11

ANNUAL REPORT

HALCOR

METAL WORKS S.A.

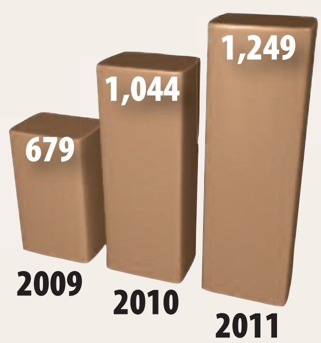
2011 at a glance

Activities

- The HALCOR Group represents the copper, copper and zinc alloy product manufacturing and trading branch of VIOHALCO.
- The Group comprises 19 companies in Greece and abroad, the coordinated activities of which include manufacturing and trading of copper and brass tubes, cables, copper and brass rolled and extruded products and also rolled zinc products.
- The HALCOR Group maintains 10 plants in Greece, Bulgaria and Romania.
- The largest portion of consolidated turnover is attained abroad. During 2011, 16.4% of Group sales were achieved in the Greek market, while the remaining 83.6% were achieved in non-Greek markets.

Consolidated Financial Results(in million euro)

TURNOVER



EARNINGS BEFORE TAXES

EQUITY AND LIABILITIES

TOTAL ASSETS

ANNUAL REPORT

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HALCOR

1. Message by the General Manager

In 2011, HALCOR Group attained a significant sales increase within a very demanding business environment, characterised by slow economic growth in the main markets abroad and recession within the Greek borders. Despite the overall negative economic conjuncture, the Group capitalised its competitive advantages at a product level and attained an increased volume of sales, raised its market shares in specific categories and improved the total sales mix, while increasing the profit margins.

At the same time, with respect to cost, Management's efforts to restrain administrative and selling expenses paid off, thus further improving the Group's operating profit margin. Finance charges were significantly increased during the year, both due to the widening bank margins and the requirement for larger working capital to support the broadened turnover.

Metal prices continued their upward trend in 2011, mainly due to investment activities and not as a result of an increase in the demand of raw materials. More specifically, in 2011, the average price of copper was at euro 6,327 per ton compared to euro 5,681 per ton in 2010, demonstrating an 11.4% increase. To the contrary, the average price of brass decreased to euro 1,573 per ton in 2011 compared to euro 1,623 per ton in 2010, demonstrating a 3.1% decrease.

In view of the above, the consolidated HALCOR Group turnover in 2011 stood at euro 1,249.3 million compared to euro 1,044.3 million in 2010, a 19.6% increase, attributed to the sales volume increase by 8.3% and the aforementioned metal price increase.

At the same time, the Group' gross profit showed a 43.7% increase, amounting to euro 63.2 million, compared to euro 44 million in 2010, with the gross profit margin amounting to 5.1% of the consolidated turnover compared to 4.2% in 2010. In 2011, the consolidated earnings before interest, taxes, depreciation and amortization (EBITDA) rose to euro 49.2 million compared to euro 32.5 million, a 51.4% increase, while the corresponding sales margin stood at 3.9% compared to 3.1% in 2010. Furthermore, results after taxes and minority interests showed losses of euro 15.6 million compared to losses of euro 13.1 million in 2010.

The total investments of HALCOR and its subsidiaries were low in 2011, as the Group is going through a phase of exploitation of the significant upgrading that took place in the 2000 – 2010 period, in the context of a restructuring plan, that cost more than euro 350 million. In light of this, the Group's investment expenses during the year amounted to euro 14.3 million and pertained to restricted improvements in the production units. More specifically, there were upgrading expenses of euro 2.7 million at the HALCOR and FITCO plants in Oinofyta, euro 3.6 million at the SOFIA MED plant in Sofia, Bulgaria, euro 5.5 million at the HELLENIC CABLES plant and euro 2.5 million at the ICME ECAB plant in Bucharest, Romania.

In 2011, the Group further strengthened its product and production base with the addition of FULGOR, a cable manufacturer, with vast experience and advanced know-how in the production of high voltage and submarine cables. Acquisition of FULGOR by the Group's subsidiary HELLENIC CABLES is of particular strategic importance to the Group, as it enhances its exporting orientation, while it expands its high added value product solutions portfolio.

For 2012, the Group's Management continues unhindered the implementation of its development plan, oriented towards maintaining HALCOR's market shares and those of its subsidiaries, in the existing markets where the

group operates and effectively entering new markets. At the same time, in light of the potential dangers of the Group's current microeconomic and macroeconomic environment, further reduction of operating cost, strict management of working capital and decrease of net borrowings constitute key priorities.

Having set sound foundations, HALCOR Group adapts dynamically to the challenges of the current business environment, both inside and outside the Greek borders. Maintaining a clear strategic outlook, the Management of HALCOR capitalises on the Group's competitive advantages at a production and trading level, aiming at both short-term and long-term growth.

Dr. Periklis Sapountzis
General Manager

2. HALCOR Group

The HALCOR Group represents the copper, copper and zinc alloy and cable product manufacturing and trading branch of VIOHALCO.

The Group has a strong production base, with 10 plants in Greece, Bulgaria and Romania and a particularly significant product portfolio, which includes a wide range of high added value solutions for its customers.

The extended products' family of HALCOR and its subsidiaries, includes inter alia copper and brass tubes, copper fittings for connecting copper tubes, copper sheets, strips, circles and plates, titanium-zinc sheets and strips, special copper alloys, copper and brass rods and bars, enamelled wires and a wide range of cables. HALCOR is the sole copper tube manufacturer in Greece.

The main Group companies are:

1. HALCOR

The Group's parent company. With production units in Oinofyta and a product portfolio that includes among others the copper tubes TALOS ECUTHERM, TALOS INNER GROOVED, the copper and aluminium bimetallic tubes TALOS DUAL and the CUSMART tubes. The company also manufactures 8mm copper wire.

The HALCOR shares are listed in the Athens Stock Exchange.

2. HELLENIC CABLES

HELLENIC CABLES manufactures power, communication and data transmission cables and submarine cables. Its family of products also includes enamelled wire as well as plastic and rubber compounds. HELLENIC CABLES is the sole manufacturer of enamelled wires in Greece.

The company's plants are located in Thiva, Livadia and Oinofyta and its shares are listed in the Athens Stock Exchange.

3. SOFIA MED

Operation of the SOFIA MED industrial unit in Sophia, Bulgaria started in 2000. The Group has invested over euro 120 million in its plant upgrading and expansion; the plant produces a wide range of products, including rolled copper, brass and titanium-zinc products and extruded copper products.

4. ICME ECAB

The headquarters of ICME ECAB are in Bucharest, Romania; the company manufactures various types of cables, copper and aluminium conductors, plastic and rubber compounds. The plant has a fully equipped research and development department, which focuses on the constant improvement of the quality of the manufactured products.

5. FITCO

The FITCO plant in Oinofyta manufactures extruded brass products, such as bars, profiles, blades, wires and tubes.

6. FULGOR

FULGOR joined the HALCOR Group in 2011. The company manufactures cables and its production facilities are in Soussaki, Corinthia. The FULGOR product portfolio includes among others submarine cables, power cables, 8mm copper cable and 9.5mm aluminium cables, bare conductors and fibre optic cables.

The companies falling under the HALCOR Group at the end of 2011 are:

Company	Country of registered office	Holding	Main Activity
1. HALCOR S.A.	Greece	PARENT	Copper and copper alloy processing
2. HELLENIC CABLES S.A.	Greece	72.53%	Overhead conductors, overhead and underground powers cables and enamelled wires manufacturing
3. STEELMET S.A.	Greece	51,00%	Metal products trading
4. AKRO S.A.	Greece	95.74%	Pressed fittings manufacturing
5. SOFIA MED S.A.	Bulgaria	100,00%	Copper, copper and zinc alloy processing
6. METAL AGENCIES LTD	United Kingdom	90.94%	Metal products trading
7. BELANTEL HOLDINGS LTD	Cyprus	100.00%	Metal products trading
8. METAL GLOBE D.O.O.	Serbia	51.76%	Metal products trading
9. COPPERPROM LTD	Greece	69.01%	Market research, advertising, events organisation, training
10. FITCO SA	Greece	100.00%	Metal processing
11. TECHOR S.A.	Greece	68.97%	Production and trading
12. DIAPEM S.A.	Greece	33.33%	Liquid gas trading
13. ELKEME SA	Greece	30.44%	Research in the metal sector
14. S.C. STEELMET ROMANIA S.A.	Romania	40.00%	Metal products trading
15. TEPRO METAL AG	Germany	36.21%	Metal
16. VIEXAL S.A. (former EPE)	Greece	26.67%	Trade, transportation and agencies
17. HALCOR RESEARCH AND DEVELOPMENT S.A.	Greece	70.00%	Research and development of new copper and copper alloy products
18. HABAKIS LTD	Greece	100.00%	Metal products trading
19. HALCORAL S.h.p.k.	Albania	100.00%	Metal products trading

HALCOR

3. Milestones in the history of HALCOR

1937

HELLENIC COPPER INDUSTRY is founded and production is launched at the plant in Tavros, Attica, the first VIOHALCO production unit. Currently, the Tavros plant is one of HALCOR's production units.

1976

HALCOR is founded and operations begin at the Oinofyta Foundry.

1981

HALCOR absorbs the copper rolling and extrusion branches of VIEM thus gaining access to the significant VIOCHALCO know-how.

1990-95

HALCOR contributes its rolling equipment to VEKTOR. Dynamic entry of VEKTOR in the copper and other alloys rolling, extrusion and cutting sector.

1996

VEKTOR shares are listed in the Athens Stock Exchange.

1997

- VEKTOR merged by absorption with HALCOR and renamed into HALCOR METAL PROCESSING S.A.
- HALCOR acquires a 4.99% holding in HELLENIC CABLES SA, also listed in the Athens Stock Exchange.

1999

HELLENIC CABLES acquires a majority holding in ICME ECAB, which is based in Bucharest and manufactures cables and plastic and rubber compounds.

2000

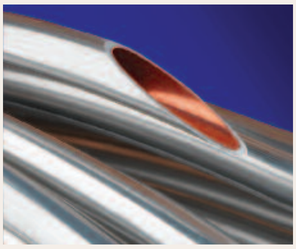
- HALCOR acquires a majority holding in HELLENIC CABLES.
- The subsidiary SOFIA MED in Sofia, Bulgaria acquires the fixed assets of KOZM.
- The Group makes the strategic decision to move manufacturing of rolled copper and brass products to the SOFIA MED plant.
- Beginning of implementation of an extensive investment plan to upgrade and restructure the Group's production base.

2005

- The HALCOR plant in Tavros starts manufacturing rolled zinc products.
- The pioneering CUSMART® tubes are launched in the market.

2010

- The brass bars and tubes branch is transferred from HALCOR to its subsidiary FITCO.
- The innovative tube TALOS DUAL® is launched in the market.
- Establishment of HALCOR RESEARCH AND DEVELOPMENT, engaged in the research and development of new, innovative applications in the copper product industry.
- Completion of the Group’s investment plan. The total cost exceeded euro 350 million in the period 2000 – 2010.



2011

- HELLENIC CABLES acquires FULGOR, with cable, conductor and wire manufacturing plants in Soussaki, Corinthia and a vast experience in high voltage and submarine cables manufacturing.

HALCOR

4. Philosophy and Strategy

Achieving its development goals, based always on carefully designed strategic programmes, is an integral part of HALCOR Group's business philosophy.

All Group companies operate within the framework of specific, methodically established business plans, which are compatible and fully aligned with the overall strategic plan of the parent company, utilizing all available resources and developing essential synergies at all levels.

The Group's main strategic planning priorities are based on further strengthening of its production base, bolstering its business presence and optimisation of its operational effectiveness. In this context, the main priorities of HALCOR and its subsidiaries are:

1. Ongoing commitment to scientific research along with development and marketing of value adding products:

- To lay emphasis on research through the Hellenic Research Centre for Metals (ELKEME) and HALCOR RESEARCH AND DEVELOPMENT aiming to develop new value adding products.
- Dynamic commercial promotion of the ground-breaking copper and aluminium bimetallic TALOS DUAL tubes and high and extra-high voltage cables.
- Increase participation in the consolidated turnover of industrial high added value products, such as industrial copper tubes, rolled copper and brass for industrial applications, special copper alloys and submarine cables.

2. Focus on customer requirements:

- Constant search for flexible solutions, adapted to the operational needs of the Group's client base.
- Continuous improvement of before and after sale services.

3. Bolstering the Group's business presence in international markets and new product sectors:

- Enhance exports through international trade collaborations.
- Further expansion of its client base both in existing and new geographical markets.
- Capitalise on the commercial synergies between HALCOR and its subsidiaries.
- Maintain and consolidate the leading position in Greece and Southeast Europe.
- Expand the Group's position in markets outside the European Union, with particularly attractive attributes, such Russia, USA and the Scandinavian countries.

- Smooth inclusion of Fulgor's extensive product portfolio in the HALCOR Group's family of products.

4. Further improvement of the high quality standards of the Group's products:

Adoption of even stricter operational procedures in the production units and continuous adaptation of the plants to the new requirements of international quality standards.

5. Reinforce the Group's operational and production efficiency:

- Capitalise on the restructuring of production units on an operational level.
- Introduce new automations to the production process.
- Improve further the fixed production cost.
- Improve the rate of returned products.
- Optimise production planning.
- Increase the use of scrap.

6. Protection of and respect for the natural and social environment:

Ongoing, strict and measurable efforts to improve environmental performance and active contribution to the sustainable development of the social environments hosting the operations of the Group's companies.

7. Ensuring a safe and efficient work environment:

Systematic organisation of safety, training and professional advancement seminars according to market requirements while at the same time encouraging a climate of trust and recognition.

5. Products

Introduction

The product portfolio of HALCOR and its subsidiaries mainly comprises the following families of products:

1. Copper and brass tubes
2. Rolled copper, brass, titanium-zinc and special alloy products
3. Extruded copper and brass products
4. Cables of various types and enamelled wires

The products under the above categories cover an extensive range of uses including among other heating and water supply networks, automotive industry and ship building, power and data transmission networks. They are also used in various architectural, electrical, mechanical and industrial applications.

High added value product solutions

An important part of HALCOR Group's commercial success is based on the ground-breaking products the Group develops, which constitute high added value solutions for the requirements of its customers. Some typical examples of such innovative products are:

- **TALOS ECUTHERM®**: Coated copper tube that excels in insulation ensuring higher energy savings.

- **CUSMART®**: Flexible copper tube coated with a special PE compound, which stands out for its extremely competitive cost and significant quality advantages. More specifically, CUSMART® tubes have a long service life, flexibility and final shape stability, minimum thermal expansion and significant energy savings with industrial insulation.

- **TALOS DUAL®**: A tube that combines the quality properties of copper with those of aluminium. It consists of an inner copper layer and an external aluminium layer, both of which are consolidated seamlessly and act as a single homogenised tube. Another advantage of TALOS DUAL® tubes is their reduced weight.

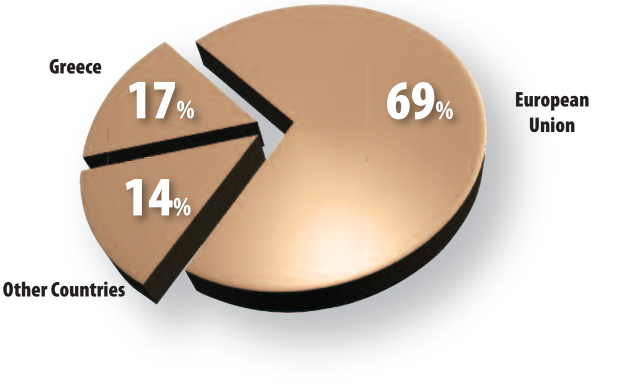
Moreover, HALCOR Group is one of the few manufacturing companies in Europe that produces inner grooved copper tubes with a minimum wall thickness of 0.28mm. This is an advanced technology and high efficiency product used in the air conditioning device industry.

Strong international business presence

HALCOR Group has developed a dynamic business presence outside the Greek territory, which is in practice substantiated both by the sales volume outside Greece and by the market shares it maintains at a European level.

In 2011, 16.4% of the consolidated turnover pertained to the Greek market, while 69.3% pertained to other EU countries, 6.6% to other European countries, 2.6% to Asia, 3% to America, 2% to Africa and 0.2% to Oceania.

Consolidated Turnover per Geographical Region



It should be noted that HALCOR Group's exports in 2011 represent approximately 4.5% of Greek exports (excluding petroleum products).

With respect to European level market shares, HALCOR Group maintains a 13% share in the rolled copper product market for housing applications, a 15% share in the copper bus bar market and a 12% share in the copper tubes market.

Product Families

The product families of HALCOR and its subsidiaries are analysed as follows:

Tubes

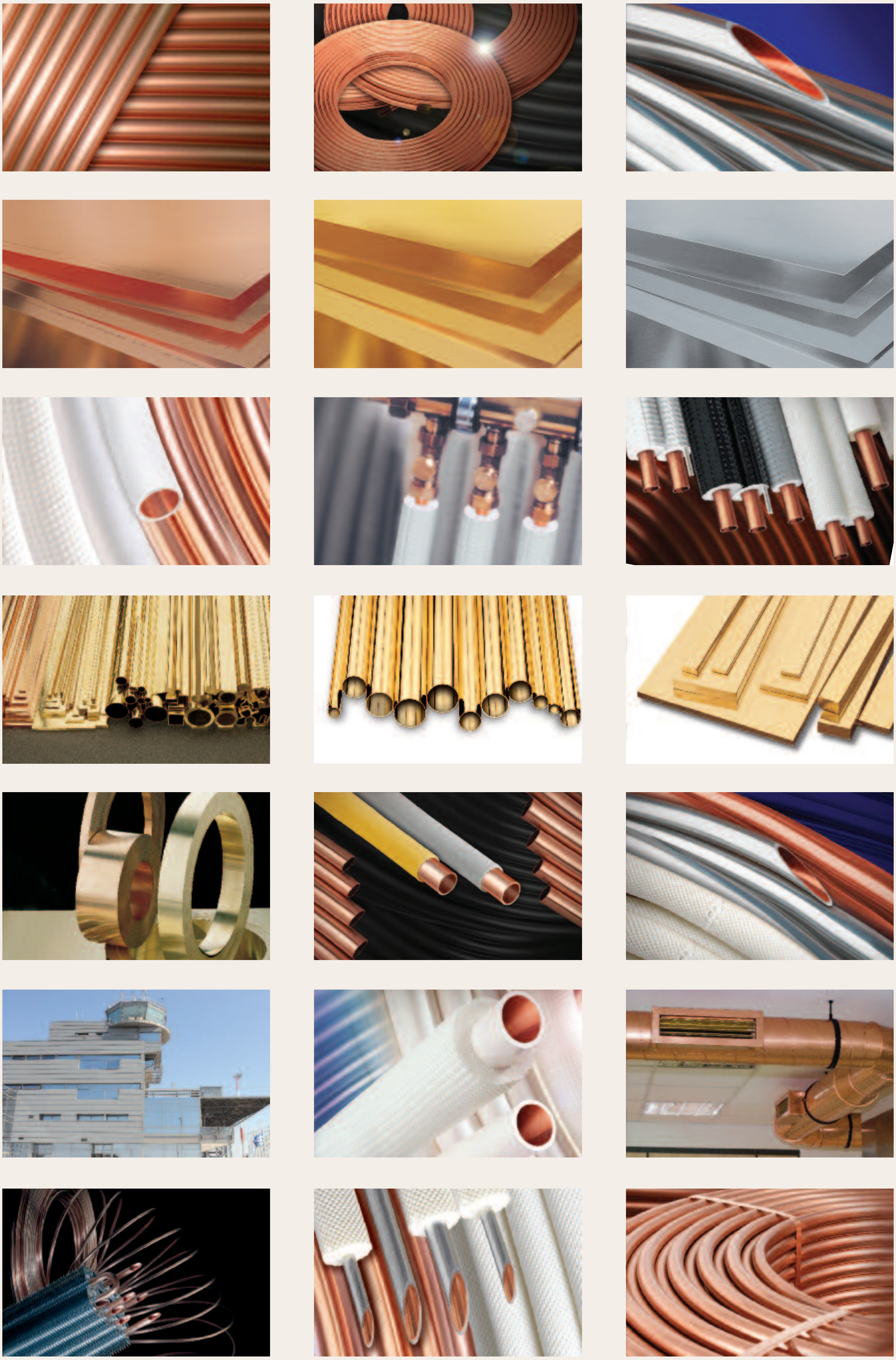
Copper tubes

The copper tubes category includes products used inter alia, in water supply, heating and natural gas networks, manufacturing of air conditioners and heat exchangers and various other industrial applications. These products are marketed under the trade names TALOS® and CUSMART®. The following tables presents an analytical presentation of this category of products:

Tube	Use
TALOS	Water supply, heating, natural gas, fire-extinction networks, and air-conditioning facilities
TALOS - Coated	Water supply, heating, floor heating, natural gas networks
TALOS GAS	Natural gas networks
TALOS MED	Medical gases networks
TALOS ECUTHERM	Water supply, heating networks, air-conditioning and cooling facilities and solar systems, steam and industrial networks
TALOS ECUTHERM 2	Air-conditioning and cooling facilities, solar systems
TALOS ECUTHERM SOLAR	Solar systems
CUSMART	Water supply, heating, floor heating and cooling
TALOS DUAL	Industrial applications
ACR TALOS	Air-conditioning and cooling facilities
ACR TALOS INNER GROOVED	Heat exchangers, air-conditioning and cooling devices
TALOS SOLAR Plus	Solar absorbers

HALCOR

5. Products



Brass tubes

The brass tubes product category includes:

- **Seamless brass tubes**: Used mainly in the manufacturing of metal fittings, architectural and decorative applications, in the automotive industry, in furniture and light manufacturing.

- **Seamed brass tubes**: Used in the automotive industry, chemical industry, in shipbuilding, heat exchangers and plumbing components.

TALOS® fittings

This sub-category includes soldered and pressed copper TALOS fittings used in the joints of copper tubes.

Rolled products

The rolled products category includes copper strips, sheets, circles and plates, titanium-zinc sheets and strips as well as special copper alloys.

Copper rolled products for architectural applications

HALCOR Group manufactures copper sheets and strips used for exterior cladding of buildings, roofing, gutters, chimneys and dormers and skylights. Apart from architectural applications, copper rolled products are also used for solar collectors, boilers and special electrical and mechanical structures/devices. They are marketed under the trade name DOMA® and their specifications comply with the requirements of EN 1652 and EN 1172 standards.

Titanium-zinc rolled products for architectural applications

The titanium-zinc sheets and strips marketed by HALCOR under the same trade name DOMA®, offer installation flexibility, great mechanical properties and a long service life while they don't require maintenance.

Titanium-zinc products are used for roofing, interior and exterior wall cladding and in the processing industry.

Copper and brass rolled products for industrial applications

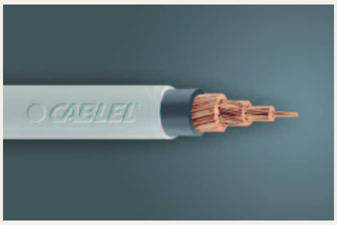
This subcategory includes brass sheets, strips, circles and plates used widely in industrial manufacturing. These products are used inter alia for manufacturing electrical and electronic equipment, in marine applications, in the defence, petrochemical, electrical, nuclear and medical industries, and for manufacturing springs, automotive parts and components for the , boilers, solar collectors and panels, high-frequency twisted cables and ammunition.

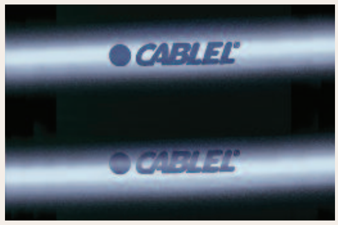
Copper and brass rolled products for industrial applications are manufactured on a case-by-case basis in full compliance with the corresponding standards EN 1652, EN 1653, EN 13599 and EN 1654.

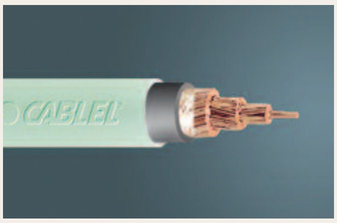
Special alloys

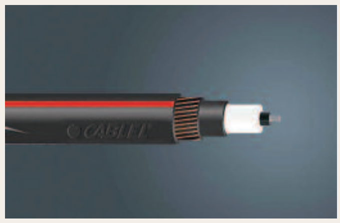
HALCOR Group manufactures copper-zinc alloys which are used in cups and discs, and also copper-nickel, copper-nickel-zinc and copper-aluminium-nickel alloys, used in the production of coins.

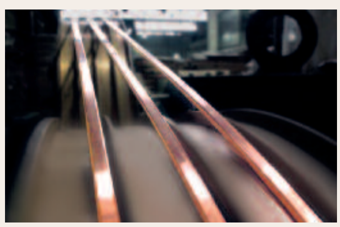
5. Products

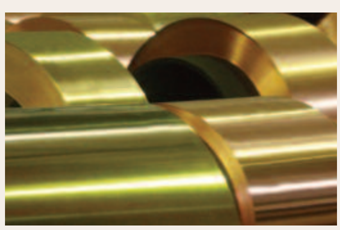


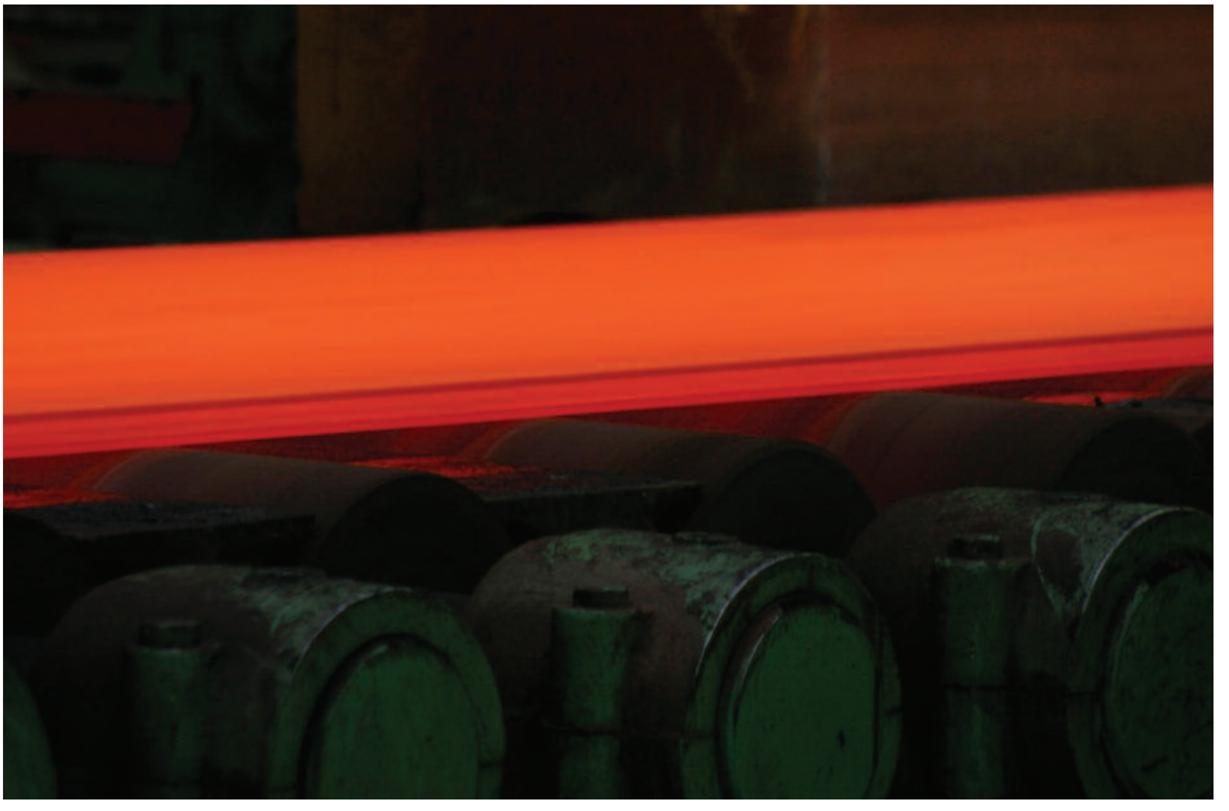












Extruded Products

The range of extruded products includes copper bars and rods as well as brass bars, rods and profiles. The products of this category are mainly used in architectural, electrical and mechanical applications and for decoration.

Cables

Cables are manufactured by HELLENIC CABLES and the subsidiaries FULGOR and ICME ECAB and are marketed under the trade name CABLEL®.

Furthermore, the HELLENIC CABLES Group family of products includes conductors, enamelled wires as well as plastic and rubber compounds used in the manufacturing of cables and tubes and for manufacturing plastic and rubber profiles.

The main products in this category are:

- **Power cables**: cables for indoor installations; control cables; cables for industrial uses and outdoor installations; fire-retardant, fire-resistant and halogen-free cables, submarine cables, medium and high voltage cables, marine cables and Cu (grounding), Al and ACSR conductors.

- **Telecommunications and data transmission cables**: conventional telephone cables; telephone exchange, data transmission, fibre-optic (single-mode and multi-mode); submarine cables and signalling cables.

- **Enamelled wires**: this particular category includes enamelled wires for electric motors and transformers as well as copper wires for grounding and can making.

- **Plastic & rubber compounds**: the compounds' product range includes PVC-based and polyolefin-based plastic compounds, and rubber compounds.

6. HALCOR Group Production Units

HALCOR Group has a strong production base, with 10 plants in Greece, Bulgaria and Romania. The industrial unit of FULGOR in Soussaki, Corinthia engaged in the manufacturing of cables, bare conductors, copper and aluminium rods, joined the Group in 2011.

Manufacturing Facilities in Greece

Production unit	Location	Scope of production
HALCOR Foundry	Oinofyta	Semi-finished products (billets and slabs), 8mm wire rod, brass ingots
HALCOR Copper Tubes Plant	Oinofyta	Copper tubes for heating, water supply, cooling, natural gas transport, air conditioning and industrial use
FITCO Brass Bars and Tubes Extrusion Plant	Oinofyta	Brass finished products (bars, profiles, plates wires and tubes)
HALCOR Titanium-zinc Rolling Plant	Tavros	Titanium-zinc Rolled products
SOFIA MED Copper Processing Plant	Sofia	Copper, brass and special alloy flat products, copper bars and rods (Bulgaria)
HELLENIC CABLES Electrical Cables and Optical Fibres Plant	Thiva	Control cables, indoor installations' cables, ship and power cables
HELLENIC CABLES Copper Conductors and Enamelled Wires Plant	Livadia	Grounding and overhead conductors and enamelled wires
HELLENIC CABLES Plastic and Rubber Compounds Plant	Oinofyta	Plastic and rubber compounds for the supply of insulation, filling and shielding production lines of final cables
ICME ECAB Cable Plant	Bucharest (Romania)	Indoor installation cables, power, control, industrial use and exterior installation cables; fire-retardant & fire-resistant cables as well as plastic and rubber compounds
FULGOR Cables Plant	Soussaki, Corinthia	Cables, bare conductors, copper and aluminium wire

HALCOR Foundry (Oinofyta)

Total area: 51,213 square meters
Buildings: 11,638 square meters
Production capacity: 235,000 tons annually

The main scope of activity of the HALCOR Foundry is to manufacture billets and slabs, then forward them to the other industrial units of the Group for further processing. The following production lines are in operation at the Foundry:

- 2 lines of semi-continuous melting and casting of brass billets (either for lead or for pure brass).
- 1 line for the production of slabs made of special alloys.
- 1 line of semi-continuous melting and casting of titanium-zinc 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, which is a finished product for HALCOR, but is also raw material for the cable industry.

The Foundry is certified per ISO 9001: 2008, ISO 14001:2004 and ISO 18001:2007 standards; the plant uses natural gas, which keeps emissions of pollutants and particles at very low levels. The plant also operates a scrap collection and sorting centre for copper and copper alloys.

HALCOR Copper Tubes Plant (Oinofyta)

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

Using copper billets from the Oinofyta plant as raw material, the tube plant manufactures the following product categories:

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

The manufacturing process at the plant facility is vertically integrated and the machinery is among the most efficient in Europe.

The products manufactured by the plant are mainly used in heating, water supply, cooling, natural gas transfer and cooling applications as well as other industrial applications. At the same time, the plant is one of the few manufacturing tubes with inner grooves and small wall thickness, which are used in the production of heat exchangers.

The Oinofyta production unit is certified per ISO 9001:2008, ISO 14001:2004 and ISO 18001:2007 standards.

FITCO Brass Bars and Tubes Extrusion Plant (Oinofyta)

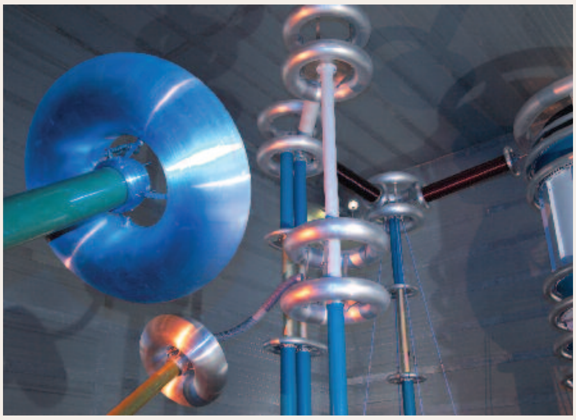
Total area: 57,980 square meters
Buildings: 23,120 square meters
Production capacity: 40,000 tons annually

Using scrap as raw material for brass billets, the FITCO plant in Oinofyta manufactures the following hot or cold extrusion products:

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

The plant is certified as per ISO 9001:2008, ISO 14001:2004 and ISO 18001:2007 and the products comply with the principal European and American quality specifications (EN, DIN, BS, NF, ASTM).

6. HALCOR Group Production Units



HALCOR Titanium-zinc Rolling Plant (Tavros)

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

Being the first production unit of VIOHALCO and with a successful production history of more than 70 years, the Tavros plant is a historic benchmark for HALCOR Group. Operations started in 1937 with the production of tubes, household and plumbing items.

Over the last years, the plant manufactured principally titanium-zinc (ZnTiCu) rolled products and carried out the final processing of certain products manufactured by other VIOHACLO subsidiaries. In 2011, the plant's operation was gradually terminated in the scope of HALCOR Group's production base restructuring and these operations are now taking place in other units.

SOFIA MED Copper Processing Plant (Sofia, Bulgaria)

Total area: 250,000 square meters
Buildings: 120,000 square meters
Production capacity: 155,000 tons annually

The SOFIA MED plant in Sofia has a foundry and rolling and extrusion units, producing mainly the following:

- Copper, brass and titanium-zinc rolled products used in architectural applications, roofing, air ducts and general industrial applications.
- copper extruded products used in electromechanical equipment, decoration applications and plumbing fixtures.

The plant is certified per standard ISO 9001:2000.

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 HELLENIC CABLES plant in Thiva manufactures the following types of cables:

- Control cables.
- Indoor 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.
- Optic fibre cables.

The plant is certified per ISO 9001 and ISO 14001 standards and the raw materials used are aluminium, steel wire and plastic - rubber compounds. A medium- and high voltage cables production line has been operating since 2008 together with a quality control system / degassing.

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 HELLENIC CABLES production unit in Livadia manufactures grounding conductors, overhead conductors and enamelled wires. The plant is certified per ISO 9001 standard.

HELLENIC CABLES Plastic and Rubber Compounds Plant (Oinofyta)

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

The HELLENIC CABLES plant in Oinofyta produces rubbers and plastics necessary for the supply of insulation, filling and shielding production lines for the final cables. Meanwhile, the plant also supplies HALCOR with materials required for manufacturing ECUTHERM® and CUSMART® copper tubes.

The plant is certified per standard ISO 9001.

ICME ECAB Cable Plant (Bucharest, Romania)

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

The ICME ECAB plant produces cables for interior installations, energy, control, industrial uses and exterior installations, fire-retardant, fire-resistant and halogen-free cables, copper and aluminium conductors, mine cables, marine and special purpose cables, telecommunication cables, optical fibre cables, signalling, remote control and data transmission cables, as well as plastic and rubber compounds.

The ICME ECAB plant facilities in Bucharest are certified per ISO 9001 and ISO 14001 standards, while the products comply with a range of international quality standards.

FULGOR Cables Plant (Soussaki, Corinthia)

Total area: 206,465 square meters
Buildings: 75,305 square meters
Production capacity: 50,000 tons cables and 120,000 tons Ø8 wire, annually

The industrial facilities of FULGOR joined the Group's production base in the second semester of 2011, after the company was acquired by HELLENIC CABLES. The plants are located in Soussaki, Corinthia and manufacture a wide range of cables, including:

- Copper wire Ø8.0mm & aluminium wire Ø9.5mm
- Bare conductors
- Power cables (low, high and extra-high voltage)
- Submarine cables (power, telecommunications, optical fibre and combined)
- Marine cables
- Telephone cables
- Optic fibre cables
- Remote control cables
- Cables for special uses

The company plants are certified per EN ISO 9001:2000 and EN ISO 14001:2004 standards.

7. Research & Development

The HALCOR Group's focus on scientific research of copper applications is a key priority of its business strategy. To this end, significant resources have been invested for the operation of 2 separate research institutions: HALCOR RESEARCH AND DEVELOPMENT SA AND ELKEME (Hellenic Research Centre for Metals).

HALCOR RESEARCH AND DEVELOPMENT S.A.

HALCOR RESEARCH AND DEVELOPMENT was established in 2010, its main objective is research on various copper applications and the development of new, innovative, high added value products and improvement of production methods.

The company's research facility is located inside the HALCOR plant at Oinofyta and employs Group executives with an excellent academic background and valuable long-time experience on the subject.

Since its first year of operations, the new company has made valuable contributions to the design and development of the innovative bimetallic copper tube TALOS DUAL®, a fact that demonstrates the dynamic role that HALCOR RESEARCH AND DEVELOPMENT can play for the enrichment of the Group's product portfolio with new, ground-breaking solutions for its customers.

ELKEME (Hellenic Research Centre for Metals SA)

The Hellenic Metal Research Centre (ELKEME) is located in Tavros and is engaged in laboratory research for new production methods and testing the behaviour of end products. The Centre's objective is to carry out basic research on advanced designs and techniques, aimed at improving the production process.

The modern facilities of the Hellenic Metal Research Centre (ELKEME) are staffed with highly trained scientific personnel. The added value resulting from the centre's operations is significant and is substantiated by its valuable contribution on various operational issues regarding the production units and its assistance in the development of new products, such as the CUSMART® tubes.

HALCOR 8. Financial Results

Consolidated Turnover

The increase of the sales volume by 8.3%, the comparatively higher average prices of metals during 2011 and the increase of processing prices led to a rise of HALCOR Group's turnover by 19.6%, at euro 1,249.3 million compared to 1,044.03 million in 2010. It should be noted that the turnover increase was accompanied by a market share increase in certain markets.

There was no significant change in the sales product mix at a category level, with respect to volume, cable sales represent 42% of total sales, tubes 25%, rolling products 17%, copper bus bars 10% and brass rods represent 6%. However, there were changes at a subcategory level, with the sales of industrial copper tubes and rolled products increasing and sales of installations' products decreasing.

Group results

The higher processing prices and better mix of sales lead to an improvement of the Group's results, while the 4.3% restriction of administrative and selling expenses had a positive impact on the results. At the same time, there was a negative impact from the increased borrowing costs, attributed to both the increased bank margins and the loan capital increase, which was necessary to finance the extended turnover.

More specifically, the consolidated gross profit was increased by 43.7% at euro 63.2 million compared to euro 44 million in 2010. Consolidated earnings before interest, taxes, depreciation and amortization (EBITDA) registered a significant increase of 51.4% amounting to euro 49.2 million compared to euro 32.5 million last year, while losses after taxes and minority interests in 2011 amounted to euro 15.6 million, compared to losses of euro 13.1 million in 2010.

Consolidated Financial Results

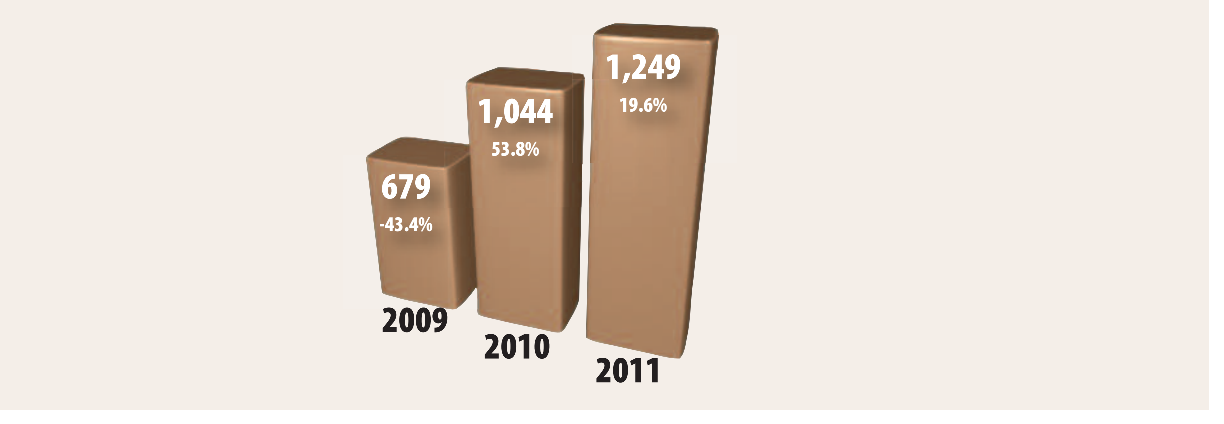
	2009	2010	2011
amounts in thousand euro			
Turnover	679,059	1,044,312	1,249,317
Gross Profit	32,127	43,975	63,185
Profit/Loss before interest, taxes, depreciation and amortization (EBITDA)	20,365	32,476	49,169
Earnings before interest and taxes (EBIT)	-5,782	4,153	23,148
Profit/Loss before taxes	-22,056	-16,249	-11,351
Profit/Loss after taxes & minority interests	-19,375	-13,097	-15,583

Development of figures (%)

	2009	2010	2011
Turnover	-43.4%	53.8%	19.6%
Gross Profit	61.6%	36.9%	43.7%
Profit/Loss before interest, taxes, depreciation and amortization (EBITDA)	463.6%	59.5%	51.4%
Earnings before interest and taxes (EBIT)	n/a	n/a	457.4%
Profit/Loss before taxes	n/a	n/a	n/a
Profit/Loss after taxes & minority interests	n/a	n/a	n/a

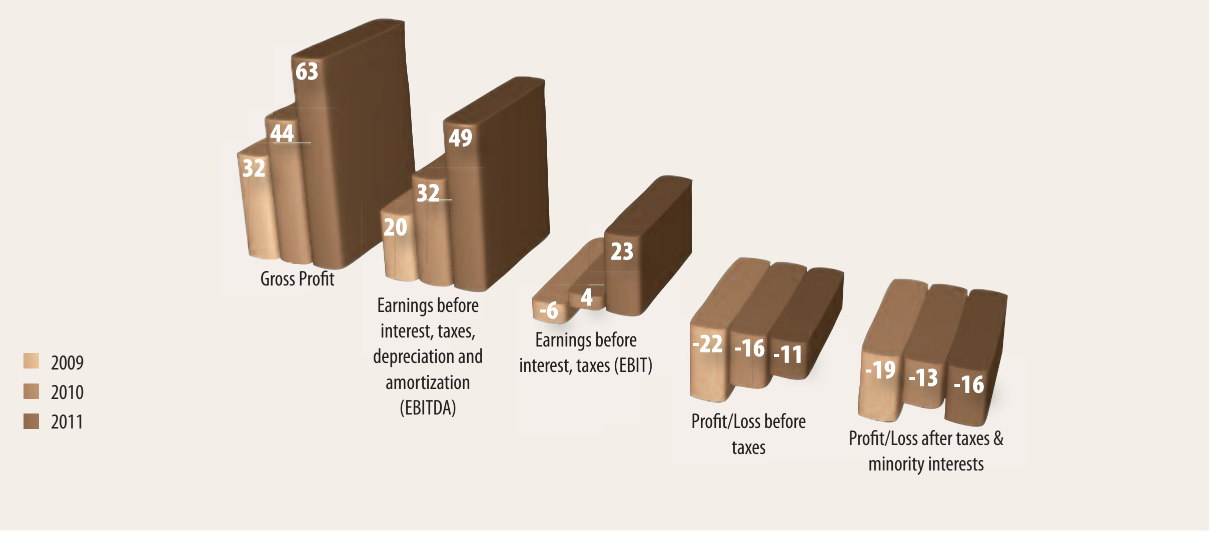
Consolidated Turnover

million euro



Consolidated Financial Results

million euro

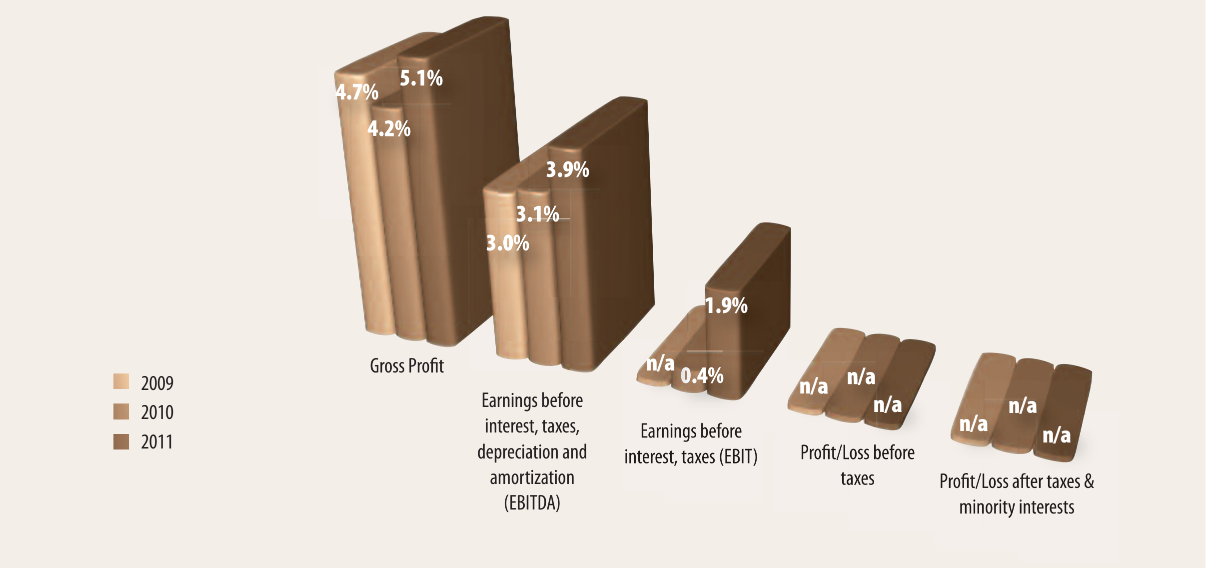


8. Financial Results

Profit Margins

	2009	2010	2011
Gross Profit	4.7%	4.2%	5.1%
Profit/Loss before interest, taxes, depreciation and amortization (EBITDA)	3.0%	3.1%	3.9%
Earnings before interest and taxes (EBIT)	n/a	0.4%	1.9%
Profit/Loss before taxes	n/a	n/a	n/a
Profit/Loss after taxes & minority interests	n/a	n/a	n/a

Profit Margins



Results per Business Unit (in thousand euro)

2009	COPPER PRODUCTS	CABLE PRODUCTS	OTHER SERVICES
Sales	378,573	229,673	70,813
Earnings before interest and taxes (EBIT)	-11,584	3,751	2,052
Profit/Loss after taxes	-17,638	-1,230	-398

2010	COPPER PRODUCTS	CABLE PRODUCTS	OTHER SERVICES
Sales	607,321	332,299	104,692
Earnings before interest and taxes (EBIT)	-2,390	5,134	1,409
Profit/Loss after taxes	-13,473	418	-3

2011	COPPER PRODUCTS	CABLE PRODUCTS	OTHER SERVICES
Sales	746,965	392,134	110,217
Earnings before interest and taxes (EBIT)	8,626	13,173	1,349
Profit/Loss after taxes	-18,334	3,318	386

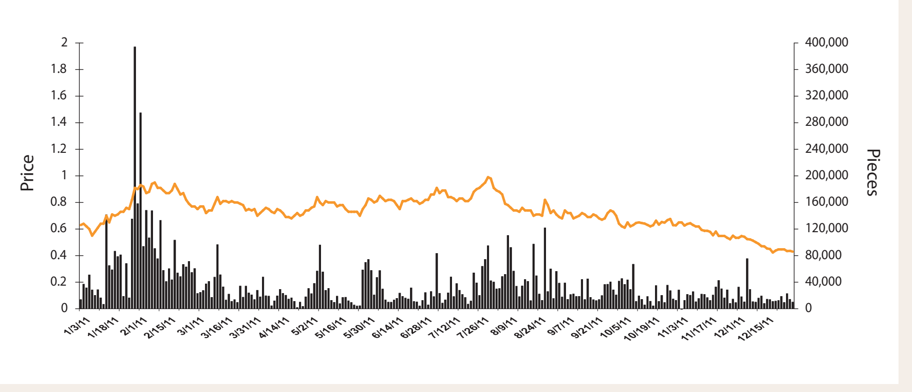
Consolidated Statement of Financial Position (thousand euro)

	2009	2010	2011
ASSETS			
Fixed assets	350,717	337,636	393,459
Inventories	184,408	222,506	234,740
Trade receivables	147,512	212,053	154,743
Cash and cash equivalents	17,753	17,368	37,200
Other assets	1,920	3,963	2,764
TOTAL ASSETS	**702,310**	**793,526**	**822,907**
EQUITY & LIABILITIES			
Share Capital	38,486	38,486	38,486
Other equity items of Company shareholders	121,878	105,082	97,740
Minority interest	24,511	24,478	33,922
Total equity	**184,875**	**168,046**	**170,148**
Long-term liabilities:			
Long-term loans	192,732	156,061	190,474
Other long-term liabilities	22,403	25,115	31,063
Total long-term liabilities	**215,135**	**181,176**	**221,537**
Short-term liabilities:			
Short-term loans	226,670	338,157	329,413
Other short-term liabilities	75,630	106,147	101,809
Total short-term liabilities	**302,300**	**444,304**	**431,222**
TOTAL LIABILITIES AND EQUITY	**702,310**	**793,526**	**822,907**

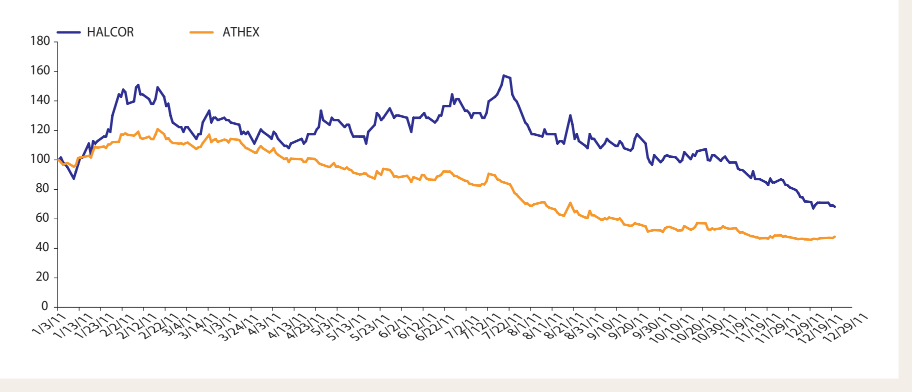
Consolidated Statement of Cash Flow (thousand euro)

	2009	2010	2011
Cash Flows			
From operating activities	47,836	-62,710	48,530
From investment activities	-26,158	-12,403	-18,837
From financing activities	-62,896	74,728	-9,861
Total	**-41,218**	**-385**	**19,832**
Cash and Cash Equivalents at beginning of the year	**58,971**	**17,753**	**17,368**
Cash and Cash Equivalents at end of the year	**17,753**	**17,368**	**37,200**

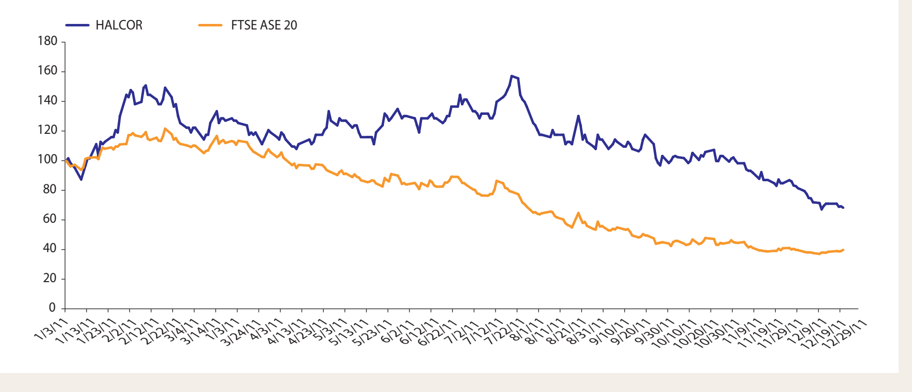
Share Performance and Volume of Transactions



HALCOR vs ATHEX (base = 100)



HALCOR vs FTSE ASE 20 (base = 100)



FINANCIAL RATIOS

		2009	2010	2011
LIQUIDITY RATIOS				
General liquidity	Times	1.16	1.03	1.00
Special liquidity	Times	0.55	0.53	0.45
ACTIVITY RATIOS				
Receivable turnover ratio	Days	79	74	45
Accounts payable turnover ratio	Days	33	33	30
Asset turnover ratio	Times	0.97	1.32	1.52
VIABILITY RATIOS				
Coverage of Financial Expenses	Times	1.15	1.87	1.39
Debt/Equity	Times	2.80	3.72	3.84

Investment Ratios

		2009	2010	2011
EBITDA/ share	Euro	0.20	0.32	0.49
P/BV	Times	0.72	0.51	0.43
P/Sales	Times	0.20	0.08	0.06
P/EBITDA	Times	6.56	2.66	0.50
Share Information				
Weighted average number of shares (in thousand)		101,280	101,280	101.280
Average price per share		1.32	0.85	0.73

The ratios were calculated using the average share price during each fiscal year and the weighted number of shares.

Average price per share 2011: euro 0.73
Number of shares: 101,279,627
Share Symbols:
XAKOP (ATHEX)
HAL.AT (Reuters)
XAKO GA (Bloomberg)

HALCOR

9. Corporate Governance

HALCOR has adopted the practices of Corporate Governance in the way it is managed and operates as these are specified in the applicable institutional framework and the Code of Corporate Governance published by the Hellenic Federation of Industries.

Further information on the application of the above principles in the Company is included in the Annual Financial Report on the year 2011 and on HALCOR website (www.halcor.gr).

HALCOR Board of Directors

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

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

2. Emmanuel Gavalas, Pireos Plant Technical Manager
Mr. Gavalas is an electrical-mechanical engineer, graduate of the National Technical University of Athens. He has been one of VIOHALCO executives since 1977.

3. Ioannis Dousis, Supply Chain Manager
Mr. Dousis is an economist, graduate of the National & Kapodistrian University of Athens. He has been working for the Group since 2003.

4. Stylianos Theodosiou, Technical Manager
Mr. Theodosiou is an electrical-mechanical engineer, graduate of the National Technical University of Athens. He has been working for the Group since 1969.

5. Spyridon Kokkolis, CFO of the HALCOR Group
Mr. Dousis is an economist, graduate of the National & Kapodistrian University of Athens. He has been one of VIOHALCO executives since 1993.

6. Eftychios Kotsambasakis, Oinofyta Plants Directing Manager
Mr. Kotsambasakis is an economist. He has been one of VIOHALCO executives since 1965.

7. Lolos Panagiotis, Commercial Manager
Mr. Lolos has a degree in Political Sciences of Panteion University and a Master's degree from North Carolina State University. He has been working for HALCOR since 2001.

8. Ioannis Markakis, Internal Audit Supervisor
Mr. Markakis is an economist, graduate of the University of Piraeus, Department of Business Organization and Administration. He has been one of VIOHALCO executives since 1973.

9. Georgios Mavraganis, Strategic Planning Manager
Mr. Mavraganis is a chemical engineer holding an MEng from Swansea University And an MBA from Cardiff Business School. He has been working for HALCOR since 2008.

10. Gerasimos Moschopoulos, IT Manager
Mr. Moschopoulos is a graduate of the School of Computer Engineering of the University of Concordia in Montreal, Canada, and holds a Postgraduate degree in Digital systems from the same school. He has been working for the Group since 2000.

11. Ioannis Biris, HALCOR RESEARCH AND DEVELOPMENT S.A.
Mr. Biris is an architect. He has been working for HALCOR since 2002.

12. Ioannis Papadimitriou, Tubes Plant Technical Manager
Mr. Papadimitriou holds a Doctor's degree from the Technical University of Hannover (Electrical-Mechanical Engineering Faculty) with specialization in "Information Processing". He has been working for HALCOR since 1992.

13. Evangelos Papanikolaou, Foundry Technical Manager
Mr. Papanikolaou is a mechanical engineer, holder of BEng, MSc, of the Imperial College of Science Technology & Medicine, London University. He also has an M.B.A. from the same university. He has been working for HALCOR since 1995.

14. Dionysios Skarmoutsos, Quality Assurance and Environment Manager
Mr. Skarmoutsos is a chemical engineer and holds a MSc degree in the science of materials from the University of Patras . He has been one of VIOHALCO executives since 2004.

15. Nikolaos Tarnanidis, New Markets Development Manager
Mr. Tarnanidis is an economist, graduate of the Higher Industrial Faculty of Piraeus and holds a Master's degree in Economic Sciences from the University of London. He has been one of VIOHALCO executives since 1987.

16. Giorgos Tzortzos, Human Resources Manager
Mr. Tzortzos is an economist. He has been working for the Group since 2008.

17. Spyridon Hondrogiannis, Health & Safety Manager
He has a master's degree in engineering. He has been one of VIOHALCO executives since 2001.

HALCOR

10. Corporate Responsibility and Sustainable Development

HALCOR has integrated the principles of Corporate Responsibility in its entrepreneurial philosophy, aiming to operate in an ethical context, in cooperation with the community within which it operates.

Corporate Responsibility is an integral part of HALCOR's corporate strategy and is implemented in all sectors of its business operation. The result is expressed through systematic communication with its stakeholders, through monitoring and management of its environmental footprint, through collaboration with local communities on various levels and through the formation of a safe and healthy work environment.

The key priorities of HALCOR's Corporate Responsibility are:

Economic Growth and proper Corporate Governance

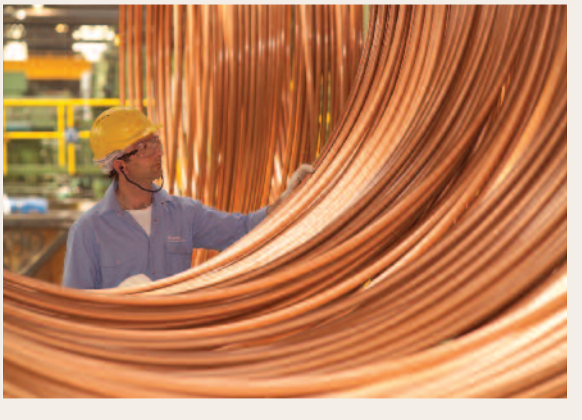
The company's economic growth in a viable manner constitutes an indisputable goal and for this reason its strategic priorities include all elements of responsible corporate activity.

Proper, transparent, responsible and effective management ensures the value maximisation of the enterprise. For HALCOR, proper corporate governance equals to an corporate culture and respect towards its shareholders.

Responsibility towards the Market

By investing in research and technology, HALCOR offers a wide range of products that save energy and respect the environment while contributing to public health. The company breaks new ground and demonstrates its leading position in metal processing by developing advanced technology products for various construction and industrial applications.

The company aims towards best possible satisfaction of its customers and develops communication methods and channels in order to record their needs and suggestions.



Responsibility towards Employees and maintenance of Health and Safety at Work

The Company's primary and constant aim is to achieve the highest possible standards of health and safety for its employees, subcontractors and visitors.

Furthermore, maintaining a work environment with fair reward, respect for human rights, diversity and equal opportunities to all employees is a key priority for HALCOR.

Responsibility towards the Environment

Responsibility towards the environment is a goal of key importance for HALCOR. Through its Environmental Policy, the company is committed to an environmentally responsible business growth. It will always operate aiming at pollution prevention and compliance with the legal and regulatory framework in order to continuously improve its performance with respect to environmental management issues.

Responsibility towards the Society

Contribution and responsible attitude towards the society is an integral part of the company's culture and strategy. In the scope of its social responsibility, HALCOR has undertaken and supports programmes and actions addressed to the environment, disadvantaged groups, education, culture, health, research and development.

Details on the Company's actions per pillar of Corporate Responsibility are laid down in the Report of Corporate Responsibility and Sustainable Development 2011 of HALCOR which is a separate section in this report.

HALCOR

11. Notice of General Meeting to Shareholders

NOTICE
of Annual General Meeting
to the shareholders of
HALCOR METAL WORKS SA
Commercial Companies' Register Number 2836/06/B/86/48

In compliance with the provisions of the Law and the Articles of Association of the Company, the Shareholders of HALCOR, METAL WORKS, S.A. are hereby invited, by the Board of Directors, to attend the Company's Annual General Meeting, to be held on Friday, June 29, 2011, at 12:30PM at the PRESIDENT HOTEL, 43, Kifissias Avenue, Athens.

AGENDA

1. 'To approve the annual financial statements for the Company's financial year 2011, as well as the reports of the Directors and the Certified Auditors on them.
2. To discharge the Directors and the Certified Auditors from all responsibility for damages for the financial year 2011.
3. To appoint Certified Auditors, as well as their alternates, for the financial year 2012 and approve their remuneration.
4. To elect the members of a new Board of Directors.
5. To appoint the members of the inspection committee, according to article 37 of Law 3693/2008.
6. To approve Directors' remuneration, according to the article 24, par.2 of C. L. 2190/1920.
7. To issue common debenture loans.
8. Various announcements.

RIGHT TO ATTEND THE GENERAL MEETING

Anybody appearing as a shareholder in the file of the Dematerialised Securities System, managed by "HELLENIC EXCHANGES, S.A." (former Central Securities Depository), in which the company's shares are kept has the right to attend the General Meeting. A certificate in written form issued by the above entity should be used as proof of the capacity to act as a shareholder, or alternatively the direct access to the electronic files of the entity. This capacity should exist on 24/06/12 (Registration date), namely at the beginning of the fifth (5th) day before the date of the General Meeting and the pertinent written certificate, regarding the capacity of shareholder, has to reach the company on 26/06/2010 at the latest, namely on the third (3rd) day before the holding of the General Meeting.

The company considers as a shareholder having the right to attend the General Meeting and vote only whoever has the capacity as a shareholder on the respective Registration Date. In the case the provisions of the article 28a of C. L. 2190/1920 have not been followed, the shareholder in question attends the General Meeting only following its relevant permission.

To exercise the rights in question does not presuppose that the shares of the beneficiary should be blocked or another similar procedure should be followed, limiting the possibility for sale and transfer of the shares during the period of time between the Date of Registration and the General Meeting.

PROCEDURE TO BE FOLLOWED IN ORDER TO EXERCISE VOTING RIGHTS THROUGH A PROXY

The shareholder attends the General Meeting and votes in person or through proxies. Each shareholder can appoint up to three (3) proxies. Legal entities can attend the General Meeting by appointing as their proxies up to three (3) natural persons. Nevertheless, in the case the shareholder holds shares of a company appearing in more than one securities account, the above restriction does not prevent the shareholder from appointing different proxies for the shares appearing in each securities account in respect with the General Meeting. A proxy acting on behalf of more shareholders can give different votes regarding each shareholder. The proxy of a shareholder has to inform the company, before the General Meeting starts, about any specific fact, which can be useful to the shareholders in assessing the risk that the proxy could serve the interests of parties other than the shareholder's. According to the present paragraph a conflict of interests could happen especially where the proxy:

a) Is a shareholder controlling the company or another legal body or entity, which is controlled by this shareholder.
b) Is a member of the Board of Directors or in the Company's management, in general, or a shareholder, who exercises control on the Company or other legal body or entity controlled by a shareholder, who exercises control over the company.
c) Is an employee or certified auditor of the company or a shareholder having control of the company or other legal body or entity controlled by a shareholder, who has control of the company.
d) Is the spouse or a first degree relative of one of the natural persons mentioned in the cases (a) to (c).

The appointment or recall of the shareholder's proxy is executed in writing and notified to the Company, through the same procedure, at least three (3) days before the date of the General Meeting.

The company will make available the form to be used for the appointment of a proxy, on its web site www.halcor.gr. This form is to be submitted filled and signed by the shareholder to the Company's Investors Relations Service at the address: 16, Himaras Street, 15125 Maroussi or sent by fax at the number 210 6861347 at least three (3) before the day the General Meeting is to be held. The beneficiary is called to take care to reconfirm successful delivery of the proxy appointment form to the company at the phone number 210 6861349, Mr. Konstantinos Kanellopoulos.

Each share issued by the Company has one voting right.
The Company's Articles of Association do not provide the possibility to attend the General Meeting through electronic means, without the natural presence of the shareholders in the place where it is held or the possibility to participate by long distance voting.

MINORITY SHAREHOLDERS RIGHTS

According to the provisions of article 26 of C. L. 2190/1920, as it is in force today, the Company informs its shareholders on the following:

a) Following an application of shareholders representing 1/20 of the company's paid up share capital the company's Board of Directors has the obligation to include in the Agenda additional items, in the case the pertinent application reaches the Board by 14.06.12, meaning at least fifteen (15) days before the General Meeting. The application for the registration of additional items in the Agenda should be accompanied by a relevant justification or a draft resolution for approval by the General Meeting. The revised Agenda is published in the same way as the previous agenda, namely on 16.06.12 thirteen (13) days before the date of the General Meeting and at the same time it is made available to the shareholders at the company's web site together with the justification and the draft decision submitted by the shareholders, according to the provisions of art. 27 par. 3 of C. L. 2190/1920.
b) Following an application of shareholders representing 1/20 of the paid up share capital the Board of Directors

makes available to the shareholders, according to the provisions of art. 27 par. 3 of C. L. 2190/1920, at the latest by 23.06.12 namely six (6) days before the date of the General Meeting, the draft resolutions regarding the items included in the initial or the revised agenda, if the application reaches the Board of Directors by 22.06.12 meaning at least seven (7) days before the date of the General Meeting.

c) Following an application submitted to the Company by any shareholder by 23.06.12, meaning at least five (5) full days before the General Meeting, the Board of Directors has to provide to the General Meeting the specific information requested, regarding the Company's affairs, to the extent that these could be useful for a substantial assessment of the items on the agenda.

   The Board of Directors can provide a uniform answer to shareholders' application having the same contents. There is no obligation to provide information already available in the Company's web site, especially in the form of questions and answers.

   In addition, following a request of shareholders, representing 1/20 of the paid up share capital, the Board of Directors should announce to the General Meeting the amounts of remuneration paid, during the last two years, to each Board of Directors member or the managers of the Company, as well as any payment to the above persons for any reason or contract between them and the Company.

   In all the above cases the Board of Directors can deny to provide the information, due to a substantial reason, which should be mentioned in the minutes.

d) At the request/application of shareholders representing one fifth (1/5) of the paid up share capital, submitted to the Company by 23.06.12 , namely at least five days before the General Meeting, the Board of Directors should provide to the General Meeting information regarding the Company's business and assets. The Board of Directors can deny providing the information, due to a substantial reason, which should be mentioned in the minutes.

   The above mentioned time limits to exercise the minority rights also apply to Repeat General Meetings.

   In all the above mentioned cases the shareholders submitting an application have to prove the fact that they are shareholders of the Company, as well as the number of shares they own, when they proceed to exercise their relative right. Such proof can be a certificate issued by the entity, where the securities are kept or by direct electronic contact between the entity and the Company.

AVAILABLE DOCUMENTS AND INFORMATION

The information provided for by article 27 par.3 of C. L. 2190/1920 (the text of the Notice for Annual General Meeting, the total number of the Company's shares and the respective voting rights, comments of the Company's Board of Directors on the items of the agenda, the form appointing a proxy) shall be available, in electronic form, at the Company's web site, www.halcor.gr.

Copies of the above documents will be available in the offices of the Company's Investors Relations Service, at the address:16, Himaras Street, 15125 Maroussi.

Athens, June 6, 2012

The Board of Directors

Annual Financial Report

(1st January 2011 – 31st December 2011)

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

HALCOR S.A.
NO. in S.A. Register 2836/06/B/86/48
Address: Athens Tower, Building B, 2-4, Messoghion Avenue, 11527, Athens

CONTENTS

HALCOR METAL WORKS S.A.

Company's No in the Reg. of SA: 2836/06/86/48, Address: Athens Tower, Building B, 2-4, Messoghion Avenue, 11527, Athens

FINANCIAL DATA AND INFORMATION for the fiscal year from January 1, 2011 to December 31, 2011, (According to article 135 of Law 2190/20 for companies publishing annual financial statements, individual and consolidated, in accordance with IAS/IFRS)

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

Supervising Authority: Ministry of Development and Competitiveness, Department of limited companies, **Website of the Company:** www.halcor.gr,

Board of Directors: T. Papageorgopoulos (Chairman, Executive member), N. Koudounis (Vice Chairman, Executive member), P. Sapountzis, E. Kotsambasakis, T. Kassapoglou (Executive members), G. Passas, K. Bakouris, C.A. Komninos, A. Katsanos (Non-executive members), A. Kiriazis and N. Galetas (Independent, non-executive members), **Certified Auditor:** Harry Sirounis (Reg.No. SOEL 19071), **Date of approval of the financial statements**: 26 March 2012,

Audit firm: KPMG Certified Auditors, S.A., **Review type:** Unqualified opinion

DATA FROM STATEMENT OF FINANCIAL POSITION

(Amounts in euro)

	GROUP		COMPANY	
	31 Dec 11	**31 Dec 10**	**31 Dec 11**	**31 Dec 10**
ASSETS				
Own use Fixed assets	361,033,315	316,958,739	101,764,822	107,305,309
Investments in real estate	2,270,174	2,152,565	-	-
Intangible Assets	11,283,122	652,245	166,037	186,079
Other non current assets	18,872,707	17,872,207	154,521,382	152,894,702
Inventories	234,740,289	222,506,376	67,694,501	77,259,197
Trade receivables	120,519,010	167,327,914	77,726,706	89,941,029
Other current assets	36,988,662	48,688,012	6,373,603	19,988,390
Cash and cash equivalents	37,199,549	17,367,950	14,359,870	2,403,946
TOTAL ASSETS	**822,906,828**	**793,526,008**	**422,606,923**	**449,978,651**
EQUITY AND LIABILITIES				
Share capital (101,279,627 of euro 0.38)	38,486,258	38,486,258	38,486,258	38,486,258
Other Company's shareholders equity	97,739,504	105,081,618	96,011,113	105,119,092
Company's shareholders equity (a)	136,225,762	143,567,876	134,497,371	143,605,350
Minority interests (b)	33,921,928	24,477,763	-	-
Total equity (c) = (a) + (b)	170,147,690	168,045,640	134,497,371	143,605,350
Long term borrowings liabilities	190,473,591	156,060,632	88,722,370	113,889,035
Provisions / Other long term liabilities	31,063,088	25,115,759	11,540,427	14,424,902
Short term borrowings liabilities	329,413,482	338,157,544	144,683,798	128,584,417
Other short term liabilities	101,808,977	106,146,433	43,162,956	49,474,946
Total liabilities (d)	652,759,138	625,480,368	288,109,552	306,373,301
TOTAL EQUITY AND LIABILITIES (c) + (d)	**822,906,828**	**793,526,008**	**422,606,923**	**449,978,651**

DATA FROM STATEMENT OF CHANGES IN EQUITY

(Amounts in euro)

	GROUP		COMPANY	
	31 Dec 11	**31 Dec 10**	**31 Dec 11**	**31 Dec 10**
Net equity at the beginning of the Period (1/1/2011 and 1/1/2010 respectively)	168,045,640	184,875,140	143,605,350	162,527,180
Total comprehensive income after taxes	(7,289,613)	(16,252,123)	(9,107,979)	(9,537,853)
	160,756,027	168,623,017	134,497,371	152,989,327
Transfer to subsidiary due to de-merger reasons	-	-	-	(9,383,977)
Dividends distributed	-	(994,448)	-	-
Acquisition of company	18,000	560,876	-	-
Subsidiary absorption	976,531	-	-	-
Increase / (decrease) of participation in subsidiaries	8,397,132	(143,805)	-	-
Net equity at the end of the period (31/12/2011 and 31/12/2010 respectively)	170,147,690	168,045,640	134,497,371	143,605,350

DATA FROM CASH FLOW STATEMENT

(Amounts in euro)

	GROUP		COMPANY	
	1.01 - 31.12.2011	**1.01 - 31.12.2010**	**1.01 - 31.12.2011**	**1.01 - 31.12.2010**
Operating activities				
Profits / (Losses) before taxes	(11,350,953)	(16,249,126)	(11,281,137)	(11,693,708)
Plus / less adjustments for:				
Depreciation of tangible assets	26,290,250	28,191,368	7,914,295	10,507,989
Depreciation of intangible assets	476,524	581,836	119,687	146,818
Grants Amortization	(746,320)	(450,227)	(251,699)	(299,967)
Provisions	(217,948)	293,394	(6,368,363)	(207,465)
Results (income, expenses, profits, losses) from investing activities	(941,728)	(778,810)	(41,986)	(713,453)
Interest payable and related expenses	35,440,976	20,943,150	15,874,871	9,691,430
(Profit)/loss from the sale of fixed assets	(111,011)	(252,340)	(79,779)	(244,737)
(Profit)/loss from the sale of investments	74,975	-		-
(Profit)/loss from the fair value of derivatives	(160,717)	(1,819,071)	(709,191)	(971,392)
Loss from the destruction of fixed assets	5,908	232,115	-	-
Impairment of participations	-	-	-	437,257
Plus / Less adjustments for changes in working capital accounts or related to operating activities:				
Decrease / (increase) of inventories	(14,866,816)	(38,098,055)	9,564,697	(16,920,448)
Decrease / (increase) of receivables	51,257,541	(50,323,433)	12,138,132	(42,443,422)
(Decrease) / Increase of obligations (except banks)	(594,177)	15,831,996	13,025,670	7,525,175
Less:				
Interest payable and related expenses paid	(34,977,740)	(19,837,372)	(15,411,635)	(8,400,923)
Taxes paid	(1,048,999)	(975,201)	-	-
Total cash (used in) generated from operating activities (a)	**48,529,765**	**(62,709,774)**	**24,493,563**	**(53,586,846)**
Investing activities				
Acquisition-sale of subsidiaries, affiliated com., consortiums and other investments	(3,417,495)	(6,320)	(1,259,140)	(2,263,142)
Purchase of tangible and intangible fixed assets	(15,839,160)	(13,346,399)	(2,537,991)	(2,550,587)
Receivables from sale of tangible and intangible fixed assets	92,154	420,167	144,315	6,623,427
Interest received	322,100	524,078	36,760	88,469
Dividends received	5,226	5,383	5,226	624,984
Total cash (used in) generated from investing activities (b)	**(18,837,176)**	**(12,403,091)**	**(3,610,830)**	**2,523,151**
Financing activities				
Receivables from issued / assumed loans	162,513,501	172,461,016	46,000,000	110,023,974
Loans paid up	(172,326,995)	(97,645,635)	(55,067,284)	(59,030,596)
Repayments of financial leasing liabilities (capital installments)	(1,419,470)	-	-	-
Receivables from grants	1,374,156	907,500	142,658	907,500
Dividends paid	(2,182)	(995,242)	(2,182)	(794)
Total cash (used in) generated from financing activities (c)	**(9,860,990)**	**74,727,639**	**(8,926,808)**	**51,900,084**
Net increase / (decrease) in cash and cash equivalents for the year (a)+(b)+(c)	**19,831,599**	**(385,226)**	**11,955,925**	**836,389**
Cash and cash equivalents at the beginning of the year	17,367,950	17,753,177	2,403,946	1,567,556
Cash and cash equivalents at the end of the year	**37,199,549**	**17,367,950**	**14,359,870**	**2,403,945**

DATA FROM STATEMENT OF COMPREHENSIVE INCOME

(Amounts in euro)

	GROUP		COMPANY	
	1.01 - 31.12.2011	1.01 - 31.12.2010	1.01 - 31.12.2011	1.01 - 31.12.2010
Total turnover	1,249,316,534	1,044,311,599	585,704,872	517,612,690
Gross Profit / (loss)	63,185,087	43,974,902	22,312,833	12,354,495
Profit / (loss) before taxes, financing and investing results	23,148,295	4,152,668	4,551,749	(2,415,746)
Profit / (loss) before taxes	(11,350,953)	(16,249,126)	(11,281,137)	(11,693,708)
Less: Taxes	(3,278,319)	3,190,978	(2,446,395)	3,922,933
Profit / (loss) after taxes (A)	(14,629,272)	(13,058,148)	(13,727,531)	(7,770,775)
Distributed to:				
Company's shareholders	(15,582,587)	(13,097,239)	(13,727,531)	(7,770,775)
Minority shareholders	953,315	39,091	-	-
Other comprehensive income / (expenses) after taxes (B)	7,339,660	(3,193,975)	4,619,552	(1,767,078)
Total comprehensive income / (expenses) after taxes (A) + (B)	(7,289,613)	(16,252,123)	(9,107,979)	(9,537,853)
Distributed to:				
Company's shareholders	(7,921,271)	(16,250,569)	(9,107,979)	(9,537,853)
Minority shareholders	631,658	(1,554)	-	-
Profit per share after taxes - basic (in euro)	(0.1539)	(0.1293)	(0.1355)	(0.0767)
Proposed dividend per share (in euro)	-	-	-	-
Profit / (loss) before taxes, financing and investing results & depreciation	49,168,749	32,475,645	12,334,033	7,939,094

Additional data and information:

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

Company	Country of the Reg. Office	Percentage holding	Consolidation method
VIOHALCO S.A.	GREECE	60.04%	Full consolidation

4. There are no pending court decisions or claims under arbitration, which may have a significant effect on the financial position of the Company and the Group.
5. The number of the personnel at the end of the current year was: Company 467 (31/12/2010 : 493), Group 2.467 (31/12/2010: 2.217).
6. There are mortgages, amounting in total to euro 3,6 mil on the real estate property of the subsidiary SOFIA MED S.A. in Bulgaria. On the real estate property of FULGOR SA, a subsidiary of HELLENIC CABLES, there are mortgages to secure long-term loans totaling euro 49 million. There are no encumbrances on fixed assets of the parent Company.
7. There has been provision accounted for tax unaudited fiscal years of the Group: euro 243 thous., of the Company: euro - thous. The remaining provisions as of 31.12.2011amount for the Group euro 322 thous. and for the Company euro 90 thous. Regarding the fine imposed on the Company by the European Competition Commission, the Company deleted a provision amounting euro 6,46 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	148,986,912	253,656,716
ii) Purchases	149,177,985	43,594,288
iii) Receivables	22,985,862	65,309,230
iv) Obligations	12,620,382	3,291,890
v) Transactions & fees of higher executives and managers	3,719,712	1,757,697
vi) Receivables from higher executives and managers	-	-
vii) Liabilities to higher executives and managers	-	-

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

	GROUP		COMPANY	
	1 Jan - 31 Dec 2011	1 Jan - 31 Dec 2010	1 Jan - 31 Dec 2011	1 Jan - 31 Dec 2010
Income tax for the period	(1,500,825)	(1,145,346)	(523)	218,898
Deferred tax for the period	(1,777,494)	4,336,324	(2,445,872)	3,704,034

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

Athens, March 26, 2012

THE CHAIRMAN OF THE BOARD OF DIRECTORS	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. AH 582570	Id.C.No. X 701209
			Reg. No. 20872 Class A'

STATEMENTS BY MEMBERS OF THE BOARD OF DIRECTORS
(pursuant to Article 4(2) of Law 3556/20077)

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

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

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

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

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

Athens, 26 March 2012

Confirmed by

The Chairman of the Board	The Board-appointed Member	The Board-appointed Member
Theodosios Papageorgopoulos	**Nikolaos Koudounis**	**George Passas**
ID Card No. AE 135393	**ID Card No. AE 012572**	**ID Card No. Φ 020251**

ANNUAL REPORT BY BOARD OF DIRECTORS

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

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

A. Financials - Business report - Major events

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

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

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

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

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

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

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

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

TABLE 1.1

RATIOS	GROUP 31/12/11	GROUP 31/12/10	COMPANY 31/12/11	COMPANY 31/12/10
Liquidity				
Current Assets / Current Liabilities	1.00	1.03	0.88	1.06
Leverage				
Equity / Bank Loans	0.33	0.34	0.58	0.59
Return on Invested Capital				
Profit Before Taxes and Financial Expences / Equity + Bank Loans	3.5%	0.7%	1.2%	-0.5%
Return on Equity				
Net Profits / Equity	-11.4%	-9.1%	-10.2%	-5.4%

B. Financial standing

The ratios showing the financial standing of both Group and Company evolved as follows in **Table 1.1.**

C. Corporate Social Responsibility and Sustainable Development

Environment

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

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

Human Resources

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

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

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

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

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

Health & Safety

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

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

D. Main risks and uncertainties

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

Credit Risk

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

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

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

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

Investments

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

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

Guarantees

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

Liquidity risk

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

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

Market Risk

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

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

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

The Group bases both its purchases and sales on stock market prices/ indexes for the price of copper and other metals used and contained in its products. The risk from metal price fluctuation is covered by hedging instruments (futures on London Metal Exchange-LME). The Group, however, does not use hedging instruments for the entire stock of its operation and, as a result, any drop in metal prices may have a negative effect on its results through inventories impairment.

Exchange rate risk

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

Over time, the Group hedges the greatest part of its estimated exposure to foreign currencies in relation to the anticipated sales and purchases as well as receivables and liabilities in foreign currency. The Group enters mainly into currency forward contracts with external counterparties so as to deal with the risk of the exchange rates varying, which mainly expire within less than a year from the balance sheet date. When deemed necessary, these contracts are renewed upon expiry. As the case may be, the foreign exchange risk may be hedged by taking out loans in the respective currencies.

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

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

Interest rate risk

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

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

Capital management

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

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

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

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

E. Outlook and prospects for 2012

In 2012, economic conditions are

TABLE 1.2 Transactions of the parent company with subsidiaries				AMOUNTS IN THOUS. EURO
Company	Sales of Goods, Services & Fixed assets	Purchases of Goods, Services & Fixed assets	Receivables	Payables
HELLENIC CABLES GROUP	50,651	18,381	726	1,951
STEELMET GROUP	1	1,758	0	198
SOFIA MED	76,861	2,099	44,575	-
FITCO	19,850	3,277	1,030	-
METAL AGENCIES	44,520	72	6,291	33
OTHER SUBSIDIARIES	359	447	1,488	163
Total Subsidiaries	**192,242**	**26,034**	**54,110**	**2,345**

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

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

F. Important transactions with related parties

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

Transactions between affiliated parties within the meaning of IAS 24 are broken down as follows in **Table 1.2**.

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

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

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

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

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

MKC GMBH trades HALCOR products in the German market.

STEELMET ROMANIA trades HALCOR

TABLE 1.3 Transactions of the parent company with other affiliated companies				AMOUNTS IN THOUS. EURO
Company	Sales of Goods, Services & Fixed assets	Purchases of Goods, Services & Fixed assets	Receivables	Payables
MKC GMBH	29,923	206	7,733	34
STEELMET ROMANIA S.A.	13,437	67	408	67
TEKA SYSTEMS S.A.	38	590	6	187
ANAMET S.A.	3,997	12,522	436	82
VIEXAL S.A.	-	360	-	15
CPW AMERICA S.A.	125	-	125	-
VIOHALCO S.A.	91	523	17	-
TEPRO METAL A.G.	-	151	-	58
ETEM S.A.	-	8	-	2
ELVAL S.A.	404	2,028	109	185
SIDENOR S.A.	39	6	28	2
CPW S.A.	-	45	-	-
SYMETAL	13	12	3	11
STOMANA	-	28	-	2
STEELMET BULGARIA	-	-	-	-
COPPERVALIUS	12,964	19	1,587	-
OTHER AFFILIATED	384	997	746	303
Total Affiliated	**61,415**	**17,560**	**11,199**	**947**

TABLE 1.4 Transactions of HALCOR Group with other affiliated companies				AMOUNTS IN THOUS. EURO
Company	Sales of Goods, Services & Fixed assets	Purchases of Goods, Services & Fixed assets	Receivables	Payables
MKC GMBH	76,630	239	13,355	35
STEELMET ROMANIA S.A.	18,968	97	508	68
TEKA SYSTEMS S.A.	39	1,491	68	514
ANAMET S.A.	4,309	14,234	534	82
VIEXAL S.A.	5	1,306	-	89
CPW S.A.	524	-	507	-
VIOHALCO S.A.	395	828	21	-
TEPRO METAL A.G.	381	430	-	192
ETEM S.A.	518	136	433	129
ELVAL S.A.	6,834	10,209	1,653	3,182
SIDENOR S.A.	2,281	1,726	492	1,334
CORINTH PIPEWORKS S.A.	730	712	371	248
SYMETAL S.A.	318	10,098	93	1,972
STOMANA S.A.	1,721	3,354	473	958
STEELMET BULGARIA S.A.	3,158	4	537	194
COPPERVALIUS S.A.	28,637	97,742	1,832	451
OTHER AFFILIATED	3,539	6,569	2,110	3,172
Total Affiliated	**148,987**	**149,178**	**22,986**	**12,621**

products in the Romanian market.

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

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

VIEXAL S.A. 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

TABLE 1.5 Fees of Executives and Board members	AMOUNTS IN THOUS. EURO	
	Group	Company
Total fees of management executives & Board members	3,720	1,758

represents the latter in the German market.

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

Transactions of mother Company with other affiliated companies are presented in **Table 1.3** (p. A14).

Transactions of HALCOR Group with other affiliated companies are presented in **Table 1.4** (p. A14).

Table 1.5 sets out the feed paid to executives and members of the Board of Directors.

G. Subsequent events

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

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

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

a) Structure of share capital

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

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

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

b) Restrictions on the transfer of Company shares

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

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

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

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

d) Shares granting special rights of control

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

e) Restrictions on voting rights

The Company's Articles of Association

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

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

f) Agreements between Company shareholders

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

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

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

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

- Article 6(1) of the Company's Articles of Association states that only the General Shareholders Meeting with a 2/3 quorum of the paid-up share capital has the right to decide on a share capital increase of the Company with the issuance of new shares, such decision requiring the 2/3 of represented voting rights.
- The Articles of Association of the Company do not allow the transfer to the Board of Directors or to some of its members of any right falling under the competence of the General Meeting regarding the issuance of shares and share capital increase.
- The Board of Directors may acquire own shares in implementation of a decision of the General Meeting taken under Article 16(5) to (13) of C.L. 2190/20.
- In pursuance of Article 13(9) of C.L. 2190/1920 and a decision of the General shareholders Meeting made on 20 June 2002, during the month of December of years 2006-2013 the Board of Directors of the Company shall increase the Company's share capital without amending its Articles of Association by issuing new shares in the context of implementation of an approved Stock Option Plan, details of which are laid down in Note 18.

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

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

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

j) Agreements with Board of Directors members or Company staff

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

CORPORATE GOVERNANCE STATEMENT

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

Corporate Governance Code

The Company has adopted the practices of Corporate Governance as for its management and operation, as these are specified under the applicable institutional framework and the Corporate Governance Code recently published by the Hellenic Federation of Enterprises (SEV) (hereinafter the "code") and available on the following website:
http://www.sev.org.gr/Uploads/pdf/KED_SEV_InternetVersion_updatednew2132011.pdf

In the context of preparation of the Annual Report of the Board of Directors, the Company reviewed the Code. Based on such review, the Company concluded that it applies the special practices for listed companies which are set out and described in the Corporate Governance Code of SEV, save the following practices due to the recent publication of the Code, which requires an adjustment phase:

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

The Company does not implement any other corporate governance practices than the special practices of the Corporate Governance Code of SEV and the provisions of Law 3873/2010.

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

i.Description of main characteristics and details of the Internal Control and Risk Management Systems in relation to the preparation of the consolidated financial statements.

The Internal Control System of the Company covers the control procedures involving the operation of the Company, its compliance with the requirements of supervisory authorities, risk management and preparation of financial reports.

The Internal Audit Department controls the proper implementation of each procedure and internal control system regardless of their accounting or non-accounting content and evaluates the enterprise by reviewing its activities, acting as a service to the Management.

The Internal Control System aims, among others, to secure the thoroughness and reliability of the data and information required for the accurate and timely determination of the Company's financial situation and the generation of reliable financial statements.

As regards the preparation of financial statements, the Company reports that the financial reporting system of "HALCOR S.A.-METAL PROCESSING" uses an accounting system that is adequate for reporting to Management and external users. The financial statements and other analyses reported to Management on a quarterly basis are prepared on an individual and consolidated basis in compliance with the International Financial Reporting Standards, as adopted by the European Union for reporting purposes to Management, and also for the purpose of publication in line with the applicable regulations and on a quarterly basis. Both administrative information and financial reports to be published include all the necessary details about an updated internal control system including analyses of sales, cost/expenses and operating profits as well as other data and indexes. All reports to Management include the data of the current period compared to the respective data of the budget, as the latter has been approved by the Board of Directors, and to the data of the respective period of the year before the report.

All published interim and annual financial statements include all necessary information and disclosures about the financial statements, in compliance with the International Financial Reporting Standards, as adopted by the European Union, reviewed by the Audit Committee and respectively approved in their entirety by the Board of Directors.

Controls are implemented with respect to: a) risk identification and evaluation as for the reliability of financial statements; b) administrative planning and monitoring of financial figures; c) fraud prevention and disclosure; d) roles and powers of executives; e) year closing procedure including consolidation (e.g. recorded procedures, access, approvals, agreements, etc) and f) safeguarding the data provided by information systems.

The internal reports to Management and the reports required under Codified Law 2190/1920 and by the supervisory authorities are prepared by the Financial

Services Division, which is staffed with adequate and experienced executives to this effect. Management takes steps to ensure that these executives are adequately updated about any changes in accounting and tax issues concerning both the Company and the Group.

The Company has established separate procedures as to how to collect the necessary data from the subsidiary companies, and secures the reconciliation of individual transactions and the implementation of the same accounting principles by the aforementioned companies.

ii.Annual evaluation of corporate strategy, main business risks and Internal Control Systems

The Company's Board of Directors states that it has examined the main business risks facing the Group as well as the Internal Control Systems. On an annual basis, the Board of Directors reviews the corporate strategy, main business risks and Internal Control Systems.

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

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

Public takeover offers - Information

- There are no binding takeover bids and/or rules of mandatory assignment and mandatory takeover of the Company's shares or any statutory provision on takeover.
- There are no third-party public offers to take over the Company's share capital during the last and current year.
- In case the Company takes part in such a procedure, this will take place in accordance to applicable laws.

General Meeting of the Shareholders and rights of shareholders

The General Meeting is convened and operates in compliance with the provisions of the Articles of Association and the relevant provisions of Law 2190/1920, as amended and in force today. The Company makes the necessary publications in line with the provisions of Law 3884/2010 and generally takes all steps required for the timely and thorough information of shareholders in regard to the exercise of their rights. The latter is ensured by publishing the invitations to General Meetings and uploading them on the Company's website, the text of which contains a detailed description of shareholders rights and how these can be exercised.

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

Roles and responsibilities of the Board of Directors

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

The Board of Directors convenes at the necessary intervals so as to perform its duties effectively.

The role and responsibilities of the Board of Directors are summed up as follows:

- Supervision and monitoring of Company operations as well as control of attainment of business goals and long-term plans;
- Formulation and specification of Company core values and objectives;
- Securing the alignment of the adopted strategy with Company goals.
- The Board of Directors ensures that there are no situations of conflict of interests and examines any incidents or cases of deviation from the confidential information policy;
- Ensuring the reliability and approval of the Company's Financial Statements prior to their final approval by the Ordinary General Meeting;
- Securing the execution of its business activity on a daily basis through a special authorization system, while other affairs falling under its scope of responsibility are implemented under special decisions.
- The secretary of the Board of Directors is appointed for each Board of Directors and his main responsibilities are to support the Chairman and the operation of the Board in general.

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

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

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

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

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

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

<u>Audit Committee</u>

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

The Audit Committee, which is elected and operates according to Law 3693/2008 (Article 37), consists of three non-executive members of the Board of Directors, one of which is independent, and his main task, in the context of the obligations described by the above law, is to support the Company's Board of Directors to fulfil its mission to safeguard the effectiveness of accounting and financial systems, audit mechanisms, business risk management systems, assure compliance with the legal and regulatory framework, and effectively implement Corporate Governance principles.

More specifically, the Audit Committee has the following responsibilities:

- To examine the effectiveness of all Management levels in relation to the safeguarding of the resources they manage and their compliance with the Company's established policy and procedures;
- To evaluate the procedures and data in terms of adequacy as for the attainment of objectives and assess the policy and the programme concerning the activity under review;
- To control periodically the various functions of different divisions or departments so as to ensure that their various functions are carried out regularly, comply with Management instructions, Company policy and procedures, and that they abide by Company objectives and standards of management practice;
- To review internal audit reports and specifically:
  - to evaluate the adequacy of their scope;
  - to confirm the accuracy of reports;
  - to examine the adequacy of documentation of the results.

The Audit Committee receives the following reports on audit activity:

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

The Audit Committee examines and ensures the independence of the Company's external auditors and takes cognisance of their findings and the Audit Reports on the annual or interim financial statements of the Company. At the same time, it recommends corrective actions and procedures so as to deal with any findings or failures in areas of financial reports or other important functions of the Company.

According to its Operation Regulation, the Audit Committee consists of one independent and non-executive member of the Board of Directors and two non-executive members who have the necessary knowledge and experience for the Committee's work.

The existing Audit Committee consists of the following persons:

- Andreas Kyriazis: independent non-executive member of the Board.
- Georgios Passas: non-executive member of the Board
- Andreas Katsanos: non-Executive member of the Board

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

The Audit Committee met 4 times during

2011 having full quorum but was not attended by the statutory auditors as prescribed under the Code.

iii.Evaluation of effectiveness and performance of the Committee

Until the time this Statement was drafted, no special procedures had been established to evaluate the effectiveness of the Board's Committee. Company Management will establish such procedures in the future.

CURRICULUM VITAE OF THE BOARD MEMBERS

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

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

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

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

Eftyhios Kotsambasakis, (Executive Member)
Mr. Kotsampasakis holds the position of Administrative Director of HALCOR S.A. He has been working for VIOHALCO

Group since 1965. He serves on the Board of DIA.VI.PE.THIV. S.A. as a Vice-President and is treasurer of the Federation of Industries of Viotia.

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

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

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

Christos - Alexis Komninos,
(Non-executive Member)
Mr. Christos Komninos was born in Istanbul in 1943.

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

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

He speaks English, French, Italian and Turkish.

Andreas Kyriazis, (Independent non-executive member)

Mr. Kyriazis is a graduate of the Chemistry Department of Physics and Mathematics School of Athens University. He has served as Chairman of the Central Union of Greek Chambers, the Union of Balkan Chambers, the Chamber of Commerce and Industry of Athens, the Hellenic Productivity Centre, the Hellenic Society of Business Administration, and the Association of Timber Industry. He has also served as Vice-chairman of the Union of the European Chamber of Commerce and Industry and General Secretary of the Union of Greek Chemists.

Nikolaos Galetas, (Independent non-executive member)

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

The Chairman of the Board
of HALCOR S.A.

Theodosios Papageorgopoulos

I. Statement of Financial Position

AMOUNTS IN EURO

	GROUP 2011	GROUP 2010	COMPANY 2011	COMPANY 2010
ASSETS				
Non-current assets				
Property, plant and equipment	361,033,315	316,958,739	101,764,822	107,305,309
Intangible assets	11,283,122	652,245	166,037	186,079
Investment property	2,270,174	2,152,565	-	-
Investments in subsidiaries	-	-	145,168,578	144,260,438
Investments in affiliates	6,532,458	6,082,122	4,264,104	4,264,104
Financial assets available for sale	4,653,923	4,302,923	4,198,664	3,847,664
Other receivables	1,529,565	1,227,938	890,037	522,497
Deferred tax claims	6,156,760	6,259,224	-	-
	393,459,318	**337,635,756**	**256,452,242**	**260,386,090**
Total assets				
Inventories	234,740,290	222,506,376	67,694,501	77,259,197
Trade and other receivables	154,743,276	212,053,463	82,167,756	108,343,287
Derivatives	2,756,164	3,954,232	1,932,554	1,586,132
Financial assets at fair value through the profit and loss statement	8,231	8,231	-	-
Cash and cash equivalents	37,199,549	17,367,950	14,359,870	2,403,946
	429,447,510	**455,890,252**	**166,154,681**	**189,592,561**
Total assets	**822,906,828**	**793,526,008**	**422,606,923**	**449,978,651**
EQUITY				
Equity attributable to Shareholders of the Company				
Share capital	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	(5,965,598)	(6,745,005)	-	-
Other reserves	75,729,363	68,943,907	69,468,336	64,848,784
Profit carried forward	(39,162,326)	(24,255,348)	(40,595,287)	(26,867,756)
Total	**136,225,762**	**143,567,876**	**134,497,371**	**143,605,350**
Minority interest	33,921,928	24,477,764	-	-
Total equity	**170,147,690**	**168,045,640**	**134,497,371**	**143,605,350**
LIABILITIES				
Long-term liabilities				
Loans	190,473,591	156,060,632	88,722,370	113,889,035
Financial Leasing liabilities	438,273	-	-	-
Derivatives	472,708	822,379	472,708	822,379
Deferred income tax liabilities	19,333,458	9,532,996	6,969,440	3,091,437
Personell retirement benefits payable	6,009,292	4,721,658	2,083,096	2,059,252
Government Grants	4,243,993	2,902,907	1,925,184	2,034,225
Provisions	565,364	7,135,819	90,000	6,327,610
	221,536,679	**181,176,391**	**100,262,797**	**128,223,937**
Short-term liabilities				
Suppliers and other liabilities	94,701,903	89,310,765	41,930,890	42,195,311
Current tax liabilities	4,901,204	5,189,059	316,404	299,193
Loans	329,413,482	338,157,544	144,683,798	128,584,417
Financial Leasing liabilities	675,683	-	-	-
Derivatives	1,530,187	11,556,609	915,662	6,980,443
Provisions	-	90,000	-	90,000
	431,222,459	**444,303,977**	**187,846,754**	**178,149,364**
Total liabilities	**652,759,138**	**625,480,368**	**288,109,552**	**306,373,301**
Total equity and liabilities	**822,906,828**	**793,526,008**	**422,606,923**	**449,978,651**

**The attached notes of the Annual Financial Report 2011 are an integral part of the financial statements.*

II. Income Statement

AMOUNTS IN EURO

	GROUP		COMPANY	
	2011	2010	2011	2010
Sales	**1,249,316,534**	**1,044,311,599**	**585,704,872**	**517,612,690**
Cost of goods sold	(1,186,131,448)	(1,000,336,697)	(563,392,040)	(505,258,195)
Gross profit	**63,185,087**	**43,974,902**	**22,312,833**	**12,354,495**
Other operating income	14,792,055	10,073,419	5,177,084	5,266,911
Selling expenses	(14,881,853)	(15,904,289)	(5,774,130)	(7,063,883)
Administrative expenses	(21,839,255)	(22,465,250)	(9,561,055)	(10,146,485)
Other operating expenses	(18,107,740)	(11,526,114)	(7,602,983)	(2,826,784)
Operating results	**23,148,295**	**4,152,668**	**4,551,749**	**(2,415,746)**
Finance income	322,100	524,078	36,760	88,469
Finance expenses	(35,440,976)	(21,127,879)	(15,874,871)	(9,991,415)
Dividends	5,226	5,383	5,226	624,984
Financial result	**(35,113,651)**	**(20,598,419)**	**(15,832,886)**	**(9,277,962)**
Share of profit/loss of associates	614,403	196,625	-	-
Profit before income tax	**(11,350,953)**	**(16,249,126)**	**(11,281,137)**	**(11,693,708)**
Income tax expenes	(3,278,319)	3,190,978	(2,446,395)	3,922,933
Net profit for the period from continued operations	**(14,629,272)**	**(13,058,148)**	**(13,727,531)**	**(7,770,775)**
Attributable to:				
Shareholders of the Parent	(15,582,587)	(13,097,239)	(13,727,531)	(7,770,775)
Minority interest	953,315	39,091	-	-
	(14,629,272)	**(13,058,148)**	**(13,727,531)**	**(7,770,775)**
Earnings per share that attributed to the Shareholders of the Parent for the year (amounts in euro per share)				
Basic and diluted profit/loss per share	(0.1539)	(0.1293)	(0.1355)	(0.0767)

III. Statement of Comprehensive Income

AMOUNTS IN EURO

	GROUP		COMPANY	
	2011	2010	2011	2010
Profit / (Loss) of the year from continuing operations	**(14,629,272)**	**(13,058,148)**	**(13,727,531)**	**(7,770,775)**
Foreign currency translation differences	385,765	(1,204,674)	-	-
Gain / (Loss) of changes in fair value of cash flow hedging	8,568,982	(2,681,324)	6,051,683	(2,282,173)
Income tax on income and expense recognised directly in equity	(1,615,088)	692,022	(1,432,131)	515,095
Other comprehensive income / (expense) after taxes	**7,339,660**	**(3,193,975)**	**4,619,552**	**(1,767,078)**
Total comprehensive income / (expense) after tax	**(7,289,613)**	**(16,252,123)**	**(9,107,979)**	**(9,537,853)**
Attributable to:				
Equity holders of the parent company	(7,921,271)	(16,250,569)	(9,107,979)	(9,537,853)
Minority interests	631,658	(1,554)	-	-
Total comprehensive income / (expense) after tax	**(7,289,613)**	**(16,252,123)**	**(9,107,979)**	**(9,537,853)**

**The attached notes of the Annual Financial Report 2011 are an integral part of the financial statements.*

IV. Statement of Changes in Equity

AMOUNTS IN EURO

	Share capital	Share premium reserves	Fair value reserves	Other reserves	Results carried forward	Foreign exchange differences	Total	Minority interest	Total Equity
GROUP									
Balance as of January 1, 2010	**38,486,258**	**67,138,064**	**(2,718,093)**	**74,093,267**	**(10,780,117)**	**(5,855,150)**	**160,364,229**	**24,510,911**	**184,875,140**
Foreign exchange differences	-	-	-	-	(29,320)	(889,855)	(919,175)	(285,498)	(1,204,674)
Hedging result minus tax	-	-	(2,234,155)	-	-	-	(2,234,155)	244,853	(1,989,302)
Net profit/(loss) for the period	-	-	-	-	(13,097,239)	-	(13,097,239)	39,091	(13,058,148)
Total recognised net profit for the year	**-**	**-**	**(2,234,155)**	**-**	**(13,126,559)**	**(889,855)**	**(16,250,569)**	**(1,554)**	**(16,252,123)**
Acquisition of company	-	-	-	-	(396,260)	-	(396,260)	957,136	560,876
Increase / (decrease) of participation in subsidiaries	-	-	-	-	(143,805)	-	(143,805)	-	(143,805)
Transfer to subsidiary due to demerger	-	-	-	(203,518)	203,518	-	-	-	-
Transfer of reserves	-	-	-	6,406	(12,125)	-	(5,719)	5,719	-
Profit distribution	-	-	-	-	-	-	-	(994,448)	(994,448)
	-	-	-	(197,112)	(348,672)	-	(545,784)	(31,593)	(577,377)
Balance as of December 31, 2010	**38,486,258**	**67,138,064**	**(4,952,248)**	**73,896,155**	**(24,255,348)**	**(6,745,005)**	**143,567,876**	**24,477,763**	**168,045,640**
Balance as of January 1, 2011	**38,486,258**	**67,138,064**	**(4,952,248)**	**73,896,155**	**(24,255,348)**	**(6,745,005)**	**143,567,876**	**24,477,763**	**168,045,640**
Foreign exchange differences	-	-	-	-	(196,431)	779,407	582,976	(197,210)	385,765
Hedging result minus tax	-	-	7,078,341	-	-	-	7,078,341	(124,447)	6,953,894
Net loss for the period	-	-	-	-	(15,582,587)	-	(15,582,587)	953,315	(14,629,272)
Total recognised net profit for the year	**-**	**-**	**7,078,341**	**-**	**(15,779,019)**	**779,407**	**(7,921,271)**	**631,658**	**(7,289,613)**
Capitalization	-	-	-	(19,276)	19,276	-	-	-	-
Absorption of subsidiary	-	-	-	-	976,531	-	976,531	-	976,531
Acquisition of company	-	-	-	-	-	-	-	18,000	18,000
Increase / (decrease) of participation in subsidiaries	-	-	-	(397,375)	-	-	(397,375)	8,794,506	8,397,132
	-	-	-	(416,650)	995,807	-	579.157	8.812.506	9.391.663
Balance as of December 31, 2011	**38,486,258**	**67,138,064**	**2,126,093**	**73,479,504**	**(39,038,560)**	**(5,965,598)**	**136,225,762**	**33,921,928**	**170,147,690**

	Share capital	Share premium reserves	Fair value reserves	Other reserves	Results carried forward	Total Equity
COMPANY						
Balance as of January 1, 2010	**38,486,258**	**67,138,064**	**(2,447,019)**	**69,265,032**	**(9,915,155)**	**162,527,180**
Hedging result minus tax	-	-	(1,767,078)	-	-	(1,767,078)
Net profit for the period	-	-	-	-	(7,770,775)	(7,770,775)
Total recognised net profit for the year	-	-	(1,767,078)	-	(7,770,775)	(9,537,853)
Transfer to subsidiary due to demerger	-	-	-	(202,150)	(9,181,826)	(9,383,977)
Balance as of December 31, 2010	**38,486,258**	**67,138,064**	**(4,214,097)**	**69,062,881**	**(26,867,756)**	**143,605,350**
Balance as of January 1, 2011	**38,486,258**	**67,138,064**	**(4,214,097)**	**69,062,881**	**(26,867,756)**	**143,605,350**
Hedging result minus tax	-	-	4,619,552	-	-	4,619,552
Net loss for the period	-	-	-	-	(13,727,531)	(13,727,531)
Total recognised net loss for the year	-	-	4,619,552	-	(13,727,531)	(9,107,979)
Balance as of December 31, 2011	**38,486,258**	**67,138,064**	**405,454**	**69,062,881**	**(40,595,287)**	**134,497,371**

**The attached notes of the Annual Financial Report 2011 are an integral part of the financial statements.*

V. Statement of Cash Flow

AMOUNTS IN EURO

	GROUP		COMPANY	
	2011	2010	2011	2010
Cash flows from operating activities				
Profit / (loss) before taxes	(11,350,953)	(16,249,126)	(11,281,137)	(11,693,708)
Adjustments for:				
Depreciation of tangible assets	26,290,250	28,191,368	7,914,295	10,507,989
Depreciation of intangible assets	476,524	581,836	119,687	146,818
Depreciation of grants	(746,320)	(450,227)	(251,699)	(299,967)
Provisions	(217,948)	293,394	(6,368,363)	(207,465)
Investing activities result (income, expenses, profits and losses)	(941,728)	(778,810)	(41,986)	(713,453)
Interest charges & related expenses	35,440,976	20,943,150	15,874,871	9,691,430
(Profit) / loss from sale of tangible assets	(111,011)	(252,340)	(79,779)	(244,737)
(Profit) / loss from sale of investments	74,975	-	-	-
(Profit) / loss from the fair value of derivatives	(160,717)	(1,819,071)	(709,191)	(971,392)
Loss from the destruction of fixed assets	5,908	232,115	-	-
Impairment of participations	-	-	-	437,257
Decrease / (increase) in inventories	(14,866,816)	(38,098,055)	9,564,697	(16,920,448)
Decrease / (increase) in receivables	51,257,541	(50,323,433)	12,138,132	(42,443,422)
(Decrease) / Increase in liabilities (minus banks)	(594,177)	15,831,996	13,025,670	7,525,175
Interest charges & related expenses paid	(34,977,740)	(19,837,372)	(15,411,635)	(8,400,923)
Income tax paid	(1,048,999)	(975,201)	-	-
Net Cash flows from operating activities	**48,529,765**	**(62,709,774)**	**24,493,563**	**(53,586,846)**
Cash flows from investing activities				
Purchase of tangible assets	(14,324,435)	(13,108,691)	(2,438,345)	(2,495,430)
Purchase of intangible assets	(1,397,116)	(237,707)	(99,646)	(55,156)
Investment properties	(117,609)	-	-	-
Sales of tangible assets	92,154	420,167	144,315	6,623,427
Sales of investment properties	48,000	-	-	-
Dividends received	5,226	5,383	5,226	624,984
Interest received	322,100	524,078	36,760	88,469
Increase of participation in subsidiaries	(3,114,495)	-	(908,140)	(2,256,822)
Increase of participation in other investment properties	(351,000)	(6,320)	(351,000)	(6,320)
Net Cash flows from investing activities	**(18,837,176)**	**(12,403,091)**	**(3,610,830)**	**2,523,151**
Cash flows from financing activities				
Dividends paid to shareholders of the parent	(2,182)	(794)	(2,182)	(794)
Loans received	162,513,501	172,461,016	46,000,000	110,023,974
Loans settlement	(172,326,995)	(97,645,635)	(55,067,284)	(59,030,596)
Changes in financial leases	(1,419,470)	-	-	-
Dividends paid to minority interest	-	(994,448)	-	-
Grand proceeds	1,374,156	907,500	142,658	907,500
Net cash flows from financing activities	**(9,860,990)**	**74,727,639**	**(8,926,808)**	**51,900,084**
Net (decrease)/ increase in cash and cash equivalents	**19,831,599**	**(385,226)**	**11,955,925**	**836,389**
Cash and cash equivalents at the beginning of period	17,367,950	17,753,177	2,403,946	1,567,556
Cash and cash equivalents at the end of period	**37,199,549**	**17,367,950**	**14,359,870**	**2,403,946**

**The attached notes of the Annual Financial Report 2011 are an integral part of the financial statements.*

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF HALCOR S.A.-METAL PROCESSING

Report on the Financial Statements

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

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

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

Auditor's Responsibility

Our responsibility is to express an opinion on these stand-alone and consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the stand-alone and consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of stand-alone and consolidated the financial statements.

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

Opinion

In our opinion, the stand-alone and consolidated financial statements give a true and fair view of the financial position of HALCOR METAL WORKS S.A. as of 31 December 2011 and of its financial performance and its cash flows for the year then ended, in accordance with International Financial Reporting Standards as adopted by the European Union.

Report on Other Legal and Regulatory Requirements

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

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

KPMG Certified Auditors A.E
3, Stratigou Tombra Str
153 42 Aghia Paraskevi
Greece
AM SOEL 114

Athens, 27 March 2012
KPMG Certified Auditors A.E.
Harry Sirounis, Certified
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AM SOEL 19071

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