



**MANAGEMENT REPORT OF THE BOARD OF DIRECTORS
ON THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS OF AKTOR
SA FOR THE YEAR ENDED ON 31 DECEMBER 2015**

AKTOR SA
CONSTRUCTION COMPANY
25 ERMOU STR. - 14564 KIFISIA
Tax ID No.: 0941497220
Tax Office: Athens Tax Office for Sociétés Anonymes
SA Reg. No 8153/01AT/B/86/355/05

MANAGEMENT REPORT OF THE BOARD OF DIRECTORS ON THE FINANCIAL STATEMENTS OF AKTOR SA FOR THE YEAR ENDED 31 DECEMBER 2015

This report of the Board of Directors concerns the twelve-month period for the financial year ended on 31 December 2015, and provides summarized financial information about the annual consolidated and separate financial statements and the performance of the Company and the Group. The Report outlines the most important events which took place during 2015, and the effect that such events had on the financial statements, the main risks and uncertainties the Group is faced with, while it also sets out qualitative information and estimates about future activities.

The entities included in the consolidation, except for the parent company AKTOR SA, are those listed in note 26 of the financial statements as of 31.12.2015.

1. Financial results

The Group's revenue amounted to euro 1.161 million in 2014 and recorded a marginal decrease of approximately 0,3% compared to prior year's revenue which stood at euro 1.164 million. 49% of the total revenue for the year was generated from projects in Greece and 51% from foreign projects.

The operating losses of the Group stood at Euro 39,6 million but were negatively impacted by the one-off loss of euro 37,2 million due to impairment in the investments in mining companies. Excluding the one-off impairment loss of euro 37,2 million, the operating loss of the Group for FY 2015 stood at Euro 2,5 million compared to adjusted operating profits of Euro 21,8 million in prior year. Group's loss before tax for FY 2015 stood at Euro 51,9 million (excluding the effect of current year's impairment loss mentioned before loss would amount to Euro 14,8 million) compared to losses of Euro 41,6 million for FY 2014.

The company generated in 2015 revenue of Euro 923,4 million, decreased by 3% compared to the revenue of Euro 950,2 million generated in 2014. Current year's operating losses stood at Euro 2,3 million, versus profits of Euro 8,4 million in prior year. Losses before tax amounted to Euro 12,3 million for FY 2015 and to Euro 6,3 million for FY 2014.

2. Development of activities

Tender of new projects in Greece slowed down in 2015. For this reason, the Group was focused on the progress of assigned projects abroad, for example on the construction of Gold line Metro and the facilities of ISF camp in Qatar, the construction of road projects in Serbia, Albania and FYROM, the construction of wastewater treatment plants (WWTP) in Addis Ababa of Ethiopia. At the same time emphasis was given on the development of construction activities abroad, through the capitalization of the accumulated experience and expertise acquired by Aktor Group in the construction WWTPs and photovoltaic projects. In this context, Aktor as a leader in the joint arrangement of "PTAR Expansion del Salitre" and in cooperation with entities Aqualia Infraestructuras, member of the Spanish Group FCC and also the Colombian company CASS Constructores, has under bided in the international tender for the Design and Construction of the Extension of El Salitre Sewage Treatment Plant, which serves Bogota, the capital of Columbia and is financed by the World Bank (bidding price was \$490 million).

In relation to the construction contracts of photovoltaic projects, after prior years' successful activity in Greece, Italy and other Balkan countries, the Group expanded its operations in 2014 to the markets of UK, Chile and Panama. In 2015 apart from the operation in the three countries mentioned before, the Group expanded further its operations in the US. An agreement was signed in Chile for a photovoltaic park of 146MW and its construction has already started. In Panama, 12MW were connected to the local network and six projects (42MW) with significant backlog are currently under construction. In UK numerous photovoltaic projects have been completed. Aktor Group possesses significant share in the markets of Chile, Panama and the UK which creates high growth opportunities for the forthcoming years. An important event of the year has been the assignment of a 150MW project in Minnesota (USA), the construction of which has already started and its completion is expected at the end of 2016. At the same time, Aktor takes part in international tenders both in the countries mentioned before and also in other countries of Latin America, in Africa and in Middle East so that the foreign operations are furtherly expanded. In the context of those tenders, Aktor has been defined as preferred bidder or has been

shortlisted, and this will have as a result the signing of new contracts (for example Dominican Republic, Chile etc.).

Between the most significant contracts signed by Aktor Group in Greece and abroad for 2015 are the following:

1. Operation and maintenance of the Egnatia Motorway west division and of the vertical axis (2015-2018) with a contract value of Euro 26,2 million.
2. Operation and maintenance of Egnatia Odos east division and of the vertical axis (2015-2018) with a contract value of 26,2 million.
3. Construction of the 1st phase of dry tailings repository at the area of new mining facilities MADEM LAKKOU with a contract value of Euro 27 million.
4. Two lines railway upgrade of Piraeus-Athens Railway station section in joint operation with Terna with a contract value of Euro 13,6 million.
5. Construction of Bucharest – Brasov motorway section in joint operation with Euro Construct Trading 98 SRL with a contract value of Euro 29 million.
6. Construction of six (6) PV Parks with total power of 42MWp at the area of David/Cocle in Panama, of \$ 20,7 million.
7. Construction of one (1) PV Park with total power of 146 MWp at Atacama in Chile, of \$ 55 million.
8. Construction of sixteen (16) PV Parks with total power of 150MWp in Minesota (USA), of \$ 90 million (the project was assigned in 2015 and the contract was signed on 4th February 2016).
9. Construction of twenty-one (21) PV Parks with total power of 155 MWp in England, of Euro 120 million.

In regards with Quarries sector, Aktor Ministry of Environment and Energy and the entered a lease contract for the right to explore and operate the public lignite area at Vevi (Florina). This agreement has not yet been attested by the Greek Parliament.

3. Outlook

The backlog of AKTOR and its subsidiaries amounted to euro 3.2 billion as of 31.12.2015. There are also agreements for construction projects of Euro 148 million which have been signed after 31.12.2015 and construction projects of euro 253 million, the agreements of which are expected to be signed in the near future. Due to the reduction of the project tenders in Greece, AKTOR SA is focused on the development of the international operations of the Group with emphasis on projects tendered in Balkans and Middle East. At this time, foreign operations contribute 51% of the total Group turnover and represent 53% of the construction backlog.

The successful completion of projects in Greece and abroad has strengthened AKTOR's SA international presence and now with its multifarious activities, it keeps developing beyond the areas of infrastructure and constructions.

4. Risks

The prolonged macroeconomic uncertainty in Greece which continued in 2015 has impacted more the inland construction activity of the Group. Expecting the completion of the first review, it is anticipated the stabilization and change of the Greek Economy to a more positive direction. Probable delay in the completion of the review may potentially result in more finance costs as a consequence of the suspension in the projects' timetables.

Probable extension and delay in the tenders of new projects in Greece will impact in the near future the threshold of the Euro 3,2 billion construction backlog.

In regards with the Middle East countries, the decrease in the oil price could potentially lead to cuts in the budget allowances for public infrastructure projects.

Finally, it should be noted that the Hellenic Competition Commission is investigating several Greek and foreign construction companies regarding their operation in Greece. AKTOR SA is included in these companies. Executives from all of these companies have been summoned to testify for the purposes of this procedure which is still in progress.

5. Events after 31.12.2015

At 07.03.2016 it was announced that the subsidiary AKTOR SA in a joint venture with the French SPIECAPAG will undertake the construction of the first section of TAP (Trans Adriatic Pipeline) in north Greece for the transfer of natural gas from Azerbaijan to Europe. This section of the project pertains to the construction of a 180 km pipeline of 48 inches diameter stretching from the Greek-Turkish border to Kavala as well as of supplementary facilities necessary for its operation. The project is expected to be completed in approximately two years.

Kifissia, 31 March 2016
For the Board of Directors

The Chairman of the Board of Directors
DIMITRIOS A. KOUTRAS

This report comprises five (5) pages and is the one mentioned in the audit certificate granted today.

Athens, 14 June 2016
The Certified Auditor-Accountant

Dimitrios Sourbis
Institute of CPA (SOEL) Reg. No 16891
PricewaterhouseCoopers SA
Auditing Firm

Certified Auditors - Accountants
268 Kifissias Avenue
152 32 Halandri
SOEL Reg.No. 113