

CORINTH PIPEWORKS HOLDINGS S.A.

2-4 Mesogeion Ave.
Pyrgos Athinon, Building B
11527 Athens (Greece)
G.E.M.I.: 000264701000

REPORT OF THE BOARD OF DIRECTORS PREPARED IN RELATION TO A CROSS-BORDER MERGER BY ABSORPTION

1. PRELIMINARY STATEMENTS

The board of directors of Corinth Pipeworks Holdings S.A. prepared this report (the **Report**) in light of a proposed transaction whereby it is contemplated that Cenergy Holdings S.A. (the **Absorbing Company**) a limited liability company incorporated under Belgian law, with registered seat in Brussels, avenue Marnix 30, 1000 and registered in the Crossroads Bank for Enterprises under number 0649.991.654 RLE (Brussels) will absorb the following entities by way of a cross-border merger (the **Transaction** or **Cross-Border Merger**):

- (i) Corinth Pipeworks Holdings S.A., a limited liability company by shares (Ανώνυμος Εταιρία) incorporated under Greek law, with registered office at 2-4 Mesogeion Ave., Pyrgos Athinon, Building B, 11527 Athens, Greece and registered in the General Commercial Registry (G.E.M.I.) under number 000264701000 (**Company**);
- (ii) Hellenic Cables S.A. Holdings Societe Anonyme, a limited liability company by shares (Ανώνυμος Εταιρία) incorporated under Greek law, with registered office at 2-4 Mesogeion Ave., Pyrgos Athinon, Building B, 11527 Athens, Greece and registered in the General Commercial Registry (G.E.M.I.) under number 000281701000 (hereinafter referred to as **Hellenic Cables S.A.** and together with the Company the **Absorbed Companies**).

The Absorbing Company is a holding company and a member of a group of companies (the **Viohalco Group**) engaged in the sectors of steel, copper and aluminium production, processing and trade and controlled by Viohalco SA (**Viohalco**), a Belgian company listed on Euronext Brussels (**Euronext**) and the Athens Stock Exchange (the **Athex**). The Absorbing Company is not listed on any stock exchange as at the date of these Merger Terms. It is intended that all shares of the Absorbing Company currently outstanding will be admitted to listing on Euronext and the Athex prior to the shareholders' meetings approving the Cross-Border Merger. All new shares which will be issued in the context of the Cross-Border Merger (together with the shares currently outstanding, the **Shares**) will be admitted to listing on Euronext and the Athex after completion of the Cross-Border Merger.

The Company is a direct subsidiary of Viohalco and the holding company of the Corinth Pipeworks group of companies which is a world class manufacturer of high quality steel pipes used to transport oil, gas and water, to carry CO2 and slurry, and is also involved in the construction sector. Its shares are listed on the Athex.

Hellenic Cables S.A. is an indirect subsidiary of Viohalco and the holding company of the Hellenic Cables group of companies, which is engaged in the production and marketing of power and telecommunications cables from low voltage up to extra-high voltage and

undertakes the implementation of projects for cable systems' supply and installation. Its shares are also listed on the Athex.

This Report has been prepared pursuant to article 5 of law 3777/2009. The Cross-Border Merger has been presented in the common draft terms of the cross-border merger dated 26/9/2016 as prepared by the respective boards of directors of the Absorbing Company and each of the Absorbed Companies (the **Merging Companies**). The Merger Terms are attached to this Report as Schedule 1.

2. REPORT BY THE COMMON EXPERT

As permitted by the applicable Belgian and Greek legislations, the Merging Companies elected to seek the appointment of a common expert to provide the report required by article 772/9, §1 of the BCC and article 6 of the Greek Law 3777/2009 for each of the Merging Companies.

To that end, the Merging Companies have applied to have the Belgian audit firm Mazars Advisory Services BVBA appointed by the President of the French-speaking Tribunal of Commerce of Brussels in accordance with article 772/9, §2 of the BCC and article 6 of the Greek Law 3777/2009. This appointment was granted pursuant to an ordinance of the President of the French-speaking Tribunal of Commerce of Brussels dated 14 September 2016. The board of directors of the Company approved the preparatory actions for the designation of Mazars Advisory Services BVBA as common expert on 23 September 2016.

On 13 October 2016, Mazars Advisory Services BVBA rendered its report on the Merger Terms as required by article 6 of the Greek Law 3777/2009 and article 772/9, §1 of the BCC.

The conclusions of such report read as follows:

*"In accordance with the terms of our engagement letter dated 5 September 2016, we have performed the agreed upon procedures in order to issue present "fairness" opinion – a declaration with regard to the reasonableness and relevance - on the share exchange ratios ("**Ratios**") and an opinion on the appropriateness of the valuation methodologies ("**Methodologies**") adopted by the Board of Directors ("**Board(s)**") in relation to the intended cross-border merger ("**Cross-Border Merger**") of the following entities:*

- *Cenergy Holdings SA , a limited liability company incorporated under the laws of Belgium, with registered office at 30 Marnixlaan, B-1000 Brussels and having the registration number BE 0649.991.654, acting as absorbing entity in the merger (the "**Absorbing Company**" or "**Cenergy**");*
- *Corinth Pipeworks Holdings S.A. ("**Corinth Pipeworks**"), a limited liability company by shares incorporated under Greek law, with registered office at 2-4 Mesogeion, Pyrgos Athinon, 11527 Athens, Greece and registered in the General Commercial Registry under number 000264701000, acting as absorbed entity;*
- *Hellenic Cables S.A. Holdings Société Anonyme ("**Hellenic Cables**"), a limited liability company by shares incorporated under Greek law, with registered office at 2-4 Mesogeion, Pyrgos Athinon, 11527 Athens, Greece and registered in the General Commercial Registry under number 000281701000, acting as absorbed entity.*

*We have prepared present report as the Common Expert, appointed by the President of the Commercial Court of Brussels in connection with the planned Cross-Border Merger in accordance with article 772/9 of the Belgian Company Code ("**BCC**"), article 68 §2 and 69-*

77a of the Codified Greek Law 2190/1920 and article 6 of the Greek Law 3777/2009 (“**G-Laws**”). This report is solely for use in connection with these articles.

- *Cenergy is a holding entity that has been incorporated as of 17 March 2016. Its interim statement of financial position as per 31 July 2016 primarily consists of cash & cash equivalents. For the purpose of the valuation and the determination of the Ratios, the Board has considered the Net Asset Value as most appropriate.*
- *Corinth Pipeworks is a holding entity with a major participation in CPW Pipe Industry (Thisvi plant) and some investments in less significant in size companies. The valuation of this entity has been determined by the Board through application of a weighting of 60% to the Adjusted Net Asset Value and 40% of the Stock Market Value.*
- *Hellenic Cables is a holding entity with major participations in Hellenic Cables Industry, Fulgor SA (through Hellenic Cable Industry) and Icme Ecab SA and some investments in less significant in size companies. The valuation of this entity has been determined by the Board through application of a weighting of 60% to the Adjusted Net Asset Value and 40% of the Stock Market Value.*

By its nature, the DCF method is based on projections, business plans and estimations. Inherently, we cannot guarantee the realization of such projections, business plans and estimations. Based on our procedures, these projections and estimations have been rationally established and appropriately documented and do not present material inconsistencies with the other information we have obtained. Application of other projections, business plans and estimations would lead to other values and consequently other share exchange ratios.

At the shareholders’ meeting of the Absorbing Company which shall approve the Cross-Border Merger or at any other shareholders’ meeting to be held before such meeting, it is intended that with effect immediately prior to the Listing Date, the Shares will be split by a factor of 44.

On the basis of the values of the Merging Companies set by the Board and after the stock split, the proposed share exchange ratios between the Absorbing Company and each of the Absorbed Companies are set as follows:

Share exchange ratio	
	Transaction date
Corinth Pipeworks	1,0000
Hellenic Cables	0,447906797228002

The above signifies that the shareholders of Corinth Pipeworks will receive, for each share they have and will exchange, one new share issued by Cenergy. The shareholders of Hellenic Cables shall receive for each 0,447906797228002 part of each existing share a new share issued by Cenergy. Since the exchange ratio set in respect of Hellenic Cables does not allow to issue a whole number of new shares to each one of the former shareholders of Hellenic Cables in exchange for their shares, such shareholders will receive a number of new shares that is equal to the number of shares they hold in Hellenic Cables, divided by 0,447906797228002, and rounded down to the closest whole number.

For accounting purposes, all transactions of Corinth Pipeworks and Hellenic Cables will be deemed to be taken for the account of Cenergy as from 1 August 2016.

In conclusion of our work performed in accordance with the relevant applicable regulations in Belgium, as described above in our report, we hereby confirm that in our opinion, considering the above:

- *The Ratios between the shares of the Absorbed Companies and the Absorbing Company are fair and reasonable;*
- *The valuation methods used and the relative weight assigned to the respective methods are appropriate for the proposed Cross-Border Merger and consistent with previous mergers in the Viohalco Group;*
- *No difficulties have arisen with respect to the Valuations;*
- *Following the valuation methodology, the Boards decided to fix the value of Cenergy at € 52.302,4038593608; the value of Corinth Pipeworks at € 240.000.000 and the value of Hellenic Cables at € 127.500.001,389222. These values are within the range of values determined.*

The Common Draft Terms of the Cross-Border Merger dated 26 September 2016 contain, in our understanding, the information as required by Law.

We are not aware of any event occurring after the date on which the Common Draft Terms of the Cross-Border Merger were approved, that may have an influence on the Ratios. ”

3. DATE OF ACCOUNTS USED TO DEFINE THE CONDITIONS OF THE CROSS-BORDER MERGER

The conditions of the Cross-Border Merger have been defined on the basis of the interim financial statements of the Merging Companies as at 31 July 2016 which are attached as annex 3 to the Merger Terms (the Merger Terms being attached to this Report as Schedule 1).

4. LEGAL AND ECONOMIC ASPECTS OF THE CROSS-BORDER MERGER

4.1 Rationale of the Transaction

The Board of Directors believes that the Transaction will enable the Absorbed Companies to group their financial leverage and business outreach, thus providing to the underlying industrial companies solid sponsorship and reliable reference when bidding for demanding international projects or seeking access to restricted international financing. As a listed company, both in Brussels and Athens, the Absorbing Company will present the international investor community with an opportunity to invest in a promising business sector under conditions of increased visibility and scrutiny. The ability of the Absorbing Company to access the international financial markets will help consolidate the underlying industrial Greek companies' achievements and secure long-term employment for their highly qualified workforce. The Board of Directors also believes that the Transaction will help enhance the competitiveness and confirm the development and investment prospects of the Absorbed Companies.

4.2 Terms of the Cross-Border Merger

(a) Consequences of the Cross-Border Merger

The Transaction constitutes a cross-border merger by absorption under article 772/1 and following of the BCC and Greek Law 3777/2009, whereby all assets and liabilities of the

Absorbed Companies will be transferred to the Absorbing Company, following the dissolution without liquidation of the Absorbed Companies.

The Absorbing Company has a Greek branch under the trade name “Cenergy Holdings Greek Branch”, with registered seat at 2-4 Mesogeion Ave., Pyrgos Athinon, Building B, 11527, Athens, Greece, registered in the General Commercial Registry (G.E.M.I.) of the Athens Chamber of Commerce and Industry under no. 140011601001 (the **Greek Branch**). Concomitantly to the Cross-Border Merger becoming effective, the Absorbing Company shall allocate the assets and liabilities of the Absorbed Companies to the Greek Branch in accordance with articles 1, 4 and 5 of the Greek Law 2578/1998.

(b) Exchange ratios

As set out in the Merger Terms and supported by the valuation set out in section 4.5 of this Report, the value of the shares of the Merging Companies is as follows:

- each share of the Absorbing Company (after the stock split that will be decided by the shareholders’ meeting of the Company prior to the listing of the initial shares of the Company) has a value of EUR 1.93283088911163;
- each share of the Company has a value of EUR 1.93283088911163; and
- each share of Hellenic Cables S.A. has a value of EUR 4.315252416515.

The proposed share exchange ratios between the Absorbing Company and each of the Absorbed Companies are set as follows:

- in relation to the Company, the proposed share exchange ratio is set at 1:1, i.e. it is proposed that the shareholders of the Company exchange one of their shares in the Company for one share in the Absorbing Company;
- in relation to the Hellenic Cables S.A., the proposed share exchange ratio is set at 0.447906797228002:1, i.e. it is proposed that the shareholders of Hellenic Cables S.A. exchange 0.447906797228002 share in Hellenic Cables S.A. for one share in the Absorbing Company.

The values per share of the Absorbing Company and each of the Absorbed Companies as set out above have been determined by their boards of directors taking into account the methods set out in section 4.5 of this Report. Such methods have led to a valuation range for each of the Company and Hellenic Cables S.A., which are described in section 4.5. The boards of directors determined the exact values per share for the Company and Hellenic Cables S.A. within such valuation ranges. When determining the exact value per share within such ranges, the boards of directors have taken the following considerations into account:

- the range of values relating to the Company is much closer to the current stock market value of the Company; it has therefore been considered appropriate to deviate by approximately 5% from the average of the valuation and to set the Company’s value towards the upper end of its valuation range; and
- in the case of Hellenic Cables S.A., the situation is exactly opposite; its current stock market value is much lower than the range of values derived by the valuation and this has led the boards of directors to decide to deviate by approximately 6% from the average of the valuation and to set the value of Hellenic Cables S.A. towards the lower end of its valuation range.

Furthermore, reviewing the business cases of the Absorbed Companies and discussing the immediate prospects of the two companies with their respective managements, the boards of directors noted that the Company's business plan is in a more mature phase of implementation than the one of Hellenic Cables S.A. and the probability of achievement of such business plan is higher in the case of the Company. As a result, the boards of directors concluded that this gave an additional reason to give slightly more weight to the value of the Company compared to the one of Hellenic Cables S.A. when determining the exact value per share of each such company within the valuation ranges set out in section 4.5.

(c) Rounding down

Since the exchange ratio set out above in respect of Hellenic Cables S.A. does not allow to issue a whole number of Shares to each of the former shareholders of such company in exchange for their shares, such shareholders will receive a number of Shares that is equal to the number of the shares they hold in Hellenic Cables S.A., divided by 0.447906797228002, and rounded down to the closest whole number.

To the extent the number of Shares to which a shareholder of Hellenic Cables S.A. is entitled has been rounded down, the number of Shares that cannot be delivered as a result of certain shareholders of Hellenic Cables S.A. being entitled to a fractional number of Shares will be deposited on a collective account on behalf of all such shareholders in accordance with the procedure described further below. The shareholders being entitled to a fractional number of Shares will then be allowed to sell such fractional rights, or purchase such fractional rights in order to acquire the ownership of a whole number of Shares, within a period of six months in accordance with the mechanism usually applied in such instances in Greece.

(d) Capital increase and number of shares of the Absorbing Company after the Cross-Border Merger

The Cross-Border Merger will result in a capital increase of the Absorbing Company by an amount of EUR 117,830,672.38 so as to increase the capital from its current amount of EUR 61,500 to EUR 117,892,172.38 through the issue of 190,135,621 Shares to the shareholders of the Absorbed Companies and bring the total number of shares in the Absorbing Company to 190,162,681 shares, in accordance with the exchange ratios.

After the completion of the Cross-Border Merger, the shareholding of the Absorbing Company will be split among the existing shareholders of the Merging Companies as follows:

- 27,060 Shares out of the total of 190,162,681 Shares will be held by the existing shareholders of the Absorbing Company pre-merger;
- 124,170,201 Shares out of the total of 190,162,681 Shares will be held by the existing shareholders of the Company pre-merger; and
- 65,965,420 Shares out of the total of 190,162,681 Shares will be held by the existing shareholders of Hellenic Cables S.A. pre-merger.

For the remaining terms of the Cross-Border Merger, the board of directors refers to the Merger Terms attached to this Report as Schedule 1.

4.3 Procedural mechanics of the Cross-Border Merger

The Cross-Border Merger is being implemented in accordance with the provisions of law 3777/2009 in conjunction with law 2190/1920.

The shareholders' meeting of the Company is scheduled to take place on or around 25/11/2016 in order to vote on the Cross-Border Merger. The approval of the Merger Terms of the Cross Border Merger requires:

- (i) quorum equal to the two third (2/3rd) of the Company's paid share capital pursuant to article 25§3 of its Articles of Association and
- (ii) majority equal to the two third (2/3rd) of the votes cast in the Company's shareholders' meeting pursuant to article 26§2 of its Articles of Association.

In order to be completed, the Cross-Border Merger will also need to be approved by the shareholders' meeting of the other Merging Companies.

The Cross-Border Merger will take effect on the date on which the designated notary in Belgium competent to scrutinise the legality of the Cross-Border Merger (i) shall have received from the Greek Ministry of Economy, Development & Tourism the certificate conclusively attesting the proper completion of the relevant pre-merger acts and formalities under Greek law (the ***Pre-Merger Certificate***), and (ii) further to the receipt of such Pre-Merger Certificate, shall have certified that the Cross-Border Merger is completed.

4.4 Consequences of the Cross-Border Merger

(a) Legal consequences

From the date the Cross-Border Merger takes effect, the legal consequences as set out in article 12 of law 3777/2009 will apply. Upon the Absorbed Companies being dissolved without going into liquidation, all of the Absorbed Companies' assets and liabilities as a whole with all of their rights and obligations will be transferred to the Absorbing Company. The Absorbing Company will automatically substitute the Absorbed Companies in all their rights and obligations. Concomitantly to the Cross-Border Merger becoming effective, the Absorbing Company shall allocate all assets and liabilities received from the Absorbed Companies to its Greek Branch. As a consequence of the Cross-Border Merger, the Absorbed Companies will cease to exist.

In accordance with the Merger Terms, all acts and transactions of the Absorbed Companies shall be deemed for accounting purposes to have been effected by and for the account of the Absorbing Company as from 1 August 2016.

(b) Consequences of the Cross-Border Merger for the shareholders

The new Shares will be issued to the former shareholders of the Absorbed Companies in dematerialised form to the securities accounts of the former shareholders of the Absorbed Companies via Euroclear Belgium, the Belgian central securities depository, or via the Dematerialised Securities System (the ***DSS***), the Greek central securities depository which is run by the Hellenic Central Securities Depository S.A. (the ***Athex CSD***). Such issuance will take place as follows:

- (i) absent the filing of the form set out in paragraph (ii) below, delivery of the new Shares will take place in the DSS accounts of the shareholders of the Absorbed Companies. Shareholders who wish to open a DSS account can appoint one or more members of the Athens Exchange (***Athex***) or custodian banks as authorised operators (the ***DSS operators***) of their DSS account. All new Shares issued to the shareholders of the Absorbed Companies held in book-entry form through DSS are recorded in the DSS and all relevant transfers settled through DSS are monitored through the Investors Shares and Securities Accounts kept in DSS. The Athex CSD, as the administrator of DSS, will (directly or indirectly) maintain a

position of such shares in a securities account with Euroclear Belgium which corresponds to the aggregate number of such shares held in book-entry form through DSS. In case any shares of the Absorbed Companies are subject to any encumbrances, delivery of the new Shares in exchange of such shares will only be made through Athex CSD and new Shares issued by the Absorbing Company to the shareholders of the Absorbed Companies will be subject to the same encumbrances. Encumbrance of a share means any right *in rem* over such share other than ownership, including but not limited to any usufruct, pledge, financial collateral or other security interest, and any attachment, order, judgment, act of judicial or administrative authority or other legal act of whatever nature restricting the exercise of the rights of the holder of such share and/or the ability of such holder to transfer or otherwise dispose of such share;

(ii) shareholders of the Absorbed Companies may opt to take delivery of the new Shares through ING Belgium SA/NV (**ING**). In order to do so, such shareholders are required to open a securities account with ING. In addition, such shareholders are required to fill in and sign the form that will be made available on the Absorbed Companies' websites in due course and to send such to the investor relations department of the Absorbing Company at the latest by the date that will be communicated by the Absorbed Companies. Forms which are received after such date, which are not fully filled in or contain errors, shall not be processed. Any forms pertaining to the delivery of any shares subject to encumbrances through ING shall not be processed. Encumbrance of a share means any right *in rem* over such share other than ownership, including but not limited to any usufruct, pledge, financial collateral or other security interest, and any attachment, order, judgment, act of judicial or administrative authority or other legal act of whatever nature restricting the exercise of the rights of the holder of such share and/or the ability of such holder to transfer or otherwise dispose of such share; and

(iii) to the extent the number of new Shares that a shareholder of Hellenic Cables S.A. is entitled to receive as per application of the exchange ratio is a fractional number that has been rounded down, such shareholder shall have the right to opt to take delivery of the new Shares through ING in relation to the whole new Shares such shareholder is entitled to receive only. Likewise, shareholders of Hellenic Cables S.A. will only be entitled to receive the whole new Shares they are entitled to in their Athex CSD account, without having regard to any fractional rights to new Shares. The number of new Shares that remain outstanding after new Shares have been delivered to the shareholders of Hellenic Cables S.A. in accordance with this paragraph will be delivered through the Athex CSD and will be treated according to article 44(a) §2 of Greek law 2396/1996, combined with resolution no. 13/375/17.3.2006 of the board of directors of the HCMC. According to these provisions, the number of new Shares that cannot be delivered as a result of certain shareholders of Hellenic Cables S.A. being entitled to a fractional number of new Shares will be deposited in a collective account on behalf of all such shareholders. Such shareholders will have six months from the listing of the new Shares on Euronext and the Athex to purchase or sell fractional number of new Shares so as to acquire ownership of a whole number of new Shares. Fractional number of new Shares deposited on the collective account will be delivered from time to time to the securities account of the shareholders of Hellenic Cables S.A. acquiring an entitlement to receive a whole number of new Shares. Any dividends or other distributions to which the fractional number of new Shares deposited on the collective account would become entitled before delivery to the securities account of the shareholders of Hellenic Cables S.A. will be deposited on the collective account. Such amounts will be paid to the shareholders acquiring the sole ownership of new Shares pro rata to the new Shares they have acquired as per this paragraph, upon delivery of such new Shares on their securities account. Voting rights attached to the fractional number of new Shares deposited on the collective account shall be suspended in accordance with the articles of association of the Absorbing Company. After the lapse of the six-month period referred to above, the Absorbing Company shall apply to the HCMC, which will appoint an Athex member in order to sell any remaining fractional

number of new Shares that are held in the collective account on the market. The proceeds of such sale shall be deposited with the Greek Loans and Deposits Fund. The former shareholders of Hellenic Cables S.A. who have not sold or purchased their fractional number of new Shares will receive the amount corresponding to the sale of such fractional number. Additional information with regard to the necessary documents that the former shareholders of Hellenic Cables S.A. or their duly authorised representatives must submit to the Absorbing Company and/or to the Greek Loans and Deposits Fund to receive their payment from the Greek Loans and Deposits Fund, will be announced in due course.

The above description on the issuance and distribution of the new Shares to the former shareholders of the Absorbed Companies may be further refined or amended based on the finalisation of the practical implementation of the Cross-Border Merger. The Merging Companies will make available any relevant additional information in due course.

The former shareholders of the Absorbed Companies will be entitled to participate in the profits of the Absorbing Company for each financial year, starting with the year ending on 31 December 2016.

(c) Consequences of the Cross-Border Merger for the employees

The Cross-Border Merger will have no adverse effect on employment for the employees of the Merging Companies. The Company currently employs five employees which will be transferred to another entity of the group within November 2016.

(d) Consequences of the Cross-Border Merger for the creditors

Upon the Cross-Border Merger taking effect, the creditors of the Company will become direct creditors of the Absorbing Company, whereas any debt outstanding between the above companies will cease to exist due to confusion.

Under Greek law and in accordance with article 8 of the Greek Law 3777/2009 and article 70 of the Greek Codified Law 2190/1920, the creditors of the Company, whose claims existed prior to the publication of the Merger Terms and are still outstanding, can claim adequate security within 20 days from the publication of the Merger Terms on the website of the Company pursuant to article 70, §1 of the Greek Codified Law 2190/1920, provided that the financial condition of the Company renders necessary the granting of such security and that no such adequate security has already been obtained by the creditors. Any dispute arising in connection with the above shall be resolved by the competent Court of First Instance of the registered seat of the Company pursuant to the procedure of summary proceedings following a petition filed by the interested creditor. The application must be filed within 30 days from the publication of the Merger Terms on the website of the Company pursuant to article 70, §1 of the Greek Codified Law 2190/1920.

Pursuant to article 684 of the BCC, creditors of the Merging Companies can request additional security in relation to outstanding claims that existed prior to the publication in the Annexes to the Belgian State Gazette of the notarial deed establishing completion of the Cross-Border Merger, within two months from such publication. The Absorbing Company, to which the claim will have been transferred and, as the case may be, the Absorbed Companies, can each set aside the request by settling the claim at its fair value after deduction of a discount. In the absence of an agreement or if the creditors remain unpaid, the request is referred to the president of the commercial court in the judicial district of the debtor's registered office who will determine if a security is to be provided and the time limit within which such security must be set as the case may be. If the security is not provided within the set timeframe, the claim shall immediately become due and payable.

(e) Consequences of the Cross-Border Merger for the real estate and intellectual property rights

The Absorbed Companies do not hold any real estate or intellectual property rights. The plots of land referred to Annex 2 of the Merger Terms which Hellenic Cables S.A. held in its property as at 31st July 2016, were transferred by such company prior to the signature of these Merger Terms by virtue of notarial deed 21164/13-9-2016 signed before the Notary Public El.Tzembetzi.

4.5 Methods used to determine the share exchange ratios; the importance of these methods; the valuation derived from these methods; the difficulties that arose and the proposed exchange ratios

(a) Share capital of the Merging Companies

(i) Absorbing Company

The Absorbing Company's share capital amounts to EUR 61,500 and is divided into 615 Shares without nominal value. The Absorbing Company has only one class of shares. All Shares currently outstanding are in registered form, and are freely transferable and fully paid up.

Such Shares will be subject to a stock split whereby they will be split by a factor of 44 and result in the number of Shares being increased from the current number of 615 Shares to 27,060 shares. Such stock split shall be decided by the shareholders' meeting of the Absorbing Company on or around 3 November 2016, prior to the listing of the initial shares of the Absorbing Company which is scheduled to take place on or around 24 November 2016.

(ii) Absorbed Companies

The share capital of the Company amounts to EUR 96,852,756.78, divided into 124,170,201 common registered shares with a nominal value of EUR 0.78 each. The Company has only one class of shares. All such shares are in dematerialised form and are freely transferable and fully paid up.

The share capital of Hellenic Cables S.A. amounts to EUR 20,977,915.60, divided into 29,546,360 common registered shares with a nominal value of EUR 0.71 each. Hellenic Cables S.A. has only one class of shares. All such shares are in dematerialised form and are freely transferable and fully paid up.

(b) Methods used for the valuation of the companies and the determination of the exchange ratios

The respective values of the Absorbing Company and the Absorbed Companies have been determined as follows.

(i) Absorbing Company

The value of the Absorbing Company has been determined based on its net asset value (i.e. EUR 52,302.4038593608 as at 31 July 2016). Since the only asset of the Absorbing Company consists of its initial capital during its incorporation minus the incorporation costs, its value is minimal as compared to the value of the Absorbed Companies.

(ii) General Overview for the Absorbed Companies

The Absorbed Companies are both listed holding companies. For the purpose of their valuation and the determination of the respective share exchange ratios, the following valuation methods have been used:

- a combination of the discounted cash flow method (the **DCF Method**), as the primary method used for the valuation of the companies in which the Absorbed Companies hold participations, and the adjusted net asset value method (the **Adjusted Net Asset Value Method**) as the method used for the valuation of those other companies in which Absorbed Companies hold participations which are less significant in size; and
- the stock market analysis method (the **Stock Market Analysis Method**); such method is based on the analysis of the historical trading prices of a company on the respective stock exchanges on which its shares are traded prior to the valuation date.

With respect to the valuation of the Absorbed Companies, the board of directors considered:

- that more than one method should be used to value the companies, as this broadens the valuation process and allows substantial verification of the results obtained; and
- that the same methods should be used for both Absorbed Companies, in order to ensure that the resulting values are homogeneous and comparable.

The board of directors is of the view that the most accurate and relevant valuation methodology is the DCF Method which values the intrinsic value of a company as the sum of the present value of the future cash flows generated from the business plan projections and the terminal value. The DCF Method is considered as the most theoretically sound scientific approach and acceptable method for determining values of companies. In respect of the application of the DCF Method to the Absorbed Companies, the board of directors noted the following:

- in the case of the Company, the contribution of each company held by it (e.g., CPW Pipe Industry, Humbel, Ltd etc.) to the value of the Company was estimated by multiplying the participation interest which the Company holds in each company with the value which was estimated for each such company in application of the DCF Method; the values derived were used in order to adjust the net asset value of the Company as follows:

Equity Value Reported + Value of Investments following DCF – Book Value of Investments

- in the case of Hellenic Cables S.A., the contribution of each company in which Hellenic Cables S.A. hold shares (e.g., Hellenic Cables Industry, Fulgor, Lesco O.o.d., etc.) to the value of Hellenic Cables S.A. was estimated by multiplying the participating interest that each of them holds in each company with the value which was estimated for each such company in application of the DCF Method; the values derived were used in order to adjust the net asset value of Hellenic Cables S.A. as follows:

Equity Value Reported + Value of Investments following DCF – Book Value of Investments

The board of directors further noted in relation to the application of the DCF Method to the Absorbed Companies that:

- for the smaller sized subsidiaries of the Absorbed Companies, the DCF Method was not used but rather was replaced by the Adjusted Net Asset Value Method after making proper adjustments in their equity value (where necessary); and

- the net assets of the Absorbed Companies were estimated at current prices following IFRS rules and the valuation of real estate assets were performed by sworn-in valuers.

The combination of the DCF Method (as the case may be, combined with the Adjusted Net Asset Value Method) and the Stock Market Analysis Method allows to take into consideration and factor the impact on the share prices of the Greek sovereign crisis and the increase of the perceived Greek country risk which impact the valuation of the Absorbed Companies and their subsidiaries.

The results of these two methods have been weighted in the proportion of 60% for the DCF Method (as the case may be, combined with the Adjusted Net Asset Value Method) and 40% for the Stock Market Analysis Method, to arrive at the final valuation of the Absorbed Companies. The board of directors decided to apply a lower weight on the method based on the stock price due to the fact that the shares of the Absorbed Companies have been very volatile over the last years.

The following paragraphs provide the valuation outcomes for each of the Absorbed Companies following application of the DCF Method (as the case may be, combined with the Adjusted Net Asset Value Method) and the Stock Market Analysis Method.

(iii) Company

- Valuation of the Company following the DCF Method (as the case may be, combined with the Adjusted Net Asset Value Method)

Based on the DCF Method, the value of each of the participations held by the Company is estimated through its future cash flows which are calculated according to the business plan of each such participation. Cash-flows are discounted using each participation's Weighted Average Cost of Capital (WACC), which reflects each participation's financial structure and the risk related to the sector in which it operates, after adjusting for net debt. For any other assets including non-operational assets (for example, real estate assets if applicable), the estimated value results from the application of the adjusted net asset value valuation methodology or will follow valuations made by qualified real estate appraisers.

The contribution to the value of the Company based on the DCF Method and, where appropriate, the Adjusted Net Asset Value Method is summarised below.

	Contribution / Adjustment (in EUR thousand)	
	Minimum	Maximum
<i>Equity reported as per 31/7/2016 (A)</i>	140,779	140,779
(+) Market value of participations / investments	286,792	343,985
(-) Book value of participations / investments	(139,466)	(139,466)
<i>Contribution of adjustments (B)</i>	147,325	204,519
Adjusted net assets value (A) + (B)	288,104	345,297

Based on the valuation as described above, the value of the Company ranges between EUR 288,104,038 and EUR 345,297,169 as at 31 July 2016.

- Valuation of the Company following the Stock Market Analysis Method

For the purpose of calculating the average stock market price of the Company and determining a range of market values, the board of directors has used the volume weighted averages per trading days of the last one, three and six months, for the period leading to 31 July 2016. On this basis, the average stock market price was set in a range of EUR 0.73 and EUR 0.86 per share, as illustrated hereunder.



Taking into account the Stock Market Analysis Method, the market capitalisation of the Company would result in a range between EUR 90,644,247 and EUR 106,786,373.

- Resulting valuation of the Company

As shown in the following table, based on the combination of the outcome of the two methods outlined above, the value of the Company amounts to a range between EUR 209,120,122 and 249,892,850, or EUR 1.68 to EUR 2.01 per share.

Valuation method	Weight	Estimated value (EUR)	
		Minimum	Maximum
Adjusted Net Asset Value Method	60%	288,104,038	345,297,169
Stock Market Analysis	40%	90,644,247	106,786,373
Total	100%	209,120,122	249,892,850

(iv) Hellenic Cables S.A.

- Valuation of Hellenic Cables S.A. following the DCF Method (as the case may be, combined with the Adjusted Net Asset Value Method)

Based on the DCF Method, the value of the participations held by Hellenic Cables S.A. is estimated through its future cash flows which are calculated according to the business plan of the relevant company. Cash-flows are discounted using each company's WACC, which reflects each company's financial structure and the risk related to the sector in which it operates, after adjusting for net debt. For any other assets including non-operational assets (for example, real estate assets), the estimated value results from the application of the adjusted net asset value valuation methodology or will follow valuations made by qualified real estate appraisers.

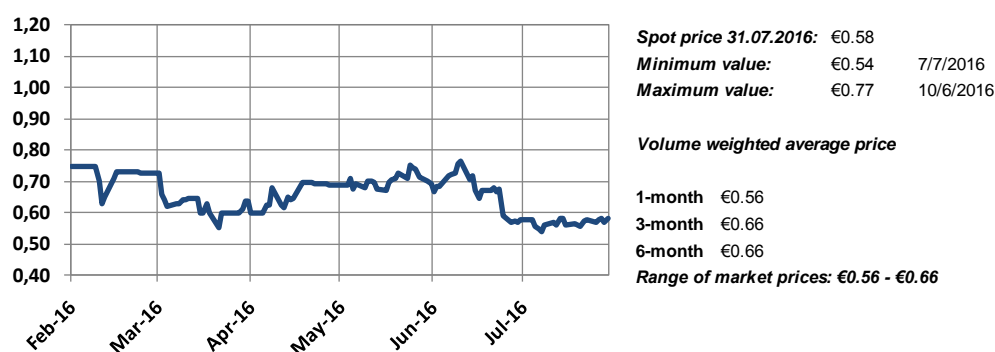
The contribution to the value of Hellenic Cables S.A. based on the DCF Method and, where appropriate, the Adjusted Net Asset Value Method is summarised below.

	Contribution / Adjustment (in EUR thousand)	
	Minimum	Maximum
Equity reported as per 31/7/2016 (A)	87,874	87,874
(+) Market value of participations / investments	183,725	233,869
(-) Book value of participations / investments	(82,023)	(82,023)
Contribution of adjustments (B)	101,702	151,846
Adjusted net assets value (A) + (B)	189,576	239,719

Based on the outcome of valuation as described above, the value of Hellenic Cables S.A. would amount to a range between EUR 189,575,616 and EUR 239,719,489 as at 31 July 2016.

- Valuation of the Hellenic Cables S.A. following the Stock Market Analysis Method

As mentioned above for the Company, for the purpose of calculating the average stock market price and determining a range of market values for Hellenic Cables S.A., the board of directors has used the volume weighted averages per trading days of the last one, three and six months for the period leading to 31 July 2016. On that basis, the average stock market price was set in a range of EUR 0.56 and EUR 0.66 per share, as illustrated hereunder.



Taking into account the Stock Market Analysis Method, the market capitalisation of Hellenic Cables S.A. would result in a range between EUR 16,545,962 and EUR 19,500,598.

- Resulting valuation of Hellenic Cables S.A.

As shown in the following table, based on the combination of the outcome of the two methods outlined above, the value of Hellenic Cables S.A. amounts to a range between EUR 120,363,754 and EUR 151,631,932 or EUR 4.07 to EUR 5.13 per share.

Valuation method	Weight	Estimated value (EUR)	
		Minimum	Maximum
Adjusted Net Asset Value Method	60%	189,575,616	239,719,489
Stock Market Analysis	40%	16,545,962	19,500,598
Total	100%	120,363,754	151,631,932

(c) Methods that were not selected

The following methods were not selected for the purpose of determining the value of the Absorbed Companies and the exchange ratio of the Cross-Border Merger: (i) the method based on listed comparable multiples and (ii) the method based on transactions multiples.

These methods were not considered as relevant to the purpose of the Cross-Border Merger for a number of reasons including the following:

- it is quite difficult to construct a representative and adequate benchmark set of comparable peers in terms of size, markets, product range and countries of operations; and
- these methods fail to take into consideration the impact of the sovereign crisis and the high cost of equity of the Greek economy.

4.6 Difficulties that arose in determining the value of the merging companies and the exchange ratio

No particular difficulty arose for the determination by the board of directors of the valuation of the Merging companies and the exchange ratios.

5. RIGHT TO REVIEW THIS REPORT

In accordance with article 5§2 of law 3777/2009, the shareholders and the employees of the Company have the right to review this Report at its registered office, at least one month before the date of the extraordinary shareholders' meeting deciding on the Cross-Border Merger.

6. COMPLIANCE OF THIS REPORT WITH THE PROVISIONS OF THE ATHEX RULE BOOK

The present report includes all information required by article 4.1.4.1.3. of the Athens Stock Exchange Rulebook concerning the valuation of the Merging Companies and the share exchange ratio. Therefore the present report constitutes the report by the Board of Directors of the Company provided in articles 4.1.4.1.1. and 4.1.4.1.3. of the Athens Stock Exchange Rulebook, to be addressed to the general meeting of the shareholders of the Company, which

will resolve, inter alia, on the approval of this report and the Cross Border Merger. In accordance with article 4.1.4.1.1. of the Athex Stock Exchange Rulebook, the present report: (a) shall be sent to the Athex for posting it on its website concomitantly with the convocation of the general meeting of the shareholders of the Company; (b) shall be posted on the Company's website, and (c) shall be submitted to the shareholders of the Company at the general meeting which shall resolve on the Cross-Border Merger for approval, and shall be recorded in its written minutes accordingly.

Athens, 18/10/2016

THE BOARD OF DIRECTORS