CABLEL®

HELLENIC CABLES S.A.

HELLENIC CABLE INDUSTRY S.A.

ANNUAL FINANCIAL REPORT
as at 31 DECEMBER 2012

Based on Article 4 of Law 3556/2007

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Corp. Reg. No. 2131/06/B/86/19

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A. Statements made by Representatives of the Board of Directors

Statements made by Representatives of the Board of Directors
(According to Article 4(2) of Law 3556/2007)

To the best of our knowledge, we hereby declare that the annual financial statements drawn up in line with the applicable accounting standards (International Financial Reporting Standards) give a fair view of the assets and liabilities, equity and operating results of HELLENIC CABLES S.A. (the Company) and of the entities included in the consolidation taken as a whole, and that the annual report of the Board of Directors gives a fair view of the development, performance and standing of the Company and of the entities included in the consolidation taken as a whole, including the description of the main risks and uncertainties facing them.

Athens, 25 February 2013

Chairman of the Board of Directors	General Manager and Member of the Board of Directors	Member of the Board of Directors
Ioannis Batsolas	**Alexios Alexiou**	**Ioannis Stavropoulos**

B. Annual Report by the Board of Directors

ANNUAL REPORT
BY THE BOARD OF DIRECTORS OF "HELLENIC CABLES S.A."
ON THE CONSOLIDATED AND COMPANY FINANCIAL STATEMENTS
FOR THE PERIOD FROM 1 JANUARY TO 31 DECEMBER 2012

Dear Shareholders,

In accordance with the provisions laid down in Laws No. 2190/1920 & 3556/2007 and the executive decisions made by the Hellenic Capital Market Commission based on those laws, we are happy to submit you the Annual Report by the Board of Directors for the current fiscal year 2012.

This Report includes a summary of the financial results and changes of the period in question, an account of important events that took place during 2012, an analysis of the prospects and risks expected during 2013, as well as a list of transactions with affiliates. The above information pertains both to the Company and the Group.

In addition to Hellenic Cables - Hellenic Cables Industry S.A., the Hellenic Cables Group consolidates the following affiliates:

Using the full consolidation method of accounting:

- FULGOR S.A.; primary place of business: Athens
- ICME ECAB S.A.; primary place of business: Bucharest, Romania
- LESCO O.O.D.; primary place of business: Blagoevgrad, Bulgaria
- GENECOS S.A.; primary place of business: Paris, France
- LESCO ROMANIA; primary place of business: Bucharest, Romania
- DE LAIRE LIMITED; primary place of business: Nicosia
- EDE S.A.; primary place of business: Athens

Using the equity method of accounting:

- METAL AGENCIES LTD; primary place of business: London
- METAL GLOBE DOO.; primary place of business: Belgrade
- STEELMET S.A.; primary place of business: Athens
- COPPERPROM LTD.; primary place of business: Athens

ELECTRIC CABLES AGENCIES, a subsidiary of HELLENIC CABLES, was liquidated and is not included in the Group's consolidated financial statements.

Using the proportional consolidation method:

- JOINT VENTURE NEXANS–HELLENIC CABLES–FULGOR–PPC 2009

There are no parent company shares owned either by itself or by another consolidated company.

1. Report on the ending year

2012 was a very challenging year for HELLENIC CABLES Group. The uncertainty due to the economic developments, the protracted recession and the resultant lack of liquidity combined with the prevailing exchange rates had unfavorable effects on Group results. Despite the unfavorable circumstances, the Group's turnover stood at € 439 million in 2012, rising by 6% compared to 2011.

In the Greek market, HELLENIC CABLES Group maintained its leading position for one more year. The demand, however, was kept at low levels, thus leading to an 8% decrease in sales. The construction sector does not give any signs of recovery yet while the overall uncertainty is a brake on many investments. As it occurred in 2011, domestic sales were made in their majority to power generation, distribution and transmission companies, major industrial plants and companies of VIOHALCO Group since the Group's main preoccupation was to restrict the credit risk.

In exports, sales increased by 12%, as a result of the Group's export orientation. In the European Union, the increase resulted from the gradual expansion to new distribution channels and products as the economic recession has struck companies that used to be the Group's main markets. Non-EU sales were kept low since the strong Euro undermines the Group's competitiveness in countries with devaluated local currencies.

The gross profits of the Group amounted to € 17.2 million, decreased by 36% compared to 2011. Earnings before interest, taxes, depreciation and amortization (EBITDA) stood at € 10.7 million, registering a 49% decrease compared to 2011, while earnings before interest and tax (EBIT) amounted to € 2.1 million registering an 82% decrease compared to 2011.

Such deterioration of results is due to the slackened demand and increased competition in main European markets, the postponement of important orders and highly profitable projects and also due to the increased cost incurred for reorganizing FULGOR and optimizing its production processes. Despite these unfavorable conditions, Group results were gradually improved during 2012.

Group pre-tax results amounted to losses of € 13.3 million compared to profits of € 3.6 million in 2011 while net results stood at losses of € 11.2 million compared to profits of € 3.3 million in 2011.

The Group's net borrowing stood at € 150 million compared to € 152 million in 2011 despite the increased investments. The Group managed to reduce the days of inventory keeping from 87 to 76 while increasing the payment time of trade payables, thus offsetting the increase in the time of trade receivables collection. As an example of its focus on a more rational management of working capital and the Group's potential synergies, the working capital to sales ratio stood at 25% in 2012 compared to 28% in 2011, thus being improved for the third running year.

The investments made in 2012 amounted to € 15 million at Group level and mainly concerned advance payments for machinery in the context of its investment plan for the manufacturing of high voltage submarine cables in FULGOR; investments in equipment upgrade in FULGOR; and also the purchase of machinery in the Group's other plants in order to increase the number of high added value products in the product mix and also enhance productivity.

Finally, training as well as the health and safety of employees are still core elements of the Group's strategy together with its commitment to operate driven by the principles of responsible and sustainable development.

2. *Financial standing*

The ratios showing the financial standing of both Group and Company evolved as shown in the table below:

	GROUP		COMPANY	
	2012	**2011**	**2012**	**2011**
Gross profit margin **(Gross profit/ sales)**	3.9%	6.5%	2.0%	5.2%
Net profit margin **(Net profit/ Sales)**	-2.5%	0.8%	-1.9%	0.3%
Debt-equity ratio (Debt/ Equity)	1.61	1.47	1.16	1.00
Liquidity (Current assets/ short-term payables)	1.08	1.25	1.01	1.44
Return on equity (Net Profit/ Equity)	-10.8%	2.9%	-7.9%	1.2%
Inventory turnover ratio (Inventory/ Cost of sales) x 365 days	76	87	47	54
Receivables turnover ratio (Trade receivables/ Sales) x 365 days	56	50	71	66
Accounts payable turnover ratio (Trade creditors / Cost of sales) x 365 days	38	31	57	43

3. Main risks and uncertainties

The Group's risk management policies are applied in order to identify and analyze the risks that the Group is exposed to, set risk-taking limits and apply relevant control systems. The risk management policies and relevant systems are examined from time to time so as to take into account any changes in the market and the Group's activities.

The implementation of risk management policies and procedures is supervised by the Internal Audit department, which performs ordinary and extraordinary audits relating to the implementation of procedures, whereas the results of such audits are notified to the Board of Directors.

3.1 Credit risk

Credit risk is the risk that the Group will incur loss if a client or third party to a transaction on a financial instrument fails to perform according to the terms and conditions laid down in the relevant contract. Credit risk is mainly associated with receivables from clients and investments in securities.

3.1.1 Customers and other trade receivables

The Group's exposure to credit risk is affected mainly by the characteristics of each individual customer. The statistics associated with the Group's customer base, including the default risk that exists in a specific market and country where customers are in operation, have a limited effect on credit risk since there is no geographic concentration of credit risk. During the fiscal year, only one customer (international) represented over 10% of the sales effected in the fiscal year, and thus the trading risk is distributed to a large number of customers.

The Board of Directors has laid down a credit policy which requires that all new customers are scrutinized individually as regards their creditworthiness before normal payment terms are proposed to them. The creditworthiness control performed by the Group includes an examination of information from banking sources and other third party credit rating sources, if any. Credit lines are set for every customer, and they are re-examined in the light of current circumstances and, if required, the relevant sales and payment terms are readjusted accordingly.

Customer credit lines are normally determined based on the insurance lines obtained for them from insurance companies and then receivables are insured based on such credit lines. Given that a significant number of insurance limits of Greek customers has been discontinued, the credit lines for domestic customers were considerably reduced while the risk was further diminished through the reduced credit period currently granted to Greek customers.

In monitoring customer credit risk, customers are grouped depending on their credit characteristics, the aging profile of their receivables and the existence of any possible previous difficulties in collecting receivables. Trade and other receivables include mainly wholesale customers of the Group. Any customers characterized as being of "high risk" are included in a special list of customers and future sales must be received in advance and approved by the Board of Directors. Depending on the background of the customer and its capacity, the Group demands real or other security (e.g. letters of guarantee) in order to secure its receivables, if possible.

The Group records a provision for impairment, which represents its estimated losses relating to customers, other trade receivables and investments in securities. The above provision includes mainly impairment losses relating to specific receivables which, based on given conditions, are expected to be incurred, but are not finalized yet.

3.1.2 Investments

Investments are classified by the Group pursuant to the purpose for which they were acquired. The Management decides on the appropriate classification of the investment during the time such was acquired and reviews the classification on each presentation date.

3.1.3 Guarantees

The Group's policy requires that no financial guarantees are provided. By way of exception, however, such guarantees can be provided only to subsidiaries and affiliates based on a resolution passed by the Board of Directors.

3.2 Liquidity risk

Liquidity risk is the risk that the Group will be unable to fulfill its financial liabilities upon maturity. According to the approach adopted by the Group for liquidity management, through the maintenance of absolutely necessary cash and cash equivalents and sufficient credit lines with cooperating banks, the Group will always have adequate funds to fulfill its liabilities upon maturity, both under ordinary and extraordinary conditions, without incurring unacceptable loss or jeopardizing the Group's reputation.

To prevent liquidity risks, when preparing its annual budget, the Group estimates its cash flows for one year. The Group also estimates such cash flows every quarter so as to ensure that it holds sufficient cash and cash equivalents to meet its operating needs, including the fulfillment of its financial liabilities. This policy does not take into account the relevant effect from extreme conditions that cannot be foreseen.

3.3 Market risk

Market risk is the risk of fluctuations in raw material prices, exchange rates and interest rates which can have an effect on the Group's results or the value of its financial instruments. Market risk management is aimed at controlling the Group's exposure to relevant risks within a framework of acceptable parameters, with a parallel optimization of performance.

The Group uses transactions on derivative financial instruments in order to hedge part of market risks.

3.3.1 Metal Raw Material Fluctuation Risk (copper, aluminum, other metals)

The Group bases both its purchases and sales on stock prices/indices linked to the prices of copper and other metals which are used by the Group and included in its products. The risk from metal price fluctuation is covered by hedging instruments (futures and options on London Metal Exchange-LME). The Group, however, does not use hedging instruments for the entire stock of its operation and, as a result, any drop in metal prices may have a negative effect on its results through inventories depreciation.

3.3.2 Foreign exchange risk

The Group is exposed to foreign exchange risk in connection with its sales and purchases and its loans issued in a currency other than the functional currency of the Group companies, which is primarily the Euro. The currencies used for such transactions are mainly the Euro, the US dollar and the pound.

Over time, the Group hedges the greatest part of its estimated exposure to foreign currencies in relation to the anticipated sales and purchases as well as receivables and liabilities in foreign currency.

In most of the cases, the Group signs foreign currency futures with its foreign counterparties in order to hedge the risk of foreign exchange rate changes, which expire normally in less than one year from the balance sheet date. When necessary, such futures are renewed upon expiry. On a per-case basis, foreign exchange risk may also be hedged by obtaining loans in the respective currencies.

Loan interest is in the same currency as that used in the cash flows arising from the Group's operating activities, which is mainly the Euro.

Group investments in foreign subsidiaries having other functional currency than the Euro (e.g. RON for ICME ECAB) are not hedged because such foreign exchange positions are considered to be of long-term nature.

3.3.3 Interest rate risk

The Group obtains funds for its investments and its working capital through bank loans and bond loans, and thus debit interest is charged to its results. Any upward trend of interest rates will have a negative effect on results since the Group will bear additional borrowing costs.

The interest rate risk is mitigated as part of the group's loans are obtained based on fixed interest rates, either directly or through the use of financial instruments (interest rate swaps).

3.3.4 Capital management

The policy applied by the Board of Directors includes the maintenance of a robust capital basis, in order to keep the Group trustworthy among investors, creditors and market players, and allow the future development of the Group's activities. The Board of Directors monitors capital performance, which is defined by the Group as the net results divided by the total net worth, exclusive of non convertible preferred shares and minority interest. The Board of Directors also monitors the level of dividends distributed to holders of ordinary shares.

The Board of Directors tries to maintain a balance between the higher performance levels which would have been attained through increased loans and the advantages and security offered by a robust and healthy capital basis.

The Group does not have a specific own share purchasing plan.

There have been no changes in the approach adopted by the Group concerning capital management during the fiscal year.

4. Objectives and Outlook for 2013

No significant improvement of the circumstances on a European scale is expected in 2013 although many markets have given signs of stabilization and gradual recovery and increased trust is shown in the improvement of the conditions in Greece, as illustrated by the ratings of the international rating agency Standard & Poor's.

Hellenic Cables Group remains moderately optimist about the future in this difficult business environment. 2012 saw the completion of major upgrade and improvement plans in FULGOR plant which resulted in a considerable increase in productivity and, thus, competitiveness. The Group has entered dynamically the field of medium-voltage submarine cables while aiming at a considerable increase of special cables and conductors at higher margins. Meanwhile, the efforts made the last few years to increase sales to European energy network operators and to significant projects in Middle East and North Africa are gradually met with success.

Hellenic Cables aims to maintain its leading position in the Greek and Romanian markets relying on the long-standing relations developed with companies in the energy and construction sectors and also on the high quality and competitive pricing of its products. As for exports, maintaining its shares in the main EU markets and further expanding its clientele base to electricity generation, transmission and distribution companies and also to specialized sectors such as renewable energy sources (cables for photovoltaic plants and wind parks) is deemed important. A considerable rise in sales to non-EU countries is also expected.

Moreover, in 2013 a major investment plan of € 40 million is being implemented with respect to the manufacturing of high-voltage submarine cables. The effects on the Group's financial results will be felt as of 2014 when business activity will be launched but market developments and the information obtained from our customers and associates make us feel optimistic about the future.

5. Significant transactions with Affiliates

The transactions of the Hellenic Cables Group and Company are set out in the following tables:

Transactions of Hellenic Cables Company with subsidiaries

Companies	Sales of goods, services & fixed assets	Purchases of goods, services & fixed assets	Receivables	Liabilities
ICME ECAB	15,167,562	27,406,805	411,632	28,420,256
FULGOR	61,822,569	92,677,519	20,865,784	0
LESCO EOOD	21,260	1,309,817	4,170	496,469
GENECOS	0	227	87,717	38,674
Subsidiaries' Total	**77,011,392**	**121,394,368**	**21,369,303**	**28,955,399**

Transactions of Hellenic Cables Company with Affiliates

Companies	Sales of goods, services & fixed assets	Purchases of goods, services & fixed assets	Receivables	Liabilities
STEELMET S.A.	0	1,055,166	0	253,294
HALCOR	13,409,996	11,086,824	387,785	0
METAL AGENCIES	6,357,520	473,913	3,415,527	159,714
FITCO	686,802	0	179,284	1,583
ELVAL S.A.	1,564,515	717,721	229,008	1,032,180
ERLIKON	10	2,148,895	0	147,464
SOFIA MED	0	675,208	0	78,557
OTHER	661,229	2,462,331	1,068,156	733,259
Affiliates' Total	**22,680,074**	**17,944,851**	**5,279,759**	**2,327,494**

Transactions of VIOHALCO Group with Hellenic Cables Group

Companies	Sales of goods, services & fixed assets	Purchases of goods, services & fixed assets	Receivables	Liabilities
STEELMET	0	1,055,166	0	253,294
HALCOR	18,752,388	24,942,348	2,112,697	933,891
SOFIA MED	901,291	3,556,687	124,175	879,616
METAL AGENCIES	6,493,471	529,304	3,637,485	221,196
STEELMET ROMANIA	1,421,630	1,249,369	13,030	449,724
ELVAL	2,489,528	3,331,054	769,833	1,455,697
ERLIKON	10	3,277,964	0	421,606
COOPER VALIUS	2,384,783	0	11,183	0
OTHER	3,594,905	3,556,815	1,639,310	985,264
TOTAL	**36,038,005**	**41,498,707**	**8,307,713**	**5,600,287**

- **STEELMET** provides Hellenic Cables with administration and organization services.
- **HALCOR** purchases from Hellenic Cables Group copper scrap from the returns generated from the production process and PVC which HALCOR uses for insulated pipes. Hellenic Cables Group purchases from HALCOR significant quantities of wire for cable manufacturing.
- **SOFIA MED** sells copper products primarily to the subsidiary Genecos.
- **METAL AGENCIES** acts as trader-distributor of Hellenic Cables Group in Great Britain.
- **FITCO** buys copper scrap from the returns generated from the production process.
- **ELVAL** buys from Hellenic Cables Group aluminum scrap from the returns generated from the production process.
- **ERLIKON** sells to Hellenic Cables steel wires for cable manufacturing.
- **COOPER VALIUS** buys from ICME ECAB copper scrap from the returns generated from the production process.
- **ICME ECAB** purchases from Hellenic Cables plastic/rubber mixes for its production process as well as finished cables that the company cannot produce. ICME ECAB also sells to Hellenic Cables semi-finished and finished products for distribution in the domestic market.
- **FULGOR** purchases from Hellenic Cables raw materials and semi-finished products for cable production and sells to Hellenic Cables finished (mainly cables) and semi-finished products.
- **LESCO EOOD** sells to Hellenic Cables wooden packaging materials.

5.1 Remuneration paid to Board members and top executives

The fees paid to management executives and members of the Board of Directors in 2012 amounted to € 1,039,407 for Hellenic Cables Group and € 670,286 for the parent company Hellenic Cables.

6. Detailed Information under Article 4(7) of Law 3556/2007

6.1 Structure of Share Capital

The Company's share capital amounts to € 20,977,916 divided into 29,546,360 common registered shares with a nominal value of € 0.71 each. All shares are listed and traded on the primary securities market of the Athens Stock Exchange, in the Large Capitalization category. The Company's shares are dematerialized, registered with voting rights.

According to the Company's articles of association the rights and obligations of shareholders are the following:

- Right to dividend from the Company's annual earnings. The dividend of each share is paid to its holder within two (2) months from the date of the General Meeting that approved the financial statements. The right to receive dividend is cancelled after five (5) years from the end of the year, during which the General Meeting approved the dividend distribution.
- Pre-emptive right to any share capital increase and withdrawal of new shares.
- Right to participate in the General Shareholders' meeting.
- The capacity of the shareholder rightfully entails acceptance of the Company's articles of association and the decisions of its bodies, which are in accordance with such and the law.
- The Company's shares are indivisible and the Company does recognize only one owner exclusively for each share. All co-owners of shares, as well as those with usufruct or bare ownership of such are represented in the General Meeting by only one individual, who is designated by such following an agreement. In case of a dispute, the share of the above owners is not represented.
- Shareholders are not liable further than the nominal value of each share.

6.2 Limitations to the transfer of Company shares

The transfer of Company shares takes place as stipulated by the Law and there are no limitations regarding such transfers from its Articles of Association.

6.3 Significant direct or indirect holdings according to the definition of articles 9 to 11 of L. 3556/2007

The significant (over 5%) holdings on 31.12.2012 are as follows:

- VIOHALCO S.A.: percentage of 74.47% of voting rights (direct and indirect)
- HALCOR S.A.: percentage of 72.53% of share capital

6.4 Shares incorporating special control rights

There are no Company shares that provide special control rights to owners.

6.5 Limitations on voting rights

According to the Company's Articles of Association, there are no limitations on voting rights emanating from its shares. The rules of the Company's articles of association, which stipulate issues of voting, are included in article 24 of its Articles of Association.

6.6 Agreements between Company Shareholders

To the knowledge of the Company Management, there are no agreements between shareholders.

6.7 Rules for appointment and replacement of BoD members and amendment of the articles of association

The rules stated by the Company's Articles of Association regarding the appointment and replacement of its Board of Directors' members and the amendment of the provisions of its Articles of Association do not differ from those stipulated by C.L. 2190/1920.

6.8 Responsibility of the Board of Directors for the issuance of new shares or the purchase of own shares

- Article 6 § 1 of the Company's articles of association stipulates that only the General Shareholders' Meeting, which convenes with quorum of 2/3 of the paid up share capital, has the right to increase the Company's share capital through issuance of new shares, by means of a decision made by a majority of 2/3 of the represented votes.
- The Company's articles of association do not allow the granting to the Board of Directors or to specific BoD members of any right corresponding to the General Meeting, for issuance of shares and share capital increase.

- The Board of Directors may proceed with the purchase of own shares in the context of a decision by the General Meeting according to article 16 par. 5 to 13 of C.L. 2190/20.
- In pursuance of article 13(e) of C.L. 2190/20, the Company's Board of Directors during the month of December of years 2006 until 2013, increases the Company's share capital, without amendment of its articles of association, by issuing new shares in the context of the Stock Option Plan approved by the General Shareholders' Meeting on 26/6/2002. Detailed information on the latter is presented analytically in note 30 of the Annual Financial Statements.

6.9 Significant agreements put into effect, amended or terminated in case of a change in the Company's control

The contracts of the Company's ordinary bond loans, which were undertaken in full by Banks and are presented in note 31.2 of the annual financial statements (Group: € 92 million, of which € 34 million are of short-term duration; and for the Company € 65 million, of which € 34 million are of short-term duration), include a clause for change in control in their terms, which provides lenders with the right to denounce such before their maturity in case the clause is activated.

To the best of the Company Management's knowledge, there are no other agreements which are put into effect, amended or terminated in case of a change in the Company's control.

6.10 Agreements with BoD members or the Company's staff

To the best of the Company Management's knowledge, there are no agreements of the Company with the members of its Board of Directors or with its staff, which stipulate the payment of indemnity specifically in case of resignation or termination of employment without reasonable cause or of termination of their term or employment.

7. STATEMENT OF CORPORATE GOVERNANCE

7.1 Code of Corporate Governance

The Company and the Group have adopted the practices of Corporate Governance as to how it is managed and run, as these are specified by the applicable institutional framework and the Corporate Governance Code recently published by the Hellenic Federation of Enterprises (SEV) (hereinafter referred to as "code") and available on the following website:

http://www.sev.org.gr/Uploads/pdf/KED_SEV_InternetVersion_updatednew2132011.pdf

In the context of preparation of the Annual Management Report of the Board of Directors, the Company reviewed the Code. Based on such review, the Company concluded that it applies the special practices for listed companies that are set out and described in the Corporate Governance Code of SEV save the following practices for which the relevant explanations are laid down:

- **Part A.2. 2.2, 2.3 & 2.5: Size and composition of the Board**: a) The independent non-executive members of the current Board of Directors are two (2) out of eleven (11) and, therefore, their number is less than the one third of all its members, as indicated in the Code; b) an independent member has served for a period exceeding 12 years from his/her first election.
  Under the current circumstances, it was deemed that the increase in the number of independent members or the restriction of members' term of office would not improve the effective operation of the company.
- **Part A.3. 3.3 Role and profile of the Board Chairman.** The Chairman of the Board of Directors is an executive member while the Vice-chairman is a non-executive, non-independent member.
  Under the current circumstances, it was not deemed that the company's more effective operation would be guaranteed if the Board Vice-chairman were an independent member in addition to non-executive.
- **Part A.5. 5.5. Nomination of Board members**. There was no committee to nominate members until the time this Statement was drafted for the same reasons as above.
- **Part A.7 .7.1. – 7.3. Evaluation of Board of Directors and its Committees.** Until the time this Statement was drafted, the Company had not chosen any specific collective procedure to evaluate the effectiveness of the Board of Directors and its Committees.
- **Part C.1. 1.6. Level and structure of remuneration.** Until the time this Statement was drafted, there was no Remuneration Committee. The issue will be soon reviewed.

The Company does not implement any other corporate governance practices than the special practices of the Corporate Governance Code of SEV and the provisions of Law 3873/2010.

7.2 Main characteristics of the Internal Control and Risk Management Systems in relation to the preparation of the Financial Statements and financial reports

7.2.1 Description of main characteristics and details of the Internal Control and Risk Management Systems -in relation to the preparation of the consolidated financial statements

The Internal Control System of the Company covers the control procedures involving the functioning of the Company, its compliance with the requirements of supervisory authorities, risk management and preparation of financial reports.

The Internal Audit Function controls the proper implementation of each procedure and internal control system regardless of their accounting or non-accounting content and evaluates the enterprise by reviewing its activities, acting as one service to Management.

The Internal Control System aims, among others, to secure the thoroughness and reliability of the data and information required for the accurate and timely determination of the Company's financial situation and the generation of reliable financial statements.

As regards the preparation of financial statements, the Company reports that the financial reporting system of "Hellenic Cables S.A.-Hellenic Cables Industry" uses an accounting system that is adequate for reporting to Management and external users. The financial statements and other analyses reported to Management on a quarterly basis are prepared on an individual and consolidated basis in compliance with the International Financial Reporting Standards, as adopted by the European Union for reporting purposes to Management, and also for the purpose of publication in line with the applicable regulations on a quarterly basis. Both administrative information and financial reports to be published include all the necessary details about an updated internal control system including analyses of sales, cost/expenses and operating profits as well as other data and indexes. All reports to Management include the data of the current period compared to the respective data of the budget, as the latter has been approved by the Board of Directors, and to the data of the respective period of the year before the report.

All published interim and annual financial statements include all necessary information and disclosures about the financial statements, in compliance with the International Financial Reporting Standards, as adopted by the European Union, reviewed by the Audit Committee and approved in their entirety by the Board of Directors.

Controls are implemented with respect to: a) risk identification and evaluation as for the reliability of financial statements; b) administrative planning and monitoring of financial figures; c) fraud prevention and disclosure; d) roles and powers of executives; e) year closing procedure including consolidation (e.g. written-down procedures, access, approvals, agreements, etc) and f) safeguarding the data provided by information systems.

The internal reports to Management and the reports required as per Codified Law 2190/1920 and by the supervisory authorities are prepared by the Financial Services Division, which is staffed with adequate and experienced executives to this effect. Management takes steps to ensure that these executives are adequately updated about any changes in accounting and tax issues concerning both the Company and the Group.

The Company has established separate procedures as to how to collect the necessary data from the subsidiaries, and sees to the reconciliation of separate transactions and to the implementation of the same accounting principles by the Group companies.

7.2.2 Annual evaluation of corporate strategy, main business risks and Internal Control Systems

The Company's Board of Directors states that it has examined the main business risks facing the Group, as well as the Internal Control Systems. On an annual basis, the Board of Directors reviews the corporate strategy, main business risks and Internal Control Systems.

7.2.3 Evaluation of the legal auditors' independence as per the provisions of Law 3693/2008

"Deloitte -Hadjipavlou Sofianos & Cambanis S.A. (Greek ICPA Reg. No: E 120), i.e. the statutory auditors of both consolidated and company financial statements of Hellenic Cables SA for the year ended on 31 December 2012 are not related to the Company or to any persons having supervisory responsibilities over the Company's financial reporting which could be considered as affecting their independence on the date of this report. Therefore, they remain independent within the meaning of Article 20 of Law 3693/2008.

7.3 Takeover bids - Information

- There are no binding takeover bids and/or rules of mandatory assignment and mandatory takeover of the Company's shares or any statutory provision on takeover.
- There are no third-party public offers to take over the Company's share capital during the last and current year.
- In case the Company decides to takes part in such a procedure, this will take place in the context of European laws and applicable Greek laws.

7.4 General Meeting of shareholders and rights of shareholders

A General Meeting is convened and functions in compliance with the stipulations of the Articles of Association and the relevant provisions of Law 2190/1920, as amended and in force today. The Company makes the necessary publications in line with the provisions of Law 3884/2010 and generally takes all steps required for the timely and thorough information of shareholders about how to exercise their rights. The latter is ensured by publishing the invitations to General Meetings and uploading them on the Company's website, the text of which contains a detailed description of shareholders rights and how these are exercised.

7.5 Composition and functioning of the Board of Directors, Supervisory Bodies and Committees of the Company

7.5.1 Role and responsibilities of the Board of Directors

The Company's Board of Directors is responsible for the long-term strategy and operational goals of the Company and generally for control and decision-making in the context of the stipulations of C.L. 2190/1920 and the Articles of Association, and for the compliance with corporate governance principles.

The Board of Directors convenes at the necessary intervals so as to perform its duties effectively.

The role and responsibilities of the Board of Directors are summed up as follows:

- oversight and monitoring of Company operations as well as control of attainment of business goals and long-term plans;
- formulation and determination of Company core values and objectives;
- securing the alignment of the adopted strategy with Company goals.
- The Board of Directors ensures that there are no conflicts of interests and examines any incidents or cases of deviation from the policy involving information confidentiality.
- ensuring the reliability and approval of the Company's Financial Statements prior to their final approval by the Ordinary General Meeting;
- securing the implementation of its business activity on a daily basis through a special authorization system while the other issues falling under its scope are implemented by way of special decisions.
- The main powers of the Board's secretary are to support the Chairman and the body's general functioning.

The existing Board of the Company consists of 12 members of whom:
- 4 are executive (Chairman & 3 Members)
- 6 are non-executive (Vice-chairman & other Members)
- 2 are independent, non-executive (other members)

The existing Board of Directors of Hellenic Cables S.A.-Hellenic Cables Industry consists of the following:

- Ioannis Batsolas, Chairman, executive member
- Konstantinos Laios, Vice chairman, non-executive member
- Alexios Alexiou, executive member
- Michael Diakogiannis: non-executive member
- Andreas Katsanos: non-executive member
- Andreas Kyriazis: independent, non-executive member
- Nikolaos Galetas: independent non-executive member
- Georgios Stergiopoulos, executive member
- Ronald Gee: non-executive member
- Wiedenmann Rudolf: non-executive member

- Iakovos Georganas: non-executive member
- Ioannis Stavropoulos, executive member

The members of the Board are elected for a one-year term by the General Meeting of shareholders. The existing Board of Directors of the Company was elected by the Ordinary General Meeting on 29 June 2012 and its term of office shall expire during the first half of 2013.

The Board of Directors met 79 times during 2012 with 9 of its 12 members having attended them in person.

7.5.2 Below are given the curriculum vitae of the Board members:

Ioannis Batsolas: Chairman

Mr. Batsolas Ioannis is a qualified electrical engineer of the KARLSRUHE University in West Germany and has been working in VIOHALCO Group since 1970. He has served as Quality Control Manager and Technical Manager of HELLENIC CABLES S.A. and also General Manager of Telecables SA from 1991 to July 2011.. He is also the Chairman on the Board of Directors of HELLENIC CABLES SA since 2005 to date and had also been the Chairman on the Board of TELECABLES SA from 2009 to July 2911. He is a simple member in other Group companies. He is also a Secretary of the Association of Viotia Industries.

Konstantinos Laios: Vice-Chairman, non-executive member

Mr. Laios is a graduate mechanical-electrical engineer from the National Polytechnic University of Athens having made his postgraduate studies in Germany. He had worked in the Public Power Corporation where he assumed a senior management post. Since 1983 he has assumed various management posts in various companies of VIOHALCO Group. He is also the Chairman on the Board of ICME ECAB SA.

Alexios Alexiou: executive member

Mr. Alexios Alexiou is a graduate of the Economics University of Piraeus and made his postgraduate studies in Financial Sciences in Strathclyde University. He has been working in VIOHALCO Group since 1996. He has worked as Financial Manager of HELLENIC CABLES SA during 2002-2003, General Manager of ICME ECAB S.A. during 2003 – 2008 and General Manager of HELLENIC CABLES SA from 2009 to date.

Michael Diakogiannis: non executive member

He is a graduate of Athens University of Economics and Business. He worked as Financial Manager of VIOHALCO VITROUVIT SA from 1967 to 1978. From 1979 to 1988 he worked as Financial Manager of HELLENIC CABLES SA. From 1989 to 2000 he worked as Financial Manager of VIOHALCO SA and from 2000 to date he is the General Manager of the same company.

Andreas Katsanos: non-executive member

Mr. Andreas Katsanos is a graduate of Piraeus Economics University and has been working in VIOHALCO Group since 1960. He has worked as supervisor of various Group companies and from 1978 to 1980 he held the post of General Manager in VIOTIA CABLES SA. From 1989 to date he is the Manager of the metal department of VIOHALCO Group companies. Mr. Katsanos had played a decisive role in the Bank of Greece adopting and applying in Greece hedging procedure (metal price volatility hedging), through the London Metal Exchange. He also participates in the Board of Directors of HALCOR SA.

Andreas Kyriazis: independent non-executive member

Mr. Andreas Kyriazis is a graduate of the Chemistry Department of Physics and Mathematics School of Athens University. He has served as Chairman of the Central Union of Greek Chambers, the Union of Balkan Chambers, the Chamber of Commerce and Industry of Athens, the Hellenic Productivity Centre, the Hellenic Society of Business Administration, and the Association of Timber Industry. He has also served as Vice-chairman of the Union of the European Chamber of Commerce and Industry and General Secretary of the Union of Greek Chemists.

Nikolaos Galetas: independent non-executive member

Mr. Nikolaos Galetas is a graduate of the Theology School of Athens University and studied in Technische Hochschule Wien while being a graduate engineer of the Electrical Engineering School of the National Polytechnic University of Athens. During his long career, Mr. Galetas held management posts in the Hellenic Development Bank (ETBA), Planning and Development Company (EPA) and the Hellenic Bank of Industrial Development Investments (ETEBA) where he also served as General Manager. Mr. Galetas has also served as Management Consultant to ETEVA and EFG EUROBANK PROPERTIES SA, while also being a member on the BoD of many companies including, among others, EFG EUROBANK PROPERTIES SA and ERT (Vice-chairman), and also in various subsidiaries of ETEBA Group where he assumed the post of Board Chairman during his long career in the said corporation. In addition, during the period 1990-92 he offered consulting services to the Ministries of Internal Affairs, Agriculture and Coordination.

Georgios Stergiopoulos: executive member

Mr. Georgios Stavropoulos is a graduate of Athens University of Economics and Business and has been working in VIOHALCO SA Group since 1971. He has served as Financial Manager of SANITAS AGENCY SA and many other Group companies. He is chairman of DIATOUR SA, vice-chairman of NOVAL SA and member on the Board of Directors of other Group companies.

Ronald Gee: non-executive member

Mr. Ronald Gee studied in Balliol College Oxford and has served as senior officer of the British Air Force during World War II. He is a member of the BoD of Hellenic Cables over the last 25 years. He has also served as commercial member of the London Metal Exchange in London for many years.

Wiedenmann Rudolf: non-executive member

Dr. Rudolf Wiendenmann has studied chemistry in Ludwig- Maximilians Universität München and has a PhD in natural sciences. From 1967 to 1976 he worked in the research and development team of SIEMENS in Germany. From 1976 to 1990 he worked as Director of various departments of SIEMENS while from 1991 to 1998 he held the post of Chairman of the energy cable department. In addition, during the period 1994-1997 he held the post of Chairman of the European Association of Cable Manufacturers (EUROPACABLE). He is also a Board member of ICME ECAB SA.

Iakovos Georganas: non-executive member

Mr. Iakovos Georganas studied in the University of Economics and Business (Athens, 1955) and in Harvard Business School (Advanced Management Program – spring 1979). He is non-executive vice-chairman of the Board of Directors of Piraeus Bank and Chairman of the Risk Management Committee. He has been an executive vice-chairman of the Board of Directors of the Bank since January 1992 to May 2004. He is also the Chairman of Hellenic Exchanges SA and a member on the Board of the Hellenic Telecommunications Organization SA, member on the Board of the Association of Greek Industries and Vice-chairman of the BoD of the Greek-Japanese Chamber of Commerce. He is also a member of the Board of various commercial, industrial, financing companies without executive powers. In July 1958 he joined the service of the Organization for Financing Financial Development, later renamed into ETBA bank, and withdrew after 32 years (31.01.1991) as Senior Deputy-Governor. He was a vice-chairman and member of the Hellenic Capital Market Commission from 12.01.1989 to 31.01.1991, a member of the Executive Committee of the Board of the Union of Hellenic Banks, a member of the Committee of Deputy Governors of Long-term Credit Institutes of the European Community and a member of the Board of Directors of the Foundation for Economic and Industrial Research (IOBE). He has also served as chairman of the Audit Committee of Piraeus Bank (June 2000 - August 2001).

Ioannis Stavropoulos: executive member

Mr. Ioannis Stavropoulos is a graduate of Piraeus University (former Higher Industrial School of Piraeus) and has been working in VIOHALCO Group since 1972. He has served as Financial Manager of VITROUVIT SA (1978), General Manager of Hellenic Cables Mesologi SA (1989), General Manager of KEM SA (1998) and General Manager of SIDENOR SA (1999). He is also a member on the Board of other Group companies.

7.6 Audit Committee

7.6.1 Description of the composition, functioning, work, responsibilities and of the issues discussed during Committee meetings

The Audit Committee, which is elected and functions in line with Law 3693/2008 (Article 37), consists of three non-executive members of the Board of Directors. One of them is independent and his main task, in the context of the obligations described by the above law, is to support the Company's Board of Directors to fulfill its mission to safeguard the effectiveness of accounting and financial systems, audit mechanisms, business risk management systems; assure compliance with the legal and regulatory framework; and implement effectively Corporate Governance principles.

More specifically, the Audit Committee has the following responsibilities:

- To examine the effectiveness of all Management levels in relation to the safeguarding of the resources managed and their compliance with the Company's established policy and procedures;
- To evaluate the procedures and data in terms of adequacy as for the attainment of objectives and assess the policy and the program concerning the activity under review;
- To control periodically the various functions of different divisions or departments so as to ensure that their various functions are carried out regularly, comply with Management instructions, Company policy and procedures, and that they abide by Company objectives and standards of management practice;
- To review internal audit reports and specifically:
    - to evaluate the adequacy of their extent;
    - to confirm the accuracy of reports;
    - to examine the adequacy of support to results.

The Audit Committee receives the following reports on audit activity:

- Extraordinary reports
- Financial audit quarterly reports
- Ordinary audit annual reports
- Corporate Governance Reports

The Audit Committee examines and ensures the independence of the Company's external auditors and takes cognizance of their findings and the Audit Reports on the annual or interim financial statements of the Company. At the same time, it recommends corrective actions and procedures so as to deal with any findings or failures in areas of financial reports or other important functions of the Company.

According to the Internal Regulation for its Operation, the Audit Committee consists of one independent and non-executive member of the Board of Directors and two non-executive members who have the necessary knowledge and experience for the Committee's work.

The existing Audit Committee consists of the following persons:

BoD members: Andreas Kyriazis: independent, non-executive member
Michael Diakogiannis: non executive member
Andreas Katsanos: non executive member

7.6.2 Number of Committee meetings and frequency of each member's participation in meetings

The Audit Committee met 4 times during 2012 having full quorum.

7.6.3 Evaluation of effectiveness and performance of the Committee

Until the time this Statement was drafted, no special procedures had been established to evaluate the effectiveness of the Audit Committee. Company Management will establish such procedures in the future.

8. Environmental / Occupational risk

HELLENIC CABLES Group has realized the interaction between its operation and the natural and working environment. This is why the Group implements policies and systems and makes continuous investments in the research and development of know-how which help it achieve its objective of Sustainable Development.
In addressing the potential impact on the Environment (environmental risk) and on the Health and Safety of its workforce (occupational risk), the Company performs all necessary risk assessment studies and takes preventive measures and initiatives, monitoring the relevant indicators (Quality, Environment, Health and Safety) it has implemented. These indicators are monitored and evaluated regularly and are communicated to all Company levels. In addition, the Group has obtained certification of the Quality Management System as per ISO 9001:2008 standard, of Environmental Management as per ISO 14001:2004 and of Occupational Health and Safety as per OHSAS 18001:2007 with respect to all Group facilities in Greece.

9. Share capital of Group subsidiaries and associates

		31/12/2012		
CORPORATE NAME	**Currency**	**Number of shares**	**Nominal value of share**	**Share Capital**
Subsidiaries				
FULGOR SA	Euro	12,119,237	2.94	35,630,557
ICME ECAB S.A.	RON	348,634,000	0.1	34,863,400
LESCO OOD	Euro	5,850	51.54	301,506
GENECOS S.A.	Euro	10,000	25	250,000
LESCO ROMANIA	RON	90,000	1	90,000
DELAIRE	Euro	15,000	1.71	25,650
E.D.E. S.A.	Euro	40,000	2.93	117,200
Associates				
STEELMET S.A.	Euro	15,900	29.35	466,665
METAL GLOBE LTD	Euro	250,000	1	250,000
METAL AGENCIES LTD.	GBP	1,000,000	1	1,000,000
COPPERPROM LTD	Euro	600	30	18,000

10. Company Branches

The Company keeps:

1. a branch in Tavros, 252 Peiraios street, where it houses its commercial departments;
2. a branch at Kalochori, Thessalonica, for the sale of its products in northern Greece;
3. a branch at Aghios Georgios, Levadia, where its enameled wire plant is located;
4. a branch at Oinofyta, Viotia (53rd km of Athens-Lamia National Highway) where the plant of plastic and rubber compounds is located;
5. a branch at Thiva, Viotia (69th km of Athens-Thiva Old National Highway) where the cable production plant is located;
6. a branch at Marousi (33, Amarousiou Halandriou Avenue) where the Company's principal establishment is located.

11. Important events having occurred after period end until submission date of the report

During January 2013, the Company took steps to terminate the Joint Venture "NEXANS – HELLENIC CABLES – FULGOR – PPC 2009" due to expiry of its activities.

12. CONCLUSIONS

Dear Shareholders, we presented an account of the financial year 2012, the risks and how these will be managed together with the prospects and development of the Company for 2013.

The Board of Directors of HELLENIC CABLES SA proposes to the General Meeting of shareholders to not distribute dividends from prior-period profits.

In conclusion, dear Shareholders, we would like first to express our gratitude for the trust that you have shown in the Company and we request you to approve the Company's Financial Statements, as well as the present report, for the fiscal year that ended on 31 December 2012.

Athens, 25 February 2013

The Chairman of the Board of Directors
Ioannis Batsolas

C. Audit Report by the Chartered Auditor Accountant

Hadjipavlou, Sofianos & Cambanis S.A.
Certified Auditors &
Business Consultants
3a, Fragoklisias St. & Granikou St.
151 25 Marousi
Tel.: +30 (210) 6781.100
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Audit Report by the Independent Chartered Auditor

To the shareholders of the Company "HELLENIC CABLES S.A."

Report on the Company and Consolidated Financial Statements

We have audited the attached company and consolidated financial statements of HELLENIC CABLES S.A. (the "Company") which consist of the company and consolidated statement of financial position dated 31 December 2012, the company and consolidated statements of total income, changes in equity and cash flows for the year ended on that date and a summary of main accounting principles and other explanatory notes.

Management responsibility for the company and consolidated Financial Statements

Management is responsible for the compilation and fair presentation of these company and consolidated financial statements in accordance with the International Financial Reporting Standards, as adopted by the European Union, and in line with those internal checks and balances which Management considers necessary to make it possible to draw up company and consolidated financial statements free of material misstatements due to fraud or error.

Auditor responsibility

It is our responsibility to express an opinion on those company and consolidated financial statements in light of our audit. We conducted our audit in compliance with International Auditing Standards. These standards require that we comply with ethics rules and that we design and carry out our audit so as to provide a fair assurance as to what extent the company and consolidated financial statements are free of material inaccuracies. The audit includes procedures to collect audit proof about the amounts and information contained in the company and consolidated financial statements. The procedures are selected at the auditor's discretion and include an assessment of the risk of substantive inaccuracy in the company and consolidated financial statements due to fraud or error. To estimate this risk, the auditor takes into account the internal checks and balances regarding the compilation and fair presentation of the company and consolidated financial statements that aim to the design of audit procedures which are suitable under the circumstances and not to express an opinion on the effectiveness of the company's internal checks and balances. The audit also includes an evaluation of the suitability of the accounting policies and methods applied and the fairness of the assessments made by Management and also an evaluation of the overall presentation of the company and consolidated financial statements.

We consider that the audit proof which we have collected is adequate and suitable to support our opinion.

Hadjipavlou, Sofianos & Cambanis S.A.
Certified Auditors &
Business Consultants
3a, Fragoklisias St. & Granikou St.
151 25 Marousi
Tel.: +30 (210) 6781.100
Fax: +30 (210) 6776.221-2
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Opinion

In our opinion, the attached company and consolidated financial statements reasonably depict from every substantive perspective the financial position of HELLENIC CABLES S.A. and its subsidiaries on 31 December 2012, its financial performance and cash flows for the year ended on that date in line with the International Financial Reporting Standards as adopted by the European Union.

Reference to other legal and regulatory issues

a) The Management Report of the Board of Directors includes a statement of corporate governance which provides the information specified in Article 43a(3d) of Codified Law 2190/1920.

b) We have verified that the content of the Management Report of the Board of Directors corresponds to and matches that of the attached company and consolidated financial statements in the context of the provisions of Articles 43a, 108 and 37 of Codified Law 2190/1920.

Athens, 26 February 2013
The Chartered Auditor

Dimitrios Koutsos - Koutsopoulos
SOEL Register No.: 26751
Deloitte. Hadjipavlou, Sofianos & Cambanis S.A.
Certified Auditors & Business Consultants
3a, Fragoklisias St. & Granikou St., GR-151 25 Marousi, Athens
SOEL Register No.: E 120

D. Annual Individual and Consolidated Financial Statements

HELLENIC CABLES S.A.

HELLENIC CABLE INDUSTRY S.A.

ANNUAL INDIVIDUAL AND CONSOLIDATED FINANCIAL STATEMENTS
as at 31 DECEMBER 2012

Athens Tower, Building B, 2 -4 Mesogheion Avenue
Athens, 115 27

www.cablel.gr

Corp. Reg. No. 2131/06/B/86/19

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Individual and Consolidated Statement of Total Income

(Amounts in Euro)		GROUP		COMPANY	
	Note	2012	2011	2012	2011
Sales	6	439,343,332	414,593,446	363,521,879	326,655,026
Cost of Sales	9	(422,174,872)	(387,705,507)	(356,097,793)	(309,653,714)
Gross Profit		**17,168,460**	**26,887,939**	**7,424,086**	**17,001,312**
Other income	7	3,410,946	4,997,284	1,937,337	1,402,941
Distribution expenses	9	(7,548,341)	(7,325,092)	(3,574,414)	(4,029,916)
Administrative expenses	9	(8,773,573)	(8,340,927)	(4,400,726)	(4,961,100)
Other expenses	8	(2,132,458)	(4,403,344)	(1,353,861)	(1,560,180)
Operating results		**2,125,034**	**11,815,860**	**32,422**	**7,853,057**
Financial income	11	1,112,678	2,017,142	2,688,383	928,795
Financial expenses	12	(16,455,417)	(10,236,308)	(11,842,145)	(7,140,967)
Income from dividends		-		217,281	
Profits/Losses from associated companies		(71,761)	12,780	-	-
Earnings before income tax		**(13,289,466)**	**3,609,474**	**(8,904,059)**	**1,640,885**
Income tax	18	2,101,220)	(278,420)	1,973,264	(546,228)
Year earnings/(loss)		**(11,188,246)**	**3,331,054**	**(6,930,795)**	**1,094,657**
Other income					
Foreign exchange differences from conversion		(961,250)	386,346	-	-
Change in fair value of cash flow hedging		77,172	(2,419,247)	50,050	(1,935,054)
Income tax to other income items		(14,086)	524,287	(10,010)	446,817
Total other income		**(898,164)**	**(1,508,614)**	**40,040**	**(1,488,237)**
Total period results		**(12,086,410)**	**1,822,440**	**(6,890,755)**	**(393,580)**
Profit/ (loss) attributed					
- to parent company shareholders		(11,213,415)	3,262,533	(6,930,795)	1,094,657
- to third parties		25,169	68,521		-
Year earnings/(loss)		**(11,188,246)**	**3,331,054**	**(6,930,795)**	**1,094,657**
Total results attributable					
- to parent company shareholders		(12,097,086)	1,754,601	(6,890,755)	(393,580)
- to third parties		10,676	67,839		-
Total period results		**(12,086,410)**	**1,822,440**	**(6,890,755)**	**(393,580)**
Earnings/ (loss) per share					
Basic earnings per share	24	(0.387)	0.117	(0.239)	0.039
Diluted earnings per share	24	(0.387)	0.117	(0.239)	0.039

The attached notes on pages 6 to 60 are an integral part of the financial statements.

Individual and Consolidated Statement of Financial Position

(Amounts in Euro)		GROUP		COMPANY	
	Note	**2012**	**2011**	**2012**	**2011**
ASSETS					
Property, plant and equipment	**13**	148,722,702	142,699,539	70,809,530	69,658,858
Intangible assets	**14**	10,681,176	10,160,040	494,557	267,637
Investment property	**15**	383,271	2,270,174	383,271	2,270,174
Holdings in subsidiaries and affiliates	**16**	605,268	779,726	49,888,215	21,146,967
Other investments	**17**	1,807,484	1,807,484	1,807,484	1,807,484
Deferred tax assets	**18**	231,404	427,949	-	-
Other receivables	**20**	1,072,420	574,029	954,588	469,670
Total non-current assets		**163,503,725**	**158,718,941**	**124,337,645**	**95,620,790**
Inventories	**19**	87,938,716	92,165,783	45,396,172	45,580,792
Customers and other trade receivables	**20**	70,979,964	76,081,125	72,687,181	84,220,775
Derivatives	**30**	287,899	130,965	248,145	130,965
Cash and cash equivalents	**21**	17,696,954	18,983,379	14,798,759	12,562,333
Total current assets		**176,903,533**	**187,361,252**	**133,130,257**	**142,494,865**
Total assets		**340,407,258**	**346,080,193**	**257,467,902**	**238,115,655**
LIABILITIES					
EQUITY					
Share Capital	**22**	20,977,916	20,977,916	20,977,916	20,977,916
Share premium account	**22**	31,171,712	31,171,712	31,171,712	31,171,712
Reserves	**23**	21,310,598	22,194,269	24,557,927	24,517,887
Profit carried forward		29,703,324	40,951,919	10,937,486	17,868,281
Equity attributed to shareholders		**103,163,550**	**115,295,816**	**87,645,041**	**94,535,796**
Minority interest		830,003	819,327	-	-
Total equity		**103,993,553**	**116,115,143**	**87,645,041**	**94,535,796**
LIABILITIES					
Loans	**25**	59,279,543	65,405,241	30,693,076	38,016,667
Payables from financial leases		166,641	438,273	-	-
Payables for staff retirement indemnities	**26**	2,146,416	2,550,018	1,156,946	1,219,893
Grants		3,595,407	1,537,093	3,534,657	1,476,343
Provisions	**29**	200,000	200,000	200,000	200,000
Deferred tax liabilities	**21**	7,139,895	9,499,384	1,853,591	3,816,845
Total long-term liabilities		**72,527,902**	**79,630,009**	**37,438,270**	**44,729,748**
Loans	**25**	108,470,222	105,352,490	71,093,859	56,882,150
Payables from financial leases		321,975	675,683	-	-
Suppliers and other liabilities	**28**	55,047,060	43,728,263	61,272,227	41,440,651
Derivatives	**30**	46,546	578,605	18,505	527,310
Total short-term liabilities		**163,885,803**	**150,335,041**	**132,384,591**	**98,850,111**
Total liabilities		**236,413,705**	**229,965,050**	**169,822,861**	**143,579,859**
Total equity and liabilities		**340,407,258**	**346,080,193**	**257,467,902**	**238,115,655**

The attached notes on pages 6 to 60 are an integral part of the financial statements.

Consolidated statement of changes in equity

(Amounts in Euro)	**Share Capital and Share premium account**	**Consolidation foreign exchange differences**	**Fair value reserves**	**Other Reserves**	**Accumulated profit/ (loss)**	**Total**	**Minority interest**	**Total Shareholder's equity**
Balance on 1 January 2011	**42,555,707**	**(4,658,284)**	**1,894,266**	**26,492,793**	**37,662,811**	**103,947,293**	**751,489**	**104,698,782**
Total period results								
Period earnings/(loss)	-	-	-	-	**3,262,533**	3,262,533	**68,521**	**3,331,054**
Other income								
Foreign exchange differences	-	381,494	-	-	-	381,494	4,852	386,346
Change in fair value of cash flow hedging	-	-	(1,889,425)	-	-	(1,889,425)	(5,535)	(1,894,960)
Total other income	-	381,494	(1,889,425)	-	-	(1,507,931)	(683)	(1,508,614)
Total period results	**-**	**381,494**	**(1,889,425)**	**-**	**3,262,533**	**1,754,602**	**67,838**	**1,822,440**
Transactions with shareholders directly posted to equity								
Share capital increase	9,593,921	-	-	-	-	9,593,921	-	**9,593,921**
Transfer of reserves/distribution	-	-	-	(26,575)	26,575	-	-	-
Total transactions with shareholders	**9,593,921**	**-**	**-**	**(26,575)**	**26,575**	**9,593,921**	**-**	**9,593,921**
Balance on 31 December 2011	**52,149,628**	**(4,276,790)**	**4,841**	**26,466,218**	**40,951,919**	**115,295,816**	**819,327**	**116,115,143**
Balances as at 1 January 2012	**52,149,628**	**(4,276,790)**	**4,841**	**26,466,218**	**40,951,919**	**115,295,816**	**819,327**	**116,115,143**
Total period results								
Year profits	-	-	-	-	(11,213,415)	(11,213,415)	25,169	(11,188,246)
Other income								
Foreign exchange differences	-	(946,357)	-	-	-	(946,357)	(14,893)	(961,250)
Decrease of holding in subsidiary					(35,180)	(35,180)	-	(35,180)
Change in fair value of cash flow hedging	-	-	62,686	-	-	62,686	400	63,086
Total other income	-	(946,357)	62,686	-	(35,180)	(918,851)	(14,493)	(933,344)
Total period results	-	**(946,357)**	**62,686**		**(11,248,595)**	**(12,132,266)**	**10,676**	**(12,121,590)**
Transactions with shareholders directly posted to equity								
Transfer of reserves/distribution	-	-	-		-	-	-	-
Total transactions with shareholders	-	-	-		-	-	-	
Balance as at 31 December 2012	**52,149,628**	**(5,223,147)**	**67,527**	**26,466,218**	**29,703,324**	**103,163,550**	**830,003**	**103,993,553**

The attached notes on pages 6 to 60 are an integral part of the financial statements.

Individual statement of changes in equity

(Amounts in Euro)	Share Capital and Share premium account	Fair value reserves	Other Reserves	Accumulated profit/ (loss)	Total Shareholder's equity
Balance on 1 January 2011	**42,555,707**	**1,535,018**	**17,716,302**	**14,422,452**	**76,229,479**
Total period results					
Period earnings/(loss)	-	-	-	1,094,657	**1,094,657**
Other income					
Change in fair value of cash flow hedging	-	(1,488,237)	-	-	(1,488,237)
Total other income	-	(1,488,237)	-	-	(1,488,237)
Total period results		**(1,488,237)**		**1,094,657**	**(393,580)**
Transactions with shareholders directly posted to equity					
Share capital increase	9,593,921	-	-	-	9,593,921
Absorption of subsidiary	-	-	6,781,379	2,324,597	9,105,976
Transfer of reserves/distribution	-	-	(26,575)	26,575	-
Total transactions with shareholders	**9,593,921**	**-**	**6,754,804**	**2,351,172**	**18,699,897**
Balance on 31 December 2011	**52,149,628**	**46,781**	**24,471,106**	**17,868,281**	**94,535,796**
Balance on 1 January 2012	**52,149,628**	**46,781**	**24,471,106**	**17,868,281**	**94,535,796**
Total period results					
Year profits	-	-	-	(6,930,795)	**(6,930,795)**
Other income					
Change in fair value of cash flow hedging	-	40,040	-	-	40,040
Total other income	-	40,040	-	-	40,040
Total period results		**40,040**		**(6,930,795)**	**(6,890,755)**
Transactions with shareholders directly posted to equity					
Share capital increase	-	-	-	-	-
Transfer of reserves/distribution	-	-	-	-	-
Total transactions with shareholders	**-**	**-**	**-**	**-**	**-**
Balance on 31 December 2012	**52,149,628**	**86,821**	**24,471,106**	**10,937,486**	**87,645,041**

The attached notes on pages 6 to 60 are an integral part of the financial statements.

Individual and Consolidated Statement of Cash Flow

	Note	GROUP 2012	GROUP 2011	COMPANY 2012	COMPANY 2011
(Amounts in Euro)					
Cash flows from operating activities					
Earnings before taxes		(13,289,466)	3,609,474	(8,904,059)	1,640,885
Plus / less adjustments for:					
Fixed assets depreciation	**13, 14**	9,371,483	9,369,472	4,240,144	5,423,385
Depreciation of grants	**7**	(784,436)	(335,125)	(784,436)	(335,125)
Provisions (mainly for receivables and stocks)		194,992	(400,892)	283,600	490,349
Results (income, expenses, profit and loss) from investment activity		(762,646)	419,130	(2,200,308)	337,358
Income from dividends		-	-	(217,281)	-
Interest charges and related expenses	**12**	14,580,985	9,238,165	10,416,282	6,142,823
(Profits)/ Losses from sale of fixed assets	**7**	(69,993)	(31,231)	(62,580)	(31,231)
Losses from the destruction/impairment of fixed assets		180,265	18,525	180,000	-
Decrease/(increase) in inventories		3,413,648	(21,798,420)	52,624	(7,187,237)
Decrease/(increase) in receivables		(7,145,178)	20,049,435	(9,812,061)	(1,681,101)
(Decrease)/ increase in payables (less loans)		11,077,022	(14,103,008)	19,904,845	(3,374,328)
Interest charges and related paid-up expenses		(12,228,219)	(8,972,995)	(10,489,466)	(5,877,652)
Taxes paid		(217,908)	(413,446)	-	(184,323)
Net cash flows from operating activities		**4,320,549**	**(3,350,916)**	**2,607,304**	**(4,636,197)**
Cash flows from investment activities					
Purchases of tangible assets	**13**	(14,523,426)	(8,113,609)	(3,785,522)	(5,105,289)
Purchases of intangible assets	**14**	(403,416)	(149,681)	(150,708)	(52,974)
Sales of tangible assets		340,137	85,870	87,976	85,870
Absorption of subsidiary		-	-	-	287,942
Acquisition of subsidiary		-	(3,114,495)	(18,353,000)	(3,430,000)
Dividend received		162,961	-	162,961	-
Interest received		222,587	116,563	1,690,211	211,116
Net cash flows from investment activities		**(14,201,157)**	**(11,175,352)**	**(20,348,082)**	**(8,003,335)**
Cash flows from financing activities					
Proceeds from share capital increase		9,593,921	-	9,593,921	-
Dividend paid to parent company shareholders		(84)	-	(84)	-
Loans obtained		18,176,366	106,421,745	16,769,677	54,223,554
Payment of loans		(21,921,946)	(85,442,316)	(9,881,559)	(37,833,332)
Grants received		3,495,249	827,475	3,495,249	827,475
Changes in financial lease funds		(625,340)	(109,648)	-	-
Net cash flows from financing activities		**8,718,166**	**21,697,256**	**19,977,204**	**17,217,697**
Net (decrease) / increase in cash and cash equivalents		**(1,162,442)**	**7,170,988**	**2,236,426**	**4,578,165**
Cash and cash equivalents in the beginning of the fiscal year		18,983,379	11,820,842	12,562,333	7,984,168
Foreign exchange differences in cash equivalents		(123,983)	(8,451)	-	-
Cash and cash equivalents at the end of the fiscal year	**24**	**17,696,954**	**18,983,379**	**14,798,759**	**12,562,333**

The attached notes on pages 6 to 60 are an integral part of the financial statements.

1. Information on the company

HELLENIC CABLES S.A. (the Company) is seated in Greece, 2-4 Mesogheion Ave, Athens Tower, B' Building, Athens. The Company's consolidated financial statements on 31 December 2012 include the Company, its subsidiaries and associates and will be hereinafter referred to as the Group.

The Group mainly operates in Greece and Romania by producing and distributing all types and forms of cables (energy, telecommunications, etc) and is part of HALCOR and VIOHALCO industrial group.

HELLENIC CABLES S.A. and its parent company HALCOR S.A. are listed on the Athens Stock Exchange. On 31 December 2012, HALCOR S.A.'s direct and indirect holding in HELLENIC CABLES was 72.53% (2011: 72.53%).

The financial statements of the Group of HELLENIC CABLES S.A. are included in the consolidated financial statements of HALCOR S.A. and VIOHALCO SA.

2. PRESENTATION BASIS OF CONSOLIDATED FINANCIAL STATEMENTS

2.1 Statement of Compliance

The Financial Statements of the Group have been prepared in accordance with the International Financial Reporting Standards (IFRS) and their interpretations, as adopted by the European Union.

The financial statements were approved by the Board of Directors on 25 February 2013 and have been uploaded on **www.cablel.gr.** The Company's General Commercial Register is 281701000.

2.2 Basis of measurement

The financial statements have been prepared according to the principle of historical cost, save the financial derivative instruments that are presented at fair value.

2.3 Functional currency

The consolidated financial statements are presented in Euro which is the Company's functional currency. All financial information is given in Euro and has been rounded to the nearest unit, unless otherwise indicated in separate notes. Such rounding results in minor differences in the tables incorporated in this Annual Financial Report.

2.4 Use of estimates and assumptions

Preparing financial statements in line with IFRS requires estimate-making and the adoption of assumptions by the Management which may affect the accounting balances of assets and liabilities as well as the income and expense items. Actual results may vary from such estimates.

The estimates and relevant assumptions are reviewed at regular intervals. Any deviations of the accounting estimates are recognized in the period in which they are reviewed provided they concern solely the current period or, if they refer to the future periods, the deviations concern both current and future periods.

The accounting decisions made by Management when applying the Group's accounting policies and expected to affect most the Financial Statements of the Group and the Company are as follows:

Management examines at least on an annual basis whether there are signs of impairment of the intangible assets whose useful life is indefinite and, if applicable, estimates the amount of such impairment according to the Group's accounting policy. The recoverable amount of the cash generating unit under review is determined on the basis of the higher value between the fair value less cost to sell and the value in use. Such determination is based on estimates and underlying assumptions.

Moreover, during each fiscal year Management examines the following, based on assumptions and estimates:

- the useful lives and recoverable value of depreciable and non-depreciable tangible and intangible assets;
- the reasons that continue to support an indefinite useful life assessment for those intangible assets which had been evaluated as of indefinite useful life upon their initial recognition;
- the recoverable value of the company's holdings in subsidiaries and associates in the individual Financial Statements and also in investments in other companies in both individual and consolidated Financial Statements;
- the amount of provisions for staff retirement indemnities, for income tax of unaudited fiscal years, for obsolete or slow-moving inventories and for disputed cases;
- the recoverability of the deferred tax asset.

The main sources of uncertainty for the Group and the Company on the date the Financial Statements were compiled which may have a significant effect on the book values of assets and liabilities concern:

- the useful life of depreciable tangible and intangible assets (Note 13);
- the estimates about the recoverability of deferred tax assets (Note 18);
- doubtful debts (Note 30.1);
- the measurement of liabilities for staff retirement indemnities (Note 26);
- the reasons that continue to support an indefinite useful life assessment for the license granted for the Port in Sousaki, Korinthia and for the trade name "FULGOR" (Note 14);
- the impairment test of the intangible assets whose useful life is indefinite (Note 14).

3 NEW STANDARDS, INTERPRETATIONS AND AMENDMENT OF EXISTING STANDARDS

Specific new standards, standard amendments and interpretations have been issued, which are mandatory for accounting periods starting during or after the present fiscal year. The estimate made by the Group on the effect of the application of such new standards and interpretations is listed below:

Standards/ Amendments that are mandatory for periods beginning on or after 1 July 2011

IAS 12 (Amendment) "Income taxes" (applicable to annual accounting periods beginning on or after 1 January 2012)
The amendment to IAS 12 provides a practical method to measure the deferred tax liabilities and deferred tax assets when investment property is measured at fair value in compliance with IAS 40 "Investment property". According to IAS 12, the measurement of deferred taxes depends on the way the entity expects to recover the asset: through use or sale. Given the difficulty and subjectivity in determining how to recover the value when the investment property is measured at fair value according to IAS 40, this amendment introduces the presumption that the investment property will be fully recovered through sale. This presumption is rejected when the investment property is amortized and is part of a business model where it is sought to recover the economic benefits embedded in the investment property through use rather than sale. This presumption is not rejected as regards fields being investment property because their value may be recovered only through sale. This amendment has not been adopted yet by the European Union and, thus, is not expected to have any significant effect on the Group's financial statements.

IFRS 7 (Amendment) Financial instruments: Disclosures" (applying to annual accounting periods beginning on or after 1 July 2011)
The amendment requires additional disclosures for all transferred financial assets that are not derecognized and for any continuing involvement in a transferred asset, existing at the reporting date, irrespective of when the related transfer transaction occurred. This amendment has been adopted by the European Union.

IFRS 1 (Amendments) "First-time adoption of International Financial Reporting Standards" (applying to annual accounting periods beginning on or after 1 July 2011)
The first amendment refers to those companies that used to operate in hyperinflationary economies and their transition date to IFRSs is on or after the functional currency normalization date. These may elect to measure all existing assets and liabilities at fair value on the date of transition to IFRSs and use such fair value as deemed cost. The second amendment refers to the change of the fixed date of "1 January 2004" into "the date of transition to IFRSs". These amendments have not been adopted yet by the European Union but are not expected to have any effect on the Group's financial statements.

Amendments to standards being part of the annual improvement program of the International Accounting Standards Board (IASB) for 2012

The following amendments describe the most important changes brought to IFRSs due to the results of the annual improvement program of the IASB published in May 2012. Unless otherwise indicated, the following amendments shall apply to the annual accounting periods beginning on or after 1 January 2013.
These amendments have not been adopted yet by the European Union.

IFRS 1 "First-time adoption of International Financial Reporting Standards"

The amendment to IFRS 1 allows the repeated application of IFRS 1 to specific assets in relation to borrowing costs. This particular amendment does not have any effect on the Group's financial statements.

IAS 1 "Presentation of Financial Statements"

The amendments to IAS 1 provide clarifications regarding the necessary comparative information. This particular amendment does not have any significant effect on the Group's financial statements.

IAS 16 "Property, plant and equipment"

This amendment to IAS 16 provides guidance on the categorization of maintenance equipment. This particular amendment does not have any significant effect on the Group's financial statements.

IAS 32 "Financial instruments: Presentation"

This amendment specifies that the tax effect of an allocation to holders of equity instruments should be treated according to the provisions of IAS 12 "Income taxes". This particular amendment does not have any effect on the Group's financial statements.

IAS 34 "Interim Financial Reporting"

The amendment provides clarifications on the presentation of total assets per operating segment in the interim financial report so as to ensure consistency with the requirements of IFRS 8 "Operating segments". This particular amendment does not have any significant effect on the Group's financial statements.

Standards that are mandatory for periods beginning on or after 1 January 2013

IFRS 7 (Amendment) Financial instruments: Disclosures" (applying to annual accounting periods beginning on or after 1 January 2013 and the interim periods)
The amendment requires the disclosure of information about the right to offset those financial instruments subject to enforceable master netting arrangements or similar arrangements. The amendment has not been adopted by the European Union yet.

IFRS 9 (Amendment) Financial instruments: Disclosures" (applying to annual accounting periods beginning on or after 1 January 2015)
The amendments concern the deferral of the effective date of IFRS 9 as regards annual periods beginning on or after 1 January 2015 with the right of earlier application and exclude any correction in previous periods upon the initial application of IFRS 9.

Specifically, the entity is required to disclose the changes in the classification of its financial assets and financial liabilities, showing separately the changes in the carrying amounts on the basis of measurement categories according to IAS 39 and the changes in the carrying amounts arising from a change in the characteristics of measurement on transition to IFRS 9.

As regards the financial assets and financial liabilities that will be reclassified to be measured at amortized cost, the entity should disclose: a) the fair value of the financial assets or financial liabilities at the end of the reporting period; b) the fair value of the gain or loss that would have been recognized in profit or loss during the reporting period if the financial assets had not been reclassified; c) the effective interest rate determined on the date of reclassification; and d) the interest income or expense recognized.

In addition, if on the date of initial application of IFRS 9 an entity treats the fair value of a financial asset or financial liability as its amortized cost, then the effective rate specified on the date of reclassification and the interest rate of recognized interest income or expenses should be disclosed for each reporting period following reclassification until derecognition of the asset or the liability. The amendment has not been adopted by the European Union yet.

IFRS 9 "**Financial Instruments**" (applying to annual accounting periods starting on or after 1 January 2015)
IFRS 9 is the first part of Phase I of IASB (International Accounting Standards Board) project to replace IAS 39. According to IFRS 9, all financial assets are initially measured at their fair value plus, in the case of a financial asset that is not recognized at fair value through profit or loss, specific transactions costs. Subsequent measurement of financial assets takes place either at the amortized cost or at fair value and depends on the business model of the entity with respect to the management of financial assets and the contractual cash flows of the financial asset. IFRS 9 prohibits reclassifications save the rare cases in which the entity's business model changes and in such a case the entity is required to reclassify the affected financial assets in the future. According to the principles of IFRS 9, all investments in equity instruments should be measured at fair value. Nevertheless, Management can choose to present the realized and unrealized profits and losses of equity instruments fair value that are not held for trading purposes in the other total income. This determination is made upon initial recognition for each financial instrument separately and cannot change. The profits and losses of fair value are not transferred subsequently while income from dividends will continue to be recognized through profit or loss. IFRS 9 abolishes the exception of measurement at cost for unlisted shares and unlisted equity derivatives but provides guidance as to when the cost may be a representative assessment of fair value. IFRS 9 does not have any significant effect on the Group's financial statements. IFRS 9 cannot be applied earlier by the Group because it has not been adopted by the European Union. Only once it is adopted, the Group will decide whether it will apply IFRS 9 earlier than 1 January 2015.

IFRS 10 "**Consolidated Financial Statements**" (applying to annual accounting periods starting on or after 1 January 2013)
IFRS 10 replaces all the instructions regarding control and consolidation which are provided in IAS 27 and SIC 12. The new standard is based on the notion of control as determinant factor in deciding whether an entity must be consolidated or not. The standard provides extensive clarifications on the three elements specifying the notion of control of an entity and dictating the different ways in which an entity (investor) may control another entity (investee). It also sets the principles for the preparation of consolidated financial statements.
In June 2012, IFRS 10 was amended to provide a supplementary margin of transition by limiting the requirement to provide comparative information to only the preceding comparative period.
Entities adopting early this standard should adopt the other standards included in the «Pack of 5» standards surrounding consolidation, joint arrangements and disclosures: IFRS 10 "Consolidated Financial Statements", IFRS 11 "Joint Arrangements", IFRS 12 "Disclosure of Interests in Other Entities", IAS 27 "(revised 2011) Separate Financial Statements" and IAS 28 "(revised 2011) Investments in Associates and Joint Ventures". The Group is presently evaluating the effect of IFRS 10 on its financial statements. The standard has not been adopted by the European Union yet.

IFRS 11 "Joint Arrangements" (applying to annual accounting periods beginning on or after 1 January 2013)

IFRS 11 replaces IAS 31 “Interests in Joint Ventures” and provides a more realistic treatment of joint arrangements focusing more on the rights and obligations rather than their legal status. There are only two types of arrangements: 1) joint operations and 2) joint ventures. The proportionate consolidation method is no longer permissible. Joint venturers should necessarily apply the equity method of consolidation.
In June 2012, IFRS 11 was amended to provide a supplementary margin of transition by limiting the requirement to provide comparative information to only the preceding comparative period. In addition, the amendment cancels the obligation to provide comparative information about periods prior to the immediately preceding period.
Entities adopting early this standard should adopt the other standards included in the «Pack of 5» standards surrounding consolidation, joint arrangements and disclosures: IFRS 10 “Consolidated Financial Statements”, IFRS 11 “Joint Arrangements”, IFRS 12 “Disclosure of Interests in Other Entities”, IAS 27 “(revised 2011) Separate Financial Statements” and IAS 28 “(revised 2011) Investments in Associates and Joint Ventures”. The Group is presently evaluating the effect of IFRS 11 on its financial statements. The standard has not been adopted by the European Union yet.

IFRS 12 “Disclosure of Interests in Other Entities” (applying to annual accounting periods beginning on or after 1 January 2013)

IFRS 12 refers to the disclosures an entity must make including significant judgments and assumptions which enable readers of financial statements to evaluate the nature, risks and economic effects associated with an entity’s interest in subsidiaries, associates, joint arrangements and non-consolidated entities.
In June 2012, IFRS 12 was amended to provide a supplementary margin of transition by limiting the requirement to provide comparative information to only the preceding comparative period. In addition, the amendment cancels the obligation to provide comparative information about periods prior to the immediately preceding period.
An entity can make any or all of the above disclosures without being obliged to implement IFRS 12 in its entirety or the other standards included in the «Pack of 5» standards surrounding consolidation: IFRS 10 “Consolidated Financial Statements”, IFRS 11 “Joint Arrangements”, IFRS 12 “Disclosure of Interests in Other Entities”, IAS 27 “(revised 2011) Separate Financial Statements” and IAS 28 “(revised 2011) Investments in Associates and Joint Ventures”. The standard has not been adopted by the European Union yet.

IFRS 13 "Fair value measurement” (applying to annual accounting periods beginning on or after 1 January 2013)

IFRS 13 provides new instructions on the measurement of fair value and the necessary disclosures. The requirements of the standard do not extend the use of fair values but provide clarifications on their application in case their use is imposed by other standards. IFRS 13 provides an accurate definition of fair value as well as instructions on the fair value measurement and necessary disclosures regardless of the standard used in applying fair values. In addition, the necessary disclosures have been expanded and cover all assets and liabilities measured at fair value rather than financial assets only. The standard has not been adopted by the European Union yet but is not expected to have any significant effect on the Group’s financial statements.

IAS 1 (Amendment) "**Presentation of Financial Statements**" (applying to annual accounting periods beginning on or after 1 July 2012).

This amendment requires entities to separate the items presented in other total income in two groups based on whether they are potentially reclassifiable to profit or loss subsequently or not. Moreover, it keeps the changes made to IAS 1 in 2007 according to which the operating results should be presented together with other total income. Finally, the tax should be presented separately for each one of the two categories of other total income. The amendment has been adopted by the European Union.

IAS 19 (Amendment) "Employee benefits" (applying to annual accounting periods beginning on or after 1 January 2013)

This amendment brings about considerable changes in the recognition and measurement of defined benefit and termination benefit cost (abolition of the 'corridor' approach) and to the disclosures of all employee benefits. The main changes concern primarily the recognition of actuarial gains and losses, the recognition of past service cost/ curtailments, measurement of pension cost, necessary disclosures, and the treatment of the cost and tax related to defined benefit plans. The amendment has been adopted by the European Union and the Group is currently evaluating the effect of IFRS 19 on financial statements.

IAS 27 (Amendment) "**Separate Financial Statements**" (applying to annual accounting periods beginning on or after 1 January 2013)

This Standard was published along with IFRS 10 and these two combined replace IAS 27 "Consolidated and Separate Financial Statements". The amended version of IAS 27 determines the accounting treatment and necessary disclosures regarding interests in subsidiaries, joint ventures and associates when an entity prepares separate financial statements. The requirements about consolidated financial statements are currently laid down in IFRS 10 "Consolidated Financial Statements".

The Standard requires entities to account for their investments in subsidiaries, associates and jointly controlled entities either at cost or according to the provisions of IFRS 9 "Financial Instruments" when preparing their individual financial statements.

Entities adopting early this standard should adopt the other standards included in the «Pack of 5» standards surrounding consolidation, joint arrangements and disclosures: IFRS 10 "Consolidated Financial Statements", IFRS 11 "Joint Arrangements", IFRS 12 "Disclosure of Interests in Other Entities", IAS 27 "(revised 2011) Separate Financial Statements" and IAS 28 "(revised 2011) Investments in Associates and Joint Ventures". The amendment has not been adopted by the European Union yet.

IAS 28 (Amendment) "Investments in associates and joint ventures" (applying to annual accounting periods beginning on or after 1 January 2013)

IAS 28 "Investments in Associates and Joint Ventures" replaces IAS 28 "Investments in Associates". The purpose of this standard is to define the accounting treatment of investments in associates and set out the requirements for the implementation of the equity method of accounting when accounting for investments in associates and joint ventures as arising from the publication of IFRS 11.

The Standard presents the notion of the term “significant influence” and provides guidance on the way in which the equity method of accounting should apply (including exemptions from the application of the equity method on certain occasions). It also specifies the manner in which investments in associates and joint ventures should be tested for impairment.

Entities adopting early this standard should adopt the other standards included in the «Pack of 5» standards surrounding consolidation, joint arrangements and disclosures: IFRS 10 “Consolidated Financial Statements”, IFRS 11 “Joint Arrangements”, IFRS 12 “Disclosure of Interests in Other Entities”, IAS 27 “(revised 2011) Separate Financial Statements” and IAS 28 “(revised 2011) Investments in Associates and Joint Ventures”. The amendment has not been adopted by the European Union yet.

IAS 32 (Amendment) “Financial instruments: Presentation) **(**applying to annual accounting periods beginning on or after 1 January 2014)

The amendment concerns IAS 32 “Financial Instruments”. The amended standard addresses inconsistencies in the usual practice when applying the criteria for offsetting financial assets and liabilities under IAS 32 "Financial Instruments: Presentation". This particular amendment is not expected to affect considerably the Group's financial statements. The amendment has not been adopted by the European Union yet.

IFRS 1 (**Amendment**) “**First-time adoption of International Financial Reporting Standards**” (applying to annual accounting periods starting on or after 1 January 2014)
IFRS 1 is amended so as to provide guidance as to how a first-time adopter of the international accounting standards should account for government loans at a below-market rate of interest when making the transition to International Accounting Standards. The amendments reflect the requirements for the existing preparers of IFRSs in relation to the application of the amendments brought to IAS 20 “Accounting for Government Grants and Disclosure of Government Assistance” as regards the accounting applying to government loans.
First-time adopters of IFRSs may apply the requirements of paragraph 10A of IAS 20 solely with respect to the new loans entered into after the date of transition to IFRSs. First-time adopters are obliged to apply IAS 32 “Financial instruments: Presentation” for classifying loans as a financial liability or equity instrument on the date of transition. However, if according to the previous GAAPs, the said adopter did not recognize and measure a government loan at a below-market rate of interest on a basis consistent with the requirements of IFRSs, such adopter should be allowed to use, on the date of transition, the book value of the loan existing according to the previous GAAPs as opening book value of IFRS-compliant statement of financial position. The entity shall subsequently apply IAS 38 or IFRS 9 when measuring loans after the date of transition. This particular amendment does not have any effect on the Group's financial statements. The amendment has not been adopted by the European Union yet.

4. SIGNIFICANT ACCOUNTING PRINCIPLES

The accounting principles cited below have been consistently applied to all periods presented in these financial statements and have also been consistently applied by all companies of the Group.

4.1 Consolidation basis

(a) Consolidation of entities

For an entity to be incorporated in the Group's consolidated financial statements, there applies the method of acquisition on the date on which the Group acquired control over the company. Control is exercised when the Group performs the administration task and manages the company's financial and operating activities to its benefit.
The Group measures goodwill on the subsidiary's acquisition date as follows:

- The fair value of the acquisition cost, less
- the fair value of the identifiable assets acquired and liabilities assumed.

In case of negative goodwill, profit is directly recognized to operating results.

Entity acquisition expenses, save those related to the issue of bond loans or shares, are posted to expenses when incurred.

(b) Acquisition of stake in non-controlled entities

Acquiring a stake in an entity which, however, does not provide the control thereof is accounted for as transaction with the entity's owners and, thus, no goodwill is recognized. Changes in the stake's acquisition cost, without affecting the participation percentage, take place in line with the applicable share in the company's equity.

(c) Acquisition of companies under common control

The merger of entities according to which stakes of enterprises controlled by the Group are accounted for as if the merger had taken place at the beginning of the previous year or at the time the control of the Group is acquired. For this reason, prior-period items are adjusted.

Asset and liability items that are acquired are recognized at book value while the equity acquired is added to the Group's equity and any loss or profit is directly posted to equity.

(d) Subsidiary companies

Subsidiaries are companies controlled by the Group. Control is established whenever the Group controls directly or indirectly the company's business and financial policy. The existence of potential voting rights that are exercisable is taken into account in order to determine whether the parent company exercises control over the subsidiaries. In the consolidated financial statements, the subsidiaries are included by applying the full consolidation method as of the date on which control over them was acquired.

(e) Loss of control over entities

When the control over a subsidiary is lost, the Group no longer consolidates such company and any surplus or deficit arising from the loss of control over such subsidiary is posted through profit or loss.

(f) Associates

Associates are companies on which the Group, directly or indirectly, exercises substantial influence in their business and financial policy but does not control them. Substantial influence is established when the Group has a participating stake ranging from 20% to 50%.

The associates are included in the consolidated financial statements by applying the equity method and are initially posted at cost. The cost of a stake includes the relevant acquisition expenses.

(g) Joint ventures

A joint venture shall mean a jointly controlled activity in which each member of the joint venture uses own assets to attain the joint activity. The consolidated financial statements include the assets over which the Group exercises control and the liabilities arising from the joint activity as well as the proportion of the joint venture's income and expenses.

(h) Crossing-out inter-company transactions

Inter-company balances as well as the profit or loss, income or expenses from intra-company transactions are crossed out when preparing the consolidated financial statements. Profit or losses from transactions with associates are crossed out depending on the participating share in such associate. Losses are crossed out like profits provided that there is no sign of impairment.

(i) Transactions in a foreign currency

Transactions that are carried out in a foreign currency are converted into Euro based on the exchange rates that were applicable on the day each transaction was carried out. The monetary assets and liabilities denominated in a foreign currency and carried at historical cost are converted into Euro using the exchange rates applying on such date. The resultant foreign exchange differences are posted to operating results. The non-monetary assets and liabilities denominated in a foreign currency and carried at their historical cost are converted into Euro using the exchange rates applying on the date the fair value was determined. The foreign exchange differences of non-monetary assets and liabilities arising from their valuation at year end are recognized in period results, save the differences arising from valuation of monetary items being part of an investment in a foreign subsidiary and of cash flow hedging financial assets which are directly posted to Equity.

(j) Foreign operations

The balance sheets of the companies operating in other countries and included in the consolidation are converted into Euro using the exchange rate applying on the balance sheet closing date. The income and expenses of the above companies are converted into Euro using the average value of the foreign currency during the year.
Foreign exchange differences are directly recognized in equity and presented in a special account in the Statement of Changes in Equity. When a foreign operation is disposed of, the reserve set aside in equity shall be transferred to operating results.

4.2 Financial assets

The Group classifies its financial assets in the following categories: a) financial assets at fair value through profit or loss; b) available-for-sale assets; c) cash and cash equivalents; d) trade receivables and advance payments; e) loans and other payables.

The decision on investment classification is made at the time of their acquisition by the Group's Management.

Trade and other receivables are financial assets with fixed or predetermined payments. They are included in current assets unless their collection date exceeds 12 months from the balance sheet date, and thus are included in non-current assets.

Cash and cash equivalents include cash with banks and at hand as well as highly-liquid short-term investments like the proceeds of money market and bank deposits.

Loans are initially recorded at the cost which is the actual value of the loan taken out less any possible direct expenses that are required in order to complete the transaction. They are subsequently valuated at their non-depreciated cost based on the effective interest rate method. Any difference between the amount that has been collected (net of relative expenses) and the settlement value is recorded in the results during the term of the loan based on the effective interest rate method.

Loans are classified as short-term liabilities unless the company has the right to defer the settlement thereof for at least 12 months from the balance sheet date. In this case they are classified as long-term liabilities.

Financial assets at fair value through profit or loss: This category includes two sub-categories: financial assets of trading portfolio and other financial assets estimated at fair value. The items of this category concern mainly assets that have been acquired in order to be disposed of within a short period of time and those classified as such by the Management when acquired.

Available-for-sale investments: They concern investments that have no predetermined horizon of being held and may be liquidated at any time depending on the Group's liquidity needs, the changes in interest rates, exchange rates or share prices. The available-for-sale financial assets and the financial assets at fair value through profit or loss are estimated at fair value.

The difference of valuation for available-for-sale financial assets is posted to equity and subsequently reviewed in terms of impairment while the difference of valuation of financial assets at fair value through profit or loss is posted to operating results.

The purchases and sales of financial assets at fair value through profit or loss and available-for-sale financial assets are recognized on the trade date which corresponds to the date on which the Group is committed to buy or sell the asset in question.

Financial assets cease being presented in financial statements once the Group's right to receive inflow from the same expires or once the Group has transferred all the risks and rewards arising from their possession.
As regards every period in which the Group prepares financial statements, it evaluates whether there are objective indications of impairment of a financial asset or a group of financial assets.

Trade and other receivables are reviewed during each period financial statements are prepared so as to establish any indications of impairment. If there are such indications, the recoverable amount of the receivable is fixed and the difference from the initial receivable is posted as impairment to operating results.

Receivables value is impaired whenever their book value exceeds the amount of their recoverable value.

In the case of investments in equities classified under available-for-sale portfolio, a significant or protracted decrease in the security's fair value in relation to the initial acquisition cost is a sign of impairment. If there is such a sign for available-for-sale financial assets, the accumulated loss calculated as the difference between acquisition cost and current fair value less any impairment losses recognized during previous periods is transferred to results from shareholder's equity. If at a subsequent period the fair value of a bond classified as available for sale increases and the increase can be objectively attributed to an event occurred after recognition in impairment results, the impairment shall be reversed through profit or loss. As regards shares, any subsequent increase in fair value is directly posted to equity.

The financial assets and liabilities are offset and the net amount is presented in the financial statements only when there is a legal right to offset the posted amounts accompanied by the intention for such offsetting.

4.3 Derivative financial instruments and hedge accounting

Derivative financial instruments are initially recognized at fair value on the date the contract is concluded and are subsequently recognized at their fair value. The fair value is taken from stock prices or is calculated using valuation techniques such as discounted cash flow analyses and option valuation models. Derivatives are recognized as receivables when their estimated fair value is positive and as liabilities when their estimated fair value is negative.

The fair value of a derivative upon initial recognition is equal to the cost of transaction.

Any derivatives embedded in other financial instruments are recognized as separate derivatives when the financial characteristics and their risks are not inextricably linked with those of the main contract and the main contract is not recognized at fair value through period profit or loss. These embedded derivatives are assessed at fair value and the changes thereof are posted to operating results.

The resultant profit or loss recognition method depends on whether the derivative is classified as hedging instrument and on the nature of the hedged items. The Group classifies specific derivatives either (a) as recognized assets' or liabilities' or commitment's fair value hedging; or (b) as cash flow hedging which arises from a recognized asset or liability or from an anticipated transaction. The hedge accounting is used for derivatives thus classified if specific criteria are met.

When entering into transactions the Group records the proportion between hedged assets and hedging instruments as well as the risks and the management strategy applying to hedging transactions. Once the contract is concluded and at regular intervals the Group's estimate regarding the efficiency of hedging is reported with respect to both fair value hedges and cash flow hedges.

Fair value hedging – Any changes in the fair value of derivatives classified and meeting the criteria of fair value hedging are recognized in operating results together with the changes in the fair value of hedged assets or liabilities to which the hedged risk refers.

When hedging does not meet the criteria of hedge accounting, the change in the fair value of the hedged item to which the effective interest rate method applies is amortized through profit or loss in line with the duration of the transaction. The change in the book value of a hedged share remains in accumulated profits/ losses of previous years until such share is sold.

Cash flow hedging – The change in the fair value of the effective part of the derivatives classified and qualified as cash flow hedging is posted to equity. The profits or losses related to the non-effective part of hedging are directly posted to results.

The amounts accumulated in equity are presented in operating results at the time the hedged items affect results.

When a hedging product expires or is sold or when hedging does not meet the criteria of hedge accounting, the accumulated profits or losses in shareholder's equity at such time remain in equity and are recognized through profit or loss when the anticipated transaction is recognized through profit or loss. When it is not expected that the transaction will take place, the accumulated profits or losses are transferred to results.

The change in the fair value of the derivatives not meeting hedge accounting criteria is directly posted to results.

4.4 Cash

Cash includes cash at hand and highly-liquid financial assets with a maturity date less than three months. They are not subject to significant risk due to the change in their fair value and are used by the Group to meet its short-term liabilities.

4.5 Share Capital

The share capital consists of ordinary registered shares and is recognized in equity. The expenses directly related to the Group's share capital increase are deducted from the proceeds of the issue and reduce accordingly shareholder's equity.
Dividends in ordinary shares are recognized as a liability in the period in which they have been approved by shareholders.

The acquisition cost of own shares including various expenses is deducted from shareholder's equity until own shares are sold or cancelled. In case own shares are sold or re-issued, the price will be directly posted to equity.

4.6 Tangible Assets

Real estate properties (plots, buildings) are used by the Group either for the Group's operations (production) or for administrative purposes. Tangible assets are valued at acquisition cost less accumulated depreciation. The acquisition cost includes expenses directly linked with their acquisition.

Plots are not depreciated. The other tangible assets are amortized using the straight-line method during their expected service life which is as follows:

Type of tangible asset	Years of service life
Buildings	20 – 50
Machinery – technical installations	7 – 25
Transportation equipment	4 – 15
Furniture and other fixtures	1 – 8

"Improvements to third-party properties" are depreciated over the shorter period between the service life of improvement and the leasing term of the leased property.

Assets service life is reviewed and readjusted if deemed necessary on the date the financial statements are prepared.

Tangible assets are reviewed when required for any impairment. The book value of the tangible asset is reduced to the recoverable amount in case the book value is higher. The recoverable amount shall be the highest of the fair value (less the cost to sell) of the asset and the present value of the future net cash flows expected to be generated from the asset during its use.

Profit or loss upon sale is calculated by comparing the selling price with the non-depreciated book value and is recognized through profit or loss.

Certain tangible assets adjusted at fair value before 1 January 2004, i.e. transition date to IFRS, were valued at deemed cost which is now their acquisition cost. Their adjusted value shall mean the deemed cost.

4.7 Intangible assets

The Group has classified industrial property rights related to trademarks, licenses, software programs, goodwill and intangible assets arising from entity acquisition under such category.

Goodwill

The goodwill arising on acquisition of a subsidiary or a jointly controlled entity represents the difference between the acquisition cost and the company's stake in the net fair value of the identifiable assets, liabilities and contingent liabilities of the subsidiary or jointly controlled entity on the acquisition date.

The goodwill is finalized within one year from the acquisition date and is initially recognized as asset item at cost. Thereafter, it is measured at cost reduced by any accumulated impairment loss.

Concessions and industrial property rights

Concessions and industrial property rights include trademarks and licenses with specific service life and are estimated at their acquisition cost less depreciation. These assets are depreciated based on the straight-line method during their service life, which ranges between 10-15 years. Wherever intangible assets with indefinite service life have been recognized, these are measured at cost less accumulated impairment.

Software

Software licenses are estimated at their acquisition cost, less accumulated depreciation and any accumulated impairment. These assets are depreciated based on the straight-line method during their service life, which ranges between 3 to 5 years.

Expenditures that are required for the maintenance of software programs are recognized as an expense in the Income Statement in the year in which they are incurred.

Intangible assets from business acquisition

The intangible assets acquired upon a business combination are identified separately from goodwill when they meet the definition of an intangible asset and their fair value can be reliably measured. The cost of an intangible asset is its fair value on the acquisition date but after the initial recognition an intangible asset acquired through a business combination is measured at cost less any accumulated depreciation and any accumulated impairment loss. Wherever intangible assets with indefinite useful life have been recognized, these are measured at cost less accumulated impairment.

4.8 Investment property

Any plots and buildings held by the Group for renting purposes or for capital gains or for both reasons are classified as investment property. Investment property is valued at acquisition cost less accumulated depreciation. If an investment property previously classified under fixed assets is sold, any amount is included in equity as "Adjustment reserves" and carried forward to profits. Profit or loss from the sale of investment property is calculated as the difference between the selling price and the non-depreciated value and is recognized in operating results.

4.9 Leases

4.9.1 Financial leases

When the Group is the lessee of fixed assets through a financial lease, these leased fixed assets are recognized as tangible assets and the respective liability for payment of rental fees as liability item. The leased tangible assets are initially posted in the lesser value between the fair value of the leased fixed asset and the present value of future rental fees. The leased fixed assets are depreciated over the service life of the fixed asset if it is higher than the term of the lease only if it is estimated that the leased fixed assets will devolve to the Group's possession at the end of the lease. Each payment of rental fee is split into principal and interest. The amount of the rental fee related to principal reduces the liability while interest is posted to the income statement.

4.9.2 Operating leases

Those leases in which the lessor transfers the right to use an asset for a specified time period without, however, transferring the risks and rewards of such fixed asset's ownership are classified as operating leases. In this case the Group does not post the leased property as asset. Payments made with respect to operating leases (rental fees corresponding to the use of the leased fixed asst, net of any incentives offered by the lessor) are recognized in the income statement proportionately throughout the term of the lease.

4.10 Inventories

Inventories are estimated at the lesser value between their acquisition cost or production cost and their net liquid value. The acquisition cost of the purchased inventories is specified by applying the annual weighted average cost method and includes all the expenses incurred for their acquisition and transport.
The production cost of produced inventories also includes the proportionate industrial overheads under normal conditions of productive operation.
The net liquid value of inventories is considered to be the estimated selling price thereof under normal business conditions less the estimated selling expenses.

4.11 Provisions

A provision is recognized when the Group has a present legal or constructive obligation as a result of a past event; it is probable that an outflow of economic benefits will be required to settle the obligation; and a reliable estimate can be made of the amount of the obligation. Provisions are reviewed on the date each balance sheet is prepared and are adjusted so as to reflect the current value of the expense expected to be required to settle the obligation. A contingent liability is not recognized in financial statements but is disclosed unless the possibility of an outflow of resources is remote. A contingent asset is not recognized in financial statements but is disclosed when an inflow of economic benefits is probable.

A provision for restructuring is recognized when the Group has approved a detailed restructuring plan and such restructuring has already started or publicly announced. No future operating costs are recognized for raising provisions.

4.12 Employee benefits

4.12.1 Defined contribution plans

Liabilities for contributions to defined-contribution plans are recognized as expenses in profit or loss at the time they incur.

4.12.2 Defined-benefit plans

The Group's defined-benefit plans pertain to the legal obligation for paying to staff members a lump-sum indemnity on the day when each employee leaves employment due to retirement.

The liability recorded in the balance sheet for this plan is the current value of the commitment for the defined benefit depending on the employees' accrued right, in relation to the time it is expected to be paid.

The commitment of the defined benefit is calculated per annum by an independent actuary using the projected unit credit method. The discount rate corresponds to the European bonds index "Iboxx AA-rated Euro corporate bond 10+year".

4.13 Income

Sales of products: Income from sales of products and merchandise includes the fair value of their sale, net of Value Added Tax, discounts and returns. Sales of goods are recognized when the Group delivers the goods to its customers, the goods are accepted by the customers and the collection of the claim is reasonably guaranteed.

Provision of services: Income from the provision of services is accounted for in the period in which the services are rendered, based on their stage of completion in relation to all the services that shall be rendered.

Income from interest: Income from interest is recognized based on time proportion and with the use of the effective interest rate. When receivables are impaired, the book value thereof is reduced to their recoverable amount, which is the present value of the expected future cash flows discounted with the initial effective interest rate. Subsequently, interest is accounted for based on the same interest rate that is applied to the impaired (new book) value

4.14 Grants

A subsidy represents a contribution provided by the State in the form of resources transferred to an entity, in return for existing or future maintenance of certain resources relating to its operation. The above term does not include state aids which, due to their nature, are not measurable, or transactions with the State which are impossible to separate from an entity's ordinary transactions.

The Group recognizes state subsidies which meet the following criteria in aggregate: a) there is presumed certainty that the enterprise has complied or will comply with the terms of the subsidy; and b) the subsidy amount has been collected or its collection is probable. They are recorded at fair value and are systematically recognized in income, on the basis of correlating subsidies to the corresponding costs that are subsidized.

Any subsidies pertaining to assets are included in long-term liabilities as income in subsequent fiscal years and are recognized systematically and rationally in income over the service life of the fixed asset.

4.15 Payment of rental fees

Payments of operating leases are allocated as an expense to the income statement according to the direct method throughout the lease term. The received leasing subsidies are posted through profit or loss as an integral part of the expense throughout the lease term.

4.16 Financial income/expenses

Net financial expenses consist of loan interest charges that are calculated using the effective interest rate method, interest arising from invested cash, income from dividends, foreign exchange gains and losses as well as the profits and losses from hedging instruments posted to the income statement.

Accrued interest is posted to the income statement based on the effective interest rate method. Income from dividends is posted to the income statement on the date dividend distribution is approved.

4.17 Income tax

The income tax to operating results consists of the current year tax and deferred tax. Income tax is recognized in the year's operating results unless it is related to items directly recognized in equity and thus it is recognized in equity.

The current year tax is the expected tax liability over the taxable income using the applicable tax rates and any adjustment related to a prior period tax liability.

The deferred tax is calculated using the balance sheet method based on the temporary differences arising between the book value of the assets and liabilities included in the Financial Statements and the tax value attributed to such in accordance with tax laws. No deferred tax is calculated for the following temporary differences: goodwill that arises from acquisitions and is not deductible for tax purposes; initial recognition of assets or liabilities that do not affect book or tax profits; and differences related to investments in subsidiaries to the extent these will not be reversed in the near future. For deferred taxes to be determined, the enacted tax rates or the tax rates enacted on the balance sheet preparation date and applying on a subsequent date are used.

A deferred tax asset is recognized only to the extent it is probable that future taxable profits will suffice for offsetting temporary differences. The deferred tax asset is reduced in case it is probable that no tax benefit will occur.

To calculate the current and deferred tax, the Group takes into account the effect of unaudited fiscal years and any additional taxes that may arise from such audit. Group Management estimates that the provisions for unaudited fiscal years are adequate and have been based on the interpretative provisions of tax laws and the corresponding prior experience.

4.18 Earnings per share

The Group presents information on basic and diluted earnings per share for its ordinary shares in the financial statements. Basic earnings per share are calculated by dividing the net profit or loss corresponding to each share by the weighted average of ordinary shares. Diluted earnings are fixed by adjusting the net profit or loss corresponding to each share and the weighted average of ordinary shares representing the ordinary shares that may be issued, which consist of convertible bonds and stock options granted to employees.

4.19 Segment Reporting

A segment is a distinct part of the Group's activity and concerns either specific services or the production of specific products (business segment) or provides services to a specific economic environment (geographic segment) the scope, risks and benefits of which differ from the Group’s other operating segments. The information provided in the financial statements per segment is based on the fact that the business segment is the main operating segment of the Group.

5 Operating segments

The Group has 2 operating segments for reporting, as described below, which are considered to be the Group’s strategic segments. These segments produce various products that are managed differently because they require different technology and promotion policy. For each one of the strategic segments, the Company Management reviews internal reports on a monthly basis. The summary below describes the operation of each operating segment of the Group.

CABLES – It includes power and telephone cables, as well as copper and aluminum conduits. The raw materials used are classified in two categories: Metal (copper, aluminum, steel wires) and plastic-rubber compounds (XLPE, EPR, PVC, etc)

ENAMELED WIRES – Enameled wires include copper wires, tin-plated copper conduits and enameled wires used for winding. The raw materials used are copper in Φ8mm, tin in blooms, enamels and raw materials used for the manufacture of enamels.

Segment reporting for the year ended on 31 December is as follows:

Amounts in thousand Euro	CABLES		ENAMELED WIRES		OTHER		TOTAL	
	2012	**2011**	**2012**	**2011**	**2012**	**2011**	**2012**	**2011**
Non-Group sales	409,688	377,294	29,655	37,299	-	-	**439,343**	**414,593**
Intra-company sales	229,510	94,755	2,852	5,938	-	-	**232,362**	**100,693**
Financial income	-	-	-	-	1,112	2,017	1,112	**2,017**
Financial expenses	-	-	-	-	(16,455)	(10,236)	(16,455)	**(10,236)**
Profits/Losses from associated companies	-	-	-	-	(72)	13	(72)	**13**
Depreciation of fixed & intangible assets	9,126	8,940	245	429	-	-	**9,371**	**9,369**
Earnings per segment before tax	2,439	11,236	(314)	580	(15,414)	(8,207)	**(13,289)**	**3,609**
Impairment of receivables and inventories	598	151	-	-	-	-	**598**	**151**
Total assets per segment	323,970	330,267	15,832	15,033	605	780	**340,407**	**346,080**
Capital expenditure	14,524	7,996	-	-	403	150	**14,927**	**8,146**
Total liabilities per segment	65,471	56,635	3,193	2,572	167,750	170,758	**236,414**	**229,965**

The reconciliation of results per operating segment is as follows:

Amounts in thousand Euro	**2012**	**2011**
Total profit/ (loss) of operating segments	(13,350)	3,268
Crossing out intra-company transactions	61	341
Earnings/(loss) before taxes	**(13,289)**	**3,609**

Due to its export orientation and reduced sales in the Greek market, the Group is not affected considerably by any changes in its clientele.

Geographical segment

(Amounts in thousand Euro)

	2012		**2011**	
	Sales	**Non-current assets**	**Sales**	**Non-current assets**
Greece	111,748	145,376	120,814	141,178
Romania	32,196	17,526	45,734	17,465
European Union	279,838	602	235,416	576
Other European countries	3,576	-	4,741	-
Asia	9,698	-	5,583	-
America	1,269	-	-	-
Africa	1,018	-	2,305	-
Total	**439,343**	**163,504**	**414,593**	**159,219**

6 Sales

(Amounts in Euro)	GROUP		COMPANY	
	2012	**2011**	**2012**	**2011**
Sale of merchandise and products	407,253,270	372,410,504	330,669,855	287,373,310
Other	24,232,684	37,595,314	23,849,198	32,853,583
Income from services	7,857,379	4,587,628	9,002,826	6,428,133
	439,343,333	**414,593,446**	**363,521,879**	**326,655,026**

7 Other income

(Amounts in Euro)	GROUP		COMPANY	
	2012	**2011**	**2012**	**2011**
Income from rents	1,030,153	1,003,267	387,002	259,601
Depreciation of grants received	784,436	335,125	784,436	335,125
Income from provisions	508,634	2,650,669	167,751	133,231
Income from expenses imputed to third parties	185,699	108,644	452,900	527,909
Profits from the sale of fixed assets	69,993	31,231	62,580	31,231
Prior period income	238,650	506,306	20,911	30,424
Other income	593,381	362,042	61,757	85,420
Total	**3,410,946**	**4,997,284**	**1,937,337**	**1,402,941**

8 Other expenses

Prior period expenses	(448,033)	(658,781)	(266,788)	(37,335)
Provisions for doubtful debts and inventory	(655,870)	(740,000)	(411,995)	(590,000)
Cost of subsidiary’s inactivity	-	(1,926,585)	-	-
Taxes - duties	(361,742)	(109,004)	(160,596)	(109,004)
Subsidiary’s acquisition expenses	-	(647,479)	-	(647,479)
Penalty clauses	(149,383)	(113,111)	(115,839)	(78,111)
Non-operating fixed assets depreciation	-	(108,503)	-	-
Other expenses	(517,430)	(99,881)	(398,643)	(98,251)
Total	**(2,132,458)**	**(4,403,344)**	**(1,353,861)**	**(1,560,180)**

9 Itemized expenses

(Amounts in Euro)	Note	GROUP 2012	GROUP 2011	COMPANY 2012	COMPANY 2011
Consumption of raw direct and indirect materials		257,178,667	275,405,157	217,128,084	227,917,677
Change of finished and semi-finished products		98,068,819	58,986,510	98,853,292	43,694,019
Personnel fees	13	34,423,062	30,607,902	17,133,731	18,902,324
Fees of third parties		9,744,243	6,971,052	11,270,111	8,104,730
Fixed & intangible assets depreciation		9,371,483	8,725,812	4,240,144	5,423,385
Third party benefits		7,943,531	6,344,027	4,805,621	4,095,191
Transportation		8,232,533	6,534,693	5,034,211	3,985,948
Rent		1,224,174	1,065,568	807,265	812,451
Insurance premiums		1,329,147	1,098,317	768,132	625,791
Other		10,981,127	7,632,488	4,032,342	5,083,214
Total cost of goods sold, administration and distribution expenses		**438,496,786**	**403,371,526**	**364,072,933**	**318,644,730**

10 Personnel expenses

(Amounts in Euro)	GROUP 2012	GROUP 2011	COMPANY 2012	COMPANY 2011
Salaries and wages	27,211,670	23,534,480	13,565,182	14,754,309
Contributions to social security funds	6,758,197	6,083,622	3,366,030	3,567,627
Provisions for staff compensation due to retirement	453,195	989,800	202,519	580,388
	34,423,062	**30,607,902**	**17,133,731**	**18,902,324**

11 Financial income

(Amounts in Euro)	GROUP 2012	GROUP 2011	COMPANY 2012	COMPANY 2011
Interest	222,587	116,563	1,690,211	211,116
Foreign exchange differences	-	1,195,997	143,966	13,097
Profit from foreign exchange swaps	890,091	704,582	854,206	704,582
	1,112,678	**2,017,142**	**2,688,383**	**928,795**

12 Financial expenses

(Amounts in Euro)	GROUP		COMPANY	
	2012	2011	2012	2011
Interest charges and related expenses	14,580,985	9,238,165	10,416,282	6,142,823
Foreign exchange differences	442,852	-	-	-
Losses from foreign exchange swaps	1,431,580	998,143	1,425,863	998,144
	16,455,417	**10,236,308**	**11,842,145**	**7,140,967**

13 Property, plant and equipment

GROUP

(Amounts in Euro)	Lands	Buildings	Transportation & mechanical equipment	Furniture and other fixtures	Fixed assets under construction	Total
Acquisition cost						
Balance as at 01.01.2011	**12,012,908**	**44,957,829**	**87,483,874**	**7,129,770**	**3,948,702**	**155,533,083**
Additions	-	-	316,460	377,250	7,302,291	7,996,001
Acquisition of subsidiary	6,171,965	22,968,003	36,190,363	344,931	-	65,675,262
Sales/ Deletions of fixed assets	-	-	(130,838)	(235,091)	-	(365,929)
Reclassifications	-	1,171,645	5,539,668	108,949	(6,973,708)	(153,446)
Foreign exchange differences	(10,875)	(142,285)	(282,997)	(21,269)	(1,301)	(458,727)
Balance as at 31.12.2011	**18,173,998**	**68,955,192**	**129,116,530**	**7,704,540**	**4,275,984**	**228,226,244**
Balance as at 01.01.2012	**18,173,998**	**68,955,192**	**129,116,530**	**7,704,540**	**4,275,984**	**228,226,244**
Additions	172,199	9,308	758,559	767,576	12,815,784	14,523,426
Acquisition of subsidiary	-	-	-	-	-	-
Sales/ Deletions of fixed assets	-	-	(479,952)	(32,593)	-	(512,545)
Brought forward from investments	1,706,903	-	-	-	-	1,706,903
Reclassifications	-	776,561	3,325,356	341,577	(4,835,589)	(392,095)
Foreign exchange differences	(32,862)	(411,344)	(791,373)	(67,517)	(1,659)	(1,304,755)
Balance as at 31.12.2012	**20,020,238**	**69,329,717**	**131,929,120**	**8,713,583**	**12,254,520**	**242,247,178**
Depreciation/ Impairment						
Balance as at 01.01.2011	**-**	**(20,262,990)**	**(41,815,303)**	**(5,586,014)**	**-**	**(67,664,307)**
Year depreciation	-	(2,030,401)	(6,701,832)	(374,069)	-	(9,106,302)
Acquisition of subsidiary	-	(3,244,679)	(5,985,713)	(142,122)	-	(9,372,514)
Sales/ Deletions of fixed assets	-	-	62,801	229,964	-	292,765
Foreign exchange differences	-	105,398	199,011	19,244	-	323,653
Balance as at 31.12.2011	**-**	**(25,432,672)**	**(54,241,036)**	**(5,852,997)**	**-**	**(85,526,705)**
Balance as at 01.01.2012	**-**	**(25,432,672)**	**(54,241,036)**	**(5,852,997)**	**-**	**(85,526,705)**
Year depreciation	-	(2,204,625)	(6,438,984)	(455,265)		(9,098,874)
Acquisition of subsidiary	-	-	-	-	-	-
Sales/ Deletions of fixed assets	-	-	211,330	30,805	-	242,135
Foreign exchange differences	-	301,105	499,224	58,639		858,968
Balance as at 31.12.2012	**-**	**(27,336,192)**	**(59,969,466)**	**(6,218,818)**	**-**	**(93,524,476)**
Non-depreciated value						
As at 01.01.2011	**12,012,908**	**24,694,839**	**45,668,571**	**1,543,756**	**3,948,702**	**87,868,776**
As at 31.12.2011	**18,173,998**	**43,522,520**	**74,875,494**	**1,851,543**	**4,275,984**	**142,699,539**
As at 01.01.2012	**18,173,998**	**43,522,520**	**74,875,494**	**1,851,543**	**4,275,984**	**142,699,539**
As at 31.12.2012	**20,020,238**	**41,993,525**	**71,959,654**	**2,494,765**	**12,254,520**	**148,722,702**

COMPANY

	Lands	Buildings	Transportation & mechanical equipment	Furniture and other fixtures	Fixed assets under construction	Total
Acquisition cost						
Balance as at 01.01.2011	**8,152,781**	**24,876,250**	**54,522,530**	**3,901,494**	**3,569,914**	**95,022,969**
Additions	-	-	213,060	278,665	4,495,956	4,987,681
Absorption of subsidiary	2,514,055	3,334,750	3,329,032	193,379	-	9,371,216
Sales/ Deletions of fixed assets	-	-	(98,860)	(120,787)	-	(219,647)
Reclassifications	-	665,552	3,772,112	108,949	(4,600,717)	(54,104)
Balance as at 31.12.2011	**10,666,836**	**28,876,552**	**61,737,874**	**4,361,700**	**3,465,153**	**109,108,115**
Balance as at 01.01.2012	**10,666,836**	**28,876,552**	**61,737,874**	**4,361,700**	**3,465,153**	**109,108,115**
Additions	-	-	571,873	321,241	2,892,408	3,785,522
Absorption of subsidiary	-	-	-	-	-	-
Brought forward from investments	1,706,903	-	-	-	-	1,706,903
Sales/ Deletions of fixed assets	-	-	(140,551)	(14,593)	-	(155,144)
Reclassifications	-	387,950	1,412,679	248,986	(2,277,387)	(227,772)
Balance as at 31.12.2012	**12,373,739**	**29,264,502**	**63,581,875**	**4,917,334**	**4,080,174**	**114,217,624**
Depreciation/ Impairment						
Balance as at 01.01.2011	**-**	**(6,941,230)**	**(20,902,309)**	**(2,857,810)**	**-**	**(30,701,349)**
Year depreciation	-	(1,250,543)	(3,748,901)	(235,708)	-	(5,235,152)
Absorption of subsidiary	-	(1,264,426)	(2,223,274)	(190,064)		(3,677,764)
Sales/ Deletions of fixed assets	-	-	49,348	115,660	-	165,008
Balance as at 31.12.2011	**-**	**(9,456,199)**	**(26,825,136)**	**(3,167,922)**	**-**	**(39,449,257)**
Balance as at 01.01.2012	**-**	**(9,456,199)**	**(26,825,136)**	**(3,167,922)**	**-**	**(39,449,257)**
Year depreciation	-	(1,017,035)	(2,808,551)	(262,998)	-	(4,088,584)
Absorption of subsidiary	-	-	-	-	-	-
Sales/ Deletions of fixed assets	-	-	116,677	13,070	-	129,747
Balance as at 31.12.2012	**-**	**(10,473,234)**	**(29,517,010)**	**(3,417,850)**	**-**	**(43,408,094)**
Non-depreciated value						
As at 01.01.2011	**8,152,781**	**17,935,020**	**33,620,221**	**1,043,684**	**3,569,914**	**64,321,620**
As at 31.12.2011	**10,666,836**	**19,420,353**	**34,912,738**	**1,193,778**	**3,465,153**	**69,658,858**
As at 01.01.2012	**10,666,836**	**19,420,353**	**34,912,738**	**1,193,778**	**3,465,153**	**69,658,858**
As at 31.12.2012	**12,373,739**	**18,791,268**	**34,064,865**	**1,499,484**	**4,080,174**	**70,809,530**

In the context of revaluation of the useful lives of the Group's buildings and machinery, Management redefined the useful lives and, as a result, the annual depreciation was less by € 2.2 million and € 1.4 million for the Group and the Company respectively.

In addition, the amount of € 1.7 million was transferred from "investment property" to self-used property.

NOTES ON THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2012

14 Intangible assets

(Amounts in Euro)

GROUP

	Trade name	Port usage license	Trademarks & licenses	Software	Other	Total
Acquisition cost						
Balance as at 01.01.2011			**1,632,443**	**3,925,779**	**14,600**	**5,572,822**
Additions	-	-		149,681	-	149,681
Acquisition of subsidiary	1,388,000	8,287,449			47,132	9,722,581
Foreign exchange differences	-	-	-	(10,785)	-	(10,785)
Reclassifications from tangible assets	-	-	17,776	135,669	-	153,445
Balance as at 31.12.2011	**1,388,000**	**8,287,449**	**1,650,219**	**4,200,344**	**61,732**	**15,587,744**
Balance as at 01.01.2012	**1,388,000**	**8,287,449**	**1,650,219**	**4,200,344**	**61,732**	**15,587,744**
Additions			150,709	18,366	234,343	403,418
Acquisition of subsidiary	-	-	-	-	-	-
Foreign exchange differences	-	-	-	(28,280)	-	(28,280)
Reclassifications from tangible assets	-	-	137,584	254,511	-	392,095
Balance as at 31.12.2012	**1,388,000**	**8,287,449**	**1,938,512**	**4,444,941**	**296,075**	**16,534,977**
Depreciation/ Impairment						
Balance as at 01.01.2011	**-**	**-**	**(1,482,053)**	**(3,672,884)**	**(8,760)**	**(5,163,697)**
Year depreciation	-	-	(102,982)	(152,998)	(7,189)	(263,169)
Acquisition of subsidiary	-	-	-	-	(10,516)	(10,516)
Foreign exchange differences	-	-	-	9,678	-	9,678
Balance as at 31.12.2011	**-**	**-**	**(1,585,035)**	**(3,816,204)**	**(26,465)**	**(5,427,704)**
Balance as at 01.01.2012	**-**	**-**	**(1,585,035)**	**(3,816,204)**	**(26,465)**	**(5,427,704)**
Year depreciation	-	-	(75,214)	(173,330)	(24,063)	(272,607)
Acquisition of subsidiary	-	-	-	-	-	-
Foreign exchange differences	-	-	-	26,510	-	26,510
Balance as at 31.12.2012	**-**	**-**	**(1,660,249)**	**(3,963,024)**	**(50,528)**	**(5,673,801)**
Non-depreciated value						
As at 01.01.2011	**-**	**-**	**150,390**	**252,895**	**5,840**	**409,125**
As at 31.12.2011	**1,388,000**	**8,287,449**	**65,184**	**384,140**	**35,267**	**10,160,040**
As at 01.01.2012	**1,388,000**	**8,287,449**	**65,184**	**384,140**	**35,267**	**10,160,040**
As at 31.12.2012	**1,388,000**	**8,287,449**	**278,263**	**481,917**	**245,547**	**10,681,176**

	COMPANY			
	Trademarks & licenses	**Software**	**Other**	**Total**
Acquisition cost				
Balance as at 01.01.2011	**1,623,852**	**2,527,347**	**14,600**	**4,165,799**
Additions		52,975	-	52,975
Absorption of subsidiary	8,590	296,444	-	305,034
Reclassifications from tangible assets	17,776	36,328	-	54,104
Balance as at 31.12.2011	**1,650,218**	**2,913,094**	**14,600**	**4,577,912**
Balance as at 01.01.2012	**1,650,218**	**2,913,094**	**14,600**	**4,577,912**
Additions	150,709	-	-	150,709
Absorption of subsidiary	-	-	-	-
Reclassifications from tangible assets	137,584	90,188	-	227,772
Balance as at 31.12.2012	**1,938,511**	**3,003,282**	**14,600**	**4,956,393**
Depreciation/ Impairment				
Balance as at 01.01.2011	**(1,473,462)**	**(2,334,786)**	**(8,760)**	**(3,817,008)**
Absorption of subsidiary	(8,590)	(296,444)	-	(305,034)
Year depreciation	(102,982)	(82,331)	(2,920)	(188,233)
Balance as at 31.12.2011	**(1,585,034)**	**(2,713,561)**	**(11,680)**	**(4,310,275)**
Balance as at 01.01.2012	**(1,585,034)**	**(2,713,561)**	**(11,680)**	**(4,310,275)**
Absorption of subsidiary	-	-	-	-
Year depreciation	(75,215)	(73,426)	(2,920)	(151,561)
Balance as at 31.12.2012	**(1,660,249)**	**(2,786,987)**	**(14,600)**	**(4,461,836)**
Non-depreciated value				
As at 01.01.2011	**150,390**	**192,561**	**5,840**	**348,791**
As at 31.12.2011	**65,184**	**199,533**	**2,920**	**267,637**
As at 01.01.2012	**65,184**	**199,533**	**2,920**	**267,637**
As at 31.12.2012	**278,262**	**216,295**	**0**	**494,557**

Impairment test of intangible assets with indefinite service life

“Fulgor” Trade name

The “Relief from Royalty" method applied to the valuation of the trade name’s recoverable value. The valuation was based on the sales of medium-voltage submarine cables and high-voltage land cables anticipated by Company Management during a five-year period, to which the appropriate royalty rates applied according to comparable transactions. Specifically, a royalty rate of 2.0% and 1.25% applied to medium-voltage submarine cables and high-voltage land cables respectively.

The discount rate applied to the discount of the cash flows arising from the application of the above method stands at 17% (rounded) and is based on the estimated weighted average capital cost (WACC) of an entity operating in the international cable market, increased by the additional risk of the specific intangible asset. The growth rate on perpetuity that was used in the calculation of the terminal value was set at 0%.

Based on the provisions arising from the Company's business plan and the assumptions regarding the discount rate and the growth rate on perpetuity and also reasonable sensitivity analyses that were conducted, the estimated recoverable value of Fulgor trade name exceeds its book value on 31.12.2012.

Port usage license at Sousaki, Korinthia

The "Multi-period Excess Earnings" method applied to the valuation of the recoverable value of port usage license. The valuation was based on the company's business plan regarding the activity of high-voltage submarine cables during 2013 – 2017, weighted by the company's likely success in assuming projects launched in the context of domestic and international tenders for submarine cables during the above period. To apply the above method, the capital charges of all employed fixed assets contributing to the activity of submarine cables were calculated while the necessary new investments were taken into account.
The discount rate applied to the discount of the cash flows arising from the application of the above method stands at 18% (rounded) and is based on the estimated weighted average capital cost (WACC) of an entity operating in the international cable market, increased by the additional risk of the specific intangible asset. The growth rate on perpetuity that was used in the calculation of the terminal value was set at 0%.

Based on the provisions arising from the Company's business plan and the assumptions regarding the discount rate and the growth rate on perpetuity and also reasonable sensitivity analyses that were conducted, the estimated recoverable value of port usage license in Sousaki, Korinthia exceeds its book value on 31.12.2012.

15 Investment property

Investment property concerns lots which were assessed at their fair value on the date of transition to IFRS, such value being also considered as deemed cost.

	GROUP		**COMPANY**	
	2012	**2011**	**2012**	**2011**
Balance in the beginning	**2,270,174**	**2,152,565**	**2,270,174**	**2,152,565**
Additions	-	117,609	-	117,609
Impairment	(180,000)	-	(180,000)	-
Transportation	(1,706,903)	-	(1,706,903)	-
	383,271	**2,270,174**	**383,271**	**2,270,174**

The fair value of the Group's investment property on 31 December 2012 was determined on the basis of the relevant assessment report which was prepared by an independent certified company of real estate appraisers and experts. The appraiser having drafted the above report is fully qualified according to the RICS Standards of Valuation. The Method of Comparable Data or Real Estate Market was used to determine the fair value of the properties under review.

Based on the above property appraisal report, impairment of € 180,000 arose for which the respective provision was raised.

In addition, the amount of € 1.7 million was transferred from "investment property" to self-used property.

16 Holdings in subsidiaries and affiliates

Investments in subsidiaries and associates are shown at their acquisition cost and are broken down as follows:

2012

Name of Company	Holding percentage	Acquisition cost	Total assets	Total liabilities	Turnover	Earnings/ (loss)
Subsidiaries						
ICME-ECAB S.A.	98.59%	16,385,719	87,650,422	49,234,860	146,724,301	309,387
FULGOR S.A.	100%	32,090,000	82,549,719	64,480,225	146,913,876	(4,966,224)
LESCO OOD	100%	300,546	2,406,372	878,700	4,434,095	345,971
GENECOS S.A.	60%	81,362	2,812,000	2,258,793	9,225,000	43,000
LESCO ROMANIA	65%	10,157	118,102	32,852	252,677	1,865
DELAIRE	100%	25,796	38,152	9,430	634,000	(114)
EDE S.A.	99.99%	106,218	85,968	545	-	(1,718)
Associates						
METAL GLOBE LTD	30%	-	78,214	753,304	-	(122,852)
STEELMET S.A.	29.56%	140,880	4,762,905	3,573,521	13,029,383	206,339
METAL AGENCIES LTD	20%	740,337	23,341,708	22,615,429	104,442,245	(775,456)
COPPERPROM Ltd.	40%	7,200	44,011	39,503	22,069	1,236
Total		**49,888,215**	**203,887,573**	**143,877,162**	**425,677,646**	**(4,958,566)**

2011

Name of Company	Holding percentage	Acquisition cost	Total assets	Total liabilities	Turnover	Earnings/ (loss)
Subsidiaries						
ICME-ECAB S.A.	98.59%	16,385,719	90,502,006	51,464,804	152,840,585	2,712,880
FULGOR SA	100%	3,430,000	74,492,891	69,804,900	19,046,233	(1,293,290)
LESCO OOD	100%	300,546	2,028,070	846,370	3,654,578	223,253
GENECOS S.A.	60%	81,362	3,323,207	2,813,000	11,724,213	64,113
LESCO ROMANIA	65%	10,157	100,773	15,296	268,050	7,467
DELAIRE	100%	25,796	36,406	7,570	620,000	845
ELECTRIC CABLE AGENCIES	100%	65,838	-	-	-	-
EDE S.A.	99.99%	106,218	87,783	642	-	(8,996)
Associates						
METAL GLOBE LTD	30%	-	379,474	979,606	99,637	(143,905)
STEELMET S.A.	29.56%	140,880	5,844,468	4,101,488	14,968,729	156,970
METAL AGENCIES LTD	33%	593,251	22,073,001	21,503,667	99,200,382	(75,378)
COPPERPROM Ltd.	40%	7,200	49,529	46,257	42,295	(3,303)
Total		**21,146,967**	**198,917,608**	**151,583,600**	**302,464,702**	**1,640,656**

The Company increased the share capital in its wholly-owned subsidiary FULGOR S.A. by € 28,660,000. The said increase was established as follows:

i) The Company took part in the share capital increase of € 9,600,000 that took place on 07.02.2012 and was financed by € 9,593,921 from an equal share capital increase of the Company in which solely the lending banks of FULGOR participated.

b) The Company participated in the share capital increase of 19,060,000 that took place on 28.03.2012 and was decided by the Extraordinary General Meeting of FULGOR on 28.03.2012. The amount arose from an amount equal to € 10,810,000 that had been provided in 2011 to settle the company's old debts to its suppliers, and from the amount of € 8,250,000 intended for covering the company's own participation in the investment plan submitted for the company to fall under the Law on Development No. 3908/2011.

On 29.06.2012 the Company increased the share capital in its associate METAL AGENCIES LTD by € 147,086 through capitalization of the latter's liabilities to the Company. Following the said increase, the holding stands at 20% as opposed to 33% beforehand.

ELECTRIC CABLES AGENCIES, a subsidiary of HELLENIC CABLES, was liquidated and is not included in the Group's financial statements. This fact did not affect the Group's results because the company's equity had already been fully impaired during a previous period.

Joint Ventures

The following joint venture exists on 31 December 2012: "JOINT VENTURE NEXANS – HELLENIC CABLES – FULGOR – PUBLIC POWER CORPORATION 2009', which was consolidated using the proportional consolidation method, in which the parent company has a holding percentage of 33.3%. It is noted that the participating companies undertake proportionately the income and expenses of the joint venture.

17 Other investments

Other investments concern holdings in domestic and foreign companies with holding interests less than 20%. These investments have been qualified as available-for-sale financial assets.

The main investments of this category that are shown at acquisition cost are:

Company	**2012**	**Holding percentage**	**2011**	**Holding percentage**
TEPRO METAL A.G	1,378,341	12.68%	1,378,341	12.68%
DIA.VI.PE.THIV	218,136	5.53%	218,136	5.53%
OTHER	211,007		211,007	
	1,807,484		**1,807,484**	

18 Income tax

(Amounts in Euro)

	GROUP		COMPANY	
	2012	**2011**	**2012**	**2011**
Current tax	(87,280)	(772,900)	-	(184,323)
Deferred taxation	2,188,500	494,480	1,973,264	(361,905)
	2,101,220	**(278,420)**	**1,973,264**	**(546,228)**

Current tax

The applicable income tax rate for the fiscal year 2012 is 20% (2011: 20%). According to the new tax law (Law 4110/2013) passed by the Parliament, the corporate tax rate applying to the total taxable income increases to 26% with the income of the fiscal year 2014 being the year of implementation (accounting period 2013). Note that 10% tax is withheld in case profits are distributed. The new tax rate applies to distributed profits that are approved by General Meetings on and after 01.01.2014.

Reconciliation of applicable tax rate:

	GROUP		COMPANY	
	2012	**2011**	**2012**	**2011**
Earnings/(loss) before taxes	**(13.289.466)**	**3.609.474**	**(8.904.059)**	**1.640.885**
Tax calculated using the applicable tax rates 20% (2011: 20%)	**2,657,893**	**(721,895)**	1,780,811	(328,177)
Differences from tax audit	**(143,403)**	**-**	-	-
Reserves from fixed assets value adjustment	**(136,894)**	**73,844**	-	113,353
Tax rate change	**-**	**39,266**	-	19,555
Permanent tax differences	**(340,574)**	**42,249**	192,453	(166,636)
Effect of the difference in the tax rates of subsidiaries on the tax	**64,198**	**146,176**	-	-
Additional taxes paid	**-**	**(184,323)**	-	(184,323)
Tax losses of subsidiaries	**-**	**326,263**	-	-
Comprehensive income tax of the fiscal year	**2,101,220**	**(278,420)**	**1,973,264**	**(546,228)**
Applicable tax rate	**N/A**	**7.7%**	**N/A**	**33.3%**

Deferred tax

The deferred tax assets and liabilities that were accounted for by the Group and the Company and the transactions of the relevant accounts are shown below:

NOTES ON THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2012

	GROUP		COMPANY	
	2012	**2011**	**2012**	**2011**
Deferred tax assets				
Property, plant and equipment & intangible assets	1,953,281	2,144,620	-	-
Reserves from fixed assets value adjustment	(1,648,696)	(1,648,696)	-	-
Other	581	552	-	-
Derivatives	(73,762)	(68,527)	-	-
	231,404	**427,949**	-	-
Deferred tax liabilities				
Property, plant and equipment	(9,962,284)	(9,779,063)	(4,608,489)	(4,550,919)
Tax losses	6,574,435	6,669,813	2,205,619	373,948
Crossing out bond loan	0	(2,481,215)	-	-
Bond loan discount	(3,044,610)	(3,222,306)	-	-
Financial leases	138,537	263,605	-	-
Intangible assets	(1,775,702)	(1,648,064)	-	-
Derivatives	(168,387)	(44,508)	(45,928)	79,269
Provisions	928,351	864,369	577,425	304,852
Other	169,765	(122,015)	17,782	(23,995)
	(7,139,895)	**(9,499,384)**	**(1,853,591)**	**(3,816,845)**
Net liabilities from deferred taxes	**(6,908,491)**	**(9,071,435)**	**(1,853,591)**	**(3,816,845)**

Change in year temporary differences

(Amounts in Euro)

	Balance at 1 January 2008 2010 2012	Recognized through profit or loss	Recognized to shareholders equity	Balance 31.12.2012
Property, plant and equipment	(7,634,443)	**(362,933)**	(11,627)	(8,009,003)
Reserves from fixed assets value adjustment	(1,648,696)	**-**	-	(1,648,696)
Tax losses	6,669,813	**(95,378)**	-	6,574,435
Crossing out bond loan	(2,481,215)	**2,481,215**	-	-
Bond loan discount	(3,222,306)	**177,696**	-	(3,044,610)
Financial leases	263,605	**(125,068)**	-	138,537
Intangible assets	(1,648,064)	**(127,638)**	-	(1,775,702)
Derivatives	(118,489)	**(115,187)**	(13,927)	(242,149)
Provisions	864,369	**63,982**	-	928,351
Other	(116,009)	**291,810**	-	170,347
	(9,071,435)	**2,188,499**	**(25,554)**	**(6,908,491)**

Change in year temporary differences **GROUP**

(Amounts in Euro)

	Balance at 1 January 2010	Recognized through profit or loss	Recognized to shareholders equity	Acquisition of subsidiary	Balance 31.12.2011
Property, plant and equipment	(2,400,821)	374,447	-	(5,608,069)	(7,634,443)
Reserves from fixed assets value adjustment	(1,648,696)	-	-	-	(1,648,696)
Tax losses	868,006	746,507	-	5,055,300	6,669,813
Crossing out bond loan	-	-	-	(2,481,215)	(2,481,215)
Bond loan discount	-	-	-	(3,222,306)	(3,222,306)
Financial leases	-	-	-	263,605	263,605
Intangible assets	-	-	-	(1,648,064)	(1,648,064)
Derivatives	(498,827)	-	380,338	-	(118,489)
Provisions	218,126	(489,616)	-	1,135,859	864,369
Other	20,849	(136,858)	-	-	(116,009)
	(3,441,363)	**494,480**	**380,338**	**(6,504,890)**	**(9,071,435)**

Change in year temporary differences **COMPANY**

(Amounts in Euro)

	Balance at 1 January 2012	Recognized through profit or loss	Recognized to shareholders equity	Balance 31 .12.2012
Property, plant and equipment	(4,550,919)	(57,570)	-	(4,608,489)
Provisions	304,852	272,573	-	577,425
Derivatives	79,269	(115,187)	10,010	(45,928)
Tax losses	373,948	1,831,671	-	2,205,619
Other	(23,995)	41,777	-	17,782
	(3,816,845)	**1,973,264**	**10,010**	**(1,853,591)**

Change in year temporary differences **COMPANY**

(Amounts in Euro)

	Balance at 1 January 2011	Recognized through profit or loss	Recognized to shareholders equity	Absorption of subsidiary	Balance 31 .12.2011
Property, plant and equipment	(3,819,867)	(39,075)	-	(691,977)	(4,550,919)
Provisions	218,126	86,726	-	-	304,852
Derivatives	(495,165)	127,617	446,817	-	79,269
Tax losses	868,006	(494,058)	-	-	373,948
Other	19,120	(43,115)	-	-	(23,995)
	(3,209,780)	**(361,905)**	**446,817**	**(691,977)**	**(3,816,845)**

For the deferred taxes to be determined, the applicable tax rates or those that are substantially enacted on the date the financial statements are compiled shall be used.

The deferred tax was determined on the basis of the tax rate of 20% applying to the fiscal year 2012 given that the new tax rate of 26% was established by way of Law 4110/2013 after the date the financial statements were drafted and cannot be considered as substantially enacted prior to such date.

The application of the new tax rate of 26% would entail an increase in the Company's deferred tax liability by **€** 1.8 million and the decrease in the Group's deferred tax liability by € 0.7 million.

Tax losses for offsetting

The losses carried forward per company included in the consolidation are as follows:

	2009	2010	2011	2012	Total
HELLENIC CABLES S.A.	115,682	1,772,315	-	9,140,096	11,028,094
FULGOR SA	5,433,939	9,909,433	6,489,022	-	21,832,404
	5,549,621	**11,681,758**	**6,489,022**	**9,140,096**	**32,860,498**

On 31 December 2012, the Group and the Company had recognized a deferred tax asset in relation to the above tax losses carried forward because Management estimates that the tax is certainly recoverable in the future.

19 Inventories

Group and Company inventories are broken down as follows:

(Amounts in Euro)	**GROUP**		**COMPANY**	
	2012	**2011**	**2012**	**2011**
Raw direct and indirect materials, spare parts & consumables	38,243,096	34,656,104	23,258,833	16,651,546
Finished products	22,200,754	24,600,972	12,441,249	13,855,672
Semi-finished products	16,046,002	21,998,365	4,831,763	8,082,175
Merchandise	3,815,139	5,391,409	2,384,247	3,013,923
Work in progress	4,369,329	3,214,171	1,357,727	2,984,777
Down payments for the purchase of stocks	1,324,553	907,245	671,970	552,204
By-products & deposits	1,939,843	1,397,517	450,383	440,495
	87,938,716	**92,165,783**	**45,396,172**	**45,580,792**

Inventories are presented at their net liquid value which is their expected selling price less the costs required for such sale.

On 31 December 2012 the Group and the Company have raised a provision for obsolete and/or slow-moving inventories by € 1.2 million and € 0.5 million respectively, which Management deems adequate under the circumstances.

The consumption of inventories charged to the operating results of the year (cost of sales) for the Group and the Company amounts to € 355.0 million and € 271.4 million respectively.

20 Customers and other trade receivables

(Amounts in Euro)	GROUP		COMPANY	
	2012	**2011**	**2012**	**2011**
Trade receivables	56,113,198	42,774,101	43,548,209	27,553,278
Checks and notes receivable	2,798,915	6,765,178	427,108	4,134,056
Receivables from affiliated companies	8,307,713	6,814,584	26,649,062	27,116,307
Other tax claims	282,844	-	-	-
Other debtors	2,925,826	19,046,854	1,818,951	25,156,874
Other advance payments	551,468	680,408	243,851	260,260
Guarantees	211,407	206,998	203,798	206,998
Other receivables	861,013	367,031	750,790	262,672
	72,052,384	**76,655,154**	**73,641,769**	**84,690,445**
Current assets receivables	70,979,964	76,081,125	72,687,181	84,220,775
Non-current assets receivables	1,072,420	574,029	954,588	469,670
	72,052,384	**76,655,154**	**73,641,769**	**84,690,445**

The Group has entered into receivables assignment agreements with financial institutions without any right of recourse. On 31 December 2012, the assigned receivables amount to € 23,127,728 (2011: 39,912,546).

It has also entered into credit insurance agreements so as to minimize doubtful debts from the non-collection of posted receivables (Note 30.1).

21 Cash and cash equivalents

(Amounts in Euro)	GROUP		COMPANY	
	2012	**2011**	**2012**	**2011**
Cash at hand	54,533	38,632	15,156	24,699
Deposits with banks	17,449,291	18,732,878	14,783,603	12,537,634
Blocked deposits	**193,130**	**211,869**	**-**	-
	17,696,954	**18,983,379**	**14,798,759**	**12,562,333**

Of the above sum of € 17,696,954, the amount of € 371,315 refers to foreign currency and has been valuated at the Euro/ foreign currency rate applying on 31 December 2012. Any foreign exchange differences were posted to operating results.

The amounts of € 193,130 and € 211,869 refer to a performance bond of the subsidiary FULGOR S.A. which will be released in two years according to the relevant contract.

The foreign currency accounts have been broken down as follows:

	GROUP	COMPANY
	Euros	**Euros**
- USD	127,857	19,846
- GBP	55,417	23,415
- RON	159,356	-
Other	**28,685**	**-**
	371,315	**43,261**

22 Share Capital

(Amounts in Euro)

The Company's share capital amounts to € 20,977,916 divided into 29,546,360 common registered shares with a nominal value of € 0.71 each. All shares are listed and traded on the primary securities market of the Athens Stock Exchange, in the Large Capitalization category. The Company's shares are dematerialized, registered with voting rights.

The Company's share capital amounts to € 20,977,916 divided into 29,546,360 common registered shares with a nominal value of € 0.71, which are traded on the Athens Stock Exchange.

On 7 September 2011, the General Meeting of the Company's shareholders decided to increase its share capital following the agreement concluded with various banks in order to settle the debts of Fulgor, such agreement anticipating the waiver of old shareholders in favor of lending banks. The share capital increase and share premium account stood at € 9,593,921 and were completed on 7 February 2012. Specifically, 2,320,000 new ordinary registered shares were issued which started being traded on the ASE on 7 March 2012.
The share premium account amounting to € 31,171,712 is a supplement to the share capital and arose from the issue of shares in exchange for cash at a value higher than their nominal value.

23 Reserves

(Amounts in Euro)

	GROUP		COMPANY	
	2012	**2011**	**2012**	**2011**
Statutory reserve	4,458,987	4,458,987	3,385,929	3,385,929
Reserves from the valuation of derivatives	67,527	4,842	86,820	46,780
Special reserves	6,949,096	6,949,096	8,295,404	8,295,404
Untaxed reserves	15,058,135	15,058,135	12,789,774	12,789,774
Foreign exchange differences	(5,223,147)	(4,276,791)	-	-
	21,310,598	**22,194,269**	**24,557,927**	**24,517,887**

Statutory reserve: According to the Greek company law, companies are obliged to withhold 5% of their net annual post-tax profits to form statutory reserve until the balance of such statutory reserve is equal to or reaches at least 1/3 of the share capital. This reserve is not available for distribution but can be used to offset losses.

Special reserves: Special reserves have been set aside according to special provisions of incentive laws and especially refer to the Company's participation in the financing of investments falling under incentive laws. After the lapse of ten years from completion of the investments they concern, the Company may transfer them to a balance carried forward or capitalize them.

Untaxed reserves: The untaxed reserves have been set aside according to special provisions during previous years and originate from untaxed income. In case this reserve is distributed, it will be taxed using the tax rate applying at such time.

As of 31 December 2012, the Company realized investments in the amount of approximately € 8.2 million, which are subject to incentive law 2601/2012. Pursuant to this law, the Company has the right to form, from accounting profits that it will earn in future years, an untaxed reserve equal to 70% of the aforementioned investments. Such entitlement will expire from year 2013 to 2014. As of 31 December 2012, the Company realized investments in the amount of approximately € 1.8 million, which are subject to incentive law 3299/2004. Pursuant to this law, the Company has the right to form, from accounting profits that it will earn in future years, an untaxed reserve equal to 100% of the aforementioned investments. This entitlement shall expire during the year 2018.

Foreign exchange differences: Consolidation foreign exchange differences concern the differences arising from the conversion of the subsidiaries' financial statements which are in a foreign currency into the parent company's currency which is Euro.

24 Basic and diluted earnings per share

Basic earnings

(Amounts in Euro)

	GROUP		COMPANY	
	2012	**2011**	**2012**	**2011**
Post-tax profits/ (loss) correspond to the parent company's shareholders	(11,213,415)	3,262,533	(6,930,795)	1,094,657
Weighted average of shares	28,974,305	27,963,675	28,974,305	27,963,675
Basic earnings per share	**(0.3870)**	**0.1167**	**(0.2392)**	**0.0391**

Basic earnings per share are calculated by dividing the net profits attributable to ordinary shareholders by the weighted average of ordinary shares.

Diluted earnings

(Amounts in Euro)

	GROUP		COMPANY	
	2012	**2011**	**2012**	**2011**
Post-tax profits/ (loss) correspond to the parent company's shareholders	(11,213,415)	3,262,533	(6,930,795)	1,094,657
Weighted average of shares	28,974,305	27,963,675	28,974,305	27,963,675
Basic earnings per share	**(0.3870)**	**0.1167**	**(0.2392)**	**0.0391**

Diluted earnings per share are calculated after adjusting the weighted average of existing ordinary shares during the year by the potentially issued ordinary shares. Any options that have not been exercised yet have been calculated as potentially issued ordinary shares. The weighted average of shares remains the same with that relating to basic earnings because the average market price is less than the exercise price of options. More information on options is given in Note 27.

25 Loan liabilities

Long-term and short-term liabilities are broken down as follows:

(Amounts in Euro)

	GROUP		COMPANY	
	2012	**2011**	**2012**	**2011**
Long-term payables				
- Bank loans	**2,802,304**	**4,500,081**	**-**	**-**
- Bond loans	**92,482,935**	**85,616,225**	**64,938,320**	**59,727,755**
of which payable in the following fiscal year	**(36,005,696)**	**(24,711,065)**	**(34,245,244)**	**(21,711,088)**
	59,279,543	**65,405,241**	**30,693,076**	**38,016,667**
Short term payables				
- Bank loans	**74,224,978**	**74,047,481**	**36,848,615**	**35,171,062**
- Bond loans	**34,245,244**	**31,305,009**	**34,245,244**	**21,711,088**
	108,470,222	**105,352,490**	**71,093,859**	**56,882,150**
Total loan liabilities	**167,749,765**	**170,757,731**	**101,786,935**	**94,898,817**

Terms and time schedule of loan repayment

GROUP

	Currency	Average interest rate 2012	Repayment year	31.12.2012 Nominal value	31.12.2011 Nominal value
- Short-term	Euros	6.33%	2013	68,348,887	75,493,076
- Long-term	Euros	3.26%	2013-2027	73,734,928	81,516,771
-Short term installment	Euros	4.95%	2013	36,005,696	24,711,065
- Short-term	USD	4.84%	2013	122,061	587,823
- Short-term	GBP	6.72%	2013	1,955,579	872,386
- Short-term	RON	8.67%	2013	2,037,999	3,688,140
				182,205,150	**186,869,261**

COMPANY

	Currency	Average interest rate 2012	Repayment year	31.12.2012 Nominal value	31.12.2011 Nominal value
- Short-term	Euros	7.27%	2012	36,848,615	35,171,062
- Long-term	Euros	5.00%	2012-2014	30,693,076	38,016,667
-Short term installment	Euros	5.00%	2012	34,245,244	21,711,088
				101,786,935	**94,898,817**

During 2012 the Company entered into new ordinary bond loan agreements, which were fully assumed by Banks and amounted to € 15 million, of which € 1.1 million are of short-term duration.

A bond loan equal to € 42 million which arose from the subsidiary Fulgor has been assessed at € 26.8 million based on IAS 39. The measurement of such loan at non-amortized cost generated the amount of € 888,000 through profit or loss in 2012.

26 Liabilities for personnel benefits

According to IFRS, the liabilities of the Company to the social security funds of its employees are split into defined-contribution and defined-benefit plans.

Pursuant to Greek labor law, employees are entitled to compensation in the event of their discharge or retirement, the amount of which varies depending on their salaries, their years of service and the manner in which they withdraw from the company (discharge or retirement). Employees who resign or are justifiably dismissed are not entitled to an indemnification. The due indemnification in the event of retirement is equal to 40% of the amount that would have been payable in the event of an unjustified discharge. The amount of indemnification that is finally paid by the Company is fixed after taking into account the past service and the remuneration of employees.

It is considered that a liability concerns a defined-contribution plan when its accrued part is regularly computed. This practice is similar with the practice provided for by the applicable Greek laws, namely payments of employer contributions to social security funds for the service offered by employees.

As for the plans falling under the category of defined benefits, IFRS have established certain requirements in relation to the valuation of the existing obligation as well as the principles and actuarial assumptions that should be followed when estimating the liability arising from such plans. The liability that is posted is based on the projected unit credit method which calculates the present value of the accrued liability.

As regards the foreign companies of the Group, it is noted that based on the laws applying in those countries no retirement compensation is stipulated for their employees.

The liabilities for personnel indemnification were specified through an actuarial study. The following tables set out the composition of net expenditure for the relevant provision posted in the results of years 2011 and 2012 respectively.

Changes in the present value of the liability for the Group and the Company:

	GROUP		COMPANY	
	2012	**2011**	**2012**	**2011**
Current value of liability	2,348,519	2,349,815	1,366,571	1,221,959
Accumulated unrecognized actuarial loss	(202,103)	200,203	(209,625)	(2,066)
Liability in the Balance Sheet	**2,146,416**	**2,550,018**	**1,156,946**	**1,219,893**

	GROUP		COMPANY	
	2012	**2011**	**2012**	**2011**
Present value of liability at the beginning of the period	**2,349,815**	**1,321,256**	**1,221,959**	**1,364,130**
Cost of current employment	155,088	132,469	87,356	96,018
Cost of interest	105,840	89,241	55,011	61,959
Acquisition of subsidiary	-	1,509,008	-	-
Benefits paid by the employer	(856,796)	(1,275,929)	(265,466)	(667,743)
Additional payments or expenses / (income)	197,032	779,865	42,638	421,440
Actuarial loss / (gain)	397,540	(206,095)	225,073	(53,845)
Present value of liability at the end of the period	**2,348,519**	**2,349,815**	**1,366,571**	**1,221,959**

Changes in the net liability recognized in the balance sheet for the Group and the Company:

	GROUP	COMPANY
Balance of liabilities on 01.01.2011	**1,321,256**	**1,307,248**
Acquisition of subsidiary	1,514,891	-
Year provision	989,800	580,388
Year payments	(1,275,929)	(667,743)
Balance as at 31.12.2011	**2,550,018**	**1,219,893**
Balance of liabilities on 01.01.2012	**2,550,018**	**1,219,893**
Year provision	453,195	202,519
Year payments	(856,797)	(265,466)
Balance as at 31.12.2012	**2,146,416**	**1,156,946**

Provision for personnel indemnification recognized through profit or loss:

	GROUP		COMPANY	
	2012	**2011**	**2012**	**2011**
Current service cost	155,088	132,469	87,356	96,018
Interest against the liability	105,840	89,241	55,011	61,959
Cost of additional benefits	197,032	779,865	60,152	421,440
Depreciation under actuarial study	(4,765)	(11,775)	-	971
Total recognition through profit or loss	**453,195**	**989,800**	**202,519**	**580,388**

Main assumptions of actuarial study:

	GROUP		COMPANY	
	2012	**2011**	**2012**	**2011**
Discount rate	2.7%	4.6%	2.7%	4.6%
Percentage of salary future increase	2.0%	2.5%	2.0%	2.5%
Average remaining working life (years)	17.40	17.36	17.28	16.52

27 Share-based payments

The Company has adopted a share option plan up to 1.97% of the number of common registered shares that are outstanding at the time of adoption (530,600 options), adjusted to future changes in the number of shares into which the share capital is divided, under the following terms and conditions:

(a) Beneficiaries of stock option plan: Members of the Board of Directors, persons employed by the Company or any of its affiliated companies.

(b) Option exercise price: The exercise price has been set as the closing price of the Athens Stock Exchange during the first fifteen days of June 2002, in other words € 2.97 per option.

(c) Exercise of options: Options are secured gradually by 10% annually, beginning from the first business day of November 2002 until, and including, the first business day of November 2011. The above secured options are exercised from the first business day of November 2006 until, and including, the first business day of November 2013. Following this closing date any option that is not exercised is cancelled.

Of the above options, by 31 December 2012, 318,360 had been exercised.

The movement of options is as follows:

	Number of options	Exercise price (€)
Pending on 1 January 2011	**159,180**	**2.97**
Secured during the year	53,060	**2.97**
Balance on 31 December 2011	**212,240**	**2.97**
Exercised during the year	-	
With a right to exercise on 31 December 2011	**212,240**	
Secured during the year	-	
Balance on 31 December 2012	**212,240**	**2.97**
Exercised during the year	-	
With a right to exercise on 31 December 2012	**212,240**	**2.97**

28 Suppliers and other liabilities

(Amounts in Euro)	GROUP		COMPANY	
	2012	**2011**	**2012**	**2011**
Suppliers	37,997,385	25,897,443	24,522,780	15,128,308
Payables to affiliates	5,600,287	7,026,544	31,282,893	21,735,069
Transit credit balances	1,377,569	1,100,531	333,064	418,611
Sundry creditors	1,461,047	3,368,559	889,399	1,102,428
Accrued expenses	1,286,309	1,078,308	1,064,104	1,078,308
Advance payments from customers	1,891,076	926,679	973,893	883,620
Social security funds	2,551,322	2,874,748	727,858	795,751
Dividends payable	8,821	8,904	8,821	8,904
Unearned and deferred income	8,276	8,223	-	-
Other payables	2,864,968	1,438,324	1,469,415	289,652
	55,047,060	**43,728,263**	**61,272,227**	**41,440,651**

The item "Suppliers" includes the amount of € 12,493,825 which concerns the early payment of documentary credits from Banks.

29 Provisions

(Amounts in Euro)

	GROUP		COMPANY	
	2012	**2011**	**2012**	**2011**
Balance as at 1/1	**200,000**	**200,000**	**200,000**	**200,000**
Year provisions	-	-	-	-
Used provisions	-	-	-	-
Balance as at 31/12	**200,000**	**200,000**	**200,000**	**200,000**

The above provisions concern the Group's unaudited fiscal years.

30 Financial instruments

Financial risk management

General

The Group is exposed to the following risks from the use of its financial instruments:

- Credit Risk
- Liquidity risk
- Market risk

This paragraph presents information regarding the Group's exposure to each of the above risks, the Group's objectives, the policies and procedures it applies for the calculation and management of risks, as well as the management of the Group's capital. Additional quantitative information on such disclosures are included throughout the consolidated financial statements.

The Board of Directors bears the overall responsibility for the creation and supervision of the Group's risk management framework.

The Group's risk management policies are applied in order to identify and analyze the risks that the Group is exposed to and set audit points and risk-taking limits. The risk management policies and relevant systems are periodically examined so as to take into account any changes in the market and the Group's activities.

The Internal Audit Department carries out ordinary and extraordinary audits with respect to the application of audit points and risk management procedures the findings of which are disclosed to the Board of Directors.

Credit Risk

Credit risk is the risk that the Group will incur financial loss if a client or third counterparty to a transaction on a financial instrument fails to meet its contractual obligations mainly arising from receivables from customers and investments in securities.

Customers and other trade receivables

The Group's exposure to credit risk is affected mainly by the specific characteristics of each individual customer. The statistics associated with the Group's customer base, including the default risk that exists in a specific market and country where customers are in operation, have a limited effect on credit risk since there is no geographic concentration of credit risk. Only one customer participates in Group income by more than 10% while no customer has any open balance higher than 10% of all receivables.

The Board of Directors has laid down a credit policy which requires that all new customers are scrutinized individually as regards their creditworthiness before the Group's normal payment and delivery terms and conditions are proposed to them. The creditworthiness test made by the Group includes the examination of bank sources regarding customers.

Credit limits are set for each customer which account for the maximum open balance a customer may have without the approval of the Board of Directors, which are reviewed every quarter. Any customers not complying with the average of the Group's creditworthiness criteria may hold transactions with the Group solely based on prepayments or letters of guarantee.

Most of the Group's customers hold long-lasting transactions with the Group and no losses have incurred. In monitoring customer credit risk, customers are grouped depending on their credit characteristics, their geographical region, the market in which they operate, the aging profile of their receivables and the existence of any previous financial difficulties. Any customers marked as "high risk customers" are placed in a special list of customers and all future sales to them must be paid for in advance and approved by the Board of Directors.

The Group does not require guarantees for sales from trade and other receivables save the case of exports where letters of guarantee are required.

Customer credit lines are normally determined based on the insurance limits obtained for them from insurance companies and then receivables are insured based on such credit lines.

According to the customer's history and capacity, in order to secure its receivables, the Group requests real guarantees or collateral (i.e. letters of guarantee), when possible.

The Group raises a special impairment provision in specific cases of exposure to risk, which represents its estimate about losses incurred with respect to trade and other receivables and investments.

Investments

Investments are classified by the Group pursuant to the purpose for which they were acquired. The Management decides on the appropriate classification of the investment during the time such was acquired and reviews the classification on each presentation date.

The Management estimates that there will be no default in connection with such investments.

Liquidity risk

Liquidity risk is the risk that the Group will be unable to fulfill its financial liabilities upon maturity. The Group's approach to liquidity management is to secure, as much as possible, that it will always have sufficient cash to meet its obligations upon maturity both under normal and adverse circumstances without incurring unacceptable losses or jeopardizing the Group's reputation.

To prevent liquidity risks, when preparing its annual budget, the Group estimates its cash flows for one year. The Group also estimates such cash flows every quarter so as to ensure that it holds sufficient cash and cash equivalents to meet its operating needs, including the fulfillment of its financial liabilities. This policy does not take into account the relevant effect from extreme conditions that cannot be foreseen.

Market risk

Market risk is the risk of fluctuations in market prices, such as exchange rates, interest rates and raw material prices which can have an effect on the Group's results or the value of its financial instruments. Market risk management is aimed at controlling the Group's exposure to such risk within a framework of acceptable parameters, with a parallel optimization of performance in risk management.

The Group bases both its purchases and sales on stock prices/indices linked to the prices of copper and other metals which are used by the Group and included in its products. The risk from the fluctuation of metal prices is covered with hedging (futures contracts and options on the London Metal Exchange – LME). The Company, however, does not use hedging instruments for the entire stock of its operation and, as a result, any drop in metal prices may have a negative effect on its results through inventories depreciation.

Foreign exchange risk

The Group is exposed to foreign exchange risk in connection with its sales and purchases and its loans issued in a currency other than the functional currency of the Group companies, which is primarily the Euro and Romanian RON.

The main bank loans of the Group are denominated in Euro and RON and have been assumed by Group companies using Euro and RON as functional currency. Loan interest is in the same currency as that used in the cash flows arising from the Group's operating activities, which is mainly the Euro and RON.

As regards other financial assets and liabilities denominated in foreign currencies, the Group secures that its exposure to foreign exchange risk is kept at an acceptable level by buying or selling foreign currencies at current exchange rates when deemed necessary to deal with short-term imbalances.

The Group's investments in subsidiaries are not hedged, since those foreign exchange positions are considered as long term in nature.

Interest rate risk

The Group obtains funds for its investments and its working capital through bank loans, and thus debit interest is charged to its results. Any upward trend of interest rates will have a negative effect on results since the Group will bear additional borrowing costs.
The Group uses financial instruments (Interest Rate Swaps) to mitigate the risk of fluctuations in interest rates.

Capital management

The policy applied by the Board of Directors includes the maintenance of a robust capital basis, in order to keep the Group trustworthy among investors, creditors and market players, and allow the future development of the Group's activities. The Board of Directors monitors return on equity, which is defined as the net profits divided by the total net worth, exclusive of minority interest. The Board of Directors also monitors the level of dividends distributed to holders of ordinary shares.

The Group does not have a specific own share purchasing plan.

There have been no changes in the approach adopted by the Group concerning capital management during the fiscal year.

Neither the Company nor any of its subsidiaries are subject to capital liabilities imposed by external factors.

Total borrowing of the Group and the Company in relation to its equity on the reference date is as follows:

(Amounts in thousand Euro)

	GROUP		**COMPANY**	
	2012	**2011**	**2012**	**2011**
Total loans	167,750	170,758	101,787	94,899
Less: Cash	(17,697)	(18,983)	(14,799)	(12,562)
Net borrowing	150,053	151,775	86,988	82,337
Total equity	103,994	116,115	87,645	94,536
Debt to equity ratio	**1.44**	**1.3**	**0.99**	**0.87**

31.1 Credit Risk

Exposure to credit risk

The book value of financial assets represents the maximum exposure to credit risk. On the reference date the maximum exposure to credit risk was:

(Amounts in Euro)	**GROUP**		**COMPANY**	
	2012	**2011**	**2012**	**2011**
Other investments	1,807,484	1,807,484	1,807,484	1,807,484
Derivatives	287,899	130,965	248,145	130,965
Trade receivables	67,219,827	56,353,863	70,624,380	58,803,641
Cash and cash equivalents	17,696,954	18,983,379	14,798,759	12,562,333
Total	**87,012,164**	**77,275,691**	**87,478,768**	**73,304,423**

Maximum exposure to credit risk for the receivables from customers on the balance sheet date per geographical region was:

(Amounts in Euro)	**GROUP**		**COMPANY**	
	2012	**2011**	**2012**	**2011**
Greece	18,032,638	21,401,860	36,271,757	40,222,393
Romania	8,326,917	9,578,187	130,550	2,271,910
Other EU countries	39,950,577	21,349,995	33,594,601	15,220,905
Other countries	909,695	4,023,822	627,472	1,088,433
Total	**67,219,827**	**56,353,864**	**70,624,380**	**58,803,641**

The balance of the receivables from customers on the reference date refers solely to wholesale customers.

Impairment losses

The maturity of trade receivables on the reference date was:

(Amounts in Euro)	GROUP		COMPANY	
	2012	**2011**	**2012**	**2011**
Up to date	58,658,569	53,385,565	64,620,080	57,112,294
Overdue up to 6 months	7,755,688	2,363,016	5,361,080	1,138,607
Over more than 6 months	805,570	605,283	643,220	552,740
Total	**67,219,827**	**56,353,864**	**70,624,380**	**58,803,641**

An impairment provision has been raised for doubtful debts, which is broken down as follows:

(Amounts in Euro)	GROUP		COMPANY	
	2012	**2011**	**2012**	**2011**
Balance as at 1 December	**4,976,959**	**2,320,264**	**1,584,891**	**1,576,804**
Year impairment	650,512	714,354	280,000	590,000
Deletions	(214,684)	(774,830)	(65,448)	(582,281)
Absorption of subsidiary	-	-	-	368
Acquisition of subsidiary	-	2,721,883	-	-
Foreign exchange difference	(15,131)	(4,712)	-	-
Balance as at 31 December	**5,397,656**	**4,976,959**	**1,799,443**	**1,584,891**

The greatest part of the receivables from customers is insured by insurance companies in case collection thereof fails. During the year 2012, the indemnities collected from insurance companies owing to the above coverage amounted to € 589,028 (2011: 2,942,574).

Management believes that the provision raised on 31/12/2012 reflects the best possible estimate and the accounting balance of trade and other receivables approaches their fair value.

31.2 Liquidity risk

Below is given the contractual maturity of financial liabilities without including the proportionate interest:

(Amounts in Euro)	GROUP			
	Balance sheet value 31.12.2012	**to <1 year**	**Between 1 and 2 years**	**Between 2 and 5 years**
Bank loans	75,266,830	74,224,978	260,463	781,389
Corporate bond loans	92,482,935	34,245,244	29,094,032	29,143,659
Suppliers and other liabilities	55,047,060	55,047,060	-	-
	222,796,825	**163,517,282**	**29,354,495**	**29,925,048**

Derivatives (Analysis per category)	Balance sheet value 31.12.2012	Nominal value 31.12.2012	to <1 year	Between 1 and 2 years	Between 2 and 5 years
Interest rate swaps (in €)	(18,505)	1,250,000	-	1,250,000	-
Foreign exchange forward contracts (in USD)	28,120	(757,917)	(757,917)	-	-
Foreign exchange forward contracts (in GBP)	126,630	11,695,721	11,695,721	-	-
Lead derivatives contracts	(14,867)	468,064	468,064	-	
Aluminum derivatives contracts	11,701	(1,277,357)	(1,277,357)	-	-
Copper derivatives contracts	108,273	10,443,261	10,443,261	-	-
	241,352	**21,821,772**	**20,571,772**	**1,250,000**	**-**

GROUP

(Amounts in Euro)	Balance sheet value 31.12.2011	to <1 year	Between 1 and 2 years	Between 2 and 5 years
Bank loans	75,547,585	74,047,481	1,500,104	-
Corporate bond loans	95,210,146	31,305,009	34,116,667	29,788,470
Suppliers and other liabilities	43,728,263	43,728,263	-	-
	214,485,994	**149,080,753**	**35,616,771**	**29,788,470**

Derivatives (Analysis per category)	Balance sheet value 31.12.2011	Nominal value 31.12.2011	to <1 year	Between 1 and 2 years	Between 2 and 5 years
Interest rate swaps (in €)	(72,490)	6,250,000	5,000,000	1,250,000	-
Foreign exchange forward contracts (in USD)	14,978	(180,392)	(180,392)	-	-
Foreign exchange forward contracts (in GBP)	(475,207)	9,939,226	9,939,226	-	-
Lead derivatives contracts	(14,781)	220,048	220,048		
Aluminum derivatives contracts	113,157	1,921,383	1,921,383	-	-
Copper derivatives contracts	(13,297)	(451,554)	(451,554)	-	-
	(447,640)	**17,698,711**	**16,448,711**	**1,250,000**	**-**

COMPANY

(Amounts in Euro)	Balance sheet value 31.12.2012	to <1 year	Between 1 and 2 years	Between 2 and 5 years
Bank loans	36,848,615	36,848,615	-	-
Corporate bond loans	64,938,320	34,245,244	29,094,032	1,599,044
Suppliers and other liabilities	61,272,227	61,272,227	-	-
Total	**163,059,162**	**132,366,086**	**29,094,032**	**1,599,044**

Derivatives (Analysis per category)	Balance sheet value 31.12.2012	Nominal value 31.12.2012	to <1 year	Between 1 and 2 years	Between 2 and 5 years
Interest rate swaps (in €)	(18,505)	1,250,000	-	1,250,000	-
Foreign exchange forward contracts (in USD)	30,035	(191,451)	(191,451)	-	-
Foreign exchange forward contracts (in GBP)	91,080	10,286,580	10,286,580	-	-
Lead derivatives contracts	360	131,942	131,942	-	-
Aluminum derivatives contracts	14,945	(889,243)	(889,243)	-	-
Copper derivatives contracts	111,725	7,449,113	7,449,113	-	-
	229,640	**18,036,941**	**16,786,941**	**1,250,000**	**-**

COMPANY

(Amounts in Euro)	Balance sheet value 31.12.2011	to <1 year	Between 1 and 2 years	Between 2 and 5 years
Bank loans	35,171,062	35,171,062	-	-
Corporate bond loans	59,727,755	21,711,088	34,116,667	3,900,000
Suppliers and other liabilities	41,440,651	41,440,651	-	-
Total	**136,339,468**	**98,322,801**	**34,116,667**	**3,900,000**

Derivatives (Analysis per category)	Balance sheet value 31.12.2011	Nominal value 31.12.2011	to <1 year	Between 1 and 2 years	Between 2 and 5 years
Interest rate swaps (in €)	(72,490)	6,250,000	5,000,000	1,250,000	-
Foreign exchange forward contracts (in USD)	14,978	(180,392)	(180,392)	-	-
Foreign exchange forward contracts (in GBP)	(469,798)	9,939,226	9,939,226	-	-
Aluminum derivatives contracts	90,792	1,012,568	1,012,568	-	-
Copper derivatives contracts	40,173	(1,421,448)	(1,421,448)	-	-
	(396,345)	**15,599,954**	**14,349,954**	**1,250,000**	**-**

The Company has approved credit lines with collaborating banks and is not expected to face liquidity problems to meet its short-term liabilities.

31.3 Foreign exchange risk

Exposure to foreign exchange risk

The exposure of the Group to foreign exchange risk is as follows:

(Amounts in Euro) **GROUP**

31.12.2012	**EURO**	**USD**	**GBP**	**RON**	**OTHER**	**TOTAL**
Customers and other trade receivables	54,090,429	270,826	10,480,346	6,138,362	-	70,979,963
Loans	(163,634,123)	(122,063)	(1,955,580)	(2,037,999)	-	(167,749,765)
Suppliers and other liabilities	(41,611,610)	(731,938)	(2,110,095)	(10,593,380)	(36)	(55,047,059)
Cash and cash equivalents	17,325,639	127,857	55,417	159,356	28,685	17,696,954
	(133,829,665)	**(455,318)**	**6,470,088**	**(6,333,661)**	**28,649**	**(134,119,907)**
Derivatives for hedging of the above Risks (Nominal Value)	-	757,917	(10,286,580)	-	-	(9,528,663)
	(133,829,665)	**302,599**	**(3,816,492)**	**(6,333,661)**	**28,649**	**(143,648,570)**

(Amounts in Euro) **GROUP**

31.12.2011	**EURO**	**USD**	**GBP**	**RON**	**OTHER**	**TOTAL**
Customers and other trade receivables	63,414,898	304,744	6,067,472	6,294,011	-	76,081,125
Loans	(165,609,382)	(587,823)	(872,386)	(3,688,140)	-	(170,757,731)
Suppliers and other liabilities	(36,186,136)	(388,773)	(576,986)	(6,546,977)	(29,392)	(43,728,263)
Cash and cash equivalents	17,569,540	70,777	279,324	1,062,445	1,293	18,983,379
	(120,811,080)	**(601,075)**	**4,897,424**	**(2,878,661)**	**(28,099)**	**(119,421,490)**
Derivatives for hedging of the above Risks (Nominal Value)	-	180,392	(9,939,226)	-	-	(9,758,834)
	(120,811,080)	**(420,683)**	**(5,041,802)**	**(2,878,661)**	**(28,099)**	**(129,180,324)**

(Amounts in Euro) **COMPANY**

31.12.2012	**EURO**	**USD**	**GBP**	**OTHER**	**TOTAL**
Customers and other trade receivables	64,359,272	243,883	8,084,026	-	72,687,181
Loans	(101,786,935)	-	-	-	(101,786,935)
Suppliers and other liabilities	(59,060,351)	(212,615)	(1,999,261)	-	(61,272,227)
Cash and cash equivalents	14,755,498	19,846	23,415	-	14,798,759
	(81,732,516)	**51,114**	**6,108,180**	**-**	**(75,573,222)**
Derivatives for hedging of the above Risks (Nominal Value)	-	757,917	(10,286,580)	-	(9,528,663)
	(81,732,516)	**809,031**	**(4,178,400)**	**-**	**(85,101,885)**

COMPANY

(Amounts in Euro)

31.12.2011	**EURO**	**USD**	**GBP**	**OTHER**	**TOTAL**
Customers and other trade receivables	79,164,901	1,930	5,053,944	-	84,220,775
Loans	(94,898,817)	-	-	-	(94,898,817)
Suppliers and other liabilities	(40,883,141)	(84,796)	(462,329)	(10,385)	(41,440,651)
Cash and cash equivalents	12,439,866	8,296	114,171	-	12,562,333
	(44,177,191)	**(74,570)**	**4,705,786**	**(10,385)**	**(39,556,360)**
Derivatives for hedging of the above Risks (Nominal Value)	-	180,392	(9,939,226)	-	(9,758,834)
	(44,177,191)	**105,822**	**(5,233,440)**	**(10,385)**	**(49,315,194)**

The exchange rates used per fiscal year are as follows:

Euros	Average		Exchange rate on	
	1.1-31.12.2012	1.1-31.12.2011	31.12.2012	31.12.2011
RON Romania	4.4560	4.2379	4.4287	4.3233
USD	-	-	1.3194	1.2939
GBP	-	-	0.8161	0.8353

Sensitivity analysis

A 10% decrease of Euro in relation to the following currencies on 31 December would increase (decrease) shareholder's equity and results by the amounts set out below. This analysis assumes that all the other variables and especially interest rates remain fixed.

Group	Year results		Equity	
	2012	**2011**	**2012**	**2011**
USD	33,622	(46,742)	-	-
GBP	(424,055)	(560,200)	-	-
RON	-	-	(703,740)	(319,851)
	(390,433)	**(606,942)**	**(703,740)**	**(319,851)**

Company	Year results		Equity	
	2012	**2011**	**2012**	**2011**
USD	89,892	11,758	-	-
GBP	(464,267)	(581,493)	-	-
	(374,375)	**(569,735)**	-	-

A 10% rise of Euro in relation to the following currencies on 31 December would have the opposite effect on the following currencies by the amounts set out below:

Group	Year results		Equity	
	2012	**2011**	**2012**	**2011**
USD	(27,509)	38,244	-	-
GBP	346,954	458,346	-	-
RON	-	-	575,787	261,696
	319,445	**496,590**	**575,787**	**261,696**

Company	Year results		Equity	
	2012	**2011**	**2012**	**2011**
USD	(73,548)	(9,620)	-	-
GBP	379,855	475,767	-	-
	306,307	**466,147**	-	-

31.4 Interest rate fluctuation risk

On the reference date, the interest-bearing financial instruments of the Group in terms of interest rate risk are as follows:

(Amounts in Euro)	GROUP		COMPANY	
	2012	2011	2012	2011
Fixed interest rates				
Liability items	1,250,000	6,250,000	1,250,000	6,250,000
Floating rate				
Liability items	166,499,765	164,507,731	100,536,935	88,648,817
	167,749,765	**170,757,731**	**101,786,935**	**94,898,817**

Cash flow sensitivity analysis for floating rate financial instruments

A 0.25% change in interest rates on the reference date would increase (decrease) equity and results by the amounts set out below. This analysis assumes that all the other variables and especially exchange rates remain fixed.

GROUP	Year results		Equity	
Effect in Euro on 31.12.2012	Increase by 0,25%	Decrease by 0,25%	Increase by 0,25%	Decrease by 0,25%
Floating rate financial instruments	(589,120)	589,120	-	-
Interest rate swaps	-	-	2,410	(2,410)

GROUP	Year results		Equity	
Effect in Euro on 31.12.2011	Increase by 0,25%	Decrease by 0,25%	Increase by 0,25%	Decrease by 0,25%
Floating interest rate	(550,669)	550,669	-	-
Interest rate swaps	-	-	7,829	(7,829)

COMPANY	Year results		Equity	
Effect in Euro on 31.12.2012	Increase by 0,25%	Decrease by 0,25%	Increase by 0,25%	Decrease by 0,25%
Floating rate financial instruments	(361,555)	361,555	-	-
Interest rate swaps	-	-	2,410	(2,410)

COMPANY	Year results		Equity	
Effect in Euro on 31.12.2011	Increase by 0,25%	Decrease by 0,25%	Increase by 0,25%	Decrease by 0,25%
Floating interest rate	(287,446)	287,446	-	-
Interest rate swaps	-	-	7,829	(7,829)

31.5 Fair value

Fair value compared to book value

The fair value and the book value of financial asset and liability items shown in the balance sheet are as follows:

GROUP

(Amounts in Euro)	2012		2011	
	Book value	**Fair value**	**Book value**	**Fair value**
Financial assets available for sale	1,807,484	-	1,807,484	-
Trade receivables	64,420,911	-	49,588,685	-
Cash	17,696,954	17,696,954	18,983,379	18,983,379
Bank loans	167,749,765	162,386,186	170,757,731	170,757,731
Suppliers and other liabilities	55,047,060	-	43,728,263	-

COMPANY

(Amounts in Euro)	2012		2011	
	Book value	**Fair value**	**Book value**	**Fair value**
Financial assets available for sale	1,807,484	-	1,807,484	-
Trade receivables	70,197,271	-	54,669,585	-
Cash	14,798,759	14,798,759	12,562,333	12,562,333
Bank loans	101,786,935	101,786,935	94,898,817	94,898,817
Suppliers and other liabilities	61,272,227	-	41,440,651	-

The higher balance of the items "Trade receivables" and "Suppliers and other liabilities" has a limited maturity (*up to one year*) and, thus, it is estimated that the accounting balance of these items is close to their fair value.

"Available-for-sale financial assets" refer to investments of the Group and the Company in shares of other companies whose shares are not traded in any organized stock market and, therefore, their fair value cannot be determined. Group Management does not intend to sell the said shares.

All loans of the Group and the Company have been taken out at a floating rate save the bond loan of Fulgor with a nominal value of € 42 million which has been assessed at € 26.8 million according to IAS 39. The measurement of such loan at non-amortized cost generated the amount of € 888,000 through profit or loss in 2012.

Classification of financial instruments based on their valuation at fair value

A classification table of financial instruments is given below which depends on the quality of the data used to assess fair value:

- Level 1: Financial instruments valued at fair value using active market prices
- Level 2: Financial instruments valued at fair value using other unquestionably objective prices beyond active market
- Level 3: Financial instruments valued according to the Company's estimates since there is no observable data in the market.

GROUP

	2012			2011		
(Amounts in Euro)	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Derivative financial assets	-	287,898	-	-	130,965	-
	-	287,898	-	-	130,965	-
Derivative financial liabilities	-	(46,546)	-	-	(578,605)	-
Total	**-**	**241,352**	**-**	**-**	**(447,640)**	**-**

COMPANY

	2012			2011		
(Amounts in Euro)	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Derivative financial assets	-	248,145	-	-	130,965	-
	-	248,145	-	-	130,965	-
Derivative financial liabilities	-	(18,505)	-	-	(527,310)	-
Total	**-**	**229,640**	**-**	**-**	**(396,345)**	**-**

32 Commitments and contingent liabilities

32.1 Payables from operating and financial leases

a) The Group leases passenger cars based on operating and financial lease agreements. The future payable total rental fees are as follows:

(Amounts in Euro)	GROUP		COMPANY	
	2012	2011	2012	2011
Up to 1 year	674,011	904,417	258,268	181,568
Between 1 and 5 years	1,000,760	951,500	630,573	470,399
	1,674,771	**1,855,917**	**888,841**	**651,967**

b) The Group leases a property to accommodate its principal establishment. The future payable lease fees, according to the lease agreement, are as follows:

(Amounts in Euro)	GROUP		COMPANY	
	2012	2011	2012	2011
Up to 1 year	142,416	142,416	142,416	142,416
Between 1 and 5 years	569,664	569,664	569,664	569,664
Over 5 years	498,456	640,872	498,456	640,872
	1,210,536	**1,352,952**	**1,210,536**	**1,352,952**

32.2 Contingent liabilities

The Group and the parent company have contingent payables and receivables relating to banks, other collateral and other issues arising in the course of their ordinary activity, which are as follows:

Liabilities:

(Amounts in Euro)	GROUP		COMPANY	
	2012	2011	2012	2011
Collateral for securing payables to suppliers	9,633,818	2,817,211	8,367,113	2,566,813
Collateral for securing the performance of contracts entered into with customers	15,410,692	17,976,638	13,004,825	12,845,269
Other payables	10,293,647	12,304,416	9,993,647	12,304,416
	35,338,157	**33,098,265**	**31,365,585**	**27,716,498**

The Company has acted as guarantor and covered the credits of its subsidiary "FULGOR A.E.” up to the amount of € 22.1 million which concerns its investment plan for the production of high-voltage submarine cables.

Capital commitments:

(Amounts in Euro)	GROUP		COMPANY	
	2012	2011	2011	2010
Property, plant and equipment	19,337,434	85,788	36,480	85,788
	19,337,434	**85,788**	**36,480**	**85,788**

32.3 Years unaudited in tax terms

The Company and its subsidiaries have not been audited by tax authorities for the following years:

Company	Tax authority	Fiscal Years
HELLENIC CABLES	Greece	From 2009 to 2010 and 2012
FULGOR SA	Greece	2012
ICME-ECAB	Romania	From 2010 to 2012
LESCO OOD	Bulgaria	From 2008 to 2012
GENECOS	France	From 2005 to 2012
LESCO ROMANIA	Romania	From 2003 to 2012
DE LAIRE LTD.	Cyprus	From 2007 to 2012
E.D.E. S.A.	Greece	From 2010 to 2012

TELECABLES S.A. was absorbed by the parent company on 01.08.2011 and its fiscal years 2004 -2011 (31/7) are unaudited.

The tax liabilities of the Company and Group companies will be finalized once the competent tax authorities conduct the necessary ordinary audits. Management believes that the provision of € 200,000 raised on 31 December 2012 for these liabilities reflects the best possible estimate.

As for the fiscal year 2012, the Company and its subsidiary "FULGOR" have fallen under the tax audit of chartered accountants that is stipulated in the provisions of Article 82(5) of Law 2238/1994. This audit is underway and the relevant tax compliance report is expected to be granted after the financial statements on the year ended on 31 December 2012 are published. If additional tax liabilities arise after the tax audit is completed, we estimate that they will have no significant effect on the financial statements.

A tax compliance report has been issued for the fiscal year 2011 based on the above provisions "upon concurrent opinion" both for the Company and its subsidiary ''Fulgor''.

33 Transactions with affiliates

The subsidiaries of the Group and the executive members of the Board of Directors are considered affiliates.

Given that the Group is included in the consolidated financial statements of VIOHALCO SA, the companies of VIOHALCO Group are also considered affiliates.

The balances of Company transactions with subsidiaries and its associates and the results related to such transactions are as follows:

	GROUP		COMPANY	
I. Subsidiary companies	**2012**	**2011**	**2012**	**2011**
Receivables	-	-	21,369,303	21,631,535
Liabilities	-	-	28,955,39	17,354,976
Sales of products and other income	-	-	77,011,391	43,107,260
Purchases of products and other expenses	-	-	121,390,474	56,730,948

II. Transactions with companies of VIOHALCO Company	**2012**	**2011**	**2012**	**2011**
Receivables	8,307,713	6,814,584	5,279,759	5,484,772
Liabilities	5,600,287	7,026,544	2,327,494	4,380,092
Sales of products and other income	36,038,005	32,743,693	22,680,074	23,938,756
Purchases of products and other expenses	41,498,706	70,086,233	17,948,745	19,429,834
III. BoD members	**2012**	**2011**	**2012**	**2011**
Fees	1,039,407	841,601	670,286	618,750

All transactions with affiliates took place in accordance with the generally accepted commercial terms and will be settled in cash within a reasonable period of time.

34 Group Companies

The Consolidated Financial Statements of the Group on 31 December 2012 include the financial statements of HELLENIC CABLES S.A. and the subsidiaries/associates referred to below:

Corporate name	**Registered Office**	**Activity**	**Holding percentage**	
			31.12.2012	**31.12.2011**
Subsidiaries				
FULGOR SA	Greece	Industrial	100%	100%
ICME ECAB S.A.	Romania	Industrial	98.59%	98.59%
LESCO OOD	Bulgaria	Industrial	100%	100%
GENECOS S.A.	France	Commercial	60%	60%
LESCO ROMANIA	Romania	Industrial	65%	65%
DAILAIRE	Cyprus	Commercial	100%	100%
E.D.E. S.A.	Greece	Commercial	99.99%	99.99%
Associates				
STEELMET S.A.	Greece	Provision of services	29.56%	29.56%
METAL GLOBE LTD.	Serbia (Montenegro)	Commercial	30.00%	30.00%
METAL AGENCIES LTD.	England	Commercial	20.00%	33.00%
COPPERPROM LTD	Greece	Commercial	40.00%	40.00%

All the above subsidiaries are consolidated using the full consolidation method. Associates are consolidated using the equity method of accounting.

35 Subsequent events

During January 2013, the Company took steps to terminate the Joint Venture “NEXANS – HELLENIC CABLES - FULGOR - PPC 2009" due to expiry of its activities.

* *

Athens, 25 February 2013

THE CHAIRMAN OF THE BOARD OF DIRECTORS	A MEMBER OF THE BOARD OF DIRECTORS	THE GENERAL MANAGER	THE FINANCIAL MANAGER
IOANNIS BATSOLAS AK 034042	IOANNIS STAVROPOULOS K 221209	ALEXIOS ALEXIOU X 126605	IOANNIS THEONAS AE 035000

E. FACTS AND INFORMATION ON THE YEAR FROM 1 JANUARY 2012
TO 31 DECEMBER 2012

HELLENIC CABLES S.A.

CORPORATIONS REGISTER No 2131/06/B/86/19

Address: Athens Tower, Building B, 2-4, Mesogheion Avenue, 11527, Athens

Facts and information on the year from 1 January 2012 to 31 December 2012

(published pursuant to Article 135 of Codified Law 20/1920 on entities preparing annual financial statements, either consolidated or not, as per IAS)

The following facts and information arising from the financial statements aim to provide general information about the financial condition and results of "HELLENIC CABLES S.A.". Therefore, readers are advised, before making any investment decision or other transaction with the company, to refer to the company's website where the financial statements and the audit report of the chartered accountant are uploaded.

Competent Prefecture: Ministry of Development, S.A. and Credit Division
Website: www.cablel.gr
BoD composition: Chairman: Batsolas I., Vice-chairman: Laios K. and members: Diakogiannis M., Kyriazis A., Stergiopoulos G., Alexiou A., Katsanos A., Stavropoulos I., Galetas N., Georganas I., Gee Ronald, Wiedenmann Rudolf
Date of annual financial statements approval by the Board of Directors: 25 February 2013
Chartered Accountant: Koutsopoulos Koutsos Dimitrios (Greek ICPA Reg. No: 26751)
Audit company: Deloitte -Hadjipavlou Sofianos & Cambanis S.A. (Greek ICPA Reg. No: E 120)
Type of auditors' audit report : Upon concurrent opinion

BALANCE SHEET ITEMS

Amounts in €

	GROUP		COMPANY	
	31-Dec-12	**31-Dec-11**	**31-Dec-12**	**31-Dec-11**
ASSETS				
Self-used tangible fixed assets	148.722.702	142.699.539	70.809.530	69.658.858
Investment property	383.271	2.270.174	383.271	2.270.174
Intangible assets	10.681.176	10.160.040	494.557	267.637
Other non-current assets	3.716.576	3.589.188	52.650.287	23.424.121
Inventories	87.938.716	92.165.783	45.396.172	45.580.792
Trade receivables	64.420.911	49.588.685	70.197.271	54.669.585
Other current assets	24.543.906	45.606.784	17.536.814	42.244.488
TOTAL ASSETS	**340.407.258**	**346.080.193**	**257.467.902**	**238.115.655**
EQUITY AND LIABILITIES				
Share Capital	20.977.916	20.977.916	20.977.916	20.977.916
Other equity items	82.185.634	94.317.900	66.667.125	73.557.880
Total equity of parent company owners (a)	**103.163.550**	**115.295.816**	**87.645.041**	**94.535.796**
Minority Interest (b)	830.003	819.327	-	-
Total Equity (c)=(a) + (b)	**103.993.553**	**116.115.143**	**87.645.041**	**94.535.796**
Long-term loan liabilities	59.279.543	65.405.241	30.693.076	38.016.667
Provisions/ Other long-term liabilities	13.248.359	14.224.768	6.745.194	6.713.081
Short-term loan liabilities	108.470.222	105.352.490	71.093.859	56.882.150
Other short-term liabilities	55.415.581	44.982.551	61.290.732	41.967.961
Total liabilities (d)	**236.413.705**	**229.965.050**	**169.822.861**	**143.579.859**
TOTAL EQUITY AND LIABILITIES (c) + (d)	**340.407.258**	**346.080.193**	**257.467.902**	**238.115.655**

STATEMENT OF CHANGES IN EQUITY (consolidated and non-consolidated figures)

Amounts in €

	GROUP		COMPANY	
	31-Dec-12	**31-Dec-11**	**31-Dec-12**	**31-Dec-11**
Total equity at beginning of year (01.01.2012 and 01.01.2011 respectively)	116.115.143	104.698.782	94.535.796	76.229.479
Period earnings/(loss) after taxes	(11.188.246)	3.331.054	(6.930.795)	1.094.657
Net income posted directly to equity	(933.344)	(1.508.614)	40.040	(1.488.237)
Share capital increase	-	9.593.921	-	9.593.921
Absorption of subsidiary	-	-	-	9.105.976
Total equity at end of year (31.12.2012 and 31.12.2011 respectively)	**103.993.553**	**116.115.143**	**87.645.041**	**94.535.796**

INCOME STATEMENT

Amounts in €

	GROUP	
	1-Jan-2012 31-Dec-2012	**1-Jan-2011 31-Dec-2011**
Turnover	439.343.332	414.593.446
Gross profit/ (loss)	**17.168.460**	**26.887.939**
Earnings/ (loss) before interest and taxes	2.125.034	11.815.860
Earnings/ (loss) before taxes	**(13.289.466)**	**3.609.474**
Less taxes	2.101.220	(278.420)
Earnings/(loss) after taxes (A)	**(11.188.246)**	**3.331.054**
Allocated to:		
Company Shareholders	(11.213.415)	3.262.533
Minority Shareholders	25.169	68.521
Other total income after taxes (B)	**(898.164)**	**(1.508.614)**
Comprehensive total income after taxes (A)+(B)	**(12.086.410)**	**1.822.440**
Allocated to:		
Company Shareholders	(12.097.086)	1.754.601
Minority Shareholders	10.676	67.839
Basic post-tax earnings/ (loss) per share (in €)	**(0,3870)**	**0,1167**
Earnings/ (loss) before interest, taxes, depreciation and amortization	**10.712.081**	**20.850.207**

	COMPANY	
	1-Jan-2012 31-Dec-2012	**1-Jan-2011 31-Dec-2011**
Turnover	363.521.879	326.655.026
Gross profit/ (loss)	**7.424.086**	**17.001.312**
Earnings/ (loss) before interest and taxes	32.422	7.853.057
Earnings/ (loss) before taxes	**(8.904.059)**	**1.640.885**
Less taxes	1.973.264	(546.228)
Earnings/(loss) after taxes (A)	**(6.930.795)**	**1.094.657**
Other total income after taxes (B)	**40.040**	**(1.488.237)**
Comprehensive total income after taxes (A)+(B)	**(6.890.755)**	**(393.580)**
Basic post-tax earnings per share (in €)	**(0,2392)**	**0,0391**
Earnings/ (loss) before interest, taxes, depreciation and amortization	**3.488.131**	**12.941.317**

STATEMENT OF CASH FLOW (consolidated and non-consolidated figures)

Amounts in €

	GROUP		COMPANY	
	1-Jan-2012 31-Dec-2012	**1-Jan-2011 31-Dec-2011**	**1-Jan-2012 31-Dec-2012**	**1-Jan-2011 31-Dec-2011**
Operating Activities				
Earnings before taxes (continuing activities)	(13.289.466)	3.609.474	(8.904.059)	1.640.885
Plus / less adjustments for:				
Depreciation and Amortization	9.371.483	9.369.472	4.240.144	5.423.385
Provisions	375.257	(400.892)	463.600	490.349
Results (income, expenses, profit and loss) from investment activity	(832.639)	406.424	(2.480.169)	306.127
Depreciation of grants	(784.436)	(335.125)	(784.436)	(335.125)
Interest charges and related expenses	14.580.985	9.238.165	10.416.282	6.142.823
Plus/less adjustments for changes in working capital accounts or accounts related to operating activities:				
Decrease/(increase) in inventories	3.413.648	(21.798.420)	52.624	(7.187.237)
Decrease/(increase) in receivables	(7.145.178)	20.049.435	(9.812.061)	(1.681.101)
(Decrease)/ increase in payables (less loans)	11.077.022	(14.103.008)	19.904.845	(3.374.328)
Less:				
Interest charges and related paid-up expenses	(12.228.219)	(8.972.995)	(10.489.466)	(5.877.652)
Taxes paid	(217.908)	(413.446)	-	(184.323)
Total inflow / (outflow) from operating activities (a)	**4.320.549**	**(3.350.916)**	**2.607.304**	**(4.636.197)**
Investment activities				
Acquisition of subsidiaries, affiliated companies, joint ventures and other investments	-	(3.114.495)	(18.353.000)	(3.430.000)
Purchase of tangible and intangible assets	(14.926.842)	(8.263.290)	(3.936.230)	(5.158.263)
Proceeds from the sale of tangible and intangible assets	340.137	85.870	87.976	85.870
Absorption of subsidiary	-	-	-	287.942
Interest received	222.587	116.563	1.690.211	211.116
Dividend received	162.961	-	162.961	-
Total inflow / (outflow) from investment activities (b)	**(14.201.157)**	**(11.175.352)**	**(20.348.082)**	**(8.003.335)**
Financing activities				
Proceeds from share capital increase	9.593.921	-	9.593.921	-
Proceeds from issued / received loans	18.176.366	106.421.745	16.769.677	54.223.554
Repayment of loans	(21.921.946)	(85.442.316)	(9.881.559)	(37.833.332)
Dividends paid	(84)	-	(84)	-
Payment of financial lease payables (amortization)	(625.340)	(109.648)	-	-
Grants received	3.495.249	827.475	3.495.249	827.475
Total inflow/ (outflow) from financing activities (c)	**8.718.166**	**21.697.256**	**19.977.204**	**17.217.697**
Net increase / (decrease) in cash & cash equivalents for the year (a)+(b)+(c)	**(1.162.442)**	**7.170.988**	**2.236.426**	**4.578.165**
Cash & cash equivalents at the beginning of the year	**18.983.379**	**11.820.842**	**12.562.333**	**7.984.168**
Effect of foreign exchange differences	**(123.983)**	**(8.451)**	**-**	**-**
Cash & cash equivalents at the end of the year	**17.696.954**	**18.983.379**	**14.798.759**	**12.562.333**

Additional facts and information:

1 The Group companies included in the consolidated financial statements with reference to registered offices and holding percentage are as follows:

Full consolidation method:	**Direct**	**Holding Indirect**	**Total**	**Registered Office**	**Unaudited years**
FULGOR S.A.	100%	-	100%	GREECE	2.012
ICME ECAB S.A.	98,59%	-	98,59%	ROMANIA	2010-2012
LESCO O.O.D.	99,15%	0,85%	100%	BULGARIA	2009-2012
GENECOS S.A.	60%	-	60,00%	FRANCE	2005-2012
LESCO ROMANIA S.A.	65%	-	65,00%	ROMANIA	2007-2012
DE LAIRE LIMITED	100%	-	100,00%	CYPRUS	2007-2012
Equity method of accounting:					
STEELMET S.A.	29,56%	-	29,56%	GREECE	2010 και 2012
METAL AGENCIES LTD	20%	-	20,00%	ENGLAND	-
METAL GLOBE DOO	30%	-	30,00%	SERBIA	2003-2012
COPPERPROM LTD	40%	-	40%	GREECE	2003-2012
E.D.E. S.A.	99,99%	-	99,99%	GREECE	2010-2012
Proportional consolidation method:					
JOINT VENTURE NEXANS–HELLENIC CABLES–FULGOR–PPC 2009	33%	-	33%	GREECE	2009-2012

2 ELECTRIC CABLES AGENCIES was liquidated and, thus, was not incorporated in the Group's financial statements.

3 Group Management reassessed the useful life of its buildings and machinery. The relevant reference is made in the financial statements and particularly in note 13.

4 Prenotation of mortgage totaling € 49 million has been raised on the properties of the subsidiary FULGOR to secure long-term loans.

5 No shares of the parent company are held by Group companies.

6 The Company has not been audited by tax authorities for the years 2009 and 2010. The tax liabilities of the Company and Group companies will be finalized once the competent tax authorities conduct the necessary ordinary audits. Management believes that the provision of € 200,000 raised on 31 December 2012 for these liabilities reflects the best possible estimate. The relevant reference is made in the financial statements and particularly in note 29.3. In addition, the Group has raised a provision of € 5.4 million and € 1.2 million for doubtful debts and slow-moving inventories respectively.

7 The personnel employed by the Company and the Group on 31 December 2012 numbered 406 and 1,288 respectively and on 31 December 2011 the corresponding figure was 401 and 1,275.

8 There are no disputed cases against Group companies and, thus, no relevant provisions have been raised.

9 Cumulative income and expenses from beginning of the accounting period and balances of receivables and payables of the Company and the Group at the end of the current period, which have arisen from its transactions with affiliated parties as per IAS 24, are as follows:

(Amounts in €)	**GROUP**	**COMPANY**
i) Income	36.038.005	99.691.465
ii) Expenses	41.498.707	139.339.219
iii) Receivables	8.307.713	26.649.062
iv) Payables	5.600.287	31.282.893
v) Transactions with and fees for Management executives and members	1.039.407	670.286
vi) Receivables from Management executives and members	-	-
vii) Payables to Management executives and members	-	-

10 The financial statements of the Group are included in the consolidated financial statements of the following companies:

Corporate name	**Country of registered office**	**Method of consolidation**	**Holding percentage**
HALCOR S.A.	GREECE	JLL CONSOLIDATI(	72,53%
VIOHALCO S.A.	GREECE	JLL CONSOLIDATI(	45,64%

11 The amounts and nature of other total income after taxes for the Group and the Company are as follows:

	GROUP		**COMPANY**	
(Amounts in €)	**31-Dec-12**	**31-Dec-11**	**31-Dec-12**	**31-Dec-11**
Foreign exchange differences	(961.250)	386.346	-	-
Valuation of derivatives fair value	77.172	(2.419.247)	50.050	(1.935.054)
Proportionate tax	(14.086)	524.287	(10.010)	446.817
Other total income after taxes	**(898.164)**	**(1.508.614)**	**40.040**	**(1.488.237)**

Athens, 25 February 2013

THE GENERAL MANAGER
ALEXIOS ALEXIOU
X 126605

THE CHIEF FINANCIAL OFFICER
IOANNIS THEONAS
AE 035000
LICENSE No, CLASS A: 0011130

THE CHAIRMAN OF THE BoD
IOANNIS BATSOLAS
AK 034042

A MEMBER OF THE BoD
IOANNIS STAVROPOULOS
K 221209

F. ADDITIONAL FACTS AND INFORMATION OF FINANCIAL REPORT

Information under article 10 of Law No 3401/2005

Below is given information published or made available by the Company to the public during year 2012. This information is incorporated in this annual financial report by setting out the above table.

No	Description	Website	Site map
1.	Facts & Information, Q3 2012	http://www.cablel.gr/eco_res.php?y=2012&t=2	Home Page > Investor relations > Financial results > 2012
2.	Interim financial statements Q3 2012		
3.	Facts & Information, Q1-Q2 2012		
4.	Semi-annual Financial Report 2012		
5.	Facts & Information, Q1, Q2, Q3 2012		
6.	Interim financial statements Q1, Q2, Q3 2012		
7.	Facts & Information, Q1-Q4 2012		
8.	Annual Financial Report 2012		
9.	Press releases/ announcements to stock exchange during 2012	http://www.cablel.gr/eco_res.php?y=2012&t=1	Home Page > Investor relations > Announcements/ Publications > Press releases/ Announcements > 2012

Availability of Financial Statements

The Annual Financial Statements of the Company on both consolidated and non-consolidated basis, the audit report of the chartered auditor-accountants and the Report of the Board of Directors on both consolidated and non-consolidated basis are uploaded on www.ase.gr.

In addition, in our Company's website (http://www.cablel.gr) you will find the annual financial statements, the audit reports of the chartered auditor-accountants and the reports of the Board of Directors incorporated in the Company's consolidated financial statements.

Finally, any shareholders and investors interested in getting more information and clarifications on the company may e-mail, during working days and hours: jtheonas@cablel.vionet.gr (Head: Mr. Ioannis Theonas, tel.: 2106787913). In addition, the company’s website (http://www.cablel.gr) includes this Annual Financial Report and the Annual Bulletins of the previous fiscal years and other important information on the company.