Annual Financial Report

(1st January 2011 – 31st December 2011)

THE CHAIRMAN OF THE BOARD OF DIRECTORS	A MEMBER OF THE BOARD OF DIRECTORS	THE GENERAL MANAGER	THE FINANCIAL MANAGER OF THE GROUP
THEODOSIOS PAPAGEORGOPOULOS ID Card No. AE 135393	GEORGE PASSAS ID Card No. Φ 020251	PERIKLIS SAPOUNTZIS ID Card No. AH 582570	SPYRIDON KOKKOLIS ID Card No. X701209

HALCOR S.A.

NO. in S.A. Register 2836/06/B/86/48

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

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STATEMENTS BY MEMBERS OF THE BOARD OF DIRECTORS

(pursuant to Article 4(2) of Law 3556/20077)

The members of the Board of Directors of the company with the name HALCOR S.A. - METAL PROCESSING, trading as HALCOR S.A., whose registered offices are in Athens, at 2-4, Messoghion Avenue:

1. Theodosios Papageorgopoulos, Chairman of the Board of Directors
2. Nikolaos Koudounis, Board of Directors Member,
3. George Passas, Board of Directors Member,

in our said capacity, do hereby declare and confirm that as far as we know:

(a) the attached annual company and consolidated financial statements for the company HALCOR S.A. for the period from 1 January to 31 December 2011, which were prepared in accordance with the applicable International Financial Reporting Standards (IFRS), as adopted by the European Union, accurately present the assets, liabilities, equity and results for the period ended on 31 December 2011 for HALCOR S.A. and the entities included in the consolidation taken as a whole, in line with the provisions of Article 4(3) to (5) of Law 3556/2007; and

(b) the attached annual report of the Board of Directors of HALCOR S.A. contains the true information required by Article 4(6) to (8) of Law 3556/2007.

Athens, 26 March 2012

Confirmed by

The Chairman of the Board	The Board-appointed Member	The Board-appointed Member
THEODOSIOS PAPAGEORGOPOULOS	NIKOLAOS KOUDOUNIS	GEORGE PASSAS
ID Card No. AE 135393	ID Card No. AE 012572	ID Card No. Φ 020251

Annual Report by Board of Directors

This Annual Report of the Board of Directors set out below (hereinafter referred to for the purpose of brevity as "Report") concerns year 2011 (1 January – 31 December 2011). This report was prepared in line with the relevant provisions of Codified Law 2190/1920 as it was revised by the Law 3873/2010, the provisions of Law 3556/2007 (Government Gazette 91/A/30.4.2007) and the decisions of the Hellenic Capital Market Commission (HCMC) issued pursuant to it, and in particular Decision No. 7/448/11.10.2007 of the Board of Directors of the HCMC.

This report details financial information on the Group and Company of HALCOR S.A. - METAL PROCESSING (hereinafter referred to for the purpose of brevity as "Company" or "HALCOR") for year 2011, important events that took place during the said year and their effect on annual financial statements. It also stresses the main risks and uncertainties with which Group companies were faced and finally sets out the important transactions between the issuer and its affiliated parties.

A. **Financials - Business report - Major events**

2011 was a challenging year due to very low growth in Europe and America and the continuing recession in the Greek economy. In this difficult environment, the Group managed to increase its sales volume and gain market share. The consolidated turnover amounted to Euro 1,249 million compared to Euro 1,044 million in 2010, thus registering a 19.6% increase. This growth is due to the comparatively higher average metal prices and the increase of sales volume by 8.3%.

Metal prices rose further in 2011 and for the third consecutive year after the rapid fall of 2008, driven not by demand from emerging markets like the previous two years but due to investment moves because of the liquidity in international financial markets. Thus, the average price of copper was higher by 11.4% and stood at 6,327 euros per ton from Euro 5,681 per ton, while the average price of zinc was lower by 3.1% to Euro 1,573 per ton compared to Euro 1,623 per ton.

In terms of volumes in 2011, there were no significant changes in sales mix. So the sales of cables accounted for 42% of total sales, the sales of tubes for 25%, rolling products for 17%, copper bus bars for 10% and brass rods for 6%. However, there was a change in the product groups, with increasing industrial tubes and rolled copper products as installation products adversely affected by the economic environment.

Consolidated gross profit rose by 43.7% and stood at Euro 63.2 million compared to Euro 44 million in 2010. Consolidated earnings before interest, taxes, depreciation and amortization (EBITDA) came to Euro 49.2 million compared to Euro 32.5 million during last year increased by 51.4%, while earnings before interest and taxes (EBIT) came to Euro 23.2 million compared to Euro 4.2 million in 2010. In 2011, consolidated results (profit/loss before taxes) stood at losses of Euro 11.4 million compared to losses of Euro 16.2 million in 2010. Finally, losses after taxes and minority interests stood at Euro 15.6 million or Euro -0.1539 per share, compared to losses of Euro 13.1 million or Euro -0.1293 per share in 2010.

In addition to the higher sales volume achieved, revenues from our sales also reflect share gains in several of our markets along with improved fabrication prices and the better sales mix together contributed positively to the Group's margins. Positive contribution had yet the implementation of cost containment measures in administrative and selling expenses, resulting in a reduction of 4.3% and saving the amount of Euro 1.6 million. Respectively, negative results had the further deterioration of the domestic market with the collapse of building activity that continues for fourth consecutive year to move downwards. Another fact that has negatively affected the profitability was the higher financial costs, which amounted to Euro 35.4 million against Euro 21.1 million in 2010 as a result of increased borrowing because of the additional working capital needs and higher bank margins.

Great importance for HALCOR Group had the further reduce of working capital, mainly through the optimal management of inventory, cautious credit policy and the extension of payment terms to suppliers. So we managed to achieve positive cash flows from operating activities (€ 48.5 million) compared to negative operating cash flow of Euro 62.7 million in 2010. Also, the total Group net debt increased marginally to 483 million euros from 477 million euros the previous year as a result of the acquisition of the company FULGOR SA by our subsidiary HELLENIC CABLES SA and the resulting funding of the additional working capital of the new company.

In 2010, the Group proceeded with low investment expenditures that concerned some necessary improvements – upgrades of existing mechanical equipment. The total cost of these investments amounted to Euro 14.3 million approximately, out of which the amount of Euro 2.7 million concerned the plants of the parent company and its subsidiary FITCO SA at Inofyta focusing mainly on the Tubes Plant; Euro 3.6 million concerned the upgrade of the production units of subsidiary SOFIA MED in Bulgaria; Euro 5.5 million concerned the production facilities of HELLENIC CABLES in Greece and Euro 2.5 million referred to the cables plant of ICME ECAB in Romania.

For the subsidiary HELLENIC CABLES, in 2011 we saw the acquisition of FULGOR SA, which is expected to enhance the export orientation of the Group and will enrich the portfolio of products with high added value cables such as submarine power cables. Also it is expected positive effect on financial results from the synergies that will result in the distribution channels, the supply chain, the production and the research & development of new products.

B. Financial standing

The ratios showing the financial standing of both Group and Company evolved as follows:

RATIOS	GROUP		COMPANY	
	31/12/2011	31/12/2010	31/12/2011	31/12/2010
Liquidity Current Assets / Current Liabilities	1,00	1,03	0,88	1,06
Leverage Equity / Bank Loans	0,33	0,34	0,58	0,59
Return on Invested Capital Profit Before Taxes and Financial Expences / Equity + Bank Loans	3,5%	0,7%	1,2%	-0,5%
Return on Equity Net Profits / Equity	-11,4%	-9,1%	-10,2%	-5,4%

C. Corporate Social Responsibility and Sustainable Development

Environment

HALCOR, considering the major environmental problems that humanity is facing, seeks to actively contribute to international efforts to protect the environment, both through its responsible operation and minimizing its environmental footprint.

The protection of the environment implemented with significant investments in integrated measures to prevent pollution and to optimize production processes through the use of BAT (Best Available Techniques), established by the European Union. In the adoption of best available techniques, the production processes are assessed based on the total environmental footprint, including the consumption of electricity, water and other natural resources, not only in terms of waste.

Human Resources

One of the main advantages of HALCOR is the quality of human capital that is credited in large part for its hitherto successful course. For this reason, the company attaches great importance to the selection, evaluation and reward its staff.

HALCOR’s policy is to attract high quality individuals for optimal and timely needs, the establishment of objective evaluation and selection criteria as well as to ensure fairness and merit-based recruitment, through transparent procedures.

HALCOR within its responsible operation has established a code of values and behavior of employees. The Code is mandatory for all workers across the range of activities of the Company. This Code has been incorporated in the Bylaws of the Company and outlines the basic principles and rules governing the internal life and practices of the organization, taking into account the existing provisions under national and international legislative framework.

In the context of equal opportunities policy that is being applied, the Company desires and seeks a balanced distribution among employed men and women. However, given the nature of business, the involvement of men is increased.

Moreover, HALCOR seeks and ensures jobs and recruitment from the wider society, Viotia and Evia, supporting virtually the employment in the region.

Health & Safety

HALCOR cares of creating and maintaining a modern and safe working environment which is continuously improved reflecting the high levels of security that seeks to provide for their employees. For this reason, it maintains and implements a Management System for Safety and Health at Work, in accordance with the standards OHSAS 18001:2007 / ELOT 1801:2008.

In 2011, further steps were taken to improve the security culture while the training of employees to create a safe working environment intensified. HALCOR’s virtue is the recording and reporting of “near misses” something that is key element for improving and advancing worker safety.

D. Main risks and uncertainties

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

Credit Risk

Group exposure to credit risk is primarily affected by the features of each customer. The demographic data of the Group's clientele, including payment default risk characterising the specific market and the country in which customers are active, affect less the credit risk since no geographical concentration of credit risk is noticed. No client exceeds 10% of total sales and, consequently, commercial risk is spread over a large number of clients.

Based on the credit policy adopted by the Board of Directors, each new customer is tested separately for creditworthiness before normal payment terms are proposed. The creditworthiness test made by the Group includes the examination of bank sources. Credit limits are set for each customer, which are reviewed in accordance with current circumstances and the terms of sales and collections are readjusted, if necessary. In principal, the credit limits of customers are set on the basis of the insurance limits received for them from insurance companies and, subsequently, receivables are insured according to such limits.

When monitoring the credit risk of customers, the latter are grouped according to their credit characteristics, the maturity characteristics of their receivables and any past problems of receivability they have shown. Trade and other receivables include mainly wholesale customers of the Group. Any customers characterised 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 status, the Group demands real or other security (e.g. letters of guarantee) in order to secure its receivables, if possible.

The Group makes impairment provisions which reflect its assessment of losses from customers, other receivables and investments in securities. This provision mainly consists of impairment losses of specific receivables that are estimated based on given circumstances that they will be materialized though they have not been finalized yet.

Investments

These items are classified by the Company pursuant to the purpose for which they were acquired. The Management decides on adequate classification of the investment at the time of acquisition and reviews classification on each presentation date.

The Management estimates that there will be no payment default for such investments.

Guarantees

The Group's policy consists in not providing any financial guarantees, unless the Board of Directors decides so on an exceptional basis; The guarantees provided by Group is of low value and does not pose a significant risk.

Liquidity risk

Liquidity risk is the inability of the Group to discharge its financial obligations when they mature. The approach adopted by the Group to manage liquidity is to ensure, by holding absolutely necessary cash and adequate credit limits from cooperating banks, that it will always have adequate liquidity to cover its obligations when they mature, under normal or more difficult conditions, without there being unacceptable losses or its reputation being jeopardised. Note that on 31 December 2011, the Group had an amount of Euro 37.2 million as cash and the necessary credit lines that are approved but are not used so as to meet its short- and medium-term obligations easily.

To avoid liquidity risk the Group makes a cash flow provision for one year when preparing the annual budget as well as a monthly rolling provision for three months to ensure that it has adequate cash to cover its operating needs, including fulfilment of its financial obligations. This policy does not take into account the impact of extreme conditions which cannot be foreseen.

Market Risk

Market risk is the risk of a change in raw material prices, exchange rates and interest rates, which affect the Group's results or the value of its financial instruments. The purpose of risk management in respect of market conditions is to control Group exposure to such risks in the context of acceptable parameters while at the same time improving performance.

The Group enters into transactions involving derivative financial instruments so as to hedge a part of the risks arising from market conditions.

Fluctuation risk of metal prices (copper, zinc, other metals)

The Group bases both its purchases and sales on stock market prices/ indexes for the price of copper and other metals used and contained in its products. The risk from metal price fluctuation is covered by hedging instruments (futures 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 impairment.

Exchange rate risk

The Group is exposed to foreign exchange risk in relation to the sales and purchases carried out and the loans issued in a currency other than the functional currency of Group companies, which is mainly Euro. The currencies in which these transactions are held are mainly Euro, USD, GBP and other currencies of S/E Europe.

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. The Group enters mainly into currency forward contracts with external counterparties so as to deal with the risk of the exchange rates varying, which mainly expire within less than a year from the balance sheet date. When deemed necessary, these contracts are renewed upon expiry. As the case may be, the foreign exchange risk may be hedged by taking out loans in the respective currencies.

Loan interest is denominated in the same currency with that of cash flows, which arises from the Group's operating activities and is mostly Euro.

The investments of the Group in other subsidiaries are not hedged because these exchange positions are considered to be long-term.

Interest rate risk

The Group finances its investments and its needs for working capital from bank and bond loans with the result that interest charges reduce its results. Rising interest rates have a negative impact on results since borrowing costs for the Group rise.

Interest rate risk is mitigated since part of the Group borrowing is set at fixed rates either directly or using financial instruments (interest rate swaps).

Capital management

The Groups’ policy is to maintain a strong capital base to ensure investor, creditor and market trust in the Group and to allow Group activities to expand in the future. The Board of Directors monitors the return on capital which is defined by the Group as net results divided by total equity save non-convertible preferential shares and minority interests. The Board of Directors also monitors the level of dividends distributed to holders of common shares.

The Board of Directors tries to maintain equilibrium between higher returns that would be feasible through higher borrowing levels and the advantages and security offered by a strong and robust capital structure.

The Group does not have a specific plan for own shares purchase.

There were no changes in the approach adopted by the Group in how capital was managed during the financial year.

E. Outlook and prospects for 2012

In 2012, economic conditions are expected to remain difficult in certain key markets (Greece, Balkans), but some early signs of economic stabilization - growth in some countries of Western Europe where we operate is encouraging. Our commitment to increase competitiveness by developing new products, the reorganization of productive activities, further cost reduction and risk management is paying off with significant benefits for our future development. Despite the uncertainty about the move of metal prices and developments in foreign markets, we are cautiously optimistic about the progress of the Group's financial results in 2012.

Despite economic challenges, the Group has set as its main strategic objective of maintaining market shares in Western and S/E Europe and strengthening its business in new markets where it was not operated until now. In current year as well, the optimal management of working capital and net debt reduction are the main priorities.

F. Important transactions with related parties

Transactions with affiliated parties mainly concern purchases, sales and processing of copper and zinc products (finished and semi-finished). Through such transactions, the companies take advantage of the Group's size and attain economies of scale.

Transactions between affiliated parties within the meaning of IAS 24 are broken down as follows:

Transactions of the parent company with subsidiaries (amounts in thousand Euros)

Company	Sales of Goods, Services & Fixed assets	Purchases of Goods, Services & Fixed assets	Receivables	Payables
HELLENIC CABLES GROUP	50.651	18.381	726	1.951
STEELMET GROUP	1	1.758	0	198
SOFIA MED	76.861	2.099	44.575	-
FITCO	19.850	3.277	1.030	0
METAL AGENCIES	44.520	72	6.291	33
OTHER SUBSIDIARIES	359	447	1.488	163
TOTAL SUBSIDIARIES	**192.242**	**26.034**	**54.110**	**2.345**

HELLENIC CABLES S.A. buys from HALCOR considerable quantities of wire rod for cable production. In its turn, it sells copper scrap to HALCOR from the products returned during its production process.

STEELMET S.A. provides HALCOR with administration and organization services.

SOFIA MED SA buys from HALCOR semi-finished products of copper and copper alloys, depending on its needs. HALCOR provides technical, administrative and commercial support services to SOFIA MED.

FITCO SA buys from HALCOR raw materials. HALCOR processes FITCO’s materials and deliver back semi-finished products. It also provides FITCO with administrative support services.

METAL AGENCIES LTD acts as merchant - central distributor of HALCOR Group in Great Britain.

Transactions of the parent company with other affiliated companies (amounts in thousand Euros)

Company	Sales of Goods, Services & Fixed assets	Purchases of Goods, Services & Fixed assets	Receivables	Payables
MKC GMBH	29.923	206	7.733	34
STEELMET ROMANIA SA	13.437	67	408	67
TEKA SYSTEMS SA	38	590	6	187
ANAMET SA	3.997	12.522	436	82
VIEXAL SA	-	360	-	15
CPW AMERICA SA	125	-	125	-
VIOHALCO SA	91	523	17	-
TEPRO METAL AG	-	151	-	58
ETEM SA	-	8	-	2
ELVAL SA	404	2.028	109	185
SIDENOR SA	39	6	28	2
CPW SA	-	45	-	-
SYMETAL	13	12	3	11
STOMANA	-	28	-	2
STEELMET BULGARIA	-	-	-	-
COPPERVALIUS	12.964	19	1.587	-
OTHER AFFILIATED	384	997	746	303
TOTAL AFFILIATED	**61.415**	**17.560**	**11.199**	**947**

MKC GMBH trades HALCOR products in the German market.

STEELMET ROMANIA trades HALCOR products in the Romanian market.

TEKA SYSTEMS S.A. undertakes to carry out certain industrial constructions on behalf of HALCOR and provides consulting services in IT issues and SAP support and upgrade.

ANAMET S.A. provides HALCOR with considerable quantities of copper and brass scrap.

VIEXAL SA provides HALCOR with travelling services.

CPW AMERICA CO trades HALCOR products in the American market.

VIOHALCO S.A. provides HALCOR with buildings - industrial premises for renting.

TEPRO METALL AG trades (through its subsidiary MKC) HALCOR products and represents the latter in the German market.

COPPERVALIUS S.A. provides HALCOR with considerable quantities of copper and brass scrap.

Transactions of HALCOR Group with other affiliated companies (amounts in thousand Euros)

Company	Sales of Goods, Services & Fixed assets	Purchases of Goods, Services & Fixed assets	Receivables	Payables
MKC GMBH	76.630	239	13.355	35
STEELMET ROMANIA SA	18.968	97	508	68
TEKA SYSTEMS SA	39	1.491	68	514
ANAMET SA	4.309	14.234	534	82
VIEXAL SA	5	1.306	-	89
CPW SA	524	-	507	-
VIOHALCO SA	395	828	21	-
TEPRO METAL AG	381	430	-	192
ETEM SA	518	136	433	129
ELVAL SA	6.834	10.209	1.653	3.182
SIDENOR SA	2.281	1.726	492	1.334
CORINTH PIPEWORKS SA	730	712	371	248
SYMETAL SA	318	10.098	93	1.972
STOMANA SA	1.721	3.354	473	958
STEELMET BULGARIA SA	3.158	4	537	194
COPPERVALIUS SA	28.637	97.742	1.832	451
OTHER AFFILIATED	3.539	6.569	2.110	3.172
TOTAL AFFILIATED	**148.987**	**149.178**	**22.986**	**12.621**

Fees of Executives and Board members (amounts in thousand Euro)

The table below sets out the fees paid to executives and members of the Board of Directors:

	Group	**Company**
Total fees of management executives & Board members	3,720	1,758

G. Subsequent events

On February 7, 2012 it was certified the payment of the share capital increase of subsidiary HELLENIC CABLES SA, which was decided by the Extraordinary General Meeting on September 7, 2011. The funds that were raised amounted to Euro 9,593,921. The same day the 100% subsidiary of HELLENIC CABLES SA named FULGOR SA increased its share capital by Euro 9,600,000, which covered by HELLENIC CABLES, as a result of debts settlement with FULGOR's banks.

On March 3, 2012 completed the capital increase of HELLENIC CABLES with approval from the Board of Directors of the ATHEX on import of 2,320,000 shares. The share capital of HELLENIC CABLES amounts to Euro 20,977,915.60 and the total voting rights amounted to 29,546,360, resulting from an equal number of common registered shares of nominal value Euro 0.71 each.

BOARD OF DIRECTORS' EXPLANATORY REPORT

(Article 4(7) and (8) of Law 3556/2007)

a) Structure of share capital

Company share capital stands at Euro 38,486,258 divided into 101,279,627 common unregistered shares with a nominal value of Euro 0.38 each. All shares are traded on the ATHEX Equities Market in the Large Cap category. Company shares are unregistered, dematerialised shares incorporating voting rights.

According to the Company's Articles of Associations, the rights and obligations of shareholders are as follows:

- Right to obtain a dividend from the Company's annual profits. The dividend to which each share is entitled shall be paid to the shareholder within two (2) months from the date of approval by the General Meeting of the financial statements. The right to collect a divided shall be deleted after the elapse of 5 years from the end of the year in which the General Meeting approved distribution.
- Option in each share capital increase and right to subscribe new shares.
- Right to participate in the General Meeting of Shareholders.
- Ownership of shares automatically entails acceptance of the Company's Articles of Association and the decisions of its bodies taken in accordance with the law.
- Company shares are indivisible and the Company only recognises one owner of each share. All co-owners of a share by entirety as well as those having the usufruct or bare ownership are represented in the General Meeting by a single person that is appointed by the same following agreement. In case of disagreement the share of the aforementioned owners is not represented.
- Shareholder liability is limited to the nominal value of each share they hold.

b) Restrictions on the transfer of Company shares

Company shares may be transferred in the manner laid down by law and there are no restrictions on their transfer contained in the Articles of Association.

c) Major direct or indirect holdings within the meaning of Articles 9 to 11 of Law 3556/2007

The major holdings (over 5%) known on 31 December 2011 were as follows:

- VIOHALCO S.A. 60.10 % of voting rights of which it directly holds 53.55 % of share capital
- Mr. Evangelos Stasinopoulos: 9.33% of voting rights (to which the 7.37% holding of WHEATLAND HOLDINGS LTD has been added).
- WHEATLAND HOLDINGS LTD: 7.37% of the share capital

d) Shares granting special rights of control

There are no shares in the Company granting their holders special rights of control.

e) Restrictions on voting rights

The Company's Articles of Association contain no restrictions on voting rights deriving from its shares. The rules in the Company's Articles of Association which regulate issues on the exercise of voting rights are contained in Article 24 of the Articles of Association and stipulate:

- Each share entitles its holder to one vote at the General Meeting.
- In order to obtain a right to attend a General Assembly, shareholders are obliged at least 3 days before the date of the meeting to present a certificate from the Central Securities Depository (Athens) to the company's offices on the number of shares entered in their name, with a date of registration at the start of fifth date before the date of the General Assembly. They shall also submit powers of attorney for their representatives to the Company's offices within the same deadline of 3 days.

f) Agreements between Company shareholders

The Company is not aware of the existence of agreements between its shareholders which entail restrictions on the transfer of its shares or the exercise of voting rights deriving from its shares.

g) Rules on the appointment and replacement of Board members and amendment of the Articles of Association

The rules contained in the Company's Articles of Association on appointment and replacement of members of the Board of Directors and amendment of the provisions of the latter are not different from those contained in Codified Law (C.L.) 2190/1920.

h) Powers of the Board of Directors to issue new shares or purchase own shares

- Article 6(1) of the Company's Articles of Association states that only the General Shareholders Meeting with a 2/3 quorum of the paid-up share capital has the right to decide on a share capital increase of the Company with the issuance of new shares, such decision requiring the 2/3 of represented voting rights.

- The Articles of Association of the Company do not allow the transfer to the Board of Directors or to some of its members of any right falling under the competence of the General Meeting regarding the issuance of shares and share capital increase.

- The Board of Directors may acquire own shares in implementation of a decision of the General Meeting taken under Article 16(5) to (13) of C.L. 2190/20.

- In pursuance of Article 13(9) of C.L. 2190/1920 and a decision of the General shareholders Meeting made on 20 June 2002, during the month of December of years 2006-2013 the Board of Directors of the Company shall increase the Company's share capital without amending its Articles of Association by issuing new shares in the context of implementation of an approved Stock Option Plan, details of which are laid down in Note 18.

i) Major agreements which take effect have been amended or expire in the case of change in control

The bank loans of both the Company and HALCOR Group, taken out fully by Banks and set out in Note 17 of the Annual Financial Report (Group: Euro 181.9 million on a long-term basis and Euro 213.3 million on a short-term basis and Company: Euro 88.7 million long-term and Euro 135.9 million short-term) include clauses of change in control granting lenders the right to early terminate them.

There are no other major agreements which take effect, have been amended or expire in the case of change in control of the Company.

j) Agreements with Board of Directors members or Company staff

There are no agreements between the Company and members of the Board of Directors or staff which provide for the payment of remuneration specifically in the case of resignation or dismissal without just cause or termination of service or employment.

CORPORATE GOVERNANCE STATEMENT

This statement has been prepared in accordance with the provisions of Law 3873/10. Specifically, as those referred to in Article 2 of Law 3873/2010, note the following:

Corporate Governance Code

The Company has adopted the practices of Corporate Governance as for its management and operation, as these are specified under the applicable institutional framework and the Corporate Governance Code recently published by the Hellenic Federation of Enterprises (SEV) (hereinafter the "code") and available on the following website:

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

In the context of preparation of the Annual 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 which are set out and described in the Corporate Governance Code of SEV, save the following practices due to the recent publication of the Code, which requires an adjustment phase:

- **Part A.2 2.2, 2.3 & 2.5: Size and composition of the Board.** The independent non-executive members of the current Board of Directors are two (2) out of eleven (11) and therefore, their number is less than the one third of all its members, as indicated in the Code. An independent non-executive member has served on the Board for more than 12 years from the date of the first election. There was judged, at this juncture, that the enlargement of the number of independent members or the limitation of the service member would not improve the efficient operation of the company.
- **Part A.3 3.3: Role and qualities required from the President of the Board.** The Vice President of this Board has not the status of independent non-executive member, although the President is an executive member. There was judged, at this juncture, that the status of an independent member in the person of Vice President beyond the aforementioned status as non-executive, would not provide more guarantees in the efficient operation of the company.
- **Part A.5 5.5: Nomination of Board members.** There was no committee to nominate members until the time this Statement was drafted for the same reasons as above.
- **Part A.7 7.1. – 7.3: Evaluation of Board of Directors and its Committees.** Until the time this Statement was drafted, the Company had not chosen any specific method to evaluate the effectiveness of the Board of Directors and its Committees.
- **Part C.1 1.6: Level and structure of remuneration.** Until the time this Statement was drafted, there was no Remuneration Committee. The matter will be reviewed shortly.

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.

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

i. **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 operation of the Company, its compliance with the requirements of supervisory authorities, risk management and preparation of financial reports.

The Internal Audit Department 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 a service to the 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 "HALCOR S.A.-METAL PROCESSING" 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 and 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 respectively 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. recorded procedures, access, approvals, agreements, etc) and f) safeguarding the data provided by information systems.

The internal reports to Management and the reports required under 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 subsidiary companies, and secures the reconciliation of individual transactions and the implementation of the same accounting principles by the aforementioned companies.

ii. 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.

iii. Provision of non-audit services to the Company by its legal auditors and evaluation of the effect this fact may have on the objectivity and effectiveness of mandatory audit, taking also into consideration the provisions of Law 3693/2008.

The statutory auditors of the Company for the fiscal year 2010, i.e. "KPMG Certified Auditors A.E.", who have been elected by the Ordinary General Meeting of the Company's Shareholders on 17 June 2010, do not provide non-audit services to the Company and its subsidiaries apart from those prescribed under law.

Public takeover offers - 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 takes part in such a procedure, this will take place in accordance to applicable laws.

General Meeting of the Shareholders and rights of shareholders

The General Meeting is convened and operates in compliance with the provisions 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 in regard to the exercise of 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 can be exercised.

Composition and operation of the Board of Directors, the Supervisory Bodies and the Committees of the Company

<u>Roles and responsibilities of the Board of Directors</u>

The Company's Board of Directors is responsible for the long-term strategy and operational goals of the Company and generally for the control and decision-making within the framework of the provisions of Codified Law 2190/1920 and the Articles of Association, and for 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:

- Supervision and monitoring of Company operations as well as control of attainment of business goals and long-term plans;
- Formulation and specification 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 situations of conflict of interests and examines any incidents or cases of deviation from the confidential information policy;
- Ensuring the reliability and approval of the Company's Financial Statements prior to their final approval by the Ordinary General Meeting;
- Securing the execution of its business activity on a daily basis through a special authorization system, while other affairs falling under its scope of responsibility are implemented under special decisions.
- The secretary of the Board of Directors is appointed for each Board of Directors and his main responsibilities are to support the Chairman and the operation of the Board in general.

The existing Board of Directors of the Company consists of 11 members of whom:

- 5 are executive members (Chairman, Vice-Chairman & 3 Members)
- 4 are non-executive members (Other Members)
- 2 are independent, non-executive members (Other Members)

The current Board of Directors of HALCOR S.A.-METAL PROCESSING consists of the following:

- Theodossios Papageoprgopoulos, Chairman, executive member
- Nikolaos Koudounis, Vice Chairman, executive member
- Perikles Sapountzis, executive member
- Eftyhios Kotsambasakis, executive member
- Tassos Kassapoglou, executive member
- Georgios Passas, non-executive member
- Konstantinos Bakouris, non-executive member
- Christos – Alexis Komninos, non-executive member
- Andreas Katsanos, non-executive member
- Andreas Kyriazis, independent non-executive member
- Nikolaos Galetas, independent non-executive member

The members of the Board are elected for a one-year term by the General Meeting of the Shareholders. The existing Board of Directors of the Company was elected by the Ordinary General Meeting on 16 June 2011 and its term of office shall expire on 15 June 2012.

The Board of Directors met 54 times during 2011 with all members attended.

Audit Committee

i. Description of the composition, operation, work, responsibilities and of the issues discussed during Committee meetings

The Audit Committee, which is elected and operates according to Law 3693/2008 (Article 37), consists of three non-executive members of the Board of Directors, one of which 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 fulfil 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 effectively implement 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 they manage 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 programme 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 scope;
    - to confirm the accuracy of reports;
    - to examine the adequacy of documentation of the results.

The Audit Committee receives the following reports on audit activity:

- Extraordinary reports
- Quarterly financial audit reports
- Ordinary annual audit reports
- Corporate Governance Reports

The Audit Committee examines and ensures the independence of the Company's external auditors and takes cognisance 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 its Operation Regulation, 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:

Members: Andreas Kyriazis: independent non-executive member of the Board.

Georgios Passas: non-executive member of the Board

Andreas Katsanos: non-Executive member of the Board

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

The Audit Committee met 4 times during 2011 having full quorum but was not attended by the statutory auditors as prescribed under the Code.

iii. 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 Board's Committee. Company Management will establish such procedures in the future.

CURRICULUM VITAE OF THE BOARD MEMBERS

Theodossios Papageorgopoulos, Chairman (Executive Member)

Mr. Papageorgopoulos is a graduate of Athens University of Economics and Business. He has been working for VIOHALCO GROUP since 1962 and has served as General Manager in HALCOR SA from 1973 to 2004. Between 2004 and this date is the Chairman of the Board of HALCOR SA.

Nikolaos Koudounis, Vice-Chairman (Executive Member)

Mr. Koudounis is a graduate of Athens University of Economics and Business. He has been working for VIOHALCO Group since 1968 and he has been the Financial Manager of ELVAL SA (1983), General Manager of ELVAL SA (2000) and Managing Director of FITCO SA (2004). He already participates as an executive director in the Boards of ELVAL SA, HALCOR SA, DIA.VI.PE.THI.V SA (Chairman of BoD), FITCO SA (Chairman of BoD) and other Group companies. He is also the Chairman of the Board of Viotia Association of Industries.

Perikles Sapountzis, (Executive Member)

Mr. Sapountzis is a Chemical Engineer, graduated from the University of Munich and has also a PhD (TUM). He has been working for VIOHALCO Group since 1995 when hired as a sales manager in HELLENIC CABLES SA. From 1997 to 2000 he was Commercial Director of TEPRO METALL AG. In 2000 he became General Manager of ICME ECAB SA and in 2004 took the same position in the parent company HELLENIC CABLES SA. Between 2008 and currently holds the position of General Director and Board Member of HALCOR SA.

Tassos Kassapoglou, (Executive Member)

Graduate Engineer - Electrical Engineer of National Technical University of Athens. He has been working for VIOHALCO Group since 1972. He was Production Manager of HELLENIC CABLES SA. From 1981 until 2001, he served as Technical Director at the tubes plant of HALCOR SA. From 2002 until early 2004 he served as General Manager of SOFIA MED. From 2004 to 2005 he was Production Manager for all HALCOR's plants.

Eftyhios Kotsambasakis, (Executive Member)

Mr. Kotsampasakis holds the position of Administrative Director of HALCOR SA. He has been working for VIOHALCO Group since 1965. He serves on the Board of DIA.VI.PE.THIV. SA as a Vice-President and is treasurer of the Federation of Industries of Viotia.

Andreas Katsanos, (Non-executive Member)

Mr. Katsanos is a graduate of Piraeus University of Economics and Business and has been working for VIOHALCO Group since 1960. He was senior officer in various group companies while from 1978 to 1980 he held the position of General Manager in the company VOIOTIAS CABLES SA Between 1989 and now is Director of the metals department of VIOHALCO Group. Mr. Katsanos was instrumental in the adoption and implementation in Greece, from the Bank of Greece, the HEDGING process (hedging of metal price volatility), through the London Metal Exchange (LME). He is also on the Board of HELLENIC CABLES SA

Georgios Passas, (Non-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.

Konstantinos Bakouris, (Non-executive Member)

Mr. Konstantinos Bakouris is member on the Boards of ELVAL and HALCOR. Mr. Bakouris has been the Chairman of Corinth Pipeworks since 2005. He started his career in 1968 in ESSO PAPPAS. Two years later he became Financial Manager of UNION CARBIDE in Athens and six years later he became Managing Director. In 1985 he took over the responsibility for the company's consumer products as Europe Vice-chairman. In 1986 he was elected Chairman of RALSTON PURINA for Europe. In 1998 he returned to Greece as Managing Director of the Olympic Games Organizational Committee “Athens 2004”. From 2001 to 2002 he was the Chairman of the Hellenic Centre for Investment (EKE). From 2004 to 2008 he also served as Chairman of NET MED N.V., the parent company of NOVA subscribers’ television. He is Chairman of International Transparency Hellas and Chairman of the Greek-Russian Business Council. He has a MBA from DE PAUL University in Chicago.

Christos - Alexis Komninos, (Non-executive Member)

Mr. Christos Komninos was born in Istanbul in 1943.

In 1971 he graduated from Istanbul Technical University (I.T.U.) with a degree in Chemical Engineering (MSc).

In 1972 he moved to Greece and joined the COCA-COLA 3E, which held various positions until 1987. From 1987 to 1990 he served as CEO of the Company «Coca-Cola Bottlers Ireland» (a subsidiary of COCA COLA 3E). In 1990 he returned to Greece and in 1995 was appointed as Chief Executive Officer, a position he held until 2000. From 2000 to 2004 he served as president and CEO of PAPASTRATOS SA. After the acquisition of PAPASTRATOS SA by PHILIP MORRIS SA, he participated as a volunteer in the Olympic Games Organizing Committee "Athens 2004" as Head of the Opening and Closing Ceremonies of the 28th Olympiad. From 2005 to 2010 he held the position of Executive Vice President of the Company SHELMAN SA and ELMAR SA.

He speaks English, French, Italian and Turkish.

Andreas Kyriazis, (Independent non-executive member)

Mr. 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. Galetas is a graduate of the Theological School of Athens University with additional studies at Technische Hochschule Wien while he is also a graduate engineer of the School of Electrical Engineering of the National Technical University of Athens. During his long career, Mr. Galetas took over managerial positions in ETBA (Greek Bank for Industrial Development) in CPC (Planning and Development Company) and in the National Investment (National Bank for Industrial Development) where he served as General Manager. He has also served as Senior Advisor to the National Investment and EFG EUROBANK PROPERTIES SA, and was a board member to numerous companies including EFG EUROBANK PROPERTIES AEAAP and ERT (vice president), and various subsidiaries of National Investment Group which was appointed as Chairman of the Board during the years of his career to this organization. In addition in 1990-92 offered advice to the Ministers of Interior, Agriculture and Co-ordination. Mr. Galetas is also member of the Board of Directors in several companies of VIOHALCO Group.

The Chairman of the Board

of HALCOR S.A.

Theodosios Papageorgopoulos

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Independent Auditor's Report

To the shareholders of
HALCOR S.A.-METAL PROCESSING

Report on the Financial Statements

We have audited the accompanying stand-alone and consolidated financial statements of HALCOR METAL WORKS S.A. (the "Company") which comprise the stand-alone and consolidated statement of financial position as of 31 December 2011 and the stand-alone and consolidated statements of income and comprehensive income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the stand-alone and consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these stand-alone and consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union, and for such internal control as management determines is necessary to enable the preparation of 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 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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the stand-alone 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 stand-alone and consolidated the 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 stand-alone and consolidated financial statements give a true and fair view of the financial position of HALCOR METAL WORKS S.A. as of 31 December 2011 and of its financial performance and its cash flows for the year then ended, in accordance with International Financial Reporting Standards as adopted by the European Union.

Report on Other Legal and Regulatory Requirements

(a) The Board of Directors' Report includes a corporate governance statement, which provides the information set by paragraph 3d of article 43a of C.L. 2190/1920.

(b) We verified that the contents of the Board of Directors' Report are consistent and correspond with the accompanying stand-alone and consolidated financial statements within the scope set by articles 37, 43a and 108 of C.L. 2190/1920

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153 42 Aghia Paraskevi
Greece
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KPMG Certified Auditors A.E.

Athens, 27 March 2012

Harry Sirounis, Certified Auditor Accountant
AM SOEL 19071

Statement of Financial Position

(Amounts in euro)	note	GROUP 2011	GROUP 2010	COMPANY 2011	COMPANY 2010
ASSETS					
Non-current assets					
Property, plant and equipment	5	361.033.315	316.958.739	101.764.822	107.305.309
Intangible assets	6	11.283.122	652.245	166.037	186.079
Investment property	7	2.270.174	2.152.565	-	-
Investments in subsidiaries	8	-	-	145.168.578	144.260.438
Investments in affiliates	8	6.532.458	6.082.122	4.264.104	4.264.104
Financial assets available for sale	9	4.653.923	4.302.923	4.198.664	3.847.664
Other receivables	12	1.529.565	1.227.938	890.037	522.497
Deferred tax claims	10	6.156.760	6.259.224	-	-
		393.459.318	**337.635.756**	**256.452.242**	**260.386.090**
Current assets					
Inventories	11	234.740.290	222.506.376	67.694.501	77.259.197
Trade and other receivables	12	154.743.276	212.053.463	82.167.756	108.343.287
Derivatives	13	2.756.164	3.954.232	1.932.554	1.586.132
Financial assets at fair value through the profit and loss statement		8.231	8.231	-	-
Cash and cash equivalents	14	37.199.549	17.367.950	14.359.870	2.403.946
		429.447.510	**455.890.252**	**166.154.681**	**189.592.561**
Total assets		**822.906.828**	**793.526.008**	**422.606.923**	**449.978.651**
EQUITY					
Equity attributable to Shareholders of the Company					
Share capital	15	38.486.258	38.486.258	38.486.258	38.486.258
Share premium account		67.138.064	67.138.064	67.138.064	67.138.064
Foreign Exchange differences from the consolidation of foreign subsidiaries	16	(5.965.598)	(6.745.005)	-	-
Other reserves	16	75.729.363	68.943.907	69.468.336	64.848.784
Profit carried forward		(39.162.326)	(24.255.348)	(40.595.287)	(26.867.756)
Total		**136.225.762**	**143.567.876**	**134.497.371**	**143.605.350**
Minority interest		33.921.928	24.477.764	-	-
Total equity		**170.147.690**	**168.045.640**	**134.497.371**	**143.605.350**
LIABILITIES					
Long-term liabilities					
Loans	17	190.473.591	156.060.632	88.722.370	113.889.035
Financial Leasing liabilities	17	438.273	-	-	-
Derivatives	13	472.708	822.379	472.708	822.379
Deferred income tax liabilities	10	19.333.458	9.532.996	6.969.440	3.091.437
Personell retirement benefits payable	18	6.009.292	4.721.658	2.083.096	2.059.252
Government Grants	19	4.243.993	2.902.907	1.925.184	2.034.225
Provisions	20	565.364	7.135.819	90.000	6.327.610
		221.536.679	**181.176.391**	**100.262.797**	**128.223.937**
Short-term liabilities					
Suppliers and other liabilities	21	94.701.903	89.310.765	41.930.890	42.195.311
Current tax liabilities		4.901.204	5.189.059	316.404	299.193
Loans	17	329.413.482	338.157.544	144.683.798	128.584.417
Financial Leasing liabilities	17	675.683	-	-	-
Derivatives	13	1.530.187	11.556.609	915.662	6.980.443
Provisions	20	-	90.000	-	90.000
		431.222.459	**444.303.977**	**187.846.754**	**178.149.364**
Total liabilities		**652.759.138**	**625.480.368**	**288.109.552**	**306.373.301**
Total equity and liabilities		**822.906.828**	**793.526.008**	**422.606.923**	**449.978.651**

The notes on pages 5 to 55 constitute an integral part of these Financial Statements (Individual and Consolidated).

Income Statement

Amounts in euro	Note	GROUP 2011	GROUP 2010	COMPANY 2011	COMPANY 2010
Sales	4	**1.249.316.534**	**1.044.311.599**	**585.704.872**	**517.612.690**
Cost of goods sold	22	(1.186.131.448)	(1.000.336.697)	(563.392.040)	(505.258.195)
Gross profit		**63.185.087**	**43.974.902**	**22.312.833**	**12.354.495**
Other operating income	25	14.792.055	10.073.419	5.177.084	5.266.911
Selling expenses	22	(14.881.853)	(15.904.289)	(5.774.130)	(7.063.883)
Administrative expenses	22	(21.839.255)	(22.465.250)	(9.561.055)	(10.146.485)
Other operating expenses	25	(18.107.740)	(11.526.114)	(7.602.983)	(2.826.784)
Operating results		**23.148.295**	**4.152.668**	**4.551.749**	**(2.415.746)**
Finance income	23	322.100	524.078	36.760	88.469
Finance expenses	23	(35.440.976)	(21.127.879)	(15.874.871)	(9.991.415)
Dividends	25	5.226	5.383	5.226	624.984
Financial result		**(35.113.651)**	**(20.598.419)**	**(15.832.886)**	**(9.277.962)**
Share of profit/loss of associates	25	614.403	196.625	-	-
Profit before income tax		**(11.350.953)**	**(16.249.126)**	**(11.281.137)**	**(11.693.708)**
Income tax expenes	24	(3.278.319)	3.190.978	(2.446.395)	3.922.933
Net profit for the period from continued operations		**(14.629.272)**	**(13.058.148)**	**(13.727.531)**	**(7.770.775)**
Attributable to:					
Shareholders of the Parent		(15.582.587)	(13.097.239)	(13.727.531)	(7.770.775)
Minority interest		953.315	39.091	-	-
		(14.629.272)	**(13.058.148)**	**(13.727.531)**	**(7.770.775)**
Earnings per share that attributed to the Shareholders of the Parent for the year (amounts in € per share)					
Basic and diluted profit/loss per share	30	(0,1539)	(0,1293)	(0,1355)	(0,0767)

Statement of Comprehensive Income

(Amounts in euro)	GROUP 2011	GROUP 2010	COMPANY 2011	COMPANY 2010
Profit / (Loss) of the year from continuing operations	**(14.629.272)**	**(13.058.148)**	**(13.727.531)**	**(7.770.775)**
Foreign currency translation differences	385.765	(1.204.674)	-	-
Gain / (Loss) of changes in fair value of cash flow hedging	8.568.982	(2.681.324)	6.051.683	(2.282.173)
Income tax on income and expense recognised directly in equity	(1.615.088)	692.022	(1.432.131)	515.095
Other comprehensive income / (expense) after taxes	**7.339.660**	**(3.193.975)**	**4.619.552**	**(1.767.078)**
Total comprehensive income / (expense) after tax	**(7.289.613)**	**(16.252.123)**	**(9.107.979)**	**(9.537.853)**
Attributable to:				
Equity holders of the parent company	(7.921.271)	(16.250.569)	(9.107.979)	(9.537.853)
Minority interests	631.658	(1.554)	-	-
Total comprehensive income / (expense) after tax	**(7.289.613)**	**(16.252.123)**	**(9.107.979)**	**(9.537.853)**

The notes on pages 5 to 55 constitute an integral part of these Financial Statements (Individual and Consolidated).

Statement of Changes in Equity

(Amounts in euro)	Share capital	Share premium reserves	Fair value reserves	Other reserves	Results carried forward	Foreign exchange differences	Total	Minority interest	Total Equity
GROUP									
Balance as of January 1, 2010	**38.486.258**	**67.138.064**	**(2.718.093)**	**74.093.267**	**(10.780.117)**	**(5.855.150)**	**160.364.229**	**24.510.911**	**184.875.140**
Foreign exchange differences	-	-	-	-	(29.320)	(889.855)	(919.175)	(285.498)	**(1.204.674)**
Hedging result minus tax	-	-	(2.234.155)	-	-	-	(2.234.155)	244.853	**(1.989.302)**
Net profit/(loss) for the period	-	-	-	-	(13.097.239)	-	(13.097.239)	39.091	**(13.058.148)**
Total recognised net profit for the year	-	-	(2.234.155)	-	(13.126.559)	(889.855)	(16.250.569)	(1.554)	**(16.252.123)**
Acquisition of company	-	-	-	-	(396.260)	-	(396.260)	957.136	**560.876**
Increase / (decrease) of participation in subsidiaries	-	-	-	-	(143.805)	-	(143.805)	-	**(143.805)**
Transfer to subsidiary due to demerger	-	-	-	(203.518)	203.518	-	-	-	-
Transfer of reserves	-	-	-	6.406	(12.125)	-	(5.719)	5.719	-
Profit distribution	-	-	-	-	-	-	-	(994.448)	**(994.448)**
	-	-	-	(197.112)	(348.672)	-	(545.784)	(31.593)	**(577.377)**
Balance as of December 31, 2010	**38.486.258**	**67.138.064**	**(4.952.248)**	**73.896.155**	**(24.255.348)**	**(6.745.005)**	**143.567.876**	**24.477.763**	**168.045.640**
Balance as of January 1, 2011	**38.486.258**	**67.138.064**	**(4.952.248)**	**73.896.155**	**(24.255.348)**	**(6.745.005)**	**143.567.876**	**24.477.763**	**168.045.640**
Foreign exchange differences	-	-	-	-	(196.431)	779.407	582.976	(197.210)	**385.765**
Hedging result minus tax	-	-	7.078.341	-	-	-	7.078.341	(124.447)	**6.953.894**
Net loss for the period	-	-	-	-	(15.582.587)	-	(15.582.587)	953.315	**(14.629.272)**
Total recognised net profit for the year	-	-	7.078.341	-	(15.779.019)	779.407	(7.921.271)	631.658	**(7.289.613)**
Capitalization	-	-	-	(19.276)	19.276	-	-	-	-
Absorption of subsidiary	-	-	-	-	976.531	-	976.531	-	**976.531**
Acquisition of company	-	-	-	-	-	-	-	18.000	**18.000**
Increase / (decrease) of participation in subsidiaries	-	-	-	(397.375)	-	-	(397.375)	8.794.506	**8.397.132**
	-	-	-	(416.650)	995.807	-	579.157	8.812.506	**9.391.663**
Balance as of December 31, 2011	**38.486.258**	**67.138.064**	**2.126.093**	**73.479.504**	**(39.038.560)**	**(5.965.598)**	**136.225.762**	**33.921.928**	**170.147.690**

(Amounts in euro)	Share capital	Share premium reserves	Fair value reserves	Other reserves	Results carried forward	Total Equity
COMPANY						
Balance as of January 1, 2010	**38.486.258**	**67.138.064**	**(2.447.019)**	**69.265.032**	**(9.915.155)**	**162.527.180**
Hedging result minus tax	-	-	(1.767.078)	-	-	**(1.767.078)**
Net profit for the period	-	-	-	-	(7.770.775)	**(7.770.775)**
Total recognised net profit for the year	-	-	(1.767.078)	-	(7.770.775)	**(9.537.853)**
Transfer to subsidiary due to demerger	-	-	-	(202.150)	(9.181.826)	**(9.383.977)**
	-	-	-	(202.150)	(9.181.826)	**(9.383.977)**
Balance as of December 31, 2010	**38.486.258**	**67.138.064**	**(4.214.097)**	**69.062.881**	**(26.867.756)**	**143.605.350**
Balance as of January 1, 2011	**38.486.258**	**67.138.064**	**(4.214.097)**	**69.062.881**	**(26.867.756)**	**143.605.350**
Hedging result minus tax	-	-	4.619.552	-	-	**4.619.552**
Net loss for the period	-	-	-	-	(13.727.531)	**(13.727.531)**
Total recognised net loss for the year	-	-	4.619.552	-	(13.727.531)	**(9.107.979)**
Balance as of December 31, 2011	**38.486.258**	**67.138.064**	**405.454**	**69.062.881**	**(40.595.287)**	**134.497.371**

The notes on pages 5 to 55 constitute an integral part of these Financial Statements (Individual and Consolidated).

Statement of Cash Flow

	GROUP		COMPANY	
Amounts in euro	**2011**	**2010**	**2011**	**2010**
Cash flows from operating activities				
Profit / (loss) before taxes	(11.350.953)	(16.249.126)	(11.281.137)	(11.693.708)
Adjustments for:				
Depreciation of tangible assets	26.290.250	28.191.368	7.914.295	10.507.989
Depreciation of intangible assets	476.524	581.836	119.687	146.818
Depreciation of grants	(746.320)	(450.227)	(251.699)	(299.967)
Provisions	(217.948)	293.394	(6.368.363)	(207.465)
Investing activities result (income, expenses, profits and losses)	(941.728)	(778.810)	(41.986)	(713.453)
Interest charges & related expenses	35.440.976	20.943.150	15.874.871	9.691.430
(Profit) / loss from sale of tangible assets	(111.011)	(252.340)	(79.779)	(244.737)
(Profit) / loss from sale of investments	74.975	-	-	-
(Profit) / loss from the fair value of derivatives	(160.717)	(1.819.071)	(709.191)	(971.392)
Loss from the destruction of fixed assets	5.908	232.115	-	-
Impairment of participations	-	-	-	437.257
Decrease / (increase) in inventories	(14.866.816)	(38.098.055)	9.564.697	(16.920.448)
Decrease / (increase) in receivables	51.257.541	(50.323.433)	12.138.132	(42.443.422)
(Decrease) / Increase in liabilities (minus banks)	(594.177)	15.831.996	13.025.670	7.525.175
Interest charges & related expenses paid	(34.977.740)	(19.837.372)	(15.411.635)	(8.400.923)
Income tax paid	(1.048.999)	(975.201)	-	-
Net Cash flows from operating activities	**48.529.765**	**(62.709.774)**	**24.493.563**	**(53.586.846)**
Cash flows from investing activities				
Purchase of tangible assets	(14.324.435)	(13.108.691)	(2.438.345)	(2.495.430)
Purchase of intangible assets	(1.397.116)	(237.707)	(99.646)	(55.156)
Investment properties	(117.609)	-	-	-
Sales of tangible assets	92.154	420.167	144.315	6.623.427
Sales of investment properties	48.000	-	-	-
Dividends received	5.226	5.383	5.226	624.984
Interest received	322.100	524.078	36.760	88.469
Increase of participation in subsidiaries	(3.114.495)	-	(908.140)	(2.256.822)
Increase of participation in other investment properties	(351.000)	(6.320)	(351.000)	(6.320)
Net Cash flows from investing activities	**(18.837.176)**	**(12.403.091)**	**(3.610.830)**	**2.523.151**
Cash flows from financing activities				
Dividends paid to shareholders of the parent	(2.182)	(794)	(2.182)	(794)
Loans received	162.513.501	172.461.016	46.000.000	110.023.974
Loans settlement	(172.326.995)	(97.645.635)	(55.067.284)	(59.030.596)
Changes in financial leases	(1.419.470)	-	-	-
Dividends paid to minority interest	-	(994.448)	-	-
Grand proceeds	1.374.156	907.500	142.658	907.500
Net cash flows from financing activities	**(9.860.990)**	**74.727.639**	**(8.926.808)**	**51.900.084**
Net (decrease)/ increase in cash and cash equivalents	**19.831.599**	**(385.226)**	**11.955.925**	**836.389**
Cash and cash equivalents at the beginning of period	17.367.950	17.753.177	2.403.946	1.567.556
Cash and cash equivalents at the end of period	**37.199.549**	**17.367.950**	**14.359.870**	**2.403.946**

The notes on pages 5 to 55 constitute an integral part of these Financial Statements (Individual and Consolidated).

Notes to the Financial Statements

1. Incorporation and Group Activities:

HALCOR S.A.-METAL PROCESSING (former VECTOR S.A.-Metal processing) ("HALCOR" or the "Company") was established in 1977 and has No 2836/06/B/86/48 in the Register of Societes Anonyme. In 1997, merger of VECTOR S.A. and (former) HALCOR S.A. took place, which was completed by way of decision dated 5 June 1997 of the Ministry of Development.

The term of the Company has been set at 50 years from publication of its Articles of Association, namely until 2027. It is listed on Athens Stock Exchange since 1996 and is a subsidiary and member of VIOHALCO Group.

HALCOR manufactures extrusion and rolling products made of copper, zinc, brass and other copper alloys. The Company has a vertically integrated production and is the unique company in Greece manufacturing copper tubes and zinc rolling products while holding a leading position in the production and trade of copper, brass and other alloy products as well as copper wires.

These Financial Statements (the "Financial Statements") of the Company for the year ended on 31 December 2011 include the individual financial statements of HALCOR and the consolidated financial statements of the Company (together the "Group"). The names of subsidiaries and affiliated companies are presented in Note 8 of the Financial Statements.

The principal activities of the Group lie in the production and trade of rolling and extrusion products made of copper and copper alloys, zinc rolling products and cables of all types.

The Group is operating in Greece, Bulgaria, Romania, Cyprus, United Kingdom, France, Germany and Serbia.

The shares of the Company and its subsidiary "HELLENIC CABLES S.A." are traded on Athens Stock Exchange.

The Company is seated in Greece, 2-4 Messoghion Ave., Athens Tower, Building B, 11525, Athens. The principal establishment of the Company and its contact address are located at the 57^{th} km of "Athens-Lamia" National Highway, Inofyta (Pref. of Viotia), GR-32011. The company's website is ***www.halcor.gr***.

Notes to the Financial Statements

2. Basis of preparation of the Financial Statements

(a) Compliance note

The Financial Statements have been prepared in accordance with the International Financial Reporting Standards (IFRS), as adopted by the European Union. The International Financial Reporting Standards issued by the IASB may differ from those adopted by the European Union.

The financial statements ended 31 December 2011 were approved for publication by the Company's Board of Directors on 26 March 2012.

(b) Measurement basis

The Financial Statements have been prepared in accordance with the historical cost principle with the exception of derivative financial instruments presented at fair value.

(c) Functional exchange rate and presentation

The Financial Statements are presented in Euro, which is the Company's functional currency. The amounts indicated in the Financial Statements are denominated in Euro and are rounded up/down to the nearest unit (any differences in sums are due to rounding up/down).

(d) Application of estimates and judgments

Preparing financial statements in line with the IFRS requires that Management take decisions, make assessments and assumptions which affect the implementation of accounting policies, and the book amounts of assets, liabilities, income and expenses. The actual results may finally differ from such estimates.

Estimates and related assumptions are continuously revised. These revisions are recognized in the period they were made and any subsequent ones.

Specific information about the areas for which estimates are uncertain and vital decisions must be made with respect to the application of accounting policies having a considerable effect on the amounts posted in financial statements is given in the notes below:

- Inventory valuation (note 11)
- Measurement of defined-benefit liability (note 18)
- Subsidiary impairment (note 8)
- Valuation of securities available for sale (Note 9)
- Contingent liabilities (Note 28)
- Basic assumptions for DCF calculation (Note 6)

Notes to the Financial Statements

2. Basis of preparation of the Financial Statements (cont'd)

2.1 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 Group companies.

2.1.1 Basis for consolidation

(a) Business combinations

The acquisitions of subsidiaries accounted under the purchase method on the date of acquisition, the date on which control is transferred to the Group. Control power is the power of operating and financial policies of an enterprise so as to benefit from the activity. In assessing control, the Group takes account of potential voting rights that presently may be exercisable.

The goodwill at the acquisition date is calculated as:

- The fair value of the purchase price, plus
- The value of minority interests in subsidiary acquired, minus
- The fair value of minority interests before the acquisition of subsidiary, in a gradual acquisition
- The fair value of identifiable assets and liabilities acquired.

If there is a negative goodwill, a profit is recognized immediately in the income statement. Any costs directly associated with the acquisition are recognized directly in the income statement. Any potential costs recognized in its fair value at the date of acquisition.

A financial asset is considered impaired through objective evidence because of something that happened after the initial recognition and this evidence will impact on future cash flows that can be measured. Objective evidence of impairment include the bankruptcy of a debtor or unenforceable to characterize the recovery, when there are indications that goes bankrupt, change in payment method, change in economic conditions and sharp drop in economic data.

(b) Accounting for acquisitions of minority interests

Acquisitions of minority interests are accounted as transactions of shareholders and percentages and therefore no goodwill is recognized in such transactions.

(c) Subsidiaries

Subsidiaries are entities that the Group, directly or indirectly, controls their financial and operating policies. Subsidiary companies are fully consolidated from the day control over them is acquired and cease to be consolidated from the day this control is no longer exist.

In its financial statements, the Company measures holdings in subsidiaries at their acquisition cost less any impairment of their value.

Notes to the Financial Statements

2. Basis of preparation of the Financial Statements (cont'd)

2.1 Significant accounting principles (cont'd)

(d) Loss of control

Upon the loss of control, the Group derecognises the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently it is accounted for as an investment in an associate or as an available-for-sale financial asset depending on the level of influence retained.

(e) Investments in associates

Associated companies are companies over which the Group exercises significant influence, but not control, which, in general, applies when the holding percentage in the voting rights ranges between 20% and 50%. Investments in associates are accounted for using the equity method and recognised initially at their acquisition cost. The Group's investment includes goodwill identified on acquisition, net of any accumulated impairment losses. In the consolidated financial statements the Group represents the ratio of the results and the total income after any changes in accounting principles to be comparable to those of the Group from the date of obtaining significant influence until the date we lose it. When the Group's share of losses exceeds its interest in an investment in associate the carrying amount of that interest is reduced to zero and no recognition of further losses are recognized except to the extent that the Group has an obligation or has made payments on behalf of the associate.

In the Company's financial statements, investments in associates are recorded at cost.

(f) Transactions eliminated in consolidation

Inter-company transactions, balances and non-realised profits from transactions between Group companies are eliminated in preparing the consolidated financial statements. Unrealised gains on transactions between associates are eliminated against the Group's stake in the affiliated company. The same applies to non-realised losses, unless there are indications that the value of the fixed asset that was transferred has been impaired.

2.1.2 Foreign currency conversion

(a) Transactions and balances

Transactions that are carried out in a foreign currency are converted to the Company's functional currency based on the exchange rate that is applicable on the day the transaction is carried out. Profits and losses from foreign exchange differences that arise from the settlement of such transactions during the period and from the conversion of monetary assets that are expressed in a foreign currency based on the exchange rate that is applicable on the balance sheet date are recorded in the profit and loss statement.

Notes to the Financial Statements

2. Basis of preparation of the Financial Statements (cont'd)

2.1 Significant accounting principles (cont'd)

2.1.2 Foreign currency conversion (cont'd)

(b) Transactions with Group companies in different currency

The financial statements of Group companies (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the Group's presentation currency are translated as follows:

- Assets and liabilities of foreign activities including goodwill and fair value adjustments arising during consolidation are converted into Euro based on the official exchange rate for the foreign currency that is in effect on the balance sheet date.
- Income and expenses are converted into Euro on the basis of the average rate of the foreign currency during the year which approaches the exchange rate in effect on the date of transactions.
- Any foreign exchange difference that may arise is recorded in an equity reserve named "Foreign exchange differences due to consolidation" and transferred to profit and loss when these companies are sold.

2.1.3 Property, plant and equipment

(a) Recognition and measurement

Property, plant and equipment are presented at acquisition cost less accumulated depreciation and any impairment. The cost of acquisition includes all directly payable expenses for acquiring fixed assets. The construction cost of a fixed asset includes the cost of raw materials, direct labour and other direct expenses for its construction as well as consumption cost of installation point together with any borrowing costs.

Subsequent expenses are recorded as an increase to the book value of the fixed assets or as a separate asset only where it is probable that the future financial benefits will accrue to the Group and the cost can be reliably measured. The cost of repairs and maintenance is posted to the results when incurred.

Upon sale of tangible assets, the differences between the proceeds and the carrying value recorded as gains or losses on the results and the item 'Other operating income' or 'Other operating expenses "as appropriate. When the book value of tangible assets exceeds its recoverable amount, the difference (impairment loss) is recognized immediately as an expense in the income statement.

Notes to the Financial Statements

2. Basis of preparation of the Financial Statements (cont'd)

2.1 Significant accounting principles (cont'd)

2.1.3 Property, plant and equipment (cont'd)

(b) Depreciation

Plots – lots are not depreciated. Depreciation of other tangible assets is calculated using the straight-line method during the estimated useful life of fixed assets and their segments if they have a different useful life. The estimated useful life of these categories is as follows:

Buildings	20-50	years
Machinery & equipment	1-18	years
Transportation equipment	4-15	years
Furniture and fixtures	1-8	years

Residual value and the useful life of tangible assets are subject to re-examination on each balance sheet date, if deemed necessary.

2.1.4 Intangible assets

Intangible assets acquired separately are recognized at acquisition cost while any intangible assets acquired through the purchase of entities are recognized at their fair value on acquisition date. After acquisition they are valued at that amount less accumulated depreciation and any accumulated impairment losses. The useful life of intangible assets may be limited or unlimited. The cost of intangible assets with a limited useful life is depreciated over the estimated useful life using the straight-line method. Intangible assets are depreciated from the date they become available for use.

Intangible assets with unlimited useful life are not depreciated but are subject periodically (at least annually) to an estimate of any impairment based on the provisions of IAS 36 "Impairment of Assets". Residual values are not recognized. The useful life of intangible assets is evaluated on an annual basis. Intangible assets are tested for impairment at least annually individually or at cash-generating unit level.

Software licences are valued at acquisition cost less accumulated depreciation and any accumulated impairment. Depreciation is recorded using the straight-line method over the useful life of the assets which ranges from 3 to 5 years.

Expenses required to develop and maintain software are posted as expenses in the income statement during the year they incur.

2.1.5. Investment Property

Investment property concerns lots that are not used for administrative purposes by the Group and are valued at acquisition cost less any impairment.

Notes to the Financial Statements

2. Basis of preparation of the Financial Statements (cont'd)

2.1 Significant accounting principles (cont'd)

2.1.6 Impairment

(a) Non-derivative assets

The book values of Group assets that are not recognized at fair value are tested for impairment when there are indications that their book values are not recoverable. In this case, the recoverable amount of assets is determined.

An impairment loss is recognized if the amount of accounting in the balance sheet asset or a cash flow unit is more than its recoverable amount. The result is recognized directly in profit or loss statement, depending on the nature of the lines on "Cost of goods sold" or "Other expenses". The recoverable value of assets or cash flow unit is the higher between the asset's fair value less any necessary costs to sell and the value of use.

In order to calculate the value of use, the estimated future cash flows are discounted at present value using a discount rate which reflects current market assessments of the value of money over time and relates risks for such assets. For an asset which does not generate significant cash inflows on its own, the recoverable value is determined for the cash-generating unit to which the asset belongs.

The impairment loss is reversed thus restoring the book value of the asset to its recoverable amount to the extent this does not exceed the book value of the asset (net of depreciation) that would have been determined if impairment loss had not been posted.

(b) Non-financial assets

For non-financial assets other than investment property, inventories and deferred tax asset, the value of accounting examined each balance sheet date for impairment. Goodwill and intangible assets with indefinite life are examined annually for impairment in a mandatory basis.

2.1.7 Non-derivative financial instruments

Financial instruments excluding derivatives consist of equities and other securities, receivables and other receivables, cash and cash equivalents, loans and long-term liabilities, trade and other payables. These items are classified by the Company pursuant to the purpose for which they were acquired. The Management decides on adequate classification of the investment at the time of acquisition. Investments are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership. Financial assets are initially recognized at fair value plus acquisition cost save those recognized at fair value. Assets are measured as per their classification.

(a) Trade and other receivables

Receivables from customers are initially booked at their fair value and are subsequently valued at their non-depreciated cost less impairment losses. Impairment losses are recognised when there are objective indications that the Group is not in a position to collect all or part of the amounts due based on contractual terms. The amount of impairment loss is the difference between the book value of receivables and the present value of the estimated future cash flows. The amount of provision is recognised in the income statement as an expense.

Notes to the Financial Statements

2. Basis of preparation of the Financial Statements (cont'd)

2.1 Significant accounting principles (cont'd)

2.1.7 Non-derivative financial instruments (cont'd)

(b) Cash and cash equivalents

Cash and cash equivalents include cash balances, sight deposits and short-term, high-liquid and low-risk investments.

(c) Available-for-sale financial assets

These include non-derivative financial assets that are either designated in this subcategory, or do not fit into "detained until the end" or "as a fair value through profit and loss." Purchases and sales of investments are recognized on trade date that is the date the Group commits to buy or sell the asset. Investments are initially recognized at fair value plus transaction costs. Then available for sale financial assets are measured at fair value and the resulted profit or loss is recognised in reserve 'fair value' of equity until these assets are sold or impaired. The fair value of those traded on a regulated market is the closing price. For other items the fair value can not reliably determine the fair value corresponds to the acquisition cost. The impairment loss is recognized upon transfer of the accumulated damage from the reserve to the income statement.

The accumulated losses carried forward is the difference between the acquisition value after depreciation over the effective rate and the current fair value minus the depreciation already charged to the profit from previous years. Impairment losses recognized in profit or loss statement are not reversed through the income statement for equity financial assets. The Group looks for evidence of impairment that for the shares are listed in Stock Exchange is a mandatory or prolonged decline in fair value below its cost, which in such case recorded in the results.

(d) Fair Value

The fair values of financial assets traded on active markets are designated based on current market price. In the case of assets not so traded, fair values are designated using valuation techniques such as recent transaction analysis, reference to comparables and cash flow discounts.

(e) Loans

Loans are initially booked at fair value, less any direct expenses for the execution of the transaction. Subsequently loans are valued at non-depreciated cost based on the effective interest rate method. Any difference between the amount that has been collected (net of relative expenses) and the settlement value is recorded in the results during the term of the loan based on the effective interest rate method.

Loans are classified as "Short-term Liabilities" unless the Group has the right to defer the settlement thereof for at least 12 months from the balance sheet date. Loan interest charges are directly posted to the income statement of the period they concern. The recognition stops when the contractual obligations canceled, terminated or sold.

Notes to the Financial Statements

2. Basis of preparation of the Financial Statements (cont'd)

2.1 Significant accounting principles (cont'd)

2.1.8 Derivatives and hedge accounting

The Group holds derivative instruments to offset the risk of interest rate and the foreign currency change. Derivatives are initially and subsequently recognized at fair value. The method of recognizing gains and losses depends on whether derivatives designated as hedging instruments or as held for trading.

The Group documents at the inception of the transaction the relationship between instruments of hedging and hedged items as well as the strategic management of risk. At the conclusion of the contract and on an ongoing basis later recorded assessment of the high efficiency of hedging for both fair value hedges and for cash flow hedges. To offset future transaction demonstrates the possibility of completing the transaction.

(a) Fair value hedging

Changes in the fair value of derivatives which are defined as fair value hedges are posted to the results as are the changes in the fair value of the hedged assets which are attributed to the risk offset.

(b) Cash flow hedging

The effective proportion of change in the fair value of derivatives defined as cash flow change hedges are posted to an equity reserve. The gain or loss on the non-effective proportion is posted to the results. The amounts posted as an equity reserve are carried forward to the results of the periods where the hedged assets affect profits or losses. In cases of hedging forecast future transactions which result in recognition of a non-monetary asset (e.g. inventory) or liability, profits or losses which had been posted to equity are carried forward to acquisition cost of the non-financial asset generated.

When a hedge matures or is sold or when the hedging proportion no longer meets the hedge accounting criteria, the profits and losses accrued to Equity remain as a reserve and are carried forward to the results when the hedged asset affects profits or losses. In the case of a hedge on a forecast future transaction which is no longer expected to be realised, the profits or losses accrued to Equity are carried forward to the income statement.

2.1.9 Inventories

Inventories are valued at acquisition cost or net realisable value, whichever is lower. Acquisition cost is determined by applying the annual average weighted cost method and includes the cost to buy, produce or manufacture and other expenses so as to acquire its current condition and location and the ratio of production expenses. The cost may include any transfer from the cash flow hedging reserve. Net realisable value is assessed based on current sale prices of inventories in the course of ordinary activities less any termination and sales expenses which apply to the case.

2.1.10 Share capital

The share capital consists of common shares. Direct expenses for the issuance of shares appear after deducting the relevant income tax, reducing the amount of growth.

Notes to the Financial Statements

2. Basis of preparation of the Financial Statements (cont'd)

2.1 Significant accounting principles (cont'd)

2.1.11 Income tax

The income tax of the year includes both current and deferred tax. Income tax is posted in profit or loss save any cases concerning items directly posted to Equity, in which case it is recognized in Equity.

Current income tax is the tax expected to be paid on the taxable income for the year, based on enacted tax rates on the balance sheet date, and any adjustment to prior-period payable tax.

Deferred income tax is calculated using the liability method which arises from temporary differences between the book value and taxation basis of the assets and liabilities. Deferred income tax is not calculated (a) if it is clear from initial recognition of an asset or liability in a transaction apart from business combinations in which the transaction occurred that it did not affect either the book or tax profits or losses, (b) for investments in subsidiaries to the extent that the temporary difference will not be reversed, (c) the initial recognition of goodwill. Deferred tax is determined using the tax rates that are expected to apply to the period in which the asset will be liquidated or the liability will be settled. The determination of future tax rates is based on laws passed on the date the financial statements are prepared.

Deferred tax assets are recognised only to the extent that there will be a future taxable profit for use of the temporary difference generating the deferred tax assets. Deferred tax assets are reduced when the relevant tax benefit is realized.

Additional income taxes arising from the allocation of dividends are posted in the same year with the obligation to pay the relevant dividend.

2.1.12 Employee benefits

(a) Short-term benefits

Short-term benefits to staff in cash and kind are posted as expenses when accrued. A liability is recognized for the amount expected to be paid as benefit to the staff and its executives if there is a legal or contractual obligation to pay this amount as a result of employee services and insofar as such liability can be reliably measured.

(b) Defined-contribution Plans

Defined-contribution plans are plans for the period after the employee has ceased to work during which the Company pays a defined amount to a third legal entity without any other obligation. Obligations for contributions to defined-contribution plans are recognized as expense in profit or loss at the time they are due.

Notes to the Financial Statements

2. Basis of preparation of the Financial Statements (cont'd)

2.1 Significant accounting principles (cont'd)

2.1.12 Employee benefits (cont'd)

(c) Defined-Benefit Plans

Defined-benefit plans are any other retirement plans excluding defined-contribution plans. The obligation posted to the balance sheet for defined-benefit plans is the current value of the future benefit of the employee for his services for the defined benefit less the fair value of the plan assets and changes arising from the non-posted actuarial gains and losses and the past service cost. The discount rate corresponds to the rate of the index applying to the European bonds "iBoxx – AA-rated Euro corporate bond 10+ year". Independent actuaries using the projected unit credit method calculate the defined benefit obligation.

The past service cost is recorded directly in the income statement with the exception of the case where changes in the plan depend on the remaining service lives of employees. In this case the past service cost is recorded in the income statement using the straight-line method within the maturity period.

Actuarial gains and losses arising from historical data adjustments exceeding 10% of the accumulated liability

(d) Benefits for employment termination

The benefits due to termination of the employment relationship are paid when employees depart before their retirement date. The Group books these benefits when it is committed, either when it terminates the employment of existing employees according to a detailed programme for which there is no departure possibility, or when it provides such benefits as an incentive for voluntary departure. Employment termination benefits that are due in 12 months after the balance sheet date are discounted. In the case of termination where it is impossible to determine the number of employees that will make use of such benefits, these will not be accounted for but will be disclosed as a contingent liability.

(e) Plans for participation in profits and benefits

The Group records a liability and a corresponding expense for benefits and profit participation. This amount is included in post-tax profits less any reserves stipulated by law.

(f) Stock Options Plans

The Company and its subsidiary HELLENIC CABLES SA have granted stock options to acquire shares in some strains which are secured gradually from 2002 until 2013. Under the transitional provisions of IFRS 2 and since these options were granted before 7 November 2002 the Group did not apply the provisions of this standard except for disclosures of IFRS 2.

Notes to the Financial Statements

2. Basis of preparation of the Financial Statements (cont'd)

2.1 Significant accounting principles (cont'd)

2.1.13 Government Grants

Government grants for investments in assets are recognised as accrued income where there is a reasonable assurance that the grant will be received and the Group will comply with all relevant conditions. Government grants relating to the purchase of fixed assets are credited to the income statement on a straight-line basis over the expected useful lives of the related assets.

Government grants compensating the Group for expenses are recognized in the results so that these will match the expenses that they will cover.

2.1.14 Provisions

Provisions are recognized when the Group has a present legal or constructive obligation which will probably demand an outflow of resources for its settlement. In addition, the amount of this obligation should be reliably measurable. Provisions are re-examined on each balance sheet date and, if it is likely that there will no longer be an outflow of resources to settle the obligations, the provisions are reversed. Provisions are used only for the purpose for which they were originally created. No provisions are recognized for future losses. Contingent assets and contingent liabilities are not recognized in the financial statements.

2.1.15 Income

(a) Sales of goods

Income from sale of goods is recognized when the significant risks and rewards of ownership have been transferred to the purchaser, the collection of the price is reasonably secured, the relevant expenses and eventual returns of goods can be reliably measured and no continuous involvement in goods management applies. Any returns or turnover-related discounts are deducted from the income from sales of goods. The time at which the risk and rewards are transferred varies per product.

(b) Services

Revenue from the sale of services is recognised in the period in which the services are rendered, on the basis of the stage in completion of the actual service to the services as a whole.

(c) Income from interest

Income from interest is recognised when the interest becomes accrued (based on the effective interest rate method).

(d) Income from dividends

Dividends are recognised as income when the right of the Group to receive payment is established.

(e) Income from rents

Rents are recognized as revenue on a straight course in the lease.

Notes to the Financial Statements

2. Basis of preparation of the Financial Statements (cont'd)

2.1 Significant accounting principles (cont'd)

2.1.16 Leases

Leases of property, plant and equipment, in which the Group substantially maintains all the risks and benefits of ownership, are classified as financial leasing. Financial leasing is capitalised from the moment the lease begins at the lower amount between the fixed asset's fair value and the present value of the minimum lease payments. Financial leases net of financial expenses are classified on 'Liabilities'. The part of financial expenses that concerns financial leasing is recorded in profit and loss during the term of the lease. Items of property, plant and equipment that were acquired through financial leasing are depreciated over the shorter period between the useful lives thereof and the term of their lease.

Leases where substantially all the risks and rewards of ownership are retained by the lesser are classified as operating leases. Payments made under operating leases are recognized in a straight line basis over the lease term.

Operating lease payments are allocated as an expense in the income statement under the direct method over the lease. The lease grants received are recognized in the income statement as an integral part of the cost during the lease.

2.1.17 Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. All operating segments' operating results are reviewed regularly by the chief operating decision maker which is considered to be the Board of Directors that is responsible for measuring the business performance of the segments.

2.1.18 Earnings per Share

The Group presents both basic and diluted earnings per share for its common shares. The basic earnings per share are calculated by dividing the profits or loss attributable to holders of common shares by the average weighted number of outstanding common shares during the period. Diluted earnings per share are determined by adjusting the profit or loss attributable to holders of common shares and the average weighted number of outstanding common shares by the effect of all diluted eventual common shares consisting of convertible notes and shares with options granted to the staff.

Notes to the Financial Statements

2. Basis of preparation of the Financial Statements (cont'd)

2.1 Significant accounting principles (cont'd)

2.1.19 New Standards and Interpretations

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 January 2011 and have not been applied in preparing these financial statements. The Group does not consider the impact on equity of the new standards when they are adopted by the European Union. The first consideration is that the most important impact comes from the implementation of:

- IFRS 9 "Financial Instruments"
- IFRS 10 "Consolidated Financial Statements"
- IFRS 11 "Participation in Joint Ventures"
- IFRS 13 "Fair Value Measurement",

and changes to IAS 19 "Additional Disclosures" as resulting from changes to IAS 1 and IFRS 12 "Disclosures."

3. Reclassification of amounts

Certain amounts in statement of comprehensive income in the previous year have been reclassified to make them comparable with those of the current fiscal year:

	Cost of Goods Sold	**Selling Expenses**	**Administrative Expenses**
(Amounts in Euro)	Increase/(Decrease)	Increase/(Decrease)	Increase/(Decrease)
Balance as at December 31, 2010	1.000.873.047	15.806.939	22.026.250
Reclassification	(536.350)	97.350	439.000
Balance as at December 31, 2011	1.000.336.697	15.904.289	22.465.250

Notes to the Financial Statements

4. Operating segments

Operating segments refer to the business and geographical segments of the Group. The segment is based on the structure of Group Management and internal reporting system.

The Group includes the following main business segments:

- Copper products
- Cable products
- Other services

Results per sector for the financial year ended on December 31, 2010

December 31, 2010 (amounts in euro)	**Copper products**	**Cable products**	**Other - Services**	**Total**
Total gross sales by sector	**811.014.005**	**351.883.981**	**110.208.747**	**1.273.106.733**
Intercompany sales from consolidated entities	(203.692.917)	(19.585.413)	(5.516.804)	**(228.795.134)**
Net sales	**607.321.088**	**332.298.568**	**104.691.944**	**1.044.311.599**
Operating profits	(2.389.664)	5.133.761	1.408.571	**4.152.668**
Financial income	135.317	258.542	135.601	**529.460**
Financial expenses	(15.721.171)	(4.801.210)	(605.498)	**(21.127.879)**
Share at results of affiliated companies	-	-	196.625	**196.625**
Profit before income tax	**(17.975.518)**	**591.093**	**1.135.300**	**(16.249.126)**
Income tax	4.502.749	(173.499)	(1.138.273)	**3.190.978**
Net profit	**(13.472.769)**	**417.594**	**(2.973)**	**(13.058.148)**

December 31, 2010	**Copper products**	**Cable products**	**Other - Services**	**Total**
Assets	548.367.292	222.160.344	22.998.372	**793.526.008**
Total liabilities	448.745.713	155.036.893	21.697.763	**625.480.368**
Investments in tangible, intangible assets and investments in real estate	7.842.807	5.437.898	65.694	**13.346.399**

Other figures per sector that consists the Financial Results for the year ended on December 31, 2010

December 31, 2010 (amounts in euro)	**Copper products**	**Cable products**	**Other - Services**	**Total**
Depreciation of tangible assets	(20.288.662)	(7.705.039)	(197.667)	**(28.191.368)**
Amortization of intangible assets	(157.963)	(415.943)	(7.930)	**(581.836)**
Total depreciation	**(20.446.625)**	**(8.120.982)**	**(205.597)**	**(28.773.204)**
Impairment of claims	25.161	(164.857)	-	**(139.695)**

Notes to the Financial Statements

4. Operating segments (cont'd)

Results per sector for the financial year ended on December 31, 2011

December 31, 2011 (amounts in euro)	**Copper products**	**Cable products**	**Other Services**	**Total**
Total gross sales by sector	**987.704.161**	**414.593.446**	**115.387.587**	**1.517.685.194**
Intercompany sales from consolidated entities	(240.738.777)	(22.459.365)	(5.170.517)	**(268.368.660)**
Net sales	**746.965.384**	**392.134.081**	**110.217.069**	**1.249.316.534**
Operating profits / (loss)	8.625.766	13.173.116	1.349.413	**23.148.295**
Financial income	98.204	116.563	112.558	**327.325**
Financial expenses	(24.739.765)	(9.692.986)	(1.008.226)	**(35.440.976)**
Share at results of affiliated companies	-	-	614.403	**614.403**
Profit before income tax	**(16.015.795)**	**3.596.694**	**1.068.148**	**(11.350.953)**
Income tax	(2.317.940)	(278.420)	(681.959)	**(3.278.319)**
Net profit	**(18.333.735)**	**3.318.274**	**386.189**	**(14.629.272)**

December 31, 2011	**Copper products**	**Cable products**	**Other Services**	**Total**
Assets	497.931.570	306.083.247	18.892.011	**822.906.827**
Total liabilities	407.554.908	227.562.504	17.641.725	**652.759.138**
Investments in tangible, intangible assets and investments in real estate	7.427.851	8.263.290	148.020	**15.839.161**

Other figures per sector that consists the Financial Results year ended December 31, 2011

December 31, 2011 (amounts in euro)	**Copper products**	**Cable products**	**Other Services**	**Total**
Depreciation of tangible assets	(17.091.443)	(9.106.303)	(92.504)	**(26.290.250)**
Amortization of intangible assets	(204.881)	(263.170)	(8.473)	**(476.524)**
Total depreciation	**(17.296.324)**	**(9.369.472)**	**(100.977)**	**(26.766.774)**
Impairment of claims	(530.274)	(2.656.696)	-	**(3.186.970)**

The operating segments are managed mostly centrally but the bulk of sales are overseas. Sales and non-current assets of the Group based on their geographical allocation are briefly presented as follows:

(Amounts in euro)	**GROUP**	
Sales	**2011**	**2010**
Greece	204.329.281	227.234.147
European Union	865.359.449	691.892.868
Other European countries	82.192.566	61.036.871
Asia	32.911.612	29.724.455
America	37.467.473	13.741.771
Africa	25.037.273	20.110.829
Oceania	2.018.881	570.659
Total	**1.249.316.534**	**1.044.311.599**

(Amounts in euro)	**GROUP**		**COMPANY**	
Analysis of sales by category	**2011**	**2010**	**2011**	**2010**
Sales of merchandise & products	1.159.792.436	964.490.883	541.259.159	485.411.711
Income from services	19.195.226	22.973.481	1.452.958	1.709.415
Other	70.328.873	56.847.236	42.992.755	30.491.564
Total	**1.249.316.534**	**1.044.311.599**	**585.704.872**	**517.612.690**

Notes to the Financial Statements

4. Operating segments (cont'd)

(Amounts in euro)	GROUP	
Total assets	**2011**	**2010**
Greece	682.339.823	647.473.166
Foreign	140.567.005	146.052.842
Total	**822.906.827**	**793.526.008**

Investments in tangible, intangible fixed assets & real estate	**2011**	**2010**
Greece	8.607.232	7.644.849
Foreign	7.231.929	5.701.549
Total	**15.839.161**	**13.346.399**

5. Property, plant and equipment

GROUP

(Amounts in euro)	Land	Buildings	Mechanical equipment	Transportation Vehicles	Furniture and Fixtures	Fixed assets under construction	Total
Cost							
Balance as of 1 January 2010	**39.971.184**	**89.293.574**	**303.277.106**	**3.877.226**	**15.935.178**	**35.833.550**	**488.187.816**
Foreign exchange differences	(18.019)	(221.705)	(418.368)	1.267	(38.477)	(3.786)	**(699.088)**
Additions	450.197	2.308.730	35.775.766	76.484	1.164.388	(26.666.874)	**13.108.691**
Sales	-	-	-	(70.230)	(33.119)	(148.025)	**(251.374)**
Destructions / Disposals	-	(26.459)	(128.636)	(4.951)	(51.053)	(1.033)	**(212.133)**
Impairment	-	-	-	-	-	(137.272)	**(137.272)**
Subsidiaries acquisition	-	80.228	192.107	-	2.436	2.174.499	**2.449.271**
Balance as of 31 December 2010	**40.403.362**	**91.434.368**	**338.697.975**	**3.879.795**	**16.979.352**	**11.051.058**	**502.445.911**
Accumulated depreciation							
Balance as of 1 January 2010	**-**	**(30.613.170)**	**(111.830.122)**	**(3.044.790)**	**(12.423.218)**	**-**	**(157.911.300)**
Foreign exchange differences	-	162.453	257.359	(658)	31.882	-	**451.036**
Depreciation for the year	-	(4.053.815)	(22.800.818)	(238.129)	(1.098.607)	-	**(28.191.368)**
Sales	-	-	-	61.511	22.037	-	**83.547**
Destructions / Disposals	-	3.675	64.053	3.021	50.219	-	**120.968**
Impairment	-	-	-	(3.678)	-	-	**(3.678)**
Subsidiaries acquisition	-	(10.704)	(25.674)	-	-	-	**(36.378)**
Balance as of 31 December 2010	**-**	**(34.511.560)**	**(134.335.202)**	**(3.222.724)**	**(13.417.687)**	**-**	**(185.487.172)**
Undepreciated value as of 1 January 2010	**39.971.184**	**58.680.404**	**191.446.984**	**832.435**	**3.511.960**	**35.833.550**	**330.276.516**
Undepreciated value as of 31 December 2010	**40.403.362**	**56.922.807**	**204.362.774**	**657.072**	**3.561.665**	**11.051.058**	**316.958.739**
Cost							
Balance as of 1 January 2011	**40.403.362**	**91.434.368**	**338.697.975**	**3.879.795**	**16.979.352**	**11.051.058**	**502.445.911**
Foreign exchange differences	(10.875)	(145.457)	(310.007)	2.536	(20.897)	(1.469)	**(486.170)**
Additions	201.685	1.502.681	11.121.104	104.742	801.500	592.724	**14.324.435**
Sales	-	-	(156.190)	(31.333)	(193.759)	(20.400)	**(401.683)**
Destructions / Disposals	-	-	(155.269)	(80.517)	(121.494)	-	**(357.280)**
Additions due to acquisition of company	6.171.965	22.968.003	34.965.535	1.224.829	344.931	-	**65.675.263**
Sales of subsidiaries	-	-	(18.759)	(43.734)	(75.069)	-	**(137.562)**
Balance as of 31 December 2011	**46.766.137**	**115.759.594**	**383.977.039**	**5.051.708**	**17.677.339**	**11.506.644**	**580.738.462**
Accumulated depreciation							
Balance as of 1 January 2011	**-**	**(34.511.560)**	**(134.335.202)**	**(3.222.724)**	**(13.417.687)**	**-**	**(185.487.172)**
Foreign exchange differences	-	148.031	198.921	(2.114)	19.193	-	**364.030**
Depreciation for the year	-	(4.301.303)	(20.678.279)	(205.469)	(1.105.199)	-	**(26.290.250)**
Sales	-	-	219.454	15.231	185.855	-	**420.540**
Destructions / Disposals	-	-	194.372	65.177	121.384	-	**380.933**
Reallocations	-	-	113.990	10.824	64.071	-	**188.886**
Additions due to acquisition of company	-	(3.244.679)	(5.684.715)	(317.475)	(142.122)	-	**(9.388.991)**
Sales of subsidiaries	-	-	17.518	17.200	72.161	-	**106.879**
Balance as of 31 December 2011	**-**	**(41.909.511)**	**(159.953.941)**	**(3.639.351)**	**(14.202.344)**	**-**	**(219.705.147)**
Undepreciated value as of 1 January 2011	**40.403.362**	**56.922.807**	**204.362.774**	**657.072**	**3.561.665**	**11.051.058**	**316.958.739**
Undepreciated value as of 31 December 2011	**46.766.137**	**73.850.083**	**224.023.099**	**1.412.357**	**3.474.995**	**11.506.644**	**361.033.315**

Notes to the Financial Statements

5. Property, plant and equipment (cont'd)

COMPANY

(Amounts in euro)	Land	Buildings	Mechanical equipment	Transportation Vehicles	Furniture and Fixtures	Fixed assets under construction	Total
Cost							
Balance as of 1 January 2010	**25.130.436**	**40.017.098**	**123.597.534**	**1.805.353**	**6.084.866**	**10.842.323**	**207.477.611**
Additions	-	575.887	3.149.361	530	362.317	(1.592.664)	**2.495.430**
Sales	-	-	(3.061.752)	(37.224)	(10.434)	(3.445.333)	**(6.554.743)**
Impairment	-	-	-	-	-	(137.272)	**(137.272)**
Transfer to subsidiary company	(2.911.050)	(8.529.440)	(20.259.869)	(212.005)	(661.904)	(609.024)	**(33.183.292)**
Balance as of 31 December 2010	**22.219.386**	**32.063.546**	**103.425.275**	**1.556.654**	**5.774.845**	**5.058.029**	**170.097.735**
Accumulated depreciation							
Balance as of 1 January 2010	**-**	**(10.254.117)**	**(47.404.305)**	**(1.593.485)**	**(5.242.109)**	**-**	**(64.494.015)**
Depreciation for the year	-	(1.677.769)	(8.365.879)	(82.086)	(382.254)	-	**(10.507.989)**
Sales	-	-	133.395	33.724	8.934	-	**176.053**
Transfer to subsidiary company	-	2.596.950	8.609.605	211.751	615.219	-	**12.033.525**
Balance as of 31 December 2010	**-**	**(9.334.936)**	**(47.027.184)**	**(1.430.097)**	**(5.000.210)**	**-**	**(62.792.426)**
Undepreciated value as of 1 January 2010	**25.130.436**	**29.762.982**	**76.193.230**	**211.868**	**842.758**	**10.842.323**	**142.983.596**
Undepreciated value as of 31 December 2010	**22.219.386**	**22.728.610**	**56.398.091**	**126.557**	**774.636**	**5.058.029**	**107.305.309**
Cost							
Balance as of 1 January 2011	**22.219.386**	**32.063.546**	**103.425.275**	**1.556.654**	**5.774.845**	**5.058.029**	**170.097.735**
Additions	-	249.493	2.334.949	248	111.999	(258.344)	**2.438.345**
Sales	-	-	(105.398)	(7.043)	(72.844)	(20.400)	**(205.686)**
Balance as of 31 December 2011	**22.219.386**	**32.313.038**	**105.654.826**	**1.549.859**	**5.814.000**	**4.779.285**	**172.330.394**
Accumulated depreciation							
Balance as of 1 January 2011	**-**	**(9.334.936)**	**(47.027.184)**	**(1.430.097)**	**(5.000.210)**	**-**	**(62.792.426)**
Depreciation for the year	-	(1.594.166)	(5.916.795)	(50.080)	(353.254)	-	**(7.914.295)**
Sales	-	-	63.986	7.043	70.120	-	**141.150**
Balance as of 31 December 2011	**-**	**(10.929.101)**	**(52.879.993)**	**(1.473.134)**	**(5.283.344)**	**-**	**(70.565.572)**
Undepreciated value as of 1 January 2011	**22.219.386**	**22.728.610**	**56.398.091**	**126.557**	**774.636**	**5.058.029**	**107.305.309**
Undepreciated value as of 31 December 2011	**22.219.386**	**21.383.937**	**52.774.834**	**76.725**	**530.656**	**4.779.285**	**101.764.822**

The account "assets under construction" refers mainly to machinery where the settlement was not completed by December 31, 2011.
From January 1, 2011 was a change in the useful life of mechanical equipment in the parent and subsidiary in Bulgaria SOFIA MED, which affected the depreciation of HALCOR by Euro 2 million and Euro 1.6 million for SOFIA MED and totally Euro 3.6 million for the Group.

Notes to the Financial Statements

6. Intangible assets

GROUP

(Amounts in euro)	Business name / Port license	Development Expenses	Trade marks and Licenses	Software	Other	Total
Cost						
Balance as of 1 January 2010	**-**	**-**	**1.629.826**	**7.421.471**	**73.628**	**9.124.926**
Foreign exchange differences	-	-	-	(14.844)	(86)	**(14.929)**
Additions	-	-	4.362	233.100	245	**237.707**
Additions due to acquisition of company	-	39.180	-	966	-	**40.146**
Balance as of 31 December 2010	**-**	**39.180**	**1.634.188**	**7.640.693**	**73.788**	**9.387.850**
Accumulated depreciation						
Balance as of 1 January 2010	**-**	**-**	**(1.272.943)**	**(6.827.310)**	**(59.189)**	**(8.159.441)**
Foreign exchange differences	-	-	-	14.476	78	**14.554**
Depreciation for the year	-	(7.731)	(210.856)	(360.130)	(3.119)	**(581.836)**
Destructions / Disposals	-	(7.941)	-	(837)	(103)	**(8.881)**
Balance as of 31 December 2010	**-**	**(15.672)**	**(1.483.799)**	**(7.173.801)**	**(62.333)**	**(8.735.605)**
Undepreciated value as of 1 January 2010	**-**	**-**	**356.883**	**594.162**	**14.439**	**965.485**
Undepreciated value as of 31 December 2010	**-**	**23.508**	**150.390**	**466.892**	**11.455**	**652.245**
Cost						
Balance as of 1 January 2011	**-**	**39.180**	**1.634.188**	**7.640.693**	**73.788**	**9.387.850**
Foreign exchange differences	-	(317)	-	(10.785)	(2)	**(11.103)**
Additions	-	-	17.777	1.379.340	-	**1.397.116**
Destructions / Disposals	-	-	-	(1.122)	-	**(1.122)**
Additions due to acquisition of company	9.675.449	-	-	-	47.132	**9.722.580**
Sales of subsidiaries	-	-	-	(93.887)	-	**(93.887)**
Balance as of 31 December 2011	**9.675.449**	**38.864**	**1.651.965**	**8.914.239**	**120.918**	**20.401.434**
Accumulated depreciation						
Balance as of 1 January 2011	**-**	**(15.672)**	**(1.483.799)**	**(7.173.801)**	**(62.333)**	**(8.735.605)**
Foreign exchange differences	-	-	-	9.678	(18)	**9.660**
Depreciation for the year	-	(7.646)	(102.982)	(358.707)	(7.189)	**(476.524)**
Destructions / Disposals	-	-	-	1.122	-	**1.122**
Depreciation due to acquisition of company	-	-	-	-	(10.516)	**(10.516)**
Sales of subsidiaries	-	-	-	93.551	-	**93.551**
Balance as of 31 December 2011	**-**	**(23.318)**	**(1.586.781)**	**(7.428.157)**	**(80.056)**	**(9.118.312)**
Undepreciated value as of 1 January 2011	**-**	**23.508**	**150.390**	**466.892**	**11.455**	**652.245**
Undepreciated value as of 31 December 2011	**9.675.449**	**15.545**	**65.184**	**1.486.083**	**40.861**	**11.283.122**

During 2011 the subsidiary GREEK CABLES SA acquired 100% of the shares of FULGOR SA (see note 8) active in the field of energy cables. There was not goodwill from the acquisition, while from the valuation of all assets of FULGOR at fair value at the acquisition date resulted two intangible assets that meet the conditions set out in IAS 38 for recognition of them in the consolidated financial statements of the group. Fair value determination of the recognized assets made by an independent estimator.

As intangible assets recognized the Trade Name and the License of use the Port in Soussaki in Corinth as it was found that both will yield future benefits to the Group and the measurement of their value can be determined reliably.

Notes to the Financial Statements

6. Intangible assets (cont'd)

Especially for the recognition of these intangible assets deemed to satisfy the following conditions:

a) Meet the contractual - legal criterion, as derived by deed or other legal rights.

b) Associated with future economic benefits that are likely to accrue to the company.

c) Their value can be measured reliably.

The valuation was based on methods applied in accordance with international practice valuations of intangible assets.

a) Trade Name "Fulgor"

To evaluate the trade name was used of the Relief from Royalty method. The valuation was based on the projected sales of medium voltage submarine cables and terrestrial cables high voltage for a period of five years from the management of HELLENIC CABLES, over which applied appropriate royalty rates for use based on comparable transactions. In particular, for medium voltage submarine cables use rights applied rate of 2.0%, while for ground high voltage applied a rate of 1.25%.

The rate used to discount cash flows arising from the implementation of this method was 18.1% and based on the estimated weighted average cost of capital (WACC) of a company in the international cable market, plus the additional risk of this intangible asset.

The useful life of the brand assumed to be indefinite. For this reason the value of this intangible asset was determined in perpetuity.

b) Licence of Port use in Soussaki, Corinth

To evaluate the License Port we used the method of Multi-period Excess Earnings. The valuation was based on the company's business plan regarding the activity of submarine cables in high and average voltage for the five years 2012 - 2016, weighted by the probability of success of the company in undertaking projects of domestic and international competitions for underwater cables in the same period. To implement the above method were calculated all capital charges of all contributed assets to the activity of submarine cables, and taken into account the required new investment.

The rate used to discount cash flows arising from the implementation of this method is 19.1% based on the estimated weighted average cost of capital (WACC) of a company in the international cable market, plus the additional risk of this intangible asset.

The useful life of the Port License assumed to be indefinite. For this reason the value of this intangible asset was determined in perpetuity.

Consequently, these elements will be subject to review for impairment annually.

Notes to the Financial Statements

6. Intangible assets (cont'd)

COMPANY

(Amounts in euro)	**Software**
Cost	
Balance as of 1 January 2010	**3.493.176**
Additions	55.156
Transfer to subsidiary company	(74.559)
Balance as of 31 December 2010	**3.473.774**
Accumulated depreciation	
Balance as of 1 January 2010	**(3.215.435)**
Depreciation for the year	(146.818)
Transfer to subsidiary company	74.559
Balance as of 31 December 2010	**(3.287.695)**
Undepreciated value as of 1 January 2010	**277.741**
Undepreciated value as of 31 December 2010	**186.079**

Cost	
Balance as of 1 January 2011	**3.473.774**
Additions	99.646
Balance as of 31 December 2011	**3.573.420**
Accumulated depreciation	
Balance as of 1 January 2011	**(3.287.695)**
Depreciation for the year	(119.687)
Balance as of 31 December 2011	**(3.407.382)**
Undepreciated value as of 1 January 2011	**186.079**
Undepreciated value as of 31 December 2011	**166.037**

Notes to the Financial Statements

7. Investment Property

Investment property refers to lots of the subsidiary “HELLENIC CABLES S.A.”.

The real estate investment concern in land, which at the date of transition to IFRS, were valued at fair value which was regarded as deemed cost. The Company shall periodically check the current value of the property.

8. Participations

	GROUP		COMPANY	
(Amounts in euro)	**2011**	**2010**	**2011**	**2010**
Investments to subsidiary Companies	-	-	145.168.578	144.260.438
Investments to affiliated Companies	6.532.458	6.082.122	4.264.104	4.264.104
	6.532.458	**6.082.122**	**149.432.682**	**148.524.542**

Participations in subsidiaries can be broken down as follows:

Corporate Name	Country	Value at the beginning of period	Additions	Sales	Impairments	Value at the end of period	Direct Holding Percentage	Indirect Holding Percentage	Direct & Indirect Holding Percentage
2010									
HELLENIC CABLES S.A.	Greece	37.759.402	-	-	-	37.759.402	78,71%	0,00%	78,71%
STEELMET S.A.	Greece	140.880	-	-	-	140.880	29,56%	23,27%	52,83%
AKRO S.A.	Greece	-	-	-	-	-	95,74%	0,00%	95,74%
SOFIA MED SA	Bulgaria	69.228.073	25.000.015	-	-	94.228.089	100,00%	0,00%	100,00%
METAL AGENCIES LTD	United Kingdom	140.931	-	-	-	140.931	67,00%	25,98%	92,98%
BELANTEL HOLDINGS LTD	Cyprus	95.437	-	-	-	95.437	100,00%	0,00%	100,00%
METAL GLOBE DOO	Serbia	-	-	-	-	-	30,00%	23,61%	53,61%
COPPERPROM LTD	Greece	7.200	-	-	-	7.200	40,00%	31,49%	71,49%
GENECOS SA	France	54.980	-	-	-	54.980	25,00%	47,23%	72,23%
FITCO SA (former SYLLAN S.A.)	Greece	60.000	9.516.720	-	-	9.576.720	100,00%	0,00%	100,00%
HALCOR R&D SA	Greece	-	42.000	-	-	42.000	70,00%	0,00%	70,00%
TECHOR SA	Greece	-	2.214.800	-	-	2.214.800	68,97%	0,00%	68,97%
		107.486.903	**36.773.535**	-	-	**144.260.438**			
2011									
HELLENIC CABLES S.A.	Greece	37.759.402	-	-	-	37.759.402	72,53%	0,00%	72,53%
STEELMET S.A.	Greece	140.880	-	-	-	140.880	29,56%	21,44%	51,00%
AKRO S.A.	Greece	-	-	-	-	-	95,74%	0,00%	95,74%
SOFIA MED SA	Bulgaria	94.228.089	-	-	-	94.228.089	100,00%	0,00%	100,00%
METAL AGENCIES LTD	United Kingdom	140.931	-	-	-	140.931	67,00%	23,94%	90,94%
BELANTEL HOLDINGS LTD	Cyprus	95.437	-	-	-	95.437	100,00%	0,00%	100,00%
METAL GLOBE DOO	Serbia	-	-	-	-	-	30,00%	21,76%	51,76%
COPPERPROM LTD	Greece	7.200	-	-	-	7.200	40,00%	29,01%	69,01%
GENECOS SA	France	54.980	-	-	-	54.980	25,00%	43,52%	68,52%
FITCO SA (former SYLLAN S.A.)	Greece	9.576.720	808.050	-	-	10.384.770	100,00%	0,00%	100,00%
HALCOR R&D SA	Greece	42.000	-	-	-	42.000	70,00%	0,00%	70,00%
TECHOR SA	Greece	2.214.800	-	-	-	2.214.800	68,97%	0,00%	68,97%
HALCORAL S.h.p.k	Albania	-	100.090	-	-	100.090	100,00%	0,00%	100,00%
		144.260.438	**908.140**	-	-	**145.168.578**			

Notes to the Financial Statements

8. Participations (cont'd)

- On October 31, 2011 by decision of the Extraordinary General Meeting of shareholders of the subsidiary company called METAL PROCESSING INDUSTRY FITCO SA approved the capital increase of Euro 808,050 by issuing 269,350 new shares of nominal value Euro 3.00 to cover the percentage (50%) of the own participation in the company's investment plan based on Law 3299/2004. HALCOR paid the full amount and covered all the new shares. After the completion of this capital increase, the share capital of FITCO amounts to Euro 10,384,770 divided into 3,461,590 shares of nominal value Euro 3.00 each and HALCOR still holds 100%.

- The limited liability company under the name HALCORAL Sh.PK based in Tirana, Albania was established by HALCOR SA. The new company is a 100% subsidiary of HALCOR with an initial share capital of Euro 100,000 divided into 1,000 shares of nominal value of Euro 100 each, and principally engaged in marketing of copper, copper alloys, zinc and cables. The company was consolidated for the first time in current year and was not consolidated the previous period due to non-significance.

- The subsidiary HALCOR RESEARCH AND DEVELOPMENT SA consolidated using the full method of consolidation for the first time the current fiscal year and not consolidated in the previous year due to non-initiating activity.

- In 2011, the subsidiary HELLENIC CABLES SA absorbed its 100% subsidiary TELECABLES SA The absorption was based on the provisions of Law 1297/1972 and approval of the absorption was made by the Prefecture of Athens on August 1, 2011. The method of incorporation of the subsidiary was based on the cost.

- The subsidiary HELLENIC CABLES SA on July 29, 2011 acquired 100% of shares of FULGOR SA, which also operates in the cables production. In particular, FULGOR is active in the production of cables, conductors and copper and aluminium wires since 1957 while it has considerable experience and expertise in producing value added products such as high voltage and submarine cables.

  Its facilities of 82 acres are located in Corinth Soussaki. The annual production capacity is 50 thousand tons of cables and 45 thousand tons of copper and aluminium wires while it is certified in accordance with the management system ISO 9001 and ISO 14001.

  With this acquisition the Group increases its productive base, enhance its export presence and benefit from the synergies that will result in the distribution channel, the supply chain, the production and the research and development of new products while it enters into a new field of activity, underwater cables, which are expected to give new momentum and significantly increase turnover.

  From the date of acquisition FULGOR participated in the Group's revenues by Euro 2,521,750 while net results after taxes amounted to losses of Euro 1,293,290 where the amount of Euro 938,023 concerns the Group and the amount of Euro 355,267 the minority.

  If FULGOR was consolidated from the beginning of the year, the change in the Group's revenues would be imaterial as the company before the acquisition was idle, while the results would incur losses of approximately Euro 10 million of which Euro 7.25 million would burden the Group and the amount of Euro 2.75 million would burden the minority. To determine these amounts the Group's management assumed that the acquisition of the FULGOR was on January 1, 2011 and all necessary adjustments for determining the fair value of identifiable assets calculated at that date.

Notes to the Financial Statements

8. Participations (cont'd)

Since the company FULGOR was idle since the second half of 2010 and was subject to conciliation under Article 99 of the Bankruptcy Code by December 2010 and due to increased borrowings, the purchase price amounted to Euro 3,430,000 cash.

Identifiable assets acquired and liabilities undertaken at the acquisition date are as follows:

Amounts in '000 Euro	
Tangible assets	56.621
Intangible assets	9.710
Inventory	2.201
Trade & other receivables	1.490
Cash & cash equivalents	316
Borrowings	(35.482)
Trade & other liabilities	(22.426)
Provisions	(2.495)
Deferred tax liabilities	(6.505)
Fair value of identifiable assets	**3.430**

For the calculation of the identifiable assets and liabilities were taken into account the provisions of the contract of purchase of FULGOR and the liabilities to banks and suppliers were reduced accordingly (haircut) while there were arranged the company's obligations to existing shareholders and made all necessary provisions for impairment of fixed assets, receivables and inventories.

The costs of acquiring Fulgor amounting to Euro 647,479 and were mainly lawyers' fees, notaries, auditors, tax etc. These costs are included in the item "Other Operating Expenses" in the Statement of Comprehensive Income.

- The Board of the subsidiary HELLENIC CABLES SA held an Extraordinary General Meeting of Shareholders on September 7, 2011, which decided to increase the share capital of HELLENIC CABLES SA by Euro 1,647,200 in cash, by issuing 2,320,000 new ordinary registered voting shares of nominal value € 0.71 each and issue price from Euro 3.94 to Euro 6.38 each, with abolition of preferential right of existing shareholders. The total amount drawn from the capital increase amounted to Euro 9,593,921, of which an amount of Euro 7,946,721 was accounted for in the "Premium". All new shares were borne by the creditor banks of FULGOR in settlement of debts of the latter.

  After the share capital increase of HELLENIC CABLES, the share capital amounted to Euro 20,977,915.60, divided into 29,546,360 common registered shares of nominal value Euro 0.71 each. The premium share capital amounts to Euro 31,171,712. The share of HALCOR stake in HELLENIC CABLES stood at 72.53% from 78.71% held before the increase. The share capital increase was completed in early 2012.

Notes to the Financial Statements

8. Participations (cont'd)

The participations in associated companies can be broken down as follows:

Corporate Name	Country	Direct & Indirect Holding Percentage	GROUP 2011	GROUP 2010	COMPANY 2011	COMPANY 2010
DIAPEM TRADING S.A.	Greece	33,33%	211.678	210.619	266.627	266.627
ELKEME S.A.	Greece	30,44%	636.854	627.673	381.604	381.604
S.C. STEELMET ROMANIA S.A	Romania	40,00%	2.021.454	1.915.990	729.237	729.237
TEPRO METALL AG	Germany	36,21%	3.526.364	3.170.240	2.873.392	2.873.392
VIEXAL SA (former LTD)	Greece	26,67%	29.906	9.399	13.244	13.244
E.D.E. S.A.	Greece	72,54%	106.201	106.201	-	-
			6.532.458	**6.082.122**	**4.264.104**	**4.264.104**

In August 2011 the affiliated company ENERGY SOLUTIONS SA held a share capital increase of Euro 4.2 million by issuing 54,043 new shares, in which HALCOR was not involved so its stake in the company was formed from 38.60% to 6.03%. Thus the company was not consolidated in the current year while it was consolidated the previous year.

The main financial assets of these associated companies can be broken down as follows:

Corporate Name	Country	Assets	Liabilities	Income (Turnover)	Profit / (losses) after tax	Participation percentage
2010						
DIAPEM TRADING S.A.	Greece	657.886	26.023	-	(7.683)	33,33%
ELKEME S.A.	Greece	2.343.903	312.598	2.112.108	7.423	30,90%
S.C. STEELMET ROMANIA S.A	Romania	9.230.403	4.439.829	22.235.622	509.843	40,00%
TEPRO METALL AG	Germany	29.256.129	20.685.597	106.249.075	20.504	36,99%
ENERGY SOLUTIONS SA	Bulgaria	2.061.221	3.799.236	1.271.578	(1.368.239)	38,60%
VIEXAL LTD	Greece	568.511	533.270	3.636.719	(54.759)	26,67%
		44.118.053	**29.796.553**	**135.505.102**	**(892.911)**	

Corporate Name	Country	Assets	Liabilities	Income (Turnover)	Profit / (losses) after tax	Participation percentage
2011						
DIAPEM TRADING S.A.	Greece	657.510	22.469	-	3.178	33,33%
ELKEME S.A.	Greece	2.332.025	239.862	1.757.703	60.857	30,44%
S.C. STEELMET ROMANIA S.A	Romania	7.877.419	2.823.157	23.606.903	331.614	40,00%
TEPRO METALL AG	Germany	27.811.882	18.073.235	117.572.215	1.219.779	36,21%
VIEXAL LTD	Greece	798.521	703.521	5.260.617	76.894	26,67%
		39.477.356	**21.862.244**	**148.197.438**	**1.692.323**	

Notes to the Financial Statements

9. Financial assets available for sale

Financial assets available for sale include the following:

	GROUP		COMPANY	
(Amounts in euro)	2011	2010	2011	2010
Unlisted titles				
Domestic Participating Titles	4.200.408	4.293.000	3.841.675	3.840.675
International Participating Titles	444.711	1.119	351.119	1.119
Others	8.804	8.804	5.869	5.869
	4.653.923	**4.302.923**	**4.198.664**	**3.847.663**

Financial assets available for sale concern holdings in unlisted domestic and foreign companies with participation lower than 20% and are measured at acquisition cost.

In July 2011 HALCOR participated in the increase of the share capital of trading company ALURAME SRL, which is based in Milan, Italy. The involvement of HALCOR was the amount of Euro 350,000 and the participation rate stood at 17.5%.

10. Deferred tax assets and liabilities

Deferred tax assets and liabilities are offset when there is an applicable legal right to offset the current tax assets against current tax liabilities and when the deferred income tax relates to the same taxation authority. The net amount of the deferred tax is as follows:

	GROUP		COMPANY	
(Amounts in euro)	2011	2010	2011	2010
Deferred tax claims	6.156.760	6.259.224	-	-
Deferred tax liabilities	(19.333.458)	(9.532.996)	(6.969.440)	(3.091.437)
Net amount	(13.176.698)	(3.273.772)	(6.969.440)	(3.091.437)

The total change in the deferred income tax is:

	GROUP		COMPANY	
(Amounts in euro)	2011	2010	2011	2010
Opening balance	**(3.273.772)**	**(8.298.380)**	**(3.091.437)**	**(10.210.091)**
Foreign exchange differences	(5.454)	(3.738)	-	-
Acquisition of company	(6.504.890)	-	-	-
Sale of subsidiary	-	-	-	2.899.524
(Debit)/credit recorded in the profit and loss statement	(1.777.494)	4.336.324	(2.445.872)	3.704.034
Tax that was (debited)/credited in equity	(1.615.088)	692.022	(1.432.131)	515.095
Closing balance	**(13.176.697)**	**(3.273.772)**	**(6.969.440)**	**(3.091.437)**

Notes to the Financial Statements

10. Deferred tax assets and liabilities (cont'd)

Use of temporary tax differences is as follows:

Deferred tax liabilities:
(Amounts in euro)

GROUP	Difference in Depreciation	Difference in Provisions	Non-recognised intangible assets	Change in tax rate	Future benefits from the reversal real estate adjustments	Tax losses recognition	Other	Total
Balance as of 1/1/2010	**(30.202.084)**	**2.004.408**	**(371.427)**	**4.320.618**	**-**	**10.029.916**	**396.260**	**(13.822.309)**
(Debit) / Credit recorded in the profit and loss statement	869.226	207.454	(231.046)	-	-	62.564	2.803.482	**3.711.680**
(Debit) / Credit in equity	-	-	-	-	-	-	577.633	**577.633**
Balance as of 31/12/2010	**(29.332.858)**	**2.211.861**	**(602.473)**	**4.320.618**	**-**	**10.092.480**	**3.777.375**	**(9.532.996)**
(Debit) / Credit recorded in the profit and loss statement	700.187	(568.844)	(74.641)	-	-	(2.006.149)	(161.329)	**(2.110.776)**
(Debit) / Credit in equity	-	-	-	-	-	-	(1.184.796)	**(1.184.796)**
Acquisition of company	-	-	-	-	-	-	(6.504.890)	**(6.504.890)**
Balance as of 31/12/2011	**(28.632.672)**	**1.643.018**	**(677.114)**	**4.320.618**	**-**	**8.086.331**	**(4.073.639)**	**(19.333.458)**

Deferred tax liabilities:

GROUP	Difference in Depreciation	Difference in Provisions	Non-recognised intangible assets	Change in tax rate	Future benefits from the reversal real estate adjustments	Tax losses recognition	Other	Total
Balance as of 1/1/2010	**2.312.736**	**(15.272)**	**783**	**(78.553)**	**(64.342)**	**2.958.753**	**409.824**	**5.523.929**
Foreign exchange differences	(3.738)	-	-	-	-	-	-	**(3.738)**
(Debit) / Credit recorded in the profit and loss statement	858.721	373.752	-	-	-	(560.856)	(46.973)	**624.644**
(Debit) / Credit in equity	-	-	-	-	-	-	114.389	**114.389**
Balance as of 31/12/2010	**3.167.719**	**358.480**	**783**	**(78.553)**	**(64.342)**	**2.397.898**	**477.240**	**6.259.224**
Foreign exchange differences	(5.454)	-	-	-	-	-	-	**(5.454)**
(Debit) / Credit recorded in the profit and loss statement	951.810	93.071	-	-	-	(426.839)	(284.760)	**333.282**
(Debit) / Credit in equity	-	-	-	-	-	-	(430.292)	**(430.292)**
Balance as of 31/12/2011	**4.114.075**	**451.551**	**783**	**(78.553)**	**(64.342)**	**1.971.059**	**(237.811)**	**6.156.760**

Deferred tax liabilities:

COMPANY	Difference in Depreciation	Difference in Provisions	Non-recognised intangible assets	Change in tax rate	Future benefits from the reversal real estate adjustments	Tax losses recognition	Other	Total
Balance as of 1/1/2010	**(24.552.488)**	**439.319**	**(377.264)**	**9.746.630**	**-**	**9.558.886**	**(5.025.175)**	**(10.210.091)**
(Debit) / Credit recorded in the profit and loss statement	1.086.730	1.034.016	(213.943)	-	-	(334.567)	2.131.798	**3.704.034**
(Debit) / Credit in equity	-	-	-	-	-	-	515.095	**515.095**
Transfer to subsidiary	2.931.884	(168.802)	-	-	-	-	136.442	**2.899.524**
Balance as of 31/12/2010	**(20.533.873)**	**1.304.533**	**(591.207)**	**9.746.630**	**-**	**9.224.319**	**(2.241.839)**	**(3.091.437)**
(Debit) / Credit recorded in the profit and loss statement	472.540	(134.619)	(21.258)	-	-	(2.752.656)	(9.879)	**(2.445.872)**
(Debit) / Credit in equity	-	-	-	-	-	-	(1.432.131)	**(1.432.131)**
Balance as of 31/12/2011	**(20.061.333)**	**1.169.913**	**(612.465)**	**9.746.630**	**-**	**6.471.663**	**(3.683.849)**	**(6.969.440)**

Deferred tax assets were offset against deferred tax liabilities for companies falling under the same taxation authority.

The Company decided to delete the amount of Euro 2,752,656 that was recognized as a tax loss in 2008 due to non-profit appearance.

Notes to the Financial Statements

11. Inventories

(Amounts in euro)	GROUP		COMPANY	
	2011	**2010**	**2011**	**2010**
Merchandise	13.688.023	13.850.203	1.573.107	1.945.559
Finished products	69.767.322	69.645.138	19.787.859	25.358.027
Semi-finished	45.723.242	44.722.747	18.741.989	20.273.751
By-products and scrap	1.637.205	1.922.771	149.220	305.895
Work in progress	20.901.365	21.515.269	3.399.922	2.182.419
Raw and indirect materials - consumables - spare parts & packaging materials	83.985.276	68.501.451	24.042.403	27.193.546
Down payments for the purchase of stocks	951.223	2.667.059	-	-
Total	**236.653.656**	**222.824.639**	**67.694.501**	**77.259.197**
Less: Inventories devaluation	**(1.913.366)**	**(318.264)**	**-**	**-**
Total net liquid value	**234.740.290**	**222.506.376**	**67.694.501**	**77.259.197**

Depreciation of inventories has been posted to the Income Statement and in particular in the account “Cost of goods sold”.

12. Trade and other receivables

Current assets	GROUP		COMPANY	
(Amounts in euro)	**2011**	**2010**	**2011**	**2010**
Customers	96.861.628	130.041.715	13.123.865	32.680.878
Less: Impairment provisions	(6.978.448)	(3.791.478)	(1.172.845)	(1.264.598)
Net customer receivables	**89.883.180**	**126.250.237**	**11.951.020**	**31.416.280**
Other down payments	843.504	500.651	147.680	222.074
Notes-cheques receivable & sealed	7.649.968	12.879.127	466.456	794.781
Receivables from affiliated entities	22.869.635	28.198.550	65.258.230	57.723.967
Receivables from other holdings	116.227	-	51.000	6.000
Current tax receivables	9.253.542	10.084.851	688.814	562.404
Other debtors	24.178.220	34.140.046	3.655.556	17.617.780
Total	**64.860.096**	**85.803.226**	**70.216.736**	**76.927.007**
Non-current assets				
(Amounts in euro)				
Long-term receivables against affiliated companies	431.893	431.893	431.893	431.893
Long-term claims against other holdings	1.580	1.580	1.580	1.580
Other long-term claims	1.096.091	794.464	456.563	89.023
Total	**1.529.565**	**1.227.938**	**890.037**	**522.497**
Total receivables	**156.272.841**	**213.281.400**	**83.057.793**	**108.865.783**

The account "Other debtors" includes mainly claim of a subsidiary against third parties due to a share capital increase of Euro 9.5 million as well as VAT refund claims by certain Group companies.

The provision for doubtful debts is raised for specific balances of customers that the Group Management finds doubtful in terms of collection less the expected indemnity received from insurance companies.

During year 2011, provisions for impairment equal to Euro 39,247 were raised for the Company while for the Group the amount was Euro 4,119,566 of which Euro 2,721,883 comes from FULGOR, a subsidiary of HELLENIC CABLES. The respective amounts for year 2010 came to Euro 58,289 for the Company and Euro 985,822 for the Group.

Notes to the Financial Statements

13. Derivatives

	GROUP		COMPANY	
(Amounts in euro)	2011	2010	2011	2010
Current assets				
Foreign exchange swaps	-	159.360	-	-
Forward contracts	961.064	954.890	942.729	886.598
Future contracts	1.795.100	2.839.982	989.825	699.534
Total	**2.756.164**	**3.954.232**	**1.932.554**	**1.586.132**
Long-term liabilities				
Interest rate swaps	472.708	822.379	472.708	822.379
Total	**472.708**	**822.379**	**472.708**	**822.379**
Short-term liabilities				
Interest rate swaps	84.615	174.388	12.125	-
Foreign exchange forwards	247.130	356.128	244.155	356.128
Option contracts	-	671.825	-	671.825
Future contracts	738.212	10.354.268	659.381	5.952.490
Total	**1.530.187**	**11.556.609**	**915.662**	**6.980.443**
Amounts that were recorded in the results as earnings or (expenses)	**(1.949.704)**	**(10.641.468)**	**(552.184)**	**(6.899.307)**
Interest rate swaps				
Nominal Value	**38.750.000**	**60.000.000**	**32.500.000**	**48.750.000**

For the Group and the Company results from settled financial risk management operations that recorded in the Income Statement during years 2011 and 2010 are included a) the results from metal derivatives and exchange rate derivatives in Sales and Cost of Goods Sold and b) the results derived from swaps and forwards contracts in other income-expenses. Part of the results of options has recorded in Cost of Goods Sold and the remainder in other income-expenses.

	COMPANY	
	2011	**2010**
Gains from future contracts	8.898.886	5.065.012
Losses from future contracts	(8.075.656)	(12.266.303)
Gains from option contracts	53.426	735.165
Losses from option contracts	(177.699)	(671.825)
Gains from foreign exchange forwards	1.781.374	1.046.986
Losses from foreign exchange forwards	(3.032.515)	(808.342)
Total	**(552.184)**	**(6.899.307)**

Notes to the Financial Statements

14. Cash and cash equivalents

	GROUP		COMPANY	
(Amounts in euro)	**2011**	**2010**	**2011**	**2010**
Cash on hand and in banks	84.447	123.589	15.947	10.140
Short-term bank deposits	37.115.102	17.244.361	14.343.924	2.393.806
Total	**37.199.549**	**17.367.950**	**14.359.870**	**2.403.946**

Bank deposits are set at variable rates according to the applicable rates of interest of interbank market.

15. Share capital

Company share capital stands at Euro 38,486,258 (2010: 38,486,258) divided into 101,279,627 (2010: 101,279,627) common unregistered shares with a nominal value of Euro 0.38 each.

16. Reserves

Statutory Reserve

Under Greek trade law, companies must transfer at least 5% of their annual net profits to a statutory reserve until that reserve is equal to 1/3 of the paid-up share capital. Distribution of Statutory Reserve is prohibited. No statutory reserve will be set aside during this year due to losses.

Untaxed and special reserves

Untaxed and special reserves concern non-distributed profits that are exempt from taxation pursuant to special provisions of incentive laws (under the condition that companies have sufficient profits to form these reserves). Reserves from income exempt from taxation and reserves taxed pursuant to special laws concern income from interest for which a tax has been withheld at the source. In addition to any prepaid taxes, these reserves are subject to taxation in case they are distributed. No deferred taxes have been accounted for as regards the above untaxed reserves in case they are distributed.

On December 31, 2011, the subsidiary HELLENIC CABLES had made investments of approximately Euro 8.2 million, pursuant to developmental law 2601/1998. On this basis, HELLENIC CABLES has the right to form from the accounting profits of the following years a tax-free reserve equal to 70% of these investments. This right will expire between the years 2012 and 2014. Also the company on 31 December 2011 had made investments of approximately Euro 1.8 million, pursuant to the developmental law 3299/2004. Under this law, the HELLENIC CABLES entitled to form from the accounting profits of the following years a tax-free reserve equal to 100% of these investments. This right expires on the use of 2018.

Exchange rate differences on consolidation

Exchange rate differences on consolidation arise from translating the financial statements of subsidiaries which are denominated in foreign currency, to the currency of the Parent Company which is in Euro.

Notes to the Financial Statements

17. Loans and obligations from Financial Leasing

	GROUP		COMPANY	
(Amounts in euro)	2011	2010	2011	2010
Long-term borrowings				
Bank loans	24.500.104	15.343.843	-	-
Bond loans	165.973.487	140.716.789	88.722.370	113.889.035
Total long-term borrowings	**190.473.591**	**156.060.632**	**88.722.370**	**113.889.035**
Short-term borrowings				
Bank loans	329.413.482	338.157.544	144.683.798	128.584.417
Total short-term borrowings	**329.413.482**	**338.157.544**	**144.683.798**	**128.584.417**
Total loans	**519.887.073**	**494.218.176**	**233.406.168**	**242.473.452**

The maturity dates of long-term debt are:

(Amounts in euro)				
Between 1 and 2 years	135.987.900	93.171.502	69.833.200	66.416.665
Between 2 and 5 years	28.597.221	62.889.130	18.889.170	47.472.369
Beyond 5 years	25.888.470	-	-	-
	190.473.591	**156.060.632**	**88.722.370**	**113.889.035**

	GROUP	
(Amounts in euro)	2011	2010
Financial leasing liabilities - minimum leases		
Up to 1 year	675.683	-
From 1 - 5 years	438.273	-
Total	**1.113.956**	**-**

During 2011, the Company raised debt capital from a group of banks which amounted to Euro 46,000,000 mainly in order to meet its needs for working capital. During the same period, the Company repaid loans totalling Euro 55,067,284 (both short and long-term).

At Group level, during 2011 the loans taken out amounted to Euro 162,513,501 while the sum of Euro 172,326,995 was repaid.

The fair values of loans are approximately equal to their book values as loans bear mainly floating interest rates. The book values of the Group's loans concern loans issued in Euro.

The actual weighted average interest rates (both short and long term) at the balance sheet date were:

	GROUP		COMPANY	
	2011	2010	2011	2010
Average borrowing interest rate	4,81%	3,41%	4,92%	3,25%

The bank loans of both the Company and HALCOR Group, taken out fully by Banks (Group: Euro 181.9 million on a long-term basis and Euro 213.3 million on a short-term basis and Company: Euro 88.7 million long-term and Euro 135.9 million short-term) include clauses of change in control granting lenders the right to early terminate them.

Notes to the Financial Statements

17. Loans and obligations from Financial Leasing (cont'd)

The subsidiary HELLENIC CABLES proceeded to negotiations with the creditor banks of its subsidiary FULGOR, to make an arrangement of the debt amounting to Euro 64 million. The agreement included the granting of a bond loan amounting to Euro 42 million and a bond amounting to Euro 22 million. Based on the implementation contract signed in 2012, the amount of Euro 22 million settled on a payment of Euro 9.6 million resulting from the increase of the share capital of FULGOR, in which participated only the HELLENIC CABLES such as sole shareholder. The remainder of the existing debt deleted. Following the above capital increase, HELLENIC CABLES made equal increase in its share capital by issuing 2,320,000 common shares which were allocated to lending banks of FULGOR, and abolished the preferential right of existing shareholders. Due to the specific terms of the bond loan of Euro 42 million, the Group made a valuation based on the real interest rate which resulted in gains of Euro 16 million. For the bank loans of its subsidiary FULGOR, mortgages on properties totaling 49 million Euros were set up.

There was no fact in 2011 which has led to a breach of the terms of the loans of the Group.

18. Liabilities for staff retirement benefits

The Group has fulfilled all its obligations to defined contribution plans required by law. The law provides for the employer a corresponding obligation to pay compensation for those who leave during the year for retirement. This program has not set an asset to finance. Under Greek labour law employees are entitled to compensation when dismissed or retiring, the level of which is related to employee pay, length of service and the mode of departure (dismissal or retirement). Employees resigning are not entitled to compensation.

	GROUP		COMPANY	
(Amounts in euro)	2011	2010	2011	2010
Balance sheet liabilities for:				
Non-funded retirement benefits	**6.009.292**	**4.721.658**	**2.083.096**	**2.059.252**
Present value of non-funded liabilities	5.240.575	4.260.317	1.795.794	1.825.068
Non-recorded actuarial (profits)/losses	768.717	461.341	287.302	234.184
Liability recorded in the Balance Sheet	**6.009.292**	**4.721.658**	**2.083.096**	**2.059.252**
Variations in net liability recognised in the Balance Sheet				
Net liability at the beginning of the year	4.721.658	4.971.824	2.059.252	2.648.352
Net liability from subsidiary aquisition	-	40.628	-	(210.741)
Employer contributions	-	-	-	-
Acquisition of company	1.514.891	-	-	-
Benefits that have been paid	(2.024.326)	(2.193.671)	(510.313)	(1.554.766)
Total expenditure that was recognised in the profit and loss accounts	1.820.374	1.902.878	537.363	1.176.407
Net liability at the end of the year	**6.032.597**	**4.721.658**	**2.086.302**	**2.059.252**
Additional expenses or (income)	(20.098)	-	-	-
Actuarial loss or (profit)	(3.206)	-	(3.206)	-
Present value of the liability at the end of the period	**6.009.292**	**4.721.658**	**2.083.096**	**2.059.252**
Analysis of expenditures that were recognised in the profit and loss accounts				
Cost of current employment	386.097	391.835	129.796	131.065
Interest on the liability	210.762	206.780	82.786	79.724
Cost of additional benefits	1.245.494	1.299.478	324.781	965.618
Profit from cut-back from employee transfers	(5.883)	-	-	-
Expenses & amortization of actual loss	(16.096)	4.785	-	-
Total expenditure that was recognised in the profit and loss accounts	**1.820.374**	**1.902.878**	**537.363**	**1.176.407**

Notes to the Financial Statements

18. Liabilities for staff retirement benefits (cont'd)

The assumptions on which the actuarial study was based for the calculation of provision are the following:

	GROUP		COMPANY	
	2011	2010	2011	2010
Discount interest rate	4,6%	4,7%	4,6%	4,7%
Future salary increases	2,5%	3,0%	2,5%	3,0%

The Company has granted stock options to certain executives. More specifically the General Meeting dated 20 June 2002 decided to grant options for the acquisition of 1,225,000 shares maximum corresponding to 1.21% of the existing number of the Company's shares. Options are gradually vested from 2002 to 2011 (10%) every year. The exercise price of the option was defined as the average closing price of the Company's share on ATHEX during the first fortnight of June 2002, namely Euro 3.45. Options may be exercised between the first and last business day of November of each year, between 2006 and 2013, when the deadline for their exercise will expire. Based on the interim provisions of IFRS 2 and given that the specific options were granted prior to 7 November 2002, the Company has not applied the provisions of this Standard save the disclosures of IFRS 2.

During the year no options were exercised.

HELLENIC CABLES S.A. has established corresponding options up to 1.97% of the number of existing common registered shares at the time of establishment (530,600 options) adjusted to future changes in the number of shares in which the share capital is divided under the following main terms and conditions:

a) Beneficiaries of stock option plan: Members of the Board, employees of the company or associated entities.

b) Option exercise price: Closing price on ATHEX during the first fortnight of June 2002, i.e. Euro 2.97 per option, was set as exercise price.

c) Option exercise: Options are gradually vested by 10% per annum starting on the first business day of November 2002 until the first business day of November 2011. The above vested options are exercised from the first business day of November 2006 until the first business day of November 2013. After this expiry date, non-exercised options will be abolished.

During the year no options were exercised.

Notes to the Financial Statements

19. Grants

(Amounts in euro)	GROUP 2011	GROUP 2010	COMPANY 2011	COMPANY 2010
Opening balance of the fiscal year	**2.902.907**	**2.445.634**	**2.034.225**	**2.077.625**
Proceeds from investement grants	1.374.156	907.500	142.658	907.500
Transfer of grants to receivables	652.500	-	-	-
Depreciation of grants	(746.320)	(450.227)	(251.699)	(299.967)
Acquisition of company	60.750	-	-	-
Transfer to subsidiary	-	-	-	(650.933)
Closing balance of the fiscal year	**4.243.993**	**2.902.907**	**1.925.184**	**2.034.225**

Depreciation of grants corresponding to fixed assets depreciation is posted in the account “Other income” of the income statement.

Grants have been provided for the purchase of tangible assets. Company grants concern investments made over the previous years at the Tubes Plant, the Brass Bars and Tubes Plant and the Foundry. During the year 2011, the Company received grant totalling Euro 142,658 for investments made in the Tubes Plant.

20. Provisions

During the current year, the Company decreased long-term provisions by Euro 6,455,543 as used provisions due to the fine imposed by the European Competition Commission (see note 28).

In 2011, the Group raised a provision for un-audited fiscal years which amounts to Euro 243,256.

Also, there are other provisions for Group Euro 322,108 and Company Euro 90,000.

21. Suppliers and other liabilities

(Amounts in euro)	GROUP 2011	GROUP 2010	COMPANY 2011	COMPANY 2010
Suppliers	42.490.163	62.049.532	12.960.653	16.551.254
Bills payable	10.026.337	-	10.026.337	15.659.465
Cheques payable	24.117	492	-	-
Customer down payments	3.639.769	5.010.444	1.731.153	2.839.116
Insurance organisations	4.285.962	2.266.377	909.749	1.017.475
Amounts due to affiliated entities	12.620.382	12.606.253	3.291.890	4.184.341
Dividends payable	20.243	22.425	11.339	13.521
Proportion of third parties to dividents payable	10.564	-	-	-
Sundry creditors	15.846.958	2.736.918	10.674.514	9.436
Deferred income	8.223	10.210	-	-
Accrued expenses	4.364.740	3.314.324	2.132.781	1.736.743
Other transitory accounts	1.364.445	1.293.789	192.474	183.959
Total	**94.701.903**	**89.310.765**	**41.930.890**	**42.195.311**

Notes to the Financial Statements

22. Expenses

Expenses per category and account can be broken down as follows:

GROUP

2010

(Amounts in euro)	Cost of sales	Distribution expenses	Administrative expenses	Total
Employee benefits	(49.466.819)	(7.978.183)	(12.227.132)	**(69.672.134)**
Depreciation	(26.836.120)	(318.895)	(939.756)	**(28.094.771)**
Other Expenses	(924.033.758)	(7.607.211)	(9.298.363)	**(940.939.332)**
Total	**(1.000.336.697)**	**(15.904.289)**	**(22.465.250)**	**(1.038.706.236)**

2011

	Cost of sales	Distribution expenses	Administrative expenses	Total
Employee benefits	(51.700.141)	(6.969.728)	(12.140.328)	**(70.810.196)**
Depreciation	(24.858.267)	(346.548)	(922.975)	**(26.127.790)**
Other Expenses	(1.109.573.040)	(7.565.577)	(8.775.952)	**(1.125.914.569)**
Total	**(1.186.131.448)**	**(14.881.853)**	**(21.839.255)**	**(1.222.852.555)**

COMPANY

2010

(Amounts in euro)	Cost of sales	Distribution expenses	Administrative expenses	Total
Employee benefits	(17.839.357)	(3.536.051)	(5.180.258)	**(26.555.665)**
Depreciation	(10.195.839)	(240.003)	(218.964)	**(10.654.807)**
Other Expenses	(477.222.998)	(3.287.829)	(4.747.263)	**(485.258.091)**
Total	**(505.258.195)**	**(7.063.883)**	**(10.146.485)**	**(522.468.563)**

2011

	Cost of sales	Distribution expenses	Administrative expenses	Total
Employee benefits	(15.295.167)	(2.056.225)	(4.794.280)	**(22.145.672)**
Depreciation	(7.642.060)	(201.957)	(189.967)	**(8.033.983)**
Other Expenses	(540.454.813)	(3.515.948)	(4.576.808)	**(548.547.569)**
Total	**(563.392.040)**	**(5.774.130)**	**(9.561.055)**	**(578.727.224)**

The cost of benefits to employees can be broken down as follows:

	GROUP		COMPANY	
(Amounts in euro)	**2011**	**2010**	**2011**	**2010**
Employee renumeration & expenses	56.161.363	54.434.071	17.049.492	20.180.625
Social security expenses	13.535.828	12.824.735	4.262.374	4.878.046
Retirement cost of fixed benefits schemes	1.820.374	1.902.878	537.363	1.176.407
Other Benefits	524.081	510.739	296.443	320.586
Total	**72.041.646**	**69.672.423**	**22.145.672**	**26.555.665**

In other expenses of the Group is included an amount of Euro 1,231,450 related to the cost of employee benefits.

The number of staff employed by the Company at the end of the current year was: 467 (2010: 493) and as for the Group: 2,467 (2010: 2,217).

Notes to the Financial Statements

23. Financial expenses/income

	GROUP		COMPANY	
(Amounts in euro)	**2011**	**2010**	**2011**	**2010**
Income				
Interest income	322.100	524.078	36.760	88.469
Total income	**322.100**	**524.078**	**36.760**	**88.469**
Expenses				
Interest charges & related expenses	(35.440.976)	(20.943.150)	(15.874.871)	(9.691.430)
Impairment of participations	-	-	-	(299.985)
Bank commissions	-	(184.728)	-	-
Total expenses	**(35.440.976)**	**(21.127.879)**	**(15.874.871)**	**(9.991.415)**
Financial cost (net)	**(35.118.877)**	**(20.603.801)**	**(15.838.112)**	**(9.902.946)**

24. Income tax

Under the new tax law 3943/2011, the rate of corporate income tax set at 20% from January 1, 2011 onwards.

Based on new tax law and relevant ministerial decision which has effect on balance sheets closed out by June 30, 2011 onwards, the tax audit of businesses scrutinized by auditors or audit firms will be carried out by them. If the "Certificate of Tax Compliance" to be issued by statutory auditors or audit firms has not qualifications, the fiscal year is considered as tax audited and need not be made projections for un-audited fiscal years.

For the year 2011 the Company audited by the auditing firm KPMG in the issuance of a tax certificate in accordance with the provisions of Article 82, para.5 of Law 2238/1994 as amended by No 1159/22-7-2111 decision of the Minister of finance. Audit has also started in certain subsidiaries of the Group. The audit will be completed in the coming months.

The un-audited fiscal years up to 2010 will be audited by the tax authorities under the rules and procedures pertaining to implementation of the new Act.

Notes to the Financial Statements

24. Income tax (cont'd)

The income tax charged to or having reduced results is broken down as follows:

(Amounts in euro)	GROUP		COMPANY	
	2011	**2010**	**2011**	**2010**
Tax of the fiscal year	(1.311.060)	(650.044)	-	-
Other taxes	(1.690)	(794.126)	(523)	(62.499)
Deferred Taxes	(1.777.494)	4.336.324	(2.445.872)	3.704.034
Tax differences from tax audits	(188.075)	298.824	-	281.397
	(3.278.319)	**3.190.978**	**(2.446.395)**	**3.922.933**

Effective tax rate reconciliation

		GROUP			COMPANY	
		2011	**2010**		**2011**	**2010**
Earnings/(losses) before taxes		(11.350.953)	(16.249.126)		(11.281.137)	(11.693.708)
Tax rate		20%	24%		20%	24%
		2.270.191	**3.899.790**		**2.256.227**	**2.806.490**
Tax rate effects from foreign subsidiaries	1,71%	(193.831)	(797.901)	-	-	-
Non-deducted expenses	19,30%	(2.190.973)	(321.765)	19,42%	(2.190.627)	(326.924)
Exempt income	-	13	199.493	-	-	175.114
Tax loss for which a deferred tax was not recognised	15,56%	(1.766.682)	(334.567)	15,69%	(1.769.870)	(334.567)
Crearing tax losses	9,00%	(1.021.871)	1.650.265	6,58%	(742.125)	1.321.423
Unutilised tax provisions	-	-	281.397	-	-	281.397
Other changes	4,72%	(535.486)	56.728	-	-	-
Tax differences from tax audits	1,32%	(150.034)	(850.464)	-	-	-
Permanent tax differences	1,14%	(129.019)	(589.178)	-	-	-
Future profits from revaluation of properties	-0,65%	73.844	(2.821)	-	-	-
Offsetting tax loss of subsidiary	-2,87%	326.263	-	-	-	-
Tax rate change	-0,35%	39.266	-	-	-	-
Total	**28,88%**	**(3.278.319)**	**3.190.978**	**21,69%**	**(2.446.395)**	**3.922.933**

Notes to the Financial Statements

25. Other Operating expenses – income (net)

	GROUP		COMPANY	
(Amounts in euro)	**2011**	**2010**	**2011**	**2010**
Other income				
Grants of the fiscal year	75.242	110.039	75.242	110.039
Income from other activities	1.575.644	1.532.218	1.530.142	1.495.245
Depreciation of subsidies received	746.320	450.227	251.699	299.967
Income from rents	1.003.267	-	-	-
Foreign exchange differences	8.275.221	7.267.210	2.838.574	2.215.779
Damage compensation	173.521	146.966	173.521	146.966
Gains from the tangible assets sale	111.011	253.315	79.779	245.712
Other income	2.831.830	313.444	228.126	753.203
Total other income	**14.792.055**	**10.073.419**	**5.177.084**	**5.266.911**
Other expenses				
Impairment of fixed assets	-	(3.678)	-	-
Foreign exchange differences	(7.322.073)	(7.129.374)	(2.890.301)	(1.765.362)
Losses from the sale of tangible assets	-	(975)	-	(975)
Losses from the sale of investments	(74.975)	-	-	-
Other expenses	(1.107.626)	(924.293)	(39.247)	-
EU Competition fine	(3.977.423)	-	(3.977.423)	-
Idle cost	(1.926.585)	-	-	-
Other	(3.699.058)	(3.467.794)	(696.012)	(1.060.448)
Total	**(18.107.740)**	**(11.526.114)**	**(7.602.983)**	**(2.826.784)**
Other operating income - expenses (net)	**(3.315.684)**	**(1.452.695)**	**(2.425.898)**	**2.440.127**
Dividend Income	**5.226**	**5.383**	**5.226**	**624.984**
Profits / (losses) from afiliate companies				
Profit from affiliated companies	614.403	237.139	-	-
Loss from affiliated companies	-	(40.514)	-	-
Total	**614.403**	**196.625**	**-**	**-**

Notes to the Financial Statements

26. Financial Instruments

The Board of Directors of the Group in conjunction with the parent Group has set rules and procedures for measuring the following risks:

- Credit risk
- Liquidity risk
- Exchange rate risk
- Interest rate risk

Below there were presented analytically the evidence of the size of each risk.

Credit Risk

Group exposure to credit risk is primarily affected by the features of each customer. The demographic data of the Group's clientele, including payment default risk characterising the specific market and the country in which customers are active, affect less the credit risk since no geographical concentration of credit risk is noticed. No client exceeds 10% of sales and, consequently, commercial risk is spread over a large number of clients.

Based on the credit policy adopted by the Board of Directors, each new customer is tested separately for creditworthiness before normal payment terms are proposed. The creditworthiness test made by the Group includes the examination of bank sources. Credit limits are set for each customer, which are reviewed in accordance with current circumstances and the terms of sales and collections are readjusted, if necessary. In principal, the credit limits of customers are set on the basis of the insurance limits received for them from insurance companies and, subsequently, receivables are insured according to such limits.

When monitoring the credit risk of customers, the latter are grouped according to their credit characteristics, the maturity characteristics of their receivables and any past problems of receivability they have shown. Trade and other receivables include mainly wholesale customers of the Group. Any customers characterised 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 status, the Group demands real or other security (e.g. letters of guarantee) in order to secure its receivables, if possible.

The Group makes impairment provisions which reflect its assessment of losses from customers, other receivables and investments in securities. This provision mainly consists of impairment losses of specific receivables that are estimated based on given circumstances that they will be materialized though they have not been finalized yet.

Liquidity risk

Liquidity risk is the inability of the Group to discharge its financial obligations when they mature. The approach adopted by the Group to manage liquidity is to ensure, by holding absolutely necessary cash and adequate credit limits from cooperating banks, that it will always have adequate liquidity to cover its obligations when they mature, under normal or more difficult conditions, without there being unacceptable losses or its reputation being jeopardised. Note that on 31 December 2011, the Group had an amount of Euro 37.2 million as cash and the necessary credit lines that are approved but are not used so as to meet its short-term and medium-term obligations easily.

Notes to the Financial Statements

26. Financial Instruments (cont'd)

To avoid liquidity risk the Group makes a cash flow provision for one year when preparing the annual budget as well as a monthly rolling provision for three months to ensure that it has adequate cash to cover its operating needs, including fulfilment of its financial obligations. This policy does not take into account the impact of extreme conditions which cannot be foreseen.

Exchange rate risk

The Group is exposed to foreign exchange risk in relation to the sales and purchases carried out and the loans issued in a currency other than the functional currency of Group companies, which is mainly Euro. The currencies in which these transactions are held are mainly Euro, USD, GBP and other currencies of S/E Europe.

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. The Group enters mainly into currency forward contracts with external counterparties so as to deal with the risk of the exchange rates varying, which mainly expire within less than a year from the balance sheet date. When deemed necessary, these contracts are renewed upon expiry. As the case may be, the foreign exchange risk may be hedged by taking out loans in the respective currencies.

Loan interest is denominated in the same currency with that of cash flows, which arises from the Group's operating activities and is mostly Euro.

The investments of the Group in other subsidiaries are not hedged because these exchange positions are considered to be long-term.

Interest rate risk

The Group finances its investments and its needs for working capital from bank and bond loans with the result that interest charges reduce its results. Rising interest rates have a negative impact on results since borrowing costs for the Group rise.

Interest rate risk is mitigated since part of the Group borrowing is set at fixed rates either directly or using financial instruments (interest rate swaps).

Notes to the Financial Statements

26. Financial Instruments (cont'd)

(a) Credit Risk

The Financial assets subject to credit risk are as follows:

	Balance sheet values			
	GROUP		COMPANY	
(Amounts in euro)	2011	2010	2011	2010
Financial assets available for sale	4.653.923	4.302.923	4.198.664	3.847.664
Financial assets at fair value through results	8.231	8.231	-	-
Trade and other recievables	112.869.042	154.448.787	77.260.250	89.146.247
Cash on hand and equivalent cash accounts	37.199.549	17.367.950	14.359.870	2.403.946
Derivatives	2.756.164	3.954.232	1.932.554	1.586.132
Total	**157.486.909**	**180.082.124**	**97.751.338**	**96.983.989**

The account "Clients" includes receivables from client and affiliated companies:

Clients	GROUP		COMPANY	
(Amounts in euro)	2011	2010	2011	2010
Current	101.435.518	138.854.875	74.475.582	84.271.707
Pastdue				
Until 6 months	5.632.741	10.201.170	65.601	1.143.442
Beyond 6 months	5.800.784	5.392.742	2.719.067	3.731.099
Total	**112.869.042**	**154.448.787**	**77.260.250**	**89.146.247**

The account "trade and other receivables" includes claims from clients and affiliated companies

	GROUP		COMPANY	
(Amounts in euro)	2011	2010	2011	2010
Balance as of January 1	**3.791.478**	**3.651.783**	**1.264.598**	**1.206.309**
Transfer due to demerger	-	(17.894)	-	(36.677)
Loss for the period	1.397.683	1.003.716	39.247	94.966
Erasure	(905.830)	(832.084)	(131.000)	-
Acquisition of company	2.721.883	-	-	-
Reversal	(22.054)	(5.112)	-	-
Foreign exchange differences	(4.712)	(8.930)	-	-
Balance as of December 31	**6.978.448**	**3.791.478**	**1.172.845**	**1.264.598**

The Group insures the greatest part of its receivables so that they are secured if it fails to collect them.

Notes to the Financial Statements

26. Financial Instruments (cont'd)

(b) Liquidity risk

GROUP
31 December 2011
(Amounts in euro)

Liabilities	Value of Balance Sheet	<1 year	1-2 years	2-5 years	> 5 years	Total
Bank lending	**167.740.388**	143.240.284	19.500.104	5.000.000	-	**167.740.388**
Bond loans	**281.099.181**	115.125.694	116.487.796	23.597.221	25.888.470	**281.099.181**
Open bank accounts	**71.047.504**	71.047.504	-	-	-	**71.047.504**
Suppliers and other liabilities	**94.701.903**	94.701.903	-	-	-	**94.701.903**
	614.588.976	**424.115.385**	**135.987.900**	**28.597.221**	**25.888.470**	**614.588.976**

Derivatives	Value of Balance Sheet	<1 year	1- 2 years	2-5 years	> 5 years	Total
Nominal value of interest rate swaps	**38.750.000**	15.000.000	23.750.000	-	-	**38.750.000**
Nominal value of fx forward (in USD)	**9.245.792**	9.245.792	-	-	-	**9.245.792**
Nominal value of fx forward (in GBP)	**7.537.045**	7.537.045	-	-	-	**7.537.045**
Nominal value of Cu derivatives	**16.486.025**	16.486.025	-	-	-	**16.486.025**
Nominal value of Zn derivatives	**(928.998)**	(928.998)	-	-	-	**(928.998)**
Nominal value of Pb derivatives	**220.048**	220.048	-	-	-	**220.048**
Nominal value of Al derivatives	**1.921.383**	1.921.383	-	-	-	**1.921.383**

COMPANY
31 December 2011

Liabilities	Value of Balance Sheet	<1 year	1- 2 years	2-5 years	> 5 years	Total
Bank lending	**61.267.132**	61.267.132	-	-	-	**61.267.132**
Bond loans	**172.139.035**	83.416.665	69.833.200	18.889.170	-	**172.139.035**
Suppliers and other liabilities	**41.930.890**	41.930.890	-	-	-	**41.930.890**
	275.337.058	**186.614.688**	**69.833.200**	**18.889.170**	**-**	**275.337.058**

Derivatives	Value of Balance Sheet	<1 year	1- 2 years	2-5 years	> 5 years	Total
Nominal value of interest rate swaps	**32.500.000**	10.000.000	22.500.000	-	-	**32.500.000**
Nominal value of fx forward (in USD)	**8.239.657**	8.239.657	-	-	-	**8.239.657**
Nominal value of Cu derivatives	**10.316.663**	10.316.663	-	-	-	**10.316.663**
Nominal value of Zn derivatives	**(141.625)**	(141.625)	-	-	-	**(141.625)**

Notes to the Financial Statements

26. Financial risk management (cont'd)

(b) Liquidity risk (cont'd)

GROUP
31 December 2010

Liabilities	Value of Balance Sheet	<1 year	1- 2 years	2-5 years	> 5 years	Total
Bank lending	**188.111.430**	172.767.680	10.343.750	5.000.000	-	**188.111.430**
Bond loans	**264.050.121**	123.333.332	84.327.752	56.389.036	-	**264.050.121**
Suppliers and other liabilities	**89.310.765**	89.310.765	-	-	-	**89.310.765**
	583.528.941	**427.468.402**	**94.671.502**	**61.389.036**	**-**	**583.528.941**

Derivatives	Value of Balance Sheet	<1 year	1- 2 years	2-5 years	> 5 years	Total
Nominal value of interest rate swaps	**60.000.000**	26.250.000	22.500.000	11.250.000	-	**60.000.000**
Nominal value of fx forward (in USD)	**(31.489.759)**	(31.489.759)	-	-	-	**(31.489.759)**
Nominal value of fx forward (in GBP)	**11.613.842**	11.613.842	-	-	-	**11.613.842**
Nominal value of fx forward (in RON)	**1.000.000**	1.000.000	-	-	-	**1.000.000**
Nominal value of Cu derivatives	**(33.882.901)**	(33.882.901)	-	-	-	**(33.882.901)**
Nominal value of Zn derivatives	**(3.605.654)**	(3.605.654)	-	-	-	**(3.605.654)**
Nominal value of Ni derivatives	**(696.567)**	(696.567)	-	-	-	**(696.567)**
Nominal value of Al derivatives	**996.413**	996.413	-	-	-	**996.413**

COMPANY
31 December 2010

Liabilities	Value of Balance Sheet	<1 year	1- 2 years	2-5 years	> 5 years	Total
Bank lending	**56.834.418**	56.834.418	-	-	-	**56.834.418**
Bond loans	**185.639.034**	71.749.999	66.416.665	47.472.369	-	**185.639.034**
Suppliers and other liabilities	**42.195.311**	42.195.311	-	-	-	**42.195.311**
	284.668.763	**170.779.728**	**66.416.665**	**47.472.369**	**-**	**284.668.763**

Derivatives	Value of Balance Sheet	<1 year	1- 2 years	2-5 years	> 5 years	Total
Nominal value of interest rate swaps	**48.750.000**	16.250.000	21.250.000	11.250.000	-	**48.750.000**
Nominal value of fx forward (in USD)	**(26.918.964)**	(26.918.964)	-	-	-	**(26.918.964)**
Nominal value of Cu derivatives	**(16.614.727)**	(16.614.727)	-	-	-	**(16.614.727)**
Nominal value of Zn derivatives	**(2.297.980)**	(2.297.980)	-	-	-	**(2.297.980)**
Nominal value of Ni derivatives	**(298.529)**	(298.529)	-	-	-	**(298.529)**
Nominal value of Al derivatives	**(43.593)**	(43.593)	-	-	-	**(43.593)**

Notes to the Financial Statements

26. Financial Instruments (cont'd)

(c) Exchange rate risk

GROUP (Amounts in euro)	**2011** EURO	USD	GBP	LEVA	RSD	RON	YEN	OTHER	TOTAL
Clients and other receivables	112.585.002	5.540.286	21.147.314	8.584.717	286.008	6.294.011	-	305.938	**154.743.276**
Borrowing	(488.463.930)	(13.255.363)	(14.156.435)	-	-	(3.688.140)	-	(323.204)	**(519.887.073)**
Suppliers and other liabilities	(59.769.958)	(7.243.985)	(17.115.953)	(2.132.815)	(979.459)	(6.546.977)	-	(912.756)	**(94.701.903)**
Cash on hand and equivalent cash accounts	29.467.093	80.250	544.687	61.132	87.804	1.062.446	5.800.000	96.137	**37.199.549**
	(406.181.793)	**(14.878.812)**	**(9.580.387)**	**6.513.034**	**(605.647)**	**(2.878.660)**	**5.800.000**	**(833.885)**	**(422.646.150)**
Forwards (Nominal Value)	432.167	9.245.793	(12.341.407)	-	-	-	-	-	**(2.663.448)**
Total	**(405.749.626)**	**(5.633.019)**	**(21.921.794)**	**6.513.034**	**(605.647)**	**(2.878.660)**	**5.800.000**	**(833.885)**	**(425.309.598)**

COMPANY (Amounts in euro)	**2011** EURO	USD	GBP	LEVA	RSD	RON	YEN	OTHER	TOTAL
Clients and other receivables	74.851.443	1.421.049	5.892.688	-	-	-	-	2.576	**82.167.756**
Borrowing	(221.919.625)	(5.145.545)	(6.340.998)	-	-	-	-	-	**(233.406.168)**
Suppliers and other liabilities	(35.117.631)	(6.666.364)	(134.518)	-	-	-	-	(12.378)	**(41.930.890)**
Cash on hand and equivalent cash accounts	8.547.131	762	11.977	-	-	-	5.800.000	-	**14.359.870**
	(173.638.681)	**(10.390.098)**	**(570.851)**	-	-	-	**5.800.000**	**(9.802)**	**(178.809.432)**
Forwards (Nominal Value)	-	8.239.657	(1.983.871)	-	-	-	-	-	**6.255.786**
Total	**(173.638.681)**	**(2.150.441)**	**(2.554.722)**	-	-	-	**5.800.000**	**(9.802)**	**(172.553.645)**

GROUP (Amounts in euro)	**2010** EURO	USD	GBP	LEVA	RSD	RON	OTHER	TOTAL
Clients and other receivables	152.887.393	4.662.916	33.210.272	14.798.290	959.870	5.432.904	101.818	**212.053.462**
Borrowing	(469.221.773)	(7.414.840)	(9.351.366)	-	-	(8.230.197)	-	**(494.218.176)**
Suppliers and other liabilities	(55.582.738)	(4.400.047)	(19.818.008)	(4.280.058)	(1.689.452)	(3.500.093)	(40.368)	**(89.310.765)**
Cash on hand and equivalent cash accounts	15.532.152	115.354	990.189	39.519	187.500	502.899	339	**17.367.950**
	(356.384.966)	**(7.036.618)**	**5.031.086**	**10.557.751**	**(542.082)**	**(5.794.487)**	**61.789**	**(354.107.528)**
Forwards (Nominal Value)	(3.663.990)	(29.280.531)	(11.894.319)	-	-	(1.000.000)	-	**(45.838.841)**
Total	**(360.048.957)**	**(36.317.149)**	**(6.863.233)**	**10.557.751**	**(542.082)**	**(6.794.487)**	**61.789**	**(399.946.369)**

COMPANY (Amounts in euro)	**2010** EURO	USD	GBP	LEVA	RSD	RON	OTHER	TOTAL
Clients and other receivables	98.646.751	2.148.936	7.389.505	-	-	-	158.095	**108.343.287**
Borrowing	(239.508.424)	(2.955.616)	(9.411)	-	-	-	-	**(242.473.452)**
Suppliers and other liabilities	(38.820.228)	(3.119.243)	(246.837)	-	-	-	(9.003)	**(42.195.311)**
Cash on hand and equivalent cash accounts	1.840.170	1.113	562.663	-	-	-	-	**2.403.946**
	(177.841.732)	**(3.924.811)**	**7.695.920**	**-**	**-**	**-**	**149.092**	**(173.921.530)**
Forwards (Nominal Value)	-	(26.918.964)	-	-	-	-	-	**(26.918.964)**
Total	**(177.841.732)**	**(30.843.775)**	**7.695.920**	**-**	**-**	**-**	**149.092**	**(200.840.495)**

Notes to the Financial Statements

26. Financial Instruments (cont'd)

(c) Exchange rate risk (cont'd)

A 10% increase in the exchange rates would affect results and shreholders equity as follows:

GROUP	**P & L**		**EQUITY**	
(Amounts in euro)	**2011**	**2010**	**2011**	**2010**
USD	(2.203.698)	(781.846)	1.577.807	(3.253.392)
GBP	(942.421)	615.195	(1.493.334)	(1.377.777)
LEVA	-	-	723.670	1.173.083
RON	-	-	(319.851)	(754.943)
RSD	-	-	(67.294)	(60.231)
YEN	644.444	-	-	-
OTHER	(92.654)	6.865	-	-

COMPANY	**P & L**		**EQUITY**	
(Amounts in euro)	**2011**	**2010**	**2011**	**2010**
USD	(1.704.952)	(436.090)	1.466.014	(2.990.996)
GBP	(283.858)	855.102	-	-
YEN	644.444	-	-	-
OTHER	(1.089)	16.566	-	-

(d) Interest rate risk

	GROUP		**COMPANY**	
	2011	**2010**	**2011**	**2010**
Fixed rate				
Financial Liabilities	7.093.750	13.781.250	-	-
	7.093.750	**13.781.250**	**-**	**-**
Floating rate				
Financial Liabilities	512.793.323	480.436.926	233.406.168	242.473.452
	512.793.323	**480.436.926**	**233.406.168**	**242.473.452**

A 0.25% increase in interest rates would affect results and shareholders equity as follows:

GROUP	**P & L**		**EQUITY**	
	2011	**2010**	**2011**	**2010**
Floating rate	(1.826.919)	(1.512.209)	-	-
Interest rate swaps	122.243	173.630	93.124	133.262

COMPANY	**P & L**		**EQUITY**	
	2011	**2010**	**2011**	**2010**
Floating rate	(804.782)	(738.689)	-	-
Interest rate swaps	106.618	145.505	85.294	110.584

Notes to the Financial Statements

26. Financial risk management (cont'd)

(e) Classification of financial assets measured at fair value

The classification of financial assets measured at fair value depending on the quality of the data used is as follows:

- Type 1 data: active market prices (no adjustments)
- Type 2 data: directly or indirectly observable data
- Type 3 data: arising from the company's estimates since no observable data is available in the market.

GROUP	**2011**			**2010**		
(Amounts in euro)	**Level 1**	**Level 2**	**Level 3**	**Level 1**	**Level 2**	**Level 3**
Available for sale financial assets	-	2.756.164	-	-	3.954.232	-
Derivative financial assets	-	-	4.653.923	-	-	4.302.923
	-	**2.756.164**	**4.653.923**	**-**	**3.954.232**	**4.302.923**
Derivative financial liabilities	-	(2.002.895)	-	-	(12.378.988)	-
Total	**-**	**753.269**	**4.653.923**	**-**	**(8.424.755)**	**4.302.923**

COMPANY	**2011**			**2010**		
(Amounts in euro)	**Level 1**	**Level 2**	**Level 3**	**Level 1**	**Level 2**	**Level 3**
Available for sale financial assets	-	1.932.554	-	-	1.586.132	-
Derivative financial assets	-	-	4.198.664	-	-	3.847.664
	-	**1.932.554**	**4.198.664**	**-**	**1.586.132**	**3.847.664**
Derivative financial liabilities	-	(1.388.369)	-	-	(7.802.822)	-
Total	**-**	**544.184**	**4.198.664**	**-**	**(6.216.690)**	**3.847.664**

The financial information concerning Level 3 refers to holdings in domestic and foreign companies with a stake of less than 20%. These holdings which are not quoted and the fair value can not be reliably measured, they are valued at cost and are subject to impairment testing (see Note 9).

27. Commitments

The contractual obligations amounting to Euro 2,950,766 concern commitments of Euro 2,864,978 of the subsidiary SOFIA MED S.A. and Euro 85,788 of the subsidiary HELLENIC CABLES S.A. for purchases of mechanical equipment.

The Group rents lifting, fork-lift trucks and passenger cars. During the year ended 31 December 2011, expenses amounting to Euro 333,156 were posted to Company Results (2010: Euro 405,130) while expenses equal to Euro 1,152,600 were posted to Group Results (2010: 1,223,450).

Notes to the Financial Statements

27. Commitments (cont'd)

(Amounts in euro)	GROUP		COMPANY	
	2011	**2010**	**2011**	**2010**
Up to 1 year	1.520.313	866.589	245.813	229.597
From 1-5 year	2.276.160	1.594.821	609.506	501.775
More than 5 year	38.908	37.758	-	-
	3.835.382	**2.499.167**	**855.319**	**731.372**
Total charge on results	**1.152.600**	**1.223.450**	**333.156**	**405.130**

28. Contingent liabilities / assets

In a research study that the European Competition Commission conducted regarding the European copper tube manufacturers, it established that certain companies violated the rules of competition in the copper sanitary tubes market. The European Commission imposed fines on seven companies, one of which was HALCOR S.A.. HALCOR's fine amounted to € 9.16 million for which the Company has issued a letter of guarantee of a corresponding value. Given that the Company deems that the abovementioned fine is unjustified and unfair and that the amount of the fine imposed was exorbitantly high, it has filed an appeal before the Court of the European Communities against the Commission's decision. On May 19, 2010 the General Court (Justice Court) issued its decision in Case T-21/05"HALCOR SA Metal Processing by the European Commission". The court found that the Commission infringed the principle of equal treatment in the fines imposed in 2004 and reduced the fine of HALCOR by 10%, setting the amount to Euro 8.25 million. Having carefully examined the text of the decision of the appeal (19/05/2010) as to fine the company in 2004 by the European Competition Commission, HALCOR filed a new appeal asking the partial or total annulment of the decision of the Court (European Court Communities) to annul or greater reduction of the fine. On December 8, 2011 the European Court of Justice delivered its judgment in the appeal proceedings before the HALCOR. The Court rejected HALCOR's new appeal and confirmed the reduction of the fine decided by the General Court on May 19, 2010. Thus, the fine imposed on September 3, 2004 HALCOR finalized in the amount of Euro 8.25 million. Reminded that HALCOR had already formed a provision of Euro 5 million which had burdened the results of 2004. Thus the results of the company and the Group were charged with the difference of the provision on the final amount of the fine plus the difference of the interest, amounting to Euro 3,977,423.

Mortgages totalling Euro 3.6 million have also been registered on the properties of the subsidiary SOFIA MED.

Notes to the Financial Statements

28. Contingent liabilities / assets (cont'd)

The contingent liabilities and assets of the Group that arise in the course of ordinary activity are as follows:

(Amounts in euro)	GROUP		COMPANY	
Liabilities	**2011**	**2010**	**2011**	**2010**
Letters of guarantee for securing liabilities to suppliers	16.202.108	10.790.893	12.596.108	9.547.953
Letters of guarantee for securing the good performance of contracts with customers	18.126.638	14.477.946	150.000	400.000
Provided mortgages and prenotation of mortgages – Land & Buildings	3.645.287	3.728.755	-	-
Letters of guarantee for securing the good performance of contracts with suppliers	-	-	-	-
Other liabiities	21.012.463	11.903.985	8.246.700	8.246.700

	GROUP		COMPANY	
Receivables	**2011**	**2010**	**2011**	**2010**
Letters of guarantee for securing receivables from customers	2.963.583	3.040.092	-	-
Other Receivables	169.058	109.646	-	-

The tax liabilities of the Company and its subsidiaries for certain financial years, as set out in Note 31, have not been audited by taxation authorities and thus are not finalized yet for such years.

Notes to the Financial Statements

29. Transactions with related parties

Affiliated parties shall mean all companies and natural persons with whom direct (subsidiaries, associated companies, joint ventures, collaborating companies, shareholders or management with executive tasks) or indirect relation (entities controlled by shareholders, employees performing administrative tasks or close relatives of the latter) is established.

	GROUP		COMPANY	
(Amounts in euro)	**2011**	**2010**	**2011**	**2010**
Sale of goods				
Subsidiaries	-	-	185.091.507	153.693.483
Associates	95.439.840	86.899.889	43.340.276	50.960.590
Other affliated parties	48.937.482	34.160.221	17.281.646	2.594.782
	144.377.322	**121.060.110**	**245.713.429**	**207.248.854**
Sale of services				
Subsidiaries	-	-	7.042.922	6.117.593
Associates	628.016	850.094	103.084	109.831
Other affliated parties	3.940.992	5.032.387	654.047	703.857
	4.569.008	**5.882.481**	**7.800.053**	**6.931.281**
Sale of fixed assets				
Subsidiaries	-	-	107.287	6.475.392
Associates	20.110	-	20.110	-
Other affliated parties	20.472	-	15.837	-
	40.582	**-**	**143.234**	**6.475.392**
Purchase of goods				
Subsidiaries	-	-	23.480.677	32.609.785
Associates	1.025.758	643.724	332.931	1.846
Other affliated parties	141.980.423	125.213.570	13.931.185	28.416.239
	143.006.181	**125.857.294**	**37.744.793**	**61.027.870**
Purchase of services				
Subsidiaries	-	-	2.526.916	3.079.046
Associates	1.507.931	1.557.051	751.836	1.192.566
Other affliated parties	3.038.789	4.058.087	2.144.519	3.182.497
	4.546.720	**5.615.138**	**5.423.271**	**7.454.109**
Purchase of fixed assets				
Subsidiaries	-	-	26.262	44.210
Associates	645	23.446	645	15.085
Other affliated parties	1.624.438	1.295.276	399.316	414.201
	1.625.083	**1.318.722**	**426.223**	**473.495**

Notes to the Financial Statements

29. Transactions with related parties (cont'd)

End-of-year balances from sale / purchase of goods, services, fixed assets, etc.

	GROUP		COMPANY	
(Amounts in euro)	**2011**	**2010**	**2011**	**2010**
Receivables from affiliated parties :				
Subsidiaries	-	-	54.109.753	46.550.701
Associates	13.918.324	17.061.743	8.197.749	10.019.903
Other affliated parties	9.067.538	11.136.807	3.001.728	1.159.364
	22.985.862	**28.198.550**	**65.309.230**	**57.729.967**
Liabilities to affiliated parties:				
Subsidiaries	-	-	2.345.107	1.705.381
Associates	639.528	911.898	384.866	503.784
Other affliated parties	11.980.853	11.694.355	561.916	1.975.176
	12.620.382	**12.606.253**	**3.291.890**	**4.184.341**

Benefits to Management

	GROUP		COMPANY	
(Amounts in euro)	**2011**	**2010**	**2011**	**2010**
Management Remunerations at employee expenses	3.719.712	3.727.795	1.757.697	2.128.470
Benefits from discontinued co-operation	-	218.203	-	218.202,90
	3.719.712	**3.945.998**	**1.757.697**	**2.346.673**

Services to and from affiliated parties as well as sales and purchases of goods are effectuated in accordance with the fee schedules which apply for non-affiliates.

30. Basic and diluted earnings per share

	GROUP		COMPANY	
(Amounts in Euro and number of shares)	**2011**	**2010**	**2011**	**2010**
Profits corresponding to the parent company's shareholders	(15.582.587)	(13.097.239)	(13.727.531)	(7.770.775)
Weighted average numbers of shares	101.279.627	101.279.627	101.279.627	101.279.627
Basic & diluted profits per share	**(0,1539)**	**(0,1293)**	**(0,1355)**	**(0,0767)**

Basic earnings per share are calculated by dividing the net profits (losses) attributable to the parent company's shareholders by the weighted average number of common shares, save the average number of common shares acquired by the Group and held as own shares.

Notes to the Financial Statements

31. Open tax periods

The table below presents open tax periods of the companies consolidated by HALCOR SA by applying either full consolidation or equity method.

Company name:	Country	Percentage holding	Consolidation method	Unaudited Fin. Years
HALCOR S.A.	GREECE	PARENT	-	2009-2011
HELLENIC CABLES S.A.	GREECE	72,53%	Full consolidation	2009-2011
STEELMET S.A.	GREECE	51,00%	Full consolidation	2010-2011
AKRO S.A.	GREECE	95,74%	Full consolidation	2007-2011
SOFIA MED S.A.	BULGARIA	100,00%	Full consolidation	2011
METAL AGENCIES L.T.D.	UK	90,94%	Full consolidation	-
BELANTEL HOLDINGS L.T.D.	CYPRUS	100,00%	Full consolidation	-
METAL GLOBE D.O.O.	SERBIA	51,76%	Full consolidation	-
COPPERPROM LTD	GREECE	69,01%	Full consolidation	2010-2011
FITCO SA (former SYLLAN S.A.)	GREECE	100,00%	Full consolidation	2005-2011
TECHOR S.A.	GREECE	68,97%	Full consolidation	2009-2011
HABAKIS LTD - LICENSE & DISTRIBUTION	GREECE	100,00%	Full consolidation	2010-2011
DIAPEM TRADING S.A.	GREECE	33,33%	Equity method	2010-2011
ELKEME S.A.	GREECE	30,44%	Equity method	2010-2011
VIEXAL SA (former LTD)	GREECE	26,67%	Equity method	2010-2011
S.C. STEELMET ROMANIA S.A	ROMANIA	40,00%	Equity method	-
TEPRO METALL A.G.	GERMANY	36,21%	Equity method	-
HALCOR R&D S.A.	GREECE	70,00%	Full consolidation	2011
HALCORAL SH. PK	ALBANIA	100,00%	Full consolidation	-

In the Management's opinion, the Group has raised adequate provisions for any tax differences that may arise for HELLENIC CABLES SA and STEELMET SA. It has not set up any provisions for the other companies believing that the differences that may arise are not significant.

32. Fees auditors

The fees of the Group's and the Company's auditors for the year 2011 amounted to Euro 479,000 and Euro 165,000 respectively.

33. Subsequent events

On February 7, 2012 it was certified the payment of the share capital increase of subsidiary HELLENIC CABLES SA, which was decided by the Extraordinary General Meeting on September 7, 2011. The funds that were raised amounted to Euro 9,593,921. The same day the 100% subsidiary of HELLENIC CABLES SA named FULGOR SA increased its share capital by Euro 9,600,000, which covered by HELLENIC CABLES, as a result of debts settlement with FULGOR's banks.

On March 3, 2012 completed the capital increase of HELLENIC CABLES with approval from the Board of Directors of the ATHEX on import of 2,320,000 shares. The share capital of HELLENIC CABLES amounts to Euro 20,977,915.60 and the total voting rights amounted to 29,546,360, resulting from an equal number of common registered shares of nominal value Euro 0.71 each.

Facts and Information on the year from 1 January to 31 December 2011

HALCOR

Company's No in the Reg. of SA: 2836/06/86/48
Address: Athens Tower, Building B, 2-4, Messoghion Avenue, 11527, Athens
FINANCIAL DATA AND INFORMATION for the fiscal year from January 1, 2011 to December 31, 2011
(According to article 135 of Law 2190/20 for companies publishing annual financial statements, individual and consolidated, in accordance with IAS/IFRS)

The figures illustrated below aim to give general information about the financial position and results of HALCOR, S.A. and the Group HALCOR. The reader, wishing to be familiar with the company's financial position and results, should have access to the Company's Financial Statements, as provided by the International Financial Reporting Standards, as well as to the audit report of the auditor-accountant whenever it is required. Indicatively, he can visit the company's web site, where the information and data in question are presented.

Supervising Authority: Ministry of Development and Competitiveness, Department of limited companies
Website of the Company: www.halcor.gr
Board of Directors: T. Papageorgopoulos (Chairman, Executive member), N. Koudounis (Vice Chairman, Executive member), P. Sapountzis, E. Kotsambasakis, T. Kassapoglou (Executive members), G. Passas, K. Bakouris, C.A. Komninos, A. Katsanos (Non-executive members), A. Kiriazis and N. Galetas (Independent, non-executive members)
Date of approval of the financial statements: March 26, 2012
Certified Auditor : Harry Sirounis (Reg.No. SOEL 19071)
Audit firm : KPMG Certified Auditors, S.A.
Review type: Unqualified opinion

DATA FROM STATEMENT OF FINANCIAL POSITION (amounts in €)

	GROUP		COMPANY	
	31-Dec-11	**31-Dec-10**	**31-Dec-11**	**31-Dec-10**
ASSETS				
Own use Fixed assets	361.033.315	316.958.739	101.764.822	107.305.309
Investments in real estate	2.270.174	2.152.565	-	-
Intangible Assets	11.283.122	652.245	166.037	186.079
Other non current assets	10.872.707	17.872.207	154.521.382	152.894.702
Inventories	234.740.289	222.506.376	67.694.501	77.259.197
Trade receivables	120.519.010	167.327.914	77.726.706	89.941.029
Other current assets	36.900.662	40.600.012	6.373.603	19.988.390
Cash and cash equivalents	37.199.549	17.367.950	14.359.870	2.403.946
TOTAL ASSETS	822.906.828	793.526.008	422.606.923	449.978.651
EQUITY AND LIABILITIES				
Share capital (101.279.627 of € 0.38)	38.486.258	38.486.258	38.486.258	38.486.258
Other Company's shareholders equity	97.739.504	105.081.618	96.011.113	105.119.092
Company's shareholders equity (a)	136.225.762	143.567.876	134.497.371	143.605.350
Minority interests (b)	33.921.928	24.477.763	-	-
Total equity (c) = (a) + (b)	170.147.690	168.045.640	134.497.371	143.605.350
Long term borrowings liabilities	190.473.591	156.060.632	88.722.370	113.889.035
Provisions / Other long term liabilities	31.063.088	25.115.759	11.540.427	14.424.902
Short term borrowings liabilities	329.413.482	338.157.544	144.683.798	120.584.417
Other short term liabilities	101.808.977	106.146.433	43.162.956	49.474.946
Total liabilities (d)	652.759.138	625.480.368	288.109.552	306.373.301
TOTAL EQUITY AND LIABILITIES (c) + (d)	822.906.828	793.526.008	422.606.923	449.978.651

DATA FROM STATEMENT OF CHANGES IN EQUITY (Amounts in €)

	GROUP		COMPANY	
	31-Dec-11	**31-Dec-10**	**31-Dec-11**	**31-Dec-10**
Net equity at the beginning of the Period (1/1/2011 and 1/1/2010 respectively)	168.045.640	184.875.140	143.605.350	162.527.180
Total comprehensive income after taxes	(7.289.613)	(16.252.123)	(9.107.979)	(9.537.853)
	160.756.027	168.623.017	134.497.371	152.989.327
Transfer to subsidiary due to de-merger reasons	-	-	-	(9.383.977)
Dividends distributed	-	(994.448)	-	-
Acquisition of company	18.000	580.876	-	-
Subsidiary absorption	976.531	-	-	-
Increase / (decrease) of participation in subsidiaries	8.397.132	(143.805)	-	-
Net equity at the end of the period (31/12/2011 and 31/12/2010 respectively)	170.147.690	168.045.640	134.497.371	143.605.350

DATA FROM CASH FLOW STATEMENT (Amounts in €)

	GROUP		COMPANY	
	1.01 - 31.12.2011	**1.01 - 31.12.2010**	**1.01 - 31.12.2011**	**1.01 - 31.12.2010**
Operating activities				
Profits / (Losses) before taxes	(11.350.953)	(16.249.126)	(11.281.137)	(11.693.708)
Plus / less adjustments for:				
Depreciation of tangible assets	26.290.250	28.191.368	7.914.295	10.507.989
Depreciation of intangible assets	476.524	581.836	119.687	146.818
Grants Amortization	(746.320)	(450.227)	(251.699)	(299.967)
Provisions	(217.948)	293.394	(6.368.363)	(207.465)
Results (income, expenses, profits, losses) from investing activities	(941.728)	(778.810)	(41.986)	(713.453)
Interest payable and related expenses	35.440.976	20.943.150	15.874.871	9.691.430
(Profit)/loss from the sale of fixed assets	(111.011)	(252.340)	(79.779)	(244.737)
(Profit)/loss from the sale of investments	74.975	-	-	-
(Profit)/loss from the fair value of derivatives	(160.717)	(1.819.071)	(709.191)	(971.392)
Loss from the destruction of fixed assets	5.908	232.115	-	-
Impairment of participations	-	-	-	437.257
Plus / Less adjustments for changes in working capital accounts or related to operating activities:				
Decrease / (increase) of inventories	(14.866.816)	(38.098.055)	9.564.697	(16.920.448)
Decrease / (increase) of receivables	51.257.541	(50.323.433)	12.138.132	(42.443.422)
(Decrease) / increase of obligations (except banks)	(594.177)	15.831.996	13.025.670	7.525.175
Less:				
Interest payable and related expenses paid	(34.977.740)	(19.837.372)	(15.411.635)	(8.400.923)
Taxes paid	(1.048.999)	(975.201)	-	-
Total cash (used in) generated from operating activities (a)	**48.529.765**	**(62.709.774)**	**24.493.563**	**(53.586.846)**
Investing activities				
Acquisition-sale of subsidiaries, affiliated com., consortiums and other investments	(3.417.495)	(6.320)	(1.259.140)	(2.263.142)
Purchase of tangible and intangible fixed assets	(15.839.160)	(13.346.399)	(2.537.991)	(2.550.587)
Receivables from sale of tangible and intangible fixed assets	92.154	420.167	144.315	6.623.427
Interest received	322.100	524.078	38.760	88.469
Dividends received	5.226	5.383	5.226	624.984
Total cash (used in) generated from investing activties (b)	**(18.837.176)**	**(12.403.891)**	**(3.610.830)**	**2.523.151**
Financing activities				
Receivables from issued / assumed loans	162.513.501	172.481.016	46.000.000	110.023.974
Loans paid up	(172.326.995)	(97.645.635)	(55.067.284)	(59.030.596)
Repayments of financial leasing liabilties (capital installments)	(1.419.470)	-	-	-
Receivables from grants	1.374.156	907.500	142.658	907.500
Dividends paid	(2.182)	(995.242)	(2.182)	(794)
Total cash (used in) generated from financing activties (c)	**(9.860.990)**	**74.727.639**	**(8.926.808)**	**51.900.084**
Net increase / (decrease) in cash and cash equivalents for the year (a)+(b)+(c)	**19.831.599**	**(385.226)**	**11.955.925**	**836.389**
Cash and cash equivalents at the beginning of the year	17.367.950	17.753.177	2.403.946	1.567.556
Cash and cash equivalents at the end of the year	**37.199.549**	**17.367.950**	**14.359.870**	**2.403.945**

DATA FROM STATEMENT OF COMPREHENSIVE INCOME (Amounts in €)

	GROUP		COMPANY	
	1 Jan - 31 Dec 2011	**1 Jan - 31 Dec 2010**	**1 Jan - 31 Dec 2011**	**1 Jan - 31 Dec 2010**
Total turnover	**1.249.316.534**	**1.044.311.599**	**585.704.872**	**517.612.690**
Gross Profit / (loss)	**63.105.087**	**43.974.902**	**22.312.833**	**12.354.495**
Profit / (loss) before taxes, financing and investing results	**23.148.295**	**4.152.668**	**4.661.749**	**(2.415.746)**
Profit / (loss) before taxes	**(11.350.953)**	**(16.249.126)**	**(11.281.137)**	**(11.693.708)**
Less: Taxes	**(3.278.319)**	**3.190.978**	**(2.446.395)**	**3.922.933**
Profit / (loss) after taxes (A)	(14.629.272)	(13.058.148)	(13.727.531)	(7.770.775)
Distributed to :				
Company's shareholders	(15.582.587)	(13.097.239)	(13.727.531)	(7.770.775)
Minority shareholders	953.315	39.091	-	-
Other comprehensive income / (expenses) after taxes (B)	**7.339.660**	**(3.193.975)**	**4.619.552**	**(1.767.078)**
Total comprehensive income / (expenses) after taxes (A) + (B)	**(7.289.613)**	**(16.252.123)**	**(9.107.979)**	**(9.537.853)**
Distributed to :				
Company's shareholders	(7.921.271)	(16.250.569)	(9.107.979)	(9.537.853)
Minority shareholders	631.658	(1.554)	-	-
Profit per share after taxes - basic (in €)	(0,1539)	(0,1293)	(0,1355)	(0,0767)
Proposed dividend per share (in €)	-	-	-	-
Profit / (loss) before taxes, financing and investing results & depreciation	49.168.749	32.475.645	12.334.033	7.939.094

Additional data and information :

1. The Group's companies and their locations, the percentage participation of their share capital that the Group owns as well as the consolidation method used to incorporate them in the consolidated financial statements of the fiscal year of 2011, are analytically presented in Note No. 31 of the financial statements.
2. On December 8, 2011 the General Court (Justice Court) issued its decision in the appeal brought by the Company regarding the fine imposed by the European Competition Commission for violation of competition rules in 2004. The Court dismissed HALCOR's appeal and confirmed the reduction of the fine awarded by the General Court on May 19, 2010. Noted that on 19 May 2010 the court found that the Commission infringed the principle of equal treatment in the calculation of fines imposed in 2004 and reduced the fine by 10% setting the amount to Euro 8.25 million. Therefore, the results of the company and the Group were charged with the difference between the provision and the final amount of the fine plus the difference of the interest expense, amounting to Euro 3,977,423 (see note 28 of the Financial Statements).
3. The financial statements of the Company are included in the consolidated financial statements prepared by the following company:

Company	Country of the Reg Office	Percentage holding	Consolidation method
VIOHALCO S.A.	GREECE	60,04%	Full consolidation

4. There are no pending court decisions or claims under arbitration, which may have a significant effect on the financial position of the Company and the Group.
5. The number of the personnel at the end of the current year was: Company 467 (31/12/2010 : 493), Group 2.467 (31/12/2010: 2.217).
6. There are mortgages, amounting in total to Euro 3,6 mil on the real estate property of the subsidiary SOFIA MED S.A. in Bulgaria. On the real estate property of FULGOR SA, a subsidiary of HELLENIC CABLES, there are mortgages to secure long-term loans totaling Euro 48 million. There are no encumbrances on fixed assets of the parent Company.
7. There has been provision accounted for tax unaudited fiscal years of the Group: € 243 thous., of the Company: € - thous. The remaining provisions as of 31.12.2011 amount for the Group € 322 thous. and for the Company € 90 thous. Regarding the fine imposed on the Company by the European Competition Commission, the Company deleted a provision amounting € 6,46 mil. (see notes 20 & 28 of the Financial Statements).
8. The cumulative amounts of sales and purchases at the beginning of the financial year and the balances of receivables and obligations of the company at the end of the current year, resulting from its transactions with related parties following the IAS 24 are as follows:

	GROUP	COMPANY
i) Sales	148.986.912	253.658.716
ii) Purchases	149.177.985	43.504.288
iii) Receivables	22.985.862	65.309.230
iv) Obligations	12.620.302	3.291.890
v) Transactions & fees of higher executives and managers	3.719.712	1.757.697
vi) Receivables from higher executives and managers	-	-
vii) Liabilities to higher executives and managers	-	-

9. The income tax in the income statement is analysed as follows (amounts in €):

	GROUP		COMPANY	
	1 Jan - 31 Dec 2011	**1 Jan - 31 Dec 2010**	**1 Jan - 31 Dec 2011**	**1 Jan - 31 Dec 2010**
Income tax for the period	(1.500.825)	(1.145.346)	(523)	218.898
Deferred tax for the period	(1.777.494)	4.336.324	(2.445.872)	3.704.034

10. The unaudited tax years of the Company and the companies of the Group are analytically presented in note No 31 of the financial statements.
11. The "Other Comprehensive Expenses" that was accounted directly at the Shareholders Equity without affecting the result of the period, concernes foreign exchange differences from consolidation of foreign subsidiaries (Group: € 386 thous.) and derivatives valuation from cash flow hedging (Group: € 6.954 thous. - Company: € 4.620 thous., see Statement of Changes in Equity of the Financial Statements).
12. HALCORAL Sh.P.K. was established. Its major shareholder is HALCOR SA, which participates with 100% of the share capital. The value of HALCOR's participation in the new company amounted to € 100,000 (see note 8 of the Financial Statements).
13. The subsidiary HELLENIC CABLES SA, following its General Assembly decision, absorbed 100% subsidiary TELECABLES SA based on the Balance Sheet of July 31, 2011 (see note 8 of the Financial Statements).
14. The subsidiary HELLENIC CABLES SA on July 29, 2011 acquired 100% of shares of FULGOR SA, which also operates in the cables production (see note 8 of the Financial Statements).
15. The Board of the subsidiary HELLENIC CABLES SA held an Extraordinary General Meeting of Shareholders on September 7, 2011, which decided to increase the share capital in cash and remove the preferential right of existing shareholders. After the capital increase, the share capital of HELLENIC CABLES amounted to Euro 20,977,915.60, divided into 29,546,360 common registered shares of nominal value Euro 0.71 each and the percentage of HALCOR stake in HELLENIC CABLES formed to 72.53% from 78.71% held before the share capital increase (see note 8 of the Financial Statements).
16. At the end of the current year, there are no shares of the parent Company owned either by the same or any of the subsidiaries and affiliated companies.
17. At the Group's Income Statement for the year 2010 were made restatements in order to be comparable with that of the current year (see note 3 of the Financial Statements).

Athens, March 26, 2012

THE CHAIRMAN OF THE BOARD OF DIRECTORS THEODOSSIOS PAPAGEORGOPOULOS Id.C.No. AE 135393	A MEMBER OF THE BOARD OF DIRECTORS GEORGE PASSAS Id.C.No. Φ 020251	THE MANAGING DIRECTOR SAPOUNTZIS PERIKLIS Id.C.No. AH 582570	THE GROUP CHIEF FINANCIAL OFFICER SPYRIDON KOKKOLIS Id.C.No. X 701209 Reg. No. 20872 Class A'

Information under Article 10 of Law 3401/2005

No	DESCRIPTION	WEBSITE	WEBSITE MAP
1.	Facts & Information Q1 2011	http://www.halcor.gr/en/investment-relations/financial-results/group/	Home Page > Investor relations > Financial Results > Group Financial Results > 2011
2.	Interim Financial Statements Q1 2011	http://www.halcor.gr/en/investment-relations/financial-results/group/	Home Page > Investor relations > Financial Results > Group Financial Results > 2011
3.	Facts & Information H1 2011	http://www.halcor.gr/en/investment-relations/financial-results/group/	Home Page > Investor relations > Financial Results > Group Financial Results > 2011
4.	Interim Financial Statements H1 2011	http://www.halcor.gr/en/investment-relations/financial-results/group/	Home Page > Investor relations > Financial Results > Group Financial Results > 2011
5.	Facts & Information Q3 2011	http://www.halcor.gr/en/investment-relations/financial-results/group/	Home Page > Investor relations > Financial Results > Group Financial Results > 2011
6.	Interim Financial Statements Q3 2011	http://www.halcor.gr/en/investment-relations/financial-results/group/	Home Page > Investor relations > Financial Results > Group Financial Results > 2011
7	Facts & Information 2011	http://www.halcor.gr/en/investment-relations/financial-results/group/	Home Page > Investor relations > Financial Results > Group Financial Results > 2011
.8	Annual Financial Report 2011	http://www.halcor.gr/en/investment-relations/financial-results/group/	Home Page > Investor relations > Financial Results > Group Financial Results > 2011
9.	Press releases during 2011	http://www.halcor.gr/en/investment-relations/announcements/press-release/	Home Page > Investor relations > Announcements – Publications > Press releases > 2011
10.	Announcements to the Stock Exchange during 2011	http://www.halcor.gr/en/investment-relations/announcements/announcements/	Home Page > Investor relations > Announcements – Publications > Announcements > 2011