

**PRESS RELEASE**  
**Group Financial Results – Nine Months 2018**

**Strong results in Concessions and Renewables, offset by weaker Construction**

ELLAKTOR Group's consolidated turnover in the nine months of 2018 increased by 1.4%, reaching €1,381.6m compared to €1,362.8m in the corresponding period in 2017, according to the nine months financial results of 2018, as presented in accordance with the International Financial Reporting Standards (IFRS)<sup>i</sup>. The strongest performing segments were Renewables (up 21%), Concessions (up 10%) and Environment (up 5%). Construction revenues decreased by 0.7% and Real Estate by 2% vs 9M 2017.

Consolidated earnings before interest, taxes, depreciation and amortization (EBITDA) reached €58.9m vs €125.4m for the corresponding period in 2017. Consolidated earnings before interest & taxes (EBIT) showed a loss of €16.8m vs profits of €47.6m for 9M 2017. At the level of earnings before taxes (EBT), the Group reported losses of €77.4m, compared to losses of €1.5m in the corresponding period in 2017. Results after taxes show losses of €102.8m vs losses after tax of €27.5m for 9M 2017.

Group consolidated nine months results for 2018 include the following items with a total negative effect of €160m, out of which €10m is for a provision for a withholding tax receivable in Concessions, while the remaining €150m correspond to Construction (AKTOR) activity losses in the Balkans and the Middle East, and among others include:

- Losses due to Romanian JV partners obligations of €28.9m
- Losses of €46.6m for projects in Romania due to a) profitability reassessment because of change in the circumstances in projects' implementation and b) criteria imposed by IFRS 15 "Revenue from contracts with customers"
- Provision for ISF (Qatar) exit deal of €18.9m
- Associate impairment overseas of €8.9m

For the organizational and operational reset of Construction (AKTOR) the following measures, among others, have been taken:

- Deep dive analysis, supported by external advisors with a focus on the Balkans;
- Introduction of monthly cash-flow, cost and project implementation monitoring processes per country and per construction site;
- Safeguards put in place internationally, for tendering and project implementation, in order to protect profitability;
- Review of all projects and stop-loss withdrawal from the ISF in Qatar;
- Appointment of a Chief Operating Officer in AKTOR, supported by a dedicated task force, with a top priority in risk management of international projects.

Commenting upon the financial results for the nine months of 2018, the Group CEO, Mr. Anastassios Kallitsantsis, stated:

*"The critical need for organizational and operational change in Construction, in order to return to profitability, is confirmed fully by the impact that the projects in the Balkans and the Middle East had in the third quarter on*

*the Group's results. We have already taken a series of measures in our international operations, so that our focus is not only on backlog, but rather on future profitability. The measures we are taking are aimed at ensuring that going forward Construction does not offset the profitable performance of our other segments. Over the last four months, ELLAKTOR has initiated a reset process and Management is on track with implementing the reforms approved by the Annual General Meeting of the Shareholders in July 2018. This is what we will continue to pursue, so that the Group can return to creating long-term shareholder value".*

The corporate net debt of the Group (excluding the consolidated BOT concessions) as at 30.09.2018 stood at €592.9m compared to €514.7m as at 31.12.2017.

## **Figures per segment:**

### Construction Segment

In the nine months of 2018 the segment recorded a turnover of €1,090.6m compared to €1,098.4m for the same period of 2017. Construction recorded operating losses of €113.6m vs losses of €29.6m for 9M 2017. EBT recorded losses of €130.4m compared to losses of €38.8m in the corresponding period in 2017, while results after tax in the construction segment stood at losses of €131.7m vs losses after tax of €46.3m for 9M 2017.

Construction segment's backlog at 30.09.2018 was €1.6 billion, with almost 55% corresponding to projects executed abroad. AKTOR maintains its leading position in Greece with a market share of circa 41%.

After 30.09.2018, the Construction segment secured €166m of new projects, while AKTOR, through a joint venture, participates in a railway project tender of approximately €700m in Romania and has been qualified to the second phase of the €1.45 billion tender for "Line 4 of Attiko Metro".

### Concessions Segment

Turnover amounted to €179.9m in the nine months of 2018, increased by 9.9% compared to €163.7m for the same period in 2017, mainly due to an increase by 4% of traffic in Attiki Odos, but also from revenues of Attikes Diadromes as a result of the Egnatia Odos project. Operating results show profits of €60.5m vs profits of €62.1m in the same period last year, because of a €10.0m provision in 2018 for a withholding tax receivable. Profits before taxes amounted to €38.4m compared to €41.6m, in the nine months of 2017, and net profits after taxes amounted to €23.7m vs €29.0m in 9M 2017.

After 30.09.2018 AKTOR CONCESSIONS acquired 6.5% of the shares of ATTIKI ODOS S.A. and a proportionate percentage of the shares of the company ATTIKA DIODIA S.A., increasing its stake in those companies to almost 66% from circa 59% previously, reaffirming its leading position in the segment.

### Environment Segment

The segment recorded a turnover of €63.3m in the nine months of 2018, compared to €60.3m for the same period in 2017, namely an increase of 5.1%. Operating results were profits of €18.1m vs profits of €0.1m but they include non-recurring items of €5.8 ml from past revenue recognition and a €4.2m release of past provisions. Respectively, financial results of 2017 were impacted by a provision for reparations amounting to €3.9m. Results before taxes were profits of €18.7m compared to profits of €0.5m for the nine months of 2017, while results after taxes were profits of €13.6m vs losses of €1.6m in 9M 2017.

### Renewables Segment

Turnover of €42.7m in the nine months of 2018, compared to €35.2m in the same period in 2017, increased by 21.3%, due to improved wind performance data but also the increase in installed capacity, from 243.2 MW in the nine months 2017, to 289.10 MW in the nine months of 2018 (that has in the meantime currently increased to 296MW). Operating results amounted to profits of €23.0m vs profits of €17.8m, while earnings after taxes to €10.6m vs €7.7 m for 9M 2017. Renewables exhibit strong growth, reflecting the positive impact of deployed capital expenditure, which is fully aligned and on track with its investment plan. Additional projects with a total installed capacity of 195MW are currently under construction.

### Real Estate Segment

The segment recorded turnover of €4.9m for the nine months of 2018, compared to €5.0m for the same period of 2017. Operating results amounted to profits of €0.7m vs profits of €0.1m for 9M 2017 and results after taxes amounted to losses of €1m compared to losses of €2m for the same period of 2017.

The second phase of the development of the Smart Park is underway, expanding the current 36,500 square metres to a total of 50,000 square metres and doubling the number of retail shops and entertainment spaces.

### Parent Company

At parent company level, there were no sales neither in the nine months of 2018 nor in the same period in 2017. Results before interest & tax (EBIT) amounted to losses of €3.1m vs losses of €1.2m; results before taxes amounted to profits of €20.9m compared to losses of €1.9m; and results after taxes amounted to profits of €20.9m vs losses of €1.9m for 9M 2017.

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<sup>i</sup> **The Alternative Performance Measures (APMs)** refer to the Interim Summary Financial Report in accordance with International Accounting Standard 34, for the period from 1 January to 30 September 2018 (note 2.6).