction from sale of subsidiary

**Closing balance**

Group METKA	
31/12/2015	31/12/2014
<b>501</b>	<b>567</b>
(217)	(50)
-	(16)
<b>283</b>	<b>501</b>

In the Company's Statement of Financial Position there was no change during the period under review as regards investments to related companies.

**13. Deferred tax receivables and liabilities**

Deferred income tax results from the temporary differences between the book value and the tax base of assets or liabilities and are valued based on the tax rates that are expected to be in effect during the period in which the asset or liability will be settled.

The deferred tax for receivables and liabilities are offset then an appropriate applicable legal right exist for the offset of current tax liabilities against current tax receivables and if deferred taxes concern the same fiscal principle. Tax losses are recognized as deferred tax receivables if there is a possibility to regain a relevant tax benefit through future tax profit.

The amounts offset and deferred tax for the Group and the Company are as follows:

	Group METKA					
	31/12/2015	31/12/2015	31/12/2015	31/12/2015	31/12/2015	31/12/2015
	At 1st January	Recognised In Profit Or Loss	Recognised In Other Comprehensive Income	As At 31 December	Deferred Tax Asset	Deferred Tax Liability
<b>(Amounts in thousands €)</b>						
<b>Non - Current Assets</b>						
Intangible Assets	444	(35)	-	410	410	-
Tangible Assets	(4,975)	(137)	-	(5,112)	9	(5,121)
<b>Current Assets</b>						
Construction Contracts	42,291	(2,430)	-	39,861	39,861	-
Receivables	(53)	118	-	65	65	-
Financial Assets at fair value	380	(380)	-	-	-	-
<b>Reserves</b>						
Reserves' defer tax liability	(55,754)	(6,433)	-	(62,188)	-	(62,188)
<b>Long-term Liabilities</b>						
Employee Benefits	249	27	14	290	290	-
<b>Short-Term Liabilities</b>						
Provisions	(94)	(27)	-	(121)	14	(135)
Other Short-Term Liabilities	97	(37)	-	60	60	-
<b>Total</b>	<b>(17,415)</b>	<b>(9,333)</b>	<b>14</b>	<b>(26,734)</b>	<b>40,709</b>	<b>(67,444)</b>
<b>Offsetting</b>	-	-	-	-	<b>(39,070)</b>	<b>39,070</b>
<b>Deferreed tax from tax losses</b>	-	<b>6</b>	-	<b>6</b>	<b>6</b>	-
<b>Deferred Tax (Liability)/Receivables</b>	<b>(17,415)</b>	<b>(9,328)</b>	<b>14</b>	<b>(26,729)</b>	<b>1,645</b>	<b>(28,373)</b>

	Group METKA						
	31/12/2014	31/12/2014	31/12/2014	31/12/2014	31/12/2014	31/12/2014	
(Amounts in thousands €)	At 1st January	Recognised In Profit Or Loss	Recognised In Other Comprehensive Income	Deferred Tax Impact From Merge/ Disposal Of Subsidiary	As At 31 December	Deferred Tax Asset	Deferred Tax Liability
<b>Non - Current Assets</b>							
Intangible Assets	475	(28)	-	(7)	440	440	-
Tangible Assets	(6,199)	411	-	818	(4,970)	-	(4,970)
<b>Current Assets</b>							
Construction Contracts	27,126	15,427	-	(418)	42,135	42,135	-
Receivables	(379)	2	-	504	127	127	-
Financial Assets at fair value	-	380	-	-	380	380	-
<b>Reserves</b>							
Reserves' defer tax liability	(56,336)	30	-	506	(55,800)	-	(55,800)
<b>Long-term Liabilities</b>							
Employee Benefits	217	18	36	(54)	217	217	-
Other Long-Term Liabilities	(42)	-	-	42	-	-	-
<b>Short-Term Liabilities</b>							
Provisions	14	(94)	-	-	(80)	14	(94)
Liabilities From Financing Leases	57	-	-	(57)	-	-	-
Other Short-Term Liabilities	249	(152)	-	-	97	97	-
Other Contingent Defer Taxes	73	-	-	(47)	26	26	-
<b>Total</b>	<b>(34,745)</b>	<b>15,994</b>	<b>36</b>	<b>1,287</b>	<b>(17,428)</b>	<b>43,436</b>	<b>(60,864)</b>
<b>Offsetting</b>	-	-	-	-	-	(41,937)	41,937
<b>Deferreed tax from tax losses</b>	<b>5,738</b>	<b>(5,329)</b>	-	<b>(395)</b>	<b>14</b>	<b>14</b>	-
<b>Deferred Tax (Liability)/Receival</b>	<b>(29,007)</b>	<b>10,665</b>	<b>36</b>	<b>892</b>	<b>(17,414)</b>	<b>1,513</b>	<b>(18,927)</b>

(Amounts in thousands €)

**Non - Current Assets**

METKA S.A.						
	31/12/2015	31/12/2015	31/12/2015	31/12/2015	31/12/2015	31/12/2015
	At 1st January	Recognised In Profit Or Loss	Recognised In Other Comprehensive Income	As At 31 December	Deferred Tax Asset	Deferred Tax Liability
Intangible Assets	441	(34)	-	406	406	-
Tangible Assets	(4,463)	(134)	-	(4,597)	-	(4,597)
<b>Current Assets</b>						
Construction Contracts	41,517	(1,935)	-	39,582	39,582	-
Financial Assets at fair value	380	(380)	-	-	-	-
<b>Reserves</b>						
Reserves' defer tax liability	(55,726)	(6,430)	-	(62,156)	-	(62,156)
<b>Long-term Liabilities</b>						
Employee Benefits	208	31	14	253	253	-
<b>Short-Term Liabilities</b>						
Other Short-Term Liabilities	19	(7)	-	12	12	-
<b>Total</b>	<b>(17,626)</b>	<b>(8,888)</b>	<b>14</b>	<b>(26,500)</b>	<b>40,253</b>	<b>(66,753)</b>
<b>Offsetting</b>	-	-	-	-	(40,127)	40,127
<b>Deferreed tax from tax losses</b>	-	-	-	-	-	-
<b>Deferred Tax (Liability)/Receivables</b>	<b>(17,626)</b>	<b>(8,888)</b>	<b>14</b>	<b>(26,500)</b>	<b>127</b>	<b>(26,627)</b>

(Amounts in thousands €)	METKA S.A.					
	31/12/2014 At 1st January	31/12/2014 Recognised In Profit Or Loss	31/12/2014 Recognised In Other Comprehensi ve Income	31/12/2014 As At 31 December	31/12/2014 Deferred Tax Asset	31/12/2014 Deferred Tax Laibility
<b>Non - Current Assets</b>						
Intangible Assets	468	(27)	-	441	441	-
Tangible Assets	(4,825)	362	-	(4,463)	-	(4,463)
<b>Current Assets</b>						
Construction Contracts	31,441	10,076	-	41,517	41,517	-
Financial Assets at fair value	-	380	-	380	380	-
<b>Reserves</b>						
Reserves' defer tax liability	(55,726)	-	-	(55,726)	-	(55,726)
<b>Long-term Liabilities</b>						
Employee Benefits	161	18	29	208	208	-
<b>Short-Term Liabilities</b>						
Provisions	16	(16)	-	-	-	-
Other Short-Term Liabilities	114	(95)	-	19	19	-
<b>Total</b>	<b>(28,352)</b>	<b>10,697</b>	<b>29</b>	<b>(17,626)</b>	<b>42,564</b>	<b>(60,190)</b>
<b>Offsetting</b>	-	-	-	-	<b>(42,516)</b>	<b>42,516</b>
<b>Deferreed tax from tax losses</b>	<b>5,315</b>	<b>(5,315)</b>	-	-	-	-
<b>Deferred Tax (Liability)/Receiva</b>	<b>(23,037)</b>	<b>5,382</b>	<b>29</b>	<b>(17,626)</b>	<b>48</b>	<b>(17,674)</b>

#### 14. Financial Assets available for sale

The Group has included in this account a financial asset of € 8 th. During the current fiscal year there has been no change in the balance of this account.

(Amounts in thousands €)	Group METKA		METKA S.A.	
	31/12/2015	31/12/2014	31/12/2015	31/12/2014
<b>Total Opening</b>	<b>31</b>	<b>32</b>	<b>22</b>	<b>23</b>
Sale Of Investment	-	(1)	-	(1)
Other Changes	(22)	-	(22)	-
<b>Closing Balance</b>	<b>8</b>	<b>31</b>	<b>-</b>	<b>22</b>

The above financial instruments refer to investments in non-listed companies. There is no case of impairment of these investments and their fair value does not exceed substantially their acquisition cost.

#### 15. Other long-term receivables

The Group's and Company's other long-term receivables are analyzed in the following table:

(Amounts in thousands €)	Group METKA		METKA S.A.	
	31/12/2015	31/12/2014	31/12/2015	31/12/2014
Customers - Withholding quarantees falling due after one year	213,511	72,142	43,001	72,142
Given Guarantees	561	560	504	508
Other long term receivables	5,011	5,539	-	-
<b>Other Long-term Receivables</b>	<b>219,082</b>	<b>78,241</b>	<b>43,505</b>	<b>72,650</b>

The "Customers-Withholding quarantees" account includes the long-term receivables amounting to € 170.510 th. for the Group, which is relate to income acknowledgement according to IAS11.

Other long-term receivables for the Group concern receivables of subsidiary POWER PROJECTS from the Turkish public sector.

## 16. Inventories

The Group's and Company's inventories are analyzed as follows:

(Amounts in thousands €)	Group METKA		METKA S.A.	
	31/12/2015	31/12/2014	31/12/2015	31/12/2014
Raw materials	113,301	47,227	79,359	47,214
Semi-finished products	31	-	31	-
Finished products	23	-	-	-
Work in Progress	996	1,671	925	1,610
Merchandise	5,635	768	-	-
Others	1,839	1,897	1,725	1,790
<b>Total</b>	<b>121,825</b>	<b>51,562</b>	<b>82,040</b>	<b>50,614</b>
(Less)Provisions for scrap,slow moving and/or destroyed inventories:	(1,000)	(1,000)	(1,000)	(1,000)
<b>Total Stock</b>	<b>120,825</b>	<b>50,562</b>	<b>81,040</b>	<b>49,614</b>

The value of the Inventories that were acknowledged as expense in the income statement of the Group and the Company €410.792 th. and €219.768 th. accordingly (2014: €325.563 th. and €292.695 th. accordingly).

The Group had no pledged inventories on 31/12/2015 and 31/12/2014.

## 17. Customers and other trade receivables

The Group's and Company's customers and other trade receivables are analyzed as follows:

(Amounts in thousands €)	Group METKA		METKA S.A.	
	31/12/2015	31/12/2014	31/12/2015	31/12/2014
Customers	369,966	271,898	330,117	262,093
Checks receivable	1,922	1,986	-	-
Less:Impairment Provisions	(2,053)	(2,019)	-	-
<b>Net trade Receivables</b>	<b>369,836</b>	<b>271,865</b>	<b>330,117</b>	<b>262,093</b>
Advances to trade creditors	28,680	33,821	25,295	32,835
<b>Total</b>	<b>398,517</b>	<b>305,686</b>	<b>355,412</b>	<b>294,928</b>

Uninvoiced receivables, amounted to € 100,196 th. for the Group and € 66,646 th. for the company (2014 € 63,130 th. for the Group and € 61,475 th. for the company) are included to the account customers respectively which have been recognized as receivables according to IAS 11.

The following table shows the movement of provisions for doubtful trade receivables of the Group during the years ended 31/12/2015 and 31/12/2014. The Company has not made any provisioning for impairment of receivables.

(amounts in thousands €)	METKA GROUP Provisions for impairment losses
<b>Balance at 1st January 2014</b>	<b>2,322</b>
Additional provisions for the period 01/01/2014 - 31/12/2014	51
Unused provisions that have been reversed	(44)
Reduction of provisions due to disposal of a subsidiary	(310)
<b>Balance at 31 December 2014</b>	<b>2,019</b>
Additional provisions for the period 01/01/2015 - 31/12/2015	49
Unused provisions that have been reversed	(16)
<b>Balance at 31 December 2015</b>	<b>2,053</b>

In addition some of the receivables are past due nor impaired. The management on a continuous basis reviews the commercial receivables with strict criteria and in this context it's not necessary to create any additional impairment provision. The following table shows the Group's and Company's trade receivables which on 31/12/2015 were past due but not impaired:

	Group METKA			
	Past due but not impaired			
	0-3 months	3-6 months	6-12 months	> 1 year
<b>Liquidity Risk Analysis - Trade Receivables</b> (Amounts in thousands €)				
2015	1,586	215	605	1,848
2014	1,399	92	247	101,478

**Liquidity Risk Analysis - Trade Receivables  
(Amounts in thousands €)**

	METKA S.A.			
	Past due but not impaired			
	0-3 months	3-6 months	6-12 months	> 1 year
2015	169	-	421	341
2014	101	-	-	100,783

### 18. Other receivables – other current assets

The Group's and Company's other receivables and other current assets on 31/12/2015 and on 31/12/2014 are analyzed as follows:

**(Amounts in thousands €)**

	Group METKA		METKA S.A.	
	31/12/2015	31/12/2014	31/12/2015	31/12/2014
Other Debtors	51,798	36,975	15,859	16,366
Receivables from the State	21,632	25,645	20,988	25,171
Receivables from Subsidiaries	74,100	33,297	78,857	28,587
Accrued income - Prepaid expenses	8,141	7,084	2,409	6,677
<b>Total</b>	<b>155,670</b>	<b>103,001</b>	<b>118,113</b>	<b>76,801</b>

The category "Other Debtors" includes pledged deposits of the Group and of the Company, amount € 34,928 th. and € 11,804 th. respectively (31/12/2014: € 17.884 th. and € 13.819 th.) as a security for letters of guarantee.

The receivables from connected parties concern investments through the affiliate MYTILINEOS FINANCIAL PARTNERS SA

As of 31/12/2015 no provisions were made for doubtful debtors.

## 19. Financial assets at fair value through profit and loss

The analysis of the investments in financial assets is analyzed as follows:

Amounts in thousands €	Group METKA		METKA S.A.	
	31/12/2015	31/12/2014	31/12/2015	31/12/2014
Bank bonds	-	-	-	-
Stocks	-	2,500	-	2,500
<b>Total Financial assets</b>	<b>-</b>	<b>2,500</b>	<b>-</b>	<b>2,500</b>

The change in the allocation for the Group and the Company is as follows:

Amounts in thousands €	Group METKA		METKA S.A.	
	31/12/2015	31/12/2014	31/12/2015	31/12/2014
<b>Total opening</b>	<b>2,500</b>	<b>1,167</b>	<b>2,500</b>	<b>-</b>
Additions	4,832	18,676	4,832	16,974
Sales	(7,331)	(15,686)	(7,331)	(13,013)
Fair Value Adjustments	-	(1,461)	-	(1,461)
Exchange Rate Differences	-	85	-	-
Reduction due to the disposal of a subsidiary	-	(281)	-	-
<b>Total</b>	<b>-</b>	<b>2,500</b>	<b>-</b>	<b>2,500</b>

The change in fair value of the above financial assets is included in the account "Other Financial results" of the income statement.

## 20. Cash and cash equivalents

Group and company cash and cash equivalents are analyzed as follows:

(Amounts in thousands €)	Group METKA		METKA S.A.	
	31/12/2015	31/12/2014	31/12/2015	31/12/2014
Cash	1,382	135	1,182	109
Bank deposits	76,807	83,054	66,364	79,159
Time deposits & Repos	76,432	205,125	73,150	113,598
<b>Total</b>	<b>154,621</b>	<b>288,314</b>	<b>140,696</b>	<b>192,866</b>

Cash equivalents represent cash balances in Group and Company and time deposits available at first demand.

There were no overdrafts in the bank accounts on the above mentioned dates.

The effective interest rate of short term investments is 0,3%- 1,2% (2014: 1,5%-2,0%).

## 21. Construction contracts

Income of € 647.434 th. For the Group and € 395,688 th. For the Company (2014: € 597,806 th. and € 542,611 th. respectively), which is included in the «Sales» account of the consolidated and corporate Profit and Loss Statement (see note 30), concern construction contracts in the period under review. The amounts of construction contracts included in the Statement of Financial Position concern works in progress at the end of the period under review. The amounts are derived as the net cost realized plus acknowledged profit less acknowledged loss and cumulative invoicing effected.

The accounting value of the Group's receivables and liabilities as regards the construction contracts, is analyzed as follows:

	Group METKA		METKA S.A.	
	31/12/2015	31/12/2014	31/12/2015	31/12/2014
<b>Construction Contracts</b>				
Realised Contractual Cost & Profits (minus realised losses)	3,085,950	3,481,076	2,799,599	2,969,703
Less: Progress Billings	(3,016,865)	(3,600,636)	(2,932,633)	(3,083,835)
	<u>69,085</u>	<u>(119,560)</u>	<u>(133,033)</u>	<u>(114,132)</u>
Receivables for construction contracts according to the percentage of completion	270,706	63,130	66,646	61,475
Liabilities related to construction contracts according to percent. of completio	(201,621)	(182,691)	(199,679)	(175,606)
Advances received	42,182	(47,303)	33,475	(46,462)
Clients holdings for good performance	104,641	120,018	104,395	118,282

The amounts 7.830 th. euros and 24.413 th. euros , relative to long term liability for 2015 and 2014 respectively , have been incorporated in the "advances received" for the Group and the company. In addition, the amounts 42.336 th euros and 71.287th euros , relative to long term receivable for 2015 and 2014 respectively , have been incorporated in the "customer retentions".

## 22. Total equity

### 22.1 Share capital

The Company's share capital consists of 51.950.600 nominal shares, of a nominal value of €0,32 per share. The total share capital amounts to €16.624.192. Each share corresponds to one vote. The company's shares are listed in the Athens Stock Exchange.

There are no shares of the company owned by the company itself or any other subsidiary or affiliate company. MYTILINEOS S.A. possessed a 50% of METKA on 31/12/2015 and applies the full consolidation method on its consolidated financial statements.

There were no changes in the above accounts in 2015.

## 22.2 Other reserves

Other reserves for the Group are as follows:

	Group METKA				Total
	Regular Reserve	Special & Extraordinary Reserves	Tax-free and Specially taxed Reserves	Actuarial Gain/Losses Reserve	
(Amounts in thousands €)					
<b>Opening Balance 1st January 2014, according to IFRS -as published-</b>	<b>6,958</b>	<b>4,114</b>	<b>17,428</b>	<b>69</b>	<b>28,569</b>
Transfer To Reserves	3	(552)	(1,918)	-	(2,467)
Impact From Transfer Of Subsidiary	(1,027)	(1,796)	-	(13)	(2,836)
Deferred Tax From Actuarial Gain / (Losses)	-	-	-	36	36
Actuarial Gain / (Losses)	-	-	-	(135)	(135)
<b>Closing Balance 31/12/2014</b>	<b>5,935</b>	<b>1,767</b>	<b>15,511</b>	<b>(44)</b>	<b>23,167</b>

	Group METKA				Total
	Regular Reserve	Special & Extraordinary Reserves	Tax-free and Specially taxed Reserves	Actuarial Gain/Losses Reserve	
(Amounts in thousands €)					
<b>Opening Balance 1st January 2015, according to IFRS -as published-</b>	<b>5,935</b>	<b>1,767</b>	<b>15,511</b>	<b>(44)</b>	<b>23,167</b>
Transfer To Reserves	18	-	417	-	435
Deferred Tax From Actuarial Gain / (Losses)	-	-	-	14	14
Actuarial Gain / (Losses)	-	-	-	(48)	(48)
<b>Closing Balance 31/12/2015</b>	<b>5,953</b>	<b>1,767</b>	<b>15,928</b>	<b>(78)</b>	<b>23,568</b>

Other reserves for the Company are as follows:

	METKA S.A.				
	Regular Reserve	Special & Extraordinary Reserves	Tax-free and Specially taxed Reserves	Actuarial Gain/Losses Reserve	Total
<b>(Amounts in thousands €)</b>					
<b>Opening Balance 1st January 2014, according to IFRS -as published-</b>	<b>5,542</b>	<b>827</b>	<b>17,287</b>	<b>204</b>	<b>23,860</b>
Transfer To Reserves	-	-	(1,852)	-	(1,852)
Deferred Tax From Actuarial Gain / (Losses)	-	-	-	29	29
Actuarial Gain / (Losses)	-	-	-	(113)	(113)
<b>Closing Balance 31/12/2014</b>	<b>5,542</b>	<b>827</b>	<b>15,436</b>	<b>120</b>	<b>21,925</b>
<b>(Amounts in thousands €)</b>					
<b>Opening Balance 1st January 2015, according to IFRS -as published-</b>	<b>5,542</b>	<b>827</b>	<b>15,436</b>	<b>120</b>	<b>21,925</b>
Transfer To Reserves	-	-	0	-	0
Deferred Tax From Actuarial Gain / (Losses)	-	-	-	14	14
Actuarial Gain / (Losses)	-	-	-	(49)	(49)
<b>Closing Balance 31/12/2015</b>	<b>5,542</b>	<b>827</b>	<b>15,436</b>	<b>86</b>	<b>21,890</b>

The ordinary reserve was formed according to the Commercial Law 2190/1920.

## 22.3 Retained earnings

	Group METKA		METKA SA	
	1/1- 31/12/2015	1/1- 31/12/2014	1/1- 31/12/2015	1/1- 31/12/2014
<b>Amounts in thousands €</b>				
Intended Divident	6,234	25,975	6,234	25,975
Remaining Earnings	504,602	442,354	323,590	312,518
<b>Total</b>	<b>510,836</b>	<b>468,329</b>	<b>329,824</b>	<b>338,493</b>

The General Shareholders Meeting unanimously approved at 6/5/2015 the appropriation account for the fiscal year 2014 and the distribution of €25,975,300 out of the profit for the year 2014, which represents a dividend of €0.5000 per share. It is noted that according to the tax law, a 10% withholding tax is applicable to the distributed dividend. Therefore, the net dividend was €0.4500 per share.

It is suggested to distribute € 6,234,072 as a dividend (€0,1200 gross dividend per share), out of the net profit € 17.306.243 of the year 2015.

The distribution of dividend has to be approved by the General Shareholders Meeting.

### 23. Liabilities for pension plans

According to the labor law, employees are entitled to compensation in case of dismissal or retirement, the amount of which varies depending on salary, years of service and the manner of termination (dismissal or retirement). Employees who resign are not entitled to compensation. In Greece, employees who retire are entitled to 40 % of such compensation under N.2112/1920. These programs are not funded and according to IAS 19 are considered as defined benefit programs. The Group's obligations, according to IAS 19, were calculated by independent actuaries companies.

The change of this net liability is as follows :

(Amounts in thousands €)	Group METKA		METKA SA	
	1/1-31/12/2015	1/1-31/12/2014	1/1-31/12/2015	1/1-31/12/2014
Liability for pension plans	993	932	885	802
<b>Total</b>	<b>993</b>	<b>932</b>	<b>885</b>	<b>802</b>
<b>Recognized as:</b>				
<b>Long Term Liability</b>	<b>993</b>	<b>932</b>	<b>885</b>	<b>802</b>
<b>Short Term Liability</b>	-	-	-	-

The amounts recognized in the Profit and Loss statement for the Group and the Company are as follows:

(Amounts in thousands €)	Group METKA		METKA SA	
	1/1-31/12/2015	1/1-31/12/2014	1/1-31/12/2015	1/1-31/12/2014
	Defined Contributions Plans	Defined Contributions Plans	Defined Contributions Plans	Defined Contributions Plans
Cost of current period employment	47	33	41	32
Interest on benefit obligation	23	30	20	26
Past employment cost	-	-	-	-
<b>Total expenses recognized in the Income Statement</b>	<b>71</b>	<b>63</b>	<b>61</b>	<b>58</b>

The amounts recognized in the Comprehensive Income statement of the Group and the Company are as follows:

	Group METKA		METKA SA	
	1/1-31/12/2015	1/1-31/12/2014	1/1-31/12/2015	1/1-31/12/2014
	Defined Contributions Plans	Defined Contributions Plans	Defined Contributions Plans	Defined Contributions Plans
Actuarial gains / (losses) from changes in demographic assumptions	64	21	58	12
Actuarial gains / (losses) from changes in financial assumptions	(16)	117	(9)	101
<b>Total income / (expense) recognized in other comprehensive income</b>	<b>48</b>	<b>138</b>	<b>49</b>	<b>113</b>

Changes in the present value of the defined benefit plans are as follows:

	Group METKA		METKA SA	
	1/1-31/12/2015	1/1-31/12/2014	1/1-31/12/2015	1/1-31/12/2014
	Defined Contributions Plans	Defined Contributions Plans	Defined Contributions Plans	Defined Contributions Plans
<b>(Amounts in thousands €)</b>				
<b>Total Opening</b>	<b>932</b>	<b>988</b>	<b>801</b>	<b>733</b>
Current Employment Cost	47	33	41	32
Financial Cost	23	30	20	26
Reassessment - actuarial losses/(gains) on changes in demographic assumptions	64	21	58	12
Reassessment - actuarial losses/(gains) on changes in financial assumptions	(16)	117	(9)	101
Settlement	168	156	120	156
Contributions Paid	(226)	(274)	(146)	(259)
Changes from the disposal of subsidiaries	-	(140)	-	-
<b>Closing Balance</b>	<b>993</b>	<b>932</b>	<b>885</b>	<b>801</b>

The details and underlying assumptions of the actuarial valuation for the years ended 31/12/2015 and 31/12/2014 are as follows:

	31/12/2015	31/12/2014
Discount Rate	2.00%	2.50%
Future Wage increases	2.00%	2.00%
Percentage of retireme	2.00%	2.00%
Inflation	2.00%	2.00%

The above assumptions were developed by management in collaboration with an independent actuary who prepared the actuarial study. The following table shows a quantitative sensitivity analysis for key assumptions of 31/12/2015:

	<b>Discount rate</b>	
	<b>0.5%</b>	<b>-0.5%</b>
Increase / (decrease) in defined benefit obligation	(68)	67
	<b>Future salary increases</b>	
	<b>0.5%</b>	<b>-0.5%</b>
Increase / (decrease) in defined benefit obligation	66	(68)

These sensitivity analyzes have been determined based on a method that shows the effect on the defined benefit plan as a result of reasonable changes in key assumptions at the end of the period of the financial statements.

## 24. Other long-term liabilities

The analysis of the Group's and Company's other long-term liabilities is as follows:

	Group METKA		METKA S.A.	
	31/12/2015	31/12/2014	31/12/2015	31/12/2014
<b>(Amounts in thousands €)</b>				
<b>Advances of customers</b>				
<b>Total Opening</b>	<b>24,413</b>	<b>11,261</b>	<b>24,413</b>	<b>11,261</b>
Additions	10,836	61,558	10,836	61,558
Transfer From / (To) Short - Term	(2,690)	6,054	(2,690)	6,054
Depreciation For The Period	(24,729)	(54,460)	(24,729)	(54,460)
<b>Closing Balance</b>	<b>7,830</b>	<b>24,413</b>	<b>7,830</b>	<b>24,413</b>
<b>Other</b>				
<b>Total Opening</b>	-	<b>52,378</b>	-	<b>52,189</b>
Transfer At Profits/Loss	-	-	-	-
Transfer From / (To) Short - Term	-	(52,189)	-	(52,189)
Discont. Operations / Sales Of Subsidiary	-	(189)	-	-
<b>Closing Balance</b>	-	-	-	-
<b>Suppliers holdings for good performance</b>				
<b>Total Opening</b>	<b>13,773</b>	-	<b>13,773</b>	-
Additions	40,002	16,993	10,466	16,993
Transfer From / (To) Short - Term	(1,199)	(656)	(1,199)	(656)
Depreciation For The Period	(3,551)	(2,564)	(3,551)	(2,564)
<b>Closing Balance</b>	<b>49,026</b>	<b>13,773</b>	<b>19,490</b>	<b>13,773</b>
<b>Total</b>	<b>56,856</b>	<b>38,186</b>	<b>27,320</b>	<b>38,186</b>

## 25. Suppliers and other liabilities

The balance of suppliers and relevant liabilities for the Group and the Company are as follows:

	Group METKA		METKA S.A.	
	31/12/2015	31/12/2014	31/12/2015	31/12/2014
<b>(Amounts in thousands €)</b>				
Suppliers	159,321	89,084	105,791	88,249
Customers' Advances	34,352	22,890	25,645	22,049
Liabilities to customers for project implementation	201,621	182,691	199,679	175,606
<b>Total</b>	<b>395,293</b>	<b>294,665</b>	<b>331,115</b>	<b>285,904</b>

All trade transactions have no interest and regularly settled.

## 26. Tax Payable

Tax payable of the Group and the Company are analyzed as follows:

	Group METKA		METKA S.A.	
	31/12/2015	31/12/2014	31/12/2015	31/12/2014
<b>(Amounts in thousands €)</b>				
Tax expense for the period	21,630	11,132	20,972	11,093
Tax liabilities	6,508	1,426	6,075	1,063
<b>Total</b>	<b>28,138</b>	<b>12,559</b>	<b>27,047</b>	<b>12,156</b>

For the unaudited fiscal years of the companies of the Group, please revert to Note 40.3 Contingent Liabilities – Receivables”.

## 27. Debt

The Group and the Company's debt on 31/12/2015 and 31/12/2014 are analyzed as follows:

	Group METKA		METKA S.A.	
	31/12/2015	31/12/2014	31/12/2015	31/12/2014
<b>(Amounts in thousands €)</b>				
<b>Long-term debt</b>				
Bank loans	1,778	2,090	-	-
<b>Total</b>	<b>1,778</b>	<b>2,090</b>	<b>-</b>	<b>-</b>
<b>Short-term debt</b>				
Bank loans	2,345	2,350	-	-
<b>Total</b>	<b>2,345</b>	<b>2,350</b>	<b>-</b>	<b>-</b>
	<b>4,123</b>	<b>4,440</b>	<b>-</b>	<b>-</b>

The company liabilities refer to short term debt denominated in euros. The weighted average interest rate at the end of year amounts to 7,70% (in 2014: 7,44%). There are no mortgages relating to the group's fixed assets as of 31/12/2015. There are no liabilities from financial leases for the Group and the Company.

The account «Financial Expenses» in the consolidated and corporate Income Statement includes the total financial cost of long- and short-term borrowing as well as financial leases for the period ended 31/12/2015 (see note 34).

## 28. Other short-term liabilities

The other short-term liabilities are analyzed as follows:

(Amounts in thousands €)	Group METKA		METKA S.A.	
	31/12/2015	31/12/2014	31/12/2015	31/12/2014
Liabilities to Related Parties	30,709	125	126	125
Accrued expense	456	1,482	456	1,472
Social security insurance	684	598	624	537
Dividends payable	370	350	190	246
Others Liabilities	2,703	638	527	478
<b>Total</b>	<b>34,922</b>	<b>3,193</b>	<b>1,923</b>	<b>2,857</b>

The Group's liabilities to related parties concern liabilities of a subsidiary towards the related company MYTILINEOS FINANCIAL PARTNERS S.A. ON 31/12/2015.

## 29. Provisions

(Amounts in thousands €)	Group METKA		
	Tax liabilities	Other	Total
<b>01/01/2014</b>	<b>1,010</b>	<b>4</b>	<b>1,014</b>
Sale Of Subsidiary	(120)	-	(120)
Unrealised Reversed Provisions	-	(4)	(4)
Realised Provisions For The Period	-	-	-
<b>31/12/2014</b>	<b>890</b>	<b>-</b>	<b>890</b>
Long -Term	890	-	890
Short - Term	-	-	-
Additional Provisions For The Period	-	44	44
<b>31/12/2015</b>	<b>890</b>	<b>44</b>	<b>934</b>
Long -Term	890	44	934
Short - Term	-	-	-

(Amounts in thousands €)	METKA S.A.	
	Tax liabilities	Total
<b>01/01/2014</b>	<b>780</b>	<b>780</b>
Realised Provisions For The Period	-	-
<b>31/12/2014</b>	<b>780</b>	<b>780</b>
Long -Term	780	780
Short - Term	-	-
Realised Provisions For The Period	-	-
<b>31/12/2015</b>	<b>780</b>	<b>780</b>
Long -Term	780	780
Short - Term	-	-

The provision for tax unaudited fiscal years relates to future obligations that may result from tax audits. Long-term forecasts do not appear in discounted amounts, as there is no accurate estimate of the time of payment.

### 30. Sales

The sales turnover analysis for the Company and the Group of the year 2015 and 2014 is as follows:

(Amounts in thousands €)	Group METKA		METKA S.A.	
	Total			
	1/1-31/12/2015	1/1-31/12/2014	1/1-31/12/2015	1/1-31/12/2014
Sale of commodities	2,531	3,729	-	-
Sales of goods produced	1,597	1,199	323	156
Sales of other inventory	15,288	5,841	14,830	5,153
Services	1,165	695	1,083	1,081
Constructions	647,434	597,806	395,688	542,611
<b>Sales</b>	<b>668,016</b>	<b>609,271</b>	<b>411,924</b>	<b>549,001</b>

### 31. Analysis of expenses by their nature

The expenses analysis by the nature of expense of the year 2015 and 2014 are as follows:

#### Cost of sales

(Amounts in thousands €)	Group METKA		METKA S.A.	
	31/12/2015	31/12/2014	31/12/2015	31/12/2014
Retirement benefits	48	41	31	26
Other employee benefits	10,341	10,278	9,525	6,351
Cost of materials & inventories	410,791	325,563	219,767	292,695
Third party expenses	78,690	102,700	74,620	97,215
Third party benefits	5,282	5,266	4,220	4,620
Assets repair and maintenance cost	766	476	672	274
Operating leases rent	3,209	2,013	2,930	1,819
Taxes & Duties	1,204	497	1,165	439
Advertisement	25	17	25	17
Other expenses	22,853	43,411	21,043	40,309
Depreciation - Tangible Assets	3,065	3,112	2,629	2,294
<b>Total</b>	<b>536,272</b>	<b>493,373</b>	<b>336,625</b>	<b>446,058</b>

(Amounts in thousands €)

**Distribution expenses**

	Group METKA		METKA S.A.	
	31/12/2015	31/12/2014	31/12/2015	31/12/2014
Other employee benefits	316	369	244	208
Inventory cost	1	1	1	1
Third party expenses	673	477	622	381
Third party benefits	52	61	47	53
Assets repair and maintenance cost	7	7	5	3
Operating leases rent	68	59	57	49
Taxes & Duties	61	13	59	9
Advertisement	117	56	117	56
Other expenses	754	881	722	799
Depreciation - Tangible Assets	11	25	11	10
<b>Total</b>	<b>2,060</b>	<b>1,949</b>	<b>1,885</b>	<b>1,568</b>

(Amounts in thousands €)

**Administrative expenses**

	Group METKA		METKA S.A.	
	31/12/2015	31/12/2014	31/12/2015	31/12/2014
Retirement benefits	73	5	10	5
Other employee benefits	4,939	4,192	3,549	3,653
Third party expenses	8,116	8,478	7,307	7,490
Third party benefits	2,834	2,911	2,794	2,830
Assets repair and maintenance cost	510	394	469	379
Operating leases rent	1,470	1,469	1,268	1,282
Taxes & Duties	211	233	199	231
Advertisement	648	671	648	671
Other expenses	2,702	3,005	2,421	2,601
Depreciation - Tangible Assets	636	705	628	636
Depreciation - Intangible Assets	-	4	-	4
<b>Total</b>	<b>22,139</b>	<b>22,069</b>	<b>19,294</b>	<b>19,782</b>

### 32. Number of Employees

The number of employees for the Company and the Group as of 31/12/2015 and 31/12/2014 is analysed in the following table:

	Group METKA		METKA S.A.	
	31/12/2015	31/12/2014	31/12/2015	31/12/2014
Full time employees	317	313	274	274
Part time employees	75	57	63	55
<b>Total</b>	<b>392</b>	<b>370</b>	<b>337</b>	<b>329</b>

### 33. Other operating income and expense

The operating income and expense of the Group is analysed as follows:

	Group METKA		METKA S.A.	
	31/12/2015	31/12/2014	31/12/2015	31/12/2014
<b>(Amounts in thousands €)</b>				
<b>Other operating income</b>				
Income from Subsidies	12	6	12	4
Compensations	21	45	17	45
Profit from foreign exchange differences	30,095	39,167	18,520	30,725
Rent income	83	69	83	69
Profit from sale of fixed assets	-	165	-	34
Other	128	1,044	71	808
<b>Total</b>	<b>30,339</b>	<b>40,496</b>	<b>18,703</b>	<b>31,685</b>
<b>Other operating expenses</b>				
Losses from foreign exchange differences	18,802	25,316	10,464	21,226
Provision for bad debts	13	51	-	-
Loss from sale of fixed assets	45	44	4	-
Operating expenses from services	6,215	6,702	6,020	6,112
Other taxes	176	33	172	28
<b>Total</b>	<b>25,251</b>	<b>32,146</b>	<b>16,661</b>	<b>27,366</b>

### 34. Financial income / expenses

The financial income and expenses of the Group and the Company is analysed as follows:

(Amounts in thousands €)	Group METKA		METKA S.A.	
	31/12/2015	31/12/2014	31/12/2015	31/12/2014
<b>Financial income</b>				
Bank deposits	1,461	5,106	596	3,120
Customers	-	592	-	592
Other	2,045	2,087	2,033	1,719
<b>Total</b>	<b>3,506</b>	<b>7,786</b>	<b>2,630</b>	<b>5,432</b>
<b>Financial expenses</b>				
Discounts of Employees' benefits liability due to service termination	20	28	20	26
Bank Loans	331	422	-	62
Loans to related parties	584	-	-	-
Letter of Credit commissions	7,716	8,633	5,732	8,256
Other Banking Expenses	2,351	2,027	1,474	1,779
<b>Total</b>	<b>11,001</b>	<b>11,109</b>	<b>7,226</b>	<b>10,123</b>

The account «Other» in Financial Income concerns mainly interest from bonds. (Details in note 18).

### 35. Other financial results

The financial results of the Group and the Company is analyzed as follows:

(Amounts in thousands €)	Group METKA		METKA S.A.	
	31/12/2015	31/12/2014	31/12/2015	31/12/2014
<b>Other financial results</b>				
Profit / (loss) from fair value of other financial instrument through profit/loss	(68)	(1,375)	(68)	(1,461)
Gain from disposal	-	(3,075)	-	(1,510)
Profit / (loss) from the sale of financial instruments	(4,330)	5,894	(4,330)	5,666
Income from dividends	-	-	-	841
<b>Total</b>	<b>(4,399)</b>	<b>1,444</b>	<b>(4,399)</b>	<b>3,537</b>

### 36. Income tax expense

The Income tax expense for the Group and the Company is analyzed as follows:

(Amounts in thousands €)	Group METKA		METKA S.A.	
	31/12/2015	31/12/2014	31/12/2015	31/12/2014
Income Tax	21,498	18,640	20,972	16,232
Income Tax provision	448	-	-	-
Deferred taxation	9,328	(10,665)	8,888	(5,382)
Other Taxes	-	7	-	-
<b>Total</b>	<b>31,273</b>	<b>7,982</b>	<b>29,861</b>	<b>10,850</b>
<b>Earnings before tax</b>	<b>100,521</b>	<b>98,300</b>	<b>47,167</b>	<b>84,758</b>
<b>Tax calculated at the statutory tax rate</b>	<b>29,151</b>	<b>25,558</b>	<b>13,678</b>	<b>22,037</b>
Nominal Tax Rate Adjustments - Change in Greek Tax Rate	2,831	-	2,848	-
Nominal Tax Rate Difference in foreign Subsidiary Companies	(4,428)	(1,236)	-	-
Non taxable income	(10,817)	(35,940)	-	(30,619)
Non tax deductible expenses	13,125	12,707	12,418	12,690
Other taxes	68	-	14	-
Income tax coming from previous years	1,344	6,867	902	6,742
Other	-	26	-	-
<b>Effective Tax Charge</b>	<b>31,273</b>	<b>7,982</b>	<b>29,861</b>	<b>10,850</b>

According to the tax legislation, the tax rate applicable to the Greek corporates for the year 2015 is 29% as opposed to 26% of the previous year (based on the provisions of the Law 4334/2015 published on 16/7/2015).

### 37. Earnings per share

Basic earnings per share (in euro / share) of the Group/Company are as follows:

(Amounts in thousands €)	Group METKA		METKA S.A.	
	1/1-31/12/2015	1/1-31/12/2014	1/1-31/12/2015	1/1-31/12/2014
Equity holders of the parent	68,917	90,199	17,306	73,908
Weighted average number of shares	51,951	51,951	51,951	51,951
<b>Basic earnings per share</b>	<b>1.3266</b>	<b>1.7362</b>	<b>0.3331</b>	<b>1.4227</b>

Basic earnings per share are calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the year.

There are no diluted earnings per share for the fiscal years 2015 and 2014.

### 38. Analysis of Cash Flow Adjustments

Analysis of Cash Flow Adjustments for the Group and the Company is analysed as follows:

Amounts in thousands €	Group METKA		METKA S.A.	
	12 months until 31 December 2015	12 months until 31 December 2014	12 months until 31 December 2015	12 months until 31 December 2014
<b>Adjustments to Profit after Tax for:</b>				
Depreciation of tangible assets	3,722	3,800	3,270	2,902
Depreciation of intangible assets	2	9	1	4
Provisions	147	(489)	61	(506)
Income from reverse of provisions	(58)	(118)	(26)	(103)
Profit / Loss from the Disposal of tangible assets	44	(121)	4	(34)
Losses from the fair value recognition of financial assets through profit and loss	4,376	1,375	4,376	1,461
Losses from sale of subsidiaries	-	3,075	-	1,510
Gains from sale of financial assets available for sale	22	-	22	-
Profit from sales of financial assets at fair value through profit and loss	-	(5,894)	-	(5,666)
Credit interest and similar income	(3,506)	(7,751)	(2,630)	(5,432)
Debit interest and similar expenses	966	455	20	88
Proceeds from dividends	-	-	-	(841)
Unrealised foreign currency gains / (losses)	(3,767)	(16,675)	(3,751)	(12,341)
<b>Total Adjustments to Profit after Tax</b>	<b>1,950</b>	<b>(22,334)</b>	<b>1,348</b>	<b>(18,957)</b>

### 39. Related party transactions

Transactions with affiliated companies are carried out on an arm's length basis. The Group was not party to any transaction of an unusual nature or structure that was material to it or to companies or persons closely associated with it, nor does it intend to be party to such transactions in the future. None of the transactions incorporate special terms and conditions and no guarantee was given or received.

	Group METKA		METKA S.A.	
	1/1-31/12/2015	1/1-31/12/2014	1/1-31/12/2015	1/1-31/12/2014
<b>(Amounts in thousands €)</b>				
<b>Income from execution of projects and other income</b>				
Subsidiaries	-	-	760	2,384
Other Parent company's subsidiaries	18,041	7,235	15,101	5,190
<b>Total</b>	<b>18,041</b>	<b>7,235</b>	<b>15,861</b>	<b>7,574</b>
<b>Other income</b>				
	<b>31/12/2015</b>	<b>31/12/2014</b>	<b>31/12/2015</b>	<b>31/12/2014</b>
Other Parent company's subsidiaries	154	81	154	81
<b>Total</b>	<b>154</b>	<b>81</b>	<b>154</b>	<b>81</b>
<b>Financial income</b>				
	<b>31/12/2015</b>	<b>31/12/2014</b>	<b>31/12/2015</b>	<b>31/12/2014</b>
Other Parent company's subsidiaries	2,054	2,081	2,033	1,719
<b>Total</b>	<b>2,054</b>	<b>2,081</b>	<b>2,033</b>	<b>1,719</b>
<b>Income from Dividends</b>				
	<b>31/12/2015</b>	<b>31/12/2014</b>	<b>31/12/2015</b>	<b>31/12/2014</b>
Subsidiaries	-	-	-	841
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>841</b>
<b>Purchases and compensations from the supply of services</b>				
	<b>31/12/2015</b>	<b>31/12/2014</b>	<b>31/12/2015</b>	<b>31/12/2014</b>
Subsidiaries	-	-	10,006	17,240
Other Parent company's subsidiaries	9,686	9,188	9,294	8,860
Directors and key management of the Company	4,118	4,452	3,930	3,998
<b>Total</b>	<b>13,805</b>	<b>13,639</b>	<b>23,230</b>	<b>30,097</b>
<b>Financial Expenses</b>				
	<b>31/12/2015</b>	<b>31/12/2014</b>	<b>31/12/2015</b>	<b>31/12/2014</b>
Parent company	584	-	-	-
<b>Total</b>	<b>584</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Demands from customers and project under progress</b>				
	<b>31/12/2015</b>	<b>31/12/2014</b>	<b>31/12/2015</b>	<b>31/12/2014</b>
Subsidiaries	-	-	3,167	2,982
Other Parent company's subsidiaries	130,877	111,614	129,436	110,952
Directors and key management of the Company	1	45	1	45
<b>Total</b>	<b>130,878</b>	<b>111,659</b>	<b>132,604</b>	<b>113,979</b>
<b>Other Demands</b>				
	<b>31/12/2015</b>	<b>31/12/2014</b>	<b>31/12/2015</b>	<b>31/12/2014</b>
Subsidiaries	-	-	4,757	3,210
Other Parent company's subsidiaries	74,598	37,840	74,553	29,514
<b>Total</b>	<b>74,598</b>	<b>37,840</b>	<b>79,310</b>	<b>32,725</b>
<b>Obligation to suppliers and other liabilities</b>				
	<b>31/12/2015</b>	<b>31/12/2014</b>	<b>31/12/2015</b>	<b>31/12/2014</b>
Subsidiaries	-	-	6,159	5,240
Other Parent company's subsidiaries	30,797	350	204	196
Directors and key management of the Company	50	4	40	-
<b>Total</b>	<b>30,848</b>	<b>354</b>	<b>6,403</b>	<b>5,436</b>
<b>Obligation to customers and project under progress</b>				
	<b>31/12/2015</b>	<b>31/12/2014</b>	<b>31/12/2015</b>	<b>31/12/2014</b>
Other Parent company's subsidiaries	501	111	77	-
<b>Total</b>	<b>501</b>	<b>111</b>	<b>77</b>	<b>-</b>

Transactions with other associated companies (income, receivables, and liabilities) mostly concern the construction of a power station on behalf of PROTERGIA S.A. and KORINTHOS POWER (subsidiaries of MYTILINEOS S.A). There are no conditions or terms in the contract which are out of the ordinary trade practice.

### 39.1 Transactions with key management personnel

The remuneration of the key management personnel was as follows:

(Amounts in thousands €)	Group METKA		METKA S.A.	
	31/12/2015	31/12/2014	31/12/2015	31/12/2014
Short term employee benefits				
- Wages and Salaries and BOD Fees	4,118	4,440	3,930	3,998
- Insurance service cost	-	9	-	-
	<b>4,118</b>	<b>4,449</b>	<b>3,930</b>	<b>3,998</b>
Pension Benefits:				
- Defined benefits scheme	-	3	-	-
<b>Total</b>	<b>4,118</b>	<b>4,452</b>	<b>3,930</b>	<b>3,998</b>

There are no loans given to Directors or other key management personnel (including their families).

## 40. Contingent liabilities and receivables

### 40.1 Encumbrances

There are no mortgages, pledges or any other encumbrances on the fixed assets due to borrowing.

### 40.2 Commitments

Group and Company's commitments are as follows:

(Amounts in thousands €)	Group METKA		METKA S.A.	
	31/12/2015	31/12/2014	31/12/2015	31/12/2014
<b>Commitments from construction contracts</b>				
Value of pending construction contracts	1,190,714	1,292,605	1,017,046	1,261,804
Granted guarantees of good performance	351,041	340,310	303,179	324,768
<b>Total</b>	<b>1,541,755</b>	<b>1,632,915</b>	<b>1,320,224</b>	<b>1,586,572</b>

## Leasings (the Group as lessee)

The Group leases motor vehicles, properties and other equipment under non-cancelable operating lease agreements. The leases have varying terms, escalation clauses and renewal rights as follows:

(Amounts in thousands €)	Group METKA		METKA S.A.	
	31/12/2015	31/12/2014	31/12/2015	31/12/2014
Until 1 year	1,774	1,556	1,263	1,345
1 to 5 years	4,613	4,453	4,137	4,098
> 5 years	1,813	2,709	1,634	2,433
<b>Total Operating Lease</b>	<b>8,200</b>	<b>8,718</b>	<b>7,034</b>	<b>7,876</b>

## 40.3 Aunaudited fiscal years

The unaudited fiscal years for the companies of the Group are as follows:

Company	unaudited fiscal years
METKA S.A.	: 2009-2010
SERVISTEEL S.A.	: 2010
ELEMKA S.A.	: 2010
RODAX ATEE	: 2010-30/06/2011
DROSCO HOLDINGS LIMITED	: 2003-2015
BRIDGE ACCESSORIES & CONSTRUCTION SYSTEMS	: 2010,2014-2015
METKA BRAZI SRL	: 2008-2015
POWER PROJECTS	: 2010-2015
Joint Venture METKA – TERNA	: 2009-2015
METKA RENEWABLES LIMITED	: 2015
RIVERA DEL RIO	: 2015
METKA-EGN LTD (CYPROUS)	: 2015
METKA-EGN LTD (UK)	: 2015
METKA-EGN SpA	: 2015
METKA-EGN USA LLC	: 2015

### Notes:

Starting with the year 2011 and in accordance with paragraph 5 of Article 82 of Law 2238/1994, the Group companies whose financial statements are audited by mandatory statutory auditor or audit firm, under the provisions of Law 2190/1920, are subject to a tax audit by statutory auditors or audit firms and receives annual Tax Compliance Certificate. In order to consider that the fiscal year was inspected by the tax authorities, must be applied as specified in paragraph 1a of Article 6 of POL 1159/2011.

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 tax audit, the companies of the Group which operate in Greece have been subjected to a tax audit by Sworn 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 the tax certificates were distributed by the statutory auditors.

For fiscal year 2015, the tax audit which is being carried out by the auditors is not expected to result in a significant variation in tax liabilities incorporated in the financial statements.

#### **40.4 Court claims & arbitration proceedings**

The Company and its subsidiaries are involved in (as a defendant or plaintiff) in various lawsuits and arbitration proceedings in their operation. Management and its legal advisors believe that the lawsuits will not have a material adverse effect on the financial position of the Group or the Company, and the results of operations.

##### **METKA's court claim against supplier**

There is a pending legal claim of the parent company from a supplier of €28,1 million amount which relates to compensation for poor performance. The defendant company has filed a declaratory action claiming that it has no obligation to pay the Company the above amount. The Company shall acknowledge in its results the amount that may be assigned to it at the time of a positive outcome and recovery.

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 METKA.

#### **41. Risk management objectives and policies.**

The following Risk management policy is being applied :

- evaluating the risks related to the Group's activities and operations,
- design the methodology and choose the appropriate financial products to mitigate the risks and,
- execute/implement, according to the approved procedure by the management, the risk management strategy.

##### **41.1 Financial Risk Factors**

Based on its activities, our Group is exposed to a limited range of financial risks that emerge from changes in foreign exchange rates, interest rates as well as to credit risks, liquidity risks and cash flow risks.

The Group's general risk management primary deals with the good execution of works, the credibility and the good execution of procurement and afterwards comes the credit risk and the market risk.

The risks exposure is managed through the Group's two main Divisions: Financial & Administrative Division, and Projects Division.

Prior to their commitment, such transactions are approved by the executives entitled to do so.

## 41.2 Market Risk

### Foreign Currency Risk

The Group's functional currency is Euro. Exchange rate risk arising from transactions with customers and suppliers in foreign currency

The Group is exposed to foreign currency risk due to transactions with customers and suppliers in foreign currency, the majority of which are in USD. Contracts in USD are the Iraq project as well as the new project in Ghana.

Foreign Currency financial assets and liabilities are translated into Euros, at the closing rate, as follows:

Amounts in thousands €	2015								2014							
	USD	SYP	GBP	TRL	DZD	JOD	IQD	USD	SYP	GBP	RON	TRL	DZD	JOD	IQD	
Nominal Amounts																
Financial Assets	138,119	382	5,111	8,290	13,123	198	-	85,877	481	33	1,743	14,375	6,162	2,097	-	
Financial Liabilities	(155,369)	(651)	(5,573)	(1,386)	(9,472)	(553)	(67)	(32,300)	(958)	(91)	-	(404)	-8,769	-3,235	(58)	
<b>Total</b>	<b>(17,250)</b>	<b>(269)</b>	<b>(462)</b>	<b>6,905</b>	<b>3,652</b>	<b>(355)</b>	<b>(67)</b>	<b>53,577</b>	<b>(477)</b>	<b>(58)</b>	<b>1,743</b>	<b>13,970</b>	<b>(2,608)</b>	<b>(1,138)</b>	<b>(58)</b>	
<b>Short-term exposure</b>	<b>14,905</b>	<b>(269)</b>	<b>(462)</b>	<b>6,905</b>	<b>3,652</b>	<b>(355)</b>	<b>(67)</b>	<b>58,737</b>	<b>(477)</b>	<b>(58)</b>	<b>1,743</b>	<b>13,970</b>	<b>(2,608)</b>	<b>(1,138)</b>	<b>(58)</b>	

The table below represents the sensitivity of the result and equity in relation to assets and liabilities at the exchange rate

EUR/USD, EUR/GBP, EUR/RON, EUR/TRL, EUR/SYP, EUR/DZD, EUR/JOD, EUR/IQD.

Assuming that the said exchange rates deviate by 5% on 31/12/2015 (in 2014:5%), the effect in result and equity is as follows:

Increase by 5% :

Amounts in thousands €	2015								2014							
	USD	SYP	GBP	TRL	DZD	JOD	IQD	USD	SYP	GBP	RON	TRL	DZD	JOD	IQD	
Earnings before tax	(863)	(13)	(23)	345	184	-18	(3)	2,679	(24)	(3)	87	699	(130)	-57	(3)	
Equity	(1,323)	(10)	(18)	345	149	(15)	(2)	2,021	(18)	(2)	70	559	(106)	(49)	(2)	

Decrease by 5% :

Amounts in thousands €	2015								2014							
	USD	SYP	GBP	TRL	DZD	JOD	IQD	USD	SYP	GBP	RON	TRL	DZD	JOD	IQD	
Earnings before tax	863	13	23	(345)	(184)	18	3	(2,679)	24	3	(87)	(699)	130	57	3	
Equity	1,323	10	18	(345)	(149)	15	2	(2,021)	18	2	(70)	(559)	106	49	2	

In order to minimize the exchange currency risk that occurs mainly by trading with countries outside the European union (mostly US \$), the treasury department of the Group enters into currency swaps on the behalf of each company, when is necessary.

### Price Risk

The Group is exposed to the price fluctuation of raw materials and the stocks belonging to its portfolio as a financial instrument available for sale. Price risk regarding financial instruments available for sale is considered limited since the stocks represent a minimal part of the total Group Assets.

### 41.3 Credit Risk

The credit risk of the Group mainly consists from the customer's inability to pay in time partially or in total his liabilities.

The assets exposed to credit risk on the statement of Financial Position reporting date analyzed as follows:

(Amounts in thousands €)	Group METKA		METKA S.A.	
	1/1-31/12/2015	1/1-31/12/2014	1/1-31/12/2015	1/1-31/12/2014
Trade and other receivables	269,770	208,768	263,471	200,618
Cash and cash equivalents	154,621	288,314	140,697	192,866
	<b>424,391</b>	<b>497,082</b>	<b>404,168</b>	<b>393,484</b>

The Group's turnover mainly comes from transactions with public institutions and also with foreign companies of low risk rating. As a result, the credit risk is minimal. According to the above the Credit risk of the Group is estimated to be minimum. Receivables which are not impaired and are delayed, are not considered doubtful. The amounts included in the table above do not include non-invoiced receivables from construction contracts under IAS 11.

The Group continuously monitors defaults of customers and other counterparties, identified either individually or by group.

Group management considers that all financial assets that are not impaired for each of the reporting dates under review are of good credit quality. None of Group's financial assets are secured by collateral or other credit enhancements.

There is a concentration of credit risk from clients, since a significant percentage of the consolidated turnover is formed by only a few clients. This credit risk is counterbalanced by the high credit ratings of those clients and the advance payments received by them.

### 41.4 Liquidity Risk

Liquidity risk is the risk that arises when illiquid assets are insufficient to meet the liabilities at the date of expiry.

The liquidity risk is kept at a low level, having sufficient cash equivalents and negotiable securities. The Group is managing its cash requirements, due to close overview of its borrowings and daily payments.

A potential cash flow risk lies with the good execution and procurement of the projects, since there might be a cash elimination due to non-conformity to the terms and conditions of the contracts.

The table below analyzes the financial liabilities of the Company and of the Group into relevant maturity groupings based on the remaining period at the reporting date of the financial statements until the date of expiry of current liabilities. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant and does not include liabilities from construction contracts under the scope of IAS 11.

The maturity of the financial liabilities as of 31/12/2015 and as of 31/12/2014, for the Group and Company, are as follows:

Liquidity Risk Analysis - Liabilities (Amounts in thousands €) 2015	Group METKA				Total
	up to 6 months	6 to 12 months	1 to 5 years	after 5 years	
Long Term Loans	-	-	1,251	526	1,777
Short Term Loans	2,189	156	-	-	2,345
Leasing liabilities	-	-	-	-	-
Trade and other payables	144,064	15,257	49,026	-	208,347
Other payables	13,180	49,424	-	-	62,604
Current portion of non-current liabilities	-	-	-	-	-
<b>Total</b>	<b>159,433</b>	<b>64,837</b>	<b>50,277</b>	<b>526</b>	<b>275,168</b>

Liquidity Risk Analysis - Liabilities (Amounts in thousands €) 2014	Group METKA				Total
	up to 6 months	6 to 12 months	1 to 5 years	after 5 years	
Long Term Loans	-	-	1,268	822	2,090
Short Term Loans	2,194	156	-	-	2,350
Leasing liabilities	-	-	-	-	-
Trade and other payables	83,729	5,355	13,773	-	102,857
Other payables	5,950	8,320	-	-	14,270
Current portion of non-current liabilities	-	-	-	-	-
<b>Total</b>	<b>91,872</b>	<b>13,832</b>	<b>15,042</b>	<b>822</b>	<b>121,567</b>

Liquidity Risk Analysis - Liabilities (Amounts in thousands €) 2015	METKA S.A.				
	up to 6 months	6 to 12 months	1 to 5 years	after 5 years	Total
Long Term Loans	-	-	-	-	-
Short Term Loans	-	-	-	-	-
Leasing liabilities	-	-	-	-	-
Trade and other payables	97,918	7,873	19,490	-	125,281
Other payables	9,091	19,424	-	-	28,514
Current portion of non-current liabilities	-	-	-	-	-
<b>Total</b>	<b>107,009</b>	<b>27,297</b>	<b>19,490</b>	<b>-</b>	<b>153,796</b>

Liquidity Risk Analysis - Liabilities (Amounts in thousands €) 2014	METKA S.A.				
	up to 6 months	6 to 12 months	1 to 5 years	after 5 years	Total
Long Term Loans	-	-	-	-	-
Short Term Loans	-	-	-	-	-
Leasing liabilities	-	-	-	-	-
Trade and other payables	82,893	5,355	13,773	-	102,022
Other payables	5,222	8,320	-	-	13,542
Current portion of non-current liabilities	-	-	-	-	-
<b>Total</b>	<b>88,115</b>	<b>13,676</b>	<b>13,773</b>	<b>-</b>	<b>115,564</b>

#### 41.5 Cash Flow Risk and fair value risk due to changes in Interest Rate

The operating income and cash flow of Group is essentially independent from changes at prices of interest rate. The Group does not possess short-term and long term debt, nor significant interest investment.

Group's borrowing in 31 December 2015 is € 4.123 th. and concerns short-term borrowing. (See note 27, for further information).

Group's policy is to continuously monitor interest rate trends and it's financing needs

The following table illustrates the sensitivity of net result for the year and Group's equity to a reasonable possible change in interest rate by + 3% or – 3% (2014: +/- 3%). These changes are considered to be reasonably possible based on observation of current market conditions.

Amounts in thousands €	31/12/2015		31/12/2014	
	3%	-3%	3%	-3%
Earnings before tax	(128)	128	(137)	137
Equity	(91)	91	(101)	101

#### 41.6 Market Risk

The Group's risk from changes in Group securities is considered immaterial.

#### 41.7 Other risks and uncertainties

##### a) Project's performance and procurement risk

Possible risks which may arise from commercial transactions of Group is the delay in procurement of plant and equipment and the delay by subcontractors in the completion of construction work which may result in overall delay of the completion of the projects undertaken and therefore the imposition of penalties for breaching the contractual terms.

Due to the nature of its projects, the Group is exposed to risks related to the design, procurement, and commissioning of power plants. The risks are due to:

- Mechanical damages to equipment
- Unforeseen construction circumstances
- Delays due to bad weather
- Unforeseen cost increases of material and equipment

Due to the Group's long – standing experience, the strict selection of sub-contractors and suppliers, the Audit Division and the quality assurance of these, is not exposed to major risks regarding the

proper implementation of works and supplies that assigns. In addition, guarantees are required from co-suppliers, in the form of bank assurance (performance, supply materials, etc.).

#### **b) Insurance Risk**

The insurance risk arises from the Company's activities and is associated with various events, including accidents, injuries, damage in equipment and force majeure events. All of the above events are most likely to cause delays and in worst-case cease of work. Any such developments would hinder the financial position and results of the Group.

In order to address the above risks, the Group proceeds to the 100% insurance against such risks to cover the total value of projects and activities with all-risk insurance policies (Erection All Risks & Construction All Risks), including civil liability, employer liability, machinery, vehicles etc to renowned international insurance firms.

However, the existing insurance policies cannot always fully cover possible damages from unexpected events such as natural disaster, war or terrorist attacks.

#### **c) Risks arising from geopolitical factors**

Apart from the Group's activity in Syria, there is no foreseeable risk for the Company due to geopolitical factors. Concerning the activity in Syria, it should be clear that METKA is not subjected into investor's risks but to the risks of a manufacturer with assured funding and confirmed credit. Nevertheless, the postponement of works for a certain period, the necessity for extremely high safety measures, our extended presence in the Project, the increased freight and insurance charges, and the extraordinary, in general, conditions under which the Project continues today, have increased significantly the cost although not to a degree which hinders its continuation, expecting of course a compensation from the client for all proven over-expenses which are imposed to us for reasons outside our responsibility.

## 42. Fair value of financial instruments

Analysis of financial assets and financial liabilities is as follows:

	Group METKA		METKA S.A.	
	2015	2014	2015	2014
<b>(Amounts in thousands €)</b>				
<b>Non current assets</b>				
Financial Assets Available for Sale	8	31	-	22
Other Long-term Receivables	219,082	78,241	43,505	72,650
<b>Total</b>	<b>219,090</b>	<b>78,272</b>	<b>43,505</b>	<b>72,672</b>
<b>Current assets</b>				
Financial assets at fair value through profit or loss	-	2,500	-	2,500
Trade and other receivables	546,046	401,603	471,116	365,052
Cash and cash equivalents	154,621	288,314	140,697	192,866
<b>Total</b>	<b>700,667</b>	<b>692,416</b>	<b>611,813</b>	<b>560,417</b>
<b>Non-Current Liabilities</b>				
Long-term debt	1,778	2,090	-	-
Other long-term liabilities	56,856	38,186	27,320	38,186
<b>Total</b>	<b>58,634</b>	<b>40,277</b>	<b>27,320</b>	<b>38,186</b>
<b>Current Liabilities</b>				
Short-term debt	2,345	2,350	-	-
Trade and other payables	430,215	297,857	333,038	288,761
<b>Total</b>	<b>432,561</b>	<b>300,207</b>	<b>333,038</b>	<b>288,761</b>

### Fair Value Chain

The funds of each type of financial instruments of the balance sheet, valued at the fair value, for disclosure reasons, should be registered at the following three levels, depending on their data quality used for the evaluation of the fair value:

**Level 1:** Investments that are valued at fair value based on quoted (unadjusted) prices in active markets for identical assets or liabilities.

**Level 2:** Investments that are valued at fair value, using valuation techniques for which all inputs, which have a significant fair value, are based (either directly or indirectly) on observable market data.

**Level 3:** Investments that are valued at fair value, using valuation techniques, in which the data, significantly affecting the fair value, are not based on observable market data.

The financial instruments of the Group and the Company, valued at the fair value on a recurring basis, are registered at the following three levels:

	31/12/ 2015	GROUP METKA		
		Level 1	Level 2	Level 3
(Amounts in thousands €)				

#### Financial assets

Financial assets at fair value through profit or loss				
Stock Shares	-	-	-	-
Financial Assets Available For Sale	9	-	9	-
<b>Total</b>	<b>9</b>	<b>-</b>	<b>9</b>	<b>-</b>

	31/12/ 2014	GROUP METKA		
		Level 1	Level 2	Level 3
(Amounts in thousands €)				

#### Financial assets

Financial assets at fair value through profit or loss				
Stock Shares	2,500	2,500	-	-
Financial Assets Available For Sale	31	-	31	-
<b>Total</b>	<b>2,531</b>	<b>2,500</b>	<b>31</b>	<b>-</b>

	31/12/ 2015	METKA S.A.		
		Level 1	Level 2	Level 3
(Amounts in thousands €)				

#### Financial assets

Financial assets at fair value through profit or loss				
Stock Shares	-	-	-	-
Financial Assets Available For Sale	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

	31/12/ 2014	METKA S.A.		
		Level 1	Level 2	Level 3
(Amounts in thousands €)				

#### Financial assets

Financial assets at fair value through profit or loss				
Stock Shares	2,500	2,500	-	-
Financial Assets Available For Sale	22	-	22	-
<b>Total</b>	<b>2,522</b>	<b>2,500</b>	<b>22</b>	<b>-</b>

In 2015 and 2014 there were no transfers between level 1 and 2. The Group and Company have not classified financial instruments in level 3.

The book value of the following financial data of assets and liabilities is considered to be a

logical approach to their fair value:

- Trade and other receivables
- Cash and cash equivalents
- Suppliers and other liabilities.
- Borrowing

#### 43. Capital management policies and procedures

Group's capital management objectives are to ensure its ability to continue as a going –concern. This is achieved through the assuring of preserving borrowing ability. Furthermore, other objective is to provide an adequate return to the shareholders and the achievement of its contractual obligations.

The Group monitors capital on a basis of net debt to equity. The ratio for the years 2015 and 2014 is as follows:

amounts in thousands €	Group METKA		METKA S.A.	
	2015	2014	2015	2014
Total Equity	551	508	368	377
Minus : Cash and cash equivalents	(155)	(288)	(141)	(193)
<b>Net Debt</b>	<b>396</b>	<b>219</b>	<b>228</b>	<b>184</b>
Total Equity	551	508	368	377
Plus : Bank Dept	4	4	-	-
<b>Total Occupied Capital</b>	<b>555</b>	<b>512</b>	<b>368</b>	<b>377</b>
<b>Net Debt over Total Equity</b>	<b>7/10</b>	<b>4/10</b>	<b>6/10</b>	<b>5/10</b>

Group policy is to keep borrowing at a low level. Furthermore, Group policy is to borrow only when it is necessary and for short-term. The above ratio analysis shows the achievement of management goals as far as the capital management is concerned.

#### 44. Subsequent events

There are no other significant events taking place after 2015, which concern either the Group or the Company and for which disclosure is required by International Financial Reporting Standards

Athens, the 21<sup>st</sup> of March 2016

CHAIRMAN AND  
MANAGING DIRECTOR  
of the Board of Directors

DEPUTY  
MANAGING  
DIRECTOR

CHIEF FINANCIAL  
OFFICER

THE CHIEF  
ACCOUNTANT

IOANNIS G.  
MYTILINEOS

PANAGIOTIS A.  
GARDELINOS

SPYRIDON S.  
PETRATOS

STYLIANOS A.  
PALIKARAS

I.D. No AE044243/2007

I.D. No  
AE602368/2007

I.D. No  
AB263393/2006

I.D. No AK621204/2012

## E) Figures and Information



# METKA

## METAL CONSTRUCTIONS OF GREECE S.A.

Company's number in the register of Societes Anonymes: 1035706/9/86/113  
8 Artemidos Str., 151 25 Marousi-Atika  
Financial data and information for the period from 1st January 2015 until 31st December 2015  
(According to Decision 4/507/28.04.2009 of the Board of Directors of the Hellenic Capital Market Commission)

The financial data and information presented below aim to give summary information about the financial position and results of METKA S.A. and its subsidiaries. We advise the reader, before making any investment decision or other transaction concerning the company, to visit the company's web site where the financial statements according to International Financial Reporting Standards together with the Auditor's Report, are presented.

### GENERAL INFORMATION FOR THE COMPANY

Company's web address: [www.metka.com](http://www.metka.com)  
Board of Directors: IOANNIS MYTILINEOS-CHAIRMAN & MANAGING DIRECTOR, GEORGE ECONOMOU - VICE PRESIDENT, PANAGIOTIS GARDELINOS - DEPUTY MANAGING DIRECTOR, CHRISTOS PANTZIKAS, EKATERINI DONTA, PAUL SMITH, ANTONIOS PAPANTONIOU, GEORGE PALLAS - NON-EXECUTIVE MEMBER, FILIPPOS ZOTOS - NON-EXECUTIVE MEMBER, NIKOLAOS BAKIRTZOGLOU MEMBER INDEPENDENT, NON-EXECUTIVE, IOSIF AVAGIANOS MEMBER INDEPENDENT, NON-EXECUTIVE

Date of approval of the Financial Statements: 21th March 2016

Name of the auditor: Manolis Mixalios (A.M. SOEL: 25131) - Dimitra Pagoni (A.M. SOEL: 30821)

Auditing firm: GRANT THORNTON (A.M. SOEL 127)

Report of the Auditors: Unqualified

STATEMENT OF FINANCIAL POSITION (consolidated and company)				
(Amounts in 000's Euro)	THE GROUP		THE COMPANY	
	31/12/15	31/12/14	31/12/15	31/12/14
<b>ASSET</b>				
Self used fixed assets	48.163	49.400	37.649	38.681
Intangible assets	1	4	0	1
Other non current assets	222.850	82.117	50.925	80.012
Inventories	120.825	50.562	61.040	49.614
Trade receivables	398.517	305.896	355.412	294.928
Other current assets	310.232	393.814	238.810	272.156
<b>TOTAL ASSETS</b>	<b>1.100.847</b>	<b>881.584</b>	<b>784.036</b>	<b>735.402</b>
<b>EQUITY &amp; LIABILITIES</b>				
Share Capital	16.624	16.624	16.624	16.624
Other Shareholders' Equity	533.833	490.929	351.714	360.418
<b>Total Shareholders Equity (a)</b>	<b>550.457</b>	<b>507.554</b>	<b>368.338</b>	<b>377.042</b>
Minority interests (b)	357	237	-	-
<b>Total Equity (c)=(a)+(b)</b>	<b>551.014</b>	<b>507.790</b>	<b>368.338</b>	<b>377.042</b>
Long-term borrowing liabilities	1.778	2.090	-	-
Provisions and other long-term liabilities	87.156	58.937	55.613	57.442
Short-term borrowings	2.345	2.350	-	-
Other short-term liabilities	458.353	310.416	360.085	300.917
<b>Total liabilities (d)</b>	<b>549.833</b>	<b>373.793</b>	<b>415.698</b>	<b>358.359</b>
<b>TOTAL EQUITY AND LIABILITIES (c) + (d)</b>	<b>1.100.847</b>	<b>881.584</b>	<b>784.036</b>	<b>735.402</b>

STATEMENT OF COMPREHENSIVE INCOME (consolidated & company)				
(Amounts in 000's Euro)	THE GROUP		THE COMPANY	
	31/12/15	31/12/14	31/12/15	31/12/14
<b>Sales Turnover</b>	<b>668.016</b>	<b>608.271</b>	<b>411.924</b>	<b>549.001</b>
Gross Profit / (loss)	131.743	115.898	75.299	102.943
Profit before taxes, borrowings and investments results	112.677	100.109	56.166	85.879
<b>Profit before taxes</b>	<b>100.521</b>	<b>98.300</b>	<b>47.167</b>	<b>84.758</b>
Less taxes	31.273	7.982	29.861	10.850
<b>Profit after taxes (A)</b>	<b>69.248</b>	<b>90.319</b>	<b>17.306</b>	<b>73.908</b>
Owners of the parent	68.917	90.199	17.306	73.908
Minority interests	331	119	-	-
<b>Other comprehensive income after taxes (B)</b>	<b>(49)</b>	<b>(106)</b>	<b>(35)</b>	<b>(84)</b>
<b>Total comprehensive income for the period after taxes (A) + (B)</b>	<b>68.199</b>	<b>90.213</b>	<b>17.271</b>	<b>73.824</b>
Owners of the parent	68.879	90.085	17.271	73.824
Minority interests	319	118	-	-
<b>Earnings after taxes per share-basic (in €)</b>	<b>1,3266</b>	<b>1,7362</b>	<b>0,3331</b>	<b>1,4227</b>
Proposed dividend	-	-	0.1200	0.5000
Profit before taxes, borrowings, investments and depreciation results	116.375	103.891	59.412	88.758

STATEMENT OF CHANGES IN EQUITY (consolidated and company)				
(Amounts in 000's Euro)	THE GROUP		THE COMPANY	
	31/12/15	31/12/14	31/12/15	31/12/14
<b>Equity at the beginning of the period (01/01/2015 &amp; 01/01/2014 respectively)</b>	<b>507.791</b>	<b>449.867</b>	<b>377.042</b>	<b>318.803</b>
Net comprehensive income for the period after taxes (continued and discontinued operations)	69.199	90.213	17.272	73.824
Dividends paid	(25.975)	(15.629)	(25.975)	(15.585)
Impact From Transfer Of Subsidiary	-	(16.661)	-	-
<b>Equity at the end of the period (31.12.2015 and 31.12.2014 respectively)</b>	<b>551.014</b>	<b>507.790</b>	<b>368.338</b>	<b>377.042</b>

### CASH FLOW STATEMENT- Indirect Method (consolidated & company)

(Amounts in 000's Euro)	THE GROUP		THE COMPANY	
	1/1-31/12/15	1/1-31/12/14	1/1-31/12/15	1/1-31/12/14
<b>Operating Activities</b>				
Profit before Taxes (Continued Operations)	100.521	98.300	47.167	84.758
Plus (Less) Adjustments for:				
Depreciations	3.724	3.809	3.271	2.906
Provisions	89	(607)	35	(609)
Exchange differences	(3.767)	(16.863)	(3.751)	(12.341)
Results (revenues, expenses, profit, loss) from Investment Activities	937	(9.328)	1.773	(9.001)
Debit Interest and similar expenses	966	455	20	88
Operating profit before changes in working capital	102.470	75.966	48.515	65.802
<b>Plus/less adjustments for changes in working capital or operating activities:</b>				
Decrease / (Increase) in Inventories	(70.263)	(19.393)	(31.428)	(19.181)
Decrease / (Increase) in receivables	(226.344)	91.107	(20.767)	68.516
Decrease / (Increase) in other current assets	(1.645)	(297)	4.248	(1.813)
(Decrease) / Increase in short term liabilities (except for the banks)	113.458	29.669	38.248	41.585
Less:				
Debit Interest and similar expenses paid	(316)	(567)	-	(202)
Taxation paid	(17.449)	(10.982)	(16.931)	(10.501)
<b>Net cash flows from operating activities (a)</b>	<b>(100.090)</b>	<b>165.503</b>	<b>19.887</b>	<b>144.205</b>
<b>Investing Activities</b>				
Purchase of subsidiary companies (less : subsidiary's cash)	(2)	-	(2)	-
Sales of subsidiary companies (less: subsidiary's cash)	-	(1.338)	-	8.000
Proceeds from the sale of tangible and intangible assets	54	168	2	36
Acquisitions of tangible and intangible assets	(2.587)	(7.348)	(2.441)	(7.109)
Acquisitions of affiliated companies, Participations to joint venture companies	-	(6)	-	-
Sales of financial assets available for sale	9	5	-	1
Purchase of financial assets at fair value with changes in net results	(4.832)	(18.675)	(4.832)	(16.974)
Proceeds from Borrowings to affiliated parties	-	-	-	-
Proceeds from sale of financial assets at fair value with changes in net results	3.001	21.529	3.001	18.679
Interest received	1.685	5.472	809	3.591
Borrowings to affiliated parties	(43.000)	-	(43.000)	-
Proceeds from dividends	-	-	200	660
Purchase of bonds	-	(5.000)	-	(5.000)
Proceeds from bonds	8.303	6.398	-	6.398
Cash from subsidiary absorption	-	-	-	-
<b>Net cash flows from investing activities (b)</b>	<b>(37.368)</b>	<b>1.205</b>	<b>(46.283)</b>	<b>8.283</b>
<b>Financing Activities</b>				
Proceeds from Borrowings to affiliated parties	30.000	-	-	-
Payments of borrowings	(317)	(5.214)	-	(4.840)
Payments of finance lease Liabilities (capital)	-	-	-	-
Dividends paid	(26.136)	(15.758)	(26.031)	(15.587)
Financing cash flows from discontinued operations	-	-	-	-
<b>Net cash flows from financing activities (c)</b>	<b>3.547</b>	<b>(20.972)</b>	<b>(26.031)</b>	<b>(20.427)</b>
<b>Net increase in cash and cash equivalents (a) + (b) + (c)</b>	<b>(133.912)</b>	<b>145.737</b>	<b>(52.408)</b>	<b>132.060</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>288.314</b>	<b>134.542</b>	<b>192.866</b>	<b>56.398</b>
<b>Effects of exchange rate changes</b>	<b>218</b>	<b>8.036</b>	<b>238</b>	<b>4.407</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>154.620</b>	<b>288.313</b>	<b>140.696</b>	<b>192.865</b>

- ### ADDITIONAL DATA AND INFORMATION
- Group Structure- Group companies that are included in the consolidated financial statements with their respective domicile and percentage of ownership as well as the consolidation method in the consolidated financial statements of 2015 are presented in note 6 of the interim financial statements. The consolidated financial statements of period which ended at 31.12.2015 and in relation of corresponding comparative period of 2014, include: (i) Metka Renewables Limited (which is a newly established company and fully consolidated from 17/03/2015), (ii) Rivera Del Rio (which is a newly established company and fully consolidated from 01/04/2015), (iii) Metka-Egn Ltd Cyprus (which is a newly established company and fully consolidated from 19/05/2015), (iv) Metka-Egn Ltd U.K (which is a newly established company and fully consolidated from 08/06/2015), (v) Metka-Egn USA LLC Puerto Rico (which is a newly established company and fully consolidated from 21/10/2015) and (vi) Metka-Egn SpA Chile (which is a newly established company and fully consolidated from 03/11/2015). The consolidated financial statements of the period ended December 31, 2015 compared with the corresponding period of 2014, does not include the consortium a) ATERMON ATEE-EKME SA-TMUCB SA (which expired at 03/03/2015), b) EKME MECHANICAL, ENGINEERING AND CONSTRUCTION CONTRACTORS (sale 25/06/2014). The incorporation or not of the above mentioned company to the consolidated Financial Statements of the Group, has affected less than 25% the Sales Turnover, the Profit after Taxes, The Minority Interests and the Shareholder's Equity.
  - The consolidated financial statements of METKA Group are incorporated in the consolidated financial statements of Mytilineos Group, that is based in Greece and owns 50.00% of METKA Group.
  - In the above Financial Statements, the Group adopted the basic accounting principles, which were employed for issuing the financial statements of FY 2014, except from the changes in IAS standards and interpretations that are effective from 1th of January 2015, ascribed in note 3.4 of the annual Financial Statements.
  - There are no encumbrances to the company's and Group's assets.
  - There are no outstanding litigation or any court or arbitration decision, which could have a significant impact on the financial standing or operation of the Company and the Group. The litigation provision balance as of 31.12.2015 amounts to € 650 thousand for the Group. Other provisions balance as of 31.12.2015 amounts to € 3.389 thousand for the Group and € 1.885 thousand for the Company. The tax provision balance for fiscal years unaudited by tax authorities as of 31.12.2015 amounts to € 690 thousand for the Group € 780 thousand for the Company.
  - The tax unaudited fiscal years of the Company and the Group are presented in detail in note 40.3 of the interim financial statements of the Group.
  - The number of employees at the end of the reporting period are as follows:

	THE GROUP		THE COMPANY	
	31/12/15	31/12/14	31/12/15	31/12/14
FULL TIME EMPLOYEES	317	313	274	274
DAILY - WAGE EMPLOYEES	75	57	63	55
	<u>392</u>	<u>370</u>	<u>337</u>	<u>329</u>

- Investments in tangible and intangible fixed assets for the 2015 amounted to € 2.587 thousand for the Group and € 2.441 thousand for the Company.
- The earnings per share were calculated according to the earnings after tax and minorities on the weighted average number of shares of the parent company.
- Intercompany transactions for the period from January 1, 2015 to December 31, 2015 according to I.A.S. 24 are as follows:

Amounts in 000's Euro	THE GROUP		THE COMPANY	
	31/12/15	31/12/14	31/12/15	31/12/14
a) Income	20.249	-	18.048	-
b) Expenses	10.270	-	19.300	-
c) Receivables	205.475	-	211.913	-
d) Liabilities	31.298	-	6.440	-
e) Transaction and remuneration with top management and BoD members	4.118	-	3.930	-
f) Payables to top management and BoD members	1	-	1	-
g) Liabilities to management and BoD members	50	-	40	-

Maroussi, 21th March 2016

THE PRESIDENT OF THE BOARD & MANAGING DIRECTOR  
IOANNIS MYTILINEOS  
I.D. No: AED44243/2007

THE DEPUTY MANAGING DIRECTOR  
PANAGIOTIS A. GARDELINOS  
I.D. No: AE602368/2007

THE CHIEF FINANCIAL OFFICER  
SPYRIDON PETRATOS  
I.D. No: AB263393/2006

THE CHIEF ACCOUNTANT  
STYLIANOS PALIKARAS  
I.D. No: AK621204/2012

#### **F. Availability of Financial Statements (WEBSITE)**

The Annual Financial Statements of the Group and the Company as well as the financial statements of the companies that are consolidated, the auditor's report and the report of the Board of Directors for the year ended December 31st 2015 have been posted on the web site of the company [www.metka.com](http://www.metka.com)