Annual Financial Report

(1st January 2009 – 31st December 2009)

THE CHAIRMAN OF THE BOARD OF DIRECTORS	A MEMBER OF THE BOARD OF DIRECTORS	THE GENERAL MANAGER	THE FINANCIAL MANAGER OF THE GROUP
THEODOSIOS PAPAGEORGOPOULOS ID Card No. AE 135393	GEORGE PASSAS ID Card No. Φ 020251	PERIKLIS SAPOUNTZIS ID Card No. K 473915	SPYRIDON KOKKOLIS ID Card No. X701209

HALCOR S.A.

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

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

Contents

STATEMENTS BY MEMBERS OF THE BOARD OF DIRECTORS

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

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

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

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

(a) the attached annual company and consolidated financial statements for the company HALCOR S.A. for the period from 1 January to 31 December 2009, 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 2009 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, 23 March 2010

Confirmed by

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

Annual Report by Board of Directors

This Annual Report of the Board of Directors set out below (hereinafter referred to for the purpose of brevity as "Report") concerns year 2009 (1 January – 31 December 2009). This report was prepared in line with the relevant provisions of Codified Law 2190/1920, the provisions of Law 3556/2007 (Government Gazette 91/A/30.4.2007) and the decisions of the Hellenic Capital Market Commission (HCMC) issued pursuant to it, and in particular Decision No. 7/448/11.10.2007 of the Board of Directors of the HCMC.

This report details financial information on the Group and Company of HALCOR S.A.-METAL PROCESSING (hereinafter referred to for the purpose of brevity as "Company" or "HALCOR") for year 2009, 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**

2009 was another difficult year for Halcor Group, as a result of the unprecedented crisis that broke out in the global financial system and global economy last year. The aggravation of the financial environment in Greece and other countries had a considerable impact on the Group's financials.

The consolidated turnover stood at € 679 million compared to € 1,200 mio in 2008, thus registering a 43.4% decrease. This drop is mainly due to the 26.7% decrease of the total sales volume and also to the reduced metal prices compared to last year.

Copper and zinc prices, after collapsing at the end of 2008, registered a strongly upward performance in 2009, especially during the second half, but still remained at a considerably lower average level in relation to last year. Thus, during 2009 the average copper price stood at € 3,667 per ton compared to € 4,663 per ton in 2008, being lower by 21.4%. In addition, the average zinc price was reduced by 6.4% and came to € 1,179 per ton compared to € 1,260 per ton during last year.

In terms of volumes in 2009, the sales mix changed considerably in favour of cables and at the detriment of brass extrusion products. More specifically, the sales of cables accounted for 42% of total sales, the sales of tubes for 26%, rolling products for 18%, brass rods for 7% and copper bus bars for 7%.

Consolidated gross profit rose by 61.6% and stood at € 32.1 million compared to € 19.9 million in 2008. In 2009, consolidated earnings before interest, taxes, depreciation and amortization (EBITDA) came to € 20.4 mio compared to € 3.6 mio during last year, while earnings before interest and tax (EBIT) came to losses equal to € 5.8 million compared to losses of € 20.9 million during the respective last-year period. In 2009, consolidated results (profit/loss before tax) stood at losses of € 22.1 million compared to losses of € 56.4 million in 2008. Finally, losses after taxes and minority interests stood at € 19.4 million or € 0.1913 per share.

Despite the particularly demanding financial environment and the considerable drop of the volume of sales, we attained to restrain losses to a large extent. However, the contraction of building activity to which a large portion of our products (copper tubes for water supply and heating, roof coating products, cables) is directed and the shrunk demand for copper industrial products did not allow Halcor Group to return to the profitability of previous years. In addition, the upward performance of copper price and mainly the strong volatility noticed in relation thereto intensified uncertainty in the market, thus having a negative impact on demand. In addition, the reduced demand and the stronger competition aggravated during the second half of 2009 had a negative effect on processing prices too.

As regards cost, special emphasis was laid on the adaptation of production to the established demand while also seeking to meet the needs of our principal customers. In addition to the steps taken to reduce production cost, HALCOR Group put into practice measures to contain administrative and selling expenses; as a result, they were reduced by 8.3% and the sum of € 3.4 million was saved. The emphasis laid on cost reduction continues since we aim to further restrict operating expenses in 2010, as we attained during 2009.

In parallel with cost reduction, HALCOR Group laid particular emphasis on the further decrease of working capital mainly through the inventory optimal management. Thus, we attained positive cash flows from operating activities (€ 47.8 mio) compared to € 128.8 mio in 2008. In addition, the financial expenses amounted to € 17.7 mio, being reduced by € 19.1 mio (or 51.8%) as a result of the drop in interest rates and the Group’s reduced net debt since the latter stood at € 402 mio in 2009 in relation to € 424 mio in 2008, being reduced by € 22 mio or 5.2%.

In 2009, the Group restrained its investment expenditures that concerned certain investments that had already been scheduled since last year as well some necessary improvements – upgrades of existing mechanical equipment. The total cost of these investments amounted to € 28.8 mio approximately, out of which the amount of € 10 mio concerned the plants of the parent company at Inofyta focusing mainly on the Tubes Plant; € 6.4 mio concerned the upgrade of the production units of subsidiary SOFIA MED in Bulgaria; € 10.8 mio concerned the production facilities of HELLENIC CABLES in Greece and € 1.6 mio referred to the cables plant of ICME ECAB in Romania.

During 2009, the merger through absorption of “THISVI ELECTRIC GENERATION S.A." by “ENERGY THESSALONIKI S.A.”, which was renamed "ELPEDISON ENERGY S.A." was completed, and HALCOR increased its holding in the said company from 0.55% to 2.5% through the purchase of shares from the participating ELPEDISON B.V., with a total value of € 2.5 million. As of 2005, “ELPEDISON ENERGY S.A. has been substantially the first independent power generator in Greece with 395 MW total installed power, of natural gas combined-cycle technology.

B. Financial standing

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

RATIOS	GROUP		COMPANY	
	31/12/2009	31/12/2008	31/12/2009	31/12/2008
Liquidity Current Assets / Current Liabilities	1,16	1,45	1,25	1,90
Leverage Bank Loans	0,44	0,44	0,77	0,74
Return of Invested Capital Profit Before Taxes and Financial Expences / Equity + Bank Loans	-0,7%	-2,9%	-1,7%	-1,6%
Return on Equity Net Profits / Equity	-12,1%	-25,7%	-6,9%	-8,5%

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 total sales and, consequently, commercial risk is spread over a large number of clients.

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

When monitoring the credit risk of customers, the latter are grouped according to their credit characteristics, the maturity characteristics of their receivables and any past problems of receivability they have shown. Trade and other receivables include mainly wholesale customers of the Group. Any customers characterised as being of "high risk" are included in a special list of customers and future sales must be received in advance and approved by the Board of Directors. Depending on the background of the customer and its status, the Group demands real or other security (e.g. letters of guarantee) in order to secure its receivables, if possible.

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

Investments

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

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

Guarantees

The Group's policy consists in not providing any financial guarantees, unless the Board of Directors decides so on an exceptional basis; this concerning subsidiaries or affiliated companies.

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 2009, the Group had an amount of € 17.8 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 impairment.

Exchange rate risk

The Group is exposed to foreign exchange risk in relation to the sales and purchases carried out and the loans issued in a currency other than the functional currency of Group companies, which is mainly Euro. The currencies in which these transactions are held are mainly Euro, USD, GBP and 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 2010

At the beginning of the current year, we notice that the circumstances that affected 2009 give signs of de-escalation, at least in some of the markets in which we operate. The increased demand, however, may be a coincidence while it is not accompanied by the respective recovery of processing prices since competition has become stronger in comparison with previous years. The uncertainty regarding the progress of metal prices and the questions regarding the intensity, speed and size of increase in demand in major developed economies make us cautious as regards the progress of the financials of HALCOR Group in 2010.

In a quite difficult macroeconomic environment, the Group has set as main strategic goal to maintain its market shares in Western and South-Eastern Europe and to enhance its activity in new markets where it did not operate to date. The actions implemented during 2009 to reduce costs will remain in effect while some others will continue to be implemented in the current year too, with the reorganization of production units and their activities being the principal measure. Together with the foregoing, optimum management of working capital, maintenance of positive cash flows and further reduction of net borrowing 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 Euros)

Company	Sales of Goods, Services & Fixed assets	Purchases of Goods, Services & Fixed assets	Receivables	Payables
HELLENIC CABLES GROUP	29.165	10.914	1.355	388
STEELMET GROUP	2	2.688	1	347
SOFIA MED	26.636	10.797	26.776	-
METAL AGENCIES	29.969	68	10.178	39
OTHER SUBSIDIARIES	426	85	1.997	24
TOTAL SUBSIDIARIES	**86.198**	**24.551**	**40.308**	**798**

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 and PVC used by HALCOR for insulated copper tubes.

STEELMET Group provides HALCOR with administration and organization services.

SOFIA MED SA buys from HALCOR billets and copper slabs and alloys. It also sells semi-finished copper and brass rolls for further processing to HALCOR. In addition, HALCOR 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 Euros)

Company	Sales of Goods, Services & Fixed assets	Purchases of Goods, Services & Fixed assets	Receivables	Payables
MKC GMBH	22.989	150	8.214	48
STEELMET ROMANIA SA	8.033	-	2.103	-
TEKA SYSTEMS SA	36	1.486	11	98
ANAMET SA	4	12.280	4	1.642
VIEXAL LTD	-	392	-	18
CPW SA	266	-	-	-
VIOHALCO SA	30	883	-	-
TEPRO METAL AG	-	165	-	169
ELVAL SA	510	1.842	109	235
OTHER AFFILIATED	4.792	2.287	4.951	905
TOTAL AFFILIATED	**36.660**	**19.485**	**15.391**	**3.115**

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 Euros)

Company	Sales of Goods, Services & Fixed assets	Purchases of Goods, Services & Fixed assets	Receivables	Payables
MKC GMBH	41.010	150	14.108	48
STEELMET ROMANIA SA	10.653	1	2.531	1
TEKA SYSTEMS SA	36	2.360	98	456
ANAMET SA	770	12.280	93	1.640
VIEXAL LTD	5	880	-	61
CPW SA	266	0	-	-
VIOHALCO SA	58	1.216	-	-
TEPRO METAL AG	180	277	149	208
ETEM SA	780	98	534	131
ELVAL SA	6.352	5.769	1.708	2.023
SIDENOR SA	3.887	2.648	1.484	1.675
CORINTH PIPEWORKS SA	1.442	1.044	597	715
SYMETAL SA	689	9.049	392	1.616
STOMANA SA	551	4.787	171	933
STEELMET BULGARIA SA	2.645	728	1.106	677
COPPERVALIUS SA	9.278	30.365	5.207	561
OTHER AFFILIATED	5.001	3.579	3.716	386
TOTAL AFFILIATED	**83.602**	**75.231**	**31.895**	**11.132**

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	3,698	2,433
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 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 2009 were as follows:

- VIOHALCO S.A. — 59.43 % of voting rights of which it directly holds 52.98 % of share capital
- Mr. Evangelos Stasinopoulos: — 9.33% of voting rights (to which the 7.3% holding of WHEATLAND HOLDINGS LTD has been added).
- WHEATLAND HOLDINGS LTD: — 7.37% of the share capital

d) Shares granting special rights of control

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

e) Restrictions on voting rights

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

- Each share entitles its holder to one vote at the General Meeting.
- In order to obtain a right to attend a General Meeting, shareholders are obliged at least 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 17 of the Annual Financial Report (Group: € 178.9 mio on a long-term basis and € 122.6 mio short-term and Company: € 113.3 mio long-term and € 79.4 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

KPMG Chartered Auditors A.E.
3, Stratigou Tobra St.
GR-153 42 Agia Paraskevi
Greece
S.A. Reg. No
29527/01AT/B/93/162/96

Telephone: +30 210 60 62 100
Fax: +30 210 60 62 111
Internet www.kpmg.gr
e-mail postmaster@kpmg.gr

Independent Auditor's Report

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

Report on the Financial Statements

We have audited the accompanying stand-alone and consolidated Financial Statements of HALCOR METAL WORKS S.A. (the "Company") which comprise the stand-alone and consolidated Statement of Financial Position as of 31 December 2009 and the stand-alone and consolidated Statements of Income and Comprehensive Income, Changes in Equity and Cash Flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's responsibility for the financial statements

Management is responsible for the preparation and 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.

Auditor's 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 ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from 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 the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the Financial Statements give a true and fair view of the stand-alone and consolidated financial position of the Company as of 31 December 2009 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 of 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, 23 March 2010

KPMG Certified Auditors A.E.

Harry Sirounis, Certified Auditor Accountant

AM SOEL 19071

Balance Sheet

as of December 31

(Amounts in euro)	note	GROUP 2009	GROUP 2008	COMPANY 2009	COMPANY 2008
ASSETS					
Non-current assets					
Property, plant and equipment	5	330.276.516	332.292.304	142.983.596	146.973.289
Intangible assets	6	965.485	1.127.298	277.741	215.417
Investment property	7	2.152.565	2.152.565	-	-
Investments	8	5.992.845	6.881.712	112.046.148	111.974.934
Financial assets available for sale	9	4.301.447	1.679.181	3.846.188	1.349.346
Derivatives	13	-	39.130	-	39.130
Other receivables	12	1.504.606	1.578.706	892.571	976.883
Deferred tax claims	10	5.523.929	3.770.095	-	-
		350.717.393	**349.520.991**	**260.046.243**	**261.528.999**
Current assets					
Inventories	11	184.408.321	212.260.580	75.037.948	96.334.817
Trade and other receivables	12	147.511.723	185.398.015	82.064.246	80.956.124
Derivatives	13	1.911.638	11.393.833	245.420	9.537.543
Financial assets at fair value through the profit and loss statement		8.231	8.231	-	-
Cash and cash equivalents	14	17.753.177	58.971.221	1.567.556	40.767.188
		351.593.089	**468.031.880**	**158.915.170**	**227.595.672**
Total assets		**702.310.482**	**817.552.871**	**418.961.413**	**489.124.671**
EQUITY					
Equity attributable to Shareholders of the Company					
Share capital	15	38.486.258	38.486.258	38.486.258	38.486.258
Share premium account		67.138.064	67.138.064	67.138.064	67.138.064
Foreign Exchange differences from the consolidation of foreign subsidiaries	16	(5.855.150)	(4.206.267)	-	-
Other reserves	16	71.375.174	78.319.258	66.818.012	72.685.235
Profit carried forward		(10.780.117)	8.118.415	(9.915.155)	1.272.705
Total		**160.364.229**	**187.855.729**	**162.527.180**	**179.582.262**
Minority interest		24.510.911	25.657.120	-	-
Total equity		**184.875.140**	**213.512.849**	**162.527.180**	**179.582.262**
LIABILITIES					
Long-term liabilities					
Loans	17	192.732.167	257.127.581	113.333.200	171.000.000
Derivatives	13	311.069	-	257.609	-
Deferred income tax liabilities	10	13.822.309	17.802.086	10.210.091	14.321.839
Personell retirement benefits payable	18	4.971.824	4.819.750	2.648.352	2.615.178
Government Grants	19	2.445.634	1.553.534	2.077.625	1.059.349
Provisions	20	852.079	932.087	500.000	500.000
		215.135.081	**282.235.038**	**129.026.877**	**189.496.366**
Short-term liabilities					
Suppliers and other liabilities	21	55.479.342	76.715.531	19.104.541	37.605.113
Current tax liabilities	24	4.385.652	6.548.875	490.707	684.888
Loans	17	226.670.628	225.437.158	96.698.348	70.658.501
Financial Leasing liabilities	17	-	6.069	-	-
Derivatives	13	9.544.598	7.016.212	4.893.719	5.016.403
Provisions	20	6.220.041	6.081.139	6.220.040	6.081.138
		302.300.261	**321.804.984**	**127.407.356**	**120.046.043**
Total liabilities		**517.435.342**	**604.040.022**	**256.434.234**	**309.542.409**
Total equity and liabilities		**702.310.482**	**817.552.871**	**418.961.413**	**489.124.671**

The notes on pages 5 to 58 constitute an integral part of these Financial Statements (Individual and Consolidated).

Income Statement

Amounts in euro	Note	GROUP 2009	GROUP 2008	COMPANY 2009	COMPANY 2008
Sales	4	**679.058.638**	**1.200.295.367**	**343.547.307**	**635.252.436**
Cost of goods sold	22	(646.931.445)	(1.180.409.931)	(335.083.069)	(628.009.972)
Gross profit		**32.127.192**	**19.885.436**	**8.464.238**	**7.242.463**
Other operating income	25	7.542.335	13.071.538	5.111.690	6.690.514
Selling expenses	22	(15.535.645)	(17.081.115)	(7.246.660)	(7.983.547)
Administrative expenses	22	(22.162.303)	(24.038.068)	(11.188.833)	(12.680.058)
Other operating expenses	25	(7.753.232)	(12.767.552)	(2.503.795)	(4.531.395)
Operating results		**(5.781.653)**	**(20.929.762)**	**(7.363.360)**	**(11.262.023)**
Finance income	23	2.196.760	627.990	202.476	272.022
Finance expenses	23	(17.743.714)	(36.799.635)	(7.072.977)	(16.934.926)
Dividends	25	64.754	97.579	982.603	4.552.295
Financial result		**(15.482.201)**	**(36.074.066)**	**(5.887.898)**	**(12.110.609)**
Share of profit/loss of associates	25	(792.315)	628.702	-	-
Profit before income tax		**(22.056.168)**	**(56.375.126)**	**(13.251.258)**	**(23.372.632)**
Income tax expenes	24	2.790.767	8.728.296	2.063.398	8.188.282
Net profit for the period from continued operations		**(19.265.401)**	**(47.646.830)**	**(11.187.860)**	**(15.184.350)**
Attributable to:					
Shareholders of the Parent		(19.375.369)	(48.224.358)	(11.187.860)	(15.184.350)
Minority interest		109.968	577.528	-	-
		(19.265.401)	**(47.646.830)**	**(11.187.860)**	**(15.184.350)**
Earnings per share that attributed to the Shareholders of the Parent for the year (amounts in € per share)					
Basic profit/loss per share	30	(0,1913)	(0,4762)	(0,1105)	(0,1499)
Reluted profit/loss per share	30	(0,1913)	(0,4762)	(0,1105)	(0,1499)

Statement of Comprehensive Income

(Amounts in euro)	GROUP 2009	GROUP 2008	COMPANY 2009	COMPANY 2008
Profit / (Loss) of the year from continuing operations	**(19.265.401)**	**(47.646.830)**	**(11.187.860)**	**(15.184.350)**
Foreign currency translation differences	(2.409.341)	(4.403.467)	-	-
Gain / (Loss) of changes in fair value of cash flow hedging	(8.384.971)	10.551.825	(7.822.963)	9.461.349
Income tax on income and expense recognised directly in equity	1.766.637	(2.302.095)	1.955.741	(2.365.337)
Other comprehensive income / (expense) after taxes	**(9.027.675)**	**3.846.263**	**(5.867.222)**	**7.096.012**
Total comprehensive income / (expense) after tax	**(28.293.076)**	**(43.800.567)**	**(17.055.082)**	**(8.088.338)**
Attributable to:				
Equity holders of the parent company	(28.191.873)	(43.253.926)	(17.055.082)	(8.088.338)
Minority interests	(101.204)	(546.640)	-	-
Total comprehensive income / (expense) after tax	**(28.293.076)**	**(43.800.567)**	**(17.055.082)**	**(8.088.338)**

The notes on pages 5 to 58 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, 2008	**38.486.258**	**67.138.064**	**(4.169.513)**	**71.345.424**	**65.789.374**	**(718.243)**	**237.871.365**	**27.779.160**	**265.650.524**
Foreign exchange differences	-	-	-	-	53.585	(3.488.024)	(3.434.439)	(969.028)	**(4.403.467)**
Hedging result minus tax	-	-	8.404.870	-	-	-	8.404.870	(155.140)	**8.249.730**
Net profit/(loss) for the period	-	-	-	-	(48.224.358)	-	(48.224.358)	577.528	**(47.646.830)**
Total recognised net profit for the year	-	-	8.404.870	-	(48.170.773)	(3.488.024)	(43.253.926)	(546.640)	**(43.800.567)**
Capitalization of subsidiary's reserves	-	-	-	(935.100)	935.100	-	-	-	-
Transfer of reserves	-	-	-	(440.857)	440.857	-	-	-	-
Transfer of special taxed reserve	-	-	-	4.114.434	(4.799.365)	-	(684.932)	684.932	-
Profit distribution	-	-	-	-	-	-	-	(2.260.331)	**(2.260.331)**
Dividend	-	-	-	-	(6.076.778)	-	(6.076.778)	-	**(6.076.778)**
	-	-	-	2.738.477	(9.500.186)	-	(6.761.709)	(1.575.399)	**(8.337.109)**
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**
Balance as of January 1, 2009	**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**
Foreign exchange differences	-	-	-	-	(214.170)	(1.648.883)	(1.863.053)	(546.288)	**(2.409.341)**
Hedging result minus tax	-	-	(6.953.450)	-	-	-	(6.953.450)	335.116	**(6.618.334)**
Net loss for the period	-	-	-	-	(19.375.369)	-	(19.375.369)	109.968	**(19.265.401)**
Total recognised net profit for the year	-	-	(6.953.450)	-	(19.589.539)	(1.648.883)	(28.191.873)	(101.204)	**(28.293.076)**
Capitalization of subsidiary's losses	-	-	-	-	706.184	-	706.184	5.174	**711.357**
Transfer of reserves	-	-	-	9.366	(15.177)	-	(5.811)	5.811	-
Profit distribution	-	-	-	-	-	-	-	(1.055.990)	**(1.055.990)**
	-	-	-	9.366	691.006	-	700.373	(1.045.005)	**(344.633)**
Balance as of December 31, 2009	**38.486.258**	**67.138.064**	**(2.718.093)**	**74.093.267**	**(10.780.117)**	**(5.855.150)**	**160.364.229**	**24.510.911**	**184.875.140**

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, 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**
Net profit for the period	-	-	-	-	(15.184.349)	**(15.184.349)**
Total recognised net profit for the year	-	-	7.096.012	-	(15.184.349)	**(8.088.338)**
Transfer of reserves	-	-	-	1.604.691	(1.604.691)	-
Transfer of special taxed reserve	-	-	-	(440.857)	440.857	-
Dividend	-	-	-	-	(6.076.778)	**(6.076.778)**
	-	-	-	1.163.834	(7.240.612)	**(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**
Balance as of January 1, 2009	**38.486.258**	**67.138.064**	**3.420.203**	**69.265.032**	**1.272.705**	**179.582.262**
Hedging result minus tax	-	-	(5.867.222)	-	-	**(5.867.222)**
Net loss for the period	-	-	-	-	(11.187.860)	**(11.187.860)**
Total recognised net loss for the year	-	-	(5.867.222)	-	(11.187.860)	**(17.055.082)**
Balance as of December 31, 2009	**38.486.258**	**67.138.064**	**(2.447.019)**	**69.265.032**	**(9.915.155)**	**162.527.180**

The notes on pages 5 to 58 constitute an integral part of these Financial Statements (Individual and Consolidated).

Cash Flow Statement

Amounts in euro	GROUP 2009	GROUP 2008	COMPANY 2009	COMPANY 2008
Cash flows from operating activities				
Profit / (loss) before taxes	(22.056.168)	(56.375.126)	(13.251.258)	(23.372.632)
Adjustments for:				
Depreciation of tangible assets	26.603.035	24.911.513	11.883.247	10.963.108
Depreciation of grants	(456.800)	(368.326)	(330.624)	(205.887)
Provisions	572.901	68.369.221	159.572	37.733.665
Investing activities result (income, expenses, profits and losses)	(1.469.199)	(1.354.270)	(1.185.079)	(4.514.816)
Interest charges & related expenses	17.649.390	36.490.134	6.978.652	16.625.425
(Profit) / loss from sale of tangible assets	(508.239)	(94.393)	(423.876)	(10.290)
(Profit) / loss from sale of investments	33.951	-	33.951	-
(Profit) / Loss from the sale of fixed assets in properties	-	(5.948)	-	-
(Profit) / loss from the fair value of derivatives	3.508.756	-	1.643.217	-
Loss from the destruction of fixed assets	101.997	302.220	-	17.194
Impairment of participations	-	-	94.324	-
Decrease / (increase) in inventories	27.852.259	2.595.802	21.296.869	(25.477.107)
Decrease / (increase) in receivables	37.388.374	98.342.145	(1.044.480)	54.564.637
(Decrease) / Increase in liabilities (minus banks)	(18.463.080)	(2.470.084)	(16.221.944)	11.740.133
Interest charges & related expenses paid	(20.943.315)	(37.073.856)	(9.504.878)	(17.754.193)
Income tax paid	(1.977.448)	(4.427.702)	-	(539.410)
Net Cash flows from operating activities	**47.836.412**	**128.841.328**	**127.695**	**59.769.829**
Cash flows from investing activities				
Purchase of tangible assets	(28.460.097)	(46.856.780)	(9.775.433)	(19.715.606)
Purchase of intangible assets	(384.946)	(291.840)	(227.161)	(51.636)
Sales of tangible assets	3.081.360	600.143	2.470.592	391.019
Sales of investments in real estate	-	85.728	-	-
Sales of investment properties	178.066	60.000	178.066	60.000
Dividends received	64.754	97.579	982.603	4.552.295
Interest received	2.196.760	627.990	202.476	272.022
Increase of participation in subsidiaries	-	-	(165.538)	(17.085.699)
Increase of participation in other investment properties	(2.834.283)	(468.000)	(2.708.858)	(375.000)
Net Cash flows from investing activities	**(26.158.386)**	**(46.145.180)**	**(9.043.253)**	**(31.952.605)**
Cash flows from financing activities				
Dividends paid to shareholders of the parent	(11.559)	(6.098.750)	(6.020)	(6.095.104)
Loans received	32.192.485	62.709.820	13.083.200	55.000.000
Loans settlement	(95.354.430)	(120.508.870)	(44.710.153)	(60.023.826)
Changes in financial leases	(6.069)	(11.858)	-	-
Dividends paid to minority interest	(1.065.398)	(1.412.769)	-	-
Grand proceeds	1.348.900	-	1.348.900	-
Net cash flows from financing activities	**(62.896.071)**	**(65.322.426)**	**(30.284.073)**	**(11.118.930)**
Net (decrease)/ increase in cash and cash equivalents	**(41.218.044)**	**17.373.722**	**(39.199.632)**	**16.698.294**
Cash and cash equivalents at the beginning of period	58.971.221	41.597.499	40.767.188	24.068.894
Cash and cash equivalents at the end of period	**17.753.177**	**58.971.221**	**1.567.556**	**40.767.188**

The notes on pages 5 to 58 constitute an integral part of these Financial Statements (Individual and Consolidated).

Notes to the Financial Statements

1. Incorporation and Group Activities:

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

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

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

These Financial Statements (the "Financial Statements") of the Company for the year ended on 31 December 2009 include the individual financial statements of HALCOR and the consolidated financial statements of the Company (together the "Group"). The names of subsidiaries and affiliated companies are presented in Note 8 of the Financial Statements.

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

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

Notes to the Financial Statements

2. Basis of preparation of the Financial Statements

(a) Compliance note

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

The financial statements ended 31 December 2009 were approved for publication by the Company's Board of Directors on 22 March 2010.

(b) Measurement basis

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

(c) Functional exchange rate and presentation

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

(d) Application of estimates and judgments

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

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

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

- Inventory valuation (note 11)
- Measurement of defined-benefit liability (note 18)
- Provisions (note 20)
- Subsidiary impairment (note 8)
- Use of tax loss (note 10)
- Valuation of securities available for sale (Note 9)

Notes to the Financial Statements

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

2.1 Change in accounting principles

(a) Presentation of Financial Statements

The Company has adopted revised IAS 1 "Presentation of Financial Statements", which is effective as of 1 January 2009.

As a result, the changes arising from transactions with shareholders are presented in the statement of changes in equity while changes from other transactions are included in the statement of total income.

The comparative sums of the previous year have been restated so as to be in line with the revised standard. Therefore, the change in the accounting principle affects only the presentation of financial statements and has no effect on the earnings per share.

(b) Accounting of borrowing costs

Applying the amendment of IAS 23, the Group capitalizes the borrowing costs received after 1 January 2009 for the acquisition or production of specific fixed assets. In the past, the Group recognized borrowing costs directly as expenses in the income statement.

The comparative sums of the previous year have not been restated.

The change in the accounting principle has no significant effect on the assets, the results or the earnings per share for the period ended on 31 December 2009.

The Group has capitalized the borrowing costs relating to buildings and machinery under construction.

(c) Determination and presentation of operating segments

As of 1 January 2009 the Group determines and presents its segments of activity based on the information provided internally to the General Manager of the Company who makes the final decisions on the Group's operating activity.

This change in the accounting principles took place owing to the adoption of IFRS 8 which refers to operating segments.

In the past, operating segments were determined and presented in compliance with the provisions of IAS 14 "Segment Reporting".

The new accounting principle in relation to the information on operating segments is presented as follows:

The comparative items of segment reporting have been restated in line with the interim provisions of IFRS 8. Such change in the accounting principle does not affect earnings per share but entails only a change in both presentation and the information provided.

An operating segment is part of the Group's business activity which generates revenues and creates expenses including the income and expenses that are related to transactions with other operating segments of the Group.

The results of an operating segment are regularly reviewed by the Company's General Manager so as to make decisions on the allocation of resources to the segment and assess its performance as well as the specific information that is available.

Notes to the Financial Statements

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

2.1 Change in accounting principles (cont'd)

The results of the segments disclosed to the Company's General Manager include amounts that concern directly the segment as well as amounts allocated to the same through logical correlation.

Capital expenditure of the segment is the total expenditure incurred throughout the period for acquiring fixed assets, equipment and intangible assets apart from goodwill.

3. Significant accounting principles

The accounting principles cited below have been consistently applied to all periods presented in these Financial Statements and have also been consistently applied by all Group companies.

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 buy-outs of subsidiaries are accounted for based on the buy-out method. The buy-out cost of a subsidiary company is the fair value of the assets that are transferred, of the shares that were issued and of the liabilities that were undertaken on the day the transaction was effected, plus any cost that is directly associated with the buy-out. The identifiable assets, liabilities and contingent liabilities that are acquired in a business combination are measured at the time of the buy-out at their fair value regardless of the holding percentage. The buy-out cost that exceeds the fair value of the identifiable net assets that were acquired is recorded as goodwill. The goodwill is periodically subject, at least annually, to an assessment of any impairment. This assessment is made on the basis of IAS 36 "Impairment of Assets". If the total buy-out cost is less than the Group's share in the fair value of the net assets that were acquired, the difference is recorded directly in the income statement.

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 affiliated companies are accounted for by the equity method and are initially recognised at their acquisition cost which fluctuates in line with the Group's holding percentage in.

Notes to the Financial Statements

3. Basic accounting principles (cont'd)

3.1. Basis for Consolidation (cont'd)

the profits and losses of the holding after the date substantial influence was acquired until it ceased, and in line with all the respective fluctuations of the holding's net worth. The account "Investments in Associated companies" 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.

(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 Operating segments

The operating segment to be presented is a part of the Group participating in business activities and generating income and expenses including income and expenses related to transactions with the Group's other departments. The results of all segments are reviewed by the decision-making supervisor who is the General Manager and is responsible for measuring the business performance of operating segments. For more information please refer to note 2.1 (c).

Notes to the Financial Statements

3. Critical accounting principles (cont'd)

3.3 Foreign exchange conversion

(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.
- 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

(a) Recognition and subsequent expenses

Property, plant and equipment are presented at acquisition cost less accumulated depreciation and any impairment. The cost of acquisition includes all directly payable expenses for acquiring fixed assets. The construction cost of a fixed asset includes the cost of raw materials, direct labour and other direct expenses for its construction as well as consumption cost of installation point together with any borrowing costs (Note 5).

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.

Notes to the Financial Statements

3. Critical accounting principles (cont'd)

3.4 Property, plant and equipment (cont'd)

(b) Depreciation

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

Buildings	20-33	years
Machinery & equipment	1-18	years
Transportation equipment	5-7	years
Furniture and fixtures	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.

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.

Notes to the Financial Statements

3. Critical accounting principles (cont'd)

3.7 Assets 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.

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 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 Non-derivative financial instruments

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.

(a) Trade and other receivables

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

(b) Cash and cash equivalents

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

Notes to the Financial Statements

3. Basic accounting principles (cont'd)

3.8 Non-derivative financial instruments (cont'd)

(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.

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.

(e) Loans

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

Loans are classified as "Short-term Liabilities" unless the Group has the right to defer the settlement thereof for at least 12 months from the balance sheet date. Loan interest charges are directly posted to the income statement of the period they concern.

3.9 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.

(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.

Notes to the Financial Statements

3. Critical accounting principles (cont'd)

3.9 Derivatives (cont'd)

(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.

3.10 Inventories

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

3.11 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.

Notes to the Financial Statements

3. Critical accounting principles (cont'd)

3.12 Income tax

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

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

Deferred income tax is calculated using the liability method which arises from temporary differences between the book value and taxation basis of the assets and liabilities. Deferred income tax is not calculated 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). The determination of future tax rates is based on laws passed on the date the financial statements are prepared.

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

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.

3.13 Employee benefits

(a) Short-term benefits

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

(b) Defined-contribution Plans

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

Notes to the Financial Statements

3. Critical accounting principles (cont'd)

3.13 Employee benefits (cont'd)

(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. The discount rate corresponds to the rate of the index applying to the European bonds "iBoxx – AA-rated Euro corporate bond 10+ year". Independent actuaries using the projected unit credit method calculate the defined benefit obligation.

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

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

(d) Benefits for employment termination

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

(e) Plans for participation in profits and benefits

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

3.14 Government Grants

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

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

Notes to the Financial Statements

3. Critical accounting principles (cont’d)

3.15 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.

3.16 Income

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

(a) Sales of goods

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

(b) Services

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

(c) Income from interest

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

(d) Income from dividends

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

3.17 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.

Notes to the Financial Statements

3. Critical accounting principles (cont'd)

3.18 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 risks 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.

3.19 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.

3.20 Basic and Diluted Earnings per Share

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

Notes to the Financial Statements

3. Critical accounting principles (cont'd)

3.21 New standards of International Financial Reporting Standards

Save the standards reported and explained in note 2.1, new standards have been issued or modifications of existing standards have taken place whose effective date is set, however, after 31 December 2009 and have not been taken into account for the preparation of these financial statements.

- **Revised IFRS 3 "Business combinations" and Amended IAS 27 "Consolidated and Separate Financial Statements"** apply to annual accounting periods beginning on or after 1 July 2009. 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. These changes require that the acquisition costs be expensed, as well as that subsequent changes of the contingent consideration be recognized at the fair value in profit and loss. Amended IAS 27 requires that transactions leading to changes in the percentage holdings in a subsidiary be posted to equity. In addition, the revised standard changes the accounting handling of losses incurred by a subsidiary and the loss of control over a subsidiary. All the changes of the aforementioned standards will be implemented in the future and will affect future acquisitions and transactions with minority shareholders. The Group will apply these changes on their effective date.

- **IFRS 9 "Financial instruments"** applies to annual accounting periods beginning on or after 1 January 2013. IFRS 9 is the first part of Phase I of IASB (International Accounting Standards Board) project to replace IAS 39. The IASB intends to extend IFRS 9 during 2010 so as to add new requirements for classifying and measuring financial liabilities, derecognizing financial instruments, impairment and hedge accounting. According to IFRS 9, all financial assets are initially measured at their fair value plus, in the case of a financial asset that is not recognized at fair value through profit or loss, specific transactions costs. Subsequent measurement of financial assets takes place either at the amortized cost or at fair value and depends on the business model of the entity with respect to the management of financial assets and the contractual cash flows of the financial asset. IFRS 9 prohibits reclassifications save the rare cases in which the entity's business model changes and in such a case the entity is required to reclassify the affected financial assets in the future. According to the principles of IFRS 9, all investments in equity instruments should be measured at fair value. Nevertheless, the Management can choose to present the realized and unrealized profits and losses of equity instruments fair value that are not held for trading purposes in the other total income. This determination is made upon initial recognition for each financial instrument separately and cannot change. The profits and losses of fair value are not transferred subsequently while income from dividends will continue to be recognized through profit or loss. IFRS 9 abolishes the exception of measurement at cost for unlisted shares and unlisted equity derivatives but provides guidance as to when the cost may be a representative assessment of fair value. The Group is in the process of evaluating the effect of IFRS 9 on its financial statements. IFRS 9 cannot be applied earlier by the Group because it has not been adopted by the European Union. Only once it is adopted, the Group will decide whether it will apply IFRS 9 earlier than 1 January 2013.

Notes to the Financial Statements

4. Operating segments

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

The Group includes the following main business segments:

- Copper products
- Cable products
- Other services

Results per sector for the financial year ended on December 31, 2008

December 31, 2008 (amounts in euro)	**Copper products**	**Cable products**	**Other - Services**	**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	(31.423.584)	7.256.163	3.237.660	**(20.929.762)**
Financial income	346.563	285.555	93.450	**725.569**
Financial expenses	(26.460.731)	(9.702.625)	(636.279)	**(36.799.635)**
Share at results of affiliated companies	-	483.583	145.119	**628.702**
Profit before income tax	**(57.537.751)**	**(1.677.324)**	**2.839.950**	**(56.375.126)**
Income tax	9.119.301	786.467	(1.177.473)	**8.728.296**
Net profit	**(48.418.450)**	**(890.857)**	**1.662.477**	**(47.646.830)**

December 31, 2008	**Copper products**	**Cable products**	**Other - Services**	**Total**
Assets	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 for the year ended on December 31, 2008

December 31, 2008 (amounts in euro)	**Copper products**	**Cable products**	**Other - Services**	**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)**

Notes to the Financial Statements

4. Operating segments (cont'd)

Results per sector for the financial year ended on December 31, 2009

December 31, 2009 (amounts in euro)	**Copper products**	**Cable products**	**Other Services**	**Total**
Total gross sales by sector	**480.351.914**	**241.636.476**	**77.078.948**	**799.067.338**
Intercompany sales from consolidated entities	(101.778.951)	(11.963.431)	(6.266.319)	**(120.008.700)**
Net sales	**378.572.964**	**229.673.045**	**70.812.629**	**679.058.638**
Operating profits / (loss)	(11.583.973)	3.750.639	2.051.681	**(5.781.653)**
Financial income	285.130	1.952.994	23.389	**2.261.514**
Financial expenses	(11.234.608)	(6.122.332)	(386.774)	**(17.743.714)**
Share at results of affiliated companies	-	239.447	(1.031.762)	**(792.315)**
Profit before income tax	**(22.533.450)**	**(179.252)**	**656.534**	**(22.056.168)**
Income tax	4.895.797	(1.050.311)	(1.054.719)	**2.790.767**
Net profit	**(17.637.654)**	**(1.229.563)**	**(398.184)**	**(19.265.401)**

December 31, 2009	**Copper products**	**Cable products**	**Other Services**	**Total**
Assets	489.232.232	194.933.190	18.145.060	**702.310.482**
Total liabilities	373.302.722	128.549.592	15.583.028	**517.435.342**
Investments in tangible, intangible assets and investments in real estate	16.345.114	12.423.309	76.620	**28.845.043**

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

December 31, 2009 (amounts in euro)	**Copper products**	**Cable products**	**Other Services**	**Total**
Depreciation of tangible assets	(18.832.326)	(6.998.737)	(158.962)	**(25.990.025)**
Amortization of intangible assets	(169.823)	(442.526)	(661)	**(613.010)**
Total depreciation	**(19.002.149)**	**(7.441.264)**	**(159.622)**	**(26.603.035)**
Impairment of claims	(25.659)	(488.347)	-	**(514.006)**
Impairment of inventories	-	(542.346)	-	**(542.346)**

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. Operating segments (cont'd)

Sales and non-current assets of the Group based on their geographical allocation are briefly presented as follows:

(Amounts in euro)	GROUP		COMPANY	
Sales	**2009**	**2008**	**2009**	**2008**
Greece	207.508.708	274.789.326	98.609.778	151.801.780
European Union	398.633.890	792.717.788	215.904.733	418.729.856
Other European countries	30.481.908	70.385.201	14.225.753	39.032.749
Asia	25.030.606	40.079.304	8.867.779	16.198.516
America	4.714.406	14.299.117	1.049.977	7.483.148
Africa	12.097.067	7.406.653	4.889.287	1.961.283
Oceania	592.052	617.978	-	45.105
Total	**679.058.638**	**1.200.295.367**	**343.547.307**	**635.252.436**

(Amounts in euro)	GROUP		COMPANY	
Analysis of sales by category	**2009**	**2008**	**2009**	**2008**
Sales of merchandise & products	604.422.334	1.114.474.210	312.359.082	624.589.533
Income from services	20.148.230	23.373.363	1.027.457	1.188.942
Other	54.488.074	62.447.794	30.160.768	9.473.961
Total	**679.058.638**	**1.200.295.367**	**343.547.307**	**635.252.436**

(Amounts in euro)	GROUP		COMPANY	
Total assets	**2009**	**2008**	**2009**	**2008**
Greece	558.037.889	630.259.618	418.961.413	489.124.671
Foreign	144.272.593	187.293.253	-	-
Total	**702.310.482**	**817.552.871**	**418.961.413**	**489.124.671**
Investments in tangible, intangible fixed assets & real estate	**2009**	**2008**	**2009**	**2008**
Greece	21.068.933	29.880.714	10.002.593	19.767.242
Foreign	7.776.110	17.267.906	-	-
Total	**28.845.043**	**47.148.620**	**10.002.593**	**19.767.242**

Notes to the Financial Statements

5. Property, plant and equipment

GROUP

(Amounts in euro)	Land	Buildings	Mechanical equipment	Transportation Vehicles	Furniture and Fixtures	Fixed assets under construction	Total
Cost							
Balance as of 1 January 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 / Disposals	-	(181.014)	(1.816.527)	(1.211)	(539.621)	(3.375)	**(2.541.748)**
Revaluation	-	-	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 year	-	(3.715.327)	(19.224.102)	(303.825)	(990.248)	-	**(24.233.502)**
Sales	-	-	205.529	125.140	30.029	-	**360.698**
Destructions / Disposals	-	142.551	1.715.885	727	518.618	-	**2.377.781**
Revaluation	-	-	(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**
Cost							
Balance as of 1 January 2009	**41.052.867**	**84.821.042**	**286.625.315**	**3.896.842**	**14.942.302**	**35.662.411**	**467.000.779**
Foreign exchange differences	(83.176)	(981.481)	(1.774.539)	7.137	(171.103)	(26.188)	**(3.029.351)**
Additions	-	5.971.574	20.061.034	136.766	1.365.965	924.757	**28.460.097**
Sales	(998.507)	(517.562)	(1.048.915)	(160.042)	(14.125)	(430.736)	**(3.169.887)**
Destructions / Disposals	-	-	(348.627)	(3.478)	(187.861)	-	**(539.965)**
Revaluation	-	-	(237.162)	-	-	(296.693)	**(533.856)**
Balance as of 31 December 2009	**39.971.184**	**89.293.574**	**303.277.106**	**3.877.226**	**15.935.178**	**35.833.550**	**488.187.816**
Accumulated depreciation							
Balance as of 1 January 2009	**-**	**(27.442.611)**	**(92.689.595)**	**(2.913.909)**	**(11.662.359)**	**-**	**(134.708.475)**
Foreign exchange differences	-	688.511	880.279	(4.812)	134.169	-	**1.698.148**
Depreciation for the year	-	(3.859.070)	(20.817.217)	(273.225)	(1.040.514)	-	**(25.990.025)**
Sales	-	-	434.975	148.522	13.268	-	**596.765**
Destructions / Disposals	-	-	303.862	1.889	132.217	-	**437.969**
Revaluation	-	-	57.574	(3.256)	-	-	**54.318**
Balance as of 31 December 2009	**-**	**(30.613.170)**	**(111.830.122)**	**(3.044.790)**	**(12.423.218)**	**-**	**(157.911.300)**
Undepreciated value as of 1 January 2009	**41.052.867**	**57.378.431**	**193.935.720**	**982.933**	**3.279.942**	**35.662.411**	**332.292.304**
Undepreciated value as of 31 December 2009	**39.971.184**	**58.680.404**	**191.446.984**	**832.435**	**3.511.960**	**35.833.550**	**330.276.516**

Notes to the Financial Statements

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

COMPANY

(Amounts in euro)	Land	Buildings	Mechanical equipment	Transportation Vehicles	Furniture and Fixtures	Fixed assets under construction	Total
Cost							
Balance as of 1 January 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 / Disposals	-	-	-	-	(17.194)	-	**(17.194)**
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 year	-	(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 January 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**
Cost							
Balance as of 1 January 2009	**26.128.943**	**36.270.250**	**114.783.208**	**1.814.986**	**5.729.556**	**15.235.697**	**199.962.640**
Additions	-	3.746.848	9.634.945	967	355.311	(3.962.638)	**9.775.433**
Sales	(998.507)	-	(820.618)	(10.600)	-	(430.736)	**(2.260.461)**
Balance as of 31 December 2009	**25.130.436**	**40.017.098**	**123.597.534**	**1.805.353**	**6.084.866**	**10.842.323**	**207.477.611**
Accumulated depreciation							
Balance as of 1 January 2009	**-**	**(8.340.905)**	**(38.301.209)**	**(1.492.814)**	**(4.854.423)**	**-**	**(52.989.350)**
Depreciation for the year	-	(1.913.212)	(9.309.775)	(107.738)	(387.686)	-	**(11.718.411)**
Sales	-	-	206.679	7.067	-	-	**213.746**
Balance as of 31 December 2009	**-**	**(10.254.117)**	**(47.404.305)**	**(1.593.485)**	**(5.242.109)**	**-**	**(64.494.015)**
Undepreciated value as of 1 January 2009	**26.128.943**	**27.929.346**	**76.482.000**	**322.172**	**875.133**	**15.235.697**	**146.973.289**
Undepreciated value as of 31 December 2009	**25.130.436**	**29.762.982**	**76.193.230**	**211.868**	**842.758**	**10.842.323**	**142.983.596**

Notes to the Financial Statements

6. Intangible assets

GROUP

(Amounts in euro)	Trade marks and Licenses	Software	Other	Total
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**
Impairment	-	(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 year	(204.731)	(470.359)	(2.920)	**(678.010)**
Impairment	-	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**
Cost				
Balance as of 1 January 2009	**1.552.105**	**7.164.069**	**73.628**	**8.789.802**
Foreign exchange differences	-	(49.823)	-	**(49.823)**
Additions	77.721	307.225	-	**384.946**
Balance as of 31 December 2009	**1.629.826**	**7.421.471**	**73.628**	**9.124.926**
Accumulated depreciation				
Balance as of 1 January 2009	**(1.053.414)**	**(6.552.821)**	**(56.269)**	**(7.662.504)**
Foreign exchange differences	-	116.073	-	**116.073**
Depreciation for the year	(219.529)	(390.561)	(2.920)	**(613.010)**
Balance as of 31 December 2009	**(1.272.943)**	**(6.827.310)**	**(59.189)**	**(8.159.441)**
Undepreciated value as of 1 January 2009	**498.691**	**611.248**	**17.359**	**1.127.298**
Undepreciated value as of 31 December 2009	**356.883**	**594.162**	**14.439**	**965.485**

Notes to the Financial Statements

6. Intangible assets (cont'd)

COMPANY

(Amounts in euro)	**Software**
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 year	(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**
Cost	
Balance as of 1 January 2009	**3.266.015**
Additions	227.161
Balance as of 31 December 2009	**3.493.176**
Accumulated depreciation	
Balance as of 1 January 2009	**(3.050.598)**
Depreciation for the year	(164.837)
Balance as of 31 December 2009	**(3.215.435)**
Undepreciated value as of 1 January 2009	**215.417**
Undepreciated value as of 31 December 2009	**277.741**

Notes to the Financial Statements

7. Investment Property

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

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)	**2009**	**2008**
Balance as of January 1	**2.152.565**	**2.471.230**
Additions	-	-
Sales	-	(79.780)
Subsidiaries acquisition	-	(238.886)
Balance as of December 31	**2.152.565**	**2.152.565**

8. Participations

	GROUP		COMPANY	
(Amounts in euro)	**2009**	**2008**	**2009**	**2008**
Investments to subsidiary Companies	-	-	107.486.903	107.415.689
Investments to affiliated Companies	5.992.845	6.881.712	4.559.245	4.559.245
	5.992.845	**6.881.712**	**112.046.148**	**111.974.934**

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
2008									
HELLENIC CABLES S.A.	Greece	21.728.188	-	-	-	-	21.728.188	45,66%	33,06%
STEELMET S.A.	Greece	140.880	-	-	-	-	140.880	29,56%	23,27%
AKRO S.A.	Greece	99.245	-	-	86.688	(185.933)	-	95,74%	0,00%
E.V.I.T.E. S.A.	Greece	59.997	3	(60.000)	-	-	-	0,00%	0,00%
SOFIA MED SA	Boulgaria	52.229.065	16.999.008	-	-	-	69.228.073	100,00%	0,00%
METAL AGENCIES LTD	United Kingdom	140.931	-	-	-	-	140.931	67,00%	25,98%
BELANTEL HOLDINGS LTD	Cyprus	95.437	-	-	-	-	95.437	100,00%	0,00%
COPPERPROM LTD	Greece	7.200	-	-	-	-	7.200	40,00%	31,49%
GENECOS SA	France	54.980	-	-	-	-	54.980	25,00%	47,23%
SYLLAN S.A.	Greece	60.000	-	-	-	-	60.000	100,00%	0,00%
OGWELL LIMITED	Cyprus	15.960.000	-	-	-	-	15.960.000	100,00%	0,00%
CHABAKIS LTD	Greece	123.568	-	-	-	(123.568)	-	100,00%	0,00%
		90.699.491	**16.999.011**	**(60.000)**	**86.688**	**(309.501)**	**107.415.689**		
2009									
HELLENIC CABLES S.A.	Greece	21.728.188	16.031.214	-	-	-	37.759.402	78,71%	0,00%
STEELMET S.A.	Greece	140.880	-	-	-	-	140.880	29,56%	23,27%
AKRO S.A.	Greece	-	94.324	-	-	(94.324)	-	95,74%	0,00%
SOFIA MED SA	Boulgaria	69.228.073	-	-	-	-	69.228.073	100,00%	0,00%
METAL AGENCIES LTD	United Kingdom	140.931	-	-	-	-	140.931	67,00%	25,98%
BELANTEL HOLDINGS LTD	Cyprus	95.437	-	-	-	-	95.437	100,00%	0,00%
COPPERPROM LTD	Greece	7.200	-	-	-	-	7.200	40,00%	31,49%
GENECOS SA	France	54.980	-	-	-	-	54.980	25,00%	47,23%
SYLLAN S.A.	Greece	60.000	-	-	-	-	60.000	100,00%	0,00%
OGWELL LIMITED	Cyprus	15.960.000	-	(15.960.000)	-	-	-	100,00%	0,00%
CHABAKIS LTD	Greece	-	-	-	-	-	-	100,00%	0,00%
		107.415.689	**16.125.538**	**(15.960.000)**	**-**	**(94.324)**	**107.486.903**		

Notes to the Financial Statements

8. Participations (cont'd)

In July 2009, the parent company acquired from its wholly-owned subsidiary named OGWELL LTD the holding held by the latter in the subsidiary HELLENIC CABLES SA; therefore the direct holding of the parent company in HELLENIC CABLES S.A. reached 78.71% while voting rights remained the same.

Accordingly, the wholly-owned subsidiary OGWELL Ltd was not incorporated in the financial statements of the current year because it ceased operating and its assets were liquidated in July 2009 whereas it had been consolidated in the previous year.

Participations in associated companies can be broken down as follows:

			GROUP		COMPANY	
Corporate Name	Country	Direct & Indirect Holding Percentage	2009	2008	2009	2008
DIAPEM TRADING S.A.	Greece	33,33%	213.180	214.059	266.627	266.627
ELKEME S.A.	Greece	30,90%	625.379	613.548	381.604	381.604
S.C. STEELMET ROMANIA S.A	Romania	40,00%	1.722.465	1.727.683	729.237	729.237
TEPRO METALL AG	Germany	43,53%	3.306.460	3.963.686	2.873.392	2.873.392
ENERGY SOLUTIONS SA	Boulgaria	38,60%	-	225.878	299.985	299.985
VIEXAL LTD	Greece	26,67%	19.159	30.640	8.400	8.400
E.D.E. S.A.	Greece	78,71%	106.201	106.218	-	-
			5.992.845	**6.881.712**	**4.559.245**	**4.559.245**

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

Corporate Name	Country	Assets	Liabilities	Income (Turnover)	Profit / (losses) after tax	Participation percentage
2008						
DIAPEM TRADING S.A.	Greece	664.534	22.351	-	161	33,33%
ELKEME S.A.	Greece	2.656.196	670.603	1.906.335	32.892	30,90%
S.C. STEELMET ROMANIA S.A	Romania	11.941.465	7.689.293	34.089.187	820.801	40,00%
TEPRO METALL AG	Germany	35.992.768	26.887.126	117.587.403	(372.100)	43,53%
ENERGY SOLUTIONS SA	Boulgaria	5.049.632	4.464.456	12.377.820	(107.408)	38,60%
VIEXAL LTD	Greece	563.528	483.592	4.782.441	36.883	26,67%
		56.868.123	**40.217.420**	**170.743.185**	**411.230**	

Corporate Name	Country	Assets	Liabilities	Income (Turnover)	Profit / (losses) after tax	Participation percentage
2009						
DIAPEM TRADING S.A.	Greece	659.126	19.580	-	(2.638)	33,33%
ELKEME S.A.	Greece	2.642.858	618.976	2.047.545	38.288	30,90%
S.C. STEELMET ROMANIA S.A	Romania	7.596.393	3.289.693	15.644.320	205.019	40,00%
TEPRO METALL AG	Germany	25.800.897	18.205.077	70.998.259	(1.509.822)	43,53%
ENERGY SOLUTIONS SA	Boulgaria	3.506.936	3.876.712	1.937.415	(954.952)	38,60%
VIEXAL LTD	Greece	565.878	494.042	3.866.519	(8.100)	26,67%
		40.772.087	**26.504.080**	**94.494.058**	**(2.232.205)**	

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.

Notes to the Financial Statements

9. Financial assets available for sale

Financial assets available for sale include the following:

	GROUP		COMPANY	
(Amounts in euro)	**2009**	**2008**	**2009**	**2008**
Unlisted titles				
Domestic Participating Titles	4.291.524	1.461.296	3.839.199	1.131.460
International Participating Titles	1.119	212.016	1.119	212.016
Others	8.804	5.869	5.869	5.869
	4.301.447	**1.679.181**	**3.846.188**	**1.349.345**

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.

During the current year, the merger through absorption of ELECTRIC GENERATION THISVI S.A. by ENERGY THESSALONIKI S.A. was completed, and the Company's holding based on the stipulated exchange ratio came to 0.55%.

In October 2009, the merger through absorption of "THISVI ELECTRIC GENERATION S.A." by "ENERGY THESSALONIKI S.A.", which was renamed "ELPEDISON ENERGY S.A." was completed, and HALCOR increased its holding in the said company from 0.55% to 2.5% through the purchase of shares from the participating ELPEDISON B.V., with a total value of € 2,493,750 million.

Other changes are due to the Group's participation in the share capital increase of DIA.VI.PE.THIV. S.A. and VECTOR S.A. totalling € 79,049 and € 97,440 respectively.

In addition, in October 2009 the Company sold its total holding in KARAY METALS INC. which has its registered office in New York, USA. Its holding came to 15% while the selling price amounted to USD 259,140. The sale gave rise to loss equal to € 33,951 which has been posted to item "Other expenses" of the Income Statement.

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

Notes to the Financial Statements

10. Deferred tax assets and liabilities

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

	GROUP		COMPANY	
(Amounts in euro)	**2009**	**2008**	**2009**	**2008**
Deferred tax claims	**5.523.929**	**3.770.095**	-	-
Deferred tax liabilities	**(13.822.309)**	**(17.802.086)**	**(10.210.091)**	**(14.321.839)**
Net amount	**(8.298.380)**	**(14.031.991)**	**(10.210.091)**	**(14.321.839)**

The total change in the deferred income tax is:

	GROUP		COMPANY	
(Amounts in euro)	**2009**	**2008**	**2009**	**2008**
Opening balance	**(14.031.991)**	**(22.849.694)**	**(14.321.839)**	**(20.770.937)**
Foreign exchange differences	(122.569)	(162.119)	-	-
(Debit)/credit recorded in the profit and loss statement	4.089.544	11.281.917	2.156.008	8.814.436
Tax that was (debited)/credited in equity	1.766.637	(2.302.095)	1.955.740	(2.365.338)
Closing balance	**(8.298.380)**	**(14.031.991)**	**(10.210.091)**	**(14.321.839)**

Notes to the Financial Statements

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

Use of temporary tax differences is as follows:

Deferred tax liabilities:
(Amounts in euro)

GROUP	Difference in Depreciation	Difference in Provisions	Non-recognised intangible assets	Change in tax rate	Future benefits from the reversal real estate adjustments	Tax losses	Other	Total
Balance as of 1/1/2008	**(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)**
Foreign exchange differences	-	-	-	-	-	-	(156)	**(156)**
(Debit) / Credit recorded in the profit and loss statement	605.380	885.899	(254.354)	46.211	-	4.778.179	(3.589.667)	**2.471.649**
(Debit) / Credit in equity	-	-	-	-	-	-	1.508.285	**1.508.285**
Balance as of 31/12/2009	**(30.202.084)**	**2.004.408**	**(371.427)**	**4.320.618**	**-**	**10.029.916**	**396.260**	**(13.822.309)**

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 1/1/2008	**1.330.630**	**469.166**	**1.078**	**(78.553)**	**1.252.521**	**-**	**110.299**	**3.085.140**
Foreign exchange differences	(162.119)	-	-	-	-	-	-	**(162.119)**
(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**
Foreign exchange differences	(92.434)	-	-	-	-	-	(29.979)	**(122.413)**
(Debit) / Credit recorded in the profit and loss statement	695.989	(425.089)	-	-	(1.264.471)	2.541.195	70.271	**1.617.895**
(Debit) / Credit in equity	-	-	-	-	-	-	258.352	**258.352**
Balance as of 31/12/2009	**2.312.736**	**(15.272)**	**783**	**(78.553)**	**(64.342)**	**2.958.753**	**409.824**	**5.523.929**

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 1/1/2008	**(25.623.383)**	**(86.162)**	**107.647**	**6.448.929**	**-**	**-**	**(1.617.968)**	**(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)**	**9.721.395**	**-**	**5.251.737**	**(4.173.878)**	**(14.321.839)**
(Debit) / Credit recorded in the profit and loss statement	776.013	88.747	(234.101)	25.236	-	4.307.149	(2.807.036)	**2.156.008**
(Debit) / Credit in equity	-	-	-	-	-	-	1.955.740	**1.955.740**
Balance as of 31/12/2009	**(24.552.488)**	**439.319**	**(377.264)**	**9.746.630**	**-**	**9.558.886**	**(5.025.175)**	**(10.210.091)**

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

Notes to the Financial Statements

11. Inventories

(Amounts in euro)	GROUP		COMPANY	
	2009	**2008**	**2009**	**2008**
Merchandise	9.026.300	20.163.217	3.155.203	4.599.589
Finished products	61.905.899	76.899.181	26.010.660	34.789.404
Semi-finished	29.155.923	43.400.327	18.668.641	32.508.635
By-products and scrap	1.514.078	1.160.991	431.358	609.731
Work in progress	21.323.461	25.982.094	3.207.031	2.105.086
Raw and indirect materials - consumables - spare parts & packaging materials	61.244.667	120.993.676	23.565.056	65.877.952
Down payments for the purchase of stocks	780.339	2.293.185	-	31.180
Total	**184.950.666**	**290.892.671**	**75.037.948**	**140.521.576**
Less: Inventories devaluation	**(542.346)**	**(78.632.091)**	**-**	**(44.186.760)**
Total net liquid value	**184.408.321**	**212.260.580**	**75.037.948**	**96.334.817**

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

12. Trade and other receivables

Current assets	GROUP		COMPANY	
(Amounts in euro)	**2009**	**2008**	**2009**	**2008**
Customers	88.966.342	121.249.995	19.474.783	31.589.041
Less: Impairment provisions	(3.651.783)	(3.137.777)	(1.206.309)	(1.185.640)
Net customer receivables	**85.314.560**	**118.112.219**	**18.268.474**	**30.403.401**
Other down payments	625.182	853.530	276.284	535.928
Notes-cheques receivable & sealed	12.240.828	11.825.150	954.625	1.375.710
Receivables from affiliated entities	31.507.186	20.406.362	55.305.095	23.460.830
Receivables from other holdings	388.000	232.250	394.000	325.250
Current tax receivables	7.589.402	16.443.299	2.018.638	10.645.710
Other debtors	9.846.565	17.525.204	4.847.130	14.209.295
Total	**62.197.163**	**67.285.796**	**63.795.772**	**50.552.723**
Non-current assets				
(Amounts in euro)				
Long-term claims against other holdings	1.580	4.834	1.580	4.834
Other long-term claims	1.503.026	1.573.872	890.991	972.049
Total	**1.504.606**	**1.578.706**	**892.571**	**976.883**
Total receivables	**149.016.329**	**186.976.720**	**82.956.817**	**81.933.007**

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

During the year 2009, provisions for impairment equal to € 20,669 and € 514,006 were raised for the Company and the Group respectively. The respective amounts for year 2008 came to € 35,526 and € 70,623.

Notes to the Financial Statements

13. Derivatives

	GROUP		COMPANY	
(Amounts in euro)	2009	2008	2009	2008
Non-current assets				
Future contracts	-	39.130	-	39.130
Total	**-**	**39.130**	**-**	**39.130**
Current assets				
Interest rate swaps	-	141.137	-	96.722
Foreign exchange swaps	64.140	519.120	-	-
Forward contracts	147.779	-	147.779	-
Future contracts	1.699.719	10.733.576	97.642	9.440.821
Total	**1.911.638**	**11.393.833**	**245.420**	**9.537.543**
Long-term liabilities				
Interest rate swaps	311.069	-	257.609	-
Total	**311.069**	**-**	**257.609**	**-**
Short-term liabilities				
Interest rate swaps	-	994	-	994
Foreign exchange forwards	114.540	-	114.540	-
Option contracts	445.210	-	445.210	-
Future contracts	8.984.848	7.015.218	4.333.969	5.015.409
Total	**9.544.598**	**7.016.212**	**4.893.719**	**5.016.403**
Amounts that were recorded in the results as earnings or (expenses)	**(42.257.066)**	**55.813.138**	**(22.556.444)**	**45.206.032**
Interest rate swaps				
Nominal Value	**60.000.000**	**18.750.000**	**48.750.000**	**12.500.000**

For the Group and the Company, the results from the settled financial risk management acts that were posted to the Income Statement during the years 2009 and 2008 are included in "Sales" and "Cost of goods sold" as regards metal and foreign exchange derivatives and in "Other Income-Expenses" as regards interest swap derivatives, options and foreign exchange futures.

	COMPANY	
	2009	**2008**
Gains from future contracts	8.212.221	53.653.021
Losses from future contracts	(30.104.495)	(10.236.696)
Losses from option contracts	(445.210)	-
Losses from foreign exchange forwards	388.213	2.801.936
Gains from foreign exchange forwards	(607.173)	(1.012.229)
Total	**(22.556.444)**	**45.206.032**

Notes to the Financial Statements

14. Cash and cash equivalents

	GROUP		COMPANY	
(Amounts in euro)	**2009**	**2008**	**2009**	**2008**
Cash on hand and in banks	647.468	1.655.935	6.657	65.241
Short-term bank deposits	17.105.708	57.315.286	1.560.899	24.003.654
Total	**17.753.177**	**58.971.221**	**1.567.556**	**24.068.894**

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

15. Share capital

Company share capital stands at € 38,486,258 (2008: 38,486,258) divided into 101,279,627 (2008: 101,279,627) common unregistered shares with a nominal value of € 0.38 each.

16. Reserves

Statutory Reserve

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

Untaxed and special reserves

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

Notes to the Financial Statements

17. Loans and obligations from Finance Leases

	GROUP		COMPANY	
(Amounts in euro)	2009	2008	2009	2008
Long-term borrowings				
Bank loans	37.994.000	34.722.614	-	-
Bond loans	154.738.167	222.404.967	113.333.200	171.000.000
Total long-term borrowings	**192.732.167**	**257.127.581**	**113.333.200**	**171.000.000**
Short-term borrowings				
Bank loans	226.670.628	225.437.158	96.698.348	70.658.501
Total short-term borrowings	**226.670.628**	**225.437.158**	**96.698.348**	**70.658.501**
Total loans	**419.402.795**	**482.564.740**	**210.031.548**	**241.658.501**

The maturity dates of long-term debt are:

(Amounts in euro)				
Between 1 and 2 years	122.187.500	96.687.500	69.500.000	67.000.000
Between 2 and 5 years	70.544.667	160.440.081	43.833.200	104.000.000
	192.732.167	**257.127.581**	**113.333.200**	**171.000.000**

During 2009, the Company entered into bond loans with a group of banks which amounted to € 13,083,200 mainly in order to meet its needs for working capital. During the same period, the Company repaid loans totalling € 44,710,153 (both current and non-current).

At Group level, during 2009 the loans taken out amounted to € 32,192,485 while the sum of € 95,354,430 was repaid. The respective amounts for year 2008 came to € 62,709,820 and € 120,508,870.

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.

	GROUP		COMPANY	
	2009	2008	2009	2008
Average borrowing interest rate	3,38%	5,04%	3,32%	4,71%

Finance leases are paid as follows:

	GROUP	
(Amounts in euro)	2009	2008
Financial leasing liabilities - minimum leases		
Up to 1 year	-	6.069
Total	**-**	**6.069**

Notes to the Financial Statements

18. Liabilities for staff retirement benefits

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)	**2009**	**2008**	**2009**	**2008**
Balance sheet liabilities for:				
Non-funded retirement benefits	**4.971.824**	**4.819.750**	**2.648.352**	**2.615.178**
Present value of non-funded liabilities	5.494.113	5.044.690	2.878.607	2.723.929
Non-recorded actuarial (profits)/losses	(522.289)	(228.507)	(230.255)	(108.751)
Non-recorded cost of past service	-	3.567	-	-
Liability recorded in the Balance Sheet	**4.971.824**	**4.819.750**	**2.648.352**	**2.615.178**
Variations in net liability recognised in the Balance Sheet				
Net liability at the beginning of the year	4.819.750	4.581.733	2.615.178	2.559.886
Benefits that have been paid	(2.114.027)	(1.331.689)	(1.691.688)	(970.812)
Total expenditure that was recognised in the profit and loss accounts	2.266.101	1.569.705	1.724.862	1.026.104
Net liability at the end of the year	**4.971.824**	**4.819.750**	**2.648.352**	**2.615.178**
Analysis of expenditures that were recognised in the profit and loss accounts				
Cost of current employment	419.127	461.686	214.842	220.096
Interest on the liability	260.578	223.929	145.019	127.087
Cost of additional benefits	1.584.780	880.267	1.365.001	678.921
Expenses & amortization of actual loss	1.616	3.823	-	-
Total expenditure that was recognised in the profit and loss accounts	**2.266.101**	**1.569.705**	**1.724.862**	**1.026.104**

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

	GROUP		COMPANY	
	2009	**2008**	**2009**	**2008**
Discount interest rate	5,00%	5,50%	5,00%	5,50%
Future salary increases	4,50%	4,50%	4,50%	4,50%

Notes to the Financial Statements

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

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.

Notes to the Financial Statements

19. Grants

	GROUP		COMPANY	
(Amounts in euro)	2009	2008	2009	2008
Opening balance of the fiscal year	**1.553.534**	**1.921.860**	**1.059.349**	**1.265.236**
Proceeds from investement grants	1.348.900	-	1.348.900	-
Depreciation of grants	(456.800)	(368.326)	(330.624)	(205.887)
Closing balance of the fiscal year	**2.445.634**	**1.553.534**	**2.077.625**	**1.059.349**

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

Grants have been provided for the purchase of tangible assets. Company grants concern investments made over the previous years at the plant of brass bars and tubes and the Foundry. During the year 2009, the Group took the first instalment of grant totalling € 1,348,900 for investments made in the Tubes Plant.

20. Provisions

During the current year, the Company set up additional provisions totalling € 138,902 (2008: € 268,459) as supplementary provision of proportionate interest for the fine imposed by the European Competition Commission. According to an opinion of the Company's legal consultants the decision will be issued during the year 2010.

During the year 2009, the Group raised a provision for open tax years which amounts to € 100,040 while the Company has not raised any provision due to tax losses that must be offset.

The decrease of long-term provisions is due to used provisions for open tax years.

21. Suppliers and other liabilities

	GROUP		COMPANY	
(Amounts in euro)	2009	2008	2009	2008
Suppliers	28.543.406	42.953.900	9.612.972	24.060.302
Cheques payable	12.728	51.375	-	-
Customer down payments	3.669.155	4.821.878	2.532.832	4.044.104
Insurance organisations	2.279.160	2.304.988	1.183.583	1.285.748
Amounts due to affiliated entities	11.131.507	14.022.600	3.912.543	2.669.805
Dividends payable	23.219	34.778	14.315	20.335
Proportion of third parties to dividents payable	-	9.408	-	-
Sundry creditors	3.520.563	4.636.661	590.450	1.325.590
Deferred income	102.946	5.117	-	-
Accrued expenses	2.808.737	5.396.854	1.100.416	3.005.676
Other transitory accounts	3.387.920	2.477.971	157.431	1.193.551
Total	**55.479.342**	**76.715.531**	**19.104.541**	**37.605.113**

Notes to the Financial Statements

22. Expenses

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

GROUP

2008

(Amounts in euro)	Cost of sales	Distribution expenses	Administrative expenses	Total
Employee benefits	(50.836.921)	(7.964.790)	(13.394.715)	**(72.196.426)**
Depreciation	(23.063.995)	(291.879)	(1.149.280)	**(24.505.155)**
Other Expenses	(1.106.509.014)	(8.824.445)	(9.494.074)	**(1.124.827.533)**
Total	**(1.180.409.931)**	**(17.081.115)**	**(24.038.068)**	**(1.221.529.114)**

2009

	Cost of sales	Distribution expenses	Administrative expenses	Total
Employee benefits	(45.749.895)	(8.313.035)	(12.432.626)	**(66.495.556)**
Depreciation	(24.889.480)	(313.988)	(991.800)	**(26.195.268)**
Other Expenses	(576.292.070)	(6.908.623)	(8.737.876)	**(591.938.569)**
Total	**(646.931.445)**	**(15.535.645)**	**(22.162.303)**	**(684.629.393)**

COMPANY

2008

(Amounts in euro)	Cost of sales	Distribution expenses	Administrative expenses	Total
Employee benefits	(23.262.422)	(3.689.281)	(6.804.483)	**(33.756.186)**
Depreciation	(10.399.562)	(209.755)	(353.792)	**(10.963.108)**
Other Expenses	(594.347.989)	(4.084.511)	(5.521.784)	**(603.954.283)**
Total	**(628.009.972)**	**(7.983.546)**	**(12.680.058)**	**(648.673.577)**

2009

	Cost of sales	Distribution expenses	Administrative expenses	Total
Employee benefits	(18.466.423)	(3.922.597)	(5.797.525)	**(28.186.544)**
Depreciation	(11.373.177)	(236.559)	(273.511)	**(11.883.247)**
Other Expenses	(305.243.470)	(3.087.504)	(5.117.797)	**(313.448.771)**
Total	**(335.083.069)**	**(7.246.660)**	**(11.188.834)**	**(353.518.563)**

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

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

	GROUP		**COMPANY**	
(Amounts in euro)	**2009**	**2008**	**2009**	**2008**
Employee renumeration & expenses	52.763.210	57.033.768	22.241.166	26.436.419
Social security expenses	12.243.745	13.463.707	5.271.690	6.293.663
Retirement benefit usage	(1.051.173)	-	(1.051.173)	-
Retirement cost of fixed benefits schemes	2.266.101	1.569.705	1.724.862	1.026.104
Other Benefits	273.674	129.247	-	-
Total	**66.495.556**	**72.196.426**	**28.186.544**	**33.756.186**

The number of staff employed by the Company at the end of the current year was: 716 (2008: 742) and as for the Group: 2,270 (2008: 2,424).

Notes to the Financial Statements

23. Financial expenses/income

	GROUP		COMPANY	
(Amounts in euro)	**2009**	**2008**	**2009**	**2008**
Income				
Interest income	2.196.760	627.990	202.476	272.022
Total income	**2.196.760**	**627.990**	**202.476**	**272.022**
Expenses				
Interest charges & related expenses	(17.649.390)	(36.490.134)	(6.978.652)	(16.625.425)
Impairment of participations	(94.324)	(309.501)	(94.324)	(309.501)
Total expenses	**(17.743.714)**	**(36.799.635)**	**(7.072.977)**	**(16.934.926)**
Financial cost (net)	**(15.546.955)**	**(36.171.645)**	**(6.870.501)**	**(16.662.904)**

During the year 2009, the Group recognized the impairment of its holding in the subsidiary AKRO S.A. which totalled € 94,324 (Note 8 to Financial Statements).

24. 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

24. Income tax (cont'd)

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

(Amounts in euro)	GROUP		COMPANY	
	2009	**2008**	**2009**	**2008**
Tax of the fiscal year	(1.148.999)	(1.804.160)	-	-
Other taxes	(92.610)	(470.817)	(92.610)	(470.817)
Provision for tax	-	(369.992)	-	(250.000)
Deferred Taxes	4.089.544	11.281.917	2.156.008	8.814.436
Tax differences from tax audits	(57.168)	91.348	-	94.664
	2.790.767	**8.728.296**	**2.063.398**	**8.188.282**

Effective tax rate reconciliation

		GROUP			COMPANY	
		2009	**2008**		**2009**	**2008**
Earnings/(losses) before taxes		(22.056.168)	(56.375.126)		(13.251.258)	(23.372.632)
Tax rate		25%	25%		25%	25%
		5.514.042	**14.093.781**		**3.312.815**	**5.843.158**
Tax rate effects from foreign subsidiaries	7,64%	(1.685.829)	(5.935.487)	-	-	-
Non-deducted expenses	7,04%	(1.552.817)	(5.783.278)	11,83%	(1.567.195)	(2.928.497)
Exempt income	(16,39%)	3.614.639	2.748.440	(5,76%)	763.562	2.156.491
Tax loss for which a deferred tax was not recognised	2,14%	(471.019)	(90.996)	3,55%	(471.019)	-
Crearing tax losses	3,70%	(815.663)	(481.538)	-	-	-
Other changes	1,95%	(429.701)	-	-	-	-
Tax differences from tax audits	0,35%	(76.259)	(407.237)	-	-	(155.336)
Permanent tax differences	0,17%	(37.290)	-	-	-	-
Future profits from recalculation of properties	5,87%	(1.294.571)	310.203	-	-	-
Tax rate change	(0,11%)	25.236	4.274.407	(0,19%)	25.236	3.272.466
Total	**(12,65%)**	**2.790.767**	**8.728.296**	**(15,57%)**	**2.063.398**	**8.188.282**

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.

During the year 2009, the tax audit of years 2007 and 2008 of the subsidiary "Hellenic Cables" was completed and additional taxes totalling € 180,048 arose, for which adequate provision had been raised during previous years.

In addition, during 2009, an ordinary tax audit of the Company was carried out as for years 2007-2008 and was completed in March 2010. The audit imputed to the Company the total amount of € 218,602.80. The Company had already raised a provision and imputed the amount of € 500,000 to its financial statements for the years 2007 and 2008.

Notes to the Financial Statements

25. Other Operating expenses – income (net)

	GROUP		COMPANY	
(Amounts in euro)	**2009**	**2008**	**2009**	**2008**
Other income				
Grants of the fiscal year	97.670	93.500	97.670	93.500
Income from other activities	2.287.546	952.636	2.032.462	2.322.841
Depreciation of subsidies received	456.800	368.326	330.624	205.887
Foreign exchange differences	3.483.437	9.356.613	1.780.558	3.788.956
Damage compensation	54.900	93.557	54.900	93.557
Gains from the tangible assets sale	509.272	94.393	424.910	10.290
Other income	652.710	2.112.513	390.567	175.483
Total other income	**7.542.335**	**13.071.538**	**5.111.690**	**6.690.514**
Other expenses				
Production expenses not accounted for	-	(5.995)	-	-
Derivatives	(445.210)	-	(445.210)	-
Impairment of investments	(3.256)	(165.166)	-	(17.194)
Foreign exchange differences	(2.934.328)	(9.382.709)	(1.249.501)	(3.754.370)
Losses from the sale of tangible assets	(1.033)	-	(1.033)	-
Losses from the sale of investments	(33.951)	-	(33.951)	-
Other expenses	(4.335.454)	(3.213.683)	(774.099)	(759.831)
Total	**(7.753.232)**	**(12.767.552)**	**(2.503.795)**	**(4.531.395)**
Other operating income - expenses (net)	**(210.897)**	**303.986**	**2.607.895**	**2.159.119**
Dividend Income	**64.754**	**97.579**	**982.603**	**4.552.295**
Profits / (losses) from afiliate companies				
Profit from affiliated companies	333.276	832.136	-	-
Loss from affiliated companies	(1.125.590)	(203.435)	-	-
Total	**(792.315)**	**628.702**	**-**	**-**

Notes to the Financial Statements

26. 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 2009, the Group had an amount of € 17.8 million as cash and the necessary credit lines that are approved but are not used so as to meet its short- and medium-term obligations easily.

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

Notes to the Financial Statements

26. Financial Instruments (cont'd)

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).

Notes to the Financial Statements

26. Financial Instruments (cont'd)

(a) Credit Risk

The Financial assets subject to credit risk are as follows:

	Balance sheet values			
	GROUP		**COMPANY**	
(Amounts in euro)	**2009**	**2008**	**2009**	**2008**
Financial assets available for sale	4.301.447	1.679.181	3.846.188	1.349.346
Financial assets at fair value through results	8.231	8.231	-	-
Trade and other recievables	117.209.746	138.750.831	73.967.569	54.189.481
Cash on hand and equivalent cash accounts	17.753.177	58.971.221	1.567.556	40.767.188
Derivatives	1.911.638	11.432.963	245.420	9.576.673
Total	**141.184.239**	**210.842.427**	**79.626.733**	**105.882.688**

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

Clients	**GROUP**		**COMPANY**	
(Amounts in euro)	**2009**	**2008**	**2009**	**2008**
Current	99.420.460	112.692.819	65.012.038	48.447.758
Pastdue				
Until 6 months	10.475.188	18.943.934	3.769.662	1.678.647
Beyond 6 months	7.314.097	7.114.077	5.185.869	4.063.076
Total	**117.209.746**	**138.750.831**	**73.967.569**	**54.189.481**

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

	GROUP		**COMPANY**	
(Amounts in euro)	**2009**	**2008**	**2009**	**2008**
Balance as of January 1	**3.137.777**	**3.208.400**	**1.185.640**	**1.150.114**
Loss for the period	1.435.269	277.336	20.669	35.525
Erasure	(882.765)	(347.959)	-	-
Foreign exchange differences	(38.497)	-	-	-
Balance as of December 31	**3.651.783**	**3.137.777**	**1.206.309**	**1.185.640**

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

Notes to the Financial Statements

26. Financial Instruments (cont'd)

(b) Liquidity risk

GROUP

31 December 2009

(Amounts in euro)

Liabilities	**Value of Balance Sheet**	**<1 year**	**1-2 years**	**2-5 years**	**> 5 years**	**Total**
Bank lending	**177.664.628**	139.670.628	22.687.500	15.306.500	-	**177.664.628**
Bond loans	**241.738.167**	87.000.000	99.500.000	55.238.167	-	**241.738.167**
Suppliers and other liabilities	**55.479.342**	55.178.051	118.963	42.098	140.230	**55.479.342**
	474.882.137	**281.848.679**	**122.306.463**	**70.586.765**	**140.230**	**474.882.137**

Derivatives	**Value of Balance Sheet**	**<1 year**	**1- 2 years**	**2-5 years**	**> 5 years**	**Total**
Nominal value of interest rate swaps	**60.000.000**	-	26.250.000	33.750.000	-	**60.000.000**
Nominal value of fx forward (in USD)	**(13.650.649)**	(13.650.649)	-	-	-	**(13.650.649)**
Nominal value of fx forward (in GBP)	**6.546.421**	6.546.421	-	-	-	**6.546.421**
Nominal value of Cu derivatives	**(41.770.803)**	(41.770.803)	-	-	-	**(41.770.803)**
Nominal value of Zn derivatives	**(2.598.377)**	(2.598.377)	-	-	-	**(2.598.377)**
Nominal value of Ni derivatives	**(618.325)**	(618.325)	-	-	-	**(618.325)**
Nominal value of Al derivatives	**2.072.101**	2.072.101	-	-	-	**2.072.101**

COMPANY

31 December 2009

Liabilities	**Value of Balance Sheet**	**<1 year**	**1- 2 years**	**2-5 years**	**> 5 years**	**Total**
Bank lending	**29.698.348**	29.698.348	-	-	-	**29.698.348**
Bond loans	**180.333.200**	67.000.000	69.500.000	43.833.200	-	**180.333.200**
Suppliers and other liabilities	**19.104.541**	19.104.541	-	-	-	**19.104.541**
	229.136.089	**115.802.889**	**69.500.000**	**43.833.200**	**-**	**229.136.089**

Derivatives	**Value of Balance Sheet**	**<1 year**	**1- 2 years**	**2-5 years**	**> 5 years**	**Total**
Nominal value of interest rate swaps	**48.750.000**	-	16.250.000	32.500.000	-	**48.750.000**
Nominal value of fx forward (in USD)	**(8.442.338)**	(8.442.338)	-	-	-	**(8.442.338)**
Nominal value of fx forward (in GBP)	**2.677.733**	2.677.733	-	-	-	**2.677.733**
Nominal value of Cu derivatives	**(34.966.996)**	(34.966.996)	-	-	-	**(34.966.996)**
Nominal value of Zn derivatives	**(3.211.350)**	(3.211.350)	-	-	-	**(3.211.350)**
Nominal value of Ni derivatives	**(274.811)**	(274.811)	-	-	-	**(274.811)**
Nominal value of Al derivatives	**(32.941)**	(32.941)	-	-	-	**(32.941)**

Notes to the Financial Statements

26. Financial risk management (cont'd)

(b) Liquidity risk (cont'd)

GROUP
31 December 2008

Liabilities	Value of Balance Sheet	<1 year	1- 2 years	2-5 years	> 5 years	Total
Bank lending	**163.159.773**	128.437.159	9.687.500	25.035.114	-	**163.159.773**
Bond loans	**319.404.967**	97.000.000	87.000.000	135.404.967	-	**319.404.967**
Liabilities from leasing activities	**6.069**	6.069	-	-	-	**6.069**
Suppliers and other liabilities	**76.715.531**	76.631.874	28.448	55.209	-	**76.715.531**
	559.286.340	**302.075.102**	**96.715.948**	**160.495.290**	**-**	**559.286.340**

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	-	-	-	**68.700.000**
Nominal value of fx forward (in USD)	**(696.984)**	(696.984)	-	-	-	**41.950.924**
Nominal value of fx forward (in GBP)	**8.953.974**	8.703.661	250.313	-	-	**31.480.423**
Nominal value of Cu derivatives	**(43.421.000)**	(42.733.710)	(687.291)	-	-	**27.382.652**
Nominal value of Zn derivatives	**(2.729.546)**	(2.729.546)	-	-	-	**(1.090.068)**
Nominal value of Ni derivatives	**(448.851)**	(448.851)	-	-	-	**(209.639)**
Nominal value of Al derivatives	**18.083**	18.083	-	-	-	**803.437**

COMPANY
31 December 2008

Liabilities	Value of Balance Sheet	<1 year	1- 2 years	2-5 years	> 5 years	Total
Bank lending	**2.408.501**	2.408.501	-	-	-	**2.408.501**
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

26. Financial Instruments (cont'd)

(c) Exchange rate risk

GROUP	2009							
(Amounts in euro)	EURO	USD	GBP	LEVA	RSD	RON	OTHER	TOTAL
Clients and other receivables	101.323.548	3.092.620	26.356.855	7.212.064	1.048.459	8.414.597	63.581	**147.511.723**
Borrowing	(400.438.315)	(2.023.440)	(10.593.976)	-	(500.000)	(5.847.065)	-	**(419.402.795)**
Suppliers and other liabilities	(25.934.406)	(1.682.733)	(19.204.045)	(3.131.834)	(2.313.397)	(3.117.970)	(94.957)	**(55.479.342)**
Cash on hand and equivalent cash accounts	15.639.500	76.863	1.079.588	38.359	728.556	185.495	4.815	**17.753.177**
	(309.409.673)	**(536.691)**	**(2.361.578)**	**4.118.589**	**(1.036.382)**	**(364.943)**	**(26.561)**	**(309.617.237)**
Forwards (Nominal Value)	(2.959.288)	(3.234.027)	(9.849.866)	-	-	-	-	**(16.043.181)**
Total	**(312.368.961)**	**(3.770.718)**	**(12.211.443)**	**4.118.589**	**(1.036.382)**	**(364.943)**	**(26.561)**	**(325.660.419)**

COMPANY	2009							
(Amounts in euro)	EURO	USD	GBP	LEVA	RSD	RON	OTHER	TOTAL
Clients and other receivables	71.026.028	871.017	10.164.121	-	-	-	3.081	**82.064.246**
Borrowing	(202.574.434)	(947.096)	(6.510.018)	-	-	-	-	**(210.031.548)**
Suppliers and other liabilities	(17.728.162)	(999.357)	(374.674)	-	-	-	(2.348)	**(19.104.541)**
Cash on hand and equivalent cash accounts	1.561.875	2.218	3.463	-	-	-	-	**1.567.556**
	(147.714.693)	**(1.073.219)**	**3.282.893**	**-**	**-**	**-**	**732**	**(145.504.287)**
Forwards (Nominal Value)	-	(8.442.338)	(2.677.733)	-	-	-	-	**(11.120.071)**
Total	**(147.714.693)**	**(9.515.557)**	**605.159**	**-**	**-**	**-**	**732**	**(156.624.358)**

GROUP	2008							
(Amounts in euro)	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							
(Amounts in euro)	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)**

Notes to the Financial Statements

26. Financial Instruments (cont'd)

(c) Exchange rate risk (cont'd)

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

GROUP	**P & L**		**EQUITY**	
(Amounts in euro)	**2009**	**2008**	**2009**	**2008**
USD	(59.632)	245.229	(359.336)	(188.552)
GBP	(279.013)	(991.864)	(1.077.814)	(506.835)
LEVA	-	-	457.621	487.707
RON	-	-	(40.549)	-
RSD	-	-	(115.154)	(113.142)
OTHER	(2.951)	1.969	-	-

COMPANY	**P & L**		**EQUITY**	
(Amounts in euro)	**2009**	**2008**	**2009**	**2008**
USD	(119.247)	199.965	(938.038)	(188.552)
GBP	67.240	269.308	-	(506.835)
OTHER	81	(2.127)	-	-

(d) Interest rate risk

The risk from interest rate fluctuations is
(Amounts in euro)

	GROUP		**COMPANY**	
	2009	**2008**	**2009**	**2008**
Fixed rate				
Financial Liabilities	64.218.750	24.656.250	48.750.000	12.500.000
	64.218.750	**24.656.250**	**48.750.000**	**12.500.000**
Floating rate				
Financial Liabilities	355.184.045	457.914.558	161.281.548	229.158.501
	355.184.045	**457.914.558**	**161.281.548**	**229.158.501**

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

GROUP	**P & L**		**EQUITY**	
	2009	**2008**	**2009**	**2008**
Floating rate	(1.141.844)	(1.779.753)	-	-
Interest rate swaps	90.049	18.132	69.121	7.911

COMPANY	**P & L**		**EQUITY**	
	2009	**2008**	**2009**	**2008**
Floating rate	(510.254)	(868.567)	-	-
Interest rate swaps	61.924	10.547	46.443	7.911

Notes to the Financial Statements

26. Financial risk management (cont'd)

(e) Classification of financial assets measured at fair value

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

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

GROUP

	2009			
(Amounts in euro)	**Level 1**	**Level 2**	**Level 3**	**Total**
Available for sale financial assets	-	1.911.638	-	**1.911.638**
Derivative financial assets	-	-	4.301.447	**4.301.447**
	-	**1.911.638**	**4.301.447**	**6.213.085**
Derivative financial liabilities	-	(9.855.667)	-	**(9.855.667)**
	-	**(7.944.029)**	**4.301.447**	**(3.642.582)**

	2008			
(Amounts in euro)	**Level 1**	**Level 2**	**Level 3**	**Total**
Available for sale financial assets	-	11.432.963	-	**11.432.963**
Derivative financial assets	-	-	1.679.181	**1.679.181**
	-	**11.432.963**	**1.679.181**	**13.112.144**
Derivative financial liabilities	-	(7.016.212)	-	**(7.016.212)**
	-	**4.416.751**	**1.679.181**	**6.095.931**

COMPANY

	2009			
(Amounts in euro)	**Level 1**	**Level 2**	**Level 3**	**Total**
Available for sale financial assets	-	245.420	-	**245.420**
Derivative financial assets	-	-	3.846.188	**3.846.188**
	-	**245.420**	**3.846.188**	**4.091.608**
Derivative financial liabilities	-	(5.151.328)	-	**(5.151.328)**
	-	**(4.905.908)**	**3.846.188**	**(1.059.720)**

	2008			
(Amounts in euro)	**Level 1**	**Level 2**	**Level 3**	**Total**
Available for sale financial assets	-	9.576.673	-	**9.576.673**
Derivative financial assets	-	-	1.349.346	**1.349.346**
	-	**9.576.673**	**1.349.346**	**10.926.019**
Derivative financial liabilities	-	(5.016.403)	-	**(5.016.403)**
	-	**4.560.270**	**1.349.346**	**5.909.616**

Notes to the Financial Statements

27. Commitments

The contractual obligations amounting to € 697,000 concern commitments of the subsidiary SOFIA MED S.A. for purchases of mechanical equipment.

The Group rents lifting, fork-lift trucks and passenger cars. During the year ended 31 December 2009, expenses amounting to € 487,855 were posted to Company Results (2008: € 460,929) while expenses equal to € 1,115,106 were posted to Group Results (2008: 1,174,422).

(Amounts in euro)	GROUP		COMPANY	
	2009	2008	2009	2008
Up to 1 year	779.703	939.934	173.424	298.763
From 1-5 year	801.648	1.003.576	109.294	258.515
More than 5 year	36.595	34.121	-	-
	1.617.946	**1.977.631**	**282.718**	**557.277**
Total charge on results	**1.115.106**	**1.174.422**	**487.855**	**460.929**

28. 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 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 2008 the cumulative provision for the proportionate interest came to € 973,688 while an additional provision was raised for this year that stands at € 138,902.

Mortgages totalling € 3.9 mio have also been registered on the properties of the subsidiary SOFIA MED.

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

(Amounts in euro)	GROUP			COMPANY	
Liabilities	**2009**	**2008**		**2009**	**2008**
Letters of guarantee for securing liabilities to suppliers	12.159.777	6.062.983	-	11.447.723	4.365.202
Letters of guarantee for securing the good performance of contracts with customers	16.786.545	28.449.642	-	2.938	-
Provided mortgages and prenotation of mortgages – Land & Buildings	3.937.828	4.146.901	-	-	-
Letters of guarantee for securing the good performance of contracts with suppliers	1.180.055	1.619.518		1.180.055	1.619.518
Other liabiities	13.421.155	9.160.000	-	9.160.000	9.160.000
Total	**47.485.360**	**49.439.044**	-	**21.790.715**	**15.144.721**

	GROUP			COMPANY	
Receivables	**2009**	**2008**		**2009**	**2008**
Letters of guarantee for securing receivables from customers	497.729	2.463.206	-	-	-
Other Receivables	-	816.375	-	-	66.375
Total	**497.729**	**3.279.581**	-	**-**	**66.375**

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

Notes to the Financial Statements

29. Transactions with affiliated parties

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

	GROUP		COMPANY	
(Amounts in euro)	**2009**	**2008**	**2009**	**2008**
Sale of goods				
Subsidiaries	-	-	81.475.394	92.542.569
Associates	51.228.501	93.704.869	31.021.371	59.867.429
Other affliated parties	26.032.345	14.758.392	3.671.352	5.277.945
	77.260.846	**108.463.262**	**116.168.116**	**157.687.944**
Sale of services				
Subsidiaries	-	-	4.520.281	1.936.513
Associates	734.611	943.377	106.018	113.084
Other affliated parties	4.725.916	20.670.368	979.844	1.153.207
	5.460.527	**21.613.745**	**5.606.143**	**3.202.804**
Sale of fixed assets				
Subsidiaries	-	-	201.838	-
Other affliated parties	881.018	563.144	881.018	382.573
	881.018	**563.144**	**1.082.856**	**382.573**
Purchase of goods				
Subsidiaries	-	-	21.139.909	85.844.921
Associates	354.637	153.930	606	152.237
Other affliated parties	67.155.205	60.611.048	13.666.256	25.193.838
	67.509.842	**60.764.978**	**34.806.771**	**111.190.996**
Purchase of services				
Subsidiaries	-	-	3.202.002	3.699.928
Associates	1.515.272	2.206.019	1.223.558	1.482.673
Other affliated parties	3.882.389	8.654.034	3.125.815	1.465.437
	5.397.661	**10.860.053**	**7.551.375**	**6.648.038**
Purchase of fixed assets				
Subsidiaries	-	-	208.798	913.159
Associates	91.163	75.209	70.340	70.443
Other affliated parties	2.232.767	5.060.497	1.398.300	1.742.947
	2.323.930	**5.135.706**	**1.677.438**	**2.726.549**

Notes to the Financial Statements

29. Transactions with affiliated parties (cont'd)

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

	GROUP		COMPANY	
(Amounts in euro)	**2009**	**2008**	**2009**	**2008**
Receivables from affiliated parties :				
Subsidiaries	-	-	40.307.883	15.615.822
Associates	16.892.005	9.328.099	10.409.423	5.667.871
Other affliated parties	15.003.181	11.310.513	4.981.789	2.464.887
	31.895.186	**20.638.612**	**55.699.095**	**23.748.580**
Liabilities to affiliated parties:				
Subsidiaries	-	-	797.797	1.559.190
Associates	412.326	498.970	301.622	345.410
Other affliated parties	10.719.181	13.523.630	2.813.124	765.205
	11.131.507	**14.022.600**	**3.912.543**	**2.669.805**

Benefits to Management

	GROUP		COMPANY	
(Amounts in euro)	**2009**	**2008**	**2009**	**2008**
Management Remunerations at employee expenses	3.425.312	3.416.525	2.432.574	1.934.967
Benefits from discontinued co-operation	272.984	-	-	-
	3.698.296	**3.416.525**	**2.432.574**	**1.934.967**
Receivables from managers and BoD members	**24.269**	**24.269**	**24.269**	**24.269**

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

30. Basic and diluted earnings per share

	GROUP		COMPANY	
(Amounts in Euro and number of shares)	**2009**	**2008**	**2009**	**2008**
Profits corresponding to the parent company's shareholders	(19.375.369)	(48.224.358)	(11.187.860)	(15.184.350)
Weighted average numbers of shares	101.279.627	101.279.627	101.279.627	101.279.627
Basic profits per share	**(0,1913)**	**(0,4762)**	**(0,1105)**	**(0,1499)**

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

Notes to the Financial Statements

31. Open tax periods

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

Company name:	Country	Percentage holding	Consolidation method	Unaudited Fin. Years
HALCOR S.A.	GREECE	PARENT	-	2007-2009
HELLENIC CABLES S.A.	GREECE	78,71%	Full consolidation	200900,00%
STEELMET S.A.	GREECE	52,83%	Full consolidation	2006-2009
AKRO S.A.	GREECE	95,74%	Full consolidation	2007-2009
SOFIA MED S.A.	BULGARIA	100,00%	Full consolidation	2008-2009
METAL AGENCIES L.T.D.	UK	92,98%	Full consolidation	-
BELANTEL HOLDINGS L.T.D.	CYPRUS	100,00%	Full consolidation	1999-2009
METAL GLOBE D.O.O.	SERBIA	53,61%	Full consolidation	-
COPPERPROM LTD	GREECE	71,49%	Full consolidation	2003-2009
SYLLAN S. A.	GREECE	100,00%	Full consolidation	2005-2009
HABAKIS LTD - LICENSE & DISTRIBUTION	GREECE	100,00%	Full consolidation	2007-2009
DIAPEM TRADING S.A.	GREECE	33,33%	Equity method	2007-2009
ELKEME S.A.	GREECE	30,90%	Equity method	2007-2009
ENERGY SOLUTIONS S.A.	BULGARIA	38,60%	Equity method	2005-2009
VIEXAL LTD	GREECE	26,67%	Equity method	2003-2009

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.

32. Fees auditors

The fees of the Group’s and the Company’s auditors for the year 2009 amounted to € 216,200 and € 127,700 respectively.

33. Subsequent events

No events took place after the date the financial statements were prepared to which special reference should be made with the exception of the outcome of the tax audit of the years 2007-2008 (See Note 24).

Facts and Information on the year from 1 January to 31 December 2009

Company's No in the Reg. of SA: 2836/06/86/48
Address: Athens Tower, Building B, 2-4, Messoghion Avenue, 11527, Athens
FINANCIAL DATA AND INFORMATION for the fiscal year from January 1, 2009 to December 31, 2009
(According to article 135 of Law 2190/20 for companies publishing annual financial statements, individual and consolidated, in accordance with IAS/IFRS)

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

Supervising Authority: Ministry of Economy & Development
Website of the Company: www.halcor.gr
Board of Directors: T. Papageorgopoulos (Chairman, Executive member), N. Koudounis (Vice Chairman, Executive member), P. Sapountzis, E. Kotsambasakis, T. Kassapoglou (Executive members), G. Passas, K. Bakouris, C.A. Komninos, A. Katsanos (Non-executive members), A. Kiriazis and N. Galetas (Independent, non-executive members)
Date of approval of the financial statements: March 22, 2010
Certified Auditor : Harry Sirounis (Reg.No. SOEL 19071)
Audit firm : KPMG Certified Auditors, S.A.
Review type: Unqualified opinion

DATA FROM STATEMENT OF FINANCIAL POSITION (amounts in €)

	GROUP		COMPANY	
	31-Dec-09	31-Dec-08	31-Dec-09	31-Dec-08
ASSETS				
Own use Fixed assets	330.276.516	332.292.304	142.983.596	146.973.289
Investments in real estate	2.152.565	2.152.565	-	-
Intangible Assets	965.485	1.127.298	277.741	215.417
Other non current assets	17.322.827	13.948.825	116.784.907	114.340.293
Inventories	184.408.321	212.260.580	75.037.948	96.334.817
Trade receivables	129.450.574	150.575.981	74.922.194	55.565.191
Other current assets	19.981.018	46.224.097	7.387.472	34.928.476
Cash and cash equivalents	17.753.177	58.971.221	1.567.556	40.767.188
TOTAL ASSETS	702.310.482	817.552.871	418.961.413	489.124.671
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	121.877.971	149.369.471	124.040.922	141.096.004
Company's shareholders equity (a)	160.364.229	187.855.729	162.527.180	179.582.262
Minority interests (b)	24.510.911	25.657.120	-	-
Total equity (c) = (a) + (b)	184.875.140	213.512.849	162.527.180	179.582.262
Long term borrowings liabilities	192.732.167	257.127.581	113.333.200	171.000.000
Provisions / Other long term liabilities	22.402.914	25.107.457	15.693.677	18.496.366
Short term borrowings liabilities	226.670.628	225.443.227	96.698.348	70.658.501
Other short term liabilities	75.629.633	96.361.756	30.709.009	49.387.542
Total liabilities (d)	517.435.342	604.040.022	256.434.234	309.542.409
TOTAL EQUITY AND LIABILITIES (c) + (d)	702.310.482	817.552.871	418.961.413	489.124.671

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

	GROUP		COMPANY	
	31-Dec-09	31-Dec-08	31-Dec-09	31-Dec-08
Net equity at the beginning of the Period (1/1/2009 and 1/1/2008 respectively)	213.512.849	265.650.524	179.582.262	193.747.377
Total comprehensive income after taxes	(28.293.076)	(43.800.567)	(17.055.082)	(8.088.338)
	185.219.772	221.849.958	162.527.180	185.659.039
Increase / (decrease) of share capital	-	-	-	-
Dividends distributed	(1.055.990)	(8.337.109)	-	(6.076.778)
Capitalization of subsidiary losses	711.357	-	-	-
Purchases / (sales) of own shares	-	-	-	-
Net equity at the end of the period (31/12/2009 and 31/12/2008 respectively)	184.875.140	213.512.849	162.527.180	179.582.262

DATA FROM CASH FLOW STATEMENT (Amounts in €)

	GROUP		COMPANY	
	1.01 - 31.12.2009	1.01 - 31.12.2008	1.01 - 31.12.2009	1.01 - 31.12.2008
Operating activities				
Profits / (Losses) before taxes	(22.056.168)	(56.375.126)	(13.251.258)	(23.372.632)
Plus / less adjustments for:				
Depreciation of assets	26.603.035	24.911.513	11.883.247	10.963.108
Grants Amortization	(456.800)	(368.326)	(330.624)	(205.887)
Provisions	572.901	68.369.221	159.572	37.733.665
Results (income, expenses, profits, losses) from investing activities	(1.469.199)	(1.354.270)	(1.185.079)	(4.824.316)
Interest payable and related expenses	17.649.390	36.490.134	6.978.652	16.625.425
(Profit)/loss from the sale of fixed assets	(508.239)	(94.393)	(423.876)	(10.290)
(Profit)/loss from the sale of investments	33.951	-	33.951	-
(Profit)/loss from the sale of fixed assets in properties	-	(5.948)	-	-
(Profit)/loss from the fair value of derivatives	3.508.756	-	1.643.217	-
Loss from the destruction of fixed assets	101.997	302.220	-	17.194
Impairment of participations	-	-	94.324	309.501
Plus / Less adjustments for changes in working capital accounts or related to operating activities:				
Decrease / (increase) of inventories	27.852.259	2.595.802	21.296.869	(25.477.107)
Decrease / (increase) of receivables	37.388.374	98.342.145	(1.044.480)	54.564.637
(Decrease) / Increase of obligations (except banks)	(18.463.080)	(2.470.084)	(16.221.944)	11.740.133
Less:	-	-	-	-
Interest payable and related expenses paid	(20.943.315)	(37.073.856)	(9.504.878)	(17.754.193)
Taxes paid	(1.977.448)	(4.427.702)	-	(539.410)
Total cash (used in) generated from operating activities (a)	**47.836.412**	**128.841.328**	**127.695**	**59.769.829**
Investing activities				
Acquisition-sale of subsidiaries, affiliated com., consortiums and other investments	(2.656.217)	(408.000)	(2.696.331)	(17.400.699)
Purchase of tangible and intangible fixed assets	(28.845.043)	(47.148.620)	(10.002.593)	(19.767.242)
Receivables from sale of tangible and intangible fixed assets	3.081.360	600.143	2.470.592	391.019
Sales of investment properties	-	85.728	-	-
Interest received	2.196.760	627.990	202.476	272.022
Dividends received	64.754	97.579	982.603	4.552.295
Total cash (used in) generated from investing activities (b)	**(26.158.385)**	**(46.145.180)**	**(9.043.253)**	**(31.952.605)**
Financing activities				
Issue of common shares	-	-	-	-
Receivables from issued / assumed loans	32.192.485	62.709.820	13.083.200	55.000.000
Loans paid up	(95.354.430)	(120.508.870)	(44.710.153)	(60.023.826)
Repayments of financial leasing liabilities (capital installments)	(6.069)	(11.858)	-	-
Receivables from grants	1.348.900	-	1.348.900	-
Dividends paid	(1.076.957)	(7.511.518)	(6.020)	(6.095.104)
Total cash (used in) generated from financing activities (c)	**(62.896.071)**	**(65.322.426)**	**(30.284.073)**	**(11.118.930)**
Net increase / (decrease) in cash and cash equivalents for the year (a)+(b)+(c)	**(41.218.044)**	**17.373.722**	**(39.199.632)**	**16.698.293**
Cash and cash equivalents at the beginning of the year	58.971.221	41.597.499	40.767.188	24.068.894
Cash and cash equivalents at the end of the year	**17.753.177**	**58.971.221**	**1.567.556**	**40.767.188**

DATA FROM STATEMENT OF COMPREHENSIVE INCOME (Amounts in €)

	GROUP		COMPANY	
	1 Jan - 31 Dec 2009	1 Jan - 31 Dec 2008	1 Jan - 31 Dec 2009	1 Jan - 31 Dec 2008
Total turnover	**679.058.638**	**1.200.295.367**	**343.547.307**	**635.252.436**
Gross Profit / (loss)	**32.127.192**	**19.885.436**	**8.464.238**	**7.242.463**
Profit / (loss) before taxes, financing and investing results	**(5.781.653)**	**(20.929.762)**	**(7.363.360)**	**(11.262.023)**
Profit / (loss) before taxes	**(22.056.168)**	**(56.375.126)**	**(13.251.258)**	**(23.372.632)**
Less: Taxes	**2.790.767**	**8.728.296**	**2.063.398**	**8.188.282**
Profit / (loss) after taxes (A)	(19.265.401)	(47.646.830)	(11.187.860)	(15.184.350)
Distributed to :				
Company's shareholders	(19.375.369)	(48.224.358)	(11.187.860)	(15.184.350)
Minority shareholders	109.968	577.528	-	-
	(19.265.401)	(47.646.830)	(11.187.860)	(15.184.350)
Other comprehensive income / (expenses) after taxes (B)	**(9.027.675)**	**3.846.263**	**(5.867.222)**	**7.096.012**
Total comprehensive income / (expenses) after taxes (A) + (B)	**(28.293.076)**	**(43.800.567)**	**(17.055.082)**	**(8.088.338)**
Distributed to :				
Company's shareholders	(28.191.873)	(43.253.926)	(17.055.082)	(8.088.338)
Minority shareholders	(101.204)	(546.640)	-	-
Profit per share after taxes - basic (in €)	(0,1913)	(0,4762)	(0,1105)	(0,1499)
Proposed dividend per share (in €)	-	-	-	-
Profit / (loss) before taxes, financing and investing results & depreciation	20.364.581	3.613.426	4.189.263	(504.802)

Additional data and information :

1. The Group's companies and their locations, the percentage participation of their share capital that the Group owns as well as the consolidation method used to incorporate them in the consolidated financial statements of the fiscal year of 2009, are analytically presented in Note No. 31 of the financial statements.
2. 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.
3. The financial statements of the Company are included in the consolidated financial statements prepared by the following company:

Company	Country of the Reg.Office	Percentage holding	Consolidation method
VIOHALCO S.A.	GREECE	59,89%	Full consolidation

4. There are no pending court decisions or claims under arbitration, which may have a significant effect on the financial position of the Company and the Group.
5. The number of the personnel at the end of the current year was: Company 716 (31/12/2008 : 742), Group 2.270 (31/12/2008: 2.424).
6. There are mortgages, amounting in total to Euro 3,9 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.
7. There has been provision accounted for tax unaudited fiscal years of the Group: € 660 thou., of the Company: € 500 thou. The remaining provisions as of 31.12.2009 amount for the Group € 300 thous. and for the Company € 107 thous. Regarding the fine imposed on the Company by the European Competition Commission, the Company has accounted for provision amounting € 6,1 mil. (see notes 20 & 28 of the Financial Statements).
8. 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 current year, resulting from its transactions with related parties following the IAS 24 are as follows:

	GROUP	COMPANY
i) Sales	83.602.391	122.857.115
ii) Purchases	75.231.433	44.035.585
iii) Receivables	31.895.186	55.699.095
iv) Obligations	11.131.507	3.912.543
v) Transactions & fees of higher executives and managers	3.698.296	2.432.574
vi) Receivables from higher executives and managers	24.269	24.269
vii) Liabilities to higher executives and managers	-	-

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

	GROUP		COMPANY	
	1 Jan - 31 Dec 2009	1 Jan - 31 Dec 2008	1 Jan - 31 Dec 2009	1 Jan - 31 Dec 2008
Income tax for the period	(1.298.777)	(2.553.621)	(92.610)	(626.153)
Deferred tax for the period	4.089.544	11.281.917	2.156.008	8.814.436

10. The unaudited tax years of the Company and the companies of the Group are analytically presented in note No 31 of the financial statements.
11. The "Other Comprehensive Expenses" that was accounted directly at the Shareholders Equity without affecting the result of the period , concernes foreign exchange differences from consolidation of foreign subsidiaries (Group: € 2.409 thou.) and derivatives valuation from cash flow hedging (Group: € 6.618 thou. - Company: € 5.867 thou., see Statement of Changes in Equity of the Financial Statements).
12. On July 2009, the parent company acquired from its 100% subsidiary OGWELL LTD the percentage of participation that the latter had to the subsidiary HELLENIC CABLES SA, therefore the parent company's direct percentage of participation became 78,71% while the voting rights stayed unchanged. Respectively, the 100% subsidiary OGWELL LTD was not consolidated due to the discontinuance of its operation and the liquidation of its assets, while it had been consolidated at the previous year (see note No 8 of the Financial Statements).
13. 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.
14. There was a change in accounting policies according to the revision of IAS 1 and 23 and the adoption of IFRS 8 (see note 2.1 of the Financial Statements).

Athens, March 23, 2010

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 KOKKOLIS**
Id.C.No. AE 135393	**Id.C.No. Φ 020251**	**Id.C.No. K 473915**	**Id.C.No. X 701209**

Information under Article 10 of Law 3401/2005

No	DESCRIPTION	WEBSITE	WEBSITE MAP
1.	Facts & Information Q1 2009	http://www.halcor.gr/online/generic.aspx?mid=72&smid=74&smid2=251	Home Page > Investor relations > Financial Results > Group Financial Results > 2009
2.	Interim Financial Statements Q1 2009	http://www.halcor.gr/online/generic.aspx?mid=72&smid=74&smid2=251	Home Page > Investor relations > Financial Results > Group Financial Results > 2009
3.	Facts & Information Q1-Q2 2009	http://www.halcor.gr/online/generic.aspx?mid=72&smid=74&smid2=251	Home Page > Investor relations > Financial Results > Group Financial Results > 2009
4.	Interim Financial Statements Q1-Q2 2009	http://www.halcor.gr/online/generic.aspx?mid=72&smid=74&smid2=251	Home Page > Investor relations > Financial Results > Group Financial Results > 2009
5.	Facts & Information Q1-Q3 2009	http://www.halcor.gr/online/generic.aspx?mid=72&smid=74&smid2=251	Home Page > Investor relations > Financial Results > Group Financial Results > 2009
6.	Interim Financial Statements Q1-Q3 2009	http://www.halcor.gr/online/generic.aspx?mid=72&smid=74&smid2=251	Home Page > Investor relations > Financial Results > Group Financial Results > 2009
7	Facts & Information. Q1-Q4 2009	http://www.halcor.gr/online/generic.aspx?mid=72&smid=74&smid2=251	Home Page > Investor relations > Financial Results > Group Financial Results > 2009
.8	Annual Financial Report 2009	http://www.halcor.gr/online/generic.aspx?mid=72&smid=74&smid2=251	Home Page > Investor relations > Financial Results > Group Financial Results > 2009
9.	Press releases during 2009	http://www.halcor.gr/online/generic.aspx?mid=72&smid=77&smid2=246	Home Page > Investor relations > Announcements – Publications > Press releases > 2009
10.	Announcements to the Stock Exchange during 2009	http://www.halcor.gr/online/generic.aspx?mid=72&smid=77&smid2=246	Home Page > Investor relations > Announcements – Publications > Announcements > 2009
11.	Disclosures of Obligors Transactions under Law 3340/2005	http://www.halcor.gr/online/generic.aspx?mid=72&smid=77&smid2=246	Home Page > Investor relations > Announcements – Publications > Transaction Disclosures > 2009