HELLENIC CABLES S.A.

HELLENIC CABLE INDUSTRY S.A.

ANNUAL FINANCIAL REPORT

as at 31 DECEMBER 2013

Based on Article 4 of Law 3556/2007

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

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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, 26 March 2014

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 2013

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 2013.

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 2013, an analysis of the prospects and risks expected during 2014, 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, Greece
- 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, Cyprus
- EDE S.A.; primary place of business: Athens, Greece

Using the equity method of accounting:

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

On 04.10.2013 the joint venture "JOINT VENTURE NEXANS-GREEK CABLES-FULGOR-PPC 2009", which was established in order to participate in a closed tender No. 503905/22.9.2009 for the supply of cables and pipelines, was resolved.

1. Report on the ending year

2013 was an extremely contradictory year for the HELLENIC CABLES Group. On the one hand the Group exhibited maybe the worse results in its history, facing low demand in domestic and export markets, increased competition, declining metal prices and unfavorable financing conditions. On the other hand, the future prospects of the Group are possibly the best in its history, since HELLENIC CABLES becomes one of the few cable manufacturers worldwide able to produce high voltage submarine cables with the completion of the investment plan in FULGOR.

In the domestic market, HELLENIC CABLES Group maintained its leading position for yet another year, even though turnover decreased by 18% to 91 million euro. The demand remained at the low levels of 2012; the decrease in turnover was exhibited during the second half of 2013 and is mainly attributed to lower metal prices and lack of renewable energy projects. Moreover, the delay in signing of the annual contract with DEDDIE resulted in less than half of the contract quantities being delivered within 2013, thus significantly impacting annual sales. The remaining contract quantities are scheduled for delivery within 2014. The building sector has not shown signs of recovery, though infrastructure projects that were previously frozen mainly due to liquidity reasons are now proceeding. The Group continued to focus on power generation, distribution and transmission companies, major industrial plants and companies of VIOHALCO Group, limiting exposure to smaller companies in order to restrict credit risk.

HELLENIC CABLES Group exports decreased by 22% to 254 million Euro as a result of the reduced demand in main EU markets, which were considerably affected by the persistent economic recession. Many energy sector projects were postponed due to liquidity issues and increased uncertainty, while the demand from cable distributors and installers exhibited a slowdown. Sales outside the E.U. increased by 48% despite the unfavorable Euro/ USD exchange rate, resulting from the Group's continued efforts to expand its customer base.

The gross profits of the Group amounted to €6.9 million, decreased by 60% compared to 2012. Earnings before interest, taxes, depreciation and amortization (EBITDA) stood at €1.1 million, registering a 90% decrease compared to 2012, while earnings before interest and tax (EBIT) amounted to losses of €7 million compared to profits of €2.1 million in 2012.

The reduced turnover coupled with decreased margins due to increased competition, as well as the delay in the award of major contracts, affected significantly the Group's profitability. Moreover, the valuation of unhedged metal inventories had a considerable effect due to the price drop of copper in the metal stock exchange. Facing adverse conditions, the Group rolled out important initiatives in order to improve competitiveness and lower production costs. Such initiatives include decrease of personnel expenses, strengthening of the sales force and distribution channels, as well as successfully negotiating for lower energy costs.

Group pre-tax results amounted to losses of €19.6 million compared to losses of €13.3 million in 2012, while net results stood at losses of €21 million compared to losses of €11.2 million in 2012.

The Group's net borrowing reached €179 million in 31/12/2013, compared to € 150 million in 2012, as a result of the high capital expenditures within the fiscal year. On December 27th 2013, HELLENIC CABLES concluded the re-profiling of 77 million Euro of its outstanding debt, through the issuance of a series of long-term syndicated bond loans. The syndicated bond loans have a five year maturity and an option for the banks to approve an up to two years extension, upon request of the issuing companies, three months prior to the original maturity dates. The bond loans also feature a two-year grace period for capital repayments and a step-down yearly interest rate spread. As a result, 64% of the Group's Net Debt is currently long term, thus the Group is securing its financing base and greatly reducing its liquidity risk.

Even though the Group faced many difficulties in 2013 in its efforts to reduce its working capital needs due to the fluctuations in demand, the working capital to sales ratio stood at 23% in 2013 compared to 25% in 2012, thus improving for a fourth consecutive year.

Investment costs in 2013 reached 52.5 million Euro, the majority of which concerned cutting edge equipment for the production of high voltage submarine cables in the subsidiary company Fulgor. Following the successful roll out of the investment plan, HELLENIC CABLES is now one of the very few cable manufacturers worldwide able to produce high voltage submarine cables. Moreover, selective investments in the remaining Group plants aimed at capacity, productivity & flexibility improvements, in order to increase competitiveness in the ever-changing market conditions.

2. Objectives and Outlook for 2014

In 2014 the global economy is expected to stabilize and halt the negative trend of the last few years. In Europe there are signs of recovery, which will probably start taking place in the second half of the year, though political developments and the variation of the exchange rates might further delay the return to growth. Liquidity seems to be improving, while sectors most exposed to cyclical trends will make a gradual recovery over the course of coming quarters.

HELLENIC CABLES remains optimistic despite volatile business environment. The Group has invested heavily during the last few years in order to develop, produce and sell products with increased profitability, decrease production costs and increase flexibility; the first results of these efforts will take place in 2014. Moreover, HELLENIC CABLES expects tangible results from the cost reduction initiatives of 2013, further increasing its competitiveness and improving its profitability.

3. Corporate Social Responsibility and Sustainable Development

Corporate Responsibility is recognized by HELLENIC CABLES as a necessity, since it is of vital importance to our course towards Sustainable Development. Our commitment to the principles of Corporate Responsibility and Sustainable Development is reflected both - in the long-term corporate strategy and in our daily activities.

3.1 Economic Development and sound Corporate Governance

The objectives of strengthening the financial position and further growth of HELLENIC CABLES are the driving force behind the decisions and strategic choices of the Company. The principles for responsible operation, respect for its stakeholders' needs, for the environment and transparency in every aspect of its activities - constitute the framework, under which any decision on the future of HELLENIC CABLES is made.

For HELLENIC CABLES, protection of all its stakeholders' interests is a commitment, which is achieved through selection of appropriate corporate governance principles and practices. Through the decisions taken at both strategic and operational level, HELLENIC CABLES seeks to promote the concept of business ethics, to ensure transparency of its operations and facilitate alignment of the Company's management with its stakeholders' interests.

3.2 Responsibility in the Marketplace

HELLENIC CABLES has been operating dynamically in the domestic and international market. TheCompany's objective is to provide high quality products and integrated services that are reliable, meet the customers' expectations and particular requirements and respond to the needs and challenges of modern technology. In order to achieve its objectives and facilitate its expansion into new markets, the Company continuously invests in developing new products and services.

3.3 Responsibility for Employees

At HELLENIC CABLES people play the major role in its growth. In recognition of their contribution, the Company is committed to their continuous improvement and strengthening. In line with the aforementioned commitment, the Company has developed Human Resource Policies and implemented procedures that enable its employees' professional skills and qualifications enhancement.

HELLENIC CABLES promotes the development of a positive work environment, welcomes constructive cooperation and encourages its employees to adopt attitudes characterized by responsibility, honesty, integrity, fairness, courtesy towards colleagues, customers, partners, suppliers and members of the local community.

3.4 Caring for Occupational Health and Safety

Maintaining a healthy and safe environment is a top priority for HELLENIC CABLES. To ensure comprehensive management of occupational health and safety issues, a Health and Safety Management System has been developed. As a result of its ongoing target for continuous improvement of the management of Health and Safety issues, HELLENIC CABLES Health and Safety Management System in all Greek plants was certified according the requirements of the international standard OHSAS 18001:2007. This certification actually confirms the importance we place on this particular sector.

3.5 Caring for the Environment

Environmental protection is a key concern of HELLENIC CABLES. For this reason the Company annually implements significant investments in order to continuously reduce its impact on the natural environment.

The Company applies to all its plants an integrated Environmental Management System, which has been certified according to the international standard ISO 14001:2004.

3.6 Responsibility for Society

HELLENIC CABLES considers important the contribution to the society and undertakes a wide range of initiatives supported by both the Company’s employees and management. The Company’s objective is to contribute to the development of the society and particularly to creating added value for the local communities, in which it operates.

The actions, through which HELLENIC CABLES makes efforts to bolster local communities, pertain to Local Employment, Local Economy and Volunteerism.

4. Financial standing

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

	GROUP		COMPANY	
	2013	2012	2013	2012
Gross profit margin **(Gross profit/ sales)**	2.0%	3.9%	0.4%	2.0%
Net profit margin **(Net profit/ Sales)**	-6.1%	-2.5%	-4.1%	-1.9%
Debt-equity ratio (Bank Debt/ Equity)	2.38	1.62	1.43	1.16
Liquidity (Current assets/ short-term payables)	1.15	1.08	1.38	1.01
Return on equity (Net Profit/ Equity)	-25.4%	-10.8%	-13.8%	-7.9%
Inventory turnover ratio (Inventory/ Cost of sales) x 365 days	85	76	46	47
Receivables turnover ratio (Trade receivables/ Sales) x 365 days	61	56	124	71
Accounts payable turnover ratio (Trade creditors / Cost of sales) x 365 days	62	38	91	57

5. 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.

5.1 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.

5.1.1 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, no individual customer, local or international, exceeded 5% of the total sales within 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.

5.1.2 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.

5.1.3 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.

5.2 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.

5.3 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.

5.3.1 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.

5.3.2 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.

5.3.3 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).

5.3.4 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.

6. 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	10.092.019	19.952.306	806.697	30.743.776
LESCO EOOD	29.322	1.418.268	4.050	667.562
FULGOR	41.227.627	42.474.578	45.939.190	0
GENECOS	0	46.281	87.717	84.955
Subsidiaries' Total	**51.348.968**	**63.891.433**	**46.837.653**	**31.496.294**

Transactions of Hellenic Cables Company with Affiliates

Companies	Sales of goods, services & fixed assets	Purchases of goods, services & fixed assets	Receivables	Liabilities
STEELMET (GR)	85	1.232.967	0	301.507
HALCOR	7.402.485	6.081.252	274.530	0
SOFIA MED	2.671.331	777.961	0	60.334
METAL AGENCIES	16.041.943	413.684	6.977.105	273.123
ELVAL	7.900.489	340.977	166.056	107.622
ERLIKON	0	1.938.259	0	536.719
OTHER	751.241	1.521.094	1.042.762	319.887
Affiliates' Total	**34.767.576**	**12.306.195**	**8.460.453**	**1.599.192**

Transactions of VIOHALCO Group with Hellenic Cables Group

Companies	Sales of goods, services & fixed assets	Purchases of goods, services & fixed assets	Receivables	Liabilities
STEELMET SA (GR)	85	1.232.967	0	301.507
ERGOSTIL	14.975	1.175.894	18.818	109.255
HALCOR	15.201.907	9.170.538	599.026	1.621.501
SOFIA MED	3.399.480	2.943.152	296.396	77.902
METAL AGENCIES	16.129.966	440.679	7.059.354	285.987
ELVAL	9.163.236	2.615.620	297.475	1.455.699
STEELMET ROMANIA	1.691.714	1.574.333	20.848	1.587.843
ETIL	188	4.017.824	0	500.152
ERLIKON	0	2.572.417	0	711.730
COOPER VALIUS	1.820.412	0	96.345	0
OTHER	3.424.719	4.945.747	1.524.743	923.396
Total	**50.846.683**	**30.689.170**	**9.913.004**	**7.574.972**

- **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.

6.1 Remuneration paid to Board members and top executives

The fees paid to management executives and members of the Board of Directors in 2013 amounted to € 1,033,743 for Hellenic Cables Group and € 562,875 for the parent company Hellenic Cables.

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

7.1 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.

7.2 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.

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

The significant (over 5%) holdings on 31.12.2013 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

7.4 Shares incorporating special control rights

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

7.5 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.

7.6 Agreements between Company Shareholders

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

7.7 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.

7.8 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.

7.9 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: € 111 million, of which € 4 million are of short-term duration; and for the Company € 82 million, of which € 4 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.

7.10 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.

8. STATEMENT OF CORPORATE GOVERNANCE

8.1 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 Hellenic Corporate Governance Code recently published by the Hellenic Corporate Governance Council (HCGC) (hereinafter referred to as "code") and available on the following website:

http://www.ecgi.org/codes/documents/hellenic_cg_code_oct2013_en.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 HCGC save the following practices for which the relevant explanations are laid down:

- Part A.II. 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 twelve (12) 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.III. 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.V. 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.VII. 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 B.I.1.4 Establishment of Audit Committee. The Audit Committee consists exclusively of non-executive members, but most of them are not independent. This choice was made in order to achieve, through the persons constituting the Commission, the skills required for its adequate functioning.
- Part C.I. 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 Management of the Company has established a working group to study and review the actions required, in order to establish within a reasonable time the committees mentioned in the Code of HCGC and generally adapt the corporate governance practices of the said Code.

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.

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

8.2.1 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.

8.2.2 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.

8.2.3 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.

8.3 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.

8.4 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.

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

8.5.1 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
- Ioannis Stavropoulos, executive member
- Nikolaos Galetas: independent non-executive member
- Alexios Alexiou, executive member
- Georgios Passas, executive member
- Andreas Kyriazis: independent, non-executive member
- Michael Diakogiannis: non-executive member
- Georgios Stergiopoulos, non-executive member
- Andreas Katsanos: non-executive member
- Ronald Gee: non-executive member
- Iakovos Georganas: non-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 members are elected for one-year term by the General Meeting of Shareholders. The current Board of Directors was elected in its initial composition by the Ordinary General Meeting of 14 June 2013, while the Extraordinary General Meeting of 28/11/2013 upheld the election of the Board member Mr Georgios Passas on 17/10/2013, replacing outgoing Board member Rudolf Wiedenmann.

The Board of Directors met 85 times during 2013 with 9 of its 12 members having attended them in person.

8.5.2 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: non-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.

Georgios Passas: executive member

Mr. Passas is a graduate of Athens University of Economics and Business. He joined the Group VIOHALCO since 1969 and has served in senior positions of the Group. From 1973 to 1983 he served as CFO of ELVAL SA, from 1983 to 1987 as Financial Director of HALCOR SA, while from 1987 to 2004 was General Manager of HELLENIC CABLES SA. Mr. Passas is a member of the Board of Directors in several companies of VIOHALCO Group.

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.

8.6 Audit Committee

8.6.1 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

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

The Audit Committee met 4 times during 2013 having full quorum.

8.6.3 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.

9. 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.

10. Share capital of Group subsidiaries and associates

		31/12/2013		
Corporate Name	Currency	Number of shares	Nominal Value of share	Share capital
Subsidiaries				
FULGOR	EURO	12.453.237	2,94	36.612.517
ICME ECAB	RON	348.634.000	0,1	34.863.400
LESCO OOD	EURO	5.850	51,54	301.506
GENECOS	EURO	10.000	25	250.000
LESCO ROMANIA	RON	50.000	1,8	90.000
DELAIRE	EURO	15.000	1,71	25.650
E.D.E.	EURO	40.000	2,93	117.200
Associates				
STEELMET SA	EURO	15.900	29	466.665
METAL GLOBE	RSD	345.000	59,36	20.478.237
METAL AGENCIES	GBP	1.000.000	1	1.000.000
COPPERPROM	EURO	1.600	30	48.000

11. 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.

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

I. On 27 February 2014 HELLENIC CABLES fully subscribed the share capital increase of € 4,112,000 of its subsidiary FULGOR SA.

II. In March 2014 the Company was awarded by ADMIE (Independent Power Transmission Operator) the Group B project of the Tender on Cyclades Islands Interconnection with the Hellenic Electricity Transmission System (DAPM-41303/15.10.2013) totaling €93 million. The project involves underground and submarine cable links of 150 kV between the islands Syros-Tinos, Syros-Mykonos, Syros-Paros and a 150 kV cable termination in Tinos. In addition to the supply of cables, HELLENIC CABLES undertakes the cable laying, the protection of cables in coastal areas and the necessary connections with the existing network of ADMIE. The contract will be signed after the pre-contractual audit required by the Court of Auditors. High-voltage submarine cables will be manufactured in the premises of the subsidiary FULGOR in Corinth.

13. CONCLUSIONS

Dear Shareholders, we presented an account of the financial year 2013, the risks and how these will be managed together with the prospects and development of the Company for 2014.

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 2013.

Athens, 26 March 2013

The Chairman of the Board of Directors

Ioannis Batsolas

C. AUDIT REPORT BY INDEPENDENT CHARTERED AUDITOR-ACCOUNTANT

Deloitte.

Hadjipavlou Sofianos & Cambanis S.A.
Assurance & Advisory Services
3a Fragoklissias & Granikou Str.
GR - 151 25 Maroussi
Athens, Greece
Tel.: +30 (210) 6781.100
Fax: +30 (210) 6776.221-2
www.deloitte.gr

TRANSLATION

Independent Auditor's Report

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

Report on the Company and Consolidated Financial Statements

We have audited the accompanying stand-alone and consolidated financial statements of the Company and the Group "HELLENIC CABLES S.A.", which comprise the stand-alone and consolidated statement of financial position as at December 31, 2013, and the stand-alone and consolidated statements of comprehensive income, changes in equity and cash flows for the year then ended, as well as a summary of significant accounting principles and other explanatory notes.

Management's Responsibility for the Company and Consolidated Financial Statements

Management has the responsibility for the preparation and fair presentation of stand-alone and consolidated financial statements in accordance with International Financial Reporting Standards as these have been adopted by the European Union, as well as for these internal controls that management considers necessary for the preparation of company and consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these stand-alone and consolidated financial statements based on our audit. We conducted our audit in accordance with the International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the company and consolidated financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the company and consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the company and consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation and fair presentation of the company and consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the stand-alone and consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the accompanying stand-alone and consolidated financial statements present fairly, in all material respects, the financial position of the Company and the Group "HELLENIC CABLES S.A." as of December 31, 2013, and of their financial performance and their cash flows for the year then ended in accordance with International Financial Reporting Standards, as these have been adopted by the European Union.

Report on Other Legal and Regulatory Requirements

(a) The Directors' Report includes a Corporate Governance Statement which provides the information required by the provisions of paragraph 3d of Article 43a and paragraph 3st of article 107, of Codified Law 2190/1920.

(b) We have agreed and confirmed the correspondence of the content and consistency of the Directors' Report to the accompanying stand-alone and consolidated financial statements according to the provisions of the articles 43[a], 108 and 37 of the Codified Law 2190/1920.

Athens, 27 March 2014

The Certified Public Accountant

Dimitrios Koutsos – Koutsopoulos

Reg. No SOEL: 26751

Deloitte.

Hadjipavlou Sofianos & Cambanis S.A.

Assurance & Advisory Services

Fragoklissias 3a & Granikou Str,

151 25 Maroussi - Athens

Reg. No (ICPA (GR)): E 120

D. INDIVIDUAL AND CONSOLIDATED FINANCIAL STATEMENTS

ANNUAL INDIVIDUAL AND CONSOLIDATED FINANCIAL STATEMENTS as at 31 DECEMBER 2013

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

www.cablel.gr

General Register of Commerce No. 281701000

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Statement of Total Income

(Amounts in Euro)

	Note	GROUP 2013	GROUP 2012*	COMPANY 2013	COMPANY 2012*
Sales	6	345,345,377	439,343,332	259,172,354	363,521,879
Cost of Sales	9	(338,431,824)	(422,174,872)	(258,162,137)	(356,097,793)
Gross Profit		**6,913,553**	**17,168,460**	**1,010,217**	**7,424,086**
Other income	7	3,971,480	3,410,946	2,799,077	1,954,850
Distribution expenses	9	(7,952,518)	(8,176,330)	(3,596,336)	(3,574,414)
Administrative expenses	9	(8,080,685)	(8,145,584)	(4,378,699)	(4,400,726)
Other expenses	8	(1,919,143)	(2,138,552)	(818,858)	(1,353,861)
Operating results		**(7,067,313)**	**2,118,940**	**(4,984,599)**	**49,935**
Financial income	11	849,787	1,112,678	2,976,509	2,688,383
Financial expenses	12	(13,505,303)	(16,455,417)	(10,443,282)	(11,842,145)
Income from dividends		-	-	75,200	217,281
Profits/(Losses) from associate companies		112,061	(71,761)	-	-
Earnings/(loss) before taxes		**(19,610,768)**	**(13,295,560)**	**(12,376,172)**	**(8,886,544)**
Income tax	19	(1,443,281)	2,102,438	1,724,865	1,969,761
Earnings/(loss) after taxes		**(21,054,049)**	**(11,193,122)**	**(10,651,307)**	**(6,916,783)**
Other total income					
Other total income items not carried forward through profit or loss in future periods:					
Liability for personnel benefits		576,986	(396,212)	317,846	(225,073)
Income tax on liability for personnel benefits		(150,016)	79,242	(82,640)	45,015
		426,970	**(316,970)**	**235,206**	**(180,058)**
Other total income items eventually carried forward through profit or loss in future periods:					
Foreign exchange differences from conversion		(499,055)	(961,250)	-	-
Gains/ (loss) from derivatives valuation for cash flow risk hedging		288,546	77,172	165,447	50,050
Income tax on derivatives		(77,224)	(14,086)	(49,528)	(10,010)
		(287,733)	**(898,164)**	**115,919**	**40,040**
Comprehensive total income after taxes		**(20,914,812)**	**(12,408,256)**	**(10,300,182)**	**(7,056,801)**
Earnings/(loss) after taxes attributable:					
- to parent company shareholders		(21,051,736)	(11,218,291)	(10,651,307)	(6,916,783)
- to third parties		(2,313)	25,169	-	
Period earnings/(loss) after taxes		**(21,054,049)**	**(11,193,122)**	**(10,651,307)**	**(6,916,783)**
Comprehensive total income after taxes attributable:					
- to parent company shareholders		(20,892,488)	(12,418,930)	(10,300,182)	(7,056,801)
- to third parties		(22,324)	10,676	-	
Comprehensive total income after taxes		**(20,914,812)**	**(12,408,256)**	**(10,300,182)**	**(7,056,801)**
Earnings/ (loss) per share					
Basic and diluted earnings (loss) per share	25	(0.712)	(0.387)	(0.361)	(0.239)

*Adjusted amounts due to retroactive application of the amended version of IAS 19 "Employee benefits" and to comparability (see Note 35).

The attached notes on pages 6 to 64 are an integral part of the financial statements.

Statement of Financial Position

(Amounts in Euro)

	Note	GROUP 2013	GROUP 2012*	COMPANY 2013	COMPANY 2012*
ASSETS					
Property, plant and equipment	14	184,310,916	148,722,702	60,419,169	70,809,530
Intangible assets	15	13,366,804	10,681,176	3,155,253	494,557
Investment property	16	383,271	383,271	383,271	383,271
Holdings in subsidiaries and affiliates	17	544,845	605,268	55,215,438	49,888,215
Other investments	18	1,852,085	1,807,484	1,810,085	1,807,484
Deferred tax assets	19	135,519	231,404	-	-
Other receivables	21	968,572	1,072,420	890,867	954,588
Total non-current assets		**201,562,012**	**163,503,725**	**121,874,083**	**124,337,645**
Inventories	20	78,987,156	87,938,716	32,512,037	45,396,172
Customers and other trade receivables	21	76,269,485	70,979,964	96,625,753	72,687,181
Derivatives	31	373,403	287,899	273,972	248,145
Cash and cash equivalents	22	17,723,902	17,696,954	13,384,115	14,798,759
Total current assets		**173,353,946**	**176,903,533**	**142,795,877**	**133,130,257**
Total assets		**374,915,958**	**340,407,258**	**264,669,960**	**257,467,902**
LIABILITIES					
EQUITY					
Share Capital	23	20,977,916	20,977,916	20,977,916	20,977,916
Share premium account	23	31,171,712	31,171,712	31,171,712	31,171,712
Reserves	24	23,028,851	23,296,573	26,659,821	26,543,902
Profits/(Losses) carried forward		6,928,289	27,555,667	(1,632,289)	8,783,812
Equity attributed to shareholders		**82,106,768**	**103,001,868**	**77,177,160**	**87,477,342**
Minority interest		807,680	830,003	-	-
Total equity		**82,914,448**	**103,831,871**	**77,177,160**	**87,477,342**
LIABILITIES					
Loans	26	113,897,045	59,279,543	77,449,193	30,693,076
Payables from financial leases		-	166,641	-	-
Payables for staff retirement indemnities	27	1,700,442	2,348,519	1,058,033	1,366,571
Grants		5,576,420	3,595,407	5,515,670	3,534,657
Provisions	30	200,000	200,000	200,000	200,000
Deferred tax liabilities	19	8,551,037	7,099,474	142,248	1,811,666
Other long-term liabilities	29	10,681,508	-	-	-
Total long-term liabilities		**140,606,452**	**72,689,584**	**84,365,144**	**37,605,970**
Loans	26	83,169,094	108,470,222	33,175,794	71,093,859
Payables from financial leases		166,640	321,975	-	-
Suppliers and other liabilities	29	67,964,998	55,047,060	69,858,247	61,272,226
Derivatives	31	94,326	46,546	93,615	18,505
Total short-term liabilities		**151,395,058**	**163,885,803**	**103,127,656**	**132,384,590**
Total liabilities		**292,001,510**	**236,575,387**	**187,492,800**	**169,990,560**
Total equity and liabilities		**374,915,958**	**340,407,258**	**264,669,960**	**257,467,902**

*Adjusted amounts due to retroactive application of the amended version of IAS 19 "Employee benefits" (see Note 35).

The attached notes on pages 6 to 64 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 as at 1 January 2012	**52,149,628**	**(4,276,790)**	**4,841**	**28,452,193**	**38,965,944**	**115,295,816**	**819,327**	**116,115,143**
Adjustment due to amendment to IAS 19	-	-	-	-	160,162	160,162	-	**160,162**
Adjusted balance on 1 January 2012	**52,149,628**	**(4,276,790)**	**4,841**	**28,452,193**	**39,126,106**	**115,455,978**	**819,327**	**116,275,305**
Period earnings/(loss)	-	-	-	-	(11,218,290)	(11,218,290)	25,169	(11,193,121)
Other comprehensive income	-	(946,357)	62,686	-	(316,969)	(1,200,640)	(14,493)	(1,215,133)
Total comprehensive income	**-**	**(946,357)**	**62,686**	**-**	**(11,535,259)**	**(12,418,930)**	**10,676**	**(12,408,254)**
Transactions with shareholders directly posted to equity								
Decrease of holding in associate	-	-	-	-	(35,180)	(35,180)	-	**(35,180)**
Total transactions with shareholders	-	-	-	-	(35,180)	(35,180)	-	**(35,180)**
Balance on 31 December 2012	**52,149,628**	**(5,223,147)**	**67,527**	**28,452,193**	**27,555,667**	**103,001,868**	**830,003**	**103,831,871**
Balance as at 1 January 2013	**52,149,628**	**(5,223,147)**	**67,527**	**28,452,193**	**27,555,667**	**103,001,868**	**830,003**	**103,831,871**
Period earnings/(loss)	-	-		-	(21,051,736)	(21,051,736)	(2,313)	(21,054,049)
Other comprehensive income	-	(478,717)	210,994	-	426,970	159,247	(20,010)	139,237
Total comprehensive income	**-**	**(478,717)**	**210,994**	**-**	**(20,624,766)**	**(20,892,489)**	**(22,323)**	**(20,914,812)**
Transactions with shareholders directly posted to equity								
Change of holding in associate	-	-	-	-	(2,611)	(2,611)	-	**(2,611)**
Total transactions with shareholders	**-**	**-**	**-**	**-**	**(2,611)**	**(2,611)**	**-**	
Balance as at 31 December 2013	**52,149,628**	**(5,701,864)**	**278,521**	**28,452,193**	**6,928,290**	**82,106,768**	**807,680**	**82,914,448**

The attached notes on pages 6 to 64 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 as at 1 January 2012	**52,149,628**	**46,781**	**26,457,081**	**15,882,306**	**94,535,796**
Adjustment due to amendment to IAS 19	-	-	-	(1,653)	**(1,653)**
Adjusted balance on 1 January 2012	**52,149,628**	**46,781**	**26,457,081**	**15,880,653**	**94,534,143**
Period earnings/(loss)	-	-	-	(6,916,783)	**(6,916,783)**
Other comprehensive income	-	40,040	-	(180,058)	**(140,018)**
Total comprehensive income		**40,040**		**(7,096,841)**	**(7,056,801)**
Transactions with shareholders directly posted to equity					
Share capital increase	-	-	-	-	-
Absorption of subsidiary	-	-	-	-	-
Transfer of reserves/distribution	-	-	-	-	-
Total transactions with shareholders	-	-	-	-	-
Balance on 31 December 2012	**52,149,628**	**86,821**	**26,457,081**	**8,783,812**	**87,477,342**
Balance as at 1 January 2013	**52,149,628**	**86,821**	**26,457,081**	**8,783,812**	**87,477,342**
Period earnings/(loss)	-	-	-	(10,651,307)	**(10,651,307)**
Other comprehensive income	-	115,919	-	235,206	**351,125**
Total comprehensive income		**115,919**	**-**	**(10,416,101)**	**(10,300,182)**
Transactions with shareholders directly posted to equity					
Share capital increase	-	-	-	-	-
Transfer of reserves/distribution	-	-	-	-	-
Total transactions with shareholders	-	-	-	-	-
Balance on 31 December 2013	**52,149,628**	**202,740**	**26,457,081**	**(1,632,289)**	**77,177,160**

The attached notes on pages 6 to 64 are an integral part of the financial statements.

Statement of Cash Flow

	Note	GROUP 2013	GROUP 2012	COMPANY 2013	COMPANY 2012
(Amounts in Euro)					
Cash flows from operating activities					
Earnings before taxes		(19,610,768)	(13,295,560)	(12,376,172)	(8,886,545)
Plus / less adjustments for:					
Fixed assets depreciation	14, 15	8,421,007	9,371,483	3,981,477	4,240,144
Depreciation of grants	7	(249,855)	(784,436)	(249,855)	(784,436)
Provisions (mainly for receivables and stocks)		(718,352)	201,086	(172,153)	266,086
Results (income, expenses, profit and loss) from investment activity		37,055	(762,646)	(2,076,127)	(2,200,308)
Income from dividends		-	-	(75,200)	(217,281)
Interest charges and related expenses	12	12,984,601	14,580,985	10,077,494	10,416,282
(Profits)/ Losses from sale of fixed assets	7	(1,378,523)	(69,993)	(1,378,523)	(62,580)
Losses from the destruction/impairment of fixed assets		76,168	180,265	73,112	180,000
Decrease/(increase) in inventories		9,104,774	3,413,648	13,194,930	52,624
Decrease/(increase) in receivables		(5,818,980)	(7,145,178)	(24,314,592)	(9,812,061)
(Decrease)/ increase in payables (less loans)		24,487,151	11,077,022	8,741,707	19,904,845
Interest charges and related paid-up expenses		(12,079,161)	(12,228,219)	(10,305,551)	(10,489,466)
Taxes paid		-	(217,908)	-	-
Net cash flows from operating activities		**15,255,117**	**4,320,549**	**(14,879,453)**	**2,607,304**
Cash flows from investment activities					
Purchases of tangible assets	14	(52,424,243)	(14,523,426)	(1,795,457)	(3,785,522)
Purchases of intangible assets	15	(87,100)	(403,416)	(25,350)	(150,708)
Sales of tangible assets		6,874,406	340,137	6,874,406	87,976
Increase of holdings in subsidiaries and associate companies		(14,600)	-	(5,358,600)	(18,353,000)
Dividend received		56,400	162,961	56,400	162,961
Interest received		101,705	222,587	2,290,857	1,690,211
Net cash flows from investment activities		**(45,493,431)**	**(14,201,157)**	**2,042,256**	**(20,348,082)**
Cash flows from financing activities					
Proceeds from share capital increase		-	9,593,921	-	9,593,921
Dividend paid to parent company shareholders		(4,350)	(84)	(4,350)	(84)
Loans obtained		96,493,930	18,176,366	76,539,000	16,769,677
Payment of loans		(67,788,400)	(21,921,946)	(67,012,097)	(9,881,559)
Grants received		1,900,000	3,495,249	1,900,000	3,495,249
Changes in financial lease funds		(321,975)	(625,340)	-	-
Net cash flows from financing activities		**30,279,205**	**8,718,166**	**11,422,553**	**19,977,204**
Net (decrease) / increase in cash and cash equivalents		**40,891**	**(1,162,442)**	**(1,414,644)**	**2,236,426**
Cash and cash equivalents in the beginning of the fiscal year		17,696,954	18,983,379	14,798,759	12,562,333
Foreign exchange differences in cash equivalents		(13,943)	(123,983)	-	-
Cash and cash equivalents at the end of the fiscal year	22	**17,723,902**	**17,696,954**	**13,384,115**	**14,798,759**

The attached notes on pages 6 to 64 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.

HELLENIC CABLES S.A. and its parent company HALCOR S.A. are listed on the Athens Stock Exchange. The ultimate parent company "VIOHALCO SA/NV" is listed on EURONEXT Stock Exchange in Belgium.

On 31 December 2013, HALCOR S.A.'s direct and indirect holding in HELLENIC CABLES was 72.53% (2012: 72.53%), while VIOHALCO SA/NV had a direct and direct holding of 74.48%.

The Company and its subsidiaries (hereinafter the "Group") mainly operate in Greece and Romania by producing and distributing all types and forms of cables (energy, telecommunications, submarine, etc) and are part of HALCOR and VIOHALCO industrial group.

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 have been approved by the Board of Directors on 26 March 2014 and have been uploaded on **www.cablel.gr.** The Company's General Commercial Register Number 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 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. An impairment test of such intangible assets is conducted as part of the respective cash generating unit. In principle, 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. At first, the Group estimates the value in use of the cash generating unit and if the result based on this method is higher than the accounting balance, the Group does not assess the fair value less cost to sell.

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 14.15);
- the estimates about the recoverability of deferred tax assets (Note 19);
- 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 Soussaki, Korinthia and for the trade name "FULGOR" (Note 15);
- the impairment test of the intangible assets whose useful life is indefinite (Note 15).
- the impairment test of property, plant and equipment (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, amendments and interpretations is listed below:

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. In addition, unless otherwise stated, these amendments are not expected to have a considerable effect on the Group's financial statements.
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.

IAS 16 "Property, plant and equipment"

This amendment to IAS 16 provides guidance on the categorization of maintenance equipment.

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".

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".

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

Unless otherwise indicated, the standards below have been adopted by the European Union and will not have any considerable effect on the Group's financial statements.

IFRS 1 (**Amendment**) "**First-time adoption of International Financial Reporting Standards**" (applying to annual accounting periods starting on or after 1 January 2013)
IFRS 1 is amended so as to provide guidance as to how a first-time adopter of the International Financial Reporting Standards (IFRS) should account for government loans at a below-market rate of interest when making the transition to IFRSs. 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 Generally Accepted Accounting Practices (GAAP), 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.

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.

IFRS 9 "**Financial Instruments**" (applying to annual accounting periods starting on or after 1 January 2017)
IFRS 9 is the first part of IASB (International Accounting Standards Board) project to replace IAS 39. IFRS 9 sets the criteria for measuring and classifying financial assets and financial liabilities and the necessary relevant disclosures. The IASB intends to expand IFRS 9 to add new requirements for impairment, classification and measurement during subsequent project phases. The Group is presently evaluating the effect of IFRS 9 on its 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 2018.

IFRS 9 "Financial instruments: Hedge Accounting and amendments to IFRS 9, IFRS 7 and IAS 39" (applying to annual accounting periods starting on or after 1 January 2017)
The IASB issued IFRS 9 "Hedge Accounting", phase III of the project to replace IAS 39, which establishes an approach of hedge accounting based on principles and deals with inconsistencies and shortcomings encountered in the existing model of IAS 39. The second amendment requires changes in the fair value of an entity's own debt caused by changes in the entity's own credit risk to be recognized in other comprehensive income. The third amendment is the removal of the mandatory effective date of IFRS 9. The amendments have not been adopted by the European Union.

IFRS 10 "**Consolidated Financial Statements**" (applying to annual accounting periods starting on or after 1 January 2014)
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".

IFRS 11 "Joint Arrangements" (applying to annual accounting periods beginning on or after 1 January 2014)

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".

IFRS 12 "Disclosure of Interests in Other Entities" (applying to annual accounting periods beginning on or after 1 January 2014)

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".

IFRS 10, IFRS 12, IAS 27 (Amendment) "Investment Entities": (applying to annual accounting periods beginning on or after 1 January 2014)

The amendment provides Investment Entities (as defined in the standards) with an exception from the requirements of consolidation of particular subsidiaries and instead it requires Investment Entities to measure their investments in each qualifying subsidiary through profit or loss in accordance with IFRS 9 or IAS 39. Additionally, the amendment requires additional disclosures as to whether a company is justifiably defined as investment entity, details on subsidiaries not included in the consolidation and also the kind of relationship and specific transactions between the investment entity and its subsidiaries. Moreover, the amendment requires investment entities to treat their holdings in subsidiaries likewise in both individual and consolidated financial statements. This amendment 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.

IAS 19 (Amendment) "Employee benefits" (**2011**) (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.

IAS 19 (Amendment) "Employee benefits" (applying to annual accounting periods beginning on or after 1 July 2014)
The amendments to this standard concern the contributions of employees or third parties to defined-benefit plans. Such amendments aim to streamline the accounting treatment of those contributions that are independent of the number of years of the employees' past service such as those employee contributions that are a fixed percentage of the employees' salary.
The amendment has not been adopted by the European Union yet.

IAS 27 (Amendment) "**Separate Financial Statements**" (applying to annual accounting periods beginning on or after 1 January 2014)

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" and IAS 39 "Financial Instruments: Recognition and Measurement" 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".

IAS 28 (Amendment) "Investments in associates and joint ventures" (applying to annual accounting periods beginning on or after 1 January 2014)

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".

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".

IAS 36 (Amendment) "**Impairment of Assets**" (applying to annual accounting periods beginning on or after 1 January 2014)

IAS 36 "Impairment of Assets" is amended to restrict the requirement to disclose the recoverable amount of assets or cash flow generating units, to clarify the necessary disclosures and introduce an explicit obligation to disclose the discount rate used to determine impairment (or reversal) when the recoverable amount (based on the fair value less costs of disposal) is determined by using a present value technique. This amendment has not been adopted by the European Union yet.

IAS 39 (Amendment) "Financial instruments: Recognition and Measurement" (applying to annual accounting periods beginning on or after 1 January 2014).

IAS 39 "Financial Instruments: Recognition and Measurement" is amended to clarify that there is no need to discontinue hedge accounting if a hedging derivative is novated, provided certain criteria are met. A novation indicates an event where the original parties to a derivative agree that one or more clearing counterparties replace their original counterparty to become the new counterparty to each of the contracting parties. In order to implement the amendments and continue to apply hedge accounting, novation to a central counterparty (CCP) must happen as a consequence of laws or regulations or the introduction of laws or regulations. This amendment has not been adopted by the European Union yet.

IFRIC 21 "Contributions" (applying to annual accounting periods beginning on or after 1 January 2014)

It provides guidance on when to recognize a liability for a levy imposed by a government, both for levies that are accounted for in accordance with IAS 37 "Provisions, Contingent Liabilities and Contingent Assets" and those where the timing and amount of the levy is certain. The Interpretation identifies the obligating event for the recognition of a liability as the activity that triggers the payment of the levy in accordance with the relevant legislation. It provides the following guidance on recognition of a liability to pay levies: a) The liability is recognized progressively if the obligating event occurs over a period of time; and b) if an obligation is triggered on reaching a minimum threshold, the liability is recognized when that minimum threshold is reached. This interpretation has not been adopted by the European Union yet.

Amendments to standards being part of the annual improvements to IFRSs 2010-2012 cycle of the International Accounting Standards Board (IASB) for 2013

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 December 2013. These amendments apply to annual accounting periods beginning on or after 1 July 2014. In addition, unless otherwise stated, these amendments are not expected to have a considerable effect on the Group's financial statements.
These amendments have not been adopted yet by the European Union.

IFRS 2 "Share-based payment"
This amendment changes the definitions "vesting condition" and "market condition" and adds definitions for "performance condition" and "service condition" (which were previously part of the definition of "vesting condition").

IFRS 3 "Business Combinations" (with consequential amendments to other standards)
The amendment clarifies that a contingent consideration recognized as an asset or liability should be measured at fair value at each reporting date.

IFRS 8 "Operating segments"
The amendment requires an entity to disclose the judgments made by Management in applying the aggregation criteria to operating segments. It also clarifies that an entity shall only provide reconciliations of the total of the reportable segments' assets to the entity's assets if the segment assets are reported regularly.

IFRS 13 "Fair Value Measurement" (amendments to the basis of conclusions only, with consequential amendments to the bases of conclusions of other standards)
This amendment clarifies that issuing IFRS 13 "Fair Value Measurement" and amending IFRS 9 "Financial Instruments" and IAS 39 "Financial Instruments: Recognition and Measurement" do not remove the ability to measure short-term receivables and payables with no stated interest rate at their invoice amounts without discounting if the effect of discounting is immaterial.

IAS 16 "Property, Plant and Equipment" and IAS 38 "Intangible Assets"
The amendment clarifies that when an item of property, plant and equipment is revalued the gross carrying amount is adjusted in a manner that is consistent with the revaluation of the carrying amount.

IAS 24 "Related Party Disclosures"
The amendment clarifies that an entity providing key management personnel services to the reporting entity or to the parent of the reporting entity is a related party of the reporting entity.

Amendments to standards being part of the annual improvements to IFRSs 2011-2013 cycle of the International Accounting Standards Board (IASB) for 2013

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 December 2013. These amendments apply to annual accounting periods beginning on or after 1 July 2014. In addition, unless otherwise stated, these amendments are not expected to have a considerable effect on the Group's financial statements. 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 clarifies that an entity adopting IFRSs for the first time in its financial statements may choose to implement either an existing and effective IFRS or a new or revised IFRS that is not yet mandatory, provided that the new or revised version of IFRS permits early application. An entity should implement the same version of IFRSs to the periods covered by the first IFRS-compliant financial statements.

IFRS 3 "Business combinations"
The amendment clarifies that IFRS 3 excludes from its scope the accounting for the formation of a joint arrangement in the financial statements of the joint arrangement itself.

IFRS 13 "Fair Value Measurement"
It clarifies that the scope of the portfolio exception defined in paragraph 52 of IFRS 13 includes all contracts accounted for within the scope of IAS 39 "Financial Instruments: Recognition and Measurement" or IFRS 9 "Financial Instruments", regardless of whether they meet the definition of financial assets or financial liabilities as defined in IAS 32 "Financial Instruments: Presentation".

IAS 40 "Investment Property"
The amendment clarifies that determining whether a specific transaction meets the definition of both a business combination as defined in IFRS 3 "Business Combinations" and investment property as defined in IAS 40 "Investment Property" requires the separate application of both standards independently of each other.

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 and financial liabilities

The Group classifies its financial assets and liabilities in the following categories: a) financial assets and financial liabilities at fair value through profit or loss; b) available-for-sale assets; c) financial assets held until maturity; 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.

Loans are initially recorded at their fair value, decreased by any direct expense that is required in order to complete the transaction. They are subsequently valuated at their non-depreciated cost 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 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 and intangible assets arising from entity acquisition under such category.

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 useful life have been recognized, these are measured at cost less accumulated impairment. Their cost includes the cost of studies, laboratory tests and consumables.

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. 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. Τα μισθωμένα πάγια αποσβένονται στην ωφέλιμη ζωή του παγίου, εάν είναι μεγαλύτερη από τη διάρκεια της μίσθωσης, μόνο στην περίπτωση όπου εκτιμάται ότι τα μισθωμένα πάγια θα έρθουν στην κυριότητα του Ομίλου στο τέλος της μίσθωσης. 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 asset, 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 based on the terms of the agreement or the goods are accepted by the customers and the collection of the claim is reasonably guaranteed.

Works contracts

The Group deals with works contracts pertaining mainly to construction and installation projects of high-voltage land and submarine cables. A construction contract is a contract specifically negotiated for the construction of an asset or a group of interrelated or interdependent assets in terms of design, technology and operation or their final objective or use.

The contract-related expenses are recognized when incurred.

When the outcome of a construction contract cannot be estimated reliably, revenue generated from the contract is recognized solely to the extent that contract costs incurred are expected to be recoverable.

When the outcome of a works contract can be estimated reliably, revenue and costs generated from the contract are recognized during the term of the contract as income and expense respectively. The Group applies the percentage of completion method of accounting in order to determine the appropriate amount of income and expense that the Group will recognize during a given period. The stage of completion is measured on the basis of the expenses incurred until the balance sheet date in relation to the total estimated expenses for each contract. The criteria used to specify the stage of completion of each project are objectively the following:

- During cable production stage, the estimation of completion depending on the type of contract is based either on: a) the ratio between the number of actual production hours and total number of budgeted hours; or b) the quantity of the manufactured and verified lengths of cable compared to the total quantity of lengths provided for in the contract.

- During cable installation stage, the percentage completion is based on the contractual time schedules based on the anticipated works such as cable transportation, the meters installed and their connection with networks.

Whenever it is probable that the contractual total cost will exceed the total income, the expected loss is directly recognized in the income statement as expense.

For the cost realized until the end of the year to be calculated, any expenses related to future works regarding the contract shall be exempted and appear as work in progress. The cost of works in progress during production process includes the direct borrowing costs. The total cost realized and the profit/ loss recognized for each contract is compared with the progressive invoicing until the end of the year.

Whenever the expenses incurred plus the net profits (less losses) that have been recognized exceed progressive invoicing, the difference is recognized as receivable from customers of works contracts in the item “Trade and other receivables”. Whenever progressive invoicing exceeds the incurred expenses plus the net profits (less losses) that have been recognized, the balance is presented as liability to the customers of works contracts in the item "Trade and other payables”.

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 Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset that necessarily takes a substantial period of time to get ready for its intended use or sale form part of the acquisition cost of that asset until the time it is substantially ready for its intended use or sale. Any income on the temporary investment of borrowings for financing the above qualifying asset and the collection of grants reduce the borrowing costs eligible for capitalization. In other events, borrowing costs are charged through profit or loss in the year in which they are incurred.

To the extent that funds are part of a general amount and are used for acquiring a qualifying asset, costs eligible for capitalization are specified by applying a capitalization rate to the investment expenses incurred for that asset.

4.15 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.

4.16 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.

4.17 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.

4.18 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.

4.19 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.

4.20 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 3 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 land and submarine 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.

FOUNDRIES – These are furnaces used in the production of copper and aluminum rods which are used in the manufacturing of cables and enameled wires or are sold to third parties.

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

Amounts in thousand Euro	**CABLES**		**ENAMELED WIRES**		**FOUNDRIES**		**OTHER**		**TOTAL**	
	2013	**2012**	**2013**	**2012**	**2013**	**2012**	**2013**	**2012**	**2013**	**2012**
Non-Group sales	300,866	402,967	28,660	29,655	15,819	6,721	-	-	**345,345**	**439,343**
Intra-group sales	95,008	187,774	1,759	2,852	54,954	41,736	-	-	**151,721**	**232,362**
Financial income	-	-	-	-	-	-	850	1,112	850	1,112
Financial expenses	-	-	-	-	-	-	(13,505)	(16,455)	(13,505)	(16,455)
Profit/(Loss) from associate companies	-	-	-	-	-	-	112	(72)	112	(72)
Depreciation of fixed & intangible assets	7,911	8,766	203	245	307	360	-	-	**8,421**	**9,371**
Earnings/(loss) per segment before tax	(6,459)	2,079	(884)	(314)	110	292	(12,543)	(15,414)	**(19,776)**	**(13,357)**
Impairment of receivables and inventories	647	598	-	-	-	-	-	-	**647**	**598**
Total assets per segment	345,199	310,042	10,261	15,832	18,911	13,928	545	605	**374,916**	**340,407**
Capital expenditure	49,218	14,524	-	-	-	-	3,293	403	**52,511**	**14,927**
Total liabilities per segment	87,549	62,822	2,598	3,193	4,788	2,810	197,066	167,750	**292,001**	**236,414**

The reconciliation of results per operating segment is as follows:

Amounts in thousand Euro	**2013**	**2012**
Total profit/ (loss) of operating segments	(19,776)	(13,357)
Crossing out intra-company transactions	165	61
Earnings/ (loss) before taxes	**(19,611)**	**(13,296)**

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)

	2013		**2012**	
	Sales	**Non-current assets**	**Sales**	**Non-current assets**
Greece	91,489	182,444	111,748	145,376
Romania	36,905	18,579	32,196	17,526
European Union	193,890	539	279,838	602
Other European countries	3,612	-	3,576	-
Asia	13,860	-	9,698	-
America	2,988	-	1,269	-
Africa	2,601	-	1,018	-
Total	**345,345**	**201,562**	**439,343**	**163,504**

NOTES ON THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2013

6 Sales

(Amounts in Euro)	GROUP		COMPANY	
	2013	**2012**	**2013**	**2012**
Sale of merchandise and products	315,094,760	407,253,270	231,230,440	330,669,855
Other	22,176,170	24,232,683	19,127,554	23,849,198
Income from services	7,974,447	7,857,379	8,814,360	9,002,826
	345,345,377	**439,343,332**	**259,172,354**	**363,521,879**

7 Other income

(Amounts in Euro)	GROUP		COMPANY	
	2013	**2012**	**2013**	**2012**
Income from rents	798,611	1,030,153	283,667	387,002
Depreciation of grants received	249,855	784,436	249,855	784,436
Income from provisions	336,203	508,634	254,588	185,264
Income from expenses imputed to third parties	182,867	185,699	345,130	452,900
Profits from the sale of fixed assets	1,378,523	69,993	1,378,523	62,580
Prior period income	480,840	238,650	207,171	20,911
Other income	544,581	593,381	80,143	61,757
Total	**3,971,480**	**3,410,946**	**2,799,077**	**1,954,850**

8 Other expenses

Prior period expenses	(481,078)	(448,033)	(153,270)	(266,788)
Provisions for doubtful debts and inventory	(305,173)	(655,870)	(168,356)	(411,995)
Taxes - duties	(350,473)	(361,742)	(144,957)	(160,596)
Penalty clauses	(19,786)	(149,383)	(19,786)	(115,839)
Personnel compensation *	(334,357)	-	-	-
Other expenses	(428,276)	(523,524)	(332,489)	(398,643)
Total	**(1,919,143)**	**(2,138,552)**	**(818,858)**	**(1,353,861)**

*: It pertains to additional severance pay. The remainder of the total of € 510,930 has been included in the cost of goods sold (€ 161,223) and in administration expenses (€ 15,350).

9 Itemized expenses

(Amounts in Euro)

		GROUP		COMPANY	
	Note	**2013**	**2012**	**2013**	**2012**
Consumption of raw direct and indirect materials		229,727,700	257,178,667	184,098,228	217,128,084
Change of finished and semi-finished products		49,579,986	98,068,819	35,816,597	98,853,292
Personnel fees	**10**	30,306,359	34,423,062	14,898,263	17,133,731
of which:					
Capitalized to fixed assets as fixed assets onstruction direct costs		(1,161,697)	-	(6,102)	-
Allocated to "other expenses"		(334,357)	-	-	-
Fees of third parties		9,334,801	9,744,243	12,842,383	11,270,111
Fixed & intangible assets depreciation		8,421,007	9,371,483	3,981,477	4,240,144
Third party benefits		6,911,292	7,943,531	3,707,801	4,805,621
Transportation		7,207,320	8,232,533	4,534,675	5,034,211
Rent		1,358,668	1,224,174	982,741	807,265
Insurance premiums		1,106,700	1,329,147	739,942	768,132
Other		12,007,248	10,981,127	4,541,167	4,032,342
Total cost of goods sold, administration and distribution expenses		**354,465,027**	**438,496,786**	**266,137,172**	**364,072,933**

10 Personnel expenses

(Amounts in Euro)

	GROUP		COMPANY	
	2013	**2012**	**2013**	**2012**
Salaries and wages	24,113,379	27,211,670	11,950,344	13,565,182
Contributions to social security funds	6,061,489	6,758,197	2,987,819	3,366,030
Provisions for staff compensation due to retirement	131,491	453,195	(39,900)	202,519
	30,306,359	**34,423,062**	**14,898,263**	**17,133,731**

11 Financial income

(Amounts in Euro)

	GROUP		COMPANY	
	2013	**2012**	**2013**	**2012**
Interest	101,705	222,587	2,290,857	1,690,211
Foreign exchange differences	-	-	-	143,966
Profit from foreign exchange swaps	748,082	890,091	685,652	854,206
	849,787	**1,112,678**	**2,976,509**	**2,688,383**

12 Financial expenses

(Amounts in Euro)	GROUP		COMPANY	
	2013	2012	2013	2012
Interest charges and related expenses	12,984,601	14,580,985	10,077,494	10,416,282
Foreign exchange differences	159,250	442,852	43,249	-
Losses from foreign exchange swaps	361,452	1,431,580	322,539	1,425,863
	13,505,303	**16,455,417**	**10,443,282**	**11,842,145**

13 Works contracts

The Group deals with works contracts pertaining mainly to construction and installation projects of high-voltage land and submarine cables.

(Amounts in Euro)	GROUP		COMPANY	
	2013	2012	2013	2012
Period invoiced revenue	7,053,952	12,629,389	7,053,952	12,629,389
Advances due	448,245	735,520	448,245	735,520
Amount of performance withholdings	543,022	556,230	543,022	556,230

There are no significant contingent liabilities pertaining to the Company's projects on the balance sheet date.

14 Property, plant and equipment

GROUP

(Amounts in Euro)	Plots	Buildings	Transportation & mechanical equipment	Furniture and other fixtures	Fixed assets under construction	Total
Acquisition cost						
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
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**
Balance as at 01.01.2013	**20,020,238**	**69,329,717**	**131,929,120**	**8,713,583**	**12,254,520**	**242,247,178**
Additions	76,566	26,509	3,705,633	439,253	48,176,279	52,424,240
Sales/ Deletions of fixed assets	(3,630,794)	(3,334,750)	(565,982)	(256,416)	-	(7,787,942)
Reclassifications	-	1,866,837	4,653,720	117,131	(9,844,018)	(3,206,330)
Foreign exchange differences	(16,262)	(219,501)	(432,295)	(34,624)	(5,986)	(708,668)
Balance as at 31.12.2013	**16,449,748**	**67,668,812**	**139,290,196**	**8,978,927**	**50,580,795**	**282,968,478**
Depreciation/ Impairment						
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)**
Balance as at 01.01.2013	**-**	**(27,336,192)**	**(59,969,466)**	**(6,218,818)**	**-**	**(93,524,476)**
Year depreciation	-	(1,688,472)	(5,615,877)	(511,215)	-	(7,815,564)
Sales/ Deletions of fixed assets	-	1,509,464	565,354	141,073	-	2,215,891
Foreign exchange differences	-	159,846	276,594	30,147	-	466,587
Balance as at 31.12.2013	**-**	**(27,355,354)**	**(64,743,395)**	**(6,558,813)**	**-**	**(98,657,562)**
Non-depreciated value						
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**
As at 01.01.2013	**20,020,238**	**41,993,525**	**71,959,654**	**2,494,765**	**12,254,520**	**148,722,702**
As at 31.12.2013	**16,449,748**	**40,313,458**	**74,546,801**	**2,420,114**	**50,580,795**	**184,310,916**

COMPANY

	Plots	**Buildings**	**Transportation & mechanical equipment**	**Furniture and other fixtures**	**Fixed assets under construction**	**Total**
Acquisition cost						
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
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**
Balance as at 01.01.13	**12,373,739**	**29,264,502**	**63,581,875**	**4,917,334**	**4,080,174**	**114,217,624**
Additions	-	-	409,293	126,902	1,259,262	1,795,457
Sales/ Deletions of fixed assets	(3,630,794)	(3,334,750)	-	(135,850)	-	(7,101,394)
Reclassifications	-	272,457	1,269,168	4,327	(4,612,726)	(3,066,774)
Balance as at 31.12.2013	**8,742,945**	**26,202,209**	**65,260,336**	**4,912,713**	**726,710**	**105,844,913**
Depreciation/ Impairment						

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)
Sales/ Deletions of fixed assets	-	-	116,677	13,070	-	165,008
Balance as at 31.12.2012	**-**	**(10,473,234)**	**(29,517,010)**	**(3,417,850)**	**-**	**(43,408,094)**
Balance as at 01.01.2013	**-**	**(10,473,234)**	**(29,517,010)**	**(3,417,850)**	**-**	**(43,408,094)**
Year depreciation	-	(770,781)	(2,489,266)	(290,003)	-	(3,550,050)
Sales/ Deletions of fixed assets	-	1,509,464	-	22,935	-	1,532,399
Balance as at 31.12.2013	**-**	**(9,734,551)**	**(32,006,276)**	**(3,684,917)**	**-**	**(45,425,744)**
<u>Non-depreciated value</u>						
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**
As at 01.01.13	**12,373,739**	**18,791,268**	**34,064,865**	**1,499,484**	**4,080,174**	**70,809,530**
As at 31.12.13	**8,742,945**	**16,467,658**	**33,254,060**	**1,227,796**	**726,710**	**60,419,169**

The account “fixed assets under construction” concerns mainly building construction and machinery installation of the subsidiary “Fulgor”, which had not been completed until 31 December 2013. The account includes an amount of € 885,329 which refers to the cost of loans taken out for financing these specific fixed assets and an amount of € 563.918, which pertains to the cost of loans generally taken out to finance the subsidiary.

The Company sold to ELVAL S.A., a subsidiary of VIOHALCO SA/NV, a part of its properties in Oinofyta, Prefecture of Viotia in exchange for the consideration of € 6.8 million. The company had acquired such properties mainly after absorbing its subsidiary TELECABLES S.A. The said transfer does not have any substantial impact on the Company’s production activity since these properties were used for auxiliary works, warehousing, etc.

In the context of revaluation of the useful lives of the Group's buildings and machinery, Management redefined the useful lives as of 1 January 2013 and, as a result, the annual depreciation was less by € 1.4 million and € 759 million for the Group and the Company respectively.

Impairment of tangible assets

On 31 December 2013, an impairment test was conducted in relation to the Group's property, plant and equipment by applying the value in use method. Cash flow projections were used in this calculation and were based on 5-year forecasts made by Management. Following the first five years, cash flows were established by using an estimated growth rate reflecting Management forecasts in line with the growth prospects of each cash generating unit (CGU). Management has specified the annual growth rate of sales volume and profit margins based on past performance and expectations for the growth of purchases and sales of the Group’s new products. Moreover, to calculate such cost Management has taken into account the expected decreases in electricity and natural gas tariffs. The results of this method illustrated that the estimation covers to a large extent the non-depreciated value of the Group’s fixed assets on 31 December 2013. Moreover, a sensitivity analysis was carried out with respect to the key assumptions of the model (discount rates and perpetual growth rate) to examine the adequacy of the spread. The said sensitivity analysis showed that the estimated recoverable amount exceeds book value.

NOTES ON THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2013

15 Intangible assets

(Amounts in Euro)

GROUP

	Trade name	**Port usage license**	**Trademarks & licenses**	**Software**	**Other**	**Total**
Acquisition cost						
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**	**16,354,977**
Balance as at 01.01.2013	**1,388,000**	**8,287,449**	**1,938,512**	**4,444,941**	**296,075**	**16,354,977**
Additions			73,685	10,915	2,500	87,100
Acquisition of subsidiary	-	-	-	-	-	-
Foreign exchange differences	-	-	-	(18,198)	-	(18,198)
Reclassifications from tangible assets	-	-	2,932,242	274,088		3,206,330
Balance as at 31.12.2012	**1,388,000**	**8,287,449**	**4,944,439**	**4,711,746**	**298,575**	**19,630,209**
Depreciation/ Impairment						
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)
Foreign exchange differences	-	-	-	26,510	-	26,510
Balance as at 31.12.2012	**-**	**-**	**(1,660,249)**	**(3,963,024)**	**(50,528)**	**(5,673,801)**
Balance as at 01.01.2013	**-**	**-**	**(1,660,249)**	**(3,963,024)**	**(50,528)**	**(5,673,801)**
Year depreciation	-	-	(340,703)	(232,870)	(31,871)	(605,444)
Foreign exchange differences	-	-	-	15,840	-	15,840
Balance as at 31.12.2013	**-**	**-**	**(2,000,952)**	**(4,180,054)**	**(82,399)**	**(6,263,405)**
Non-depreciated value						
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**
As at 01.01.2013	**1,388,000**	**8,287,449**	**278,263**	**481,917**	**245,547**	**10,681,176**
As at 31.12.2013	**1,388,000**	**8,287,449**	**2,943,487**	**531,692**	**216,176**	**13,366,804**

COMPANY

	Trademarks & licenses	Software	Other	Total
Acquisition cost				
Balance as at 01.01.2012	**1,650,218**	**2,913,094**	**14,600**	**4,577,912**
Additions	150,709	-	-	150,709
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**
Balance as at 01.01.2013	**1,938,511**	**3,003,282**	**14,600**	**4,956,393**
Additions	17,005	8,345	-	25,350
Reclassifications from tangible assets	2,932,242	134,531	-	3,066,773
Balance as at 31.12.2013	**4,887,759**	**3,146,158**	**14,600**	**8,048,516**
Depreciation/ Impairment				
Balance as at 01.01.12	**(1,585,034)**	**(2,713,561)**	**(11,680)**	**(4,310,275)**
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)**
Balance as at 01.01.2013	**(1,660,249)**	**(2,786,987)**	**(14,600)**	**(4,461,836)**
Year depreciation	(340,703)	(90,724)	-	(431,427)
Balance as at 31.12.2013	**(2,000,952)**	**(2,877,711)**	**(14,600)**	**(4,893,263)**
Non-depreciated value				
As at 01.01.2012	**65,184**	**199,533**	**2,920**	**267,637**
As at 31.12.2012	**278,262**	**216,295**	**-**	**494,557**
As at 01.01.2013	**278,262**	**216,295**	**-**	**494,557**
As at 31.12.13	**2,886,807**	**268,446**	**-**	**3,155,253**

During the current period and specifically in February 2013, following successful tests intended for the production of an extra high voltage cable (400kV), the Company capitalized the amount of € 2,925 thousand which includes the total cost required for acquiring the above intellectual property right. The Company posted the above cost to the account “Fixed assets under construction” and following successful completion it was transferred to “Intangible assets”.

Impairment test of intangible assets with indefinite service life

In the last quarter of each year, the Group conducts an impairment test of intangible assets with indefinite service life.

During 2011, the Group’s parent company acquired 100% of the shares of Fulgor which operates in the sector of energy cables. No goodwill arose from such acquisition while the valuation of all assets of Fulgor at fair values on such acquisition date gave rise to two intangible asset items meeting the conditions set in IAS 38 for their recognition in the Group’s consolidated financial statements.

The following were recognized as intangible assets:

"Fulgor" Trade name

It concerns the segment of medium-voltage submarine cables and high-voltage land cables production in which the company operated and which generates significant economic benefits. Based on the analysis of the relevant factors (know-how, long business activity with a wide range of clientele, future development of the sector), there is no expected expiry date of the period in which the asset is expected to generate net cash inflows. The service life of the trade name was deemed indefinite. For this reason, the value of the said intangible asset was determined on a perpetual basis.

Port usage license at Soussaki, Korinthia

Fulgor holds an indefinite and exclusive license regarding the port in the plant's facilities in Soussaki, Korinthia. The port is necessary for the manufacture of medium and high-voltage submarine cables production. During the years 2012-2013 the company invested the amount of € 55 million to modernize and expand its production capacity to the manufacture of high-voltage submarine cables. Based on the considerable development of the sector, the use of the port for the manufacture and distribution of submarine cables is the key factor due to which the license's service life was deemed indefinite. For this reason, the value of the said intangible asset was determined on a perpetual basis.

Impairment test of intangible assets

Given that the continuing use of the aforementioned intangible assets does not generate stand-alone cash inflows which are largely independent of the inflows of medium and high-voltage submarine cables and high-voltage land cables manufacturing, it was decided to base the impairment test on the cash generating unit of the cable manufacturing plant of Fulgor SA. To calculate the value in use, cash flow projections based on 5-year estimations made by Management were used.
Following the first five years, cash flows were established by using an estimated 2.5% growth rate mainly reflecting Management forecasts for the growth prospects of the strategic sector of high-voltage submarine cables production.
The discount rate applied to the discount of the cash flows arising from the application of the above method stands at 10.7% and was based on the following:

- The risk free rate was determined on the basis of Germany ten-year bund at 1.7%
- The risk arising from the Company's operations in Greece (country risk) was set at 4.5%
- The market risk premium concerning an investment in a mature market was set at 5%.

The results of this method illustrated that on 31 December 2013 the estimation covers to a large extent the non-depreciated value of fixed and intangible assets totaling € 107 million of the said cash generating unit. The amount by which the recoverable amount exceeds the book values of fixed and intangible assets totals € 53 million.

In addition, a sensitivity analysis was carried out with respect to full recovery of the assets' book value with likely changes in the discount rates and the estimated growth rate of cash flows into perpetuity so as to consider the adequacy of spread. The said sensitivity analysis showed that the recoverable amount exceeds by far the book value.

Result of sensitivity analysis between the book value and the value arising from the calculation of the value in use:

Cash generating unit of FULGOR - Cables		
	Management assumption	*Values of recovery indicators of equal book value*
Discount rate	*10.7%*	*14.4%*
Perpetual growth rate of cash flows	*2.5%*	*-4.8%*

16 Investment property

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

	GROUP		COMPANY	
	2013	**2012**	**2013**	**2012**
Balance in the beginning	**383,271**	**2,270,174**	**383,271**	**2,270,174**
Additions	-	-	-	-
Impairment	-	(180,000)	-	(180,000)
Transportation	-	(1,706,903)	-	(1,706,903)
	383,271	**383,271**	**383,271**	**383,271**

The value of the Group's investment property was tested for impairment 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 value of the properties under review.

17 Holdings in subsidiaries and affiliates

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

2013

Name of Company	Holding percentage	Acquisition cost	Total assets	Total liabilities	Turnover	Earnings/ (Loss)
Subsidiaries						
ICME-ECAB S.A.	98.59%	16,385,719	85,642,740	48,518,964	106,470,743	(751,227)
FULGOR S.A.	100%	37,434,000	143,963,096	129,702,708	117,849,702	(7,015,064)
LESCO OOD	100%	300,546	2,389,894	566,731	4,588,280	327,579
GENECOS S.A.	60%	81,362	3,263,000	2,683,793	8,055,000	40,000
LESCO ROMANIA	65%	10,157	98,947	15,455	274,948	516
DELAIRE	100%	25,796	56,634	27,820	655,500	96
EDE S.A.	99.99%	83,533	84,257	716	-	(1,882)
Associates						
METAL GLOBE LTD	30%	-	-	-	-	-
STEELMET S.A.	29.56%	140,880	4,209,661	2,841,291	13,525,213	643,489
METAL AGENCIES LTD	20%	740,337	27,094,989	26,400,666	117,502,451	(7,268)
COPPERPROM Ltd.	40%	13,108	66,180	33,409	9,317	(1,737)
Total		**55,215,438**	**263,363,969**	**210,791,552**	**368,931,153**	**(6,765,497)**

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 SA	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)**

On 21 June 2013, the Company increased the share capital in its wholly-owned subsidiary with the corporate name "FULGOR S.A.” by € 5,344,000.

On 10.4.2013 the joint venture with the name “J/V NEXANS–HELLENIC CABLES–FULGOR–PPC 2009” which had been set up in order to take part in restricted tender No 503905/22.9.2009 on a lowest-price basis for the supply of cables and conductors was dissolved.

18 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:

<u>Group</u>	2013	Holding percentage	2012	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	255,608		211,007	
	1,852,085		**1,807,484**	

<u>Company</u>	2013	Holding percentage	2012	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	213,608		211,007	
	1,810,085		**1,807,484**	

19 Income tax

(Amounts in Euro)

	GROUP		COMPANY	
	2013	**2012**	**2013**	**2012**
Income tax	(47,927)	(87,280)	-	-
Other taxes	(76,720)	-	(76,720)	-
Deferred taxation	(1,318,634)	2,189,718	1,801,585	1,969,761
	(1,443,281)	**2,102,438**	**1,724,865**	**1,969,761**

Current tax

According to new tax law No 4110/2013 that was enacted on 23 January 2013, the income tax rate for legal persons in Greece is set at 26% for the year 2013 and thereafter from 20% that was in effect till the year 2012. Note that a 10% tax is withheld in case profits are distributed.

Reconciliation of applicable tax rate:

	GROUP		COMPANY	
	2013	**2011**	**2013**	**2012**
Earnings/ (Loss) before taxes	**(19,610,768)**	**(13,295,560)**	**(12,376,172)**	**(8,886,545)**
Tax calculated using the applicable tax rates 26% (2012: 20%)	5,098,800	2,659,111	3,217,805	1,777,309
Differences from tax audit	(205,399)	(143,403)	(87,996)	-
Reserves from fixed assets value adjustment	-	(136,894)	-	-
Tax rate change	(2,205,127)	-	(571,395)	-
Permanent tax differences	(616,472)	(340,574)	(267,319)	192,453
Effect of the difference in the tax rates of subsidiaries on the tax	(26,243)	64,198	-	-
Additional taxes paid	(76,720)	-	(76,720)	-
Non-recognition of tax losses	(3,352,101)	-	(489,510)	-
Comprehensive income tax of the fiscal year	**(1,443,281)**	**2,102,438**	**1,724,865**	**1,969,761**
Applicable tax rate	**(7.36%)**	**15.8%**	**13.9%**	**22.2%**

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:

	GROUP		COMPANY	
	2013	**2012**	**2013**	**2012**
Deferred tax assets				
Property, plant and equipment & intangible assets	1,921,887)	1,953,281	-	-
Reserves from fixed assets value adjustment	(1,648,696)	(1,648,696)	-	-
Other	(59,421)	581	-	-
Derivatives	(78,251)	(73,762)	-	-

	135,519	**231,404**	-	-
Deferred tax liabilities				
Property, plant and equipment	(12,874,683)	(9,962,284)	(5,712,710)	(4,608,489)
Tax losses	9,763,471	6,574,435	5,259,984	2,205,619
Bond loan discount	(3,653,587)	(3,044,610)	-	-
Financial leases	43,327	138,537	-	-
Intangible assets	(2,356,156)	(1,775,702)	-	-
Derivatives	(190,851)	(168,387)	(46,892)	(45,928)
Provisions	559,043	968,771	375,611	619,350
Other	158, 399	169, 766	(18,241)	17,782
	(8,551,037)	**(7,099,474)**	**(142, 248)**	**(1, 811, 666)**
Net liabilities from deferred taxes	**(8,415,518)**	**(6,868,070)**	**(142,248)**	**(1,811,666)**

GROUP

Change in year temporary differences
(Amounts in Euro)

	Balance at 1 January 2013	Recognized through profit or loss	Recognized to shareholders equity	Balance 31.12.2013
Property, plant and equipment	(8,009,003)	(2,942,288)	(1,505)	(10,952,796)
Reserves from fixed assets value adjustment	(1,648,696)	-	-	(1,648,696)
Tax losses	6,574,435	3,189,036	-	9,763,471
Bond loan discount	(3,044,610)	(608,977)	-	(3,653,587)
Financial leases	138,537	(95,210)	-	43,327
Intangible assets	(1,775,702)	(580,454)	-	(2,356,156)
Derivatives	(242,149)	55,794	(77,293)	(269,102)
Provisions	968,771	(259,712)	(150,016)	559,043
Other	170, 347	(76,823)	–	98, 978
	(6, 868, 070)	**(1, 318, 634)**	**(228, 814)**	**(8, 415, 518)**

Change in year temporary differences
(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	(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	824,328	65,201	79,242	968,771
Other	(116, 009)	291,810	–	170, 347
	(9, 111, 476)	**2, 189, 718**	**53, 688**	**(6, 868, 070)**

COMPANY

Change in year temporary differences (Amounts in Euro)	**Balance at 1 January 2013**	**Recognized through profit or loss**	**Recognized to shareholders equity**	**Balance 31 .12.2013**
Property, plant and equipment	(4,608,489)	(1,104,222)	-	(5,712,710)
Provisions	619,350	(161,099)	(82,640)	375,611
Derivatives	(45,928)	48,563	(49,527)	(46,892)
Tax losses	2,205,619	3,054,366	-	5,259,984
Other	17,782	(36,023)	-	(18,241)
	(1, 811, 666)	**1,801,585**	**(132,167)**	**(142, 248)**

(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	305,265	269,070	45,015	619,350
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, 432)	**1,969,761**	**10,010**	**(1, 811, 666)**

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.

Tax losses for offsetting

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

Company/ Year	**2009**	**2010**	**2011**	**2012**	**2013**	**Total**
HELLENIC CABLES S.A.	115,682	1,772,315	-	8,776,266	12,015,231	22,679,494
FULGOR SA	5,241,528	9,909,433	6,489,022	-	5,795,119	27,435,102
Total	**5,357,210**	**11,681,748**	**6,489,022**	**8,776,266**	**17,810,350**	**50,114,595**

On 31 December 2013, the Group has recognized a deferred tax asset through the account of the above tax losses carried forward and specifically through the amount of € 37.5 million because Management estimates that the tax is certainly recoverable in the future.

20 Inventories

Group and Company inventories are broken down as follows:

(Amounts in Euro)	**GROUP**		**COMPANY**	
	2013	**2012**	**2013**	**2012**
Raw direct and indirect materials, spare parts & consumables	27,650,968	38,243,096	9,576,470	23,258,833
Finished products	20,666,205	22,200,754	11,258,965	12,441,249
Semi-finished products	18,598,231	16,046,002	6,605,372	4,831,763
Merchandise	3,257,115	3,815,139	1,732,542	2,384,247
Work in progress	6,322,370	4,369,329	2,472,062	1,357,727
Down payments for the purchase of stocks	988,820	1,324,553	362,365	671,970
By-products & deposits	1,503,447	1,939,843	504,261	450,383
	78,987,156	**87,938,716**	**32,512,037**	**45,396,172**

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

On 31 December 2013 the Group and the Company have raised a provision for obsolete and/or slow-moving inventories by € 0.7 million and € 0.2 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 € 279.1 million and € 219.7 million respectively.

21 Customers and other trade receivables

(Amounts in Euro)	**GROUP**		**COMPANY**	
	2013	**2012**	**2013**	**2012**
Trade receivables*	44,697,853	56,113,198	32,283,845	43,548,209
Checks and notes receivable	2,680,643	2,798,915	682,548	427,108
Receivables from affiliated companies	9,913,004	8,307,713	55,298,107	26,649,062
Other tax claims	6,299,179	282,844	466,229	-
Other debtors	12,068,232	2,925,826	7,657,344	1,818,951
Other advance payments	610,574	551,468	237,680	243,851
Guarantees	214,979	211,407	207,370	203,798
Other receivables	753,593	861,013	683,497	750,790
	77,238,057	**72,052,384**	**97,516,620**	**73,641,769**
Current assets receivables	76,269,485	70,979,964	96,625,753	72,687,181
Non-current assets receivables	968,572	1,072,420	890,867	954,588
	77,238,057	**72,052,384**	**97,516,620**	**73,641,769**

The Group has entered into accounts receivable assignment agreements with financial institutions without right of recourse which, on 31 December 2013, amount to € 13,258 thousand (2012: € 23,128 thousand).

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

*: It includes payables from customer advances from project construction contracts (see note 13).

22 Cash and cash equivalents

(Amounts in Euro)	GROUP		COMPANY	
	2013	**2012**	**2013**	**2012**
Cash at hand	55,250	54,533	30,445	15,156
Deposits with banks	17,475,522	17,449,291	13,353,670	14,783,603
Blocked deposits	193,130	193,130	-	-
	17,723,902	**17,696,954**	**13,384,115**	**14,798,759**

Of the above sum of € 17,723,902, the amount of € 1,026,935 refers to foreign currency and has been evaluated at the Euro/ foreign currency rate applying on 31 December 2013. Any foreign exchange differences were posted to operating results.

The amount of € 193,130 refers to a performance bond related to a project contract 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	69,324	49,836
- GBP	261,683	250,444
- RON	695,928	-
	1,026,935	**300,280**

23 Share Capital

(Amounts in Euro)

The Company's share capital amounts to € 20,978 thousand 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 share premium account amounting to € 31,172 thousand 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.

24 Reserves

(Amounts in Euro)

	GROUP		COMPANY	
	2013	**2012***	**2013**	**2012***
Statutory reserve	4,544,961	4,544,961	3,471,903	3,471,903
Reserves from the valuation of derivatives	278,522	67,527	202,739	86,820
Special reserves	6,949,096	6,949,096	8,295,404	8,295,404
Untaxed reserves	16,958,135	16,958,135	14,689,774	14,689,774
Foreign exchange differences	(5,701,863)	(5,223,147)	-	-
	23,028,851	**23,296,573**	**26,659,821**	**26,543,901**

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 2013, the Company realized investments in the amount of approximately € 8.2 million, which are subject to incentive law 2601/1998. 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 at 31 December 2013, 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.

*Adjusted amounts due to correction of prior period error (see Note 35).

25 Basic and diluted losses per share

Basic and diluted losses

(Amounts in Euro)

	GROUP		COMPANY	
	2013	**2012**	**2013**	**2012**
Post-tax profit/ (loss) corresponding to the parent company's shareholders	(21,051,736)	(11,218,290)	(10,651,307)	(6,916,783)
Weighted average of ordinary shares	29,546,360	28,974,305	29,546,360	28,974,305
Basic losses per share	**(0.7125)**	**(0.3872)**	**(0.3605)**	**(0.2387)**

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

Diluted losses 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 28.

26 Loan liabilities

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

(Amounts in Euro)

	<u>GROUP</u>		<u>COMPANY</u>	
	2013	**2012**	**2013**	**2012**
Long-term payables				
- Bank loans	9,489,846	2,802,304	-	-
- Bond loans	110,946,108	92,482,935	81,631,842	64,938,320
of which payable in the following fiscal year	(6,538,909)	(36,005,696)	(4,182,649)	(34,245,244)
	113,897,045	**59,279,543**	**77,449,193**	**30,693,076**
Short term payables				
- Bank loans	78,986,445	74,224,978	28,993,145	36,848,615
- Bond loans	4,182,649	34,245,244	4,182,649	34,245,244
	83,169,094	**108,470,222**	**33,175,794**	**71,093,859**
Total loan liabilities	**197,066,139**	**167,749,765**	**110,624,987**	**101,786,935**

<u>Terms and time schedule of loan repayment</u>

			<u>GROUP</u>		
				31.12.2013	**31.12.2012**
	Currency	**Average interest rate 2013**	**Repayment year**	**Nominal value**	**Nominal value**

- Short-term	Euros	5.85%	2014	72,910,562	68,348,887
- Long-term	Euros	3.89%	2015-2027	126,582,779	73,734,928
-Short term installment	Euros	4.21%	2014	6,672,559	36,005,696
- Short-term	USD	4.7%	2014	240,674	122,061
- Short-term	GBP	6.4%	2014	1,474,851	1,955,579
- Short-term	RON	7.2%	2014	1,870,447	2,037,999
				209,751,872	**182,205,150**

			COMPANY		
				31.12.2013	**31.12.2012**
	Currency	**Average interest rate 2013**	**Repayment year**	**Nominal value**	**Nominal value**
- Short-term	Euros	6.53%	2014	28,993,145	36,848,615
- Long-term	Euros	5.01%	2015-2018	77,449,193	30,693,076
-Short term installment	Euros	5.01%	2014	4,182,649	34,245,244
				110,624,987	**101,786,935**

The Company entered into a new syndicated collateralized ordinary bond loan amounting to € 76,739,000 to refinance a part of its existing loan liabilities with the NATIONAL BANK OF GREECE S.A., ALPHA BANK S.A., EUROBANK ERGASIAS S.A. and PIRAEUS BANK S.A. being the co-arrangers.

This loan has a 5-year effective term and may be extended by 2 years. It has been issued in the context of Law 3156/2003 and Codified Law 2190/1920, by virtue of a decision of the Company's General Meeting. In addition, mortgages totaling € 92 million have been raised on the company’s fixed assets for the loan to be obtained. Throughout the effective term of the loan, the Company should keep specific financial ratios. First-time examination of these particulars ratios will take place on 30 June 2014.

27 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 indemnification due 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, IFRSs 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 through profit or loss and equity of years 2012 and 2013 respectively.

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

	GROUP		COMPANY	
(Amounts in Euro)	**2013**	**2012**	**2013**	**2012**
Changes in net liability recognized in the Balance Sheet				
Net liability at the beginning of the year	2,348,519	2,350,043	1,366,571	1,221,959
Benefits paid	(779,568)	(856,796)	(268,638)	(265,466)
Total expenditure recognized in the income statement	708,477	459,060	277,946	185,005
Total expenditure recognized in the statement of comprehensive income	(576,986)	396,212	(317,846)	225,073
Net liability at year-end	**1,700,442**	**2,348,519**	**1,058,033**	**1,366,571**
	-		-	
Analysis of expenditures recognized in the income statement				
Cost of current employment	113,892	154,859	61,001	87,356
Interest against the liability	62,424	105,840	36,203	55,011
Cost of curtailment/ settlement/ termination of service	532,161	198,361	180,742	42,638
Total expenditure recognized in the income statement	**708,477**	**459,060**	**277,946**	**185,005**
Breakdown of expenses recognized in the statement of comprehensive income				
Actuarial loss / (gain)- financial assumptions	(208,598)	490,843	(131,510)	291,205
Actuarial loss / (gain) – experience in the period	(368,388)	(94,271)	(186,336)	(66,132)
Total expenditure recognized in the statement of comprehensive income	**(576,986)**	**396,212**	**(317,846)**	**225,073**

The main assumptions on which the actuarial study was based to calculate the provision are as follows:

	GROUP		COMPANY	
	2013	**2012**	**2013**	**2012**
Discount rate	3.2%	2.7%	3.2%	2.7%
Percentage of salary future increase	1.75%	2.0%	1.75%	2.0%

28 Share-based payments

The Company has adopted a share option plan up to 1.97% of the number of ordinary 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.

The above 530,600 options had been vested until November 2011 and 318,360 of these have been exercised. No rights were exercised during the current and the previous years and on 30 November 2013 the exercise option expired and 212,240 options that had not been exercised were abolished.

29 Suppliers and other liabilities

(Amounts in Euro)	GROUP		COMPANY	
	2013	2012	2013	2012
Suppliers	49,973,999	37,997,385	31,272,721	24,522,780
Payables to affiliates	7,574,972	5,600,287	33,095,486	31,282,893
Notes payable	12,195,917	-	-	-
Less				
*Long-term payable notes**	(10,681,508)	-	-	-
Transit credit balances	1,659,449	1,377,569	693,418	333,064
Sundry creditors	2,074,410	1,461,047	1,261,270	889,399
Accrued expenses	1,218,938	1,286,309	860,893	1,064,104
Advance payments from customers	1,531,644	1,891,076	1,420,590	973,893
Social security funds	1,384,251	2,551,322	640,543	727,857
Dividends payable	4,470	8,821	4,470	8,821
Unearned and deferred income	11,676	8,276	-	-
Other payables	1,016,781	2,864,968	608,856	1,469,415
	67,964,998	**55,047,060**	**69,858,247**	**61,272,226**

The item "Suppliers" includes the amount of € 15,505,965 which concerns the early payment of documentary credits from Banks.

*: The amount of € 10,681,508 is payable upon expiry of the following fiscal year and is shown in the account of the Statement of Financial Position "Other long-term liabilities".

30 Provisions

(Amounts in Euro)

	GROUP		COMPANY	
	2013	**2012**	**2013**	**2012**
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.

31 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. There is no customer participating 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.

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 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.

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 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).
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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 reporting date is as follows:

(Amounts in thousand Euro)

	GROUP		**COMPANY**	
	2013	**2012**	**2013**	**2012**
Total loans	197,066	167,750	110,625	101,787
Less: Cash	(17,724)	(17,697)	(13,384)	(14,799)
Net borrowing	179,342	150,053	97,241	86,988
Total equity	82,914	103,832	77,177	87,477
Debt to equity ratio	**2.16**	**1.44**	**1.26**	**0.99**

31.1 Credit Risk

Exposure to credit risk

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

(Amounts in Euro)	GROUP		COMPANY	
	2013	**2012**	**2013**	**2012**
Other investments	1,852,085	1,807,484	1,810,085	1,807,484
Derivatives	373,403	287,899	273,972	248,145
Trade receivables	57,291,500	67,219,827	88,264,499	70,624,380
Cash and cash equivalents	17,723,902	17,696,954	13,384,115	14,798,759
Total	**77,240,890**	**87,012,164**	**103,732,671**	**87,478,768**

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

(Amounts in Euro)	GROUP		COMPANY	
	2013	**2012**	**2013**	**2012**
Greece	32,151,850	18,032,638	76,389,418	36,271,757
Romania	8,020,408	8,326,917	958,112	130,550
Other EU countries	14,440,223	39,950,577	10,213,335	33,594,601
Other countries	2,679,020	909,695	703,634	627,472
Total	**57,291,500**	**67,219,827**	**88,264,499**	**70,624,380**

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

Impairment losses

The maturity of trade receivables on the reporting date was:

(Amounts in Euro)	GROUP		COMPANY	
	2013	**2012**	**2013**	**2012**
Up to date	50,282,187	58,658,569	85,222,071	64,620,080
Overdue up to 6 months	6,494,307	7,755,688	2,993,367	5,361,080
Overdue more than 6 months	515,006	805,570	49,062	643,220
Total	**57,291,500**	**67,219,827**	**88,264,499**	**70,624,380**

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

(Amounts in Euro)	GROUP		COMPANY	
	2013	**2012**	**2013**	**2012**
Balance as at 1 December	**5,397,656**	**4,976,959**	**1,799,443**	**1,584,891**
Year impairment	300,297	650,512	118,356	280,000
Deletions	(487,676)	(214,684)	(17,799)	(65,448)
Foreign exchange difference	(8,297)	(15,131)	-	-
Balance as at 31 December	**5,201,980**	**5,397,656**	**1,900,000**	**1,799,443**

The greatest part of the receivables from customers is insured by insurance companies in case collection thereof fails. During the year 2013, the indemnities collected from insurance companies owing to the above coverage amounted to € 160,188 (2012: 589,028).

Management believes that the provision raised on 31.12.2013 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 including the proportionate interest:

GROUP

(Amounts in Euro)	Up to 1 month	Between 1 month and 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total 31.12.2013
Bank loans	-	2,581,404	2,568,115	5,035,201	-	10,184,720
Bank Open Accounts	14,951,424	61,941,020	-	-	-	76,892,444
Corporate bond loans	-	9,066,057	6,856,531	89,168,132	52,719,833	157,810,553
Suppliers and other liabilities	-	69,054,921	2,265,008	6,247,093	5,422,049	82,989,071
Total	**14,951,424**	**142,643,401**	**11,689,654**	**100,450,426**	**58,141,882**	**327,876,787**

(Amounts in Euro)	Balance sheet value 31.12.2013	Nominal value 31.12.13	Up to <1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Foreign exchange forward contracts (in USD)	(17,334)	(966,320)	(966,320)	-	-	-
Foreign exchange forward contracts (in GBP)	(76,992)	9,143,321	9,143,321	-	-	-
Lead derivatives contracts	(7,137)	320,597	320,597	-	-	-
Aluminum derivatives contracts	132,738	3,752,346	3,752,346	-	-	-
Copper derivatives contracts	247,802	(9,744,772)	(9,744,772)	-	-	-
	279,077	**2,505,172**	**2,505,172**	**-**	**-**	**-**

(Amounts in Euro)	Up to 1 month	Between 1 month and 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total 31.12.2012
Bank loans	-	1,795,836	288,398	820,497	-	2,904,731
Bank Open Accounts	9,697,116	27,489,531	-	-	-	37,186,647
Corporate bond loans	5,448,324	30,989,851	30,393,897	5,816,799	54,172,477	126,821,348
Suppliers and other liabilities	-	55,047,060	-	-	-	55,047,060
Total	**15,145,440**	**115,322,278**	**30,682,295**	**6,637,296**	**54,172,477**	**221,959,786**

(Amounts in Euro)	Balance sheet value 31.12.2012	Nominal value 31.12.2012	Up to <1 year	Between 1 and 2 years	Between 2 and 5 years	Over 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**	**-**	**-**

COMPANY

(Amounts in Euro)	Up to 1 month	Between 1 month and 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total 31.12.2013
Bank loans	-	-	-	-	-	-
Bank Open Accounts	14,951,424	14,041,722	-	-	-	28,993,146
Corporate bond loans	-	8,937,915	5,400,851	85,192,052	-	99,530,818
Suppliers and other liabilities		70,028,914	-	-	-	70,028,914
Total	**14,951,424**	**93,008,550**	**5,400,851**	**85,192,052**	**-**	**198,552,877**

Derivatives (Analysis per category)	Balance sheet value 31.12.2013	Nominal value 31.12.13	Up to <1 year	Between 1 and 2 years	Between 2 and 5 years
Foreign exchange forward contracts (in USD)	(17,128)	(860,052)	(860,052)	-	-
Foreign exchange forward contracts (in GBP)	(76,487)	9,143,321	9,143,321	-	-
Lead derivatives contracts	-	-	-	-	-
Aluminum derivatives contracts	29,622	418,545	418,545	-	-
Copper derivatives contracts	244,350	(9,209,653)	(9,209,653)	-	-
	180,357	**(507,839)**	**(507,839)**		**-**

(Amounts in Euro)	Up to 1 month	Between 1 month and 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total 31.12.2012
Bank loans	-	-	-	-	-	-
Bank Open Accounts	9,697,116	27,489,531	-	-	-	37,186,647
Corporate bond loans	5,448,324	30,863,851	30,265,757	1,710,399	-	68,288,331
Suppliers and other liabilities	-	61,272,227	-	-	-	61,272,227
Total	**15,145,440**	**119,625,609**	**30,265,757**	**1,710,399**	**-**	**166,747,205**

Derivatives (Analysis per category)	Balance sheet value 31.12.2012	Nominal value 31.12.2012	Up 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**	**-**

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

NOTES ON THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2013

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**

31.12.2013	**EURO**	**USD**	**GBP**	**RON**	**OTHER**	**TOTAL**
Customers and other trade receivables	60,075,217	391,141	8,164,639	7,621,131	17,358	76,269,485
Loans	(188,187,439)	(240,674)	(6,767,578)	(1,870,447)	-	(197,066,319)
Suppliers and other liabilities	(69,310,708)	(1,099,252)	(536,446)	(7,700,100)	-	(78,646,506)
Cash and cash equivalents	16,696,966	69,324	261,684	695,928	-	17,723,902
	(180,725,964)	**(879,461)**	**1,122,298**	**(1,253,488)**	**17,358**	**(181,719,258)**
Derivatives for hedging of the above Risks (Nominal Value)	-	966,320	(9,143,321)	-	-	(8,177,001)
	(180,725,964)	**86,859**	**(8,021,023)**	**(1,253,488)**	**17,358**	**(189,896,259)**

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) **COMPANY**

31.12.2013	**EURO**	**USD**	**GBP**	**OTHER**	**TOTAL**
Customers and other trade receivables	88,862,585	323,158	7,440,009	-	96,625,752
Loans	(105,332,260)	-	(5,292,727)	-	(110,624,987)
Suppliers and other liabilities	(68,320,490)	(1,015,752)	(522,004)	-	(69,858,247)
Cash and cash equivalents	13,083,835	49,835	250,444	-	13,384,115
	(71,706,330)	**(642,759)**	**1,875,722**	**-**	**(70,473,367)**
Derivatives for hedging of the above Risks (Nominal Value)	-	860,052	(9,143,321)	-	(8,283,269)
	(71,706,330)	**217,293**	**(7,267,599)**	**-**	**(78,756,636)**

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)**

The exchange rates used per fiscal year are as follows:

Euros	Average		Exchange rate on	
	1.1-31.12.2013	**1.1-31.12.2012**	**31.12.2013**	**31.12.2012**
RON Romania	4.4190	4.4560	4.4847	4.4287
USD	-	-	1.3791	1.3194
GBP	-	-	0.8337	0.8161

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	
	2013	**2012**	**2013**	**2012**
USD	9,651	33,622	-	-
GBP	(891,225)	(424,055)	-	-
RON	-	-	(139,276)	(703,740)
	(881,574)	**(390,433)**	**(139,276)**	**(703,740)**

Company	Year results		Equity	
	2013	**2012**	**2013**	**2012**
USD	24,144	89,892	-	-
GBP	(807,511)	(464,267)	-	-
	(783,367)	**(374,375)**	**-**	**-**

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	
	2013	**2012**	**2013**	**2012**
USD	(7,896)	(27,509)	-	-
GBP	729,184	346,954	-	-
RON	-	-	113,953	575,787
	721,288	**319,445**	**113,953**	**575,787**

Company	Year results		Equity	
	2013	**2012**	**2013**	**2012**
USD	(19,754)	(73,548)	-	-
GBP	660,691	379,855	-	-
	640,937	**306,307**	**-**	**-**

31.4 Interest rate fluctuation risk

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

(Amounts in Euro)	GROUP		COMPANY	
	2013	**2012**	**2013**	**2012**
Fixed interest rates				
Liability items	38,937,762	1,250,000	-	1,250,000
Floating rate				
Liability items	158,128,377	166,499,765	110,362,729	100,536,935
	197,066,139	**167,749,765**	**110,362,729**	**101,786,935**

Cash flow sensitivity analysis for floating rate financial instruments

A 0.25% change in interest rates on the reporting 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 31.12.2013	**Increase by 0.25%**	**Decrease by 0.25%**	**Increase by 0.25%**	**Decrease by 0.25%**
Floating rate financial instruments	(458,435)	458,435	-	-
Interest rate swaps	-	-	-	-

	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)

COMPANY

	Year results		Equity	
Effect in Euro on 31.12.2013	**Increase by 0.25%**	**Decrease by 0.25%**	**Increase by 0.25%**	**Decrease by 0.25%**
Floating rate financial instruments	(340,052)	340,052	-	-
Interest rate swaps	-	-	-	-

	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)

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:

(Amounts in Euro)	GROUP			
	2013		2012	
	Book value	Fair value	Book value	Fair value
Financial assets available for sale	1,852,085	-	1,807,484	-
Trade receivables	54,610,857	-	64,420,911	-
Bank loans	197,066,139	194,381,915	167,749,765	162,386,186
Suppliers and other liabilities	78,646,506	-	55,047,060	-

(Amounts in Euro)	COMPANY			
	2013		2012	
	Book value	Fair value	Book value	Fair value
Financial assets available for sale	1,810,085	-	1,807,484	-
Trade receivables	87,581,592	-	70,197,271	-
Bank loans	110,624,987	110,624,987	101,786,935	101,786,935
Suppliers and other liabilities	69,858,247	-	61,272,227	-

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. These investments are tested annually in terms of impairment.

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 € 25.9 million upon initial recognition according to IAS 39. The measurement of such loan at non-amortized cost generated the amount of € 1.1 million through profit or loss in 2013. On 31 December 2013, Management estimates the fair value of this loan at € 26,630,043.

During 2013, the Group's subsidiary FULGOR took out loans with their balance amounting to € 9,489,845 on 31 December. FULGOR also assumed liabilities embedded in credit instruments (notes payable) with their balance amounting to € 12,195,917 on 31 December. Given that these liabilities have been initially recognized at fair value, Group Management estimates that the accounting balance thereof on 31 December 2013 approaches their fair value.

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

	2013			2012		
(Amounts in Euro)	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Derivative financial assets	-	373,403	-	-	287,898	-
	-	**373,403**	**-**	**-**	**287,898**	**-**
Derivative financial liabilities	-	(94,326)	-	-	(46,546)	-
Bank loans		-	194,381,915	-	-	162,386,186
Total	**-**	**279,077**	**194,381,915**	**-**	**241,352**	**162,386,186**

COMPANY

	2013			2012		
(Amounts in Euro)	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Derivative financial assets	-	273,972	-	-	248,145	-
	-	**273,972**	**-**	**-**	**248,145**	**-**
Derivative financial liabilities	-	(93,615)	-	-	(18,505)	-
Bank loans			110,624,987	-	-	101,786,935
Total	**-**	**180,357**	**110,624,987**	**-**	**229,640**	**10,786,935**

32 Commitments and contingent liabilities

32.1 Payables from operating and financial leases

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

(Amounts in Euro)	**GROUP**		**COMPANY**	
	2013	**2012**	**2013**	**2012**
Up to 1 year	538,195	674,011	279,895	258,268
Between 1 and 5 years	586,892	1,000,760	423,984	630,573
	1,125,087	**1,674,771**	**703,879**	**888,841**

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**	
	2013	**2012**	**2013**	**2012**
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	356,040	498,456	356,040	498,456
	1,068,120	**1,210,536**	**1,068,120**	**1,210,536**

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	
	2013	**2012**	**2013**	**2012**
Collateral for securing payables to suppliers	40,274,827	9,633,818	40,226,677	8,367,113
Assigned mortgages and statutory notices of mortgage on fixed assets	140,846,800	49,000,000	91,846,800	-
Collateral for securing the performance of contracts entered into with customers	12,538,647	12,283,668	10,100,215	9,887,801
Guarantees for subsidies	13,929,024	3,127,024	5,217,024	3,127,024
Other payables	3,383,732	10,293,647	3,083,732	9,993,647
	210,972,850	**84,338,157**	**150,474,448**	**31,365,585**

Capital commitments:

(Amounts in Euro)	GROUP		COMPANY	
	2013	**2012**	**2013**	**2012**
Property, plant and equipment	4,551,166	19,337,434	263,203	36,480
	4,551,166	**19,337,434**	**263,203**	**36,480**

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 2013
FULGOR SA	Greece	2013
ICME-ECAB	Romania	From 2010 to 2013
LESCO OOD	Bulgaria	From 2008 to 2013
GENECOS	France	From 2005 to 2013
LESCO ROMANIA	Romania	From 2003 to 2013
DE LAIRE LTD.	Cyprus	From 2007 to 2013
E.D.E. S.A.	Greece	From 2010 to 2013

TELECABLES S.A. was absorbed by the parent company on 01.08.2011 and its fiscal years 2004 -2011 (till 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 2013 for these liabilities reflects the best possible estimate.

As for the fiscal year 2013, 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 2013 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 years 2011 and 2012 based on the above provisions “upon concurrent opinion” both for the Company and its subsidiary ‘‘Fulgor’’.

Pursuant to article 6 of POL. 1236/ 18.10.2013, fiscal year 2011 is considered settled after 30/04/2014 provided that no fiscal breaches have been identified during the audits of the Ministry of Finance and another audit may be ordered only in case of data or indications of breaches, as such are defined in Article 5(6) of POL.1236/18.10.2013, which were not identified during the tax compliance audit. Fiscal year 2012 will be considered settled following the lapse of 18 months from the date on which the unconditional Tax Compliance Report will be submitted to the database of the General Secretariat for Information Systems and provided that no fiscal breaches have been identified during the audits of the Ministry of Finance and another audit may be ordered only in case of data or indications of breaches, as such are defined in Article 5(6) of POL.1236/18.10.2013, which were not identified during the tax compliance audit.

33 Transactions with affiliates

The Company's affiliates consist in its subsidiaries and associate companies, executive members of its Board of Directors as well as the subsidiaries and associate companies of VIOHALCO SA/NV Group.

The balances of the transactions of the Company and HELLENIC CABLES Group with its subsidiaries and associate companies and the results related to such transactions are as follows:

	GROUP		COMPANY	
I. Transactions with subsidiary companies	**2013**	**2012**	**2013**	**2012**
Receivables	-	-	46,837,653	21,369,303
Liabilities	-	-	31,496,294	28,955,39
Sales of products and other income	-	-	51,348,968	77,011,391
Purchases of products and other expenses	-	-	63,891,433	121,390,474

	GROUP		COMPANY	
II. Transactions with associate companies	**2013**	**2012**	**2013**	**2012**
Receivables	7,117,061	3,695,192	7,034,813	3,473,234
Liabilities	587,494	474,490	574,630	413,009
Sales of products and other income	16,130,052	6,493,471	16,042,029	6,357,520
Purchases of products and other expenses	1,673,646	1,584,814	1,646,652	1,529,423

The balances of the transactions of the Company and HELLENIC CABLES Group with the parent company and subsidiaries of VIOHALCO SA/NV Group and the results related to such transactions are as follows:

	GROUP		COMPANY	
III. Transactions with parent company*	**2013**	**2012**	**2013**	**2012**
Receivables	599,026	2,112,697	274,530	387,785
Liabilities	1,621,501	934,293	-	-
Sales of products and other income	15,201,907	18,752,388	7,402,485	13,409,996
Purchases of products and other expenses	9,342,198	25,225,428	6,342,912	11,369,904

*: The intermediate parent company HALCOR S.A. and ultimate parent company VIOHALCO SA/NV are included.

IV. Transactions with subsidiaries of VIOHALCO SA/NV Group*	**2013**	**2012**	**2013**	**2012**
Receivables	2,196,917	2,499,824	1,151,110	1,418,740
Liabilities	5,365,977	4,191,504	1,024,562	1,914,485
Sales of products and other income	19,514,724	10,792,146	11,323,062	2,912,558
Purchases of products and other expenses	19,583,327	14,688,464	4,316,632	5,049,418

*: The subsidiaries of VIOHALCO Group do not include the associate companies of HELLENIC CABLES Group.

V. BoD members	**2013**	**2012**	**2013**	**2012**
Fees	1,033,743	1,039,407	562,875	670,286

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

34 Group Companies

The Consolidated Financial Statements of the Group on 31 December 2013 include the financial statements of HELLENIC CABLES S.A. and the subsidiaries/associates referred to below:

Corporate name	**Registered Office**	**Activity**	**Holding percentage**	
			31.12.2013	**31.12.2012**
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	Commercial	30.00%	30.00%
METAL AGENCIES LTD.	England	Commercial	20.00%	33.00%
COPPERPROM LTD	Greece	Commercial	40.00%	40.00%

The above subsidiaries are consolidated by applying the accounting method of total consolidation while the equity method of accounting is applied to associates.

35 Item adjustments

A) Due to the amendment to IAS 19 regarding the direct recognition of the cost of past service, the Group and the Company adjusted Results, Equity and the Liability for personnel benefits of previous years as shown below.

EQUITY (Amounts in Euro)	**GROUP**		**COMPANY**	
	31/12/2012	**1/1/2012**	**31/12/2012**	**1/1/2012**
Equity prior to application of amended IAS 19	103,993,553	116,115,143	87,645,041	94,535,796
Effect of amended IAS 19	(202,103)	200,203	(209,625)	(2,066)
Adjustment of income tax	40,421	(40,041)	41,925	413
Equity following application of amended IAS 19	**103,831,871**	**116,275,305**	**87,477,341**	**94,534,143**

PERIOD RESULTS (Amounts in Euro)	**GROUP**	**COMPANY**
	2012	**2012**
Results prior to application of amended IAS 19	(11,188,246,38)	(6,930,795)
Effect of amended IAS 19	(6,094)	17,514
Adjustment of income tax	1,219	(3,503)
Results following application of amended IAS 19	**(11,193,122)**	**(6,916,783)**

LIABILITIES FOR PERSONNEL BENEFITS (Amounts in Euro)	**GROUP**		**COMPANY**	
	31/12/2012	**1/1/2012**	**31/12/2012**	**1/1/2012**
Liabilities prior to application of amended IAS 19	2,146,416	2,550,018	1,156,946	1,219,893
Effect of amended IAS 19	202,103	(200,203)	209,625	2,066
Liabilities following application of amended IAS 19	**2,348,519**	**2,349,815**	**1,366,571**	**1,221,959**

B) In the Consolidated Income Statement of the fiscal year 2012 the amount of € 627,989 was transferred from “Administration expenses" to "selling expenses" so that they become comparable with those of the year 2013.

C) In the Statement of Financial Position of the year 2012, the amount of € 1,900,000 was transferred from “Profits carried forward” to “Tax-free reserves” and the amount of € 85,974.59 was transferred to "Statutory reserve" due to a prior-period error.

36 Subsequent events

a) On 27 February 2014 HELLENIC CABLES fully subscribed the share capital increase of € 4,112,000 of its subsidiary FULGOR SA.

b) In March 2014 the Company has been awarded by ADMIE (Independent Power Transmission Operator) the Group B project of the Tender on Cyclades Islands Interconnection with the Hellenic Electricity Transmission System (DAPM-41303/15.10.2013) totaling € 93 million. The project involves underground and submarine cable links of 150 kV between the islands Syros-Tinos, Syros-Mykonos, Syros-Paros and a 150 kV cable termination in Tinos. In addition to the supply of cables, HELLENIC CABLES undertakes the cable laying, the protection of cables in coastal areas and the necessary connections with the existing network of ADMIE. The contract will be signed after the pre-contractual audit required by the Court of Auditors. High-voltage submarine cables will be manufactured in the premises of the subsidiary FULGOR in Corinth.

* *

Athens, 26 March 2014

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 2013 TO 31 DECEMBER 2013

HELLENIC CABLES S.A.

HELLENIC CABLE INDUSTRY S.A.

No in General Register of Commerce 281701000
Address: Athens Tower, Building B, 2-4, Mesogheion Avenue, 11527, Athens
Facts and information on the period from 1 January 2013 to 31 December 2013
(According to article 135 of Law 2190/20 for companies publishing annual financial statements, individual and consolidated, in accordance with IAS/IFRS)
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. and its Group. Therefore, readers are advised, before making any investment decision or other transaction with the issuer, to refer to the issuer's website where the financial statements and the review report of the statutory auditor, if necessary, 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, Passas G.
Date of financial statements approval by the Board of Directors: March 26th, 2013
Certified Auditor: Koutsopoulos Koutsos Dimitrios (Reg. No. SOEL : 26751)
Audit firm: Deloitte - Hadjipavlou Sofianos & Kambanis S.A. (Reg. No. SOEL: E 120)
Review type: Unqualified opinion

STATEMENT OF FINANCIAL POSITION (consolidated and non-consolidated figures)

Amounts in €

	GROUP		COMPANY	
	31-Dec-2013	31-Dec-2012	31-Dec-2013	31-Dec-2012
ASSETS				
Self-used tangible fixed assets	184.310.916	148.722.702	60.419.169	70.809.530
Investment property	383.271	383.271	383.271	383.271
Intangible assets	13.366.804	10.681.176	3.155.253	494.557
Other non-current assets	3.501.021	3.716.576	57.916.391	52.650.287
Inventories	78.987.156	87.938.716	32.512.037	45.396.172
Trade receivables	54.610.857	64.420.911	87.581.952	70.197.271
Other current assets	39.755.933	24.543.906	22.701.887	17.536.814
TOTAL ASSETS	**374.915.958**	**340.407.258**	**264.669.960**	**257.467.902**
EQUITY & LIABILITIES				
Share Capital	20.977.916	20.977.916	20.977.916	20.977.916
Other equity items	61.128.852	82.023.952	56.199.244	66.499.426
Total equity of parent company's owners (a)	**82.106.768**	**103.001.868**	**77.177.160**	**87.477.342**
Minority Interest (b)	807.680	830.003	-	-
Total Equity (c)=(a) + (b)	**82.914.448**	**103.831.871**	**77.177.160**	**87.477.342**
Long-term loan liabilities	113.897.045	59.279.543	77.449.193	30.693.076
Provisions/ Other long-term liabilities	26.709.407	13.410.041	6.915.951	6.912.893
Short-term loan liabilities	83.169.094	108.470.222	33.175.794	71.093.859
Other short-term liabilities	68.225.964	55.415.581	69.951.862	61.290.732
Total liabilities (d)	**292.001.510**	**236.575.387**	**187.492.800**	**169.990.560**
TOTAL EQUITY AND LIABILITIES (c) + (d)	**374.915.958**	**340.407.258**	**264.669.960**	**257.467.902**

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

Amounts in €

	GROUP		COMPANY	
	31-Dec-2013	31-Dec-2012	31-Dec-2013	31-Dec-2012
Total equity at beginning of period (01/01/2013 & 01/01/2012 respectively)	103.831.871	116.275.305	87.477.342	94.534.143
Period earnings/(loss) after taxes	(21.054.049)	(11.193.121)	(10.651.307)	(6.916.783)
Net income posted directly to equity	139.237	(1.215.133)	351.125	(140.018)
Change in subsidiary's consolidation method	(2.611)	(35.180)	-	-
Total equity at end of period (30/09/2013 & 30/09/2012 respectively)	**82.914.448**	**103.831.871**	**77.177.160**	**87.477.342**

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:

	HOLDING Direct	Indirect	Total	Registered Office	Unaudited Years
Full consolidation method					
FULGOR S.A.	100,00%		100,00%	GREECE	2013
ICME ECAB S.A.	98,59%		98,59%	ROMANIA	2010-2013
LESCO O.O.D	99,15%	0,85%	100,00%	BULGARIA	2009-2013
GENECOS S.A.	60,00%		60,00%	FRANCE	2005-2013
LESCO ROMANIA S.A.	65,00%		65,00%	ROMANIA	2007-2013
DE LAIRE LIMITED	100,00%		100,00%	CYPRUS	2007-2012
E.D.E. S.A.	99,99%		99,99%	GREECE	2010-2013
Equity method of accounting					
STEELMET S.A.	29,56%		29,56%	GREECE	2010 & 2013
METAL AGENCIES LTD	20,00%		20,00%	ENGLAND	-
METAL GLOBE DOO	30,00%		30,00%	SERBIA	2010-2013
COPPERPROM Ltd.	40,00%		40,00%	GREECE	2003-2013

2. On 10.04.2013 the joint venture: "JOINT VENTURE NEXANS – HELLENIC CABLES – FULGOR – PUBLIC POWER CORPORATION 2009" was dissolved, which had been set up in order to participate in the restricted invitation to tender under No. 503905/22.9.2009 for the supply of cables and conductors.
3. The management of the Group reassessed the useful lives of buildings and equipment of. More details are provided in the Annual Financial Report and specifically in Note 14.
4. Prenotation of mortgage totalling € 141 million has been raised on the properties of the Group in order to secure long-term loans.
5. The Group and the Company adopted retroactively the revised version of IAS 19 "Employee Benefits" with the analysis such effect laid down in Note 13 of the interim condensed financial statements.
6. No shares of the parent company are held by Group companies.
7. The Company has not been audited by the tax authorities for the years 2009 and 2010. The tax liabilities of the Compan and Group companies will be finalized once the ordinary audits are carried out by the competent tax authorities. Management believes that the provision of € 200,000 raised on 31 December 2013 for these liabilities reflects the best possible estimate. The relevant reference is made in the Annual Financial Report and particularly in note 32.3. In addition, the Group has raised a provision of € 5.2 million and € 0.7 million for bad debts and inventories devaluation respectively.
8. The personnel employed by the Company and the Group on December 31st 2013 numbered 406 and 1,208 persons respectively while on December 31st 2012 the corresponding figure was 406 and 1,288.
9. There are no disputed cases against Group companies and, thus, no relevant provisions have been raised.
10. Cumulative income and expenses from beginning of the 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 partie within the meaning of IAS 24, are as follows:

(Amounts in €)	GROUP	COMPANY
i) Income	50.846.683	86.116.544
ii) Expenses	30.689.170	76.197.628
iii) Receivables	9.913.004	55.298.107
iv) Payables	7.574.972	33.095.486
v) Transactions with and fees for Management executives and members	1.033.743	562.875
vi) Receivables from Management executives and members	-	-
vii) Payables to Management executives and members	-	-

11. The financial statements of the group are included in the consolidated financial statements of the following companie

Corporate name	Country of registered office	Consolidation	Holding percentage
HALCOR S.A.	GREECE	FULL CONSOLIDATION	72,53%
VIOHALCO SA/NV	BELGIUM	FULL CONSOLIDATION	45,64%

12. 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-2013	31-Dec-2012	31-Dec-2013	31-Dec-2012
Foreign exchange differences	(499.055)	(961.250)	-	-
Valuation of derivatives fair value	288.546	77.172	165.447	50.050
Employee Benefits Obligations	576.986	(396.212)	317.846	(225.073)
Proportionate tax	(227.240)	65.157	(132.168)	35.005
Other total income after taxes	**139.237**	**(1.215.133)**	**351.125**	**(140.018)**

STATEMENT OF TOTAL INCOME (consolidated and non-consolidated figures)

Amounts in €

	GROUP 1-Jan-2013 31-Dec-2013	GROUP 1-Jan-2012 31-Dec-2012
Turnover	**345.345.377**	**439.343.332**
Gross profit/ (loss)	6.913.553	17.168.460
Earnings/ (loss) before taxes, financing & investment results	(7.067.313)	2.118.940
Earnings/ (loss) before taxes	**(19.610.768)**	**(13.295.560)**
Less taxes	(1.443.281)	2.102.438
Earnings/(loss) after taxes (A)	**(21.054.049)**	**(11.193.122)**
Allocated to:		
Company Shareholders	(21.051.736)	(11.218.291)
Minority Shareholders	(2.313)	25.169
Other total income after taxes (B)	139.237	(1.215.133)
Comprehensive total income after taxes (A)+(B)	(20.914.812)	(12.408.255)
Allocated to:		
Company Shareholders	(20.892.488)	(12.418.931)
Minority Shareholders	(22.324)	10.676
Basic post-tax earnings/ (loss) per share (in €)	(0,7125)	(0,3872)
Earnings/ (loss) before interest, taxes, financing, investment & depreciation	**1.103.839**	**10.705.987**

	COMPANY 1-Jan-2013 31-Dec-2013	COMPANY 1-Jan-2012 31-Dec-2012
Turnover	**259.172.354**	**363.521.879**
Gross profit/ (loss)	1.010.217	7.424.086
Earnings/ (loss) before taxes, financing & investment results	(4.984.599)	49.936
Earnings/ (loss) before taxes	**(12.376.172)**	**(8.886.544)**
Less taxes	1.724.865	1.969.761
Earnings/(loss) after taxes (A)	**(10.651.307)**	**(6.916.783)**
Allocated to:		
Company Shareholders		
Minority Shareholders		
Other total income after taxes (B)	351.125	(140.018)
Comprehensive total income after taxes (A)+(B)	(10.300.182)	(7.056.801)
Allocated to:		
Company Shareholders		
Minority Shareholders		
Basic post-tax earnings/ (loss) per share (in €)	(0,3605)	(0,2387)
Earnings/ (loss) before interest, taxes, financing, investment & depreciation	**(1.252.976)**	**3.505.645**

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

Amounts in €

	GROUP		COMPANY	
	1-Jan-2013 31-Dec-2013	1-Jan-2012 31-Dec-2012	1-Jan-2013 31-Dec-2013	1-Jan-2012 31-Dec-2012
Operating Activities				
Earnings before taxes (continuing activities)	(19.610.768)	(13.295.560)	(12.376.172)	(8.886.545)
Plus / less adjustments for:				
Depreciation and Amortization	8.421.007	9.371.483	3.981.477	4.240.144
Provisions	(718.352)	201.086	(172.153)	446.086
Results (income, expenses, profit and loss) from investment a	113.223	(582.381)	(2.003.015)	(2.200.308)
Income from Dividents	-	-	(75.200)	(217.281)
(Profit)/ Loss from Sale of Fixed Assets	(1.378.523)	(69.993)	(1.378.523)	(62.580)
Depreciation of grants	(249.855)	(784.436)	(249.855)	(784.436)
Interest charges and related expenses	12.984.601	14.580.985	10.077.494	10.416.282
Plus/less adjustments for changes in working capital accounts or accounts related to operating activities:				
Decrease/(increase) in inventories	9.104.774	3.413.648	13.194.930	52.624
Decrease/(increase) in receivables	(5.818.980)	(7.145.178)	(24.314.592)	(9.812.061)
(Decrease)/ increase in payables (less loans)	24.487.151	11.077.022	8.741.707	19.904.845
Less:				
Interest charges and related paid-up expenses	(12.079.161)	(12.228.219)	(10.305.551)	(10.489.466)
Taxes paid		(217.908)	-	-
Total inflow / (outflow) from operating activities (a)	**15.255.117**	**4.320.549**	**(14.879.453)**	**2.607.304**
Investment activities				
Acquisition of subsidiaries, affiliated companies, joint venture and other investments	(14.600)	-	(5.358.600)	(18.353.000)
Purchase of tangible and intangible assets	(52.511.342)	(14.926.842)	(1.820.807)	(3.936.230)
Proceeds from the sale of tangible and intangible assets	6.874.406	340.137	6.874.406	87.976
Interest received	101.705	222.587	2.290.857	1.690.211
Dividend received	56.400	162.961	56.400	162.961
Total inflow / (outflow) from investment activities (b)	**(45.493.431)**	**(14.201.157)**	**2.042.256**	**(20.348.082)**
Financing activities				
Proceeds from share capital increase	-	9.593.921	-	9.593.921
Proceeds from issued / received loans	96.493.930	18.176.366	76.539.000	16.769.677
Repayment of loans	(67.788.400)	(21.921.946)	(67.012.097)	(9.881.559)
Dividents Paid	(4.350)	(84)	(4.350)	(84)
Payment of financial lease payables (amortization)	(321.975)	(625.340)	-	-
Grants received	1.900.000	3.495.249	1.900.000	3.495.249
Total inflow/ (outflow) from financing activities (c)	**30.279.205**	**8.718.166**	**11.422.553**	**19.977.204**
Net increase/ (decrease) in cash and cash equivalents of the period (a) + (b) + (c)	40.891	(1.162.442)	(1.414.644)	2.236.426
Cash and cash equivalents, beginning of period	**17.696.954**	**18.983.379**	**14.798.759**	**12.562.333**
Effect of foreign exchange differences	(13.943)	(123.983)	-	-
Cash and cash equivalents, end of period	**17.723.902**	**17.696.954**	**13.384.115**	**14.798.759**

Athens, March 26th, 2014

THE CHAIRMAN OF THE BoD	A MEMBER OF THE BoD	THE CHIEF EXECUTIVE OFFICER	THE CHIEF FINANCIAL OFFICER
IOANNIS BATSOLAS	IOANNIS STAVROPOULOS	ALEXIOS ALEXIOU	IOANNIS THEONAS
AK 034042	K 221209	X 126605	AE 035000
			LICENSE No, CLASS A: 0011130

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 2013. This information is incorporated in this annual financial report by setting out the above table.

No	Description	Website	Site map
1.	Data & Information 3M 2013	http://www.cablel.gr/eco_res.php?y=2013&t=1	Home Page > Investor relations > Financial results > 2013
2.	Financial statements 3M 2013		
3.	Data & Information 6M 2013		
4.	Semi-annual Financial Report 2013		
5.	Data & Information 9M 2013		
6.	Financial statements 9M 2013		
7.	Data & Information 12M 2013		
8.	Annual Financial Report 2013		
9.	Press releases/ announcements to stock exchange during 2013	http://www.cablel.gr/eco_res.php?y=2013&t=2	Home Page > Investor relations > Announcements/ Publications > Press releases/ Announcements > 2013

Availability of Financial Statements

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

In addition, in our Company's website (www.cablel.gr) the annual financial statements, the audit reports of the chartered accountants and the reports of the Board of Directors incorporated in the Company's consolidated financial statements are available.

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.