

# 09

ANNUAL REPORT

**HALCOR**  
METAL WORLD S.A.

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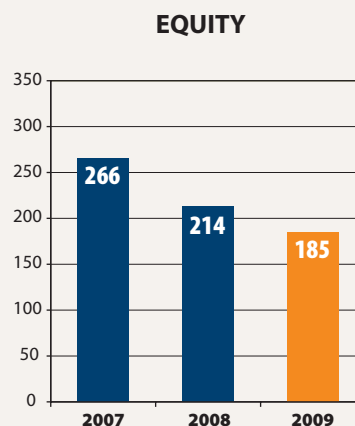
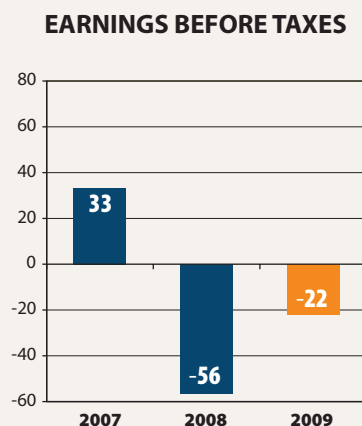
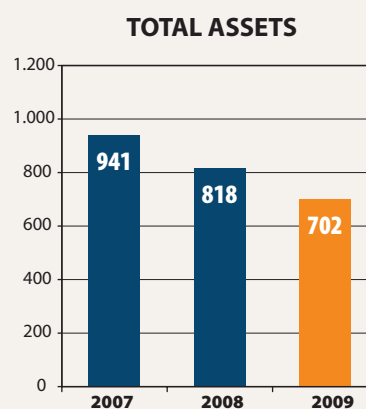
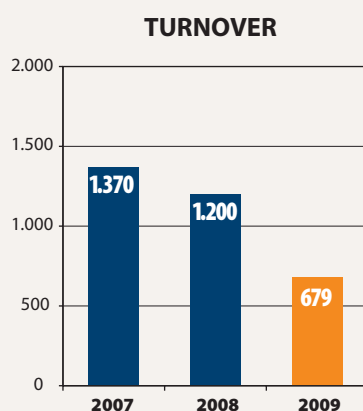
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# Overview

## Activities

- HALCOR Group is the copper product manufacturing and trading part of VIOHALCO.
- It focuses on the manufacture and trade of copper and copper-alloy rolled and extruded products, cables and zinc rolled products.
- It encompasses 18 companies, which use 9 production plants in Greece, Bulgaria and Romania. It has an important commercial presence both in Greece and in European, American and African countries.

Group Main Financials (amounts in Euro million)





## 1. Message by the General Manager

The negative climate prevailing in the international markets in 2008 due to the financial crisis remained the principal characteristic of global economy in 2009. In this context, main sectors of HALCOR activity, such as constructions, were affected quite negatively in both Greece and abroad. At the same time, the strong volatility having marked the performance of raw material prices in conjunction with the uncertainty about the depth and duration of the crisis led to more intense negative effects on demand for the Group's products.

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 Euro 3,667 per ton compared to Euro 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 Euro 1,179 per ton compared to Euro 1,260 per ton during last year.

Amid this adverse business environment, the sales volume of the HALCOR Group dropped by 26.7% while the sales mix changed considerably, since emphasis was laid on cables against brass extruded products. As a result of the decrease in the sales volume, the decrease in copper price and the decline of processing prices, the consolidated turnover dropped by 43.4% and amounted to Euro 679 million compared to Euro 1,200 million in 2008.

**Gross profits rose by 61.6% compared to 2008 and amounted to Euro 32.1 million while the consolidated earnings before interest, taxes, depreciation and amortization (EBITDA) stood at Euro 20.4 million compared to Euro 3.6 million in 2008.**

Having attained to reduce the production cost as well as the administrative and selling expenses, the HALCOR Group managed to restrain the losses of this year. More specifically, gross profits rose by 61.6% compared to 2008 and amounted to Euro 32.1 million while the consolidated earnings before interest, taxes, depreciation and amortization (EBITDA) stood at Euro 20.4 million compared to Euro 3.6 million in 2008. Earnings before taxes were considerably improved since losses were restricted to Euro 22.1 million compared to Euro 56.4 million in 2008 as was also the case with the earnings after taxes and minority interests which amounted to losses equal to Euro 19.4 million compared to losses of Euro 48.2 million in 2008.

Having regarded to the conditions prevailing in the global market, during 2009 the Group implemented a limited investment plan by carrying out mainly investments that had been scheduled during the previous years. More specifically, the total amount of Euro 28.8 million was spent, out of which the amount of Euro 10 million concerned the parent company's plants at Inofyta and mainly the Tubes Plant; Euro 6.4 million the upgrade of the production facilities of the subsidiary SOFIA MED in Bulgaria; Euro 10.8 million pertained to the production facilities of HELLENIC CABLES and Euro 1.6 million the cable plant of ICME ECAB in Romania.

As regards the new year, the main goal remains to keep up the efforts to decrease operating expenses and reorganize the production plants so as to render the Group's products more competitive. Nevertheless, the main feature remains the uncertainty regarding the evolution of metal prices and the demand in the core markets in which the Group operates, even the most developed ones where the signs of recession seems to fade away.

In view of the foregoing, the Group remains focused on the implementation of its development plan by closely monitoring the developments in the international metal markets. The efforts of the HALCOR Management are driven by the substantive medium- and long-term development of the Group's activities. In this context, the main priorities for the current year include the improvement of production efficiency, the development of new, innovative, high added value products, the maintenance of top quality and the restriction of the Group's environmental footprint while securing a human-centred working environment.

**Dr. Periklis Sapountzis**  
General Manager





## 2. HALCOR Group

The HALCOR Group represents the copper product manufacturing and trading part of VIOHALCO.

Through its strong production base which includes plants in Greece, Bulgaria and Romania, the HALCOR Group produces and distributes copper and copper-alloy rolled and extruded products and cables while being the sole producer of copper tubes and zinc rolled products in Greece.

With its business presence spanning over 70 years in the copper processing and trade sector, the HALCOR Group is a strong entity comprising 18 companies, 9 production plants and having a significant commercial presence in European, Asian, American and African countries.

The production base of the HALCOR Group companies is perfectly vertical and uses copper cathodes, zinc ingots and copper scrap as raw material to manufacture a wide range of products, from copper tubes, sheets and strips to brass circles and bars, as well as from zinc sheets and strips to special alloy products and cables.

The raw materials used in the production process originate mainly from Bulgaria, Chile and Kazakhstan, based on annual or spot contracts. In addition, the Group has established and is methodically developing an expanded network for the collection and storage of copper scrap, which includes storage areas in well-chosen areas in Greece and in other countries in the wider Balkan region.

The HALCOR Group also includes the HELLENIC CABLES Group companies, which are active in the manufacture of cables, enamelled wires and insulating rubber or plastic compounds, using three production plants in Greece and one in Romania.

The shares of both the parent company HALCOR and subsidiary HELLENIC CABLES are listed in the Athens Stock Exchange.

The HALCOR Group consists of the following companies:

<b>Company</b>	<b>Participation % (31/12/2009)</b>	<b>Registered office</b>
HALCOR S.A.	PARENT	Greece
HELLENIC CABLES S.A.	78.71%	Greece
DIAPEM EMPORIKI S.A.	33.33%	Greece
STEELMET S.A.	52.83%	Greece
ELKEME S.A.	30.90%	Greece
AKRO S.A.	95.74%	Greece
SYLL.AN. S.A.	100.00%	Greece
METAL AGENCIES LTD.	92.98%	United Kingdom
BELANTEL HOLDINGS LTD	100.00%	Cyprus
SOFIA MED AD	100.00%	Bulgaria
S.C. STEELMET ROMANIA S.A.	40.00%	Romania
METAL GLOBE D.O.O.	53.61%	Serbia
ENERGY SOLUTIONS S.A.	38.60%	Bulgaria
OGWELL LIMITED	100.00%	Cyprus
VIEXAL S.A.	26.67%	Greece
COPPERPROM S.A.	71.49%	Greece
TEPRO METAL AG	43.53%	Germany
HAMBAKIS Ltd.	100.00%	Greece



### 3. Milestones in the history of HALCOR

- 1937** The HELLENIC COPPER INDUSTRY was founded with its production unit located in Tavros, Attica. In the future, this will become the production unit of HALCOR.
- 1976** HALCOR was founded, which involved the operation of the Inofyta foundry.
- 1981** HALCOR took over the production units of rolled and extruded copper from its parent company VIEM S.A., thus inheriting the know-how and experience of VIOHALCO, one of the most historic and successful metal industries in the Greek market.
- 1990** HALCOR offered the manufacturing equipment of the rolling sector to VEKTOR S.A.
- 1991-1995** The production activities of VEKTOR are considerably strengthened and include rolling, drawing and cutting of copper products and other alloys as well as the custom-made production for HALCOR and other companies.
- 1996** The shares of VEKTOR were listed in the Athens Stock Exchange.
- 1997** VEKTOR was merged by absorption with HALCOR and was renamed into HALCOR METAL PROCESSING S.A. HALCOR acquired a 4.99% holding in HELLENIC CABLES S.A., also listed in the Athens Stock Exchange, which focused on the production of overhead conductors, overhead and underground power cables and enamelled wires.
- 1999** HELLENIC CABLES acquired a majority holding in the Romanian cable industry ICME ECAB. ICME ECAB owns production facilities in Bucharest where it produces cables as well as plastic and rubber compounds.
- 2000** HALCOR acquired a majority holding in HELLENIC CABLES which gradually rose and by the end of 2009 stood at 78.71%. Through its subsidiary SOFIA MED in Bulgaria, HALCOR purchased the fixed assets of KOZM and began operating its production plant in Sofia. Full transfer of the production of copper and brass rolled products to this particular unit was decided. The implementation of an extensive investment plan began, which aims to fully upgrade the Group's production facilities, the total amount of which stood at Euro 340 million by the end of 2009.
- 2005** The Piraeus Street plant started manufacturing zinc rolled products. The production of copper and brass rolled products was fully transferred to SOFIA MED. Investments in the tube PVC coating line were completed, and the pioneering Cusmart tubes were launched in the market.
- 2006** HALCOR absorbed FITCO, thus developing important economies of scale.
- 2009** HALCOR increased its holding in ELPEDISON ENERGY from 0.55% to 2.5% which, since 2005, is the first independent electricity producer in Greece with a total established power of 395 MW using a natural gas combined cycle technology.





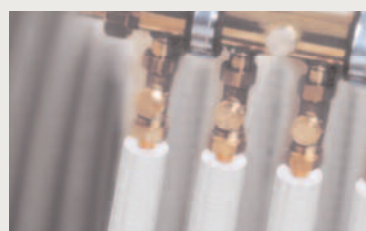
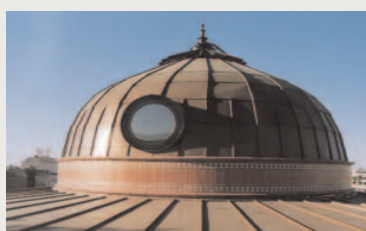
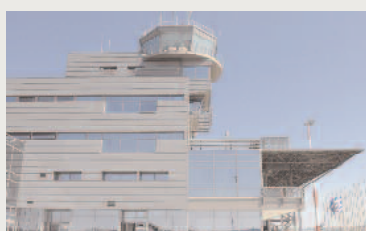
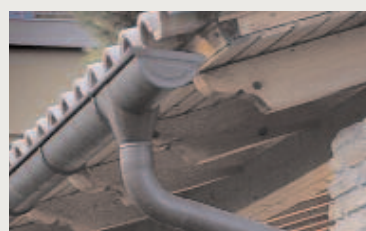
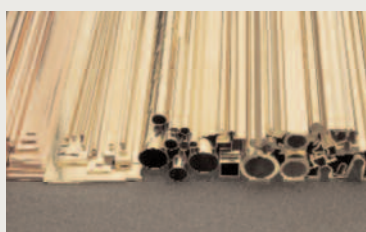
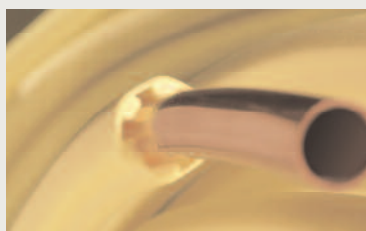
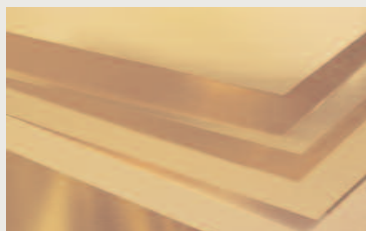
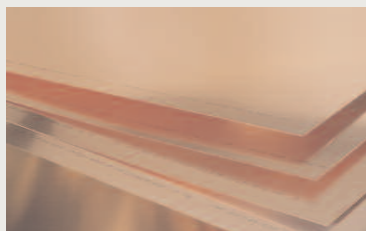
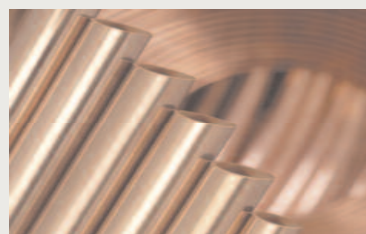
#### 4. Philosophy and Strategy

The main ingredients for the commercial success of the HALCOR Group in the markets where it operates include the ongoing bolstering of its plants through investment plans, a focus on the research and development of innovative products offering added value to end customers, maintenance of top-quality manufactured products and the adoption of a strong customer-oriented decision-making process.

**Focus on research  
and development of  
innovative products  
offering added value  
to end customers**

By adopting the “act local, think global” philosophy, the HALCOR Group implements its long-term development plan in line with the following strategic priorities:

- Development of new innovative, high added value products aiming at further strengthening the Group's commercial presence.
- Further decrease of production cost and improvement of operating efficiency by containing fixed costs, adopting automation systems, improving the return rate, optimizing production planning, turning to higher added value products and consuming more scrap.
- Creation of strategic alliances with international firms in order to expand the Group's presence beyond the Greek boundaries.
- Further development of synergies among the Group's subsidiaries at both production and commercial level.
- Maintenance of the leading position in Greece and Southeast Europe.
- Strengthening the Group's position in the EU markets.
- Maintenance of top-quality manufactured products.
- Protection of and respect for the natural and social environment.
- Ensuring a safe and efficient working environment, that will allow and encourage employees to advance and progress along with the company.



## 5. Products

The products of the HALCOR Group are distinguished for their top quality, high reliability, specific innovative features and the added value offered to end customers.

Based on these competitive advantages, through a particularly strong distribution network, which includes 10 warehouses in the Balkans, 2 in Germany and 1 in Italy, the Group distributes successfully its products in Greece and a number of foreign markets.

The commercial success of the HALCOR Group in international markets is demonstrated by the fact that in 2009 its sales beyond the Greek boundaries accounted for 69% of the consolidated turnover.

The products of the HALCOR Group are separated into the following categories:

1. Copper Products: Tubes, Sheets, Strips, Circles, Bars, Ø8mm Wire Rod
2. Brass Products: Tubes, Sheets, Strips, Circles, Bars
3. Zinc Products: Sheets, Strips
4. Special alloy products: Slabs, Strips, Circles, Cups
5. Cables

The main types of products manufactured and distributed by HALCOR and its subsidiaries are the following:

### Copper tubes

HALCOR is the sole producer of copper tubes in Greece, which are sold in the local and international markets under the trade name TALOS®.

Such copper tubes are widely used in water supply networks, heating, floor heating, natural gas, medical gases, cooling and air conditioning installations, fire protection systems, air conditioning production, heat exchangers, cable tags and in many other industrial applications.



**HALCOR is one of the few companies in Europe that has the ability to produce inner grooved copper tubes (ACR) with a minimum wall thickness of 0.28mm.**

HALCOR is one of the few companies in Europe that has the ability to produce inner grooved copper tubes (ACR) with a minimum wall thickness of 0.28mm. The said tubes are a product of advanced technology and efficiency and are widely used in the modern industry sector of air conditioning devices.

In addition, demonstrating concretely its focus on quality and innovation, in 2003 HALCOR developed the coated TALOS ECUTHERM® copper tubes and in 2005 the Cusmart® copper tubes. TALOS ECUTHERM® tubes excel in insulation and ensure higher energy saving while Cusmart® tubes are a new category of flexible copper tubes with a special PE compound coating, distinguished for their extremely competitive cost and significant quality advantages.

### Copper Sheets

HALCOR produces and markets copper sheets having the trade name DOMA®. Their main applications are roof cladding, cladding of outer surfaces, such as walls, frames, chimneys and dormers, because they offer excellent aesthetics and are in harmony with the environment. The DOMA® copper sheets are produced according to specification DIN 1172 and are considered as one of the best materials for architectural applications. In addition, DOMA® copper sheets are used in solar power devices (collectors), boilers and special electrical and mechanical devices.





### **Copper Strips**

Copper strips are used in the construction of gutters, in decoration, electrical engineering and different types of popular art. Copper gutters offer an exceptional aesthetic solution and ensure long-term durability.

### **Ø8 Copper Wire Rod**

The 8 mm copper wire rod is used as a raw material in the production of cables for telephony and electric power transmission and is produced using the continuous casting and subsequent rolling method.

### **Special Alloys**

HALCOR produces a series of special alloys:

- Copper-zinc alloys for cups and discs;
- Copper-nickel alloys, copper-nickel-zinc alloys and copper-aluminium-nickel alloys for coin production;
- Copper-nickel-silicon alloys for electronic applications.

### **Copper & brass discs and copper cups**

Copper discs are ideal for decoration, different forms of popular and religious art, the production of kitchen utensils and accessories, as well as for modern technological applications such as boilers. Brass discs can be used at all production lines, ranging from ordinary decorations to industrial products.

### **Zinc-titanium Sheets & Strips**

The HALCOR Group produces and markets zinc-titanium sheets and strips having the trade name DOMAZINC®.

Zinc-titanium is an exceptional material with a better position than steel and aluminium, as they both have high maintenance costs. It has low anisotropy and exceptional mechanical properties. It can easily be formed into any desired shape, fully maintaining its endurance. Due to the aforementioned properties, DOMAZINC® zinc-titanium sheets and strips are suitable for roof construction, external building cladding or internal facades. Furthermore, zinc-titanium sheets and strips are the raw material for manufacturing industries (gutters, etc.).

### **Cables**

The subsidiary HELLENIC CABLES S.A. produces and sells under the trade mark CABLEL® power cables, aerial copper and aluminium conductors, (copper and optical) telecommunications cables, plastic and rubber compounds.

HELLENIC CABLES is the sole manufacturer of enamelled wires in Greece and since 2008 it has expanded to include the production of extra-high voltage cables of up to 400kV and data transmission cables (Cat. 7).

The main types of products manufactured by HELLENIC CABLES are:

- Indoor installation cables
- Control cables
- Cables for industrial use and external installations
- Marine and offshore cables with increased fire resistance
- Power cables with operating voltages of up to 400KV
- Low smoke and fume, halogen-free cables with reduced fire propagation
- Copper, aluminium, ACSR conductors
- Enamelled wires
- Telecommunication cables
- Optic fibre cables
- Special cables
- Plastic and rubber insulating compounds

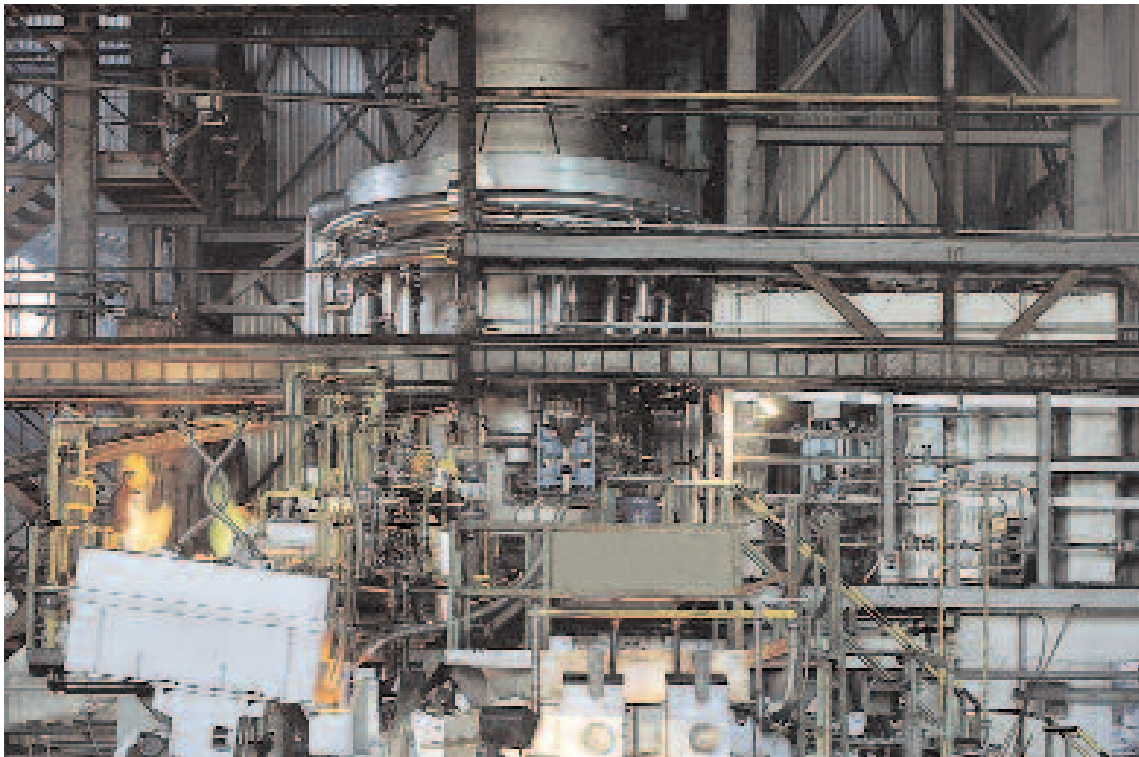




## 6. Facilities

The production facilities of the HALCOR Group are one of its main competitive advantages. At the end of 2009, the Group's industrial base included 9 plants in Greece, Bulgaria and Romania.

Production unit	Location	Scope of production
1. HALCOR Foundry	Inofita	Semi-finished products (billets and slabs), Ø8mm wire rod
2. HALCOR Copper Tubes Plant	Inofita	Copper tubes for heating, water supply, cooling, natural gas transport, air conditioning and industrial use
3. HALCOR Brass Bars and Tubes Extrusion Plant	Inofita	Finished brass products (bars, profiles, rods, wires and tubes)
4. HALCOR Zinc Titanium Rolling Plant	Athens	Zinc - titanium rolled products
5. SOFIA MED Copper Processing Plant	Sofia (Bulgaria)	Flat copper, brass and special-alloy products, copper bus bars and rods
6. HELLENIC CABLES Electrical Cables and Optical Fibres Plant	Thiva	Control, internal installation, ship and power cables
7. HELLENIC CABLES Copper Conductors and Enamelled Wires Plant	Livadia	Grounding and aerial conductors, and enamelled wires
8. HELLENIC CABLES Plastic and Rubber Compounds Plant (Inofyta)	Inofita	Plastic and elastic compounds for the supply of insulation, filling and shielding production lines for final cables
9. ICME ECAB Cable Plant (Romania)	Bucharest	Internal installation cables, power, control, industrial use and external installation cables, fire-retardant, fire-resistant as well as plastic and elastic compounds



Having invested the total amount of Euro 340 million during 2000-2009 in the upgrade and expansion of the above facilities, the HALCOR Group proves its dedication to the manufacture of innovative, top quality products offering high added value to its customers.

Following are the main production plants of the Group:

#### **HALCOR Foundry (Inofyta)**

Total area: 51,213 square meters

Buildings: 11,638 square meters

Production capacity: 235,000 tons annually

The HALCOR foundry is located in the Industrial Area of Inofyta and is the benchmark for the Group's production process given that it supplies most of the other plants with semi-finished products, such as billets and slabs, for final processing.

In total seven production lines are in operation in the Foundry:

- 1 line of semi-continuous melting and casting of brass billets (one for lead and one for pure brass)
- 2 lines for the production of slabs made of special alloys
- 1 line of semi-continuous melting and casting of zinc-titanium slabs
- 1 line of continuous vertical melting and casting of copper billets
- 1 line of continuous melting, casting and subsequent rolling for the production of Ø8 copper wire rod, which is a finished good for HALCOR, but also a raw material for the cable industry.
- 1 line of continuous casting of zinc strip.





The Foundry operates with natural gas, which keeps emissions of pollutants and particles at very low levels. At the same time, the unit operates a scrap collection centre for copper and copper alloys that are meant for recycling.

The Quality Management System of the HALCOR foundry in Inofyta has been certified according to ISO 9001: 2000.

#### **HALCOR Copper Tubes Plant (Inofyta)**

Total area: 198,061 square meters  
Buildings: 67,414 square meters  
Production capacity: 75,000 tons annually

The HALCOR Tubes Plant in Inofyta uses copper billets from the company's Foundry as raw material and produces the following tube categories:

- Copper tubes in straight lengths and hard, semi-hard or soft coils.
- Coated copper tubes
- Copper tubes for special uses.

The above tubes are used for heating, water supply, cooling, natural gas transport, air conditioning and industrial use.

The production process in the Tubes Plant is vertically integrated while its modern mechanical equipment is one of the most efficient in Europe. In addition, the Tubes Plant is one of the few plants capable of producing tubes with inner grooves and low wall thickness, which are used for the production of heat exchangers.

The Quality Assurance System of the HALCOR Tubes Plant in Inofyta has been certified according to ISO 9001: 2000.

#### **HALCOR Brass Bars and Tubes Extrusion Plant (Inofyta)**

Total area: 57,980 square meters  
Buildings: 23,120 square meters  
Production capacity: 40,000 tons annually

The brass bars and tubes extrusion plant carries out hot and cold extrusion of copper alloys and manufactures mainly the following products:

- Solid and hollow brass bars (round – six sided – square).
- Solid and hollow brass profiles.
- Brass wire rods.
- Seamless brass tubes of different cross-sections.
- Brass tubes with a circular cross-section (welding with high frequency current).

Brass scrap in the form of billets is mainly used as raw material in the production process.

The Quality Management System of the brass bars and tubes extrusion plant is certified according to ISO 9001:2000 and its products comply with all main European and American standards (EN, DIN, BS, NF, ASTM).



### **HALCOR Zinc-titanium Rolling Plant (Athens)**

Total area: 60,048 square meters  
 Buildings: 37,427 square meters  
 Production capacity: 20,000 tons annually

The zinc-titanium rolling plant is extremely important to the Group's history since it is here that the first production plant of VIOHALCO started its operation in 1937.

The plant's facilities have a hot rolling mill and a cold rolling mill, which produce zinc-titanium rolled products (ZnTiCu). Furthermore, this particular production plant operates cutting machines used in the final processing of certain products manufactured by other companies of the VIOHALCO Group. Aluminium and steel discs are among the semi-finished products subject to final processing in the Athens plant.

### **SOFIA MED Copper Manufacturing Plant (Sofia, Bulgaria)**

Total area: 250,000 square meters  
 Buildings: 120,000 square meters  
 Production capacity: 125,000 tons annually

The production plant of SOFIA MED is located in Sofia, Bulgaria and is active in the production of copper, brass and special alloy products. The plant operates the foundry, the rolling department and the extrusion department.

The plant started its production activity in 2000, following acquisition of the fixed assets of the Bulgarian company KOZM and since then the HALCOR Group has undertaken a number of important investments totalling Euro 120 million, which have established a new reality as regards its production process in terms of efficiency and capacity.

The production facilities of SOFIA MED are certified according to the ISO 9001:2004 standard.





### **HELLENIC CABLES Electrical Cables and Optical Fibres Plant (Thiva)**

Total area: 175,082 square meters

Buildings: 38,265 square meters

Production capacity: 55,000 tons annually

The production facilities of the subsidiary HELLENIC CABLES in Thiva manufacture the following cable categories:

- Control cables.
- Internal installation cables.
- Low smoke and fume, halogen-free cables with reduced fire propagation.
- Marine and offshore cables with increased fire resistance.
- Power cables with operating voltages over 1kV.
- Power cables with operating voltages up to 1kV.

A production line for medium- and high-voltage cables has been operating in the plant's production facilities in Thiva since 2008 together with a quality control system / degassing. The raw materials used in the plant are copper, aluminium, steel wires and plastic - rubber materials for cable insulation and coating. Some of the raw materials come from the parent company HALCOR.

A major competitive advantage of the plant is its particularly flexible production process, which allows for the production of different types of cables, in accordance with international specifications or/and customer requirements of HELLENIC CABLES.

The production process of the plant is certified according to the ISO 9001 and ISO 14001 standards.



#### **HELLENIC CABLES Copper Conductors and Enamelled Wires Plant (Livadia)**

Total area: 121,818 square meters  
Buildings: 14,048 square meters  
Production capacity: 14,000 tons annually

The copper conductors and enamelled wires plant produces grounding cables, overhead conductors and enamelled wires. The production process of the plant is certified according to the ISO 9001 standard.

#### **HELLENIC CABLES Plastic and Rubber Compounds Plant (Inofyta)**

Total area: 22,032 square meters  
Buildings: 6,444 square meters  
Production capacity: 24,000 tons annually

The compounds plant of HELLENIC CABLES in Inofyta produces rubbers and plastics necessary for the supply of insulation, filling and shielding production lines for the final cables. Part of the plant's products is supplied to the parent company HALCOR to be used in the production of Ecutherm and Cusmart copper tubes. The production process of the plant is certified according to the ISO 9001 standard.

#### **ICME ECAB Cable Plant (Romania)**

Total area: 268,000 square meters  
Buildings: 70,000 square meters  
Production capacity: 45,000 tons annually

The ICME ECAB plant in Bucharest produces cables for internal installations, energy, control, industrial uses and external installations, cables with reduced fire propagation, fire resistant and low smoke and fume cables, copper and aluminium conductors, mine cables, marine, special requirement cables, telecommunication cables, optical fibre cables, signalling, remote control and data transmission cables, as well as plastic and rubber compounds. The production process of the plant is certified according to the ISO 9001 and ISO 14001 standards.

## 7. Research and Development of New Technologies

Proving its focus on research and development of new technologies, the HALCOR Group has established the Hellenic Metal Research Centre (ELKEME). ELKEME spearheads the Group's efforts to maintain its competitive advantage in terms of quality and innovative characteristics of its product base.

The ELKEME is located at Piraeus Street and the main scope of its operations includes the laboratory research of new production methods and testing of end products' behaviour. The Centre's objective is to carry out basic research into advanced plans and techniques with the purpose of improving the production process, as well as identifying and eliminating any failures and deficiencies in the Group's end products.

The HALCOR Group has invested in ELKEME the total amount of Euro 3.9 million, aiming to secure top research equipment in technological terms and also to staff it with high-level scientific employees.

The Centre's operation generates multiple benefits which are related to manufacturing issues of existing products and also to the development of new, innovative solutions for the Group's customers. The contribution of ELKEME to the development of Cusmart® tubes is a typical example of the above benefits. This is a new category of flexible copper tubes with a PE special compound coating, distinguished for their extremely competitive cost and significant quality advantages. In addition, ELKEME offered its valuable contribution to the resolution of the problems having arisen before and during the manufacture of zinc-titanium products in the HALCOR plant.



**The Centre's objective is to carry out basic research into advanced plans and techniques, which aim at improving the production process**

## 8. Human Resources

The cornerstone of the Group's successful business presence is its 2,270 employees working for the parent HALCOR and its subsidiaries. Their initiatives and dedication to the vision and values of the Group are the foundation of its future progress and development.

The Group's Management, acknowledging the above substantive contribution of human resources, is invariably committed towards a human-oriented working environment where equal opportunities for progress exist for all employees, upgrading their skills and developing their potential.

In this direction, internal training programs are organized each year, which cover a wide range of technological and administrative matters. The Group's unwavering goal is for each employee, irrespective of speciality and level, to participate at least in one program each year.



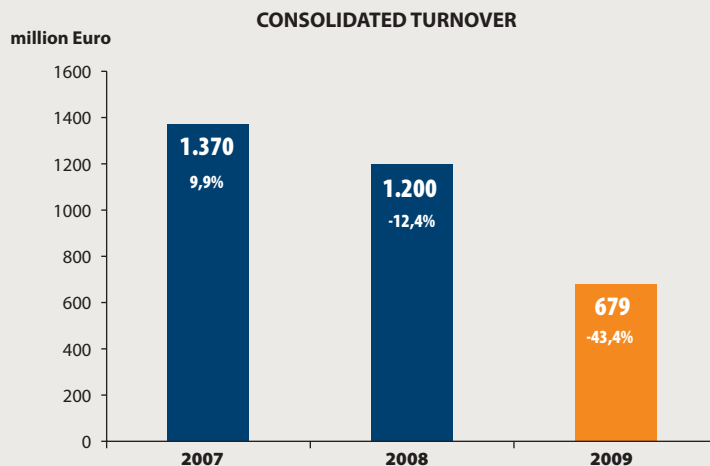
**Securing a human-oriented working environment cultivating the skills of employees and developing their potential**



## 9. Financial figures

### Consolidated Turnover

In the fiscal year 2009, the consolidated turnover of HALCOR amounted to Euro 679 million compared to Euro 1,200 million in 2008, registering a 43.4% drop. This is attributed to the 26.7% decrease of the total volume of sales and also to the reduced metal prices in relation to last year. It is noted that the mix of sales volume changed considerably and favoured cables at the detriment of brass extruded products. In more detail, the sales of cables represented 42% of the total turnover, the sales of tubes represented 26%, rolled products represented 18%, copper plates represented 7% and brass bars represented 7%.



### Group results

Despite the particularly adverse financial environment and considerable decline of the volume of sales, the HALCOR Group managed to restrain its losses.

The Group's gross profit stood at Euro 32.1 million compared to Euro 19.9 million in 2008, registering a 61.6% increase. In 2009, consolidated earnings before interest, taxes, depreciation and amortization (EBITDA) amounted to Euro 20.4 million compared to Euro 3.6 million over the respective last-year period, while in 2009 earnings after taxes and minority interests amounted to losses equal to Euro 19.4 million compared to losses equal to Euro 48.2 million.

### Cost cutting

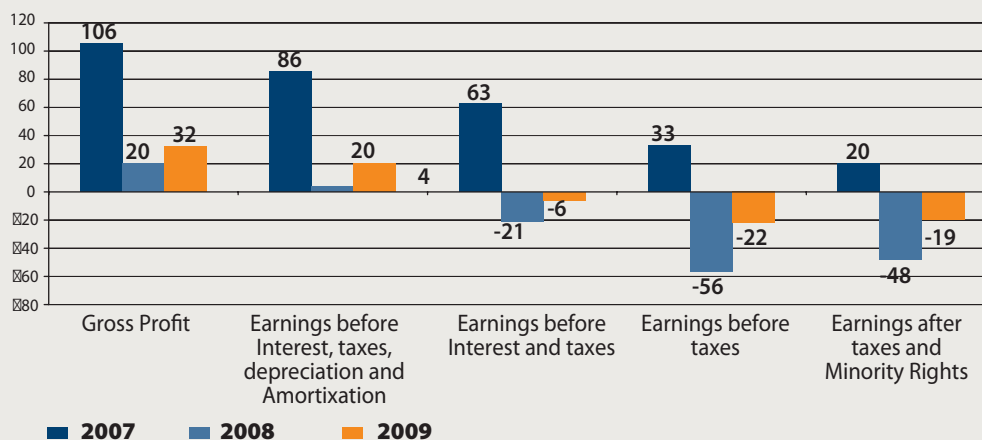
During 2009, particular emphasis was laid on the adaptation of production to the established demand and to the improvement of delivery times in order to curb the inventory keeping cost. At the same time, all plants took steps to reduce production cost. Finally, the Group's efforts to restrain administrative and selling expenses bore fruits and the relevant expenses decreased by 8.3%, thus saving Euro 3.4 million.

At the same time, mainly through the inventory optimum management, further decrease of working capital and positive cash flows from operating activities equal to Euro 47.8 million were attained. Finally, in 2009, the Group's financial expenses and net borrowing decreased.

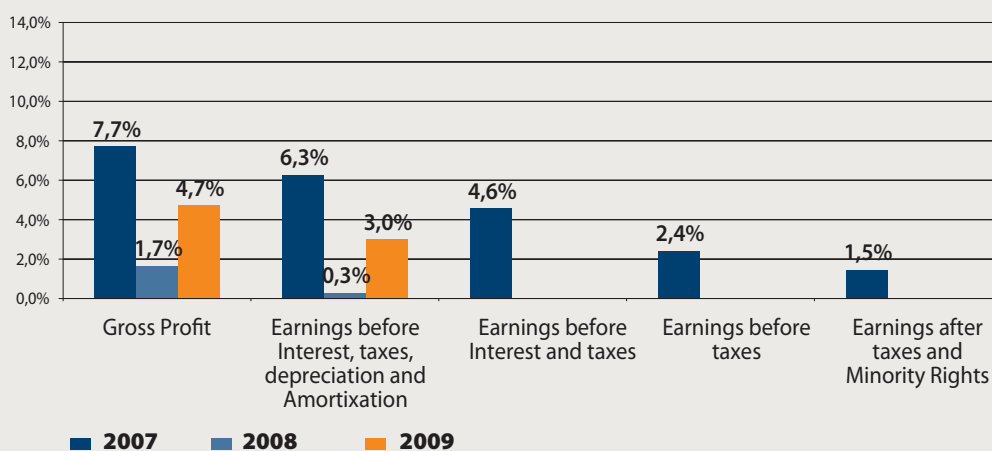
#### Consolidated Financial Results

amounts in Euro thousand	2007	2008	2009
Turnover	1,369,617	1,200,295	679,059
Gross profit	105,587	19,885	32,127
Earnings before interest, taxes, depreciation and amortization	85,775	3,613	20,365
Earnings/Losses before interest and taxes	62,691	-20,930	-5,782
Profits/Losses before taxes	33,310	-56,375	-22,056
Profits/Losses after taxes and minority interest	20,022	-48,224	-19,375

## CONSOLIDATED FINANCIAL RESULTS



## PROFIT MARGINS



## Evolution of figures (%)

	2007	2008	2009
Turnover	9.9%	-12.4%	-43.4%
Gross profit	-10.9%	-81.2%	61.6%
Earnings before interest, taxes, depreciation and amortization	-10.0%	-95.8%	463.6%
Earnings/Losses before interest and taxes	-13.7%	n/a	n/a
Profits/Losses before taxes	-35.8%	n/a	n/a
Profits/Losses after taxes and minority interest	-44.3%	n/a	n/a

## Profit Margins

	2007	2008	2009
Gross profit	7.7%	1.7%	4.7%
Earnings before interest, taxes, depreciation and amortization	6.3%	0.3%	3.0%
Earnings/Losses before interest and taxes	4.6%		
Profits/Losses before taxes	2.4%		
Profits/Losses after taxes and minority interest	1.5%		



**Results per Business Unit** (in Euro thousand)

<b>2007</b>	<b>COPPER PRODUCTS</b>	<b>CABLE PRODUCTS</b>	<b>OTHER SERVICES</b>	<b>NON- ALLOCATED</b>
Sales	898,220	364,513	106,884	-
Profits/Losses before interest and taxes	30,244	27,421	5,027	-
Profits/Losses after taxes	30,244	27,421	5,027	-38,101
<b>2008</b>				
Sales	780,379	330,301	89,615	-
Profits/Losses before interest and taxes	-57,538	-1,677	2,840	-
Profits/Losses after taxes	-48,418	-891	1,662	
<b>2009</b>				
Sales	378,573	229,673	70,813	-
Profits/Losses before interest and taxes	-11,584	3,751	2,052	-
Profits/Losses after taxes	-17,638	-1,230	-398	-

**Consolidated Statement of Financial Position** (Euro thousand)

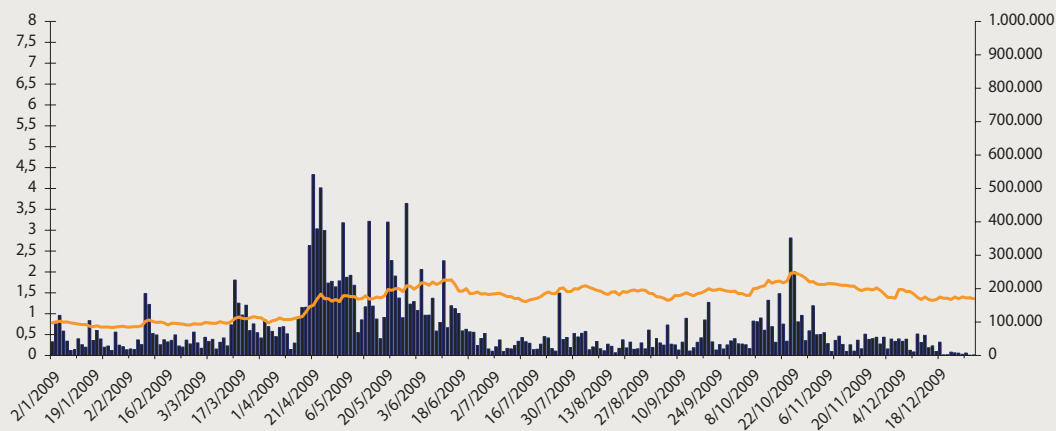
	<b>2007</b>	<b>2008</b>	<b>2009</b>
<b>ASSETS</b>			
Fixed assets	330,458	349,521	350,717
Inventories	283,158	212,261	184,408
Trade receivables	284,156	185,398	147,512
Cash and cash equivalents	41,597	58,971	17,753
Other assets	1,707	11,402	1,920
<b>TOTAL ASSETS</b>	<b>941,078</b>	<b>817,553</b>	<b>702,310</b>
<b>EQUITY &amp; LIABILITIES</b>			
Share Capital	38,486	38,486	38,486
Other equity items of Company shareholders	199,385	149,369	121,878
Minority Interest	27,779	25,657	24,511
<b>Total Equity</b>	<b>265,651</b>	<b>213,513</b>	<b>184,875</b>
<b>Long-term liabilities:</b>			
Long-term loans	321,123	257,128	192,732
Other long-term liabilities	39,101	25,107	22,403
<b>Total long-term liabilities</b>	<b>360,224</b>	<b>282,235</b>	<b>215,135</b>
<b>Short-term liabilities</b>			
Short-term loans	219,241	225,437	226,670
Other short-term liabilities	95,962	96,368	75,630
<b>Total short-term liabilities</b>	<b>315,203</b>	<b>321,805</b>	<b>302,300</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>941,078</b>	<b>817,553</b>	<b>702,310</b>

**Consolidated Statement of Cash Flow** (Euro thousand)

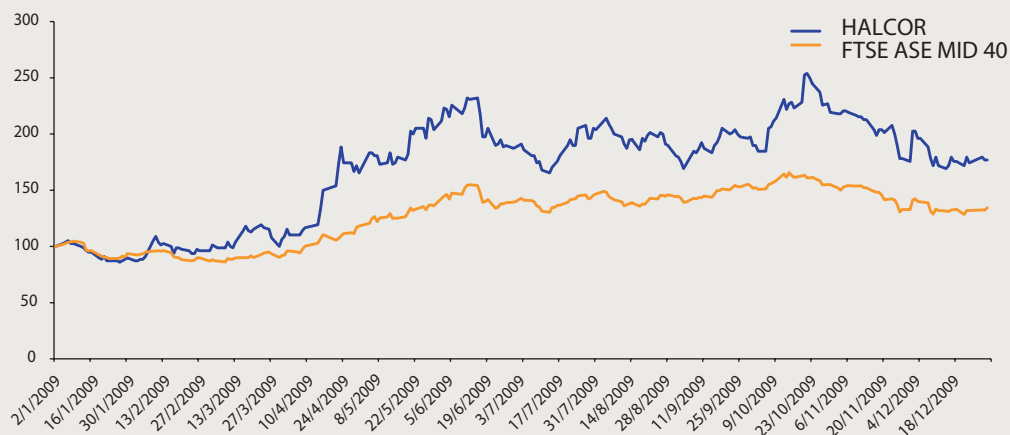
	2007	2008	2009
<b>Cash flows</b>			
From operating activities	18,496	128,841	47,836
From investment activities	-34,012	-46,145	-26,158
From financial activities	27,852	-65,322	-62,896
<b>Total</b>	<b>12,336</b>	<b>17,374</b>	<b>-41,218</b>
<b>Cash and Cash Equivalents at beginning of year</b>	<b>29,261</b>	<b>41,597</b>	<b>58,971</b>
<b>Cash and Cash Equivalents at end of year</b>	<b>41,597</b>	<b>58,971</b>	<b>17,753</b>

**FINANCIAL RATIOS**

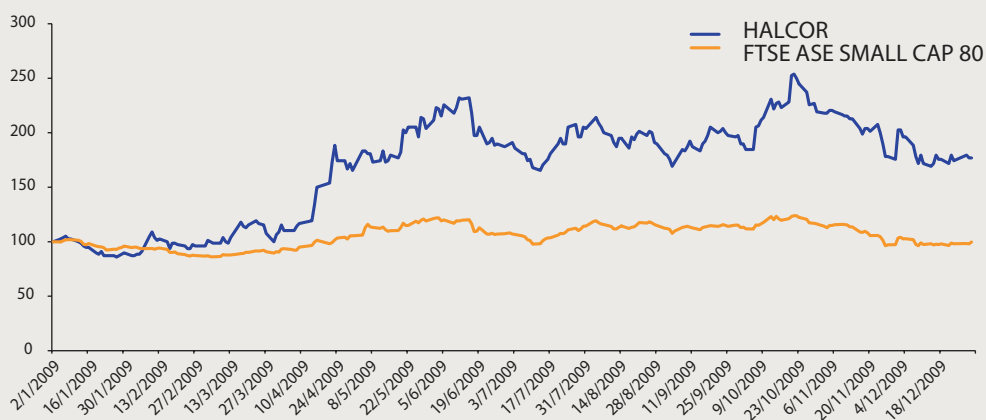
		2007	2008	2009
<b>LIQUIDITY RATIOS</b>				
General liquidity	Times	1.94	1.45	1.16
Special liquidity	Times	1.04	0.79	0.55
<b>ACTIVITY RATIOS</b>				
Receivable turnover ratio	Days	76	56	79
Accounts payable turnover ratio	Days	24	24	33
Asset turnover ratio	Times	1.46	1.47	0.97
<b>VIABILITY RATIOS</b>				
Coverage of Financial Expenses	Times	2.72	0.10	1.15
Debt/Equity	Times	2.54	2.83	2.80
<b>PROFITABILITY RATIOS</b>				
Return on equity (R.O.E.)	%	7.54%	N/A	N/A
Return on assets (R.O.A.)	%	2.13%	N/A	N/A

**SHARE EVOLUTION AND TRADING VOLUME**

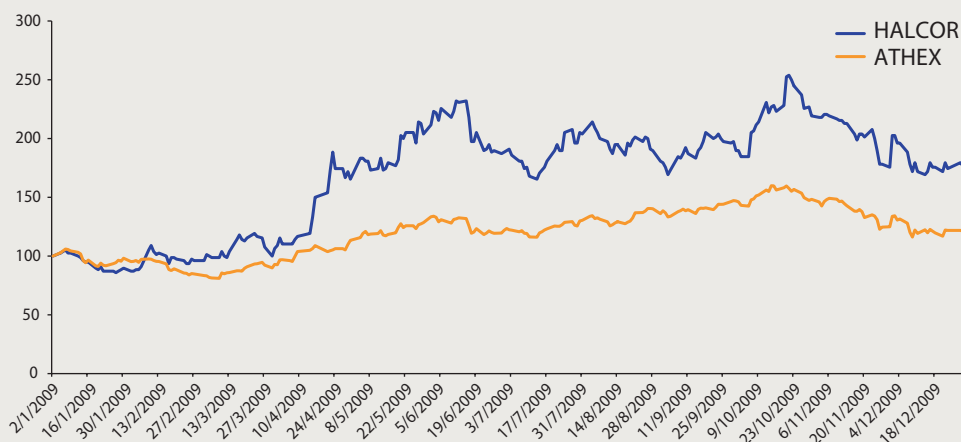
HALCOR VS FTSE ASE MID 40 ( BASE=100)



HALCOR VS FTSE ASE SMALL CAP 80 ( BASE=100)



HALCOR VS ATHEX (BASE=100)



<b>Investment Ratios</b>		<b>2007</b>	<b>2008</b>	<b>2009</b>
Dividend per share	million	0.060	0.000	0.000
EBITDA / Share	million	0.85	0.04	0.20
Dividend yield	%	1.27%	0.00%	0.00%
P/E (after taxes and rights)	Times	23.83	n/a	n/a
P/BV	Times	1.80	0.86	0.72
P/Sales	Times	0.35	0.15	0.20
P/EBITDA	Times	5.56	50.73	6.56

<b>Share Information</b>			
Weighted average number of shares (in thousand)	101,280	101,280	101,280
Average price per share	4.71	1.81	1.32

The calculation of the ratios was carried out using the average share price during each fiscal year and the weighted number of shares.

Average price per share 2009: Euro 1.32  
Number of shares: 101,279,627

**Share Symbols:**  
XAKOP (ATHEX)  
HAL.AT (Reuters)  
XAKO GA (Bloomberg)

## 10. Corporate Governance

HALCOR has fully adopted all Corporate Governance principles and applies them to its day-to-day administrative function and practice. Within that framework, all development efforts of the company, which aim to implement the medium- and long-term objectives, are made so as to ensure transparency and effectiveness and, in all events, HALCOR offers complete, valid and timely information to the investment community.

<b>HALCOR Board of Directors</b>	
Chairman of the BoD	Theodosios Papageorgopoulos
Vice Chairman of the BoD	Nikolaos Koudounis
Member	Georgios Passas
Member	Andreas Kyriazis
Member	Nikolaos Galetas
Member	Konstantinos Bakouris
Member	Periklis Sapountzis
Member	Andreas Katsanos
Member	Christos - Alexios Komninos
Member	Eftychios Kotsambasakis
Member	Tasos Kasapoglou



## 11. HALCOR Management executives

### **Periklis Sapountzis, General Manager**

Mr. Sapountzis is chemical Engineer, graduate of the Technical University of Munich, holder of a doctor's degree (TUM). He has been one of the VIOHALCO Group's executives since 1995.

### **Spyridon Kokkolis, CFO of the HALCOR Group**

Mr. Kokkolis is economist, graduate of the Athens University of Economics and Business (ex ASOEE). He has been one of the VIOHALCO Group's executives since 1993.

### **Stylianios Theodosiou, Technical Manager**

Mr. Theodosiou is electrical-mechanical engineer, graduate of the National Technical University of Athens. He has worked for the Company since 1969.

### **Antonis Logaras, Foundry Technical Manager**

Mr. Logaras is chemical engineer, graduate of the National Technical University of Athens. He has worked for the Company since 1989.

### **Ioannis Papadimitriou, Tubes Plant Technical Manager**

Mr. Papadimitriou is holder of a Doctor's degree from the Technical University of Hannover (Electrical-Mechanical Engineering Faculty) with specialization in "Information Processing". He has served as a scientific advisor at the "Institute of Semiconductors and Electrical Material Technology" of the above Technical University. He has worked for the Company since 1991.

### **Vasilis Gontzes, Brass Bars and Tubes Plant Technical Manager**

Mr. Gontzes is chemical engineer. He has been one of the VIOHALCO Group's executives since 1985.

### **Emmanuel Gavalas, Piraeus Plant Technical Manager**

Mr. Gavalas is electrical-mechanical engineer, graduate of the National Technical University of Athens. He has been one of the VIOHALCO Group's executives since 1977.

### **Ioannis Biris, Sales & Marketing Manager of tubes plant products**

Mr. Biris is architect-engineer. He has worked for the Company since 2002.

### **Nikolaos Tarnaridis, Extruded Products Export Commercial Manager**

Mr. Tarnaridis is economist, graduate of the Higher Industrial Faculty of Piraeus. He is holder of a Master's degree in Economic Sciences from the University of London. He has been one of the VIOHALCO Group's executives since 1987.

### **Georgios Katsabis, Rolled Products Export Commercial Manager**

Mr. Katsabis is economist, holding a degree from the Economic University of Athens and Law Faculty of the University of Thessaloniki. He is holder of an M.Sc. from the London School of Economics. He has been one of the VIOHALCO Group's executives since 1995.

### **Antonis Karadeloglou, Domestic Sales Manager**

Mr. Karadeloglou is chemical engineer. He has been one of the VIOHALCO Group's executives since 1986.

Eftychios Kotsambasakis, Inofyta Plants Directing Manager

### **Mr. Kotsambasakis is economist. He has been one of the VIOHALCO Group's executives since 1965.**

Evangelos Karantinos, Quality Assurance and Environment Manager

Mr. Karantinos is Marine Engineer, graduate of the Technical University of Berlin. He has worked for the Group since 1986.

### **Georgios Tsinopoulos, Quality Assurance and Environment Manager**

Mr. Tsinopoulos is chemical engineer, graduate of the National Technical University of Athens, holder of a master's degree and PhD in metallurgy from the University of Sheffield. He has worked for the Group since 1991.

### **Ioannis Markakis, Internal Audit Supervisor**

Mr. Markakis is economist, graduate of the University of Piraeus, Department of Business Organization and Administration. He has been one of the VIOHALCO Group's executives since 1973.

### **Georgios Mavraganis, Strategic Planning Manager**

Mr. Mavraganis is chemical engineer, holder of an MBA and MEng in Process Control from the University of Wales. He has worked for large multinational companies in Great Britain for 11 years. He started working for HALCOR in September 2008.

### **Gerasimos Moschopoulos, IT Manager**

He is a graduate of the School of Computer Engineering of the University of Concordia in Montreal, Canada, and holder of a Postgraduate degree in Digital systems from the above school. He has worked for the Group since 2000.

### **Giorgos Tzortzos, Human Resources Manager**

Mr. Tzortzos is economist. He has worked for the Group since 2008.

### **Ioannis Dousis, Supply Chain Manager**

Mr. Dousis is economist, graduate of the National & Kapodistrian University of Athens. He has been one of the VIOHALCO Group's executives since 2003.

## 12. HALCOR and Corporate Responsibility

Corporate Responsibility is an unwavering value and commitment of HALCOR since its establishment. The company's continuous development is closely linked with its operation as responsible and active member of society and the wider financial environment.

HALCOR focuses on the following pillars of Corporate Responsibility: People, Environment, Market, and Society. Acknowledging the importance of the four aspects of the company's business impact has been the cornerstone governing the implementation of its business model which is based on values of integrity, transparency, respect, solidarity and responsibility.

HALCOR is still a pioneer by putting in place policies and programs protecting the health and safety of its employees, respecting the environment, assuring the quality of its products and services, pursuing collaboration with the other members of society and setting Corporate Responsibility as a value of its business operation.

### PEOPLE - Health and Safety

HALCOR strives for the Health and Safety of its Human Resources, by creating a modern and safe working environment which respects and protects employees. To this effect, the company applies a certified Occupational Health and Safety Management System, always in line with international standards. At the same time, the Company contributes more and more to its employees' education and training, by laying emphasis on training programs and seminars on new technologies and modern production systems.

### ENVIRONMENT

The Company operates at all times with respect for the environment being its guideline while making ongoing efforts to reduce its environmental footprint. Operating in a framework of full transparency and strict adherence with the existing national and international legal requirements, the Company applies systems and policies and makes investments aiming to protect the environment and diminish any effects from its operation.

### MARKET - Quality

It secures the quality of its products and production process by strictly adhering to international standards, using advanced technologies and employing specialized personnel, thus bolstering the Company's position in the market. Its dynamic presence in more than 50 countries all over the world confirms the Company's competitive position in the sector, both in Europe and the rest of the world.

### SOCIETY

HALCOR is fully aware of the importance of solidarity and mutual respect for the other members of society and lays solid foundation for the development of synergies and dialogue with them. In the context of its corporate responsibility, the company plans and implements sponsorships, thus supporting local communities while also offering its dynamic support to research and development, contributing to the dissemination of copper's benefits and its wide application.

Details on the Company's actions per pillar of Corporate Responsibility are laid down in the Report of Corporate Responsibility and Sustainable Development of HALCOR which is a separate part of this report.

### 13. Invitation to Shareholders General Meeting

#### INVITATION

to the Ordinary General Meeting of shareholders of the société anonyme bearing the name "HALCOR METAL PROCESSING SOCIÉTÉ ANONYME," Société Anonyme Registry No. 2836/06/B/86/48.

In accordance with the law and the company's Articles of Incorporation, the Board of Directors of "HALCOR METAL PROCESSING SOCIÉTÉ ANONYME" hereby invites its shareholders to an Ordinary General Meeting on Thursday, 17 June 2010, at 12:30, at the ATHENS IMPERIAL Hotel, Karaiskaki Square, Athens.

#### ITEMS OF THE AGENDA

1. Approving the annual financial statements of the fiscal year 2009, along with the relevant reports prepared by the Board of Directors and the Certified Auditors.
2. Relieving the members of the Board of Directors and the Certified Auditors of any indemnification liability for the fiscal year 2009.
3. Electing the ordinary and deputy Certified Auditors for the fiscal year 2010 and approving their fees.
4. Ratifying the selection of temporary advisors.
5. Electing the new members of the Board of Directors.
6. Appointing the audit committee members pursuant to article 37 of Law No. 3693/2008.
7. Approving the remuneration payable to members of the Board of Directors in compliance with Article 24(2) of Codified Law 2190/1920.
8. Decision making on spin-off in compliance with the provisions of Articles 1-5 of Law 2166/1993 of the company's brass bars and tubes sector and its contribution to the société anonyme bearing the name "SYLL.AN. METAL COLLECTION AND RECYCLING S.A." and appointment of the company's representative for signing the contribution deed of the above sector before a notary public.
9. Issuing ordinary bond loans.
10. Miscellaneous announcements.

Any shareholders wishing to attend the General Meeting are required, at least five (5) days prior to the Meeting date, namely until Friday 11 June 2010, to deposit their share commitment certificates, along with the relevant authorization documentation if they are to be represented, at the company's offices, at 16 Cheimaras Str., Marousi (tel.: 210- 68 61 349, fax: 210 - 68 61 347), in accordance with the provisions laid down in the Law and in the company's Articles of Incorporation.

**Athens, 20 May 2010**

**THE BOARD OF DIRECTORS**