Annual Financial Report

(1st January 2008 – 31st December 2008)

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. H 135393	GEORGE PASSAS ID Card No. Φ 020251	PERIKLIS SAPOUNTZIS ID Card No. K 473915	SPYRIDON KOKOLIS ID Card No. ×701209

HALCOR S.A.

COMPANY REGISTRATION No. 2836/06/B/86/48

Address: Athens Tower, 2nd Building, 2-4 Messogeion Avenue, 11527, Athens

Contents

STATEMENTS BY MEMBERS OF THE BOARD OF DIRECTORS
(pursuant to Article 4(2) of Law 3556/2007)

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, Messogeion Avenue:

1. Theodosios Papageorgopoulos, Chairman of the Board of Directors

2. Nikolaos Koudounis, Board Member, specifically appointed to that end by Decision dated 24 March 2009 of the Company's Board of Directors;

3. George Passas, Board Member, specifically appointed to that end by Decision dated 24 March 2009 of the Company's Board of Directors

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 2008 to 31 December 2008, 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 2008 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, 24 March 2009

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

Board of Directors Annual Report

This Annual Report of the Board of Directors set out below (hereinafter referred to for the purpose of brevity as "Report") concerns year 2008 (1 January 2008-31 December 2008). This report was prepared in line with the relevant provisions of Law 3556/2007 (Government Gazette 91/A/30.4.2007) and the decisions of the 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 2008, 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

For HALCOR Group, 2008 was a very difficult year especially due to the unprecedented crisis that struck the global financial system and global economy, which had a major impact on its financial results.

The consolidated turnover stood at € 1,200 million compared to € 1,370 mio in 2007, thus registering a 12.4% decrease. The decrease in turnover was mainly due to the rise in the ratio of brass products to total sales in conjunction with the considerable decrease in copper and zinc prices.

Despite the adverse circumstances in the domestic and European market, and specifically the slowdown of economic growth and contraction of building activity, the volume of sales was contained to approximately the same levels with 2007, registering a slight drop by 3%. The slight increase of the volume registered until the first nine months of the year was inversed during the last quarter since demand was plummeted as a direct effect of the intensity of the credit crisis. It is worthwhile noting that the volume of building activity was reduced by 17% in Greece only compared to 2007. In detail, in terms of volumes, during 2008 the sales of cables accounted for 34% of total sales, the sales of pipes for 28%, rolling products for 17%, brass bars for 13% and copper strips for 8%.

Average copper price in Euro was reduced by 10.3% during 2008 and stood at € 4,663 per ton compared to € 5,198 per ton in 2007. Following deterioration of the global financial crisis, during the last quarter of the year, copper price fell sharply and at year-end came at € 2,080 per ton, namely 55.4% lower than the average price of the year. In addition, average zinc price was considerably reduced by 47.2% and came to € 1,260 per ton compared to € 2,385 per ton in 2007.

Group results were also reduced with gross profit coming to € 19.9 mio compared to € 105.6 mio in 2007, thus registering a 81% drop. In 2008, consolidated earnings before interest, tax, depreciation and amortization (EBITDA) came to € 4 mio compared to € 86 mio during last year, thus being reduced by 96% while earnings before interest and tax (EBIT) were reduced by 133% and came to losses equal to € 20.9 million.

This drop in results is mainly due to the one-off provision for inventories depreciation that is equal to € 78.6 mio and was made by the Group mainly during the 4th quarter since both copper and zinc prices were plummeted at unprecedented levels during the said period. The decrease in demand for facilities products intensified competition and led to a decrease in processing prices. In addition, the increase in production cost due to the high prices of natural gas throughout the year doubled by malfunctions in main Greek ports, which affected both exports and receptions of raw materials in quantity and cost accounting terms, as well as the total inventories of raw materials and finished products had also a negative impact on results. The drop in oil price that took place during the last quarter did not affect positively the results due to the lag between the change in the price of oil and natural gas. It is worthwhile noting that production cost was also increased on a short-term basis by the commencement of trial operation of significant investments in the sectors of pipes, rolling and cables, the productive operation of which coincided with the deterioration of the crisis.

Consolidated results before taxes were considerably reduced and in 2008 stood at losses equal to € 56.4 mio compared to profits of € 33.3 mio in 2007, since they were also affected by increased financial expenses given that loans and inter-bank rates were at high levels practically throughout the year. Finally, results after taxes and minority interests came in 2008 to losses equal to € 48.2 mio or € 0.476 per share compared to profits of € 20 mio during last year.

Amid negative international financial circumstances and despite the deterioration of business and financial climate, HALCOR managed to maintain the market shares held in Greece and Western Europe. Concurrently and despite the unexpected drop in demand over the last quarter due to which the desired reduction of inventories did not take place, HALCOR managed to reduce considerably net loans which at year-end came to € 423.6 mio at consolidated level compared to € 498.8 mio at the beginning of the year and € 585.8 at the end of the 3rd quarter. Given that the quantities and prices of materials purchases have been adjusted to new circumstances, a significant further improvement of working capital and, thus, of net loans, is expected. Finally, net cash flows from operating activities came to € 128.8 mio compared to € 18.5 mio in 2007.

In 2008, the Group pursued the implementation of the investment plan of production units upgrade and extension, the total cost of which amounted to € 47.1 mio approximately for the year, out of which the amount of € 19.8 mio concerned the plants of the parent company at Inofyta focusing mainly on the Tubes Plant; € 15.1 mio concerned the upgrade of the production units of subsidiary SOFIA MED in Bulgaria; € 9.5 mio concerned the production facilities of HELLENIC CABLES in Greece and € 2.7 mio referred to the cables plant of ICME ECAB in Romania.

In May 2008, HALCOR participated in the share capital increase of its wholly-owned subsidiary in Bulgaria named SOFIA MED SA, by paying € 17 mio and assuming all of two hundred twenty-three thousand seven hundred thirty-six (223,736) new shares that were issued. The share capital increase of SOFIA MED will be used to improve its financial structure.

Respect to the environment is a fundamental principle for HALCOR Group. A concrete proof of the interest of the parent company and its subsidiaries in the environment lies in the development of an organized Management System of its activities having an impact on environment in order to control and regulate them in good time. ISO 14001 certificate is another proof of the Group's sensitivity in this sector, since it believes that operation based on the rules of this international standard deals with the issue more realistically. Competent departments monitor the factors having a direct or indirect effect on environment, taking steps to improve environmental performance in each production facility. An amount equal to € 1.5 mio was invested in 2008 in more effective environmental protection.

Personnel health and safety is a key priority of HALCOR. Minimizing and controlling risks in all Company activities are a concern of the Management and all employees. During 2008, further steps were taken to improve the culture in safety issues and employee training was intensified in order to create a safe working environment. The principle of HALCOR is to record and report near misses, this being a main factor contributing to the improvement and progress of employee safety.

B. Financial standing

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

RATIOS	GROUP		COMPANY	
	2008	2007	2008	2007
Liquidity Current Assets / Current Liabilities	1,45	1,94	1,90	2,87
Leverage Bank Loans	0,44	0,49	0,74	0,78
Return of Invested Capital Profit Before Taxes and Financial Expences / Equity + Bank Loans	-2,9%	7,9%	-1,7%	6,0%
Return on Equity Net Profits / Equity	-25,7%	8,4%	-8,5%	5,1%

C. 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 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 2008, the Group had an amount of € 59 mio 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 depreciation.

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 the Swiss Franc.

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.

D. Outlook and prospects for 2009

The conditions having affected 2008 are still strong in early 2009. The crisis of the financial system that broke out in the last quarter of 2008 is still a reality and now affects the performance of real economy. Estimates for growth ratios are constantly revised, consumption expenses are contracted and foreign exchange markets are volatile. Thus, recession is expected for developed markets during this year together with a considerable slowdown of growth in developing countries. In the context of this particularly volatile and fluid environment, it is very difficult to make forecasts. This is why we remain cautious about the performance of the financials of HALCOR Group in 2009.

Amid this difficult macroeconomic environment, the Group pursues the implementation of its strategic plan consisting in strengthening its activity outside Greece in new markets where it was not operating to date, in the development of products of higher added value subject to minor or nil substitution and in improvement of production cost. Together with the foregoing, optimum management of working capital, maintenance of positive cash flows and further reduction of loans are the main priority for this year.

E. Important transactions with affiliated 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 Euro)

COMPANIES	Sales of goods, services and non-current assets	Purchase of goods, services & non-current assets	Receivables	Liabilities
HELLENIC CABLES GOUP	33.071	22.299	2.447	949
STEELMET GROUP	-	4.204	-	457
SOFIA MED S.A.	23.943	63.869	7.368	-
METAL AGENCIES L.T.D.	35.088	41	3.626	114
OTHER AFFILIATES	2.377	45	2.175	39
Total of Affiliates	**94.479**	**90.458**	**15.616**	**1.559**

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

STEELMET Group provides HALCOR with administration and organization services.

SOFIA MED SA buys from HALCOR billets and copper plates and alloys. It also sells semi-finished copper and brass rolls for further processing to HALCOR. HALCOR processes brass billets for Sofia Med and provides technical and commercial 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 Euro)

COMPANIES	Sales of goods, services and non-current assets	Purchase of goods, services and non-current assets	Receivables	Liabilities
MKC GMBH	42.377	174	2.518	56
STEELMET ROMANIA S.A.	17.490	11	3.055	-
TEKA SYSTEMS S.A.	39	1.801	10	174
ANAMET S.A.	2.142	22.053	90	-
VIEXAL LTD	-	609	6	-
CPW AMERICA CO	1.805	1	334	-
VIOHALCO S.A.	33	1.009	14	-
TEPRO METAL AG	-	416	-	184
ELVAL S.A.	518	2.022	244	157
SIDENOR S.A.	1.086	192	184	44
OTHERS	1.304	1.821	1.677	495
Total	**66.794**	**30.108**	**8.133**	**1.111**

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, brass and zinc scrap.

VIEXAL Ltd. 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.

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

COMPANIES	Sales of goods, services and non-current assets	Purchase of goods, services and non-current assets	Receivables	Liabilities
MKC GMBH	72.028	211	4.907	56
STEELMET ROMANIA S.A.	22.445	12	4.327	-
TEKA SYSTEMS S.A.	41	6.745	97	503
ANAMET S.A.	2.622	30.237	285	(1)
VIEXAL LTD	5	1.159	6	41
CPW AMERICA CO	2.252	1	334	-
VIOHALCO S.A.	131	1.343	22	-
TEPRO METAL AG	58	639	-	275
ETEM S.A.	1.878	2.530	1.038	106
ELVAL S.A.	6.959	8.509	2.190	2.270
SIDENOR S.A.	5.514	3.541	986	3.346
CORINTH PIPEWORKS	2.347	1.376	1.471	832
SYMETAL S.A.	759	7.689	362	2.729
STOMANA INDUSTRY S.A.	2.281	2.747	296	3.318
STEELMET BULGARIA S.A.	6.380	27	1.080	93
OTHERS	4.941	9.995	3.239	456
Total	**130.640**	**76.761**	**20.639**	**14.023**

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	3,417	1,935
Receivables from executives & Board members	24	24

BOARD OF DIRECTORS' EXPLANATORY REPORT

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

a) Structure of share capital

Company share capital stands at € 38,486,258 divided into 101,279,627 common unregistered shares with a nominal value of € 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 five (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 2008 were as follows:

- VIOHALCO S.A. — 56.09% of voting rights of which it directly holds 50.43% 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 (1) vote at the General Meeting.
- In order to obtain a right to attend a General Meeting, shareholders are obliged at least five (5) 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 and to block those shares until the date of the General Meeting. They shall also submit powers of attorney for their representatives to the Company's offices within the same deadline.

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 19 of the Annual Financial Report for year 2008.

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 18 of the Annual Financial Report (Group: € 246.6 mio on a long-term basis and € 142.07 mio short-term and Company: € 171 mio long-term and € 68.3 mio 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.

The Chairman of the Board

of HALCOR S.A.

Theodosios Papageorgopoulos

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Independent Auditors' Report

To the Shareholders of

HALCOR METAL WORKS S.A.

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 balance sheets as of 31 December 2008, and the stand-alone and the consolidated statements of income, statements of changes in equity and cash flows statements for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and the fair presentation of these financial statements in accordance with International Financial Reporting Standards as adopted by the European Union. This responsibility includes: designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error, selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with relevant ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free of material misstatements.
An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on out 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, we consider internal control relevant to the entity's preparation and fair presentation of the 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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Opinion

In our opinion, the stand-alone and consolidated financial statements give a true and fair view of the stand-alone and consolidated financial position of the Company as of 31 December 2008, and of its stand-alone and consolidated financial performance and its stand-alone and consolidated 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

We verified that the contents of the Board of Directors' Report are consistent and correspond with the accompanying financial statements within the scope set by articles 37, 43a and 107 of C.L. 2190/1920

Athens, 26 March 2009
KPMG Certified Auditors AE

Michael Kokkinos, Certified Auditor Accountant

AM SOEL 12701

Balance Sheet

as of December 31

(Amounts in euro)	note	GROUP 2008	GROUP 2007	COMPANY 2008	COMPANY 2007
ASSETS					
Non-current assets					
Property, plant and equipment	6	332.292.304	313.453.440	146.973.289	138.853.031
Intangible assets	7	1.127.298	1.541.565	215.417	371.943
Investments properties	8	2.152.565	2.471.230	-	-
Participations	9	6.881.712	7.470.710	111.974.934	95.258.736
Financial assets available for sale	10	1.679.181	1.211.181	1.349.346	974.346
Derivatives	14	39.130	437.993	39.130	307.208
Other receivables	13	1.578.706	787.182	976.883	430.600
Deferred tax claims	11	3.770.096	3.085.140	-	-
		349.520.991	**330.458.443**	**261.528.999**	**236.195.864**
Current assets					
Inventories	12	212.260.580	283.157.775	96.334.817	108.537.391
Trade and other receivables	13	185.398.015	284.156.496	80.956.124	135.660.091
Derivatives	14	11.393.833	1.699.246	9.537.543	565.410
Financial assets at fair value through the profit and loss statement		8.231	8.231	-	-
Cash and cash equivalents	15	58.971.221	41.597.499	40.767.188	24.068.894
		468.031.880	**610.619.247**	**227.595.672**	**268.831.787**
Total assets		**817.552.871**	**941.077.689**	**489.124.671**	**505.027.651**
EQUITY					
Equity attributable to Shareholders of the Company					
Share capital	16	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 subsidiarie	17	(4.206.267)	(718.243)	-	-
Other reserves	17	78.319.258	67.175.911	72.685.235	64.425.389
Profit carried forward		8.118.415	65.789.374	1.272.705	23.697.666
Total		**187.855.729**	**237.871.365**	**179.582.262**	**193.747.377**
Minority interest		25.657.120	27.779.160	-	-
Total equity		**213.512.849**	**265.650.524**	**179.582.262**	**193.747.377**
LIABILITIES					
Long-term liabilities					
Loans	18	257.127.581	321.122.901	171.000.000	186.799.998
Financial Leasing liabilities	18	-	9.929	-	-
Derivatives	14	-	385.676	-	385.676
Deferred income tax liabilities	11	17.802.086	25.934.834	14.321.839	20.770.937
Personell retirement benefits payable	19	4.819.750	4.581.733	2.615.178	2.559.886
Government Grants	20	1.553.534	1.921.860	1.059.349	1.265.236
Provisions	21	932.087	6.267.324	500.000	5.955.229
		282.235.038	**360.224.257**	**189.496.366**	**217.736.963**
Short-term liabilities					
Suppliers and other liabilities	22	76.715.531	80.710.756	37.605.113	26.553.429
Current tax liabilities	25	6.548.875	7.548.941	684.888	1.112.081
Loans	18	225.437.158	219.240.888	70.658.501	59.882.329
Financial Leasing liabilities	18	6.069	7.998	-	-
Derivatives	14	7.016.212	7.086.875	5.016.403	5.388.022
Provisions	21	6.081.139	607.450	6.081.138	607.450
		321.804.984	**315.202.908**	**120.046.043**	**93.543.311**
Total liabilities		**604.040.022**	**675.427.165**	**309.542.409**	**311.280.274**
Total equity and liabilities		**817.552.871**	**941.077.689**	**489.124.671**	**505.027.651**

The notes on pages 6 to 62 constitute an integral part of these financial statements (Individual and Consolidated).

Income Statement

Amounts in euro	Note	GROUP 2008	GROUP 2007	COMPANY 2008	COMPANY 2007
Sales	4	**1.200.295.367**	**1.369.616.569**	**635.252.436**	**755.974.008**
Cost of goods sold	23	(1.180.409.931)	(1.264.029.464)	(628.009.972)	(714.497.383)
Gross profit		**19.885.436**	**105.587.106**	**7.242.463**	**41.476.624**
Other operating income	26	13.071.538	9.412.172	6.690.514	6.793.346
Selling expenses	23	(17.081.115)	(17.649.913)	(7.983.546)	(8.650.700)
Administrative expenses	23	(24.038.068)	(24.800.143)	(12.680.058)	(13.055.262)
Other operating expenses	26	(12.767.552)	(445.895)	2.159.119	2.861.760
Operating results		**(20.929.761)**	**62.691.155**	**(11.262.022)**	**22.632.421**
Finance income	24	627.990	956.823	272.022	374.296
Finance expenses	24	(36.799.635)	(31.528.204)	(16.934.926)	(13.752.067)
Dividends	26	97.579	63.989	4.552.295	3.842.065
Financial result		**(36.074.066)**	**(30.507.392)**	**(12.110.609)**	**(9.535.706)**
Share of profit/loss of associates	26	628.702	1.126.272	-	-
Profit before income tax		**(56.375.126)**	**33.310.035**	**(23.372.632)**	**13.096.716**
Income tax expenes	25	8.728.296	(8.719.850)	8.188.282	(3.311.213)
Net profit for the period from continued operations		**(47.646.830)**	**24.590.185**	**(15.184.349)**	**9.785.503**
Attributable to:					
Shareholders of the Parent		(48.224.358)	20.021.567	(15.184.349)	9.785.503
Minority interest		577.528	4.568.618	-	-
		(47.646.830)	**24.590.185**	**(15.184.349)**	**9.785.503**
Earnings per share that attributed to the Shareholders of the Parent for the year (amounts in € per share)					
Basic profit/loss per share	31	(0,4762)	0,1977	(0,1499)	0,0966
Reluted profit/loss per share	31	(0,4762)	0,1971	(0,1499)	0,0963

The notes on pages 6 to 62 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, 2007	**38.486.258**	**67.138.064**	**5.350.189**	**62.835.535**	**62.970.463**	**1.901.584**	**238.682.093**	**24.624.399**	**263.306.491**
Foreign exchange differences	-	-	-	-	-	(2.619.826)	(2.619.826)	(715.526)	(3.335.352)
Transfer of reserves L. 3220	-	-	-	(63.225)	63.225	-	-	-	-
Profit distribution	-	-	-	-	-	-	-	(1.815.118)	(1.815.118)
Hedging result minus tax	-	-	(9.519.702)	-	-	-	(9.519.702)	108.436	(9.411.266)
Other transactions	-	-	-	-	-	-	-	924.352	924.352
Net profit for the period	-	-	-	-	20.021.567	-	20.021.567	4.568.618	24.590.185
Decrease in holdings percentage in subsidiary companies	-	-	-	(608)	724.122	-	723.513	(723.513)	-
Total recognised net profit for the period	-	-	(9.519.702)	(63.833)	20.808.914	(2.619.826)	8.605.553	2.347.249	10.952.801
Transfer of reserves	-	-	-	8.573.723	(9.381.235)	-	(807.512)	807.512	-
Dividend	-	-	-	-	(8.608.768)	-	(8.608.768)	-	(8.608.768)
	-	-	-	8.573.723	(17.990.003)	-	(9.416.280)	807.512	(8.608.768)
Balance as of December 31, 2007	**38.486.258**	**67.138.064**	**(4.169.513)**	**71.345.424**	**65.789.374**	**(718.243)**	**237.871.365**	**27.779.160**	**265.650.525**
Balance as of January 1, 2008	**38.486.258**	**67.138.064**	**(4.169.513)**	**71.345.424**	**65.789.374**	**(718.243)**	**237.871.365**	**27.779.160**	**265.650.525**
Foreign exchange differences	-	-	-	-	53.585	(3.488.024)	(3.434.439)	(969.028)	(4.403.467)
Transfer of special taxed reserves	-	-	-	(440.857)	440.857	-	-	-	-
Profit distribution	-	-	-	-	-	-	-	(2.260.331)	(2.260.331)
Hedging result minus tax	-	-	8.404.870	-	-	-	8.404.870	(155.140)	8.249.730
Net loss for the period	-	-	-	-	(48.224.358)	-	(48.224.358)	577.528	(47.646.830)
Total recognised net profit for the period	-	-	8.404.870	(440.857)	(47.729.916)	(3.488.024)	(43.253.926)	(2.806.971)	(46.060.898)
Capitalization of subsidiaries reserves	-	-	-	(935.100)	935.100	-	-	-	-
Transfer of reserves	-	-	-	4.114.434	(4.799.365)	-	(684.932)	684.932	-
Dividend	-	-	-	-	(6.076.778)	-	(6.076.778)	-	(6.076.778)
	-	**-**	**-**	**3.179.334**	**(9.941.043)**	**-**	**(6.761.709)**	**684.932**	**(6.076.778)**
Balance as of December 31, 2008	**38.486.258**	**67.138.064**	**4.235.357**	**74.083.901**	**8.118.415**	**(4.206.267)**	**187.855.729**	**25.657.120**	**213.512.849**

The notes on pages 6 to 62 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	Total Equity
COMPANY						
Balance as of January 1, 2007	**38.486.258**	**67.138.064**	**4.001.300**	**62.556.674**	**28.065.455**	**200.247.752**
Hedging result minus tax	-	-	(7.677.109)	-	-	(7.677.109)
Transfer of reserves L. 3220	-	-	-	(63.225)	63.225	-
Net profit for the period	-	-	-	-	9.785.503	9.785.503
Total recognised net profit for the period	-	-	(7.677.109)	(63.225)	9.848.727	2.108.394
Transfer of reserves	-	-	-	5.607.748	(5.607.748)	-
Dividend	-	-	-	-	(8.608.768)	(8.608.768)
	-	-	-	5.607.748	(14.216.516)	(8.608.768)
Balance as of December 31, 2007	**38.486.258**	**67.138.064**	**(3.675.809)**	**68.101.198**	**23.697.666**	**193.747.377**
COMPANY						
Balance as of January 1, 2008	**38.486.258**	**67.138.064**	**(3.675.809)**	**68.101.198**	**23.697.666**	**193.747.377**
Hedging result minus tax	-	-	7.096.012	-	-	7.096.012
Transfer of special taxed reserves	-	-	-	(440.857)	440.857	-
Net loss for the period	-	-	-	-	(15.184.349)	(15.184.349)
Total recognised net loss for the period	-	-	7.096.012	(440.857)	(14.743.492)	(8.088.338)
Transfer of reserves	-	-	-	1.604.691	(1.604.691)	-
Dividend	-	-	-	-	(6.076.778)	(6.076.778)
	-	-	-	1.604.691	(7.681.469)	(6.076.778)
Balance as of December 31, 2008	**38.486.258**	**67.138.064**	**3.420.203**	**69.265.032**	**1.272.705**	**179.582.262**

The notes on pages 6 to 62 constitute an integral part of these financial statements (Individual and Consolidated).

Cash Flow Statement

	GROUP		COMPANY	
Amounts in euro	**2008**	**2007**	**2008**	**2007**
Cash flows from operating activities				
Profit / (loss) before taxes	(56.375.126)	33.310.035	(23.372.632)	13.096.716
Adjustments for:				
Depreciation of tangible assets	24.911.513	23.687.726	10.963.108	10.271.790
Depreciation of grants	(368.326)	(603.990)	(205.887)	(341.963)
Previsions	68.369.221	(2.189.464)	37.733.665	(136.632)
Investing activities result (income, expenses, profits and losses)	(1.354.270)	(2.732.393)	(4.824.316)	(4.216.361)
Interest charges & related expenses	36.490.134	31.528.204	16.625.425	13.752.067
(Profit) / loss from sale of tangible assets	(94.393)	(72.416)	(10.290)	(13.887)
(Profit) / Loss from the sale of fixed assets in properties	(5.948)	-	-	-
(Profit) / loss from the fair value of derivatives	-	(362.302)	-	-
Loss from the destruction of fixed assets	302.220	869.964	17.194	-
Impairment of participations	-	-	309.501	-
Decrease / (increase) in inventories	2.595.802	(30.835.403)	(25.477.107)	12.025.839
Decrease / (increase) in receivables	98.342.145	12.565.856	54.564.637	4.439.962
(Decrease) / Increase in liabilities (minus banks)	(2.470.084)	(5.402.343)	11.740.133	(13.558.772)
Interest charges & related expenses payed	(37.073.856)	(29.635.648)	(17.754.193)	(12.610.698)
Payed taxes	(4.427.702)	(11.631.129)	(539.410)	(7.140.936)
Net Cash flows from operating activities	**128.841.328**	**18.496.699**	**59.769.829**	**15.567.122**
Cash flows from investing activities				
Purchase of tangible assets	(46.856.780)	(34.738.392)	(19.715.606)	(11.883.577)
Purchase of intangible assets	(291.840)	(453.682)	(51.636)	(162.512)
Investment properties	-	(303.156)	-	-
Sales of tangible assets	600.143	479.821	391.019	295.215
Sales of investments in real estate	85.728	-	-	-
Sales of holdings	60.000	-	60.000	-
Dividends received	97.579	63.989	4.552.295	3.842.064
Interest received	627.990	956.823	272.022	374.296
Increase of participation in affiliated	-	-	(17.085.699)	(89.438)
Increase of participation in subsidiaries	(468.000)	(17.312)	(375.000)	(11.944)
Net Cash flows from investing activities	**(46.145.180)**	**(34.011.909)**	**(31.952.605)**	**(7.635.895)**
Cash flows from financing activities				
Dividends paid to shareholders of the parent	(6.098.750)	(8.635.392)	(6.095.104)	(8.604.006)
Loans received	62.709.820	178.198.179	55.000.000	75.000.000
Loans settlement	(120.508.870)	(140.545.995)	(60.023.826)	(69.315.632)
Changes in financial leases	(11.858)	(5.358)	-	-
Dividends paid to minority interest	(1.412.769)	(1.159.741)	-	-
Net cash flows from financing activities	**(65.322.426)**	**27.851.693**	**(11.118.930)**	**(2.919.638)**
Net (decrease)/ increase in cash and cash equivalents	**17.373.722**	**12.336.483**	**16.698.294**	**5.011.590**
Cash and cash equivalents at the beginning of period	41.597.499	29.261.016	24.068.894	19.057.305
Cash and cash equivalents at the end of period	**58.971.221**	**41.597.499**	**40.767.188**	**24.068.894**

The notes on pages 6 to 62 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 pipes 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 2008 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 9 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-Montenegro.

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

The financial statements ended 31 December 2008 were approved for publication by the Company's Board of Directors on 24 March 2009.

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 EU.

(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 12)
- Measurement of defined-benefit liability (note 19)
- Provisions (note 21)
- Subsidiary impairment (note 9)
- Valuation of investment property (note 8)
- Use of tax loss (note 11)
- Valuation of securities available for sale (note 10)

Notes to the Financial Statements

3. Main 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.

3.1 Basis for consolidation

(a) Subsidiaries

Subsidiaries are businesses over which the Group exerts control. Control is considered to exist where the Group can determine the decisions which relate, directly or indirectly, to the financial principles of management of subsidiaries for the purpose of accruing benefits from them. The existence of any potential voting rights which are exercisable at the time the financial statements are prepared is taken into account in order to determine whether the Group exercises control over subsidiaries. Subsidiaries are fully consolidated from the date on which control of them is acquired and they cease to be consolidated from the date on which such control no longer exists.

The Company posts investments in subsidiaries in the accounts "Company" in the Financial Statements at their acquisition cost reduced by any impairment.

(b) Associated companies

Associated companies are entities in which the Group exercises significant influence, but not control, over their financial and operating policies generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associated companies are accounted for by applying the equity method and are initially presented at acquisition cost, increased or decreased by the Group's stake in the profits or losses of the holding, after the acquisition date of substantial influence until the date it ceases to exist and in all corresponding changes in the equity of the holding. The account in which investments in associated companies are recorded also includes the goodwill that arises from the buy-out (decreased by possible impairment losses).

The Group’s share in the profits or losses of associated companies after the acquisition is recognized in the income statement, while the share of changes in reserves after the acquisition is recognized in the Reserves. Cumulative changes affect the book value of the investments in associated companies. If the Group’s share in the losses of an associated company is greater than the value of its investment therein, these additional losses are not recognised, unless payments have been made or obligations have been incurred on behalf of the associated company.

The Company posts investments in associated companies in the column "Company" in the Financial Statements at their acquisition cost reduced by any impairment.

Notes to the Financial Statements

3. Basic accounting principles (cont.)

3.1. Basis for Consolidation (cont.)

(c) Joint ventures

Joint ventures are those companies jointly controlled by the Group by way of agreement. Joint ventures are consolidated by applying the proportional consolidation method.

(d) Transactions deleted upon consolidation

Intra-company balances and transactions as well as profits and losses arising from intra-company transactions are deleted at the time Group particulars in the Financial Statements are prepared. Unrealized profits from transactions with associated companies are deleted up to the Group's holding in the said entity. Unrealized losses are deleted in the same way with profits to the extent there is no indication of impairment.

3.2. Segmental Reporting

A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different from those of other business segments. A geographical segment is a geographical area engaged in providing products or services that are subject to risks and returns that are different from those of other areas. For information purposes, business segment is the main segment.

3.3 Foreign currency

(a) Foreign exchange transactions

Foreign exchange transactions are converted into the functional currency based on the official exchange rate for that foreign currency on the transaction date. Profits and losses from foreign exchange differences arising from the settlement of such transactions during the year and from conversion of currency units expressed in foreign currency on the balance sheet date at current exchange rates are posted to the results.

(b) Transactions with foreign companies

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.

Notes to the Financial Statements

3. Basic accounting principles (cont.)

3.3. Foreign currency (cont.)

(b) Transactions with foreign companies

- 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.
- The foreign exchange differences arising from conversion of net investment in a foreign entity and the relevant hedges are recognized in item "Exchange differences from subsidiaries consolidation" in equity. When a foreign operation is sold, accumulated exchange differences are recognised in the income statement as part of the gain or loss on sale.

3.4 Property, plant and equipment

Property, plant and equipment are presented at acquisition cost less accumulated depreciation and any impairment. The cost of property, plant and equipment on 1 January 2004, transition date to IFRS, was defined as such day's fair value. 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.

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. All other financial expenses are recognised in the income statement.

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	20-33	years
Machinery & equipment	1-18	years
Cars	5-7	years
Other equipment	3-7	years

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

Notes to the Financial Statements

3. Basic accounting principles (cont.)

3.4 Property, plant and equipment (cont.)

When the book value of tangible assets exceeds the estimated recoverable value the differences (impairment) are posted directly as expenses to the results.

When tangible assets are sold, differences between the price received and the book value are posted as profits or losses in the income statement in the account "Other income" or "Other expenses" as the case may be.

3.5 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.

3.6 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.

3.7 Impairment

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 and if book values exceed the estimated recoverable amount an impairment loss is recognized that is posted directly in the income statement in item "Cost of goods sold" or "Other expenses", depending on their nature. The recoverable value of assets is either the fair value of asset less sale costs or the value in use, whichever is higher.

Notes to the Financial Statements

3. Basic accounting principles (cont.)

3.7 Impairment (cont.)

In order to calculate the value in 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. Following recognition of loss due to an asset impairment, on each balance sheet it is examined whether the conditions having led to its recognition still apply. In this case, the recoverable amount of the asset is re-determined and 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.

3.8 Financial instruments save derivatives

Financial instruments save 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. Information on cash and cash equivalents is set out in note 3.11. Information on interest-bearing loans is set out in note 3.13 and information on trade and other receivables is given in note 3.10.

(a) Financial assets recognized at fair value through profit or loss

This category includes financial assets that were acquired in order to be resold in a short period of time or evaluated accordingly on acquisition date. Changes in their fair value are recorded in profit or loss.

(b) Held-to-maturity investments

This category includes investments with fixed or designated payments and fixed maturities, which the Group intends and has the capacity to hold until they mature. They are presented at acquisition cost less any impairment.

(c) Available-for-sale financial assets

These include assets that are either designated in this category or not classified in any of the other categories.

Notes to the Financial Statements

3. Basic accounting principles (cont.)

3.8 Investments (continued)

(c) Available-for-sale financial assets (cont.)

Financial assets available for sale are measured at fair value and the relevant profits or losses are posted to an equity reserve until these assets are sold or recognised as impaired. Upon sale or when recognised as impaired, the profits or losses are transferred to the results from reserves. Impairment losses which have been recognised in the income statement cannot be reversed through profit or loss.

Foreign exchange differences in non-monetary available-for-sale assets are posted in profit or loss.

(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.

On each balance sheet date the Group ascertains if there are objective indications which lead to the conclusion that the financial assets are impaired. In the case of company shares classified as financial assets available for sale, a significant or prolonged decline in the fair value in relation to its acquisition cost is considered an indication of impairment. If impairment is identified, the cumulative loss in Equity, which is the difference between acquisition cost and fair value, is recognised in the income statement. Impairment losses of equity instruments recognised in the income statement are not reversed through profit or loss.

3.9 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. 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.

Notes to the Financial Statements

3. Basic accounting principles (cont.)

3.10 Customers and other short-term receivables

Trade receivables are posted at acquisition cost and are annually tested for impairment. Impairment losses are recognised when there are objective indications that the Group is not in a position to collect the amounts due based on contractual terms. The amount of provision is recognised in the income statement as an expense. Receivables are written off from receivable accounts through the provision set up. Receivables deemed as beyond receivability are deleted.

3.11 Cash and cash equivalents

Cash and cash equivalents include cash balances, sight deposits and short-term, high-liquid and low-risk investments of up to 3 months.

3.12 Share capital

Share capital consists of common shares. Direct costs for the issuance of shares are presented after deducting the income tax applied to reduce Equity.

The acquisition cost of own shares including direct costs is recorded as a reduction to equity attributable to the Company's equity until these shares are sold, cancelled or re-issued. Any profits or loss from sale of own shares net of direct other costs for the transaction and income tax are presented in Equity as direct transaction.

3.13 Interest-bearing Loans

Loans are initially recognised at fair value. After initial recognition, they are monitored by applying the method of net acquisition cost and effective interest rate.

3.14 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 in 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 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. Deferred tax is determined using the tax rates that are expected to apply to the period in which the asset (liability) will be realized (settled). Determination of future tax rates is based on laws passed on the date the financial statements are prepared.

Notes to the Financial Statements

3. Basic accounting principles (cont.)

3.14 Income tax (cont.)

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.

Deferred income tax is provided for temporary differences arising on investments in subsidiaries and associated companies, except where the Group is able to control the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future.

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

3.15 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.

(c) Defined-Benefit Plans

Defined-benefit plans are any other retirement plans save 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. Independent actuaries using the projected unit credit method calculate the defined benefit obligation.

Actuarial gains and losses arising from historical data adjustments exceeding 10% of the accumulated liability are posted to the income statement over the average remaining service lives of the employees participating in the plan.

Notes to the Financial Statements

3. Basic accounting principles (cont.)

3.15 Employee benefits (cont.)

(c) Defined Benefit Plans (cont.)

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.

3.16 Government Grants

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

3.17 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.

3.18 Income

Revenue includes the fair value of the sale of goods and services, net of discounts and returns. Intra-group revenue is completely eliminated. Revenue is recognised as follows:

(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.

(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.

Notes to the Financial Statements

3. Basic accounting principles (cont.)

3.18 Income (cont.)

(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.

3.19 Net financial expenses

Net financial expenses consist of interest charges on loans and of foreign exchange gains or losses arising from the borrowing of companies. They also include income from accrued interest arising from invested cash.

3.20 Leases

Asset leases where the Group substantially retains all risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's inception at the lower of the fair value of the fixed asset and the present value of the minimum lease payments, reduced by accumulated depreciation and any obsolescence losses. The corresponding liabilities from lease payments net of financial charges are presented as liabilities. That part of financial expenses relating to finance leases is recognised in the income statement over the term of the lease.

Leases where in effect the risk and rights of ownership remain with the lessor are posted as operational leases. The lease payments made for operating leases are posted through profit or loss on a systematic basis during the lease.

3.21 Dividends

Dividends distributed to shareholders in the Company are presented as liability in the financial statements on the date that dividend distribution is approved by the General Meeting of Shareholders.

3.22 Derivatives

Derivatives are recognised at fair value both initially and subsequently. The method by which profits and losses are recognised depends on whether derivatives are designated as a hedging instrument or are held for trading. Derivatives are recognised when the transaction is entered into by the Group as hedges for the fair value of receivables, liabilities or commitments (fair value hedges) or very probable transactions (cash flow hedges).

When entering into transactions the Group records the proportion between hedged assets and hedging instruments and the relevant risk management strategy. When entering into the contract and thereafter the estimate is recorded about the effectiveness of hedging both for fair value hedges and for cash flow hedges.

Notes to the Financial Statements

3. Basic accounting principles (cont.)

(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 hedges

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.

(c) Net investment hedge

A hedge of a net investment in a foreign company is managed in the same manner as cash flow hedges. Profits or losses of hedging instruments that are associated with the effective leg of the hedge are recognised in an Equity reserve account. On the contrary, profits or losses relating to the non-effective leg of the hedge are posted to the income statement. Profits or losses that have accumulated in Equity are transferred to the results when the foreign company is sold.

(d) Derivatives that are not considered as hedging instruments

Changes in the fair value of these derivatives are posted to the income statement.

3.23 Stock option plans for employees

The Company and its subsidiary HELLENIC CABLES S.A. have granted stock options to certain executives that have been gradually established from 2002 to 2011. Based on the interim provisions of IFRS 2 and given that the specific options were granted prior to 7 November 2002, the Group has not applied the provisions of this Standard save the disclosures of IFRS 2.

Notes to the Financial Statements

3. Basic accounting principles (cont.)

3.24 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.

3.25 New standards and interpretations which have not been adopted yet

Below are given some of the new standards, amendments to applicable Standards and Interpretations that do not apply to the year ended 31 December 2008 and have not been early applied when preparing these Financial Statements.

- **IFRIC 13 "Customer Loyalty Programmes"** addresses accounting by entities dealing with or otherwise participating in customer loyalty programmes related to their own customers. These programmes enable customers to redeem loyalty award credits in the form of free or discounted products or services. IFRIC 13 is not expected to affect the consolidated financial statements since the Group does not implement such programmes at the moment.

- **IFRIC 15 "Agreements for the Construction of Real Estate"** applies to annual accounting periods beginning on or after 1 January 2009. This Interpretation provides guidance on how to determine whether an agreement for the construction of real estate is within the scope of IAS 11 "Construction Contracts" or IAS 18 "Revenue" and when revenue from the construction should be recognised. The Interpretation has retrospective effect. The European Union has not adopted yet this interpretation. It is not expected that IFRIC 15 will have any effect on the Group's financial statements.

- **IFRIC 16 "Hedges of a net investment in a foreign operation**" applies to annual accounting periods beginning on or after 1 October 2008. This Interpretation clarifies:
  - the presentation currency of the Financial Statements does not create an exposure to which the company may apply hedge accounting. Consequently, a parent entity may designate as a hedged risk only the foreign exchange differences arising from a difference between its own functional currency and that of its foreign operation.
  - Any Group company may hold hedging instruments.
  - While IAS 39 "Financial Instruments: Recognition and Measurement" must be applied to determine the amount that needs to be reclassified to profit or loss from the foreign currency translation reserve in respect of the hedging instrument, IAS 21 "The Effects of Changes in Foreign Exchange Rates" must be applied in respect of the hedged item.

  The Interpretation will take effect in the future. The Group is in the process of evaluating the effect of this interpretation on its financial statements.

Notes to the Financial Statements

3. Basic accounting principles (cont.)

- **IFRIC 17 "Distributions of non-cash assets to owners"** applies to annual accounting periods beginning on or after 1 July 2009. This Interpretation clarifies that:

  - a dividend payable should be recognised when the dividend is appropriately authorised and is no longer at the discretion of the entity;
  - the company should measure the dividend payable at the fair value of the net assets to be distributed;
  - the company should recognise the difference between the dividend paid and the carrying amount of the net assets distributed in profit or loss; and
  - the company should provide additional disclosures if the net assets being held for distribution to owners meet the definition of a discontinued operation.

  IFRIC 17 applies to pro rata distributions of non-cash assets except for common control transactions. The Interpretation will take effect in the future with earlier application being encouraged. The European Union has not adopted yet this interpretation. The Group is currently reviewing the effect of this Interpretation.

- **IFRIC 18 "Transfers of assets from Customers"** applies to annual accounting periods beginning on or after 1 July 2009. This Interpretation is particularly relevant for the utility sector. It clarifies the accounting treatment of agreements in which an entity receives from a customer an item of property, plant and equipment (or cash which must be used to construct such property, plant or equipment) that the entity must then use either to connect the customer to a network or to provide the customer with ongoing access to a supply of goods or services. This interpretation shall be implemented in the future but limited retrospective effect is allowed. The European Union has not adopted yet this interpretation. The Group is currently reviewing the effect of this Interpretation.

- **Amendments to IFRS 2 "Share-based payment transactions"** (applying to annual accounting periods beginning on or after 1 January 2009. The amendment clarifies two issues: The definition of "vesting condition" by introducing the term "non-vesting condition" for conditions that do not fall under service or performance conditions. It also states that all cancellations, irrespective of whether they originate from the entity or contracting parties, must be accounted for in the same way. The Group does not expect that this Interpretation will have any impact on its financial statements.

Notes to the Financial Statements

3. Basic accounting principles (cont.)

3.25 New standards and interpretations which have not been adopted yet (cont.)

Revised IFRS 3 "Business Combinations" and Amended IAS 27 "Consolidated and Separate Financial Statements" apply to accounting periods beginning on or after 1 July 2009. On 10 January 2008, the International Accounting Standards Board (IASB) published a revised IFRS 3 "Business Combinations" and the Amended IAS 27 "Consolidated and Separate Financial Statements". Revised IFRS 3 introduces a series of changes in the accounting treatment of business combinations which will affect the amount of the recognized goodwill, the results of the period during which business combination takes place and the future results. As part of these changes, the costs related to the acquisition are expensed and future changes are recognized at the fair value of the contingent consideration in results (instead of goodwill adjustment). Amended IAS 27 requires that transactions leading to changes in the percentage holdings in a subsidiary be posted in equity. Consequently it does not affect goodwill or generate any result (profit or loss).

Moreover, this amended standard changes the way in which losses of subsidiaries and loss of control over a subsidiary are accounted for. The European Union has not adopted yet the revision of IFRS 3 and amended IAS 27. All changes of the above standards will be implemented as of their application date and will affect future acquisitions and transactions with minority shareholders as of such date and thereafter.

- **IFRS 8 "Operating Segments"** applies to annual accounting periods beginning on or after 1 January 2009. IFRS 8 replaces IAS 14 "Segment Reporting" and adopts a management approach regarding the financial information provided per activity sector. The information disclosed must be the one the Management uses internally to evaluate the performance of operating segments and allocate resources to these sectors. This information may be different from the one presented in the balance sheet and income statement and the companies must provide explanations and agreements regarding such differences. The Group is in the process of evaluating the effect of this standard on its financial statements.

- **Amendments to IAS 1 "Presentation of Financial Statements"** apply to annual accounting periods beginning on or after 1 January 2009. IAS 1 has been amended to enhance the usefulness of the information presented in financial statements. The most important of these are: it is required that the statement of changes in equity includes only transactions with shareholders; a new statement of comprehensive income is introduced which combines all profits and losses recognized in the income statement with "other income" (comprehensive income); and it is also required that the restatements in financial statements or retrospective applications of new accounting policies are presented as at the beginning of the earliest comparative period, namely in a third column in the balance sheet. The Group will make all necessary changes to the presentation of its financial statements for 2009.

Notes to the Financial Statements

3. Basic accounting principles (cont.)

3.25 New standards and interpretations which have not been adopted yet (cont.)

- **Amendments to IAS 32 "Financial instruments: Presentation" and IAS 1 "Presentation of Financial Statements" as regards "Financial instruments held by owner (or puttable instrument)"** apply to annual accounting periods beginning on or after 1 January 2009. The amendment to IAS 32 requires that certain financial instruments held by their owner (puttable instruments) and liabilities arising from the liquidation of an entity are posted as Equity if specific criteria are met. The amendment to IAS 1 requires the disclosure of information relating to puttable instruments classified as Equity. The Group expects that these amendments will not affect its financial statements.

- **Amendments to IAS 23 "Borrowing costs"** apply to annual accounting periods beginning on or after 1 January 2009. According to the amendments of IAS 23, the option (available under the existing standard) of immediately recognising as a period expense borrowing costs that relate directly to a qualifying asset is removed. All borrowing costs that are directly related to the acquisition, manufacture or production of a qualifying asset should be capitalised. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for the intended use or for sale. Pursuant to the interim provisions of the Standard, the Group will adopt the change as of its application date and thereafter. Therefore, borrowing costs related to qualifying assets are capitalized when capitalisation commences on or after 1 January 2009. Any borrowing costs posted to results prior to this date will not be readjusted.
- **IFRS 39 "Financial instruments: Recognition and Measurement" and IFRS 7 "Financial instruments: Disclosures"** apply to annual accounting periods beginning on or after 1 January 2009. This amendment of IAS 39 would permit an entity to reclassify some non-derivative financial instruments (save those classified by the entity in the fair value category in profit or loss at initial recognition) out of the category of fair value through profit or loss under specific circumstances. The amendment also allows an entity to transfer a financial asset from the "held for sale" category to the "loans and receivables" category which could satisfy the requirements for being defined as "Loans and receivables" (if it were not classified as "Held for Sale") provided that the entity intends and can retain the said financial asset in the near future. This amendment does not permit reclassification in the fair value category through profit or loss. The amendment refers to disclosures of financial assets that have been reclassified.

Notes to the Financial Statements

3. Basic accounting principles (cont.)

3.25 New standards and interpretations which have not been adopted yet

In May 2008, the IASB issued a series of amendments to IFRS in order to eliminate inconsistencies and provide clarifications. These amendments apply to accounting periods beginning on or after 1 January 2009 and have not been adopted yet by the European Union.

- **Amendments to IFRS 5 "Non-current assets held for sale and discontinued operations"** apply to annual accounting periods beginning on or after 1 July 2009. This amendment clarifies that all assets and liabilities of a subsidiary still fall under the held-for-sale category pursuant to IFRS 5 even if the company retains a non-controlling interest in its former subsidiary after the sale. This amendment shall apply in the future as of the first-application date of IFRS 5. Therefore, holdings in subsidiaries classified as held for sale as of the application of IFRS 5 must be reassessed. Early application of the amendment is accepted. In the case of early application, the amendments of IAS 27 (as amended in January 2008) must also be implemented on the application date of amended IFRS 5.

- **Amendments to IFRS 7 "Financial instruments: Disclosures"** apply to annual accounting periods beginning on or after 1 January 2009. This amendment abolishes reference to "total interest income" as component of financial expenses.

- **Amendments to IAS 1 "Presentation of Financial Statements"** apply to annual accounting periods beginning on or after 1 January 2009. This amendment clarifies that the assets and liabilities classified as held for trading pursuant to IAS 39 "Financial instruments: Recognition and measurement" are not automatically classified as short-term items in the balance sheet. This amendment has retrospective effect with earlier application being encouraged.

- **Amendments to IAS 8 "Accounting policies, changes in accounting estimates and errors"** apply to annual accounting periods beginning on or after 1 January 2009. This amendment clarifies that only the instruction of application, which is considered integral part of an IFRS, is compulsory when choosing accounting policies.

- **Amendments to IAS 10 "Events after the Balance Sheet Date"** apply to annual accounting periods beginning on or after 1 January 2009.. This amendment clarifies that any dividends approved after the balance sheet date are not considered liabilities.

- **Amendments to IAS 16 "Property, plant and equipment"** apply to annual accounting periods beginning on or after 1 January 2009.
  - It replaces the term "Net selling price" with the term "Fair value less the costs to sell" with respect to the recoverable amount so that consistency with IFRS 5 and IAS 36 is ensured.

Notes to the Financial Statements

3. Basic accounting principles (cont.)

3.25 New standards and interpretations which have not been adopted yet (cont.)

- Property, plant and equipment held for rental to others and intended for sale in the ordinary course of business after the expiry of rental period are transferred to Inventories upon expiry of such period and are classified in held-for-sale assets. Collections from subsequent sale are recognized as income. At the same time, IAS 7 "Statements of cash flows" is amended and requires that payments of cash for the construction or acquisition of the relevant fixed assets are classified as Operating Activities. In addition, collections of rental fees and subsequent sales of the relevant fixed assets are recognized in the category of Operating Activities.

* **Amendments to IAS 18 "Revenue"** apply to annual accounting periods beginning on or after 1 January 2009. This amendment replaces the term "Direct costs" with the term "Cost of transactions" as specified in IAS 39.

* **Amendments to IAS 19 "Employee benefits"** apply to annual accounting periods beginning on or after 1 January 2009.
  - It revises the definition of "Past service cost" so as to include reduced benefits for employee service in prior periods ("negative past service cost") and exclude any decrease in benefits for employee service in future periods arising as a result of changes to benefit plan. Amendments to benefit plans entailing a reduction in benefits for employee service in future periods are considered plan curtailments. The amendment shall take effect in the future for changes in benefits taking place on or after 1 January 2009. Earlier application is encouraged.

  - It revises the definition of the "Return on plan assets" less any costs of administering the plan unless they have already been included in the actuarial assumptions used to measure the defined-benefit obligations. This amendment has retrospective effect with earlier application being encouraged.

  - It revises the definition of "short-term" and "other long-term" benefits to employees so as to focus on the point when the liability will be settled. This amendment has retrospective effect with earlier application being encouraged.

  - It abolishes reference to contingent liabilities so as to be in line with IAS 37 "Provisions, Contingent Liabilities and Contingent Assets". IAS 37 does not allow recognition of contingent liabilities. This amendment has retrospective effect with earlier application being encouraged.

Notes to the Financial Statements

3. Basic accounting principles (cont.)

3.25 New standards and interpretations which have not been adopted yet (cont.)

- **Amendments to IAS 20 "Accounting for government grants and Disclosure of Government Assistance"** apply to annual accounting periods beginning on or after 1 January 2009. Loans granted at a nil or below-market rate of interest is treated will not be exempted from the requirement to present imputed rate. The imputed rate of subsidized loans will be lower than market rate and will thus be harmonized with IAS 39. The difference between the amount collected and the discounted amount is accounted for as government grant. The amendment shall apply in the future to government grants collected on or after 1 January 2009. Earlier application is encouraged. However, IFRS 1 "First-time application of IFRS" has not been revised for the new users of standards and thus imputed rate must be recognized in all the relevant loans that were outstanding on transition date.

- **Amendments to IAS 23 "Borrowing costs"** apply to annual periods beginning on or after 1 January 2009. The amendment revises the definition of "borrowing costs" so as to bring together all components of borrowing costs into one; interest expense is calculated pursuant to the effective rate method as described in IAS 39. This amendment has retrospective effect with earlier application being encouraged.

- **Amendments to IAS 27 "Consolidated and Separate Financial Statements"** apply to annual accounting periods beginning on or after 1 January 2009. In case a parent company assesses its subsidiary at fair value pursuant to IAS 39 in its separate financial statements, this treatment shall survive even in case the subsidiary is subsequently classified as held for sale. This amendment shall apply in the future as of the first-application date of IFRS 5. Therefore any subsidiaries classified as held for sale as of the application date of IFRS 5 will have to be re-assessed. Earlier application is encouraged.

- **Amendments to IAS 28 "Investments in associates"** apply to annual accounting periods beginning on or after 1 January 2009.

  - In case an associate is measured at fair value pursuant to IAS 39 (insofar as it has been exempted from the requirements of IAS 28), only the requirements of IAS 28 on the disclosure of the nature and extent of significant restrictions on the capacity of the associate to transfer funds to the company in the form of cash or loan repayment shall apply. This amendment has retrospective effect although future application is also permitted. Earlier application is encouraged. In the case of earlier application, the company should also adopt the following amendment and the amendment of paragraph 3 of IFRS 7 "Financial instruments: Disclosures", paragraph 1 of IAS 31 "Interests in Joint Ventures" and paragraph 4 of IAS 32 "Financial instruments: Presentation"..In order to test impairment, investment in an associate is considered unique asset including any reversal of impairment loss. Therefore, in case of impairment no separate allocation of impairment to the goodwill included in the remainder of investment is required.

Notes to the Financial Statements

3. Basic accounting principles (cont.)

New standards and interpretations which have not been adopted yet (cont.)

- The loss of impairment is reversed in case the recoverable value of the investment in the associate is increased. In the case of earlier application, the company should also adopt the following amendment and the amendment of paragraph 3 of IFRS 7 “Financial instruments: Disclosures”, paragraph 1 of IAS 31 “Interests in Joint Ventures” and paragraph 4 of IAS 32 “Financial instruments: Presentation”.

- **Amendments to IAS 29 “Financial Reporting in Hyperinflationary economies”** apply to annual accounting periods beginning on or after 1 January 2009. This amendment revises the restrictive list of exemptions regarding the asset and liability items measured at historic cost, e.g. property, plant and equipment. No special requirements of transition are indicated given that the amendment is rather a clarification than a change.

- **Amendments to IAS 31 “Interests in Joint Ventures”** apply to annual accounting periods beginning on or after 1 January 2009. This amendment specifies that if a joint venture is measured at fair value pursuant to IAS 39 (insofar as it has been exempted from the requirements of IAS 31), only the requirements of IAS 31 on the disclosure of obligations of both venturer and joint venture as well as on the summary of financial information about balance sheet items and results shall apply. Earlier application is encouraged. In the case of earlier application, the company should also adopt the amendment of paragraph 3 of IFRS 7 “Financial instruments: Disclosures”, IAS 28 “Investments in Associates” and paragraph 4 of IAS 32 “Financial instruments: Presentation”.

- **Amendments to IAS 34 “Interim Financial Reporting”** apply to annual accounting periods beginning on or after 1 January 2009. This amendment clarifies that earnings per share are disclosed in interim financial reporting in case the company falls under the scope of IAS 33.

- **Amendments to IAS 36 “Impairment of Assets”** apply to annual accounting periods beginning on or after 1 January 2009. This amendment clarifies that when the method of discounted cash flows is used in order to calculate the “fair value less the costs to sell”, the same disclosures shall apply as for the use of discounted cash flows in order to calculate the value in use. This amendment has retrospective effect with earlier application being encouraged.

- **Amendments to IAS 38 “Intangible assets”** apply to annual accounting periods beginning on or after 1 January 2009.

  - Advertising and promotional activities expenses are recognized as expenses when the company gains access to the goods or receives the services. This amendment has retrospective effect with earlier application being encouraged.

Notes to the Financial Statements

3. Basic accounting principles (cont.)

3.25 New standards and interpretations which have not been adopted yet (cont.)

- It abolishes reference to the rare occasions that persuasive evidence exists to support an amortization method for intangible assets with finite useful lives that results in a lower amount of accumulated amortization than under the straight-line method, thus allowing the use of the unit of production method. This amendment has retrospective effect with earlier application being encouraged. An advance payment may be recognized only if the payment has been made prior to acquiring access to the goods or reception of services.

• **Amendments to IAS 39 "Financial instruments: Recognition and measurement"** apply to annual accounting periods beginning on or after 1 January 2009.

- It specifies that changes in circumstances relating to derivatives --in particular derivatives recognized or derecognized as hedge accounting instruments following their initial recognition-- are not considered reclassifications. Thus, a derivative may be reclassified or included in the category of fair value through profit or loss following initial recognition. Likewise, when financial assets have been reclassified due to changes in the accounting policy of an insurance company pursuant to paragraph 45 of IFRS 4 "Insurance contracts", this is a change in circumstances rather than reclassification. This amendment has retrospective effect with earlier application being encouraged.
- It abolishes the reference of IAS 39 to the term "segment" when recognizing an instrument as hedge accounting item. This amendment has retrospective effect with earlier application being encouraged.
- It requires the use of revised effective rate (as opposed to the initial effective rate) when re-determining a debt security once the fair value hedge accounting ceases. This amendment has retrospective effect with earlier application being encouraged.

• **Amendments to IAS 40 "Investment property"** apply to annual accounting periods beginning on or after 1 January 2009.

- It revises its scope (and the scope of IAS 16) as regards the property under construction or development for future use as an investment property and includes it in the category of investment property. In case the company is not able to determine the fair value of the investment property under construction but expects to determine it upon completion, the said property under construction will be measured at cost until the time it will be possible to determine fair value or construction will be completed. This amendment has retrospective effect with earlier application being encouraged. An entity may apply the relevant amendment at any date prior to 1 January 2009 if the fair values of the investment properties under construction can be determined on the specific application date.
- It revises the conditions of voluntary change in accounting policy so as to be consistent with IAS 8.
- It specifies that the book value of an investment property that is leased is equal to its latest valuation increased by any recognized obligation.

Notes to the Financial Statements

4. Segment Reporting

Segment reporting concerns the operating and geographic segments of the Group. The primary type of reference (operating segments) is based on the structure of Group Management and internal reporting system.

Operating segment

The Group includes the following main business segments:

- Copper
- Cables
- Other services mainly including the promotion of products and goods
- Non-distributed

Geographic segment

The Group is operating in Greece and other Europe although its products are sold in various countries all over the world.

In order to represent data in geographic segments, income and assets are broken down according to the location of customers and assets.

December 31, 2007 (Amounts in euro)	Copper products	Cable products	Other Services	Non allocated	Total
Total gross sales by sector	**1.109.945.527**	**406.504.487**	**114.442.852**	**-**	**1.630.892.867**
Intercompany sales from consolidated entities	(211.725.403)	(41.991.696)	(7.559.198)	-	**(261.276.297)**
Net sales	**898.220.125**	**364.512.791**	**106.883.654**	**-**	**1.369.616.569**
Operating profits	30.243.923	27.420.644	5.026.588	-	**62.691.155**
Financial income - expenses	-	-	-	(30.507.392)	**(30.507.392)**
Share at results of affiliated companies	-	-	-	1.126.272	**1.126.272**
Profit before income tax	**30.243.923**	**27.420.644**	**5.026.588**	**(29.381.120)**	**33.310.035**
Income tax	-	-	-	(8.719.850)	**(8.719.850)**
Net profit	**30.243.923**	**27.420.644**	**5.026.588**	**(38.100.970)**	**24.590.185**

December 31, 2007	Copper products	Cable products	Other Services	Non allocated	Total
Asset	669.525.104	203.961.909	67.590.677	-	**941.077.689**
Total liabilities	465.674.874	178.251.631	31.500.661	-	**675.427.165**
Investments in tangible, intangible assets and investments in real estate	25.699.117	9.507.640	288.474	-	**35.495.231**

Other figures per sector that consists the Financial Results year ended December 31, 2007

December 31, 2007 (Amounts in euro)	Copper products	Cable products	Other Services	Non allocated	Total
Depreciation of tangible assets	(15.348.901)	(6.786.884)	(385.782)	-	**(22.521.568)**
Amortization of intangible assets	(214.173)	(930.018)	(21.968)	-	**(1.166.158)**
Total depreciation	**(15.563.074)**	**(7.716.902)**	**(407.750)**	**-**	**(23.687.726)**
Impairment of claims	(1.241.208)	(1.967.193)	-	-	**(3.208.400)**
Impairment of inventories	(8.727.080)	(1.603.617)	-	-	**(10.330.698)**

Notes to the Financial Statements

4. Segment reporting (cont.)

December 31, 2008 (Amounts in euro)	Copper products	Cable products	Other Services	Non allocated	Total
Total gross sales by sector	**951.737.147**	**358.334.933**	**97.497.111**	**-**	**1.407.569.192**
Intercompany sales from consolidated entities	(171.357.720)	(28.033.840)	(7.882.266)	-	**(207.273.825)**
Net sales	**780.379.427**	**330.301.094**	**89.614.846**	**-**	**1.200.295.367**
Operating profits / (loss)	(31.423.584)	7.256.163	3.237.660	-	**(20.929.762)**
Financial income - expenses	-	-	-	(36.074.066)	**(36.074.066)**
Share at results of affiliated companies	-	-	-	628.702	**628.702**
Profit before income tax	**(31.423.584)**	**7.256.163**	**3.237.660**	**(35.445.364)**	**(56.375.126)**
Income tax	-	-	-	8.728.296	**8.728.296**
Net profit	**(31.423.584)**	**7.256.163**	**3.237.660**	**(26.717.069)**	**(47.646.830)**

December 31, 2008	Copper products	Cable products	Other Services	Non allocated	Total
Asset	576.793.595	204.345.074	36.414.201	-	**817.552.871**
Total liabilities	436.838.140	136.553.495	30.648.387	-	**604.040.022**
Investments in tangible, intangible assets and investments in real estate	34.570.107	12.198.528	379.985	-	**47.148.620**

Other figures per sector that consists the Financial Results year ended December 31, 2008

December 31, 2008 (Amounts in euro)	Copper products	Cable products	Other Services	Non allocated	Total
Depreciation of tangible assets	(17.177.211)	(6.849.059)	(207.232)	-	**(24.233.502)**
Amortization of intangible assets	(214.622)	(459.378)	(4.010)	-	**(678.011)**
Total depreciation	**(17.391.833)**	**(7.308.437)**	**(211.242)**	**-**	**(24.911.513)**
Impairment of claims	(1.470.717)	(1.667.060)	-	-	**(3.137.777)**
Impairment of inventories	(65.504.701)	(13.127.390)	-	-	**(78.632.091)**

Transfers and transactions between segments are made at arm's length subject to the same terms applying to transactions with third parties.

Notes to the Financial Statements

4. Segment reporting (cont.)

(Amounts in euro)	GROUP	
Sales	**2008**	**2007**
Greece	274.789.326	306.862.082
European Union	792.717.788	879.180.327
Other European countries	70.385.201	74.777.575
Asia	40.079.304	75.266.713
America	14.299.117	23.616.325
Africa	7.406.653	9.698.096
Oceania	617.978	215.451
Total	**1.200.295.367**	**1.369.616.569**

Analysis of sales by category

(Amounts in euro)	**2008**	**2007**	**2008**	**2007**
Sales of merchandise & products	1.114.474.210	1.214.506.483	624.589.533	696.423.220
Income from services	23.373.363	25.888.385	1.188.942	963.754
Other	62.447.794	129.221.702	9.473.961	58.587.034
Total	**1.200.295.367**	**1.369.616.569**	**635.252.436**	**755.974.008**

	GROUP	
Total assets	**2008**	**2007**
Greece	630.259.618	616.431.911
Foreign	187.293.253	324.645.778
Total	**817.552.871**	**941.077.689**

Investments in tangible, intangible fixed assets & real estate	**2008**	**2007**
Greece	29.880.714	18.640.397
Foreign	17.267.906	16.854.834
Total	**47.148.620**	**35.495.231**

Notes to the Financial Statements

5. Reclassifications of items

In the income statement of the Company and the Group for year 2007, the amount of € 341,963 and € 603,990 relating to depreciation of subsidized fixed assets has been subtracted from item "Earnings/ (loss) before interest, tax, depreciation and amortization" respectively.

6. Lots, building and equipment

The Group's and parent company's tangible assets as at 31 December 2007 and 2008 and changes thereof during 2007 and 2008 are analyzed as follows:

GROUP

(Amounts in euro)	Land	Buildings	Mechanical equipment	Transportation Vehicles	Furniture and Fixtures	Fixed assets under construction	Total
Cost							
Balance as of 1 January 2007	**37.067.651**	**82.864.381**	**242.476.188**	**3.696.265**	**13.713.745**	**23.267.771**	**403.086.001**
Foreign exchange differences	(107.949)	(1.250.786)	(2.329.671)	(14.452)	(235.384)	(12.503)	**(3.950.745)**
Additions	894.950	1.501.862	11.988.573	367.420	1.221.756	18.763.832	**34.738.392**
Sales	-	-	(330.104)	(288.816)	(27.976)	(29.910)	**(676.807)**
Destructions	-	(244.309)	(2.565.027)	(25.191)	(84.750)	-	**(2.919.277)**
Impairment	-	-	(62.154)	-	-	(593.787)	**(655.940)**
Balance as of 31 December 2007	**37.854.652**	**82.871.148**	**249.177.806**	**3.735.225**	**14.587.391**	**41.395.402**	**429.621.624**
Accumulated depreciation							
Balance as of 1 January 2007	**-**	**(22.484.493)**	**(62.899.235)**	**(2.673.115)**	**(10.735.586)**	**-**	**(98.792.428)**
Foreign exchange differences	-	868.491	1.101.042	8.618	183.310	-	**2.161.461**
Depreciation for the period	-	(3.608.587)	(17.560.480)	(294.215)	(1.048.488)	-	**(22.511.771)**
Sales	-	-	54.820	195.635	18.946	-	**269.401**
Destructions	-	188.248	2.427.035	8.985	80.885	-	**2.705.153**
Balance as of 31 December 2007	**-**	**(25.036.341)**	**(76.876.818)**	**(2.754.092)**	**(11.500.932)**	**-**	**(116.168.184)**
Undepreciated value as of 1 January 2007	**37.067.651**	**60.379.888**	**179.576.954**	**1.023.150**	**2.978.159**	**23.267.771**	**304.293.573**
Undepreciated value as of 31 December 2007	**37.854.652**	**57.834.807**	**172.300.988**	**981.133**	**3.086.459**	**41.395.402**	**313.453.440**
Cost							
Balance as of 1 January 2008	**37.854.652**	**82.871.148**	**249.177.806**	**3.735.225**	**14.587.391**	**41.395.402**	**429.621.624**
Foreign exchange differences	(150.331)	(1.765.519)	(3.215.336)	(43.270)	(354.331)	(46.491)	**(5.575.279)**
Additions	3.791.024	3.896.428	42.683.461	344.213	1.298.023	(5.156.369)	**46.856.780**
Sales	-	-	(300.387)	(138.115)	(49.160)	(378.785)	**(866.447)**
Destructions / write down / roberies	-	(181.014)	(1.816.527)	(1.211)	(539.621)	(3.375)	**(2.541.748)**
Readjsutments	-	-	96.299	-	-	-	**96.299**
Impairment	-	-	-	-	-	(147.972)	**(147.972)**
Subsidiaries acquisition	(442.478)	-	-	-	-	-	**(442.478)**
Balance as of 31 December 2008	**41.052.867**	**84.821.042**	**286.625.315**	**3.896.842**	**14.942.302**	**35.662.411**	**467.000.779**
Accumulated depreciation							
Balance as of 1 January 2008	**-**	**(25.036.341)**	**(76.876.818)**	**(2.754.092)**	**(11.500.932)**	**-**	**(116.168.184)**
Foreign exchange differences	-	1.166.506	1.585.960	18.142	280.174	-	**3.050.782**
Depreciation for the period	-	(3.715.327)	(19.224.102)	(303.825)	(990.248)	-	**(24.233.502)**
Sales	-	-	205.529	125.140	30.029	-	**360.698**
Destructions	-	142.551	1.715.885	727	518.618	-	**2.377.781**
Readjsutments	-	-	(96.049)	-	-	-	**(96.049)**
Balance as of 31 December 2008	**-**	**(27.442.611)**	**(92.689.595)**	**(2.913.909)**	**(11.662.359)**	**-**	**(134.708.475)**
Undepreciated value as of 1 January 2008	**37.854.652**	**57.834.807**	**172.300.988**	**981.133**	**3.086.459**	**41.395.402**	**313.453.440**
Undepreciated value as of 31 December 2008	**41.052.867**	**57.378.431**	**193.935.720**	**982.933**	**3.279.942**	**35.662.411**	**332.292.304**

Notes to the Financial Statements

6. Lots, buildings and equipment (cont.)

COMPANY

(Amounts in euro)	Land	Buildings	Mechanical equipment	Transportation Vehicles	Furniture and Fixtures	Fixed assets under construction	Total
Cost							
Balance as of 1 January 2007	**24.049.168**	**34.645.062**	**99.931.705**	**1.699.606**	**5.018.170**	**4.282.864**	**169.626.575**
Additions	894.950	525.980	2.539.796	119.628	219.930	7.583.294	**11.883.577**
Sales	-	-	(323.478)	(14.484)	(13.962)	(4.830)	**(356.755)**
Balance as of 31 December 2007	**24.944.118**	**35.171.042**	**102.148.022**	**1.804.750**	**5.224.137**	**11.861.328**	**181.153.398**
Accumulated depreciation							
Balance as of 1 January 2007	**-**	**(4.865.618)**	**(21.997.344)**	**(1.343.008)**	**(4.105.744)**	**-**	**(32.311.715)**
Depreciation for the period	-	(1.717.210)	(7.817.150)	(115.568)	(414.151)	-	**(10.064.078)**
Sales	-	-	54.383	14.484	6.559	-	**75.427**
Balance as of 31 December 2007	**-**	**(6.582.828)**	**(29.760.111)**	**(1.444.092)**	**(4.513.336)**	**-**	**(42.300.367)**
Undepreciated value as of 1 December 2007	**24.049.168**	**29.779.444**	**77.934.360**	**356.598**	**912.426**	**4.282.864**	**137.314.860**
Undepreciated value as of 31 December 2007	**24.944.118**	**28.588.214**	**72.387.911**	**360.658**	**710.802**	**11.861.328**	**138.853.031**
Cost							**-**
Balance as of 1 January 2008	**24.944.118**	**35.171.042**	**102.148.022**	**1.804.750**	**5.224.137**	**11.861.328**	**181.153.398**
Additions	1.627.303	1.099.208	12.635.186	67.285	533.470	3.753.154	**19.715.606**
Sales	-	-	-	(57.049)	(10.858)	(378.785)	**(446.692)**
Destructions	-	-	-	-	(17.194)	-	**19.268.914**
Subsidiaries acquisition	(442.478)	-	-	-	-	-	**(442.478)**
Balance as of 31 December 2008	**26.128.943**	**36.270.250**	**114.783.208**	**1.814.986**	**5.729.556**	**15.235.697**	**199.962.640**
Accumulated depreciation							
Balance as of 1 January 2008	**-**	**(6.582.828)**	**(29.760.111)**	**(1.444.092)**	**(4.513.336)**	**-**	**(42.300.367)**
Depreciation for the period	-	(1.758.077)	(8.541.097)	(105.771)	(350.001)	-	**(10.754.946)**
Sales	-	-	-	57.049	8.914	-	**65.963**
Balance as of 31 December 2008	**-**	**(8.340.905)**	**(38.301.209)**	**(1.492.814)**	**(4.854.423)**	**-**	**(52.989.350)**
Undepreciated value as of 1 December 2008	**24.944.118**	**28.588.214**	**72.387.911**	**360.658**	**710.802**	**11.861.328**	**138.853.031**
Undepreciated value as of 31 December 2008	**26.128.943**	**27.929.346**	**76.482.000**	**322.172**	**875.133**	**15.235.697**	**146.973.289**

Through ratification of Act No 5931/28-9-2006 of Master Plan Implementation of the Industrial Zone of Thisvi, Pref. of Viotia, and the relevant decision of the Secretary-General for the Region of Continental Greece, DIAVIPETHIV S.A. (operator of the Industrial Zone of Thisvi, Viotia) acquired a total area of 195,000 m^2 and another 281,000 m^2 for the shared needs of companies/ users of the industrial zone. The said areas arose from the respective assignment of land from the companies installed there. In the context of the above, HALCOR S.A. acquired land extending over 70,780.44 m^2 valued at € 442,478, which has been posted as long-term receivable from DIA.VI.PE.THI.V S.A. given that according to Law 2545/97 (article 5) the said area is returned to owners if the operator is de-reserved. Subsidiary "HELLENIC CABLES S.A." treated the issue accordingly (see Note 8).

Notes to the Financial Statements

7. Intangible assets

The intangible assets of the Group and the parent company on 31 December 2007 and 2008 are analyzed as follows:

GROUP

(Amounts in euro)	Trade marks and Licenses	Software	Other	Total
Cost				
Balance as of 1 January 2007	**1.345.312**	**6.846.038**	**59.028**	**8.250.378**
Foreign exchange differences	-	(79.276)	-	(79.276)
Additions	16.906	255.090	-	271.996
Write down	-	(100)	-	(100)
Balance from Property, Plant and Equipment	93.478	88.209	-	181.687
Balance as of 31 December 2007	**1.455.696**	**7.109.961**	**59.028**	**8.624.685**
Accumulated depreciation				
Balance as of 1 January 2007	**(663.087)**	**(5.257.857)**	**(53.349)**	**(5.974.293)**
Foreign exchange differences	-	57.232	-	57.232
Depreciation for the period	(185.596)	(980.562)	-	(1.166.158)
Write down	-	100	-	100
Balance as of 31 December 2007	**(848.683)**	**(6.181.088)**	**(53.349)**	**(7.083.120)**
Undepreciated value as of 1 January 2007	**682.225**	**1.588.180**	**5.679**	**2.276.085**
Undepreciated value as of 31 December 2007	**607.013**	**928.873**	**5.679**	**1.541.565**
Cost				
Balance as of 1 January 2008	**1.455.696**	**7.109.961**	**59.028**	**8.624.685**
Foreign exchange differences	-	(117.003)	-	(117.003)
Additions	96.409	180.831	14.600	291.840
Write down	-	(9.719)	-	(9.719)
Balance as of 31 December 2008	**1.552.105**	**7.164.069**	**73.628**	**8.789.802**
Accumulated depreciation				
Balance as of 1 January 2008	**(848.683)**	**(6.181.088)**	**(53.349)**	**(7.083.120)**
Foreign exchange differences	-	88.907	-	88.907
Depreciation for the period	(204.731)	(470.359)	(2.920)	(678.010)
Write down	-	9.719	-	9.719
Balance as of 31 December 2008	**(1.053.414)**	**(6.552.821)**	**(56.269)**	**(7.662.504)**
Undepreciated value as of 1 January 2008	**607.013**	**928.873**	**5.679**	**1.541.565**
Undepreciated value as of 31 December 2008	**498.691**	**611.248**	**17.359**	**1.127.298**

Notes to the Financial Statements

7. Intangible assets (cont.)

COMPANY

(Amounts in euro)	**Software**
Cost	
Balance as of 1 January 2007	**3.051.868**
Additions	162.512
Balance as of 31 December 2007	**3.214.380**
Accumulated depreciation	
Balance as of 1 January 2007	**(2.634.725)**
Depreciation for the period	(207.712)
Balance as of 31 December 2007	**(2.842.437)**
Undepreciated value as of 1 January 2007	**417.143**
Undepreciated value as of 31 December 2007	**371.943**
Cost	
Balance as of 1 January 2008	**3.214.380**
Additions	51.636
Balance as of 31 December 2008	**3.266.015**
Accumulated depreciation	
Balance as of 1 January 2008	**(2.842.437)**
Depreciation for the period	(208.162)
Balance as of 31 December 2008	**(3.050.598)**
Undepreciated value as of 1 January 2008	**371.943**
Undepreciated value as of 31 December 2008	**215.417**

Notes to the Financial Statements

8. Investment Property

Investment property concerns plots of subsidiary “HELLENIC CABLES S.A.” that were measured at fair value on 1 January 2004, which was considered to be deemed cost.

Due to the fact that the real estate market of the areas in which the properties are located has not changed significantly, Management believes that the aforementioned values approach the properties’ current value.

	GROUP	
(Amounts in euro)	2008	2007
Balance as of January 1	**2.471.230**	**2.168.074**
Additions	-	303.156
Sales	(79.780)	-
Subsidiaries acquisition	(238.886)	-
Balance as of December 31	**2.152.565**	**2.471.230**

Through ratification of Act No 5931/28-9-2006 of Master Plan Implementation of the Industrial Zone of Thisvi, Pref. of Viotia, and the relevant decision of the Secretary-General for the Region of Continental Grece, DIAVIPETHIV S.A. (operator of the Industrial Zone of Thisvi, Viotia) acquired a total area of 195,000 m^2 and another 281,000 m^2 for the shared needs of companies/ users of the industrial zone. The said areas arose from the respective assignment of land from the companies installed there. In the context of the above, HELLENIC CABLES S.A. assigned land extending over 50,826 m^2 valued at € 238,885.51, which has been posted as long-term receivable from DIA.VI.PE.THI.V S.A. given that according to Law 2545/97 (article 5) the said area is returned to owners if the operator is de-reserved. The area contributed by the Company has arisen from investment property.

9. Participations

	GROUP		COMPANY	
(Amounts in euro)	2008	2007	2008	2007
Investments to subsidiary Companies	-	-	107.415.689	90.699.491
Investments to affiliated Companies	6.881.712	7.470.710	4.559.245	4.559.245
	6.881.712	**7.470.710**	**111.974.934**	**95.258.736**

Notes to the Financial Statements

9. Participations (cont.)

Participations in subsidiaries can be broken down as follows:

Corporate Name	Country	Value at the beginning of period	Additions	Sales	Installments due	Impairments	Value at the end of period	Direct Holding Percentage	Indirect Holding Percentage	Direct & Indirect Holding Percentage
2007										
HELLENIC CABLES S.A.	Greece	21.728.188	-	-	-	-	21.728.188	45,66%	33,06%	78,72%
STEELMET S.A.	Greece	140.880	-	-	-	-	140.880	29,56%	23,27%	52,83%
AKRO S.A.	Greece	7.707	178.226	-	(86.688)	-	99.245	95,74%	0,00%	95,74%
E.V.I.T.E. S.A.	Greece	59.997	-	-	-	-	59.997	100,00%	0,00%	100,00%
SOFIA MED SA	Boulgaria	52.229.065	-	-	-	-	52.229.065	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%
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%
SYLLAN S.A.	Greece	60.000	-	-	-	-	60.000	100,00%	0,00%	100,00%
OGWELL LIMITED	Cyprus	15.960.000	-	-	-	-	15.960.000	100,00%	0,00%	100,00%
CHABAKIS LTD	Greece	123.568	-	-	-	-	123.568	100,00%	0,00%	100,00%
		90.607.953	**178.226**	**-**	**(86.688)**	**-**	**90.699.491**			
2008										
HELLENIC CABLES S.A.	Greece	21.728.188	-	-	-	-	21.728.188	45,66%	33,06%	78,72%
STEELMET S.A.	Greece	140.880	-	-	-	-	140.880	29,56%	23,27%	52,83%
AKRO S.A.	Greece	99.245	-	-	86.688	(185.933)	-	95,74%	0,00%	95,74%
E.V.I.T.E. S.A.	Greece	59.997	3	(60.000)	-	-	-	0,00%	0,00%	0,00%
SOFIA MED SA	Boulgaria	52.229.065	16.999.008	-	-	-	69.228.073	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%
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%
SYLLAN S.A.	Greece	60.000	-	-	-	-	60.000	100,00%	0,00%	100,00%
OGWELL LIMITED	Cyprus	15.960.000	-	-	-	-	15.960.000	100,00%	0,00%	100,00%
CHABAKIS LTD	Greece	123.568	-	-	-	(123.568)	-	100,00%	0,00%	100,00%
		90.699.491	**16.999.011**	**(60.000)**	**86.688**	**(309.501)**	**107.415.689**			

On 16 May 2008, the Company participated in the share capital increase of its wholly-owned subsidiary in Bulgaria named SOFIA MED SA, by paying € 17 mio and assuming all of two hundred twenty-three thousand seven hundred thirty-six (223,736) new shares that were issued. The share capital increase of SOFIA MED will be used to improve its financial structure.

In July 2008 the parent company sold its wholly-owned subsidiary named E.VI.TE S.A. and the selling value came to € 60,000. This transaction did not affect the results of the parent company or the Group because its financial figures were insignificant. For this reason, E.VI.TE S.A. was not consolidated in the financial statements of the current period while it had been consolidated during the previous year.

Participations in associated companies can be broken down as follows:

Corporate Name	Country	Direct & Indirect Holding Percentage	GROUP 2008	GROUP 2007	COMPANY 2008	COMPANY 2007
DIAPEM TRADING S.A.	Greece	33,33%	214.059	214.005	266.627	266.627
ELKEME S.A.	Greece	30,90%	613.548	603.385	381.604	381.604
S.C. STEELMET ROMANIA S.A	Romania	40,00%	1.727.683	1.560.276	729.237	729.237
TEPRO METALL AG	Germany	43,53%	3.963.686	4.125.661	2.873.392	2.873.392
ENERGY SOLUTIONS SA	Boulgaria	38,60%	225.878	267.420	299.985	299.985
VIEXAL LTD	Greece	26,67%	30.640	34.283	8.400	8.400
E.D.E. S.A.	Greece	78,71%	106.218	106.241	-	-
DE LAIRE LIMITED	Cyprus	78,71%	-	559.439	-	-
			6.881.712	**7.470.710**	**4.559.245**	**4.559.245**

Notes to the Financial Statements

9. Participations (cont.)

The main financial assets of these companies can be broken down 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	Other	**Total**
(Amounts in euro)								
Balance as of 1/1/2007	**(30.492.055)**	**523.342**	**538.968**	**-**	**-**	**-**	**2.206.987**	**(27.222.759)**
(Debit) / Credit recorded in the profit and loss statement	(407.010)	(161.984)	(360.377)	-	-	-	(436.634)	(1.366.005)
(Debit) / Credit in equity	-	-	-	-	-	-	2.653.929	2.653.929
Balance as of 31/12/2007	**(30.899.065)**	**361.358**	**178.591**	**-**	**-**	**-**	**4.424.282**	**(25.934.834)**
(Debit) / Credit recorded in the profit and loss statement	91.600	757.151	(295.664)	4.274.407	-	5.251.737	343.924	10.423.155
(Debit) / Credit in equity	-	-	-	-	-	-	(2.290.407)	(2.290.407)
Balance as of 31/12/2008	**(30.807.465)**	**1.118.509**	**(117.073)**	**4.274.407**	**-**	**5.251.737**	**2.477.799**	**(17.802.086)**

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	Other	**Total**
Balance as of 1/1/2007	**1.533.436**	**527.355**	**1.568**	**(78.553)**	**1.584.354**	**-**	**(361.428)**	**3.206.732**
Foreign exchange differences	(25.481)	-	-	-	(82.351)	-	-	(107.833)
(Debit) / Credit recorded in the profit and loss statement	(177.325)	(58.189)	**(490)**	-	(249.481)	-	314.564	(170.922)
(Debit) / Credit in equity	-	-	-	-	-	-	157.163	157.163
Balance as of 31/12/2007	**1.330.630**	**469.166**	**1.078**	**(78.553)**	**1.252.521**	**-**	**110.299**	**3.085.140**
(Debit) / Credit recorded in the profit and loss statement	540.670	(59.349)	(295)	-	(52.392)	417.558	12.570	858.762
(Debit) / Credit in equity	-	-	-	-	-	-	(11.688)	(11.688)
Balance as of 31/12/2008	**1.709.182**	**409.817**	**783**	**(78.553)**	**1.200.129**	**417.558**	**111.181**	**3.770.095**

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	Other	**Total**
Balance as of 1/1/2007	**(25.379.441)**	**(8.720)**	**370.432**	**-**	**-**	**-**	**2.370.338**	**(22.647.391)**
(Debit) / Credit recorded in the profit and loss statement	(243.942)	(77.442)	(262.786)	-	-	-	(98.414)	(682.583)
(Debit) / Credit in equity	-	-	-	-	-	-	2.559.037	2.559.037
Balance as of 31/12/2007	**(25.623.383)**	**(86.162)**	**107.647**	**-**	**-**	**-**	**4.830.961**	**(20.770.937)**
(Debit) / Credit recorded in the profit and loss statement	294.882	436.734	(250.810)	3.272.466	-	5.251.737	(190.573)	8.814.436
(Debit) / Credit in equity	-	-	-	-	-	-	(2.365.338)	(2.365.338)
Balance as of 31/12/2008	**(25.328.501)**	**350.572**	**(143.163)**	**3.272.466**	**-**	**5.251.737**	**2.275.051**	**(14.321.839)**

ELECTRIC CABLE AGENCIES and E.D.E. S.A. were consolidated by applying the equity method rather than full consolidation like the previous year due to insignificance of the relevant items.

DE LAIRE L.T.D was consolidated for the first time during 2008 by applying the full consolidation method while the equity method had been employed so far. The change in consolidation method is due to the significance of the relevant items of this year.

Group Management evaluated its holdings due to the overall financial crisis and decrease in value of certain holdings listed on ATHEX. Using as principal criterion the importance of effect on results, the Company Management used this evaluation to further test any impairment of its participation in Hellenic Cables SA. The value in use of this particular investment was based on the following assumptions:

- Future flows were calculated based on the subsidiary's business plan for the following five years.
- The discount rate of cash flows stood at around 10%
- 1% long-term growth.

Notes to the Financial Statements

10. Financial assets available for sale

Financial assets available for sale include the following:

	GROUP		COMPANY	
(Amounts in euro)	2008	2007	2008	2007
Unlisted titles				
Domestic Participating Titles	1.461.296	993.296	1.131.460	756.460
International Participating Titles	212.016	212.016	212.016	212.016
Others	5.869	5.869	5.869	5.869
	1.679.181	**1.211.181**	**1.349.345**	**974.345**

During the meeting held on 29 January 2009 by the Board of Directors of THISVI ELECTRIC GENERATION SA in which HALCOR has a 5% stake, the company's share capital increase totalling € 7,500,000 was certified, as decided by a decision of the Extraordinary General Meeting of Shareholders dated 17 December 2008. The ratio of the Company in the share capital increase came to € 375,000.

Financial assets available for sale concern holdings in unlisted domestic and foreign companies and are measured at acquisition cost.

11. 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)	2008	2007	2008	2007
Deferred tax claims	**3.770.095**	**3.085.140**	**-**	**-**
Deferred tax liabilities	**(17.802.086)**	**(25.934.834)**	**(14.321.839)**	**(20.770.937)**
Net amount	**(14.031.991)**	**(22.849.694)**	**(14.321.839)**	**(20.770.937)**

The total change in the deferred income tax is:

	GROUP		COMPANY	
(Amounts in euro)	2008	2007	2008	2007
Opening balance	**(22.849.694)**	**(24.016.027)**	**(20.770.937)**	**(22.647.392)**
Foreign exchange differences	(162.119)	(107.833)	-	-
(Debit)/credit recorded in the profit and loss statement	11.281.917	(1.536.926)	8.814.436	(682.582)
Tax that was (debited)/credited in equity	(2.302.095)	2.811.092	(2.365.338)	2.559.036
Closing balance	**(14.031.991)**	**(22.849.694)**	**(14.321.839)**	**(20.770.937)**

Notes to the Financial Statements

11. Deferred tax assets and liabilities (cont.)

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	Other	Total
(Amounts in euro)								
Balance as of 1/1/2007	**(30.492.055)**	**523.342**	**538.968**	**-**	**-**	**-**	**2.206.987**	**(27.222.759)**
(Debit) / Credit recorded in the profit and loss statement	(407.010)	(161.984)	(360.377)	-	-	-	(436.634)	(1.366.005)
(Debit) / Credit in equity	-	-	-	-	-	-	2.653.929	2.653.929
Balance as of 31/12/2007	**(30.899.065)**	**361.358**	**178.591**	**-**	**-**	**-**	**4.424.282**	**(25.934.834)**
(Debit) / Credit recorded in the profit and loss statement	91.600	757.151	(295.664)	4.274.407	-	5.251.737	343.924	10.423.155
(Debit) / Credit in equity	-	-	-	-	-	-	(2.290.407)	(2.290.407)
Balance as of 31/12/2008	**(30.807.465)**	**1.118.509**	**(117.073)**	**4.274.407**	**-**	**5.251.737**	**2.477.799**	**(17.802.086)**

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	Other	Total
Balance as of 1/1/2007	**1.533.436**	**527.355**	**1.568**	**(78.553)**	**1.584.354**	**-**	**(361.428)**	**3.206.732**
Foreign exchange differences	(25.481)	-	-	-	(82.351)	-	-	(107.833)
(Debit) / Credit recorded in the profit and loss statement	(177.325)	(58.189)	**(490)**	-	(249.481)	-	314.564	(170.922)
(Debit) / Credit in equity	-	-	-	-	-	-	157.163	157.163
Balance as of 31/12/2007	**1.330.630**	**469.166**	**1.078**	**(78.553)**	**1.252.521**	**-**	**110.299**	**3.085.140**
(Debit) / Credit recorded in the profit and loss statement	540.670	(59.349)	(295)	-	(52.392)	417.558	12.570	858.762
(Debit) / Credit in equity	-	-	-	-	-	-	(11.688)	(11.688)
Balance as of 31/12/2008	**1.709.182**	**409.817**	**783**	**(78.553)**	**1.200.129**	**417.558**	**111.181**	**3.770.095**

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	Other	Total
Balance as of 1/1/2007	**(25.379.441)**	**(8.720)**	**370.432**	**-**	**-**	**-**	**2.370.338**	**(22.647.391)**
(Debit) / Credit recorded in the profit and loss statement	(243.942)	(77.442)	(262.786)	-	-	-	(98.414)	(682.583)
(Debit) / Credit in equity	-	-	-	-	-	-	2.559.037	2.559.037
Balance as of 31/12/2007	**(25.623.383)**	**(86.162)**	**107.647**	**-**	**-**	**-**	**4.830.961**	**(20.770.937)**
(Debit) / Credit recorded in the profit and loss statement	294.882	436.734	(250.810)	3.272.466	-	5.251.737	(190.573)	8.814.436
(Debit) / Credit in equity	-	-	-	-	-	-	(2.365.338)	(2.365.338)
Balance as of 31/12/2008	**(25.328.501)**	**350.572**	**(143.163)**	**3.272.466**	**-**	**5.251.737**	**2.275.051**	**(14.321.839)**

On 31 December 2008, subsidiary "HELLENIC CABLES S.A." had made investments totalling € 8.2 mio approximately, falling under incentive Law 2601/1998. Based on such law, the Company is entitled to set up tax-free reserves equal to 70% of the above investments out of the book earnings of the following financial years. Such entitlement will expire from year 2012 to 2014. The proportionate future tax benefit has not been presented in the attached financial statements due to uncertainty as for the adequacy of necessary book earnings. The current period tax has been reduced due to a tax-free discount totalling € 1,900 thousand that will be accounted for in reserves after being approved by the General Meeting of shareholders (2007: € 1,900 thousand).

Notes to the Financial Statements

12. Inventories

(Amounts in euro)	GROUP		COMPANY	
	2008	**2007**	**2008**	**2007**
Merchandise	20.163.217	22.551.317	4.599.589	5.328.952
Finished products	76.899.181	78.784.097	34.789.404	37.808.048
Semi-finished	43.400.327	45.391.016	32.508.635	26.451.798
By-products and scrap	1.160.991	1.965.699	609.731	428.213
Work in progress	25.982.094	40.920.255	2.105.086	6.333.588
Raw and indirect materials - consumables - spare parts & packaging materials	120.993.676	102.324.267	65.877.952	38.361.829
Sale of inventories advance	2.293.185	1.551.821	31.180	332.042
Total	**290.892.671**	**293.488.472**	**140.521.576**	**115.044.470**
Less: Inventories devaluation	**(78.632.091)**	**(10.330.698)**	**(44.186.760)**	**(6.507.079)**
Total net liquid value	**212.260.580**	**283.157.775**	**96.334.817**	**108.537.391**

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

13. Trade and other receivables

Current assets	GROUP		COMPANY	
(Amounts in euro)	**2008**	**2007**	**2008**	**2007**
Customers	121.249.995	196.495.771	31.589.041	74.259.050
Less: Impairment provisions	(3.137.777)	(3.208.400)	(1.185.640)	(1.150.114)
Net customer receivables	**118.112.219**	**193.287.370**	**30.403.401**	**73.108.936**
Other down payments	853.530	1.009.672	535.928	707.841
Notes-cheques receivable & sealed	11.825.150	19.080.965	1.375.710	1.544.942
Receivables from affiliated entities	20.406.362	25.316.573	23.460.830	34.233.480
Receivables from other holdings	232.250	37.500	325.250	130.500
Current tax receivables	16.443.299	27.074.294	10.645.710	15.660.512
Other debtors	17.525.204	18.350.122	14.209.295	10.273.880
Total	**185.398.014**	**284.156.495**	**80.956.124**	**135.660.091**

Non-current assets				
(Amounts in euro)				
Long-term claims against other holdings	4.834	4.834	4.834	4.834
Other long-term claims	1.573.872	782.348	972.049	425.766
Total	**1.578.706**	**787.182**	**976.883**	**430.600**
Total receivables	**186.976.720**	**284.943.677**	**81.933.007**	**136.090.692**

The provision for doubtful debts is set up as for specific balances of customers that the Group Management finds doubtful in terms of receivability.

During year 2007 no circumstances of trade receivables impairment arose while receivables impairment amounting to € 35,526 and € 70,623 for the Company and the Group respectively took place during the current year.

Notes to the Financial Statements

14. Derivatives

(Amounts in euro)	GROUP 2008	GROUP 2007	COMPANY 2008	COMPANY 2007
Non-current assets				
Interest rate swaps	-	437.993	-	307.208
Future contracts	39.130	-	39.130	-
Total	**39.130**	**437.993**	**39.130**	**307.208**
	-	-	-	-
Current assets				
Interest rate swaps	141.137	-	96.722	-
Foreign exchange swaps	519.120	893.949	-	-
Future contracts	10.733.576	805.297	9.440.821	565.410
Total	**11.393.833**	**1.699.246**	**9.537.543**	**565.410**
	-	-	-	-
Long-term liabilities				
Future contracts	-	385.676	-	385.676
Total	**-**	**385.676**	**-**	**385.676**
	-	-	-	-
Short-term liabilities				
Interest rate swaps	994	-	994	-
Foreign exchange swaps	-	295.320	-	-
Future contracts	7.015.218	6.791.555	5.015.409	5.388.022
Total	**7.016.212**	**7.086.875**	**5.016.403**	**5.388.022**
	-	-	-	-
Amounts that were posted in the results as earnings or (expenses)	**55.813.138**	**9.023.089**	**45.206.032**	**12.468.517**
	-	-	-	-
Interest rate swaps				
Nominal Value	**18.750.000**	**68.700.000**	**12.500.000**	**53.200.000**

15. Cash and cash equivalents

(Amounts in euro)	GROUP 2008	GROUP 2007	COMPANY 2008	COMPANY 2007
Cash on hand and in banks	1.655.935	2.952.781	28.433	65.241
Short-term bank deposits	57.315.286	38.644.718	40.738.755	24.003.654
Total	**58.971.221**	**41.597.499**	**40.767.188**	**24.068.894**

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

16. Share capital

Company share capital stands at € 38,486,258 (2007: 38,486,258) divided into 101,279,627 (2007: 101,279,627) common unregistered shares with a nominal value of € 0.38 each.

Notes to the Financial Statements

17. Reserves

GROUP

(Amounts in euro and in number of shares)	Regular reserve	Reserves at fair value	Special reserves	Non taxable reserves	Other reserves	Total	Foreign exchange differences of subsidies	Total
Balance as of 1 January 2007	**7.394.506**	**5.350.189**	**2.338.779**	**56.742.397**	**(3.640.146)**	**68.185.723**	**1.901.584**	**70.087.307**
Foreign exchange differences	-	-	-	-	-	**-**	(2.619.826)	**(2.619.826)**
Distribution	943.347	-	2.111.746	5.026.005	492.624	**8.573.723**	-	**8.573.723**
Redistribution	(37)	430	-	(63.231)	(565)	**(63.403)**	-	**(63.403)**
Hedging result	-	(9.520.132)	-	-	-	**(9.520.132)**	-	**(9.520.132)**
Balance as of 31 December 2007	**8.337.816**	**(4.169.513)**	**4.450.525**	**61.705.171**	**(3.148.087)**	**67.175.911**	**(718.243)**	**66.457.668**
Balance as of 1 January 2008	**8.337.816**	**(4.169.513)**	**4.450.525**	**61.705.171**	**(3.148.087)**	**67.175.911**	**(718.243)**	**66.457.668**
Foreign exchange differences	-	-	-	-	-	**-**	(3.488.024)	**(3.488.024)**
Distribution	784.028	-	710.855	2.614.118	5.433	**4.114.434**	-	**4.114.434**
Capitalisation	-	-	-	(935.100)	-	**(935.100)**	-	**(935.100)**
Redistribution	-	-	718.211	-	(718.211)	**-**	-	**-**
Transfer of special taxed reserve	-	-	(440.857)	-	-	**(440.857)**	-	**-**
Hedging result	-	8.404.870	-	-	-	**8.404.870**	-	**8.404.870**
Balance as of 31 December 2008	**9.121.844**	**4.235.357**	**5.438.733**	**63.384.188**	**(3.860.865)**	**78.319.258**	**(4.206.267)**	**74.112.991**

COMPANY

(Amounts in euro and in number of shares)	Regular reserve	Reserves at fair value	Special reserves	Non taxable reserves	Other reserves	Total
Balance as of 1 January 2007	**7.357.335**	**4.001.299**	**2.338.779**	**56.735.416**	**(3.874.856)**	**66.557.974**
Distribution	713.232	-	2.111.746	2.782.770	-	**5.607.748**
Redistribution	-	-	-	(63.225)	-	**-**
Hedging result	-	(7.677.109)	-	-	-	**(7.677.109)**
Balance as of 31 December 2007	**8.070.567**	**(3.675.809)**	**4.450.525**	**59.454.962**	**(3.874.856)**	**64.425.389**
Balance as of 1 January 2008	**8.070.567**	**(3.675.809)**	**4.450.525**	**59.454.962**	**(3.874.856)**	**64.425.389**
Distribution	486.063	-	-	1.118.628	-	**1.604.691**
Transfer of special taxed reserve	-	-	(440.857)	-	-	**(440.857)**
Hedging result	-	7.096.012	-	-	-	**7.096.012**
Balance as of 31 December 2008	**8.556.630**	**3.420.203**	**4.009.668**	**60.573.590**	**(3.874.856)**	**72.685.235**

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.

Dividends

By virtue of a decision of the General Meeting of the company's shareholders on 15 June 2008, dividend totalling € 6,076,778, namely € 0.06 per share was approved to be distributed.

Notes to the Financial Statements

18. Loans and obligations from Finance Leases

	GROUP		COMPANIES	
(Amounts in euro)	2008	2007	2008	2007
Long-term borrowings				
Bank loans	34.722.614	60.122.901	-	799.998
Bond loans	222.404.967	261.000.000	171.000.000	186.000.000
Total long-term borrowings	**257.127.581**	**321.122.901**	**171.000.000**	**186.799.998**
Short-term borrowings				
Bank loans	225.437.158	219.240.888	70.658.501	59.882.329
Total short-term borrowings	**225.437.158**	**219.240.888**	**70.658.501**	**59.882.329**
Total loans	**482.564.740**	**540.363.789**	**241.658.501**	**246.682.327**

The maturity dates of long-term debt are:

(Amounts in euro)				
Between 1 and 2 years	96.687.500	164.404.167	67.000.000	124.050.000
Between 2 and 5 years	160.440.081	150.218.734	104.000.000	62.749.998
Beyond 5 years	-	6.500.000	-	-
	257.127.581	**321.122.901**	**171.000.000**	**186.799.998**

During 2008, the Company entered into bond loans with a group of banks which amounted to € 55,000,000 mainly in order to meet its needs for working capital. During the same period, the Company repaid loans totalling € 60,063,826 (both current and non-current).

At Group level, during 2008 the loans taken out amounted to € 62,709,820 while the sum of € 120,508,870 was repaid. The respective amounts for year 2007 came to € 178,198,179 and € 140,545,995.

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 true weighted average interest rates on the date of the balance sheet are:

	GROUP		COMPANIES	
	2.008	**2.007**	**2.008**	**2.007**
Average borrowing interest	5,04%	5,22%	4,71%	5,04%

Finance leases are paid as follows:

	GROUP		COMPANY	
(Amounts in euro)	2008	2007	2008	2007
Financial leasing liabilities - minimum leases				
Up to 1 year	6.069	7.998	-	-
From 1 - 5 years	-	9.929	-	-
Total	**6.069**	**17.927**	**-**	**-**

Notes to the Financial Statements

19. Staff retirement liabilities

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). No employees resigning are entitled to compensation.

	GROUP		COMPANY	
(Amounts in euro)	**2008**	**2007**	**2008**	**2007**
Balance sheet liabilities for:				
Non-funded retirement benefits	**4.819.750**	**4.581.733**	**2.615.178**	**2.559.886**
Present value of non-funded liabilities	5.044.690	5.020.822	2.723.929	2.786.413
Non-recorded actuarial (profits)/losses	(228.507)	(439.089)	(108.751)	(226.527)
Non-recorded cost of past service	3.567	-	-	-
Liability recorded in the Balance Sheet	**4.819.750**	**4.581.733**	**2.615.178**	**2.559.886**
Variations in net liability recognised in the Balance Sheet				
Net liability at the beginning of the year	4.581.733	4.268.834	2.559.886	2.453.805
Benefits that have been paid	(1.331.689)	(1.057.524)	(970.812)	(754.077)
Total expenditure that was recognised in the profit and loss accounts	1.569.705	1.370.422	1.026.104	860.158
Net liability at the end of the year	**4.819.750**	**4.581.733**	**2.615.178**	**2.559.886**
Analysis of expenditures that were recognised in the profit and loss accounts				
Cost of current employment	461.686	464.596	220.096	228.446
Interest on the liability	223.929	189.371	127.087	109.195
Cost of additional benefits	880.267	704.978	678.921	517.802
Expenses & amortization of actual loss	3.823	11.477	-	4.715
Total expenditure that was recognised in the profit and loss accounts	**1.569.705**	**1.370.422**	**1.026.104**	**860.158**

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

	GROUP		COMPANY	
	2008	**2007**	**2008**	**2007**
Discount interest rate	5,50%	4,80%	5,50%	4,80%
Future salary increases	4,50%	4,50%	4,50%	4,50%

Notes to the Financial Statements

19. Staff retirement liabilities (cont.)

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 € 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. € 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.

20. Subsidies

	GROUP		COMPANY	
(Amounts in euro)	**2008**	**2007**	**2008**	**2007**
Opening balance of the fiscal year	**1.921.860**	**2.525.850**	**1.265.236**	**1.607.200**
Depreciation of grants	(368.326)	(603.990)	(205.887)	(341.963)
Closing balance of the fiscal year	**1.553.534**	**1.921.860**	**1.059.349**	**1.265.236**

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

Subsidies have been provided for the purchase of tangible assets. Company subsidies concern investments made over the previous years at the plant of brass bars and pipes and the ironworks. During 2008, the Group did not receive any new subsidies.

Notes to the Financial Statements

21. Provisions

LONG - TERM LIABILITIES

GROUP

(Amounts in euro))	Pending legal court cases	Clients compensation	Other provisions	Total
1 January 2007	**5.430.729**	**-**	**192.103**	**5.622.832**
Additional provisions of the fiscal year	274.500	-	369.992	**644.492**
31 December 2007	**5.705.229**	**-**	**562.095**	**6.267.324**
Additional provisions of the fiscal year	268.459	-	369.992	**638.451**
Restructuring	(5.973.688)	-	-	**(5.973.688)**
31 December 2008	**-**	**-**	**932.087**	**932.087**

COMPANY

(Amounts in euro))	Pending legal court cases	Clients compensation	Other provisions	Total
1 January 2007	**5.430.729**	**-**	**-**	**5.430.729**
Additional provisions of the fiscal year	274.500	-	250.000	**524.500**
31 December 2007	**5.705.229**	**-**	**250.000**	**5.955.229**
Additional provisions of the fiscal year	268.459	-	250.000	**518.459**
Restructuring	(5.973.688)	-	-	**(5.973.688)**
31 December 2008	**-**	**-**	**500.000**	**500.000**

SHORT - TERM LIABILITIES

GROUP and COMPANY

(Amounts in euro))	Pending legal court cases	Clients compensation	Other provisions	Total
1 January 2007	**-**	**337.275**	**2.291.704**	**2.628.979**
Additional provisions of the fiscal year	-	(337.275)	(1.684.254)	**(2.021.529)**
31 December 2007	**-**	**-**	**607.450**	**607.450**
Restructuring	5.973.688	-	-	**5.973.688**
Used provisions of the fiscal year	-	-	(500.000)	**(500.000)**
31 December 2008	**5.973.688**	**-**	**107.450**	**6.081.139**

Notes to the Financial Statements

21. Provisions (cont.)

During the current year, the Company set up additional provisions totalling € 268,459 (2007 : € 274,500) as supplementary provision of proportionate interest for the fine imposed by the Competition Directorate-General of the European Commission. Pursuant to the opinion of the Company's legal advisors the decision will be pronounced during 2009 and to this effect the provision of a cumulative amount of € 5,973,688 was restructured from long-term into short-term liabilities.

During 2008 the Company and the Group set up a provision for open tax years amounting to € 250,000 and € 369,992 respectively.

The decrease in short-term provisions is due to used provisions set up on 31 December 2007 for open tax years.

22. Suppliers and other liabilities

	GROUP		COMPANIES	
(Amounts in euro)	**2008**	**2007**	**2008**	**2007**
Suppliers	42.953.900	38.686.465	24.060.302	8.913.545
Cheques payable	51.375	23.825	-	-
Customer down payments	4.821.878	4.258.348	4.044.104	4.048.244
Insurance organisations	2.304.988	2.211.108	1.285.748	1.253.533
Amounts due to affiliated entities	14.022.600	20.088.698	2.669.805	5.086.377
Dividends payable	34.778	56.750	20.335	38.661
Proportion of third parties to dividents payable	9.408	-	-	-
Sundry creditors	4.636.661	5.530.287	1.325.590	1.063.454
Deferred income	5.117	7.027	-	-
Accrued expenses	5.396.854	7.031.456	3.005.676	4.230.148
Other transitory accounts	2.477.971	2.816.791	1.193.551	1.919.468
Total	**76.715.531**	**80.710.756**	**37.605.113**	**26.553.429**

Notes to the Financial Statements

23. Expenses

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

GROUP
2007

(Amounts in euro)	Cost of sales	Distribution expenses	Administrative expenses	Total
Employee benefits	(46.412.406)	(7.536.569)	(13.912.347)	**(67.861.322)**
Depreciation	(21.486.685)	(391.701)	(1.400.894)	**(23.279.280)**
Other Expenses	(1.196.130.373)	(9.721.643)	(9.482.348)	**(1.215.334.364)**
Total	**(1.264.029.464)**	**(17.649.913)**	**(24.795.589)**	**(1.306.474.966)**

2008

	Cost of sales	Distribution expenses	Administrative expenses	Total
Employee benefits	(50.607.569)	(7.860.154)	(12.243.408)	**(70.711.130)**
Depreciation	(23.063.995)	(291.879)	(1.149.280)	**(24.505.155)**
Other Expenses	(1.106.738.367)	(8.916.487)	(10.645.380)	**(1.126.300.234)**
Total	**(1.180.409.931)**	**(17.068.520)**	**(24.038.068)**	**(1.221.516.520)**

COMPANY
2007

(Amounts in euro)	Cost of sales	Distribution expenses	Administrative expenses	Total
Employee benefits	(21.277.863)	(3.701.371)	(7.097.429)	**(32.076.663)**
Depreciation	(9.623.933)	(209.942)	(437.914)	**(10.271.790)**
Other Expenses	(683.595.587)	(4.739.387)	(5.519.919)	**(693.854.893)**
Total	**(714.497.383)**	**(8.650.700)**	**(13.055.262)**	**(736.203.346)**

2008

	Cost of sales	Distribution expenses	Administrative expenses	Total
Employee benefits	(23.033.070)	(3.584.644)	(5.653.176)	**(32.270.890)**
Depreciation	(10.399.562)	(209.755)	(353.792)	**(10.963.108)**
Other Expenses	(594.577.341)	(4.189.147)	(6.673.091)	**(605.439.579)**
Total	**(628.009.972)**	**(7.983.546)**	**(12.680.058)**	**(648.673.577)**

The most important item included in "Other Expenses" concerns the cost of Group and Company inventories as the case may be.

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

	GROUP		COMPANY	
(Amounts in euro)	**2008**	**2007**	**2008**	**2007**
Employee renumeration & expenses	55.548.471	50.808.986	24.951.123	23.974.702
Benefit program expenses	13.463.707	12.866.610	6.293.663	5.891.803
Determined benefit program liability	1.569.705	1.370.422	1.026.104	860.158
Other Benefits	129.247	2.815.303	-	1.350.000
Total	**70.711.130**	**67.861.322**	**32.270.890**	**32.076.663**

The number of staff employed by the Company at the end of the current year was: 742 (2007: 769) and as for the Group: 2,424 (2007: 2,386).

Notes to the Financial Statements

24. Financial expenses/income

	GROUP		COMPANY	
(Amounts in euro)	**2008**	**2007**	**2008**	**2007**
Income				
Interest income	627.990	956.823	272.022	374.296
Total income	**627.990**	**956.823**	**272.022**	**374.296**
Expenses				
Interest charges & related expenses	(36.490.134)	(31.528.204)	(16.625.425)	(13.752.067)
Impairment of participations	(309.501)	-	(309.501)	-
Total expenses	**(36.799.635)**	**(31.528.204)**	**(16.934.926)**	**(13.752.067)**
Financial cost (net)	**(36.171.645)**	**(30.571.381)**	**(16.662.904)**	**(13.377.770)**

In 2008, the Group impaired its investment on its subsidiaries AKRO S.A. και HAMBAKIS LTD – LICENSE & DISTRIBUTION amounting to € 309.501 (Note 9 of the Financial Statements).

25. Income tax

Greek taxation legislation and the relevant provisions are interpreted by the taxation authorities. Income tax returns are submitted each year but the profits and losses declared for taxation purposes remain temporarily open until the taxation authorities audit the tax returns and books of the taxpayer at which time the relevant taxation obligations will be finalised. Tax losses, to the extent that these are recognised by the taxation authorities, can be used to offset profits for the next five years after the accounting period to which they relate.

Pursuant to the provisions of Greek taxation legislation, companies pay each year an income tax advance calculated on the basis of 80% of the income tax of the current year. During tax clearance over the next year, any excessive amount of advance is refunded to the company following tax audit.

Pursuant to applicable tax laws, the tax rate for the parent company comes to 25% for the years from 2007 to 2009, while as of 2010 under Law 3697/2008 it will be gradually reduced by 1% to reach 20% by 2014.

Notes to the Financial Statements

25. Income tax (cont.)

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

(Amounts in €)	GROUP		COMPANY	
	2008	2007	2008	2007
Tax of the fiscal year	(1.804.160)	(7.250.465)	-	(2.924.105)
Other taxes	(470.817)	-	(470.817)	-
Provision for tax	(369.992)	421.578	(250.000)	(250.000)
Unused provision of L.3220/2004	-	545.474	-	545.474
Deferred Taxes	11.281.917	(1.536.926)	8.814.436	(682.582)
Tax differences from tax audits	91.348	(899.510)	94.664	-
	8.728.296	**(8.719.850)**	**8.188.282**	**(3.311.213)**

Effective tax rate reconciliation

	GROUP		COMPANY	
	2008	2007	2008	2007
Earnings/(losses) before taxes	(56.375.126)	33.310.035	(23.372.632)	13.096.716
Tax rate	25%	25%	25%	25%
	14.093.781	**(8.327.509)**	**5.843.158**	**(3.274.179)**

		GROUP 2008	GROUP 2007		COMPANY 2008	COMPANY 2007
Tax rate effects from foreign subsidiaries	10,53%	(5.935.487)	(83.343)	-	-	-
Non-deducted expenses	10,26%	(5.783.278)	(3.168.673)	12,53%	(2.928.497)	(2.874.206)
Exempt income	(4,88%)	2.748.440	3.241.215	(9,23%)	2.156.491	2.676.729
Tax loss for which a deferred tax was not recognised	0,16%	(90.996)	-	-	-	-
Crearing tax losses	0,85%	(481.538)	(27.505)	-	-	-
Unused provision of L.3220/2004	-	-	545.474	-	-	545.474
Tax differences from tax audits	0,72%	(407.237)	(899.510)	0,66%	(155.336)	(385.031)
Ftuture profits from recalculation of properties	(0,55%)	310.203	-	-	-	-
Tax rate change	(7,58%)	4.274.407	-	(14,00%)	3.272.466	-
Total	**(15,48%)**	**8.728.296**	**(8.719.850)**	**(35,03%)**	**8.188.282**	**(3.311.213)**

Decrease in total income tax at Company level is mainly due to the tax losses established during this year compared to tax gains during 2007. The Company Management estimates that the tax losses of this year will be offset against the profits of the following five (5) years, this being the maximum limit of its use.

There are tax losses for which no deferred tax asset has been recognized, which amounts to € 0.9 million approximately on 31 December 2008 at consolidated level, these concerning a domestic subsidiary "HELLENIC CABLES SA".

In addition, during 2007, an ordinary tax audit of the Company was carried out as for years 2005-2006 and was completed in March 2008. The audit imputed to the Company the total amount of € 405,336. Given that this amount was paid all at once, it was reduced by 5% and the final amount paid by the company came to € 386,509. HALCOR SA had already raised a provision and imputed the amount of € 500,000 to its financial statements as at 31 December 2007. As for 2008, the Company has raised a provision for open tax years coming to € 250,000.

Notes to the Financial Statements

26. Other Operating expenses – income (net)

	GROUP		COMPANY	
(Amounts in euro)	2008	2007	2008	2007
Other income				
Grants of the fiscal year	93.500	33.839	93.500	1.409
Income from other activities	952.636	870.975	2.322.841	2.599.545
Depreciation of subsidies received	368.326	603.990	205.887	341.963
Foreign exchange differences	9.356.613	4.078.177	3.788.956	2.397.672
Damage compansation	93.557	583.011	93.557	583.011
Other income	2.112.513	3.169.703	175.483	855.858
Earnings of tangible assets sale	94.393	72.478	10.290	13.887
Total other income	**13.071.538**	**9.412.172**	**6.690.514**	**6.793.346**
Other expenses				
Production expenses not accounted for	(5.995)	-	-	-
Impairment of investments	(165.166)	-	(17.194)	-
Foreign exchange differences	(9.382.709)	(5.736.810)	(3.754.370)	(3.453.588)
Other income	(3.213.683)	(3.436.251)	(759.831)	(477.998)
Total	**(12.767.552)**	**(9.858.067)**	**(4.531.395)**	**(3.931.586)**
Other operating income - expenses (net)	**303.986**	**(445.895)**	**2.159.119**	**2.861.760**
Dividend Income	**97.579**	**63.989**	**4.552.295**	**3.842.064**
Profits / losses from afiliate companies				
Profit from affiliated companies	832.136	1.487.939	-	-
Loss from affiliated companies	(203.435)	(361.667)	-	-
Total	**628.702**	**1.126.272**	**-**	**-**

Notes to the Financial Statements

27. Financial Instruments

(a) Credit Risk

The Financial assets subject to credit risk are as follows:

	Asset Values			
	GROUP		**COMPANY**	
Amounts in Euros	**2008**	**2007**	**2008**	**2007**
Financial assets available for sale	1.679.181	1.211.181	1.349.346	974.346
results	8.231	8.231	-	-
Trade and other recievables	138.750.831	218.641.443	54.189.481	107.472.916
Cash on hand and equivalent cash accounts	58.971.221	41.597.499	40.767.188	24.068.894
Derivatives	11.432.963	2.137.240	9.576.673	872.619
Total	**210.842.427**	**263.595.593**	**105.882.688**	**133.388.775**

The account "Clients" includes recievables from client and affiliated companies

Clients	**GROUP**		**COMPANY**	
Amounts in Euros	**2008**	**2007**	**2008**	**2007**
Current	112.692.819	178.635.674	48.447.758	96.379.886
Pastdue	-	-	-	-
Until 6 months	18.943.934	33.210.832	1.678.647	6.509.475
Beyond 6 months	7.114.077	6.794.937	4.063.076	4.583.555
Total	**138.750.831**	**218.641.443**	**54.189.481**	**107.472.916**

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

Bad debt provision	**GROUP**		**COMPANY**	
Amounts in Euros	**2008**	**2007**	**2008**	**2007**
Balance as of January 1	**3.208.400**	**3.793.709**	**1.150.114**	**1.150.114**
Loss for the period	277.336	-	35.525	-
Erasure	(347.959)	(87.487)	-	-
Reversal	-	(463.434)	-	-
Foreign exchange differences	-	(34.388)	-	-
Balance as of December 31	**3.137.777**	**3.208.400**	**1.185.640**	**1.150.114**

Letter of guarantee for recievables	**GROUP**		**COMPANY**	
Amounts in Euros	**2008**	**2007**	**2008**	**2007**
Letter of guarantee for clients	5.468.357	4.962.164	983.327	1.295.060

The Group policy regarding credit risk is detailed in the BoD Annual Report.

Notes to the Financial Statements

27. Financial Instruments (cont.)

(b) Liquidity risk

GROUP
31 December 2008
Amounts in Euros

Liabilities	Value of Balance Sheet	<1 year	1- 2 years	2-5 years	> 5 years	Total
Bank lending	**160.576.949**	125.854.335	9.687.500	25.035.114	-	**160.576.949**
Bond loans	**319.404.967**	97.000.000	87.000.000	135.404.967	-	**319.404.967**
Open bank accounts	**2.582.824**	2.582.824	-	-	-	**2.582.824**
Liabilities from leasing activities	**6.069**	6.069	-	-	-	**6.069**
Suppliers and other liabilities	**76.715.531**	76.631.874	28.448	55.209	-	**76.715.530**
	559.286.339	**302.075.102**	**96.715.948**	**160.495.290**	**-**	**559.286.339**

Derivatives	Value of Balance Sheet	<1 year	1- 2 years	2-5 years	> 5 years	Total
Nominal value of interest rate swaps	18.750.000	18.750.000	-	-	-	18.750.000
Nominal value of fx forward (in USD)	(696.984)	(696.984)	-	-	-	(696.984)
Nominal value of fx forward (in GBP)	8.953.974	8.703.661	250.313	-	-	8.953.974
Nominal value of Cu derivatives	(43.421.000)	(42.733.710)	(687.291)	-	-	(43.421.000)
Nominal value of Zn derivatives	(2.729.546)	(2.729.546)	-	-	-	(2.729.546)
Nominal value of Ni derivatives	(448.851)	(448.851)	-	-	-	(448.851)
Nominal value of Al derivatives	18.083	18.083	-	-	-	18.083

COMPANY
31 Dec 2008

Liabilities	Value of Balance Sheet	<1 year	1- 2 years	2-5 years	> 5 years	Total
Bank lending	**-**	**-**	**-**	**-**	**-**	**-**
Bond loans	**239.250.000**	68.250.000	67.000.000	104.000.000	-	239.250.000
Suppliers and other liabilities	**37.605.113**	37.605.113	-	-	-	37.605.113
	279.263.614	**108.263.614**	**67.000.000**	**104.000.000**	**-**	**279.263.614**

Derivatives	Value of Balance Sheet	<1 year	1- 2 years	2-5 years	> 5 years	Total
Nominal value of interest rate swaps	**12.500.000**	12.500.000	-	-	-	**12.500.000**
Nominal value of fx forward (in USD)	**1.696.970**	1.696.970	-	-	-	**1.696.970**
Nominal value of fx forward (in GBP)	**4.561.516**	4.311.203	250.313	-	-	**4.561.516**
Nominal value of Cu derivatives	**(25.557.739)**	(25.557.739)	-	-	-	**(25.557.739)**
Nominal value of Zn derivatives	**(2.913.413)**	(2.913.413)	-	-	-	**(2.913.413)**
Nominal value of Ni derivatives	**(206.942)**	(206.942)	-	-	-	**(206.942)**

Notes to the Financial Statements

27. Financial risk management (cont.)

(b) Liquidity risk (cont.)

GROUP
31 December 2007

Liabilities	Value of Balance Sheet	<1 year	1- 2 years	2-5 years	> 5 years	Total
Bank lending	**204.295.362**	139.040.125	11.604.160	47.151.077	6.500.000	**204.295.362**
Bond loans	**335.750.000**	74.750.000	152.800.000	108.200.000	-	**335.750.000**
Open bank accounts	**318.427**	318.427	-	-	-	**318.427**
Liabilities from leasing activities	**7.998**	7.998	-	-	-	**7.998**
Suppliers and other liabilities	**80.710.756**	79.489.986	1.220.771	-	-	**80.710.756**
Others	**210.157**	125.690	-	-	84.467	**210.157**
	621.292.701	293.732.226	165.624.931	155.351.077	6.584.467	**621.292.701**

Derivatives	Value of Balance Sheet	<1 year	1- 2 years	2-5 years	> 5 years	Total
Nominal value of interest rate swaps	**68.700.000**	21.750.000	46.950.000	-	-	**68.700.000**
Nominal value of fx forward (in USD)	**41.950.924**	41.950.924	-	-	-	**41.950.924**
Nominal value of fx forward (in GBP)	**31.480.423**	30.980.204	500.219	-	-	**31.480.423**
Nominal value of copper derivatives	**27.382.652**	27.686.761	(304.110)	-	-	**27.382.652**
Nominal value of zinc derivatives	**(1.090.068)**	(1.090.068)	-	-	-	**(1.090.068)**
Nominal value of nickel derivatives	**(209.639)**	(209.639)	-	-	-	**(209.639)**
Nominal value of aluminium derivatives	**803.437**	1.406.059	(602.622)	-	-	**803.437**

COMPANY
31 December 2007

Liabilities	Value of Balance Sheet	<1 year	1- 2 years	2-5 years	> 5 years	Total
Bank lending	**5.932.327**	-	-	**5.932.327**	-	**5.932.327**
Bond loans	**240.750.000**	54.750.000	124.050.000	61.950.000	-	**240.750.000**
Suppliers and other liabilities	**26.553.429**	26.553.429	-	-	-	**26.553.429**
	273.235.756	81.303.429	124.050.000	67.882.327	-	**273.235.756**

Derivatives	Value of Balance Sheet	<1 year	1- 2 years	2-5 years	> 5 years	Total
Nominal value of interest rate swaps	**53.200.000**	13.500.000	39.700.000	-	-	**53.200.000**
Nominal value of fx forward (in USD)	**22.893.887**	22.893.887	-	-	-	**22.893.887**
Nominal value of fx forward (in GBP)	**15.144.866**	14.644.647	500.219	-	-	**15.144.866**
Nominal value of copper derivatives	**15.901.362**	15.901.362	-	-	-	**15.901.362**
Nominal value of zinc derivatives	**(1.359.721)**	(1.359.721)	-	-	-	**(1.359.721)**
Nominal value of nickel derivatives	**(209.639)**	(209.639)	-	-	-	**(209.639)**

Notes to the Financial Statements

27. Financial Instruments (cont.)

(c) Exchange rate risk

GROUP	2008							
Amounts in Euros	EURO	USD	GBP	LEVA	RSD	RON	OTHER	TOTAL
Clients and other receivables	131.158.015	18.041.594	15.838.732	6.862.853	-	13.373.304	123.516	**185.398.014**
Borrowing	(456.904.505)	(2.432.985)	(12.208.514)	(119.470)	-	(10.905.334)	-	**(482.570.808)**
Suppliers and other liabilities	(46.669.250)	(13.396.926)	(9.926.827)	(2.499.405)	-	(4.109.703)	(113.420)	**(76.715.531)**
Cash on hand and equivalent cash accounts	57.826.286	255.920	112.547	145.385	-	623.458	7.624	**58.971.221**
	(314.589.454)	**2.467.604**	**(6.184.062)**	**4.389.363**	**-**	**(1.018.274)**	**17.720**	**(314.917.104)**
Forwards (Nominal Value)	-	(1.957.508)	(7.304.234)	-	-	-	-	**(9.261.742)**
Total	**(314.589.454)**	**510.096**	**(13.488.296)**	**4.389.363**	**-**	**(1.018.274)**	**17.720**	**(324.178.846)**

COMPANY	2008							
	EURO	USD	GBP	LEVA	RSD	RON	OTHER	TOTAL
Clients and other receivables	62.439.438	14.925.259	3.590.891	-	-	-	536	**80.956.124**
Borrowing	(239.264.694)	(1.225.939)	(1.167.868)	-	-	-	-	**(241.658.501)**
Suppliers and other liabilities	(25.678.465)	(11.906.971)	-	-	-	-	(19.676)	**(37.605.113)**
Cash on hand and equivalent cash accounts	40.759.098	7.339	751	-	-	-	-	**40.767.188**
	(161.744.624)	1.799.689	2.423.774	-	-	-	(19.140)	**(157.540.302)**
Forwards (Nominal Value)	-	(1.696.970)	(4.561.516)	-	-	-	-	**(6.258.486)**
Total	**(161.744.624)**	**102.719**	**(2.137.743)**	**-**	**-**	**-**	**(19.140)**	**(163.798.788)**

GROUP	2007							
Amounts in Euros	EURO	USD	GBP	LEVA	RSD	RON	OTHER	TOTAL
Clients and other receivables	206.675.106	8.001.178	44.313.554	10.156.427	2.219.141	12.130.930	660.159	**284.156.495**
Borrowing	(508.502.614)	(5.194.982)	(12.000.203)	(121.297)	-	(14.552.692)	-	**(540.371.787)**
Suppliers and other liabilities	(42.320.583)	(5.871.399)	(21.535.732)	(2.801.184)	(2.809.067)	(5.258.398)	(114.394)	**(80.710.756)**
Cash on hand and equivalent cash accounts	39.015.249	370.954	1.607.909	87.505	109.745	401.546	4.591	**41.597.499**
	(305.132.841)	(2.694.249)	12.385.529	7.321.451	(480.181)	(7.278.614)	550.356	**(295.328.550)**
Forwards (Nominal Value)	(656.768)	(3.202.370)	(28.630.413)	-	-	-	-	**(32.489.551)**
Total	**(305.789.609)**	**(5.896.619)**	**(16.244.884)**	**7.321.451**	**(480.181)**	**(7.278.614)**	**550.356**	**(327.818.100)**

COMPANY	2007							
	EURO	USD	GBP	LEVA	RSD	RON	OTHER	TOTAL
Clients and other receivables	122.378.718	3.172.303	9.543.634	-	-	-	565.436	135.660.091
Borrowing	(246.369.226)	(265.504)	(47.596)	-	-	-	-	(246.682.327)
Suppliers and other liabilities	(25.822.167)	(586.653)	(149.711)	-	-	-	5.103	(26.553.429)
Cash on hand and equivalent cash accounts	23.834.510	232.693	1.691	-	-	-	-	24.068.894
	(125.978.166)	2.552.839	9.348.018	-	-	-	570.539	(113.506.771)
Forwards (Nominal Value)	-	(2.570.430)	(15.144.866)	-	-	-	-	(17.715.296)
Total	**(125.978.166)**	**(17.591)**	**(5.796.849)**	**-**	**-**	**-**	**570.539**	**(131.222.067)**

Notes to the Financial Statements

27. Financial Instruments (cont.)

(c) Exchange rate risk (cont.)

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

GROUP	**P & L**		**EQUITY**	
	2008	**2007**	**2008**	**2007**
USD	245.229	(655.180)	(188.552)	-
GBP	(991.864)	(516.358)	(506.835)	(1.288.629)
LEVA	-	-	487.707	813.495
RON	-	-	-	(53.353)
RSD	-	-	(113.142)	(808.735)
OTHER	1.969	61.151	-	-

COMPANY	**P & L**		**EQUITY**	
	2008	**2007**	**2008**	**2007**
USD	199.965	(1.955)	(188.552)	-
GBP	269.308	(644.094)	(506.835)	-
OTHER	(2.127)	63.393	-	-

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

CONSOLIDATED	**P & L**		**EQUITY**	
	2008	**2007**	**2008**	**2007**
USD	(200.642)	536.056	154.270	-
GBP	811.525	422.474	414.683	1.054.333
LEVA	-	-	(399.033)	(665.586)
RON	-	-	-	43.653
RSD	-	-	92.570	661.692
OTHER	(1.611)	(50.032)	-	-

COMPANY	**P & L**		**EQUITY**	
	2008	**2007**	**2008**	**2007**
USD	(163.608)	1.599	154.270	-
GBP	(220.343)	526.986	414.683	-
OTHER	1.740	(51.867)	-	-

Notes to the Financial Statements

27. Financial risk management (cont.)

(d) Interest rate risk (cont.)

(Amounts in Euros)	2008	2007	2008	2007
Fixed rate				
Financial Liabilities	24.656.250	58.880.113	12.500.000	35.786.363
	24.656.250	**58.880.113**	**12.500.000**	**35.786.363**
Floating rate				
Financial Liabilities	457.914.558	481.491.674	229.158.501	210.895.964
	457.914.558	**481.491.674**	**229.158.501**	**210.895.964**

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

CONSOLIDATED	**P & L**		**EQUITY**	
	2008	**2007**	**2008**	**2007**
Floating rate	(1.779.753)	(1.464.147)	-	-
Interest rate swaps	18.132	147.200	7.911	133.106

COMPANY	**P & L**		**EQUITY**	
	2008	**2007**	**2008**	**2007**
Floating rate	(868.567)	(662.948)	-	-
Interest rate swaps	10.547	89.466	7.911	90.486

28. Commitments

Contractual obligations amounting to € 6.5 million concern commitments of subsidiaries SOFIA MED S.A. and HELLENIC CABLES SA for the purchases of mechanical equipment totalling € 4.5 mio and € 2 mio respectively.

The Group rents lifting, fork-lift trucks and passenger cars. During the year ended 31 December 2008, expenses amounting to € 460,929 were posted to Company Results (2007: € 440,033).

Amounts in €	**CONSOLIDATED FIGURES**		**COMPANY FIGURES**	
	2008	**2007**	**2008**	**2007**
Up to 1 year	939.934	899.464	298.763	348.840
From 1-5 year	1.003.576	1.281.971	258.515	513.144
More than 5 year	34.121	32.500	-	-
	1.977.631	**2.213.935**	**557.277**	**861.984**
Total charge on results	**1.174.422**	**1.049.516**	**460.929**	**440.033**

Notes to the Financial Statements

29. Contingent liabilities/ assets

In a research study that the Competition Director General of the European Commission conducted regarding the European copper pipe manufacturers, it established that certain companies violated the rules of competition in the copper water pipes market. The Commission imposed fines on seven companies, one of which was HALCOR S.A. HALCOR's fine amounted to 9.16 million Euros 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. The Company's management, based on the opinion of its legal department as to the validity of its appeal, deems that the final amount of the abovementioned fine (if the validity of the fine is judicially justified and confirmed) will not exceed 5 million Euros, for which a provision has been raised and has burdened the 2004 operating results. On 31 December 2007 the cumulative provision for the proportionate interest came to € 705,229 while an additional provision was raised for this year that stands at € 270,000.

SOFIA MED S.A., the subsidiary, has issued bank letters of guarantee in favour of third parties amounting to € 500,000. Mortgages totalling € 4.1 mio have also been registered on its properties.

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

Amounts in €	GROUP			COMPANY	
Liabilities	**2008**	**2007**		**2008**	**2007**
Guaranties for suppliers liabilities assurance	6.062.983	7.180.625	-	4.365.202	2.631.761
Guarantees that have been issued in order to secure the good performance of contracts with clients	28.449.642	18.133.516	-	-	-
Provided mortgages and prenotation of mortgages – Land & Buildings	4.146.901	4.310.346	-	-	-
Guarantees that have been issued in order to secure the good performance of contracts with suppliers	1.619.518	-		1.619.518	-
Other liabiities	9.160.000	11.453.707	-	9.160.000	9.160.000
Total	**49.439.044**	**41.078.193**	**-**	**15.144.721**	**11.791.761**

	GROUP			COMPANY	
Receivables	**2008**	**2007**		**2008**	**2007**
Guaranties for trade receivables assurance	2.463.206	1.499.315	-	-	-
Other Recevables	816.375	106.206	-	66.375	30.000
Total	**3.279.581**	**1.605.521**	**-**	**66.375**	**30.000**

The tax liabilities of the Company and its subsidiaries for certain financial years, as set out in Note 32, have not been audited by taxation authorities and thus are not finalized yet for such years.

Notes to the Financial Statements

30. Transactions with affiliated parties

Affiliated parties shall mean all companies and natural persons with whom direct relation is established (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).

	GROUP		COMPANY	
Amounts in €	**2008**	**2007**	**2008**	**2007**
Sale of goods				
Subsidiaries	-	-	92.542.569	120.458.540
Associates	**93.704.869**	-	59.867.429	62.271.947
Other affliated parties	14.758.392	121.437.279	5.277.945	8.763.597
	108.463.262	**121.437.279**	**157.687.944**	**191.494.084**
Sale of services				
Subsidiaries	-	-	1.936.513	4.669.844
Associates	943.377	-	113.084	96.680
Other affliated parties	20.670.368	20.348.651	1.153.207	538.723
	21.613.745	**20.348.651**	**3.202.804**	**5.305.248**
Sale of fixed assets				
Subsidiaries	-	-	-	271.305
Other affliated parties	563.144	60.139	382.573	22.400
	563.144	**60.139**	**382.573**	**293.705**
Purchase of goods				
Subsidiaries	-	-	85.844.921	108.555.862
Associates	153.930	-	152.237	713.591
Other affliated parties	60.611.048	104.507.936	25.193.838	29.380.200
	60.764.978	**104.507.936**	**111.190.996**	**138.649.653**
Purchase of services				
Subsidiaries	-	-	3.699.928	2.083.927
Associates	2.206.019	-	1.482.673	644.931
Other affliated parties	8.654.034	10.902.806	1.465.437	625.496
	10.860.053	**10.902.806**	**6.648.038**	**3.354.355**
Purchase of fixed assets				
Subsidiaries	-	-	913.159	-
Associates	75.209	-	70.443	-
Other affliated parties	5.060.497	3.717.159	1.742.947	1.838.276
	5.135.706	**3.717.159**	**2.726.549**	**1.838.276**

Notes to the Financial Statements

30. Transactions with affiliated parties (cont.)

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

	GROUP		COMPANY	
Amounts in €	**2008**	**2007**	**2008**	**2007**
Receivables from affiliated parties :				
Subsidiaries	-	-	15.615.822	23.411.502
Associates	9.328.099	8.557.527	5.667.871	7.602.211
Other affliated parties	11.310.513	16.796.546	2.464.887	3.350.268
	20.638.612	**25.354.073**	**23.748.580**	**34.363.980**
Liabilities to affiliated parties:				
Subsidiaries	-	-	1.559.190	2.219.005
Associates	498.970	291.218	345.410	206.916
Other affliated parties	13.523.630	19.797.480	765.205	2.660.455
	14.022.600	**20.088.698**	**2.669.805**	**5.086.377**

Benefits to the Administration

	GROUP		COMPANY	
Amounts in €	**2008**	**2007**	**2008**	**2007**
Management Remunerations at employee expenses	3.416.525	3.251.875	1.934.967	1.599.216
Management Remunerations Provisions	-	2.829.996	-	1.350.000
	3.416.525	**6.081.871**	**1.934.967**	**2.949.216**
Receivables from managers and BoD members	**24.269**	**91.220**	**24.269**	**91.220**

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.

31. Earnings per share

	GROUP		COMPANY	
(Amounts in Euro and numer of shares)	**2008**	**2007**	**2008**	**2007**
Profits corresponding to the parent company's shareholders	(48.224.358)	20.021.567	(15.184.349)	9.785.502
Weighted average numbers of shares	101.279.627	101.279.627	101.279.627	101.279.627
Basic profits per share	**(0,476)**	**0,198**	**(0,150)**	**0,097**

	GROUP		COMPANY	
(Amounts in Euro and numer of shares)	**2008**	**2007**	**2008**	**2007**
Profits corresponding to the parent company's shareholders	(48.224.358)	20.021.567	(15.184.349)	9.785.503
Weighted average numbers of shares	101.279.627	101.279.627	101.279.627	101.279.627
Adjustments for rights per share	-	303.416	-	303.416
Total weighted average numbers of shares for minimum rights per share	101.279.627	101.583.043	101.279.627	101.583.043
Deluted profits per share	**(0,476)**	**0,197**	**(0,150)**	**0,096**

Notes to the Financial Statements

32. Open tax periods

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

Company name:	Country	Percentage holding	Consolidation method	Unaudited Fin. Years
HALCOR S.A.	GREECE	PARENT	-	2007-2008
HELLENIC CABLES S.A.	GREECE	78,71%	Full consolidation	2007-2008
STEELMET S.A.	GREECE	52,83%	Full consolidation	2006-2008
AKRO S.A.	GREECE	95,74%	Full consolidation	2007-2008
SOFIA MED S.A.	BULGARIA	100,00%	Full consolidation	2008
METAL AGENCIES L.T.D.	UK	92,98%	Full consolidation	-
BELANTEL HOLDINGS L.T.D.	CYPRUS	100,00%	Full consolidation	1999-2008
METAL GLOBE D.O.O.	SERBIA	53,61%	Full consolidation	-
COPPERPROM LTD	GREECE	71,49%	Full consolidation	2003-2008
SYLLAN S. A.	GREECE	100,00%	Full consolidation	2005-2008
OGWELL LIMITED	CYPRUS	100,00%	Full consolidation	2005-2008
HABAKIS LTD - LICENSE & DISTRIBUTION	GREECE	100,00%	Full consolidation	2007-2008
DIAPEM TRADING S.A.	GREECE	33,33%	Equity method	2007-2008
ELKEME S.A.	GREECE	30,90%	Equity method	2007-2008
ENERGY SOLUTIONS S.A.	BULGARIA	38,60%	Equity method	2005-2008
VIEXAL LTD	GREECE	26,67%	Equity method	2003-2008

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

Notes to the Financial Statements

33. Subsequent events

On 12 March 2009 the company's Board of Directors was convened to a meeting so as to elect a new member to replace the withdrawing Konstantinos Kasotakis. The Board of Directors elected Mr. Eftychios Kotsabasakis as new member. Therefore, the Board of Directors now consists of:

1. Theodosios Papageorgopoulos: Chairman, Executive Member
2. Nikolaos Koudounis: Vice Chairman - Executive Member
3. Periklis Sapountzis: executive member
4. Eftychios Kotsabasakis: executive member
5. Efstathios Striber: independent non-executive member
6. Konstantinos Bakouris: non-Executive Member
7. George Passas: non-executive member
8. Andreas Katsanos: non-executive member
9. Christos-Alexis Komninos: non-executive member
10. Andreas Kyriazis: independent non-executive member

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 year from January 1, 2008 to December 31, 2008
(In terms of article 135 of Law 2190/20, for companies publishing annual statements 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 (department for limited companies)
Website of the Company: www.halcor.gr
Board of Directors members or administrators: Th.Papageorgopoulos (Chairman, executive member),N. Koudounis (Vice-Chairman, executive member), P. Sapountzis, E. Kotsambasakis (executive members), G.Passas,K.Bakouris,Ch.-A.Komninos,A.Katsanos (non executive members), A.Kyriazis & E.Strimber (Independent, non excecutive members).
Date of approval of the financial statements: March 24, 2009
Certified Auditor : Michael Kokkinos (Reg.No. SOEL 12701)
Audit firm : KPMG Kyriakou Certified Auditors, S.A.
Review type: Unqualified opinion

BALANCE SHEET (amounts in €)

	GROUP		COMPANY	
	31-Dec-08	31-Dec-07	31-Dec-08	31-Dec-07
ASSETS				
Own use Fixed assets	332.292.304	313.453.440	146.973.289	138.853.031
Investments in real estate	2.152.565	2.471.230	-	-
Intangible Assets	1.127.298	1.541.565	215.417	371.943
Other non current assets	13.948.825	12.992.207	114.340.293	96.970.890
Inventories	212.260.580	283.157.775	96.334.817	108.537.391
Trade receivables	150.575.981	237.722.408	55.565.191	109.017.858
Other current assets	46.224.097	48.141.565	34.928.476	27.207.644
Cash and cash equivalents	58.971.221	41.597.499	40.767.188	24.068.894
TOTAL ASSETS	817.552.871	941.077.689	489.124.671	505.027.651
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	149.369.471	199.385.107	141.096.004	155.261.119
Company's shareholders equity (a)	187.855.729	237.871.365	179.582.262	193.747.377
Minority interests (b)	25.657.120	27.779.160	-	-
Total equity (c) = (a) + (b)	213.512.849	265.650.524	179.582.262	193.747.377
Long term borrowings liabilities	257.127.581	321.132.830	171.000.000	186.799.998
Provisions / Other long term liabilities	25.107.457	39.091.427	18.496.366	30.936.964
Short term borrowings liabilities	225.443.227	219.248.886	70.658.501	59.882.329
Other short term liabilities	96.361.757	95.954.022	49.387.542	33.660.983
Total liabilities (d)	604.040.022	675.427.165	309.542.409	311.280.274
TOTAL EQUITY AND LIABILITIES (c) + (d)	817.552.871	941.077.689	489.124.671	505.027.651

INCOME STATEMENT (Amounts in €)

	GROUP		COMPANY	
	1 Jan - 31 Dec 2008	1 Jan - 31 Dec 2007	1 Jan - 31 Dec 2008	1 Jan - 31 Dec 2007
Total turnover	**1.200.295.367**	**1.369.616.569**	**635.252.436**	**755.974.008**
Gross Profit / (loss)	**19.885.436**	**105.587.106**	**7.242.463**	**41.476.624**
Profit / (loss) before taxes, financing and investing results	**(20.929.761)**	**62.691.155**	**(11.262.022)**	**22.632.421**
Profit / (loss) before taxes	**(56.375.126)**	**33.310.035**	**(23.372.632)**	**13.096.716**
Less: Taxes	**8.728.296**	**(8.719.850)**	**8.188.282**	**(3.311.213)**
Profit / (loss) after taxes	(47.646.830)	24.590.185	(15.184.349)	9.785.502
Distributed to :				
Company's shareholders	(48.224.358)	20.021.567	(15.184.349)	9.785.502
Minority shareholders	577.528	4.568.618	-	-
	(47.646.830)	24.590.185	(15.184.349)	9.785.502
Profit per share after taxes - basic (in €)	**(0,4762)**	**0,1977**	**(0,1499)**	**0,0966**
Earnings after tax per share - diluted (in €)	**(0,4762)**	**0,1971**	**(0,1499)**	**0,0963**
Proposed dividend per share (in €)	-	-	-	0,060
Profit / (loss) before taxes, financing and investing results & depreciation	**3.613.426**	**85.774.892**	**(504.801)**	**32.562.248**

STATEMENT OF CHANGES IN EQUITY (Amounts in €)

	GROUP		COMPANY	
	31-Dec-08	30-Sep-07	31-Dec-08	30-Sep-07
Net equity at the beginning of the Fin.Year (1/1/2008 and 1/1/2007 respectively)	265.650.524	263.306.491	193.747.377	200.247.752
Profit / (loss) for the period after taxes	(47.646.830)	24.590.185	(15.184.349)	9.785.502
	218.003.694	287.896.676	178.563.028	210.033.254
Increase / (decrease) of share capital	-	-	-	-
Dividends distributed (profit)	(6.076.778)	(8.608.768)	(6.076.778)	(8.608.768)
Net income recognised directly in equity	1.585.932	(13.637.383)	7.096.012	(7.677.109)
Purchases / (sales) of own shares	-	-	-	-
Net equity at the end of the year (31/12/2008 and 31/12/2007 respectively)	213.512.849	265.650.524	179.582.262	193.747.377

CASH FLOW STATEMENT (Amounts in €)

	GROUP		COMPANY	
	1.01 - 31.12.2008	1.01 - 31.12.2007	1.01 - 31.12.2008	1.01 - 31.12.2007
Operating activities				
Profits before taxes	(56.375.126)	33.310.035	(23.372.632)	13.096.716
Plus / less adjustments for:				
Depreciation of assets	24.911.513	23.687.726	10.963.108	10.271.790
Grants Amortization	(368.326)	(603.990)	(205.887)	(341.963)
Provisions	68.369.221	(2.189.464)	37.733.665	(136.632)
Results (income, expenses, profits, losses) from investing activities	(1.354.270)	(2.732.393)	(4.824.316)	(4.216.361)
Interest payable and related expenses	36.490.134	31.528.204	16.625.425	13.752.067
(Profit)/loss from the sale of fixed assets	(94.393)	(72.416)	(10.290)	(13.887)
(Profit)/loss from the sale of investment in real estate	(5.948)	-	-	-
(Profit)/loss from the fair value of derivatives	-	(362.302)	-	-
Loss from destruction/impairment of assets	302.220	869.964	17.194	-
Loss from impairment of investments	-	-	309.501	-
Plus / Less adjustments for changes in working capital accounts or related to operating activities:				
Decrease / (increase) of inventories	2.595.802	(30.835.403)	(25.477.107)	12.025.839
Decrease / (increase) of receivables	98.342.145	12.565.856	54.564.637	4.439.962
(Decrease) / Increase of obligations (except banks)	(2.470.084)	(5.402.343)	11.740.133	(13.558.772)
Less:	-	-	-	-
Interest payable and related expenses paid	(37.073.856)	(29.635.648)	(17.754.193)	(12.610.698)
Taxes paid	(4.427.702)	(11.631.129)	(539.410)	(7.140.936)
Total cash (used in) generated from operating activities (a)	**128.841.328**	**18.496.699**	**59.769.829**	**15.567.122**
Investing activities				
Acquisition-sale of subsidiaries, affiliated com., consortiums and other investments	(408.000)	(17.312)	(17.400.699)	(101.382)
Purchase of tangible and intangible fixed assets	(47.148.620)	(35.495.231)	(19.767.242)	(12.046.089)
Receivables from sale of tangible and intangible fixed assets	600.143	479.821	391.019	295.215
Receivables from sale of investments in real estate	85.728	-	-	-
Interest received	627.990	956.823	272.022	374.296
Dividends received	97.579	63.989	4.552.295	3.842.064
Total cash (used in) generated from investing activities (b)	**(46.145.180)**	**(34.011.909)**	**(31.952.605)**	**(7.635.895)**
Financing activities				
Issue of common shares	-	-	-	-
Receivables from issued / assumed loans	62.709.820	178.198.179	55.000.000	75.000.000
Loans paid up	(120.508.870)	(140.545.995)	(60.023.826)	(69.315.632)
Repayments of financial leasing liabilities (capital installments)	(11.858)	(5.358)	-	-
Dividends paid	(7.511.518)	(9.795.133)	(6.095.104)	(8.604.006)
Total cash (used in) generated from financing activities (c)	**(65.322.426)**	**27.851.693**	**(11.118.930)**	**(2.919.638)**
Net increase / (decrease) in cash and cash equivalents for the year (a)+(b)+(c)	**17.373.722**	**12.336.482**	**16.698.294**	**5.011.589**
Cash and cash equivalents at the beginning of the year	41.597.499	29.261.016	24.068.894	19.057.305
Cash and cash equivalents at the end of the year	**58.971.221**	**41.597.499**	**40.767.188**	**24.068.894**

Additional data and information :

1. The Company and the Group run off a provision for inventories impairment amounting € 78.6 mil and € 44.2 mil respectively, due to the considerable drop of copper and zinc prices during the 4th Quarter of 2008 (see note No 12 of the Financial Statements).
2. The Group's companies and theirs addresses, their percent 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 year 2008, are analytically presented in Note No. 32 of the financial statements.
3. On July 2008 the company sell percentage of 100% of the participation of the subsidiary company EVITE S.A.. For this reason the company EVITE S.A is not included in the consolidated financial statement of the current year (see note No 9 of the Financial Statements).
4. The HELLENIC CABLES' subsidiary, DE LAIRE L.T.D, was consolidated for the first time during 2008 by applying the full consolidation method while the equity method had been employed so far (see note No 9 of the Financial Statements).
5. There is a pending appeal regarding the fine imposed to the Company by the European Competition Commission for transgression of the rules on competition in the market of copper tubes for water supply.
6. 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	55,59%	Full consolidation

7. 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.
8. The number of the personnel at the end of the current year was: Company 742 (FY 2007 : 769) , Group 2,424 (FY 2007: 2,386)
9. There are mortgages, amounting in total to Euro 4,1 mil on the real estate property of the subsidiary SOFIA MED S.A. in Bulgaria. There are no encumbranies of fixed assets of the parent Company.
10. There has been provision accounted for tax unaudited fiscal years of the Group: € 760 thou., of the Company: € 500 thou. The remaining provisions as of 31.12.2008 amount for the Group € 300 thous. and for the Company € 107 thous. Regarding the fine imposed on the Company by the European antitrust comission, the Company has accounted for provision amounting € 5.97 mil. (see notes 21 & 29 of the Financial Statements).
11. The cumulative amounts of sales and purchases at the beginninmg of the financial year and the balances of receivables and obligations of the company at the end of the year, resulting from its transactions with related parties following the IAS 24 are as follows:

	GROUP	COMPANY
i) Sales	130.640.151	161.273.320
ii) Purchases	76.760.736	120.565.584
iii) Receivables	20.638.612	23.748.580
iv) Obligations	14.022.600	2.669.805
v) Transactions & fees of higher executives and managers	3.416.525	1.934.967
vi) Receivables from higher executives and managers	24.269	24.269
vii) Liabilities to higher executives and managers	-	-

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

	GROUP		COMPANY	
	1 Jan - 31 Dec 2008	1 Jan - 31 Dec 2007	1 Jan - 31 Dec 2008	1 Jan - 31 Dec 2007
Income tax for the year	(2.553.621)	(7.182.924)	(626.153)	(2.628.631)
Deferred tax for the year	11.281.917	(1.536.926)	8.814.436	(682.582)

13. The unaudited tax years of the Company and the companies of the Group are analytically presented in note No 32 of the financial statements.
14. An amount of € 1,586 thou. was accounted for directly at the Group's net Shareholders Equity, which concernes derivatives valuation from cash flow hedging, foreign exchange differences from consolidation of foreign subsidiaries and earnings distribution of subsidiaries and the Company amounting € 7,096 thou., which refers to derivatives valuation from cash flow hedging (see statement of changes in eqyity at the Financial Statements.
15. 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.
16. At the Group's and Company's Income Statement for the year 2007 were made restatements in order to be comparable with that of the current year (see note 5 of the Financial Statements).

Athens, March 26, 2009

THE CHAIRMAN OF THE BOARD OF DIRECTORS	A MEMBER OF THE BOARD OF DIRECTORS	THE MANAGING DIRECTOR	THE GROUP CHIEF FINANCIAL OFFICER
THEODOSSIOS PAPAGEORGOPOULOS	GEORGE PASSAS	SAPOUNTZIS PERIKLIS	SPYRIDON KOKOLIS
Id.C.No. AE 135393	Id.C.No. Φ 020251	Id.C.No. K 473915	Id.C.No. X 701209

Information in terms of Law 3401/2005, article 10

A/A	DESCRIPTION	WEBSITE
1.	Summarised Financial Data & Information Q1 2008	http://www.halcor.gr/online/generic.aspx?mid=72&smid=74&smid2=251
2.	Interim Financial Statements Q1 2008	http://www.halcor.gr/online/generic.aspx?mid=72&smid=74&smid2=251
3.	Summarised Financial Data & Information H1 2008	http://www.halcor.gr/online/generic.aspx?mid=72&smid=74&smid2=251
4.	Interim Financial Statements H1 2008	http://www.halcor.gr/online/generic.aspx?mid=72&smid=74&smid2=251
5.	Summarised Financial Data & Information 9M 2008	http://www.halcor.gr/online/generic.aspx?mid=72&smid=74&smid2=251
6.	Interim Financial Statements 9M 2008	http://www.halcor.gr/online/generic.aspx?mid=72&smid=74&smid2=251
7	Summarised Financial Data & Information 12M 2008	http://www.halcor.gr/online/generic.aspx?mid=72&smid=74&smid2=251
.8	Annual Financial Report 2008	http://www.halcor.gr/online/generic.aspx?mid=72&smid=74&smid2=251
9.	Press Release 2008	http://www.halcor.gr/online/generic.aspx?mid=72&smid=77&smid2=246
10.	Announcements during 2008	http://www.halcor.gr/online/generic.aspx?mid=72&smid=77&smid2=246
11.	Disclosure of transactions Beholden Individuals in terms of Law.3340/2005	http://www.halcor.gr/online/generic.aspx?mid=72&smid=77&smid2=246