Half-year report 2014

vimetco

Contents

Financial and Operational Highlights

		H1 2014	H1 2013
Sales	USD million	992	1,079
EBITDA[1)]	USD million	90	109
EBITDA margin		9%	10%
Net (loss)/ profit	USD million	-115	16
Production			
Electrolytic aluminium production	metric tonnes	400,700	436,500
Processed aluminium production	metric tonnes	95,300	90,500
Alumina production	metric tonnes	196,800	203,300
Bauxite production	metric tonnes	651,300	369,000
Coal production	metric tonnes	596,500	516,900
Energy production	MWh	3,346,600	3,389,500

[1]EBITDA: profit before tax, net finance items (operating profit), depreciation, amortisation and impairment.

Note 1
In this half-year report, the term "the Company" refers to Vimetco N.V. and the terms "Vimetco" and "the Group" are sometimes used for convenience where references are made to Vimetco N.V. and its subsidiaries, in general.

The financial statements included in this half-year report are unaudited and they present the consolidated results of Vimetco Group prepared in accordance with IFRS. The indicators/ figures are rounded to the nearest whole number, and therefore, minor differences may result from summing and comparison with the figures mentioned in the financial statements.

This half-year report and the data contained in it was prepared and verified with the greatest possible care. However, rounding and transmission errors, and misprints cannot be entirely ruled out.

Note 2
A list of all abbreviations and definitions used in this report can be found on page 11.

Gheorghe Dobra,
Chief Executive Officer

"During the first half of 2014 we managed to demonstrate once again our commitment to the aluminium industry, after a 2013 challenging year, with low demand, low aluminium prices and increased inputs costs, the beginning of 2014 followed the same trend.Although the aluminium market continued to be affected by adverse external factors which emphasized the fragile environment in which our Group is acting, we managed to demonstrate that we are able to take hard measures including – if required – potential temporary idling of some capacities in our Romanian units, in order to minimize further losses and thus, to act in the benefit of the entire Group. However, we are committed to the industry and to the people who work for us and this is why we concentrated all our efforts to overcome these difficult moments and, in the end, we managed to keep running a constant level of our capacities.

We succeeded to maintain a stable level of EBITDA margin in H1 2014 as compared to H1 2013, but unfortunately due to the high leverage incurred by our China segment, we ended up with a consolidated net loss of USD 115 million, as compared to a consolidated net profit of USD 16 million during H1 2013.

During the first six months, the Group results were significantly influenced by the Chinese segment which was also marked by relatively low aluminium prices and tight cash flows.

In Sierra Leone, in H1 2014 we have noticed an improvement in the results reported by this segment, mainly due to finalisation of the overhaul of the main washing equipment. However this segment’s results continue to be negatively affected by the rough climate and social differences. Moreover, we estimate that our results might be adversely impacted by the rainy season which has already begun and by the epidemic that hit the African area, as all these factors influence the quantity and the quality of the commercial bauxite produced.
We continue to closely monitor the situation in Sierra Leone and we have already implemented measures to prevent any epidemic spreading in the area in which we operate and we are prepared to take the actions necessary to protect our people and our operations, if the case.

We consider that investments in technology which lead to improved and more efficient operations represent the key factor that would make the difference in this industry, in the medium and long-term. This is why, we remained focused on our long-term development strategy to increase the output and sales of high value added products, while we developed and implemented new technologies to support our constant engagement to reduce costs.

Nevertheless we will continue to put our efforts to further improve our products portfolio, by diversifying it and by increasing the quality, in order to meet the requirements of our most demanding customers. Consequently, we will further focus on securing the necessary inputs, thus ensuring the long term profitability and sustainability of our business."

Overview

In H1, Vimetco proved that it remained committed to its long-term development strategy and it managed to continue and, in some cases to finalise the investments already initiated, even though the aluminium industry remained a fragile environment and thus, in order to survive, the companies within this market had to concentrate all their efforts to innovate and reinvent themselves.

In 2013, the weak aluminium market and the increase in the price of raw materials, especially electricity (within the Romanian segment), impacted significantly the Group's financial results. The same trend was noticed during H1 2014; however after having an LME around 1,700 USD/tonne during Q1, in June the LME reported slightly better results being above 1,800 USD/ tonne (exception, for one day when the price was below this level), the monthly average being of 1,834 USD/tonne.

During H1 2014, some producers announced capacity reductions that led to a slow increase in the quotation of aluminium on the London Metal Exchange. Moreover, manufacturers in several sectors switched to aluminium, for several of its properties, being lighter than steel, or relatively cheap compared to copper, and more efficient and, therefore, more cost effective. These are signs that show an improvement of the aluminium environment and make the players within this industry to hope that the market will start to stabilize and will allow those who managed to survive until now to believe again in the sustainability of their businesses.

Vimetco is aware that is acting in a cyclical industry, with strong price increases, followed by equal decreases, and thus the Company's competitiveness comes from its products' value added. Therefore, Vimetco's long-term strategy was and continues to be, achieving the vertical integration, and delivering highly sophisticated aluminium products, for high-end customers. This is why the internal research and development specialists play a very important role within the Group. For example, in Romania as a result of a complex investment programme in technology and research done during the past years, Vimetco managed to increase the output and range of high value added products, both for the primary aluminium and for the processed products sectors, and took advantage of a market where the demand is still strong, and the margins are high. Therefore, Vimetco sold in H1 2014 350,200 tonnes of primary aluminium, 17,000 tonnes less than in H1 2013, while the sales of processed aluminium products increased in H1 2014 to 77,600 tonnes, from 75,000 tonnes, the similar period of the previous year.

During H1 2014, Vimetco continued its tight cost control policy, in order to be able to maintain its competiveness in this extremely challenging international market. Therefore, the Group managed to increase the production and the sales of processed aluminium on the Chinese market, while in Romania the new aluminium scrap processing facilities were extensively used and results followed-up, trying in this way to compensate the extremely high costs with electricity. Moreover, the commercial bauxite produced in Sierra Leone increased significantly in H1 2014 to 651,300 tonnes, as compared to 369,000 tonnes in H1 2013, as the Group intensive efforts to improve and stabilize the production level in Sierra Leone began to show results.

In H1 2014, the Group consolidated its position on the market, and adapted its production according to the demand. Thus, the primary aluminium output decreased to 397,800 tonnes, in H1 2014, from 475,600 tonnes, in H1 2013, and the processed aluminium output slightly increased to 95,300 tonnes, in H1 2014, from 90,500 tonnes, in H1 2013.

The Group sales decreased by 8% in H1 2014 compared to H1 2013, mainly due to the Chinese segment.

Both our segments faced the negative effects of external factors, like low price of aluminium and high production costs, mainly electricity costs. While Romania segment had to overcome the high burden of eco-taxes, in China we still had to deal with a centralized energy market with uncontrollable high prices.

In H1 2014, Vimetco entered into a number of related party transactions. These transactions were entered into at arm's length and under customary market terms. For more details about related party transactions please refer to Note 19 'Related party transactions' of the Condensed Consolidated Interim Financial Statements included in this report.

The Group developed its strategy of vertical integration to secure future profitability and to reduce the major risks. Group's management is permanently trying to identify risks at an early stage, in order to be able to respond and, if possible to mitigate them once they arise.

However, no significant changes arose in respect of the risks and uncertainties faced by the Company during the first six months of 2014, as compared to the ones described in the 2013 Annual Report under the Corporate Governance chapter, Risks & Risk Management section. For a detailed description of the Group's risk exposures and its risk management and internal control systems, please refer to Vimetco 2013 Annual Report, which is available on the Investors Relations area of our website (www.vimetco.com).

Financial review

Sales for H1 were of USD 992 million (H1 2013: USD 1,079 million). This decrease is mainly due to lower aluminium prices, accompanied by weaker demand and slow growth on the market.

The cost of goods sold decreased to USD 940 million, in the first half of this year, from USD 1,023 million during H1 2013, mainly as a result of lower overall sales. Nevertheless the gross profit margin remained stable at 5.2% both in H1 2014 and H1 2013.

In H1 2014, the Group registered an ***EBITDA*** of USD 90 million (down from USD 109 million, in H1 2013); however, the Group's net loss reached a level of USD 115 million, from a net profit of USD 16 million in H1 2013.

The ***operational results*** were highly influenced by the change in fair value of the derivatives embedded in an energy supply contract concluded by one of the Group subsidiaries, which generated a loss of USD 25 million during H1 2014 as compared to a gain of USD 50 million during H1 2013 (for more details, please see Note 15 of the Condensed Consolidated Interim Financial Statements).

In addition the ***net finance costs*** (finance costs less finance income) increased to USD 115 million, in H1 2014, from USD 85 million, in H1 2013, as the net interest expenses were up to USD 111 million, from USD 81 million, in H1 2013 (for more details, please see Note 7 of the Condensed Consolidated Interim Financial Statements).

The ***net group loss*** for H1 2014 was USD 115 million and it was negatively influenced mainly by the lower revenues from sales, by higher finance costs in China (i.e. the interest expense has increased by USD 33 million in H1 2014 compared to H1 2013) and by the loss on derivative financial instruments in Romania.

The Group's ***total assets*** reported for 30 June 2014 were of USD 5,470 million (31 December 2013: USD 5,514 million), out of which the non-current assets amounted to USD 3,868 million, a higher level compared to 31 December 2013 of USD 3,836 million, mainly due to the acquisition of ownership interest in two coal mines in China and, in Romania due to the increase in the fair value of the derivative financial instruments.

The ***cash and cash equivalents*** at the end of H1 2014 reached USD 809 million, up from USD 761 million, at the end of 2013, out of which restricted cash represents USD 774 million (31 December 2013: USD 700 million). The net cash generated by operating activities decreased to USD 149 million in H1 2014, as compared to USD 312 million in H1 2013.

The Group's ***total liabilities*** slightly increased, at the end of H1 2014, to USD 4,630 million (31 December 2013: USD 4,560 million).

During H1 2014, the Group continued its ***investment strategy***; in China the largest CAPEX item refers to the construction of a deep processing project that successfully made the first unit of cold-rolled coils by using the new cold-rolling technology in the pilot phase of this project initiated in H1 2014. The six roll wholly hydraulic mill located in Henan Province can produce coils having a standard width in a range of 900 – 2,400 mm, the highest-performance in terms of standard width reached at the moment in China. The Group invested until now almost USD 800 million in this deep processing project which has state-of-the-art technology and facilities.

On the other side, the Romanian segment continued to invest in the reconditioning of the electrolytic pots and the management's intention is to invest in the future in processed aluminium and in scrap recycling. Moreover, one of the Romanian subsidiaries finalised in H1 2014 an investment of USD 6 million for the acquisition of new high-performance equipment for extruded products.

Employees - at the end of June 2014 Vimetco employed almost 16,000 people in Asia, Europe and Africa. Vimetco places all its employees on the top of its priorities and is constantly investing in work safety and security, in protection equipment, safety materials and health and safety training programmes. In January one of the Group's subsidiaries in China was awarded the grade of having good and satisfactory results in safety, quality standardization and technology contribution for one of its coal mines and, in February the people's Government of Henan Province announced that one of the Group's subsidiaries located in Henan Province was elected as one of the production safety advance units in this region.

Operational Update

Romania & Sierra Leone (Romanian segment)

The consolidated sales of the Romanian segment ("Alro Group") amounted to USD 315 million in H1 2014, similar to the ones reported in H1 2013. Alro's contribution to the Group consolidated revenues from sales to third parties was of USD 273 million during H1 2014 (H1 2013: USD 277 million), making Alro the most important subsidiary of the Romanian segment.

Production stood at 127,600 tonnes of primary aluminium, a level slightly higher to the one reported in the previous year (H1 2013: 124,600 tonnes). The processed aluminium production in H1 2014 was similar to the one reported last year, being close to a level of 49,000 tonnes. The alumina production registered a slight decrease in H1 2014, to 196,800 tonnes, compared to 203,300 tonnes in H1 2013, while the bauxite production significantly increased up to 651,300 tonnes in H1 2014, from 369,000 tonnes in H1 2013.

In terms of sales, the primary aluminium contribution was of USD 139 million and represented about 44% of the Romanian segment’s sales (H1 2013: USD 145 million). Considering the Alro Group strategy to produce more high value added products, the processed products sales in H1 2014 consolidated their share in total sales, reaching a level of USD 163 million, respectively 52% of the Romanian segment sales, a similar level as in H1 2013.

The main market for Romanian segment’s products is represented by the EU countries (i.e. Romania, Germany, Italy, Poland, Hungary, Greece etc.), about 69% of Group sales being absorbed by this market.

The H1 2014 Alro Group’s net result was a negative one amounting to USD 42 million, compared to a net profit of USD 18 million reported in H1 2013.

A significant impact in Alro Group net result was given by the derivatives embedded in the energy supply contract, whose fair value is highly volatile and generated a loss of USD 25 million in H1 2014, compared to a gain of USD 50 million in H1 2013. Should we exclude the impact of the mentioned derivatives the net result for Alro Group would have been similar to the one reported in H1 2013, i.e. net loss of USD 27 million. Alro Group gross profit increased by USD 7 million in H1 2014, compared to H1 2013, while the gross profit margin was significantly better in H1 2014, i.e. 5.5%, compared to H1 2013: 3.1%.

The operational results of Alro Group were negatively affected by external factors, such as the low level of aluminium prices and high inputs costs.

In order to counteract these adverse circumstances, Alro Group continued its investment programme, both for the projects started last year and also by initiating new projects.

The Group continued the technological upgrading programmes for increasing the quantity and quality of the high value added products. Moreover, it finalised and has extensively used the new aluminium scrap processing facilities as the focus remains on increasing the products’ portfolio and decreasing, in the same time, the dependence on the price of energy and fluctuation of the aluminium price. Moreover, the other Romanian subsidiaries finalised some important investments that already began to show results. For example, in Sierra Leone the significant increase in the quantity of the produced commercial bauxite was possible due to the finalisation of the investments made on the main washing equipment and on the improvement of working efficiency of local staff. Although the results obtained in H1 2014 are promising, the Group management continues to closely monitor the activity in Sierra Leone as the unfavourable climate, epidemics triggered in the area and the beginning of the rainy season have a major impact on the extracted quantity and on the quality of the produced bauxite.

Moreover, one of the Romanian subsidiaries completed an investment of USD 6 million for the acquisition of new high-performance equipment that will allow it to improve the efficiency and competitiveness by increasing the production and export volumes. This investment will allow Vimetco Extrusion to produce a wider range of high quality products, at competitive prices as the new technology has a positive impact on total costs by reducing the energy costs.

At the same time, during H1 2014, Alro Group continued to invest in the reconditioning of the electrolytic pots and intends to invest more in developing the processed aluminium.

China

In H1 2014, the Chinese segment achieved sales of primary aluminium of 290,000 tonnes compared to 308,800 tonnes in H1 2013. Sales of processed aluminium increased to 29,000 tonnes in the first half of 2014, from 27,200 tonnes, in H1 2013.

In China, the Group registered a total production of primary aluminium of 270,000 tonnes, compared to 351,000 tonnes in H1 2013, while the production of processed aluminium increased to 47,000 tonnes, from 42,000 tonnes in H1 2013.

Sales revenues decreased to USD 545 million for primary aluminium in H1 2014, compared to USD 637 million in H1 2013, while the sales of processed aluminium slightly decreased to a level of USD 56 million in H1 2014 (H1 2013: USD 58 million), mainly due to the low aluminium price on the Chinese market.

Due to a high leverage with a corresponding high interest burden, the Chinese segment reported a net consolidated loss attributable to Vimetco N.V. shareholders of USD 65 million during H1 2014 (H1 2013: a net loss of USD 14 million).

Outlook

The aluminium market remains an extremely challenging environment and this is why, Vimetco management considers that the Group should remain focused on its long-term investment strategy and its main objective continues to be securing all necessary raw materials, in order to ensure the sustainability of the business.

For the aluminium industry, H1 2014 came after a difficult 2013 year with a downward trend of the LME price that reached a level of 1,695 USD/tonne in December. Therefore we had to implement tight cost control measures, in order to survive. Some improvements in the aluminium price were noticed in June 2014, after a long period of fluctuation around 1,700 USD/tonne, a level at which most smelters were loss making worldwide.

The second half of 2014 began with higher prices, that even broke the 2,000 USD/tonne level, fact that might have a positive influence over the year-end results, should the trend remain stable. However, the aluminium market remains a fragile environment and Vimetco management is prepared to take any necessary measures, in case the situation requires it.

During the second half of 2014, Vimetco will continue to monitor its costs and the evolution of the external factors such as the aluminium price (both on LME and SME), eco-taxes legislation (in Romania), evolution of the Sierra Leone segment, in order to be able to adapt to the new conditions and requirements as soon as possible and with minimum additional costs.

The results we obtained lately in terms of the efficiency of our operations give us the confidence to continue with our long-term strategy of vertical integration and consolidation of our business.

Moreover, the steps taken in Romania by the local Government to implement a reduction of the eco-taxes burden for the large energy consumers make us looking more optimistic to the future of the aluminium industry in Romania and we will continue our efforts to prove our commitment to the this industry and to our staff and community.

The next six months will be challenging for the industry as the new low cost, high capacity smelters might drive the dynamics of supply and demand by pushing competitors that have higher costs to endure losses. Even after balance is achieved there might be a significant amount of idled capacity awaiting restart in the future when aluminium demand in the developed world recovers.

Vimetco is prepared for all these scenarios and is hopeful that the measures implemented until now, such as: tight costs control, innovations and investments done in respect of new technologies, will allow the Group to take advantage of the market opportunities as soon as the aluminium industry recovers.

Abbreviations used in the report

CAPEX	Capital expenditure
EBIT	Earnings before interest and taxes
EBITDA	Profit before tax, net finance items (operating profit), depreciation, amortisation and impairment
EU	European Union
EURIBOR	Euro Interbank Offered Rate
GD	Government Decision
H1	First half-year
IAS	International Accounting Standards
IFRS	International Financial Reporting Standards
ISO	International Organization for Standardization
KPI	Key Performance Indicators
LIBOR	London Interbank Offered Rate
LME	London Metal Exchange
NSC	National Securities Commission, Romania
Q1	First quarter
ROBOR	Romanian Interbank Offered Rate
U.S.A.	United States of America

Condensed consolidated interim financial statements for the six months ended 30 June 2014
Vimetco N.V.

Condensed consolidated statement of profit or loss and other comprehensive income - unaudited

in USD '000
except per share data

	Notes	Six months ended 30 June 2014	Six months ended 30 June 2013 restated*
Sales	5	991,921	1,079,233
Cost of goods sold		-940,294	-1,022,779
Gross profit		**51,627**	**56,454**
General and administrative expenses		-53,430	-61,535
Impairment of property, plant and equipment		1,990	-635
Gain on disposal of subsidiaries		-	2,820
Share of result of associates		652	-237
Other income	6	22,164	39,168
Other expenses	6	-8,286	-2,378
Operating profit		**14,717**	**33,657**
Finance costs	7	-143,093	-119,561
Finance income	7	28,359	34,608
Fair value gains / (losses) from financial instruments	15	-25,296	50,124
Foreign exchange (loss) / gain		-4,305	4,546
Profit / (loss) before income taxes		**-129,618**	**3,374**
Income tax	8	14,157	12,569
Profit / (loss) for the period		**-115,461**	**15,943**
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
Remeasurements of post-employment benefit obligations		-	-762
Income tax on items that will not be reclassified		-	122
Items that may be reclassified subsequently to profit or loss			
Translation adjustment		1,312	2,578
Gain/(loss) on cash flow hedges		298	-767
Related income tax		-48	123
Amounts of cash flow hedges reclassified to profit or loss		208	178
Related income tax		-33	-28
Other comprehensive income for the period, net of tax		**1,737**	**1,444**
Total comprehensive income / (expense) for the period		**-113,724**	**17,387**
Profit / (loss) attributable to:			
Shareholders of Vimetco N.V.		**-94,446**	**8,957**
Non-controlling interests		**-21,015**	**6,986**
		-115,461	15,943
Total comprehensive income / (expense) attributable to:			
Shareholders of Vimetco N.V.		**-87,998**	**9,006**
Non-controlling interests		**-25,726**	**8,381**
		-113,724	17,387
Earnings per share			
Basic and diluted (USD)	9	-0.430	0.041

* Comparative figures for the 6 months ended 30 June 2013 were restated, please refer to Note 3 for details.

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

Condensed consolidated statement of financial position - unaudited

in USD '000

	Notes	30 June 2014	31 December 2013
Assets			
Non-current assets			
Property, plant and equipment	11	2,880,902	2,895,189
Intangible assets		5,740	6,597
Goodwill	12	194,965	195,688
Mineral rights	13	514,898	525,586
Land use rights		69,471	57,429
Investments in associates	14	66,704	43,001
Derivative financial instruments asset, non-current	15	45,437	33,824
Deferred tax asset		53,852	40,662
Long-term loans to related parties	19	23,836	23,627
Other non-current assets		12,576	14,169
Total non-current assets		**3,868,381**	**3,835,772**
Current assets			
Inventories	16	359,771	415,008
Trade receivables, net		164,576	181,970
Accounts receivable from related parties	19	3,984	17,969
Current income tax receivable		2,885	7,437
Other current assets		260,733	281,627
Derivative financial instruments asset, current	15	488	13,353
Restricted cash	17	774,043	699,268
Cash and cash equivalents		35,256	61,319
Total current assets		**1,601,736**	**1,677,951**
Total assets		**5,470,117**	**5,513,723**

The accompanying Notes are an integral part of these condensed consolidated interim financial statements.

Condensed consolidated statement of financial position - unaudited

in USD '000

	Notes	30 June 2014	31 December 2013
Equity and Liabilities			
Shareholders' equity			
Share capital		27,917	27,917
Share premium		348,568	348,568
Other reserves		48,960	42,508
Retained earnings		-93,854	8,593
Loss for the year		-94,446	-85,269
Equity attributable to shareholders of Vimetco N.V.		**237,145**	**342,317**
Non-controlling interest		603,249	611,801
Total equity		**840,394**	**954,118**
Non-current liabilities			
Loans and borrowings, non-current	18	1,366,613	1,323,530
Loans from related parties, non-current	18	201,666	-
Finance leases, non-current	18	197	248
Provisions, non-current		9,918	9,757
Post-employment benefit obligations		11,169	10,731
Other non-current liabilities		11,127	11,387
Deferred tax liabilities		125,301	128,662
Total non-current liabilities		**1,725,991**	**1,484,315**
Current liabilities			
Loans and borrowings, current	18	1,045,073	1,121,604
Loans from related parties, current	18	38,564	209,584
Finance leases, current	18	96	200
Trade and other payables		1,780,011	1,721,961
Accounts payable to related parties	19	11,295	5,953
Provisions, current		5,543	6,778
Current income taxes payable		9,843	9,166
Derivative financial instruments liability, current	15	13,307	44
Total current liabilities		**2,903,732**	**3,075,290**
Total liabilities		**4,629,723**	**4,559,605**
Total equity and liabilities		**5,470,117**	**5,513,723**

The accompanying Notes are an integral part of these condensed consolidated interim financial statements.

Condensed consolidated statement of changes in equity - unaudited

	Share capital	Share premium	Revaluation reserve	Hedging reserve
Balance at 1 January 2013 restated*	**27,917**	**348,568**	**47,721**	**-4**
Profit for the period	-	-	-	-
Total other comprehensive income	**-**	**-**	**-**	**-504**
Total comprehensive income	**-**	**-**	**-**	**-504**
Dividends distribution	-	-	-	-
Appropriation of prior year loss	-	-	-	-
Non-controlling interests arised in Dengfeng City Daxin Commercial Ltd.	-	-	-	-
Balance at 30 June 2013 restated*	**27,917**	**348,568**	**47,721**	**-508**
Balance at 1 January 2014	**27,917**	**348,568**	**47,721**	**-37**
Loss for the period	-	-	-	-
Total other comprehensive income	**-**	**-**	**-**	**447**
Total comprehensive income	**-**	**-**	**-**	**447**
Dividends distribution	-	-	-	-
Appropriation of prior year loss	-	-	-	-
Non-controlling interests arised in Henan Zhongfu Aluminium Co. Ltd.	-	-	-	-
Non-controlling interests arised in Linzhou Linfeng Aluminium and Power Co., Ltd.	-	-	-	-
Balance at 30 June 2014	**27,917**	**348,568**	**47,721**	**410**

* Comparative figures for the 6 months ended 30 June 2013 and at 1 January 2013 have been restated, please refer to Note 3 for details.

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

in USD '000

Hedging reserve - deferred tax	Translation reserve	Total other reserves	Retained earnings	Profit / (loss) for the period	Attributable to shareholders of Vimetco N.V.	Non-controlling interests	Total shareholders' equity
-	**-9,975**	**37,742**	**152,442**	**-131,750**	**434,919**	**665,009**	**1,099,928**
-	-	-	-	8,957	8,957	6,986	15,943
82	**1,100**	**678**	**-629**	**-**	**49**	**1,395**	**1,444**
82	**1,100**	**678**	**-629**	**8,957**	**9,006**	**8,381**	**17,387**
-	-	-	-	-	-	-16,819	-16,819
-	-	-	-131,750	131,750	-	-	-
-	-	-	2,024	-	2,024	-2,024	-
82	**-8,875**	**38,420**	**22,087**	**8,957**	**445,949**	**654,547**	**1,100,496**
5	**-5,181**	**42,508**	**8,593**	**-85,269**	**342,317**	**611,801**	**954,118**
-	-	-	-	-94,446	-94,446	-21,015	-115,461
-72	**6,077**	**6,452**	**-4**	**-**	**6,448**	**-4,711**	**1,737**
-72	**6,077**	**6,452**	**-4**	**-94,446**	**-87,998**	**-25,726**	**-113,724**
-	-	-	-	-	-	-	-
-	-	-	-85,269	85,269	-	-	-
-	-	-	-16,024	-	-16,024	16,024	-
-	-	-	-1,150	-	-1,150	1,150	-
-67	**896**	**48,960**	**-93,854**	**-94,446**	**237,145**	**603,249**	**840,394**

* Comparative figures for the 6 months ended 30 June 2013 and at 1 January 2013 have been restated, please refer to Note 3 for details.

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

Condensed consolidated statement of cash flows - unaudited

in USD '000

	Notes	Six months ended 30 June 2014	Six months ended 30 June 2013 restated*
Cash flow from operating activities			
Loss before income taxes		-129,618	3,374
Adjustments for:			
Depreciation and amortisation		76,843	74,862
Interest and guarantee income	7	-28,359	-34,402
Net foreign exchange losses / (gains)		2,560	-3,761
Loss on disposal of property, plant and equipment	6	1,789	335
Gain on disposal of land use rights	6	-	-1,327
Gain on disposal of subsidiaries	20	-	-2,820
Impairment of property, plant and equipment		-1,990	635
Release of provisions		-1,228	-2,561
Interest and guarantee expense	7	138,396	116,777
Share of result of associates		-652	237
Effect of derivative financial instruments		15,636	-44,830
Changes in working capital:			
Decrease in inventories		57,210	36,751
(Increase) / decrease in trade receivables and other assets		55,610	-14,780
Increase in trade and other payables		83,563	276,808
Income taxes paid		-863	-2,670
Interest paid		-119,334	-90,435
Proceeds / (payments) from derivatives		-357	-
Net cash generated by operating activities		**149,206**	**312,193**
Cash flow from investing activities			
Purchase of property, plant and equipment and intangible assets, net		-75,073	-192,955
Proceeds from sale of property, plant and equipment		39	338
Proceeds from sale of land use rights		142	2,403
Acquisition of associates	14	-23,498	-543
Proceeds from sale of subsidiaries, net of cash disposed	20	-	-1,085
Proceeds from sale of available-for-sale financial assets		-	4,806
Increase in restricted cash		-81,084	-174,466
Interest received		12,059	15,868
Net cash used in investing activities		**-167,415**	**-345,634**
Cash flow from financing activities			
Proceeds from loans		774,001	689,922
Repayment of loans		-781,623	-571,203
Dividends paid	10	-	-16,827
Net cash generated by/(used in) financing activities		**-7,622**	**101,892**
Net increase / (decrease) in cash and cash equivalents		**-25,831**	**68,451**
Cash and cash equivalents at beginning of period		**61,319**	**177,774**
Effect of exchange rate differences on cash and cash equivalents		-232	1,150
Cash and cash equivalents at end of period		**35,256**	**247,375**

*Comparative figures for the 6 months ended 30 June 2013 have been restated, please efer to Note 3 for details.

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

Notes to the condensed consolidated interim financial statements - unaudited

in USD '000, except per share data

1. Organisation and nature of business

Vimetco N.V. ("the Company") was established on 4 April 2002 as a limited liability company and its registered office is located at Prins Bernhardplein 200, 1097 JB, Amsterdam, The Netherlands. Vimetco N.V. has been listed on the London Stock Exchange since 2 August 2007.

The Company and its subsidiaries (collectively referred to as "the Group") form a global, vertically integrated producer of primary and processed aluminium products. The aluminium operations are located in Romania and China. The Company through its subsidiaries controls also a number of entities engaged in energy production and coal mining business in China and bauxite mining operations in Sierra Leone, which are mainly intergrated in Group' aluminium operations.

The Group's administrative and managerial offices are located in the Netherlands and Romania.

A list of the principal companies of the Group is shown in Note 23. Details of changes in the Group structure are reported in Note 20.

The Company's main shareholder is Vi Holding N.V. which owns and/or controls 59.40% of the issued shares in the capital of the Company. Vi Holding N.V.'s registered office is at Landhuis Joonchi, Kaya Richard J. Beaujon Z/N, Curaçao. The ultimate controlling entity in respect of these 59.40% shares is Maxon Limited (Bermuda). Another major shareholder is Willast Investments Limited, registered at the British Virgin Islands, which owns 10,00%. Of the remaining issued shares, 26.51% is part of the free float within the meaning of the rules of the London Stock Exchange, while 4.09% is held by certain other (affiliated) shareholders.

These are not the Company's statutory financial statements prepared in accordance with Part 9, Book 2 of the Netherlands Civil Code.

These condensed consolidated interim financial statements were authorised for issue by the Board of Directors on 26 August 2014.

2. Basis of preparation

The condensed consolidated interim financial statements included in this report are unaudited and have been prepared in accordance with IAS 34 *Interim financial reporting* as adopted by the EU. They do not include all the information required for full annual financial statements and should be read in conjunction with the annual financial statements of the Group for the year ended 31 December 2013, which have been prepared in accordance with IFRS as adopted by the EU.

Going concern

The Groups' business continued to be significantly affected by the adverse impact of the low aluminium prices. The current economic conditions continue to create uncertainty particularly over the level of demand for the Group's products and will likely continue to impact the Group's future development, performance and financial position and financial results, its cash flows, liquidity requirements and borrowing facilities.

The consolidated financial statements for 6 months ended 30 June 2014 show that the Group generated a loss for the period of USD 115,461. The Group's forecasts and projections, taking account of reasonably possible changes in trading performance, indicate that the Group should be able to operate within the level of its current facilities. After making enquiries, the directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. The Group therefore continues to adopt the going concern basis in preparing its condensed consolidated interim financial statements.

3. Significant accounting policies

Except as described below, the accounting policies adopted by the Group in the preparation of these condensed consolidated interim financial statements are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2013. The following changes in accounting policies are also expected to be reflected in the Group's consolidated financial statements as at and for the year ending 31 December 2014.

3.1 Standards and interpretations effective in 2014

The Group has adopted the following new standards and amendments to standards, including any consequential amendments to other standards, with a date of initial application of 1 January 2014:

- IFRS 10 *Consolidated Financial Statements* (IFRS 10), adopted by the EU on 11 December 2012. IFRS 10 supersedes IAS 27 *Consolidated and Separate Financial Statements* (IAS 27) and SIC 12 *Consolidation-Special Purpose Entities*. IFRS 10 revises the definition of control and provides extensive new guidance on its application. IFRS 10 establishes a single control model that applies to all entities including special purpose entities. The changes introduced by IFRS 10 will require management to exercise significant judgment to determine which entities are controlled and therefore are required to be consolidated by a parent, compared with the requirements that were in IAS 27. Management has reviewed its control assessments in accordance with IFRS 10 and has concluded that there is no effect on the classification (as subsidiaries or otherwise) of any of the Group's investees held during the period or comparative periods covered by these financial statements.

- IFRS 11 *Joint Arrangements* (IFRS 11), adopted by the EU on 11 December 2012. IFRS 11 supersedes IAS 31 *Interests in Joint Ventures* (IAS 31) and SIC 13 *Jointly Controlled Entities– Non-Monetary-Contributions by Venturers*. It aligns more closely the accounting by the investors with their rights and obligations relating to the joint arrangement. In addition, IAS 31's option of using proportionate consolidation for joint ventures has been eliminated. IFRS 11 now requires the use of the equity accounting method, which is currently used for investments in associates. IFRS 11 has no material impact on the financial statements since it is not a party to any joint arrangements.

- IFRS 12 *Disclosure of Interests in Other Entities* (IFRS 12), adopted by the EU on 11 December 2012, requires additional disclosures relating to significant judgements and assumptions made in determining the nature of interests in an entity or arrangement, interests in subsidiaries, joint arrangements and associates and unconsolidated structured entities. Adoption of IFRS 12 will affect the presentation and disclosures to be included in consolidated financial statements of the Group for the year ending 31 December 2014.

- IAS 27 *Separate Financial Statements* (as revised in 2011), adopted by the EU on 11 December 2012. The standard carries forward the existing accounting and disclosure requirements of IAS 27 (2008) for separate financial statements, with some minor clarifications. As well, the existing requirements of IAS 28 (2008) and IAS 31 for separate financial statements have been incorporated into IAS 27 (2011). The Standard no longer addresses the principle of control and requirements relating to the preparation of consolidated financial statements, which have been carried over into IFRS 10 *Consolidated Financial Statements*. The adoption of IAS 27 *Separate Financial Statements* (as revised in 2011) has had no material impact on consolidated financial statements.

- IAS 28 *Investments in Associates and Joint Ventures* (as revised in 2011), adopted by the EU on 11 December 2012. As a consequence of the new IFRS 11 *Joint arrangements* and IFRS 12 *Disclosure of Interests in Other Entities*, IAS 28 *Investments in Associates*, has been renamed IAS 28 *Investments in Associates and Joint Ventures*, and describes the application of the equity method to investments in joint ventures in addition to associates. IAS 28 has no material impact on the financial statements.

- Amendments to IFRS 10, IFRS 12 and IAS 27 *Investment Entities,* adopted by the EU on 20 November 2013. The amendments to IFRS 10 define an investment entity and require a reporting entity that meets the definition of an investment entity not to consolidate its subsidiaries but instead to measure its subsidiaries at fair value through profit or loss in its consolidated and separated financial statements. Consequential amendments have been made to IFRS 12 and IAS 27 to introduce new disclosure requirements for investment entities. The investment entities amendments has had no effect on the Group's consolidated financial statements as the Company is not an investment entity.

- Amendments to IFRS 10, IFRS 11 and IFRS 12: *Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities - Transition Guidance*, adopted by the EU on 4 April 2013. The amendments are intended to provide additional transition relief in IFRS 10 , IFRS 11 Joint Arrangements and IFRS 12 Disclosure of Interests in Other Entities, by "limiting the requirement to provide adjusted comparative information to only the preceding comparative period".

- Amendments to IAS 32 *Offsetting Financial Assets and Financial Liabilities*, adopted by the EU on 13 December 2012. The amendments address inconsistencies in current practice when applying the offsetting criteria in IAS 32 *Financial Instruments: Presentation*. The amendments clarify the meaning of 'currently has a legally enforceable right of set-off' and that some gross settlement systems may be considered equivalent to net settlement. The application of these amendments to IAS 32 has had no impact on the Group's consolidated financial statements as the Group does not have any offsetting arrangements in place.

- Amendments to IAS 36: *Recoverable Amount Disclosures for Non-Financial Assets*, adopted by the EU on 19 December 2013. The amendments require additional disclosures about the measurement of impaired assets (or a group of assets) with a recoverable amount based on fair value less costs of disposal. The application of these amendments to IAS 36 results in more disclosures being made with regard to measurement of impaired assets.

- Amendments to IAS 39: *Novation of Derivatives and Continuation of Hedge Accounting,* adopted by the EU on 19 December 2013. Under the amendments there would be no need to discontinue hedge accounting if a hedging derivative was novated, provided certain criteria are met. The application of these amendments to IAS 39 has no significant impact on the Group's consolidated financial statements.

- IFRIC 21 *Levies*, adopted by the EU on 13 June 2013 sets out the accounting for an obligation to pay a levy that is not income tax. The interpretation addresses what the obligating event is that gives rise to pay a levy and when should a liability be recognised. The Group is not currently subjected to significant levies so the impact on the Group is not material.

In addition to those standards and interpretations that have been disclosed in the financial statements for the year ended 31 December 2013, the following new standards, amendments to standards and interpretations have been issued but are not effective for the financial year beginning 1 January 2014 and have not been early adopted by the Group:

- Amendments to IAS 16 *Property, Plant and Equipment* and IAS 38 *Intangible assets: Clarification of Acceptable Methods of Depreciation and Amortization* (effective for annual periods beginning on or after 1 January 2016), not yet adopted by the EU. The amendment provides additional guidance on how the depreciation or amortization of property, plant and equipment and intangible assets should be calculated. The directors do not anticipate that the application of these amendments will have a significant impact on the Group's consolidated financial statements.

- Amendments to IAS 16 *Property, Plant and Equipment* and IAS 41 *Agriculture: Bearer Plants* (effective for annual periods beginning on or after 1 January 2016), not yet adopted by the EU. Bearer plants will now be within the scope of IAS 16 *Property, Plant and Equipment* and will be subject to all of the requirements therein. The Group does not expect the amendments to have material impact on the financial statements.

- Amendments to IFRS 11 *Joint arrangements: Accounting for Acquisitions of Interests in Joint Operations* (effective for annual periods beginning on or after 1 January 2016), not yet adopted by the EU. IFRS 11 addresses the accounting for interests in joint ventures and joint operations. The amendment adds new guidance on how to account for the acquisition of an interest in a joint operation that constitutes a business in accordance with IFRS and specifies the appropriate accounting treatment for such acquisitions. The directors do not anticipate that the adoption of IFRS 11 will have material impact on the financial statements since it is not a party to any joint arrangements.

- IFRS 15 *Revenue from Contracts with Customers* (effective for annual periods beginning on or after 1 January 2017), not yet adopted by the EU. IFRS 15 establishes a five-step model that will apply to revenue earned from a contract with a customer (with limited exceptions), regardless of the type of revenue transaction or the industry. The standard's requirements will also apply to the recognition and measurement of gains and losses on the sale of some non-financial assets that are not an output of the entity's ordinary activities (e.g., sales of property, plant and equipment or intangibles). Extensive disclosures will be required, including disaggregation of total revenue; information about performance obligations; changes in contract asset and liability account balances between periods and key judgments and estimates. The directors anticipate that the application of the new Standard may affect certain amounts reported in the financial statements and result in more extensive disclosures in the financial statements.

- Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total annual profit or loss.

3.2 Restatement of previously issued consolidated interim condensed financial information

Correction of financial information :

- In 2013, the Group revised the model used for the valuation of derivative instrument embedded in the long-term contract of electricity purchase, and reassessed the method of separation of the compound instrument.

in USD '000, except per share data

- In 2013, one of the Group subsidiaries determined that it underestimated its energy expenses in the prior year, therefore comparative figures of Cost of goods sold for the year ended 31 December 2012 have been restated.

- In 2013, the Group noted an error with one of its subsidiaries, regarding the classification and the accounting treatment for some assets, such as dies and spare parts. As a consequence, assets were reclassified from inventories into property, plant and equipment as a correction of prior period error.

- In 2013, the Group reestimated its decommissioning costs for the premises where it disposes its waste from production. Therefore, it recognized a decommissioning liability as a correction of prior period error with retrospecive effect on the opening balance of 1 January 2012.

- The Group reclassified certain comparatve figures in accordance with the presentation adopted in 2014, for details see Note 7.

As a consequence of the above mentioned reassessments, the comparative figures presented in the Group financial statements for the six months ended 30 June 2013 have been restated, with the following impact on consolidated statement of profit or loss and other comprehensive income (refer also to the Consolidated Financial Statements of the Group at 31 December 2013 for details of the restatements):

	Six months ended 30 June 2013						
	As previously reported	Restatement of embedded derivatives	Restatement of energy expenses	Restatement of inventories	Restatement of decommissioning liabilities	Reclassification	**As restated**
Statement of profit or loss							
Sales	1,090,013	-10,780	-	-	-		1,079,233
Cost of good sold	-1,032,632	-2,002	12,869	-268	-187	-559	-1,022,779
Other expenses	-2,303	-	-	-75	-		-2,378
Finance costs	-119,435	-	-	-	-126		-119,561
Finance income	34,049		-	-	-	559	34,608
Fair value gains/(losses) from financial instruments	29,396	20,728	-	-	-		50,124
Income tax	13,171	1,724	-1,930	62	-458		12,569
Profit (loss) for the period	**-3,614**	**9,670**	**10,939**	**-281**	**-771**		**15,943**
Statement of comprehensive income							
Translation adjustment	3,663	-1,085	-	-	-		2,578
Amounts of cash flow hedges reclassified to profit or loss	-10,602	10,780	-	-	-		178
Related income tax	1,696	-1,724	-	-	-		-28
Other comprehensive income for the period, net of tax	**-6,527**	**7,971**	**-**	**-**	**-**		**1,444**
Total comprehensive income/ (expense) for the period	**-10,141**	**17,641**	**10,939**	**-281**	**-771**		**17,387**

4. Estimates

The preparation of these condensed consolidated interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

In preparing these condensed consolidated interim financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that were applied to the consolidated financial statements for the year ended 31 December 2013.

in USD '000, except per share data

5. Segment information

For management purposes, the Group is organised into geographical segments based on the location of its production sites and operational activities, regardless of where the official registered office is located. The Group's geographical segments are: China and Romania. A list of the principal companies included in each segment is shown in Note 23.

The Chinese operations are located in Gongyi, Zhengzhou and Linzhou, Henan Province. The integrated operations in China principally consist of primary aluminium production, processed aluminium production, thermal power generation and coal extraction, all located in Henan Province.

The Group's operations in Romania are based in Slatina and Tulcea. Sales are generated by selling primary and processed aluminium. Sierra Leone component is aggregated and presented within the Romania segment.

Reconciliation to Group includes corporate activities, intercompany eliminations and non-allocatable items.

Segment income and expenses, assets and liabilities are measured and disclosed using the same accounting policies and valuation methods as for the Group.

Segment revenues and results for the six month ended 30 June 2014 and 2013 were as follows:

	China	Romania	Reconciliation to Group	Total
Six months ended 30 June 2014				
Total segment sales	677,368	314,553	-	**991,921**
Segment results (operating profit/(loss))	23,710	-8,879	-114	**14,717**
Finance costs	-142,077	-8,924	7,908	-143,093
Finance income	27,895	457	7	28,359
Fair value gains/(losses) from financial instruments	-	-25,296	-	-25,296
Foreign exchange loss				-4,305
Group loss before income taxes				**-129,618**

	China	Romania	Reconciliation to Group	Total restated*
Six months ended 30 June 2013 restated*				
Total segment sales	763,728	315,505	-	**1,079,233**
Segment results (operating profit)	54,684	-20,392	-635	**33,657**
Finance costs	-116,896	-10,574	7,909	-119,561
Finance income	33,828	768	12	34,608
Fair value gains/(losses) from financial instruments	-	50,124	-	50,124
Foreign exchange gain				4,546
Group profit before income taxes				**3,374**

Segment assets at 30 June 2014 and 31 December 2013, respectively, were as follows:

	30 June 2014	31 December 2013
Segment assets		
China	4,831,224	4,865,090
Romania	637,422	646,484
Reconciliation to total Group	1,471	2,149
Total consolidated assets	**5,470,117**	**5,513,723**

Segment liabilities at 30 June 2014 and 31 December 2013, respectively, were as follows:

	30 June 2014	31 December 2013
Segment liabilities		
China	4,528,280	4,478,366
Romania	359,029	329,480
Reconciliation to total Group	-257,586	-248,241
Total consolidated liabilities	**4,629,723**	**4,559,605**

*Comparative figures for the 6 months ended 30 June 2013 were restated, please refer to Note 3 for details.

in USD '000, except per share data

6. Other income and expense

	Six months ended 30 June 2014	Six months ended 30 June 2013
Other income		
Investment consideration recovered	-	25,623
Government grants	15,801	7,660
Write-off of old aged payables	1,572	2,730
Net gain on disposal of land use rights	-	1,327
Other income	4,791	1,828
Total other income	**22,164**	**39,168**

Investment consideration recovered in 2013 represents the partial return of the consideration that had been paid for the coal mines acquired in China during 2010.

Government grants represent mainly subsidies for supporting aluminium industry and awards for applying advanced technical knowhow and improvement of energy savings, received from the government of China.

Other income includes penalties and various income from services performed.

	Six months ended 30 June 2014	Six months ended 30 June 2013 restated*
Other expenses		
Idle plants depreciation expense	-217	-1,532
Net loss on disposal of property, plant and equipment	-1,789	-335
Other expenses	-6,280	-511
Total other expenses	**-8,286**	**-2,378**

Idle plants depreciation expense is in connection with some idle capacities in Romania and has decreased mainly due to the end of the useful life, disposal or placement into operation of some assets.

Prior year figures have been restated. The net loss from disposal of assets in the first half of the year 2013 includes an amount of USD 75 representing tangible assets (mainly dyes) disposed of, previously presented under Cost of goods sold.

Other expenses include an amount of USD 4,617 representing the reversal of a grant received in China in 2013, which was designated to a certain project in progress by the government later in 2014, and as a consequence assigned to the related asset.

7. Finance costs and income

	Six months ended 30 June 2014	Six months ended 30 June 2013 restated*
Finance costs		
Interest expense	-123,399	-91,960
Interest expense to related parties (Note 19)	-6,385	-5,667
Finance guarantee expense	-8,181	-18,728
Bank charges	-4,304	-2,784
Interest on post employment benefits	-304	-296
Interest from unwinding of provision	-127	-126
Other financial costs net	-393	-
Total	**-143,093**	**-119,561**

	Six months ended 30 June 2014	Six months ended 30 June 2013 restated*
Finance income		
Interest income	18,804	16,750
Finance guarantee income	9,555	17,652
Other financial income	-	206
Total	**28,359**	**34,608**

* Comparative figures for the 6 months ended 30 June 2013 were restated, please refer to Note 3 for details.

in USD '000, except per share data

The increase of the interest expense comparatively to the same period of the previous year is mainly attributable to the higher expense incurred for bills of exchange discounted at banks in China, resulting from higher amounts discounted during the period, but also from higher interest rates.

Interest expense excludes interest capitalised in "Property, plant and equipment" amounting to USD 15,670 (6 months ended 30 June 2013: USD 17,107).

The comparative figures were reclassified in accordance with the presentation adopted in 2014. USD 559 for the 6 months ended 30 June 2013 representing income from factoring costs reinvoiced to customers, previously presented as "Cost of good sold", are now included under "Interest income".

There was no ineffectiveness of cash flow hedges recognised in profit or loss during the 6 months ended 30 June 2014 and 30 June 2013.

*For the six months ended 30 June 2013 the Group restated the interest expense by USD 126 representing unwinding of provision for land rehabilitation (please see Note 3).

8. Income tax

Income tax expense is recognized based on management's best estimate of the weighted average annual income tax rate expected for the full financial year applied to the pre-tax income of the interim period. The estimated average annual tax rate for the 6 months ended 30 June 2014 is 10.9% (restated 6 months ended 30 June 2013 was 372.5%).

The major components of the income tax expense in the interim consolidated statement of profit or loss and other comprehensive income are:

	Six months ended 30 June 2014	Six months ended 30 June 2013 restated*
Income tax		
Current income tax	-1,712	5,196
Deferred income tax	15,869	7,373
Income tax credit	**14,157**	**12,569**
Income tax recognised in other comprehensive income	-81	217
Total income taxes	**14,076**	**12,786**

The change in effective tax rate was caused mainly by the following factors:

- change in mix of pre-tax profits over the various jurisdictions in which the Group operates;
- unused tax losses and deductible temporary differences not recognised as deferred tax assets, because it was not assessed as probable that sufficient future taxable profits will be available to utilize the benefits of the tax losses and deductible temporary differences.

9. Earnings per share

The calculation of the basic and diluted earnings per share is based on the following data:

	Six months ended 30 June 2014	Six months ended 30 June 2013 restated*
Result for the period attributable to shareholders of Vimetco N.V.	-94,446	8,957
Weighted average number of ordinary shares outstanding during the period	219,484,720	219,484,720
Basic and diluted earnings per share in USD	-0.430	0.041

Basic and diluted per share data are the same as there are no dilutive securities.

* Comparative figures for the 6 months ended 30 June 2013 were restated, please refer to Note 3 for details.

in USD '000, except per share data

10. Dividends

No dividends were declared and paid by Vimetco NV relating to the year 2013 and 2012.

No dividends relating to the year 2013 were declared by the subsidiaries in respect of non-controlling interests (2012: USD 16,819). Also no payments of dividends took place during the 6 months ended 30 June 2014 (6 months ended 30 June 2013: USD 16,827).

11. Additions and disposals of property, plant and equipment

During the 6 months ended 30 June 2014 the Group acquired property, plant and equipment in the amount of USD 90,490 (6 months ended 30 June 2013: USD 200,698).

From January to June 2014, the Group disposed of property, plant and equipment in the net amount of USD 16,064 (6 months ended 30 June 2013: USD 598).

The value of property, plant and equipment pledged for securing the Group's borrowings amounts to USD 1,111,351 (31 December 2013: USD 1,255,166).

12. Goodwill

	2014	2013
Balance 1 January	195,688	195,611
Disposals	-	-5,188
Translation adjustment	-723	1,839
Balance 30 June	**194,965**	**192,262**

Impairment test for goodwill

The goodwill is allocated to the cash-generating units as follows:

	30 June 2014	31 December 2013
China	140,707	141,885
Romania	49,659	49,204
Sierra Leone	4,599	4,599
Total	**194,965**	**195,688**

Goodwill is tested for impairment annually (as at 31 December) and when circumstances indicate the carrying value may be impaired. The Group’s impairment test for goodwill and intangible assets with indefinite lives is based on value-in-use calculations that use a discounted cash flow model. The consolidated financial statements for 6 months ended 30 June 2014 show that the Group generated a loss for the period of USD 115,461, indicating a potential impairment of goodwill. In addition, the overall decline in aluminium market around the world, as well ongoing economic uncertainty, have led to a decreased demand in aluminium products. As a result, management performed an impairment calculation as at 30 June 2014.

The key assumptions used to determine the recoverable amount for the different cash generating units remained consistent with those disclosed in the annual financial statements for the year ended 31 December 2013. As a result of the updated analysis, management did not identify an impairment for cash-generating units to which goodwill of USD 194,965 is allocated. There are no significant changes to the sensitivity information disclosed at year end.

*Comparative figures for the 6 months ended 30 June 2013 were restated, please refer to Note 3 for details.

in USD '000, except per share data

13. Mineral rights

Cost	
Balance at 1 January 2013	553,560
Translation adjustment	9,567
Balance at 30 June 2013	**563,127**
Balance at 1 January 2014	570,720
Additions	394
Translation adjustment	-5,185
Balance at 30 June 2014	**565,929**
Amortisation	
Balance at 1 January 2013	-31,880
Amortisation charge	-5,116
Translation adjustment	-605
Balance at 30 June 2013	**-37,601**
Balance at 1 January 2014	-45,134
Amortisation charge	-6,319
Translation adjustment	422
Balance at 30 June 2014	**-51,031**
Net book value	
Balance at 31 December 2013	**525,586**
Balance at 30 June 2014	**514,898**

The amortisation charge has been included in the "Cost of goods sold".

14. Investments in associates

On 8 April 2014, one of the Group' subsidiaries in China acquired 37% equity interest of Xing Cun Coal Mine Co., Ltd (“Xing Cun”) and 40% equity interest of Shang Zhuang Coal Mine Co. Ltd (“Shang Zhuang”) for a cash consideration of USD 12,561 and USD 10,937 respectively. The main activity of the associates is the mining and sale of coal.

Details of net assets acquired and goodwill are as follows:

Acquisition of Xing Cun

	On acquisition
Purchase consideration:	
– Cash paid	12,561
– Direct cost relating to acquisition	-
Total consideration	**12,561**
Share of fair value of net assets acquired	11,214
Goodwill	**1,347**

The goodwill is attributable to the benefit of expected synergies, revenue growth and potentially mineable mineral resources, which cannot be separately recognised as an intangible asset.

Acquisition of Shang Zhuang

	On acquisition
Purchase consideration:	
– Cash paid	10,936
– Direct cost relating to acquisition	-
Total consideration	**10,936**
Share of fair value of net assets acquired	10,936
Goodwill	**-**

in USD '000, except per share data

Details of the carrying value of the Group's investments in associates are set out below:

	2014
Beginning of the period	43,001
Additions	23,498
Share of result of associates	652
Translation adjustment	-447
End of the period	**66,704**

15. Derivative financial instruments

Details of the fair value of derivative financial instruments are set out below:

	Assets	Liabilities
30 June 2014		
Aluminium swaps - fixed to floating	12	8
Aluminium swaps - floating to fixed	476	4
Embedded derivatives	45,437	13,295
Total	**45,925**	**13,307**
Thereof:		
Non-current	45,437	-
Current	488	13,307
31 December 2013		
Aluminium swaps - fixed to floating	-	44
Aluminium swaps - floating to fixed	-	-
Embedded derivatives	47,177	-
Total	**47,177**	**44**
Thereof:		
Non-current	33,824	-
Current	13,353	44

Aluminium swap contracts

As of 30 June 2014, 50,000 tonnes of forecasted sales were hedged against the adverse effect of changes in aluminium price through floating-to-fixed swap agreements with settlements between August 2014 to January 2015 (31 December 2013: nil).
The Group designates all its LME aluminium floating to fixed swap agreements as cash flow hedges. At 30 June 2014, their fair value of USD 472 was credited to Equity as a hedging reserve (at 31 December 2013: nil), and the corresponding deferred tax debit of USD 76 (31 December 2013: nil).

At 30 June 2014, the Group was a contracting party in aluminium fixed-to-floating swaps contracts for 553 tonnes.

At 30 June 2014, a net amount of USD 3 related to these contracts was debited to Equity as a hedging reserve (at 31 December 2013: USD 44 and deferred tax credit of USD 7).

During the 6 months ended 30 June 2014, the realised loss on the aluminium swap contracts included in "Sales" amounted to USD 208 (during the 6 months to 30 June 2013: net loss of USD 178), with the corresponding deferred tax of USD 33 and USD 28, respectively. The realized loss from the contracts settled in the first half of 2014, of USD 1 (2013: nil) was presented under "Finance costs" and the gain from change in fair value of outstanding contracts amounting to USD 7 (2013: nil) was included in the category "Fair value gains/(losses) from financial instruments".

The commodity swaps were classified within Level 2 of the fair value measurement hierarchy.

Embedded derivatives

The Group has a contract of electrical energy supply, which includes embedded derivative financial instruments, which were separated from the host contract and accounted for at fair value.

In 2013, the Group reviewed the model used for the measurement of the fair value and reconsidered the separation method of the compounded embedded derivative. For further details see the financial statements for the year ended to 31 December 2013, in the Note 27.

The Group accounted for the compounded embedded derivative at fair value through profit or loss, with retrospective effect. The new valuation method resulted in the restatement of the comparative figures presented in the financial statements of the Group (please see Note 3).

in USD '000, except per share data

In March 2014, the Group renegotiated the above mentioned contract. The main amendment with impact on the embedded derivative was to include the Company's option to establish annually the quantity of energy to be purchased during the following year, the other terms and conditions remaining mainly unchanged.

At 30 June 2014, as a result to these changes, the embedded derivative consists of:

- a series of monthly contracts to sell aluminium at a fixed price denominated in RON, whose notional amounts are determined on the basis of aluminium quantities specified in the host contract;
- a series of monthly long call options on aluminium, corresponding to the maximum energy price and quantity set in the host contract;
- a series of monthly short put options on aluminium, corresponding to the minimum energy price and quantity set in the host contract;
- a series of monthly long call options on energy at the price set in the host contract, with annual exercising dates and monthly settlements during the following year.

For the measurement of the energy call options, the Monte Carlo simulation was used as a valuation method, by using the following variables as inputs: aluminium quotation on the London Metal Exchange, energy prices on the Day Ahead Market, RON/USD exchange rates, the minimum and maximum quantities estimated by the Management to be purchased during the following period.

The embedded derivatives were classified within Level 2 of the fair value measurement hierarchy.

The loss from the change in fair value of the embedded derivative instrument during the period ended 30 June 2014 amounting to USD 25,303 was debited to the profit or loss account, being presented under "Fair value gains/(losses) from financial instruments" (for the 6 months ended 30 June 2013: gain of USD 50,124, restated).

USD 9,870 (for the 6 months ended 30 June 2013: loss of USD 5,294, restated) were credited to the statement of profit or loss as "energy cost" under "Cost of goods sold", being the fair value of the monthly derivative instruments settled during the year.

There were no transfers between levels of the fair value hierarchy used in measuring the fair value of financial instruments.

The Group does not have level 3 financial instruments.

In 2014 there were no significant changes in the business or economic circumstances that affect the fair value of the Group financial assets and financial liabilities, except for the normal volatility of aluminium prices on international markets, and of foreign exchange rates.

16. Inventories

	30 June 2014	31 December 2013
Raw and auxiliary materials	142,218	157,420
Work in progress	161,563	185,337
Finished goods	71,737	96,734
Less: allowance for obsolescence	-15,747	-24,483
Total	**359,771**	**415,008**

The movements in the provision for obsolescence are as follows:

	2014	2013
Balance at 1 January	-24,483	-10,932
Credit to cost of goods sold	8,723	1,474
Translation adjustment	13	177
Balance at 30 June	**-15,747**	**-9,281**

The value of inventories pledged for securing the Group's borrowings amounts USD 115,688 (31 December 2013: USD 141,984).

17. Restricted cash

Restricted cash represents mainly amounts:

- pledged to banks to guarantee repayment of bills of exchange issued by the Group and for issuance of letters of credit;

- pledged under the provisions of some loan agreements concluded by several companies in the Group.

in USD '000, except per share data

18. Borrowings

	30 June 2014	31 December 2013
Long-term borrowings		
Long-term bank loans	896,727	929,531
Less: Short-term portion of long-term bank loans	-163,818	-135,607
Bank loans	*732,909*	*793,924*
Other loans	161,401	125,905
Corporate bonds	472,303	403,701
Bank and other loans	*1,366,613*	*1,323,530*
Loans from related parties (Note 19)	201,666	-
Finance leases	197	248
Total long-term borrowings	**1,568,476**	**1,323,778**
Short-term borrowings		
Short-term bank loans and overdrafts	566,254	577,306
Short-term portion of long-term bank loans	163,818	135,607
Bank loans and overdrafts	*730,072*	*712,913*
Other loans	286,946	397,180
Corporate bonds	28,055	11,511
Bank loans, overdrafts and other loans	*1,045,073*	*1,121,604*
Loans from related parties (Note 18)	38,564	209,584
Finance leases	96	200
Total short-term borrowings	**1,083,733**	**1,331,388**
Total borrowings	**2,652,209**	**2,655,166**

Short-term bank loans and overdrafts include amounts received for the bills of exchange discounted at banks with recourse in amount of USD 60,216 (31 December 2013: USD 95,889).

Bank borrowings mature until 2023 and bore interest (fix and variable for different currencies) at annual interest rates between 0.74% for EUR and 15.00% for SLL (Sierra Leonean leone) (2013: 0.73% for EUR and 12.43% for CNY).

The borrowings are secured by property, plant and equipment, inventory, actual and future accounts receivables, current bank accounts and by some financial investments of the Group companies.

Included in short-term borrowings "Other loans" are private placement notes issued in June 2014 by one of the Group subsidiaries in China in amount of USD 129,502 (denominated in CNY, with a total face value of CNY 800,000,000). The bonds have maturity of 1 year, are secured by mining rights and listed shares of Group subsidiaries in China and bear a fixed interest rate of 8.5% per annum.

In May 2014, one of the Group subsidiaries in China issued Small and Medium-sized Enterprise Private bonds amounting to USD 73,361 (denominated in CNY, with a total face value of CNY 447,500,000, CNY 100 each), for a period of 3 years. The issue is at par and bears a fixed interest rate of 9% p.a. in the first one and a half year, subsequently the Group having the option of increasing the coupon rate for the remaining one and a half year and the investors having the option of redeeming the bond at par value (subsequent to and independent of the change in coupon rate by the Group). The 2014 bonds are not listed.

According to the existing borrowing agreements the Group is subject to certain restrictive covenants. These covenants require the Group, among other things, to maintain certain financial ratios inculding minimum debt to earnings before interest, taxation, depreciation and amortisation ("EBITDA") and interest cover.

As at 30 June 2014, the Company and some of the Group subsidiaries were in breach of certain covenants in respect of their loans. The situations were discussed with the banks and the necessary waivers were received (except for the loan discussed below). A breach of covenants in respect of a liability that entitles the creditor to require repayment at a future date within one year from the reporting date is unlikely, and therefore the amounts that are not expected to be paid within one year are classified as long-term liabilities.

One of the Group companies did not obtain a waiver for the breach before the end of the period. Consequently, it classified the entire long-term loan from that bank into short term in the statement of financial position, amounting to USD 5,250.

in USD '000, except per share data

Except for the corporate bonds, for which the fair value is presented below, the Company estimated that the fair value of the other borrowings approximates their carrying amount, due to the short nature of the borrowing for the short-term borrowings and for the long-term borrowings based on the fact that most of the borrowings bear interest at floating interest rates, while the remaining fixed rate long term loans are recently contracted.

The fair value and the carrying amounts of the bonds issued by the Group are listed below:

	30 June 2014	31 December 2013
Carrying amounts		
listed bonds (2011 & 2012 issues)	426,997	415,212
unlisted bonds (2014 issue)	73,361	-
Total carrying amount	**500,358**	**415,212**
Fair value		
listed bonds (2011 & 2012 issues)	354,200	377,400
unlisted bonds (2014 issue)	73,361	-
Total fair value	**427,561**	**377,400**

19. Related party transactions

The Group enters, under normal terms of business, into certain transactions with its major shareholder, companies under common control, directors and management. The transactions between the related parties are based on mutual agreements and management considers such transactions to be on an arm's length basis.

The immediate parent and Group's main shareholder is Vi Holding N.V., which owns and/or controls 59.4% of the shares of the Company. The ultimate controlling entity in respect of 59.40% of the shares in the Company is Maxon Limited (Bermuda).

Balances and transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation and are not disclosed in this note.

The balances and transactions with related parties are presented below.

Financing from related parties

In 2014 and 2013, the loan from shareholder is related to a credit facility granted by Vi Holding N.V. USD 173,000 were drawn down mainly in connection with the financing of capital expenditure in China and the acquisition of Global Aluminium Ltd.

Related party	30 June 2014	31 December 2013
Vi Holding N.V.	202,672	196,695
Associates	37,558	12,889
Total borrowings from related parties	**240,230**	**196,695**
Thereof:		
Short-term portion of borrowings	38,564	209,584
Long-term portion of borrowings	201,666	-

The loan payable to Vi Holding N.V. reached its maturity on 31 May 2013 and is subject to interest at LIBOR plus 5.75%. In April 2014 the Company finalised the negotiations with its main shareholder and signed an addendum to the loan agreement according to which it has been rescheduled until 31 May 2022.

Interest expense related to loan from Vi Holding N.V. amounted to USD 5,997 (6 months ended 30 June 2013: USD 5,667).

The loan payable to an associate matures on 24 November 2014 and is nominated in CNY. Interest expense related to the loan amounted USD 408.

in USD '000, except per share data

The Group provided and purchased goods and services to related parties as follows:

Long-term loans provided to related parties	30 June 2014	31 December 2013
Associates	23,836	23,627

Long-term loans receivable from associates represent the financing provided to the projects related to water supply and heat capture of the power plants owned by the Group in China. Loans are interest bearing, measured at amortised cost and included under the Long-term loans to related parties in the consolidated statement of financial position.

Interest income related to loans to associates amounted to USD 930 (6 months ended 30 June 2013: USD 1,074).

Goods and services provided to related parties

	Six months ended 30 June 2014	Six months ended 30 June 2013
Vi Holding N.V.	-	-
Companies under common control	45	40
Associates	3,011	2,437
Total goods and services provided to related parties	**3,056**	**2,477**

Goods and services purchased from related parties

	Six months ended 30 June 2014	Six months ended 30 June 2013
Vi Holding N.V.	-	-
Companies under common control	-31,552	-27,157
Other related parties	-	-41
Total goods and services purchased from related parties	**-31,552**	**-27,198**

Furthermore, the following balances were outstanding at 30 June 2014 and 31 December 2013:

Trade and other accounts receivable

	30 June 2014	31 December 2013
Vi Holding N.V.	-	-
Companies under common control	89	113
Associates	3,895	17,856
Total trade and other accounts receivable from related parties	**3,984**	**17,969**

Trade and other accounts payable

	30 June 2014	31 December 2013
Vi Holding N.V.	515	571
Companies under common control	951	384
Associates	9,690	4,839
Key management personnel	44	44
Other	95	115
Total trade and other accounts payable to related parties	**11,295**	**5,953**

Management compensation

Total compensation of the Group's key management personnel included in "General and administrative expenses" in the statement of profit or loss and other comprehensive income:

	Six months ended 30 June 2014	Six months ended 30 June 2013
Short-term employee benefits	901	754
Post-employment benefits	98	82
Total	**999**	**836**

20. Acquisitions and disposals of subsidiaries

Transactions between consolidated entities

On 18 March 2014, two subsidiaries of the group Henan Zhongfu Industry Co., Ltd. ("Zhongfu") and Henan Yulian Energy Group Co., Ltd. (“Yulian”), set up a new subsidiary Henan Zhongfu Aluminium Co. Ltd. (“Zhongfu Aluminum”) with a 51% and 49% ownership respectively. The main business activity of the new subsidiary is the manufacturing and sale of electrolytic aluminum. Zhongfu contributed to the share capital of the new subsidiary with assets, including 100% equity interest in its subsidiary Linzhou Linfeng Aluminium and Power Co., Ltd. ("Linfeng ") and liabilities, while contribution made by Yulian was in cash. The difference between the value of consideration transferred and the carrying values of net assets of the new subsidiary was recognised in Equity as Changes in ownership interests in subsidiaries. The Group recognised a decrease in retained earnings of USD -16,024 with a corresponding increase in non-controlling interests of USD 16,024.

On 19 April 2014, Yulian repurchased from Zhongfu Aluminum 30% ownership in Linfeng and as a result the Group's effective shareholding in Linfeng increased from 56.11% to 82.26%. No goodwill was recognized on acquisition and the difference between the consideration transferred and the carrying values of net assets of the subsidiary was recognised in Equity as Changes in ownership interests in subsidiaries. The Group recognised a decrease in retained earnings of USD -1,150 with a corresponding increase in non-controlling interests of USD 1,150.

21. Commitments and contingencies

Commitments

Investment commitments

The Group has commitments for the purchase of property, plant and equipment associated with certain production and environmental projects. The contracts for these projects require the Group to make certain investments, which are estimated at USD 145,047 at 30 June 2014 and USD 75,066 at 31 December 2013.

The Group has further investment commitments in China amounting to USD 84,607 (at 31 December 2013: USD 85,604), mainly for power projects with joint ventures. The timing of the cash outflows depends on the progress of the project.

Raw material purchase contracts

The Group has entered into various contracts for acquiring energy, gas and other materials and consumables at prices prevailing at the date of purchase. The total amount for this contracts at 30 June 2014 is USD 141,308 (at 31 December 2013: USD 122,027).

The Group through one of its subsidiaries in Romania has committed to purchase electricity until 2018 under a long-term agreement with an electricity supplier. The contract relates to a yearly quantity of up to 3 TWh/year, the price being linked to LME with a certain floor and cap, as detailed in Note 15.

Contingencies

Litigations

The Group has contingent liabilities in respect of legal claims arising in the ordinary course of business. It is not anticipated that any material liabilities will arise from the contingent liabilities other than those provided for.

European Commission investigation

In April 2012, the European Commission commenced a formal investigation in respect of the long-term electricity supply agreement concluded by one of the Group's subsidiary. As at 30 June 2014, the investigation was not completed and the management considers that it is not possible to asses the potential outcome. As a result, no provision was recorded in these consolidated interim financial statements.

Taxation

As at 30 June 2014 the VAT position of one of the Group subsidiaries was under fiscal review. At the date when these financial statements were authorized for issue, the fiscal inspection was not finalised.

22. Events after the balance sheet date

There were no material subsequent events that would affect the interpretation of the financial statements.

in USD '000, except per share data

23. Principal companies in the Vimetco Group

The principal companies in the Vimetco Group at 30 June 2014 and 31 December 2013 are as follows:

	30 June 2014		31 December 2013	
	shareholding	votes[1]	shareholding	votes[1]
China				
Datang Gongyi Power Generation Co., Ltd.	47.42%	49.00%	47.42%	49.00%
Datang Linzhou Thermal Power Co., Ltd.	15.82%	19.23%	10.79%	19.23%
Dengfeng City Chenlou Yisan Coal Mine Co., Ltd.	56.11%	100.00%	56.11%	100.00%
Dengfeng City Jinxing Coal Mine Co., Ltd.	30.86%	100.00%	30.86%	100.00%
Everwide Industrial Ltd.	100.00%	100.00%	100.00%	100.00%
Gongyi Xing Cun Coal Mine Co., Ltd.	20.76%	37.00%	0.00%	0.00%
Gongyi Shang Zhuang Coal Mine Co., Ltd.	22.44%	40.00%	0.00%	0.00%
Henan Yellow River Heluo Branch Water Supply Co., Ltd.	24.69%	44.00%	24.69%	44.00%
Henan Yinhu Aluminium Co., Ltd.	56.11%	100.00%	56.11%	100.00%
Henan Yonglian Coal Industry Co., Ltd.	25.25%	45.00%	25.25%	45.00%
Henan Yulian Energy Group Co., Ltd	96.78%	96.78%	96.78%	96.78%
Henan Yulian Coal Industry Group Co., Ltd. [2]	56.11%	100.00%	56.11%	100.00%
Henan Zhongfu Aluminium Alloy Co., Ltd.	41.51%	100.00%	41.51%	100.00%
Henan Zhongfu Aluminium Co., Ltd.	76.04%	100.00%	0.00%	0.00%
Henan Zhongfu Anodes Carbon Co., Ltd.	46.86%	83.53%	46.86%	83.53%
Henan Zhongfu Industry Co., Ltd.	56.11%	57.97%	56.11%	57.97%
Henan Zhongfu Power Co., Ltd.	56.11%	100.00%	56.11%	100.00%
Henan Zhongfu Specialized Aluminium Product Co., Ltd.	41.51%	73.99%	41.51%	73.99%
Henan Zhongfu Thermal Power Co., Ltd.	27.49%	49.00%	27.49%	49.00%
Linzhou Jinhe Electrical Power Equipment Co., Ltd.	41.95%	51.00%	28.61%	51.00%
Linzhou Linfeng Aluminium and Power Co., Ltd.	82.26%	100.00%	56.11%	100.00%
Linzhou Linfeng Aluminium Product Co., Ltd.	82.26%	100.00%	56.11%	100.00%
Shanghai Xinfu Industry Development Co. Ltd.	50.50%	90.00%	50.50%	90.00%
Shanghai Bao Shuo Trading Co. Ltd. [3]	11.22%	20.00%	11.22%	20.00%
Shenzhen OK (OUKAI) Industry Development Co., Ltd.	56.11%	100.00%	56.11%	100.00%
Yichuan County Jinyao Coal Mine Co., Ltd.	30.86%	100.00%	30.86%	100.00%
Zhengzhou City Dengcao Investment Co., Ltd.	30.86%	55.00%	30.86%	55.00%
Zhengzhou City Huixiang Coal Industry Co., Ltd.	39.27%	70.00%	39.27%	70.00%
Zhengzhou Dengcao Enterprise Group Jinling Coal Mine Co., Ltd.	30.86%	100.00%	30.86%	100.00%
Zhengzhou Guangxian Industry and Trade Co., Ltd.	56.11%	100.00%	56.11%	100.00%
Romania				
Alro S.A.	87.50%	87.97%	87.50%	87.97%
Alum S.A.	86.98%	99.40%	86.98%	99.40%
Conef S.A.	87.47%	99.97%	87.47%	99.97%
Vimetco Extrusion S.R.L.	87.50%	100.00%	87.50%	100.00%
Vimetco Management Romania S.R.L.	100.00%	100.00%	100.00%	100.00%
Vimetco Power Romania S.R.L.	100.00%	100.00%	100.00%	100.00%
Vimetco Trading S.R.L.	100.00%	100.00%	100.00%	100.00%
Sierra Leone				
Bauxite Marketing Ltd.	86.98%	100.00%	86.98%	100.00%
Global Aluminium Ltd.	86.98%	100.00%	86.98%	100.00%
Sierra Mineral Holdings I, Ltd.	86.98%	100.00%	86.98%	100.00%
Corporate and other				
Vimetco N.V.	n/a	n/a	n/a	n/a
Vimetco Management GmbH	100.00%	100.00%	100.00%	100.00%
Vimetco Ghana (Bauxite) Ltd.	100.00%	100.00%	100.00%	100.00%

[1] For this purpose, the voting rights reported are those of the immediate parent company or companies, where the immediate parent company or companies are, themselves, controlled by Vimetco Group. Consequently, the voting rights reported above may differ significantly from the effective shareholding. Companies in which the voting rights as reported above are greater than 50% are fully consolidated, even if the effective shareholding is less than 50%, since the Vimetco Group is deemed to have control over them

[2] Former Henan Yulian Zhongshan Investment Holdings Co., Ltd.

[3] Former Shanghai Zhongfu Aluminium Development Co., Ltd.

Statement of management responsibilities

To the Shareholders of Vimetco N.V.

Pursuant to the Listing Rules of the United Kingdom Listing Authority (UKLA) the Company is required to prepare financial statements which present fairly, in all material respects, the state of affairs of Vimetco N.V. and its subsidiaries (together referred to as the “Group”) at the end of each financial period and of the Group's results and its cash flows for each financial period. Management is responsible for ensuring that the Group keeps accounting records, which disclose, with reasonable accuracy, the financial position and which enable them to ensure that the financial statements comply with International Financial Reporting Standards (IFRS) as adopted by the EU. Management also has a general responsibility for taking such steps that are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities. Management considers that, in preparing the Condensed Consolidated Interim Financial Statements set out on pages 12 to 35, the Group has used appropriate accounting policies, consistently applied and supported by reasonable and prudent judgments and estimates, and that appropriate International Financial Reporting Standards as adopted by the EU have been followed.

The Condensed Consolidated Interim Financial Statements, which are based on the statutory accounting reports and restated in accordance with IFRS as adopted by the EU, are hereby approved on behalf of the Board of Directors. To the best knowledge of the members of the Board of Directors: (a) the Condensed Consolidated Interim Financial Statements set out on pages 12 to 35 have been prepared in accordance with IFRS as adopted by the EU, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and the undertakings included in the consolidation taken as a whole; and (b) the Business Review set out on pages 3 to 11 includes a fair review of the development and performance of the business and the position of the Company and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that the Company faces.

Pursuant to the art. 5:25d section 2 paragraph c under 1 and 2 of the Dutch Act on financial supervision (Wet op het financieel toezicht or Wft), the management of the Company states that to the best knowledge of the members of the Board of Directors:

1. The half-year financial statements prepared in accordance with the applicable set of accounting standards give a true and fair view of the assets, liabilities, financial position and profit or loss of the issuer and the undertakings included in the consolidation taken as a whole

and

2. The half-year management report includes a fair review of a) the important events that have occurred during the first six months of the financial year and their impact on the condensed set of financial statements, b) the principal risks and uncertainties for the remaining six months of the financial year and c) for issuers of shares the major related parties transactions.

For and on behalf of the Board of Directors

Gheorghe Dobra **Chief Executive Officer**	**Marian Nastase** **Chief Financial Officer**

26 August 2014

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