2010

ANNUAL REPORT

HALCOR METAL WORKS S.A.

At a glance

Activities

- The HALCOR Group represents the copper, copper and zinc alloy product manufacturing and trading branch of VIOHALCO.
- Its business scope primarily includes the manufacturing and trade of copper tubes, cables, copper and brass rolled and extruded products and also zinc rolled products.
- The production base of HALCOR and its subsidiaries includes 9 plants in Greece, Bulgaria and Romania.
- The Group encompasses 19 companies and has an international commercial orientation which is proven in practice by the fact that the greatest part of the consolidated turnover is attained in non-Greek markets.

Group main financials (amounts in euro million)

TURNOVER

TOTAL ASSETS

EARNINGS BEFORE TAXES

EQUITY AND LIABILITIES

2010

ANNUAL REPORT

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1. Message by the General Manager

In a particularly challenging business environment, the Group not only attained to increase considerably its total volumes of sales but also raised its market shares, while improving its main financials.

The strategic moves of HALCOR that had been launched in 2009 and were pursued at an intensive rate in 2010 regarding the development and expansion of the Group's commercial activity in other countries than Greece and the curtailment of operating cost started bearing fruits during the last fiscal year.

In a particularly challenging business environment, the Group not only attained to increase considerably its total volumes of sales but also raised its market shares, while improving its main financials. As regards the international markets in which the Group operates, 2010 gave the first optimistic signs of improvement. In all events, however, the upward momentum is limited at the present, mainly due to the adverse financial environment in many Euro zone countries.

Metal prices were on the rise during 2010 with strong volatility being the main characteristic. The most important reasons that contributed to a rise in prices were the increased demand on the part of emerging markets and the investment moves in international money markets. More specifically, in 2010 the average copper price amounted to euro 5,681 per ton, being higher by 54.9% compared to 2009, while the average zinc price amounted to euro 1,623 per ton, increased by 37.7% compared to the previous year.

In light of the above developments, in 2010 the Group managed to increase its sales volume by 19.9% while its turnover rose by 53.8% in terms of value and amounted to euro 1,044.3 million. In 2010, the sales mix diversified in terms of volumes and favoured copper tubes and copper extruded products at the detriment of brass extruded products.

As for the other financials, improvement was registered at all levels, due to the enhanced consolidated turnover and the successful efforts to further restrain the Group's operating cost. It is worthwhile noting that the negative effect from the loss of income in the Greek market was offset by the boosted activity in international markets. In the year 2010, the Group's gross profit rose by 35.2% and amounted to euro 43.4 million. Consolidated earnings before interest, taxes, depreciation and amortization (EBITDA) increased by 59.5% and amounted to euro 32.5 million while earnings after

1. Message by the General Manager

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taxes and minority interests were also improved, amounting to losses equal to euro 13.1 million compared to losses of euro 19.4 million in 2009.

In the context of the restructuring plan regarding its overall production base and given that HALCOR has entered a period of restricted investment expenditures and focuses on the development of new products, in 2010 the Group's total expenditures amounted approximately to euro 13.3 million and mainly included upgrades of existing machinery. More specifically, the amount of euro 3.6 million concerned upgrades of Inofyta units, euro 4.3 million concerned the production facilities of SOFIA MED in Sofia (Bulgaria), euro 4 million concerned the plants of HELLENIC CABLES in Greece and euro 1.4 million the plant of ICME ECAB in Bucharest, Romania.

The HALCOR Group remains focused on its commitment to developing innovative products offering high added value to its customers and in 2010 set up the subsidiary "HALCOR RESEARCH & DEVELOPMENT S.A." with the first benefits of its operation being reflected in the new innovative product "TALOS DUAL®". TALOS DUAL® combines in a unique manner the properties of both copper and aluminium in a tube standing out for its high quality and particularly competitive technical characteristics.

As regards the current year, the Group has set as principal strategic priorities to continue its research and development activities, further improve production effectiveness, further reduce operating expenses, maintain market shares in the existing markets where the Group operates, enter effectively new markets with attractive profit margins, manage strictly working capital and reduce net borrowings. The Group's human resources remain the driving force of its business activity in 2011 and give boost to all development efforts.

The circumstances established in the international financial environment give encouraging signs and leave room for positive forecasts for 2011. In all events, the HALCOR Group remains dedicated to the careful implementation of its strategic plan, having created all those conditions required for its medium- and long-term growth.

Dr. Periklis Sapountzis
General Manager

2. HALCOR Group

TABLE 1

Company	Country of registered office	Holding (Direct & Indirect)
HALCOR S.A.	Greece	PARENT
HELLENIC CABLES S.A.	Greece	78.71%
STEELMET S.A.	Greece	52.83%
AKRO S.A.	Greece	95.74%
SOFIA MED S.A.	Bulgaria	100.00%
METAL AGENCIES LTD	United Kingdom	92.98%
BELANTEL HOLDINGS LTD	Cyprus	100.00%
METAL GLOBE D.O.O.	Serbia	53.61%
COPPERPROM Ltd.	Greece	71.49%
FITCO S.A. (former SYLL.AN S.A.)	Greece	100.00%
TECHOR S.A.	Greece	68.97%
HABAKIS AGENCIES Ltd.	Greece	100.00%
DIAPEM S.A.	Greece	33.33%
ELKEME S.A.	Greece	30.90%
S.C. STEELMET ROMANIA S.A.	Romania	40.00%
TEPRO METAL AG	Germany	36.99%
ENERGY SOLUTIONS S.A.	Bulgaria	38.60%
VIEXAL S.A. (former EPE)	Greece	26.67%
HALCOR RESEARCH AND DEVELOPMENT S.A.	Greece	70.00%

The HALCOR Group, through an effective business structure of 19 companies in 7 countries and 9 plants in Greece, Bulgaria and Romania, is VIOHALCO's manufacturing and trade branch of copper, copper and zinc alloy products and cables.

With the majority of its sales taking place beyond the Greek territory, the HALCOR Group is a multinational business organization with considerable business activity in international markets. Meanwhile, the Group is the unique manufacturer of copper tubes in Greece.

The Group's plants manufacture a wide array of products ranging from copper tubes for water supply and heating networks and air conditioning facilities to copper sheets for architectural applications as well as energy and telecommunication cables. The principal raw materials used in the manufacture of the products of HALCOR and its subsidiaries consist in copper cathodes, zinc ingots, copper and brass scrap, and also aluminium wire. The main volume of raw materials originates from Bulgaria, Chile and Kazakhstan. Concurrently, the Group has developed an extensive network of copper scrap collection which consists of warehouse facilities in Greece and Balkan countries.

The main subsidiaries of the HALCOR Group are the following:
- **SOFIA MED**: The production unit of SOFIA MED is located in Sofia, Bulgaria and operates in the manufacture of copper, brass and titanium-zinc rolled products and also in the manufacture of copper extruded products.
- **FITCO**: The FITCO plant in Inofyta manufactures brass bars, profiles, wires and tubes.
- **HELLENIC CABLES**: HELLENIC CABLES has production premises in Inofyta, Thiva and Livadia and operates in the manufacture of cables, enamelled wires and rubber insulating compounds.
- **ICME ECAB**: The plant of ICME ECAB in Bucharest, Romania manufactures various types of cables, copper and aluminium conductors as well as plastic and rubber compounds.

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

The companies falling under the HALCOR Group at the end of 2010 are presented in Table 1.

3. Milestones in the history of HALCOR

1937	The first plant of HELLENIC COPPER INDUSTRY started operating in Tavros, Attica. This unit has particular historical weight because it is the beginning of the production base of VIOHALCO. Nowadays, the plant in Tavros figures among the production units of HALCOR.
1976	HALCOR was founded and the Company's foundry in Inofyta started operating.
1981	HALCOR absorbed the copper rolling and extrusion branches of VIEM. Thus, HALCOR gained access to the significant know-how of VIOHALCO that was converted into its main competitive advantage.
1990-1995	HALCOR contributes the manufacturing equipment of the rolling sector to VEKTOR which, in the following years, enters dynamically the field of copper products and other alloys rolling, extrusion and cutting. The scope of VEKTOR includes the custom-made production for HALCOR and other companies.
1996	Trading of VEKTOR shares in the Athens Stock Exchange began.
1997	VEKTOR was merged by absorption with HALCOR and was renamed into HALCOR METAL PROCESSING S.A. HALCOR acquired a 4.99% holding in HELLENIC CABLES S.A., also listed in the Athens Stock Exchange.
1999	HELLENIC CABLES acquired a majority holding in ICME ECAB which is seated in Bucharest and operates in the production of cables as well as plastic and rubber compounds.
2000	HALCOR acquired a majority holding in HELLENIC CABLES which gradually rose in the following years. The implementation of an extensive investment plan began and was completed in 2010 with its total cost in excess of euro 350 million. Such plan aimed to upgrade the production base of the HALCOR Group laying emphasis on the increase of production capacity, improvement of cost data and the manufacture of high added value products. The plant of the subsidiary SOFIA MED in Sofia, Bulgaria, started operating following acquisition of the fixed assets of KOZM. The Group made the strategic decision to transfer the manufacture of copper and brass rolled products to the plant of SOFIA MED.
2005	The HALCOR plant in Tavros started manufacturing zinc rolled products. The manufacture of copper and brass rolled products was fully transferred to the Group's plant in Bulgaria. The investment plan in the tube PVC coating line was completed and the pioneering CUSMART® tubes were launched in the market.
2008	The HALCOR Group made investments totalling euro 50 million in the renewal & enhancement of its manufacturing equipment.
2010	In order to improve the Group's efficiency, the branch of brass bars and tubes was spun off from HALCOR and was transferred to its wholly-owned subsidiary FITCO. Trial manufacturing of TALOS DUAL®, an innovative tube which combines the specific characteristics of copper's reliability with aluminium's physical competitive advantages, was completed. The HALCOR Group sets up the subsidiary HALCOR RESEARCH AND DEVELOPMENT which operates dynamically in the research and development of innovative solutions in the branch of copper products.

4. Philosophy and Strategy

The main characteristic of the HALCOR Group's growth throughout its operation lies in the Management's dedication to the consistent implementation of its strategic planning.

The main pillars of the Group's long-term strategy are the following:

- Focus on the research and development of innovative products;
- Maintenance of a substantive customer-centred philosophy;
- Ongoing improvement of the quality of the manufactured products;
- Continuous upgrade of operating effectiveness;
- Bolstering of the Group's business presence in international markets;
- Protection of and respect for the natural and social environment.
- Ensuring a safe and efficient working environment.

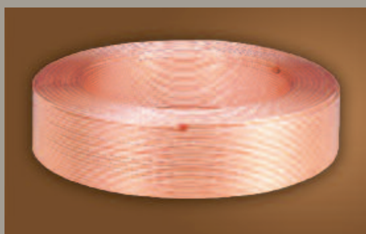
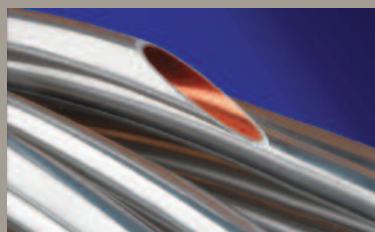
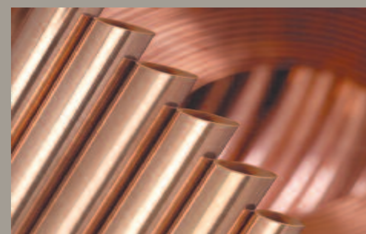
On a medium-term basis, the strategic priorities of the HALCOR Group are the following:

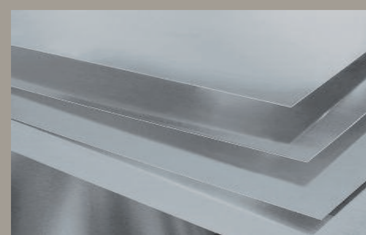
To develop and position new products
- To present new innovative products for the Group's customers through concerted research activities of ELKEME and "HALCOR RESEARCH AND DEVELOPMENT S.A.".
- To lay emphasis on the promotion of the new copper bimetallic tubes TALOS DUAL (cooling, heating, air-conditioning, solar applications) in the markets where the Group operates.
- To lay emphasis on the positioning of high and extra-high voltage cables following the successful test of 400kV PQ cable.

To further improve production effectiveness
- To take advantage of the reorganization of the production units that took place during 2010.
- To apply automations effectively to the production process.
- To further decrease the fixed production cost.
- To improve the rate of returned products.
- To optimize production planning.
- To consume more scrap.
- To develop and take advantage of synergies among Group subsidiaries at production level.

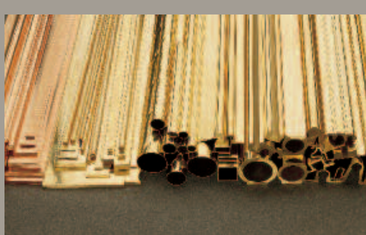
To strengthen commercial presence
- To create international strategic synergies in order to increase sales beyond Greece.
- To diversify the sales mix in favour of high added value industrial products (such as copper tubes, copper rolled and extruded products and special alloys).
- To further expand the Group's client base.
- To develop and take advantage of synergies among Group subsidiaries on a commercial scale.
- To maintain the leading position in Greece and Southeast Europe.
- To strengthen the Group's position beyond the European Union, laying emphasis on markets where opportunities emerge such as the USA, Russia and the Scandinavian countries.
- To improve the provided services.

5. Products











Introduction

The HALCOR Group operates in the manufacture of copper and brass tubes and also rolled products made of copper, brass, titanium-zinc and special alloys. In addition, it manufactures copper and brass extruded products, various types of cables and enamelled wires.

The products of HALCOR and its subsidiaries meet an extensive range of needs since they are used, among others, in water supply and heating networks, air conditioning facilities, various architectural, electromechanical and industrial applications, automotive industry, shipbuilding, power and data transmission networks.

The main competitive advantages of the HALCOR Group include ongoing focus on the development of high added value innovative products and its advanced, vertically integrated production base, which enables it to manufacture a wide array of products.

The main competitive advantages of the HALCOR Group include ongoing focus on the development of high added value innovative products and its advanced, vertically integrated production base.

The innovative products developed and marketed by the Group during the last ten years are a concrete proof of the foregoing:

- TALOS ECUTHERM® copper coated tubes were launched in 2003. They excel in insulation and ensure higher energy saving.

- Cusmart® copper tubes were launched in 2005 and are a new category of flexible copper tubes with a special PE compound coating, standing out for their extremely competitive cost and significant quality advantages.

- TALOS DUAL® tube was launched in 2010 and combines the strength and reliability of copper with aluminium's advantages. This consists of an inner copper layer and an external aluminium layer, both of which are consolidated seamlessly and act as a single homogenized tube.

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

5. Products

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

Tubes

Copper tubes
The HALCOR Group manufactures copper tubes which are marketed in Greece and abroad under the trade names TALOS® and CUSMART®.

Copper tubes are mainly used in water supply, heating, natural gas networks, cooling and air-conditioning facilities and also fire-extinction facilities. In addition, copper tubes are used in the manufacture of air-conditioners, heat exchangers, cable tags and in many other industrial applications.
The relevant category includes the products set out in Table 2:

TABLE 2

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

Brass tubes
The product category of brass tubes includes:

- *Seamless brass tubes*, which are used, among others, in the manufacture of components, architectural applications, indoor decoration applications, automotive industry as well as in furniture, lighting fixtures, pumps, handrails and heat exchangers.
- *Seamed brass tubes* used in the automotive industry, shipbuilding, heat exchangers, chemical industry and plumbing components.

TALOS® fittings
HALCOR manufactures and markets the soldered and pressed copper TALOS FITTINGS which are used in the joints of copper tubes in water supply, heating and gas fuel networks.

Rolled products

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

Copper rolled products for architectural applications

The physical characteristics of copper such as durability, limited needs of maintenance and great strength to weather conditions make it the ideal choice for a series of architectural applications.

HALCOR manufactures and markets copper sheets and strips under the trade name DOMA®, which are used in roofs, cladding of outer surfaces, gutters, chimneys and dormers. The relevant products are manufactured in compliance with EN 1652 and EN 1172 specifications.

In addition, DOMA® copper sheets are used in solar power devices (collectors), boilers and special electrical and mechanical devices.

Titanium-zinc rolled products for architectural applications

Titanium-zinc products are very attractive for specific architectural applications since they have very good mechanical properties, are easy to install and have a large lifecycle without maintenance.

HALCOR manufactures and markets DOMA® titanium-zinc sheets and strips which are widely used in roofs, external building cladding or internal façades. Furthermore, titanium-zinc sheets and strips are the raw material for manufacturing industry.

Copper and brass rolled products for industrial applications

Industrial copper and brass rolled products are used in a range of applications including, among others, the manufacture of electrical and electronic equipment, springs, automotive components, boilers, solar collectors and modules, high frequency wound cables and ammunition.

They are also used in maritime applications, in defensive, petrochemical, electrical, nuclear and medical industries, the manufacture of cooking utensils, and also in artistic and decorative applications.

5. Products

Through its subsidiaries HELLENIC CABLES and ICME ECAB, the HALCOR Group operates in the manufacture and sale of various types of cables and conductors, enamelled wires and also plastic and rubber compounds.

HALCOR manufactures and markets copper and brass rolled products for industrial use in the form of strips, sheets, discs and plates which are manufactured on a case-by-case basis in line with EN 1652, EN 1653, EN 13599 and EN 1654 specifications.

Special alloys

The 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.

Extruded Products

The HALCOR Group manufactures a series of copper and brass extruded products used in architectural, electromechanical applications and decoration.

The range of products includes copper bus bars and rods as well as brass bus bars, rods and profiles. Moreover, this category includes copper wire which is used in the manufacture of telecommunications and energy transmission cables and in magnet winding wires.

Cables

Through its subsidiaries HELLENIC CABLES and ICME ECAB, the HALCOR Group operates in the manufacture and sale of cables and various types of conductors, enamelled wires and also plastic and rubber compounds. The subsidiary HELLENIC CABLES is the unique manufacturer of enamelled wires in Greece.

Cable products are traded in the Greek and international markets under the CABLEL® registered trademark.

The principal products included in the cable product family are the following:

- *Power cables:* cables for indoor installations; control cables; cables for industrial uses and outdoor installations; fire-retardant, fire-resistant and halogen-free 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) 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 product range of compounds includes PVC-based and polyolefin-based plastic compounds, and rubber compounds. Compounds are primarily used in the manufacture of cables and tubes and also in the production of flexible rubber and plastic profiles.

6. Production units of the HALCOR Group

Extensive investment plans were carried out in the Group's plants, the total cost of which exceeded euro 350 million during 2000 – 2010.

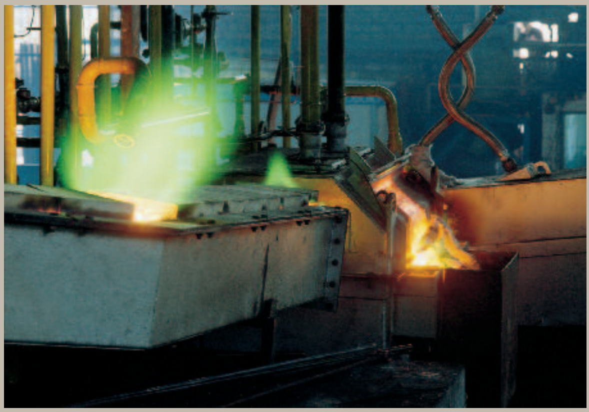
The products of HALCOR and its subsidiaries are manufactured in 9 plants in Greece, Bulgaria and Romania.

Group Management has set high in the list of its priorities the manufacture of high added value products and further improvement of production effectiveness. Thus, it has elaborated and implemented a number of extensive investment plans in the Group's plants, the total cost of which exceeded euro 350 million during 2000 – 2010.

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

6. Production units of the HALCOR Group

HALCOR Foundry (Inofyta)



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 in Inofyta is to manufacture semi-finished products such as billets and slabs. Such semi-finished products supply the other production units of the Group, the plants of which undertake the final processing.

The following production lines are in operation in the Foundry:

- 1 line of semi-continuous melting and casting of brass billets (either for lead or for pure brass).
- 2 lines 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 rod, which is a finished good for HALCOR, but also a raw material for the cable industry.
- 1 line of continuous casting of zinc strip.

The HALCOR Foundry has been certified as per ISO 9001: 2000 and operates with natural gas, which keeps emissions of pollutants and particles at very low levels. The plant operates a scrap collection and sorting centre for copper and copper alloys that are meant for recycling.

HALCOR Copper Tubes Plant (Inofyta)

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

The HALCOR tube plant in Inofyta manufactures tubes for heating, water supply, cooling, natural gas transport, air-conditioning applications and also for industrial uses.

More specifically, the Tubes Plant manufactures:

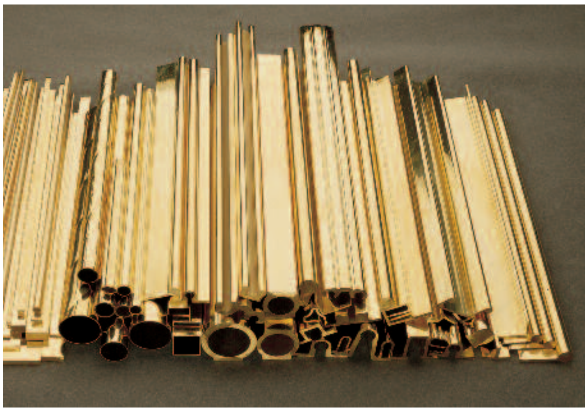
- Copper tubes in straight lengths and hard, semi-hard or soft coils.
- Coated copper tubes.
- Copper tubes for special uses.

The Tubes Plant meets the needs of the entire production process and is one of the few plants capable of producing tubes with inner grooves and low wall thickness, which are used in the production of heat exchangers. Copper billets provided by the HALCOR Foundry are the raw material.

The plant's machinery is one of the most productive throughout Europe, while the Quality Assurance System of the Tubes Plant has been certified as per ISO 9001:2000.

FITCO Brass Bars and Tubes Extrusion Plant (Inofyta)

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



The brass bars and tubes extrusion plant primarily manufactures the following products:

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

During the year 2010 and driven by the wish to upgrade the overall operating effectiveness, the brass bars and tubes branch was spun off from HALCOR and was transferred to the subsidiary FITCO.

The plant's production process includes both hot and cold extrusion of brass alloys with brass scrap in the form of billet being the main raw material. The manufactured products comply with the principal European and American quality specifications (EN, DIN, BS, NF, ASTM).

The production unit of FITCO in Inofyta has been certified as per ISO 9002, 9001, 9001:2000 and 14001.

HALCOR Titanium-zinc Rolling Plant (Athens)

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

The HALCOR plant in Tavros, Attica has been operating for more than 70 years and is the first production unit of VIOHALCO. It started operating in 1937 and deals with the manufacture of tubes, houseware and plumbing items.

Nowadays, the unit has a hot and a cold rolling mill and deals with the manufacture of titanium-zinc rolled products (ZnTiCu) and the final processing of products manufactured by other VIOHALCO subsidiaries using cutting machines. Aluminium and steel disks are typical examples of the semi-finished products subjected to final processing in the Tavros plant.

6. Production units of the HALCOR Group

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 plant of SOFIA MED in Bulgaria manufactures copper, brass and titanium-zinc rolled products used in architectural applications, roofing, air ducts and general industrial applications. It also manufactures copper extruded products which are used, among others, in electromechanical equipment, decoration applications and plumbing fixtures.

In addition to rolling and extrusion units, the plant has a foundry supplying them with semi-finished products. The units started operating in 2000 following acquisition of the fixed assets of the Bulgarian company KOZM. Since then the plant has undergone significant investments totalling euro 120 million. The investments that have been carried out have not only improved the quality of the product range but they have further bolstered its operating effectiveness and production capacity.

The units of SOFIA MED in Sofia are certified as per 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 power, telecommunications and data transmission cables using copper, aluminium, steel wires and plastic-rubber compounds as raw materials. A part of the plant's raw materials is provided by HALCOR.

The plant's product range includes:
- Control cables.
- Internal installation cables.
- Low smoke and fume, halogen-free cables with reduced fire propagation.
- Marine and offshore cables with increased fire resistance.
- Power cables with operating voltages over 1kV.
- Power cables with operating voltages up to 1kV.
- Optic fibre cables .

Having a quite flexible production process, the unit of HELLENIC CABLES in Thiva is able to manufacture various types of cables that not only fulfil international specifications but they are also adaptable to the applicable requirements of its customers. A production line for medium- and high-voltage cables has also been operating since 2008 together with a quality control system / degassing.

The HELLENIC CABLES plant in Thiva has been certified as per ISO 9001 and ISO 14001.

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 plant in Livadia manufactures grounding conductors, overhead conductors and enamelled wires. Its production facilities have been certified as per ISO 9001.

HELLENIC CABLES Plastic and Rubber Compounds Plant (Inofyta)

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

The HELLENIC CABLES unit in Inofyta produces rubbers and plastics necessary for the supply of insulation, filling and shielding production lines for the final cables. Meanwhile, a part of the plant's products meets the needs of HALCOR for the production of ECUTHERM® and CUSMART® copper tubes.

The plant has been certified as per ISO 9001.

ICME ECAB Cable Plant (Romania)

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

The ICME ECAB plant in Bucharest produces cables for internal installations, energy, control, industrial uses and external installations, 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 unit operates a thoroughly equipped research and development department aimed at the ongoing improvement of product quality while production facilities have been certified as per ISO 9001 and ISO 14001.

7. Research & Development

In view of the ongoing improvement of existing products quality and of launching innovative solutions to its customers, the HALCOR Group makes substantive investments in research and development in the copper sector.

HALCOR RESEARCH AND DEVELOPMENT S.A.

During 2010, HALCOR was the main shareholder in the incorporation of HALCOR RESEARCH AND DEVELOPMENT S.A. which deals with research regarding copper's various applications in order to develop new products and upgrade the production processes of the Group's industrial units.

The new Company is supported by trustworthy executives of the HALCOR Group with excellent academic background and valuable experience in the sector. Its premises are accommodated in the HALCOR industrial complex in Inofyta.

The valuable contribution of HALCOR RESEARCH AND DEVELOPMENT S.A. is proven in practice since it has already contributed to the development of the new copper tube TALOS DUAL®. This is a product which combines the advantages of copper with the specific characteristics of aluminium through an innovative production technology.

HELLENIC METAL RESEARCH CENTRE S.A.

The Hellenic Metal Research Centre (ELKEME) is seated in Tavros and operates in the laboratory research of new production methods and testing of end products' behaviour. The Centre's objective is to carry out basic research into advanced plans and techniques, which aim at improving the production process.

The total investment expenditure of the HALCOR Group in ELKEME amounted to euro 4 million by the end of 2010 and the benefits it has drawn are very important in terms of development of new products such as CUSMART® tubes and in terms of giving solutions to any problems arising from the plants' production process.

8. Human Resources

Aspiring at the development and advancement of the human resources knowledge and skills, the HALCOR Group makes substantive investments in education and training of employees.

The human resources of HALCOR and its subsidiaries are the foundations of the Group's effective operation and the driving force of each development attempt.

Given the great contribution of the Group's 2,200 and more people, HALCOR Management has set at the top of its priorities to secure a working environment that will promote and cultivate the personal and professional development of employees, a man-centred environment which is qualified by the principles of meritocracy, team spirit and equal opportunities.

Aspiring at the development and advancement of the human resources knowledge and skills, the HALCOR Group makes substantive investments in education and training of employees. A number of training seminars is carried out on an annual basis, which cover a quite extensive range of topics while HALCOR encourages and supports the participation of its employees in external postgraduate studies programmes and in professional certification programmes.

9. Financials

Consolidated Turnover

In 2010, the HALCOR Group's turnover rose by 53.8% and stood at euro 1,044.3 million compared to euro 679.1 million in 2009. This increase is due to the comparatively higher average metal prices and also to the increase in the total sales volume by 19.9%.

In 2010, the Group's sales product mix diversified in terms of quantities and favoured tubes and copper extruded products at the detriment of brass extruded products. In more detail, the sales of cables represented 41% of total sales, the sales of tubes accounted for 26%, rolled products represented 18%, copper plates represented 9% and brass bars 6%.

Group results

In terms of consolidated results, the Group registered improvement during 2010, given that the raised activity in international markets substantively offset the negative effects of the Greek market. In 2010, the Group's gross profit amounted to euro 43.4 million, i.e. they rose by 35.2% compared to 2009. In 2010, consolidated earnings before interest, taxes, depreciation and amortization (EBITDA) rose by 59.5% and amounted to euro 32.5 million while losses after taxes and minority interests were considerably restricted and amounted to euro 13.1 million in 2010 compared to losses of euro 19.4 million in 2009.

Cost restraint

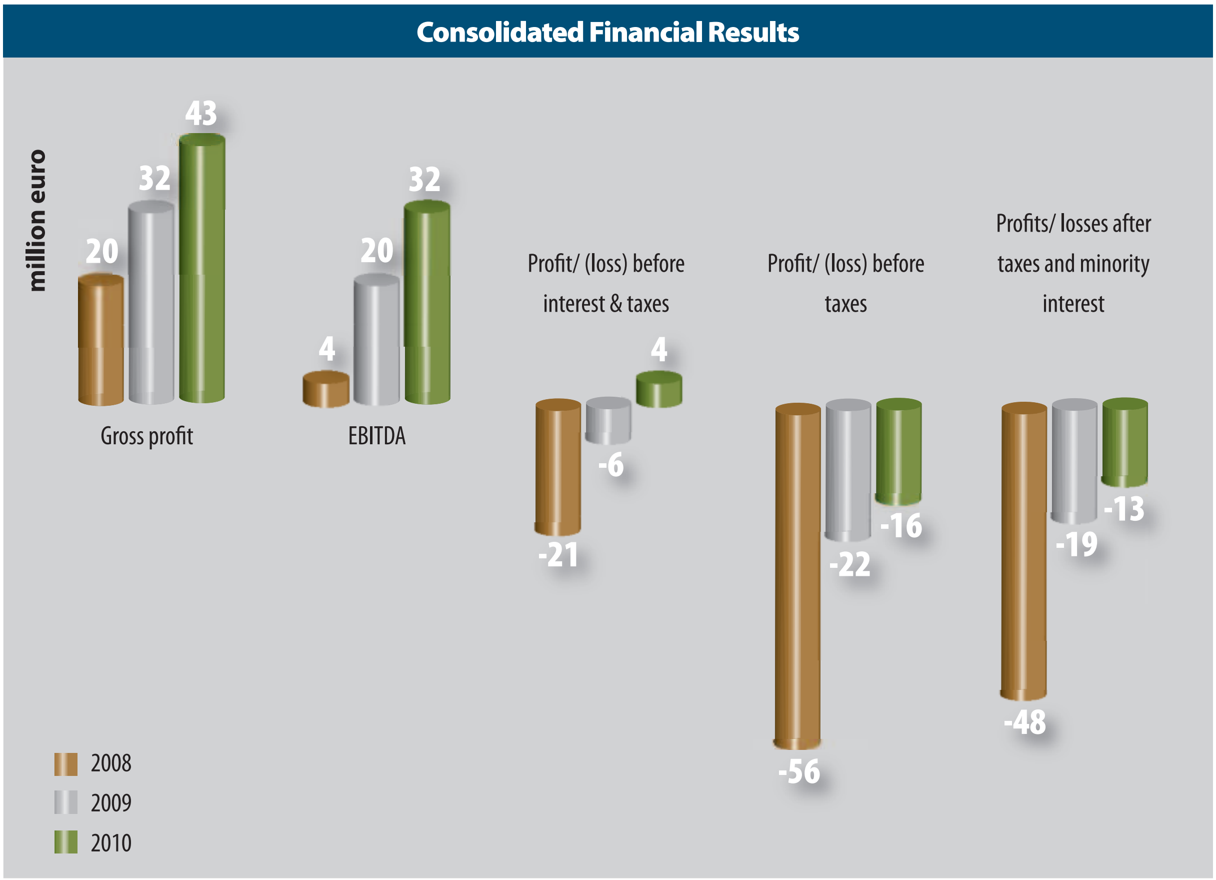
The Management's main concern in 2010 was to further restrict the fixed cost and ensure the problem-free implementation of production restructuring programmes. To attain this objective, the Company decided on the spin-off of the brass bars and tubes branch from HALCOR and its transfer to its wholly-owned subsidiary named FITCO S.A. (former SYLL.AN. S.A.). Meanwhile, measures aiming to restrict the Group's administrative and selling expenses were pursued.

Consolidated financial results

amounts in thousand euro	2008	2009	2010
Turnover	1,200,295	679,059	1,044,312
Gross profit	19,885	32,127	43,439
EBITDA	3,613	20,365	32,476
EBIT	-20,930	-5,782	4,153
Profits/Losses before taxes	-56,375	-22,056	-16,249
EATAM	-48,224	-19,375	-13,097

Development of figures (%)

	2008	2009	2010
Turnover	-12.4%	-43.4%	53.8%
Gross profit	-81.2%	61.6%	35.2%
EBITDA	-95.8%	463.6%	59.5%
EBIT	n/a	n/a	n/a
Profits/Losses before taxes	n/a	n/a	n/a
EATAM	n/a	n/a	n/a

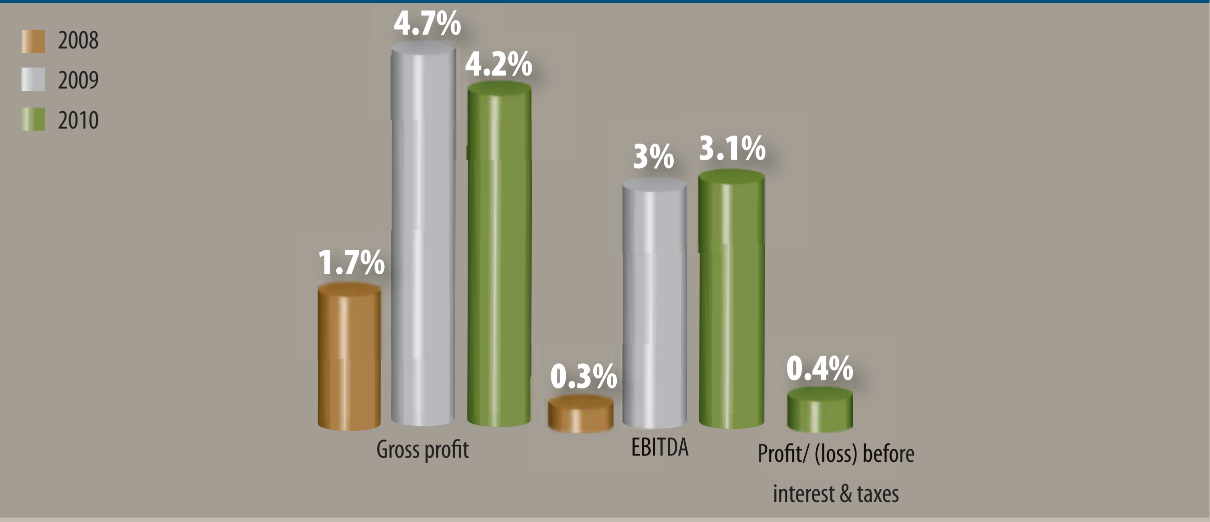


9. Financials

Profit Margins (%)

	2008	2009	2010
Gross profit	1.7%	4.7%	4.2%
EBITDA	0.3%	3.0%	3.1%
EBIT			0.4%
Profits/Losses before taxes			
EATAM			

Profit margins



Results per Business Unit (in thousand euro)

2008	COPPER PRODUCTS	CABLE PRODUCTS	OTHER SERVICES
Sales	780,379	330,301	89,615
EBIT	-31,424	7,256	3,238
Profits/Losses after taxes	-48,418	-891	1,662

2009	COPPER PRODUCTS	CABLE PRODUCTS	OTHER SERVICES
Sales	378,573	229,673	70,813
EBIT	-11,584	3,751	2,052
Profits/Losses after taxes	-17,638	-1,230	-398

2010	COPPER PRODUCTS	CABLE PRODUCTS	OTHER SERVICES
Sales	607,321	332,299	104,692
EBIT	-2,390	5,134	1,409
Profits/Losses after taxes	-13,473	418	-3

Consolidated Statement of Financial Position (thousand euro)

	2008	2009	2010
ASSETS			
Fixed assets	349,521	350,717	337,636
Inventories	212,261	184,408	222,506
Trade receivables	185,398	147,512	212,053
Cash and cash equivalents	58,971	17,753	17,368
Other assets	11,402	1,920	3,963
TOTAL ASSETS	**817,553**	**702,310**	**793,526**
EQUITY & LIABILITIES			
Share Capital	38,486	38,486	38,486
Other equity items of Company shareholders	149,369	121,878	105,082
Minority Interest	25,657	24,511	24,478
Total Equity	**213,513**	**184,875**	**168,046**
Long-term liabilities:			
Long-term loans	257,128	192,732	156,061
Other long-term liabilities	25,107	22,403	25,115
Total long-term liabilities	**282,235**	**215,135**	**181,176**
Short-term liabilities:			
Short-term loans	225,437	226,670	338,157
Other short-term liabilities	96,368	75,630	106,147
Total short-term liabilities	321,805	302,300	444,304
TOTAL LIABILITIES AND EQUITY	**817,553**	**702,310**	**793,526**

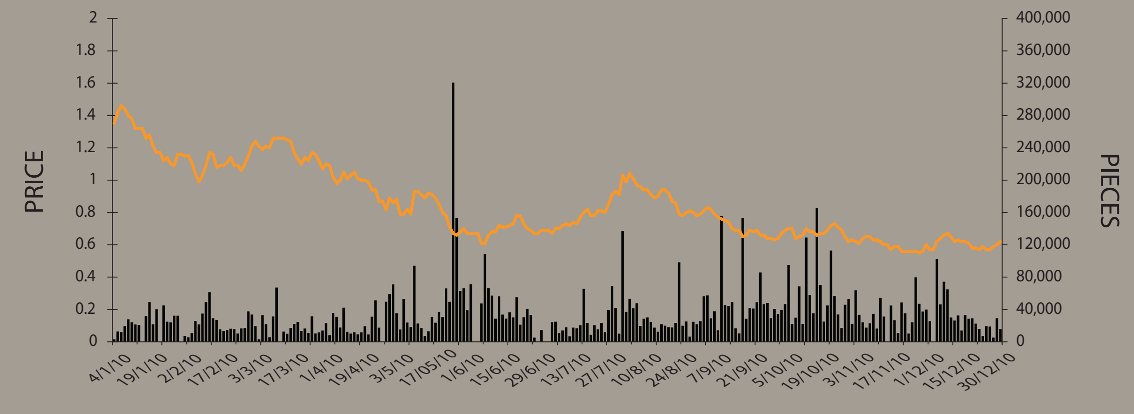
Consolidated Statement of Cash Flow (thousand euro)

	2008	2009	2010
Cash flows			
From operating activities	128,841	47,836	-62,710
From investment activities	-46,145	-26,158	-12,403
From financing activities	-65,322	-62,896	74,728
Total	**17,374**	**-41,218**	**-385**
Cash and Cash Equivalents at beginning of year	41,597	58,971	17,753
Cash and Cash Equivalents at end of year	58,971	17,753	17,368

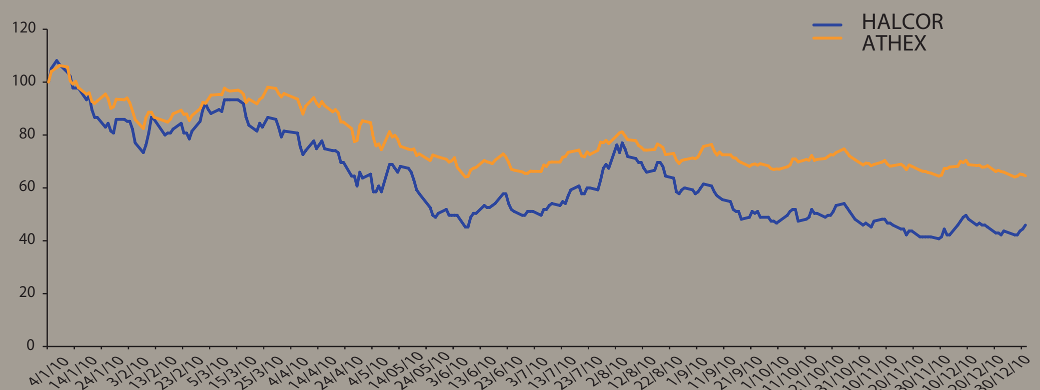
FINANCIAL RATIOS

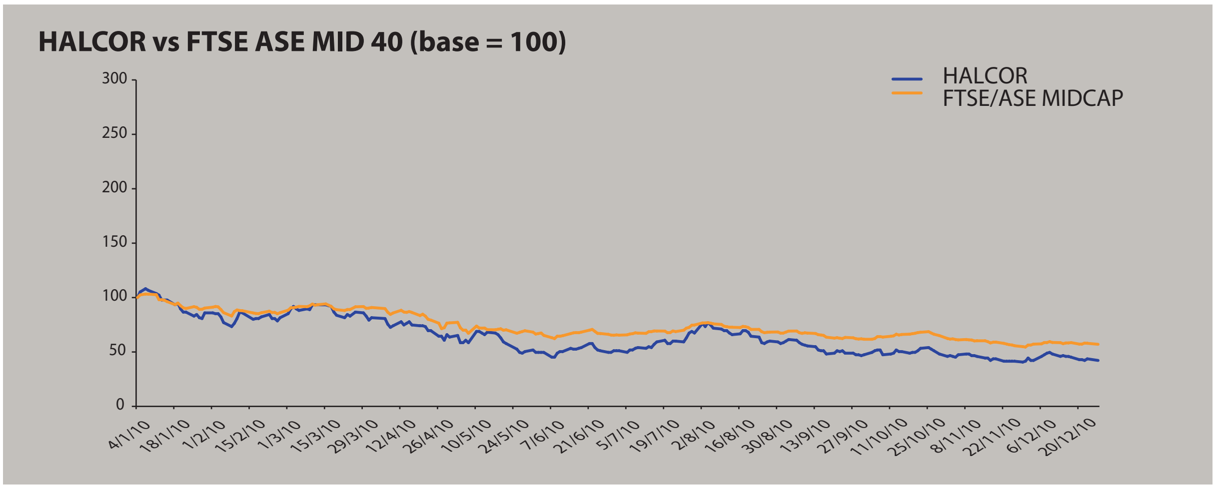
		2008	2009	2010
LIQUIDITY RATIOS				
General liquidity	Times	1.45	1.16	1.03
Special liquidity	Times	0.79	0.55	0.53
ACTIVITY RATIOS				
Receivable turnover ratio	Days	56	79	74
Accounts payable turnover ratio	Days	24	33	33
Asset turnover ratio	Times	1.47	0.97	1.32
VIABILITY RATIOS				
Coverage of Financial Expenses	Times	0.10	1.15	1.87
Debt/Equity	Times	2.83	2.80	3.72
PROFITABILITY RATIOS				
Return on equity (R.O.E.)	%	N/A	N/A	N/A
Return on assets (R.O.A.)	%	N/A	N/A	N/A

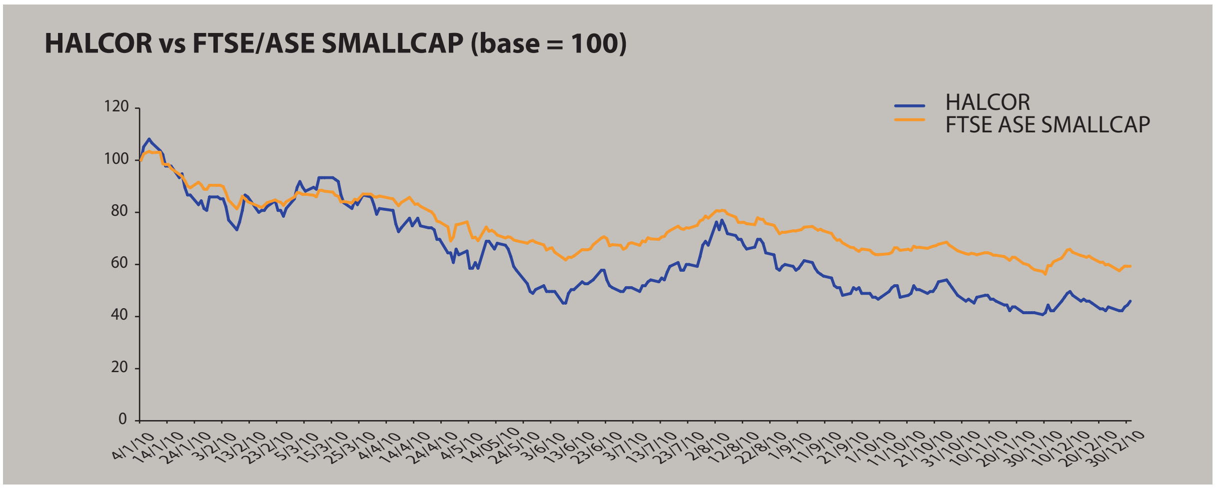
SHARE PERFORMANCE & VOLUME OF TRANSACTIONS



HALCOR vs ATHEX (base = 100)







Investment Ratios

		2008	2009	2010
Dividend per share	Euro	0.000	0.000	0.000
EBITDA / Share	Euro	0.04	0.20	0.32
Dividend yield	%	0.00%	0.00%	0.00%
P/E (after taxes and rights)	Times	N/A	N/A	N/A
P/BV	Times	0.86	0.72	0.51
P/Sales	Times	0.15	0.20	0.08
P/EBITDA	Times	50.73	6.56	2.66
Share Information				
Weighted average number of shares (in thousand)		101,280	101,280	101,280
Average price per share		1.81	1.32	0.85

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

Average price per share 2010: euro 0.85
Number of shares: 101,279,627
Share Symbols:
XAKOP (ATHEX)
HAL.AT (Reuters)
XAKO GA (Bloomberg)

10. Corporate Governance

HALCOR has adopted the practices of Corporate Governance in the way it is managed and operates as such are specified in the applicable institutional framework. Further information on the application of the above principles in the Company is included in the Annual Financial Report on the year 2010 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

11. HALCOR Management executives

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.

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.

Ioannis Dousis, Supply Chain Manager
Mr. Dousis is an economist, graduate of the National & Kapodistrian University of Athens. He has been one of the Company's executives since 2003.

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

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

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

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

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.

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

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

Ioannis Biris, New Products Development Manager
Mr. Biris is an architect. He has been working for HALCOR since 2002.

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

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.

Dionysios Skarmoutsos, Quality Assurance and Environment Manager
Mr. Skarmoutsos is a chemical engineer and holder of a Master's degree from the University of Patras. He has been working for the VIOHALCO Group since 2004.

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

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

Spyridon Hondrogiannis, Health & Safety Manager
He has a master's degree in engineering. He has been working for the VIOHALCO Group since 2001.

12. HALCOR and Corporate Responsibility

Corporate Responsibility is a core value of HALCOR and is fully embodied in the Company's philosophy and business planning. For HALCOR, Corporate Responsibility is the vehicle for Sustainable Development, minimizes the risks associated with its business operation and lays the foundations for creating value for the Company's shareholders.

Integrity, transparency, respect, solidarity and responsibility are the core of HALCOR's business ethics. The Company's responsible business activity focuses on four main pillars:

HUMAN RESOURCES - Health and Safety
The human resources of HALCOR are one of the most important factors of its successful business performance. HALCOR sees to the training and development of its employees while Health and Safety at work are a core priority. This is why every year the Company invests in infrastructures and means supporting Health and Safety in the workplace and applies a certified Health and Safety Management System at Work according to the international standard OHSAS 18001:2007.

ENVIRONMENT
For HALCOR, responsible development through the implementation of proper management practices and the integrated management of its environmental topics is a one-way road to Sustainable Development and also a strategic choice of the Company. HALCOR seeks to reduce environmental effects on an ongoing basis and this goal falls under an integrated approach and commitment of Company commitment. To this effect, considerable investments and expenditures are made every year in environmental protection while a certified Environmental Management System is implemented.

MARKET - Quality
The dynamic presence of HALCOR in more than 50 countries all over the world confirms the Company's competitive position in the sector, both in Europe and the rest of the world. For HALCOR, the provision of top quality products is a strategic choice and this is why it conducts a rigorous quality control of all production stages while also implementing a Quality Management System as per the requirements of ISO 9001:2008. In addition, the Company aims at the research and development of new technologies in the copper field, at improving its products and meeting modern requirements and, thus, makes significant investments in this direction on an annual basis.

SOCIETY
HALCOR, as a responsible Company, seeks to be close to local communities at all times while also discussing with its various stakeholders. The Company seeks to support local communities, cultivates a cooperative spirit with local agencies and sees to meet the various emerging needs through sponsorships. Moreover, HALCOR contributes to the information of wider society about the benefits of copper and supports research and development in this sector.

Details on the Company's actions per pillar of Corporate Responsibility are laid down in the Report of Corporate Responsibility and Sustainable Development 2010 of HALCOR which is a separate part of this report.

13. Notice of General Meeting to Shareholders

NOTICE
of Annual General Meeting
to the Shareholders of
"HALCOR, METAL WORKS, S.A. "
Company's No in the Register of S.A.: 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 Thursday, June 16, 2011, at 12:30 hours, at the ATHENS IMPERIAL HOTEL, Karaiskaki Square, Athens.

AGENDA

1. To approve the annual financial statements for the Company's financial year 2010, 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 2010.
3. To appoint Certified Auditors, as well as the substitutes of them, for the financial year 2011 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 L. 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 Dematerialized 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 a 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 11/06/2011 (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 13/06/2010 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. Corporal bodies 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 for the estimation of the risk, regarding the fact that the proxy could serve other parties interests except those of the shareholder. According to the present paragraph a conflict of interests could happen especially when the proxy:

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

The appointment or recalling 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 in its web site www.halcor.gr the form to be used for the appointment of a proxy. 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 no 2106861347 at least three (3) days before the holding of the General Meeting. The beneficiary is called to take care to reconfirm the successful delivery of the form appointing the proxy to the company at the phone no 210 6861349, Mr. Konstantinos Kanellopoulos.

Each share issued by the Company has one voting right.

It is not provided by the Company's Articles of Association the possibility to attend the General Meeting through electronic means, without the natural presence of the shareholders in the place of its holding or the possibility to participate in voting at a distance.

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 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 until 1/06/2011 namely 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 with the previous agenda, namely on 03/06/2011 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 until 10/06/2011 namely six (6) days before the date fixed for the General Meetings holding the draft resolutions regarding the items included in the initial or the revised agenda, if the application reaches the Board of Directors until 09/06/2011 namely at least seven (7) days before the date of the General Meeting.

c) Following an application submitted to the Company by any shareholder until 10/06/2011, namely 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, at the extent that those could be useful to a substantial estimation of the items of 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 question – answer form.

   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) Following an application of shareholders representing one fifth (1/5) of the paid up share capital, submitted to the Company until 10/06/2011 , 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 are also applicable in the case of 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.

DOCUMENTS AND INFORMATION AVAILABLE

The information provided by the 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) will be available, in electronic form, in 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, May 24, 2011

The Board of Directors

Annual Financial Report

(1st January 2010 – 31st December 2010)

THE CHAIRMAN OF THE BOARD OF DIRECTORS	A MEMBER OF THE BOARD OF DIRECTOR	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 LICENCE - Degree A- No.: 20872

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

FINANCIAL DATA AND INFORMATION for the fiscal year from January 1, 2010 to December 31, 2010, (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**: 24 March 2011,
Audit firm: KPMG Certified Auditors, S.A., **Review type:** Unqualified opinion

DATA FROM STATEMENT OF FINANCIAL POSITION

(Amounts in Euro)

	GROUP		COMPANY	
	31 Dec 10	**31 Dec 09**	**31 Dec 10**	**31 Dec 09**
ASSETS				
Own use Fixed assets	316.958.739	330.276.516	107.305.309	142.983.596
Investments in real estate	2.152.565	2.152.565	-	-
Intangible Assets	652.245	965.485	186.079	277.741
Other non current assets	17.872.207	17.322.827	152.894.702	116.784.907
Inventories	222.506.376	184.408.321	77.259.197	75.037.948
Trade receivables	167.327.914	129.450.574	89.941.029	74.922.194
Other current assets	48.688.012	19.981.018	19.988.390	7.387.472
Cash and cash equivalents	17.367.950	17.753.177	2.403.946	1.567.556
TOTAL ASSETS	**793.526.008**	**702.310.482**	**449.978.651**	**418.961.413**
EQUITY AND LIABILITIES				
Share capital (101,279,627 of € 0.38)	38.486.258	38.486.258	38.486.258	38.486.258
Other Company's shareholders equity	105.081.618	121.877.971	105.119.092	124.040.922
Company's shareholders equity (a)	143.567.876	160.364.229	143.605.350	162.527.180
Minority interests (b)	24.477.763	24.510.911	-	-
Total equity (c) = (a) + (b)	168.045.640	184.875.140	143.605.350	162.527.180
Long term borrowings liabilities	156.060.632	192.732.167	113.889.035	113.333.200
Provisions / Other long term liabilities	25.115.759	22.402.914	14.424.902	15.693.677
Short term borrowings liabilities	338.157.544	226.670.628	128.584.417	96.698.348
Other short term liabilities	106.146.433	75.629.633	49.474.946	30.709.009
Total liabilities (d)	**625.480.368**	**517.435.342**	**306.373.301**	**256.434.234**
TOTAL EQUITY AND LIABILITIES (c) + (d)	**793.526.008**	**702.310.482**	**449.978.651**	**418.961.413**

DATA FROM STATEMENT OF CHANGES IN EQUITY

(Amounts in Euro)

	GROUP		COMPANY	
	31 Dec 10	**31 Dec 09**	**31 Dec 10**	**31 Dec 09**
Net equity at the beginning of the Period (1/1/2010 and 1/1/2009 respectively)	184.875.140	213.512.849	162.527.180	179.582.262
Total comprehensive income after taxes	(16.252.123)	(28.293.076)	(9.537.853)	(17.055.082)
	168.623.017	185.219.772	152.989.327	162.527.180
Transfer to subsidiary due to de-merger reasons	-	-	(9.383.977)	-
Dividends distributed	(994.448)	(1.055.990)	-	-
Capitalization of subsidiary losses	-	711.357	-	-
Acquisition of company	560.876	-	-	-
Increase / (decrease) of participation in subsidiaries	(143.805)	-	-	-
Net equity at the end of the period (31/12/2009 and 31/12/2008 respectively)	168.045.640	184.875.140	143.605.350	162.527.180

DATA FROM CASH FLOW STATEMENT

(Amounts in Euro)

	GROUP		COMPANY	
	1.01 - 31.12.2010	**1.01 - 31.12.2009**	**1.01 - 31.12.2010**	**1.01 - 31.12.2009**
Operating activities				
Profits / (Losses) before taxes	(16.249.126)	(22.056.168)	(11.693.708)	(13.251.258)
Plus / less adjustments for:				
Depreciation of assets	28.773.204	26.603.035	10.654.807	11.883.247
Grants Amortization	(450.227)	(456.800)	(299.967)	(330.624)
Provisions	293.394	572.901	(207.465)	159.572
Results (income, expenses, profits, losses) from investing activities	(778.810)	(1.469.199)	(713.453)	(1.185.079)
Interest payable and related expenses	20.943.150	17.649.390	9.691.430	6.978.652
(Profit)/loss from the sale of fixed assets	(252.340)	(508.239)	(244.737)	(423.876)
(Profit)/loss from the sale of investments	-	33.951	-	33.951
(Profit)/loss from the sale of fixed assets in properties	-			-
(Profit)/loss from the fair value of derivatives	(1.819.071)	3.508.756	(971.392)	1.643.217
Loss from the destruction of fixed assets	232.115	101.997	137.272	-
Impairment of participations	-	-	299.985	94.324
Plus / Less adjustments for changes in working capital accounts or related to operating activities:				
Decrease / (increase) of inventories	(38.098.055)	27.852.259	(16.920.448)	21.296.869
Decrease / (increase) of receivables	(50.323.433)	37.388.374	(42.443.422)	(1.044.480)
(Decrease) / Increase of obligations (except banks)	15.831.996	(18.463.080)	7.525.175	(16.221.944)
Less:				
Interest payable and related expenses paid	(19.837.372)	(20.943.315)	(8.400.923)	(9.504.878)
Taxes paid	(975.201)	(1.977.448)	-	-
Total cash (used in) generated from operating activities (a)	**(62.709.775)**	**47.836.413**	**(53.586.846)**	**127.695**
Investing activities				
Acquisition-sale of subsidiaries, affiliated com., consortiums and other investments	(6.319)	(2.656.217)	(2.263.142)	(2.696.331)
Purchase of tangible and intangible fixed assets	(13.346.399)	(28.845.043)	(2.550.587)	(10.002.593)
Receivables from sale of tangible and intangible fixed assets	420.167	3.081.360	6.623.427	2.470.592
Sales of investment properties	-	-	-	-
Interest received	524.078	2.196.760	88.469	202.476
Dividends received	5.383	64.754	624.984	982.603
Total cash (used in) generated from investing activities (b)	**(12.403.091)**	**(26.158.386)**	**2.523.151**	**(9.043.253)**
Financing activities				
Issue of common shares	-	-	-	-
Receivables from issued / assumed loans	172.461.016	32.192.485	110.023.974	13.083.200
Loans paid up	(97.645.635)	(95.354.430)	(59.030.596)	(44.710.153)
Repayments of financial leasing liabilities (capital installments)	-	(6.069)	-	-
Receivables from grants	907.500	1.348.900	907.500	1.348.900
Dividends paid	(995.242)	(1.076.957)	(794)	(6.020)
Total cash (used in) generated from financing activities (c)	**74.727.639**	**(62.896.071)**	**51.900.084**	**(30.284.073)**
Net increase / (decrease) in cash and cash equivalents for the year (a)+(b)+(c)	**(385.226)**	**(41.218.044)**	**836.389**	**(39.199.632)**
Cash and cash equivalents at the beginning of the year	17.753.177	58.971.221	1.567.556	40.767.188
Cash and cash equivalents at the end of the year	**17.367.950**	**17.753.177**	**2.403.946**	**1.567.556**

DATA FROM STATEMENT OF COMPREHENSIVE INCOME

(Amounts in Euro)

	GROUP		COMPANY	
	1.01 - 31.12.2010	1.01 - 31.12.2009	1.01 - 31.12.2010	1.01 - 31.12.2009
Total turnover	**1.044.311.599**	**679.058.638**	**517.612.690**	**343.547.307**
Gross Profit / (loss)	**43.438.552**	**32.127.192**	**12.354.495**	**8.464.238**
Profit / (loss) before taxes, financing and investing results	**4.152.668**	**(5.781.653)**	**(2.415.746)**	**(7.363.361)**
Profit / (loss) before taxes	**(16.249.126)**	**(22.056.168)**	**(11.693.708)**	**(13.251.258)**
Less: Taxes	3.190.978	2.790.767	3.922.933	2.063.398
Profit / (loss) after taxes (A)	**(13.058.148)**	**(19.265.401)**	**(7.770.775)**	**(11.187.860)**
Distributed to:				
Company's shareholders	(13.097.239)	(19.375.369)	(7.770.775)	(11.187.860)
Minority shareholders	39.091	109.968	-	-
Other comprehensive income / (expenses) after taxes (B)	**(3.193.975)**	**(9.027.675)**	**(1.767.078)**	**(5.867.222)**
Total comprehensive income / (expenses) after taxes (A) + (B)	**(16.252.123)**	**(28.293.076)**	**(9.537.853)**	**(17.055.082)**
Distributed to:				
- Company's shareholders	(16.250.569)	(28.191.873)	(9.537.853)	(17.055.082)
- Minority shareholders	(1.554)	(101.204)	-	-
Profit per share after taxes - basic (in €)	**(0,1293)**	**(0,1913)**	**(0,0767)**	**(0,1105)**
Proposed dividend per share (in €)	-	-	-	-
Profit / (loss) before taxes, financing and investing results & depreciation	**32.475.645**	**20.364.581**	**7.939.094**	**4.189.263**

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 2010, are analytically presented in Note No. 31 of the financial statements.
2. On May 19, 2010 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 breach of competition rules in 2004. The court found that the Commission infringed the principle of equal treatment in fines and reduced the fine of HALCOR by 10%, setting the amount to Euro 8.25 million. Having carefully examined the text of the decision of the appeal, HALCOR filed a new appeal asking the partial or total annulment of the decision of the Court to annul or greater reduction of the fine (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	59,98%	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 493 (31/12/2009 : 716), Group 2.217 (31/12/2009: 2.270).
6. There are mortgages, amounting in total to Euro 3,7 mil on the real estate property of the subsidiary SOFIA MED S.A. in Bulgaria. There are no encumbranies of fixed assets of the parent Company.
7. There has been provision accounted for tax unaudited fiscal years of the Group: € 616 thous., of the Company: € - thous. The remaining provisions as of 31.12.2010 amount for the Group € 333 thous. and for the Company € 141 thous. Regarding the fine imposed on the Company by the European Competition Commission, the Company has accounted for provision amounting € 6,28 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	126.942.592	220.655.527
ii) Purchases	132.791.155	68.955.474
iii) Receivables	28.198.550	57.729.967
iv) Obligations	12.606.253	4.184.341
v) Transactions & fees of higher executives and managers	3.945.998	2.346.673
vi) Receivables from higher executives and managers	-	-
vii) Liabilities to higher executives and managers	-	-

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

	GROUP		COMPANY	
	1 Jan - 31 Dec 2010	1 Jan - 31 Dec 2009	1 Jan - 31 Dec 2010	1 Jan - 31 Dec 2009
Income tax for the period	(1.145.346)	(1.298.777)	218.898	(92.610)
Deferred tax for the period	4.336.324	4.089.544	3.704.034	2.156.008

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: € -1.205 thous.) and derivatives valuation from cash flow hedging (Group: € -1.989 thous. - Company: € -1.767 thous., see Statement of Changes in Equity of the Financial Statements).
12. On June 30, 2010 with the inclusion of No. 17374/30-06-2010 approval decision of the Prefecture of Athens in the Register of incorporated companies, the de-merger of brass rods and tubes industry by the parent and its contribution to its 100% subsidiary FITCO SA (formerly SYLL.AN. SA) in accordance with the provisions of Law 2166/93 was completed. A balance sheet date being fixed on March 31, 2010, while the de-merger was based on the decisions of HALCOR's & FITCO's Board of Directors at their meetings on March 30, 2010. The Parent Company holds all the shares (100%) of FITCO SA (see note 8 of the Financial Statements).
13. On April 21, 2010 HALCOR participated in the share capital increase of the company TECHOR SA and acquired 65.52% of share capital for an amount of EUR 2.17 million. For this reason TECHOR S.A. was consolidated using the method of full consolidation the current year, while had not been consolidated the previous year. In December 2010, HALCOR increased further its stake by acquiring 10,000 shares of worth € 43,100. After that the percentage holding came up to 68.97%. (see note 8 of the Financial Statements).
14. In October 2010, HALCOR RESEARCH AND DEVELOPMENT SA was established. Its major shareholder is HALCOR SA, which participates with 70% of the share capital. The value of HALCOR's participation in the new company amounted to € 42,000 (see note 8 of the Financial Statements).
15. At the end of the current year, there are no shares of the parent Company owned either by the same or any of the subsidiaries and affiliated companies.

Athens, 28 March 2011

THE CHAIRMAN OF THE BOARD OF DIRECTORS THEODOSIOS PAPAGEORGOPOULOS ID Card No. AE 135393	A MEMBER OF THE BOARD OF DIRECTORS GEORGE PASSAS ID Card No. Φ 020251	THE GENERAL MANAGER PERIKLIS SAPOUNTZIS ID Card No. AH 582570	THE FINANCIAL MANAGER OF THE GROUP SPYRIDON KOKKOLIS ID Card No. X701209 LICENCE - Degree A- No.: 20872

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

The members of the Board of Directors of the company with the name HALCOR S.A.-METAL PROCESSING, trading as HALCOR S.A., whose registered offices are in Athens, at 2-4, 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 2010, 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 2010 for HALCOR S.A. and the entities included in the consolidation taken as a whole, in line with the provisions of Article 4(3) to (5) of Law 3556/2007; and

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

Athens, 24 March 2011

Οι βεβαιούντες,

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 2010 (1 January – 31 December 2010). 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 2010, 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

In 2010 global economic activity showed signs of recovery, but remained at low levels reflecting the prevailing difficult economic conditions and low consumer confidence facing particular countries of Europe. Despite the negative economic conditions in Greece and the difficult environment in Western and South Eastern Europe, the Group managed to increase its sales volume and gain market share. The consolidated turnover stood at Euro 1,044 million compared to Euro 679 million in 2009, thus registering a 53.8% increase. This growth is due to the comparatively higher average metal prices and the increase of sales volume by 19.9%.

Metal prices increased significantly in 2010 compared with those of last year, driven both by demand from emerging markets and investment movements due to liquidity in international financial markets coupled with expectations for a recovery of developed markets. Thus, the average price of copper was higher by 54.9% and stood at 5,681 euros per ton from Euro 3,667 per ton, while the average price of zinc was higher by 37.7% and stood at 1,623 euros per ton compared to Euro 1,179 per ton.

In terms of volumes in 2010, the sales mix changed considerably in favour of copper tubes and copper extrusion products and at the detriment of brass extrusion products. More specifically, the sales of cables accounted for 41% of total sales, the sales of tubes for 26%, rolling products for 18%, copper bus bars for 9% and brass rods for 6%.

Consolidated gross profit rose by 35.2% and stood at Euro 43.4 million compared to Euro 32.1 million in 2009. In 2010, consolidated earnings before interest, taxes, depreciation and amortization (EBITDA) came to Euro 32.5 million compared to Euro 20.4 million during last year increased by 59.5%, while earnings before interest and taxes (EBIT) came to Euro 4.2 million compared to losses of Euro 5.8 million in 2009. In 2010, consolidated results (profit/loss before taxes) stood at losses of Euro 16.2 million compared to losses of Euro 22.1 million in 2009. Finally, losses after taxes and minority interests stood at Euro 13.1 million or Euro -0.1293 per share, compared to losses of Euro 19.4 million or Euro -0.1913 per share in 2009.

The increased sales abroad, mainly in Western and Central Europe which showed signs of recovery, offset the negative impact on the gross results from the loss of revenue due to the significant deterioration in the domestic market. In Greece, construction activity has declined for the third consecutive year and the worsening financial crisis is expected to lead to further decline. The increase in demand on international markets was more pronounced in industrial products than in installation products that negatively affected by the rising price of copper and its high volatility.

In 2010, following the movements of 2009, cost savings initiatives and the restructuring of production optimization and reorganization of production processes continued. Within this place, it was accomplished the de-merger of brass rods and tubes industry from HALCOR and the transfer to its 100% subsidiary FITCO SA (former SYLL.AN. SA). In addition to the measures implemented to reduce production costs, the HALCOR Group continued measures to contain administrative and selling expenses, the results of which will appear in 2011.

The increase in metal prices during 2010 coupled with increased total sales negatively affected the working capital producing a result that the Group generated a negative cash flow from operating activities. This also adversely affected the total Group net debt, which amounted to Euro 477 million versus Euro 402 million at the end of 2009.

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 13.3 million approximately, out of which the amount of Euro 3.6 million concerned the plants of the parent company and its subsidiary FITCO SA at Inofyta focusing mainly on the Tubes Plant; Euro 4.3 million concerned the upgrade of the production units of subsidiary SOFIA MED in Bulgaria; Euro 4 million concerned the production facilities of HELLENIC CABLES in Greece and Euro 1.4 million referred to the cables plant of ICME ECAB in Romania.

In December 2010, our subsidiary Sofia Med SA (100%) completed a capital increase by Euro 25 million with a capitalization of an equal amount of financial debt towards HALCOR in order to improve its capital structure.

B. Financial standing

The ratios showing the financial standing of both Group and Company are presented

TABLE 1.1

RATIOS	GROUP		COMPANY	
	31.12.10	31.12.09	31.12.10	31.12.09
Liquidity				
Current Assets / Current Liabilities	1,03	1,16	1,06	1,25
Leverage				
Equity / Bank Loans	0,34	0,44	0,59	0,77
Return on Invested Capital				
Profit Before Taxes and Financial Expences / Equity + Bank Loans	0,7%	-0,7%	-0,5%	-1,7%
Return on Equity				
Net Profits / Equity	-9,1%	-12,1%	-5,4%	-6,9%

in the **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 2010, 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; this concerning subsidiaries or affiliated companies.

Liquidity risk

Liquidity risk is the inability of the Group to discharge its financial obligations when they mature. The approach adopted by the Group to manage liquidity is to ensure, by holding absolutely necessary cash and adequate credit limits from cooperating banks, that it will always have adequate liquidity to cover its obligations when they mature, under normal or more difficult conditions, without there being unacceptable losses or its reputation being jeopardised. Note that on 31 December 2010, the Group had an amount of Euro 17.4 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 and GBP.

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 2011

In 2011, economic conditions will remain difficult in certain key markets (Greece, Balkans), but some early signs of economic stabilization - growth in some of the countries where we operate are encouraging. Despite the uncertainty about the movement of metal prices and the development in foreign markets we are cautiously optimistic about the progress of the Group's financial results in 2011.

In a quite difficult macroeconomic environment, the Group has set as its main strategic goal to maintain its market shares in Western and South Eastern Europe and to enhance its activity in new markets where it was not operating until now. The actions implemented in 2010 to reduce

TABLE 1.2 Transactions of the parent company with subsidiaries				AMOUNTS IN THOUSAND EUROS
Company	**Sales of Goods, Services & Fixed assets**	**Purchases of Goods, Services & Fixed assets**	**Receivables**	**Payables**
HELLENIC CABLES GROUP	56.563	17.634	926	1.324
STEELMET GROUP	9	2.494	1	2
SOFIA MED	38.920	12.663	32.705	2
FITCO	17.140	2.560	3.332	-
METAL AGENCIES	53.293	70	7.824	62
OTHER SUBSIDIARIES	360	312	1.763	316
Total Subsidiaries	**166.286**	**35.733**	**46.551**	**1.705**

costs will perform in 2011 while others will continue to be implemented this year with the main objective of the Group to remain competitive in the long term. Alongside this, the optimal management of working capital and net debt reduction are the main priority for this year.

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 presented 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 SA buys from HALCOR semi-finished products of copper and copper alloys, depending on its needs. It also sells semi-finished copper and brass coils for further processing in HALCOR. HALCOR provides technical, administrative and commercial support services.

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

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

Transactions of the parent company with other affiliated companies are presented in **Table 1.3** (p. A14).

MKC GMBH trades HALCOR products in the German market.

STEELMET ROMANIA trades HALCOR products in the Romanian market.

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

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

VIEXAL SA provides HALCOR with travelling services.

CPW AMERICA CO trades HALCOR products in the American market.

VIOHALCO S.A. provides HALCOR with

TABLE 1.3 Transactions of the parent company with other affiliated companies				AMOUNTS IN THOUSAND EUROS
Company	**Sales of Goods, Services & Fixed assets**	**Purchases of Goods, Services & Fixed assets**	**Receivables**	**Payables**
MKC GMBH	35.363	249	7.701	38
STEELMET ROMANIA	15.596	27	2.220	27
TEKA SYSTEMS SA	36	568	7	38
ANAMET SA	138	23.184	74	204
VIEXAL SA	-	254	-	13
CPW AMERICA SA	409	-	-	-
VIOHALCO SA	35	926	43	-
TEPRO METAL AG	2	114	-	102
ETEM SA	1	2	1	-
ELVAL SA	426	2.118	91	229
SIDENOR SA	119	15	51	3
CPW SA	-	18	-	-
SYMETAL	-	9	-	11
STOMANA	-	6	-	6
STEELMET BULGARIA	-	-	-	-
COPPERVALIUS	1.818	4.748	138	1.431
OTHER AFFILIATED	425	985	853	377
Total Affiliated	**54.369**	**33.222**	**11.179**	**2.479**

TABLE 1.4 Transactions of HALCOR Group with other affiliated companies				AMOUNTS IN THOUSAND EUROS
Company	**Sales of Goods, Services & Fixed assets**	**Purchases of Goods, Services & Fixed assets**	**Receivables**	**Payables**
MKC GMBH	68.055	256	13.893	40
STEELMET ROMANIA SA	19.219	209	3.063	193
TEKA SYSTEMS SA	37	1.421	34	412
ANAMET SA	628	26.340	244	204
VIEXAL SA	-	835		58
CPW SA	409	-	-	-
VIOHALCO SA	222	1.241	113	-
TEPRO METAL AG	53	355	6	270
ETEM SA	562	142	365	194
ELVAL SA	7.344	8.030	1.642	2.972
SIDENOR SA	3.132	1.653	864	1.383
CORINTH PIPEWORKS SA	1.142	895	156	752
SYMETAL SA	496	9.012	201	2.116
STOMANA SA	871	2.013	440	1.341
STEELMET BULGARIA	2.716	196	1.076	196
COPPERVALIUS SA	19.118	75.369	3.795	1.432
OTHER AFFILIATED	2.939	4.825	2.306	1.044
Total Affiliated	**126.943**	**132.791**	**28.199**	**12.606**

buildings - industrial premises for renting.

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

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

Transactions of HALCOR Group with other affiliated companies are presented in **Table 1.4**.

Table 1.5 (p. A15) sets out the fees paid to executives and members of the Board of Directors.

TABLE 1.5 Fees of Executives and Board members	AMOUNTS IN THOUSAND EUROS	
	Group	Company
Total fees of management executives & Board members	3.946	2.347

G. Subsequent events

On January 24, 2011 HALCOR SA and its subsidiary HELLENIC CABLES SA signed a contract for a common bond of Euro 12,250,000 and Euro 4,700,000 respectively with the bank ALPHA BANK. Both loans are for 2 years and issued under the Laws 3156/2003 and 2190/1920, pursuant to the decision of the Annual General Meeting of 17/6/2010 and the decisions of the Boards of Directors of 09/12/2010.

BOARD OF DIRECTORS' EXPLANATORY REPORT
(Article 4(7) and (8) of Law 3556/2007)

a) Structure of share capital

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

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

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

b) Restrictions on the transfer of Company shares

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

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

The major holdings (over 5%) known on 31 December 2010 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 7.3% holding of WHEATLAND HOLDINGS LTD has been added).
- WHEATLAND HOLDINGS LTD:
  7.37% of the share capital.

d) Shares granting special rights of control

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

e) Restrictions on voting rights

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

- Each share entitles its holder to one vote at the General Meeting.
- In order to obtain a right to attend a General 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 158.1 million on a long-term basis and Euro 214.7 million on a short-term basis and Company: Euro 113.9 million long-term and Euro 118.7 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_TELIKO_JAN2011.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.II.2.2 & 2.3: 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.
- **Part A.III.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.
- **Part A.V.5.5: Nomination of Board members.** There was no committee to nominate members until the time this Statement was drafted.
- **Part A.VII.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.I.1.6: Level and structure of remuneration.** Until the time this Statement was drafted, there was no Remuneration Committee.

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.

ii. 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.

iii. 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.

iv. 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 17 June 2010 and its term of office shall expire on 17 June 2011.

The Board of Directors met 72 times during 2010 with all members attended.

Audit Committee

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

The Audit Committee, which is elected and operates according to Law 3693/2008

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

More specifically, the Audit Committee has the following responsibilities:

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

The Audit Committee receives the following reports on audit activity:

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

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

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

The existing Audit Committee consists of the following persons:

- 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 2010 having full quorum but was not attended by the statutory auditors as prescribed under the Code.

iii. Evaluation of effectiveness and performance of the Committee

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

CURRICULUM VITAE OF THE BOARD MEMBERS

Theodossios Papageorgopoulos, Chairman (Executive Member)

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

Nikolaos Koudounis, Vice-Chairman (Executive Member)

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

Perikles Sapountzis, (Executive Member)

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

Tassos Kassapoglou, (Executive Member)

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

Eftyhios Kotsambasakis, (Executive Member)

Mr. Kotsampasakis holds the position of

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

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

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

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

Christos - Alexis Komninos,
(Non-executive Member)
Mr. Christos Komninos was born in Istanbul in 1943. In 1971 he graduated from Istanbul Technical University (I.T.U.) with a degree in Chemical Engineering (MSc). In 1972 he moved to Greece and joined the COCA-COLA 3E, which held various positions until 1987. From 1987 to 1990 he served as CEO of the Company «Coca-Cola Bottlers Ireland» (a subsidiary of COCA COLA 3E). In

1990 he returned to Greece and in 1995 was appointed as Chief Executive Officer, a position he held until 2000. From 2000 to 2004 he served as president and CEO of PAPASTRATOS SA. After the acquisition of PAPASTRATOS SA by PHILIP MORRIS SA, he participated as a volunteer in the Olympic Games Organizing Committee "Athens 2004" as Head of the Opening and Closing Ceremonies of the 28th Olympiad. From 2005 to 2010 he held the position of Executive Vice President of the Company SHELMAN SA and ELMAR SA. He speaks English, French, Italian and Turkish.

Andreas Kyriazis,
(Independent non-executive member)

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

Nikolaos Galetas,
(Independent non-executive member)

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

The Chairman of the Board
of HALCOR S.A.

Theodosios Papageorgopoulos

I. Income Statement

AMOUNTS IN EURO

	GROUP		COMPANY	
	2010	2009	2010	2009
Sales	**1.044.311.599**	**679.058.638**	**517.612.690**	**343.547.307**
Cost of goods sold	(1.000.873.047)	(646.931.445)	(505.258.195)	(335.083.069)
Gross profit	**43.438.552**	**32.127.192**	**12.354.495**	**8.464.238**
Other operating income	10.073.419	7.542.335	5.266.911	5.111.690
Selling expenses	(15.806.939)	(15.535.645)	(7.063.883)	(7.246.660)
Administrative expenses	(22.026.250)	(22.162.303)	(10.146.485)	(11.188.834)
Other operating expenses	(11.526.114)	(7.753.232)	(2.826.784)	(2.503.795)
Operating results	**4.152.668**	**(5.781.653)**	**(2.415.746)**	**(7.363.361)**
Finance income	524.078	2.196.760	88.469	202.476
Finance expenses	(21.127.879)	(17.743.714)	(9.991.415)	(7.072.977)
Dividends	5.383	64.754	624.984	982.603
Financial result	**(20.598.419)**	**(15.482.201)**	**(9.277.962)**	**(5.887.898)**
Share of profit/loss of associates	196.625	(792.315)	-	-
Profit before income tax	**(16.249.126)**	**(22.056.168)**	**(11.693.708)**	**(13.251.259)**
Income tax expenes	**3.190.978**	**2.790.767**	**3.922.933**	**2.063.398**
Net profit for the period from continued operations	**(13.058.148)**	**(19.265.401)**	**(7.770.775)**	**(11.187.860)**
Attributable to:				
Shareholders of the Parent	(13.097.239)	(19.375.369)	(7.770.775)	(11.187.860)
Minority interest	39.091	109.968	-	-
	(13.058.148)	**(19.265.401)**	**(7.770.775)**	**(11.187.860)**
Earnings per share that attributed to the Shareholders of the Parent for the year (amounts in € per share)				
Basic profit/loss per share	(0,1293)	(0,1913)	(0,0767)	(0,1105)
Reluted profit/loss per share	(0,1293)	(0,1913)	(0,0767)	(0,1105)

II. Statement of Comprehensive Income

AMOUNTS IN EURO

	GROUP		COMPANY	
	2010	2009	2010	2009
Profit / (Loss) of the year from continuing operations	**(13.058.148)**	**(19.265.401)**	**(7.770.775)**	**(11.187.860)**
Foreign currency translation differences	(1.204.674)	(2.409.341)	-	-
Gain / (Loss) of changes in fair value of cash flow hedging	(2.681.324)	(8.384.971)	(2.282.173)	(7.822.962)
Income tax on income and expense recognised directly in equity	692.022	1.766.637	515.095	1.955.740
Other comprehensive income / (expense) after taxes	**(3.193.975)**	**(9.027.675)**	**(1.767.078)**	**(5.867.222)**
Total comprehensive income / (expense) after tax	**(16.252.123)**	**(28.293.076)**	**(9.537.853)**	**(17.055.082)**
Attributable to:				
Equity holders of the parent company	(16.250.569)	(28.191.873)	(9.537.853)	(17.055.082)
Minority interests	(1.554)	(101.204)	-	-
Total comprehensive income / (expense) after tax	**(16.252.123)**	**(28.293.076)**	**(9.537.853)**	**(17.055.082)**

III. Statement of Financial Position

AMOUNTS IN EURO

	GROUP		COMPANY	
	2010	2009	2010	2009
ASSETS				
Non-current assets				
Property, plant and equipment	316.958.739	330.276.516	107.305.309	142.983.596
Intangible assets	652.245	965.485	186.079	277.741
Investment property	2.152.565	2.152.565	-	-
Investments	6.082.122	5.992.845	148.524.542	112.046.148
Financial assets available for sale	4.302.923	4.301.447	3.847.664	3.846.188
Other receivables	1.227.938	1.504.606	522.497	892.571
Deferred tax claims	6.259.224	5.523.929	-	-
	337.635.756	**350.717.393**	**260.386.090**	**260.046.243**
Current assets				
Inventories	222.506.376	184.408.321	77.259.197	75.037.948
Trade and other receivables	212.053.462	147.511.723	108.343.287	82.064.246
Derivatives	3.954.232	1.911.638	1.586.132	245.420
Financial assets at fair value through the profit and loss statement	8.231	8.231	-	-
Cash and cash equivalents	17.367.950	17.753.177	2.403.946	1.567.556
	455.890.252	**351.593.090**	**189.592.561**	**158.915.170**
Total assets	**793.526.008**	**702.310.482**	**449.978.651**	**418.961.413**
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	(6.745.005)	(5.855.150)	-	-
Other reserves	68.943.907	71.375.174	64.848.784	66.818.012
Profit carried forward	(24.255.348)	(10.780.117)	(26.867.756)	(9.915.155)
Total	**143.567.876**	**160.364.229**	**143.605.350**	**162.527.180**
Minority interest	24.477.763	24.510.911	-	-
Total equity	**168.045.640**	**184.875.140**	**143.605.350**	**162.527.180**
LIABILITIES				
Long-term liabilities				
Loans	156.060.632	192.732.167	113.889.035	113.333.200
Derivatives	822.379	311.069	822.379	257.609
Deferred income tax liabilities	9.532.996	13.822.309	3.091.437	10.210.091
Personell retirement benefits payable	4.721.658	4.971.824	2.059.252	2.648.352
Government Grants	2.902.907	2.445.634	2.034.225	2.077.625
Provisions	7.135.819	852.079	6.327.610	500.000
	181.176.391	**215.135.081**	**128.223.937**	**129.026.877**
Short-term liabilities				
Suppliers and other liabilities	89.310.765	55.479.342	42.195.311	19.104.541
Current tax liabilities	5.189.059	4.385.652	299.193	490.707
Loans	338.157.544	226.670.628	128.584.417	96.698.348
Derivatives	11.556.609	9.544.598	6.980.443	4.893.719
Provisions	90.000	6.220.041	90.000	6.220.040
	444.303.977	**302.300.261**	**178.149.364**	**127.407.356**
Total liabilities	**625.480.368**	**517.435.342**	**306.373.301**	**256.434.234**
Total equity and liabilities	**793.526.008**	**702.310.482**	**449.978.651**	**418.961.413**

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, 2009	**38.486.258**	**67.138.064**	**4.235.357**	**74.083.901**	**8.118.415**	**(4.206.267)**	**187.855.729**	**25.657.120**	**213.512.849**
Foreign exchange differences	-	-	-	-	(214.170)	(1.648.883)	(1.863.053)	(546.288)	(2.409.341)
Hedging result minus tax	-	-	(6.953.450)	-	-	-	(6.953.450)	335.116	(6.618.334)
Net profit/(loss) for the period	-	-	-	-	(19.375.369)	-	(19.375.369)	109.968	(19.265.401)
Total recognised net profit for the year	**-**	**-**	**(6.953.450)**	**-**	**(19.589.539)**	**(1.648.883)**	**(28.191.873)**	**(101.204)**	**(28.293.076)**
Capitalization of subsidiary's losses	-	-	-	-	706.184	-	706.184	5.174	711.357
Transfer of reserves	-	-	-	9.366	(15.177)	-	(5.811)	5.811	-
Profit distribution	-	-	-	-	-	-	-	(1.055.990)	(1.055.990)
	-	-	-	9.366	691.006	-	700.373	(1.045.005)	(344.633)
Balance as of December 31, 2009	**38.486.258**	**67.138.064**	**(2.718.093)**	**74.093.267**	**(10.780.117)**	**(5.855.150)**	**160.364.229**	**24.510.911**	**184.875.140**
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**
COMPANY									
Balance as of January 1, 2009	**38.486.258**	**67.138.064**	**3.420.203**	**69.265.032**	**1.272.705**	**-**	**179.582.262**	**-**	**179.582.262**
Hedging result minus tax	-	-	(5.867.222)	-	-	-	(5.867.222)	-	(5.867.222)
Net profit for the period	-	-	-	-	(11.187.860)	-	(11.187.860)	-	(11.187.860)
Total recognised net profit for the year	-	-	(5.867.222)	-	(11.187.860)	-	(17.055.082)	-	(17.055.082)
Balance as of December 31, 2009	**38.486.258**	**67.138.064**	**(2.447.019)**	**69.265.032**	**(9.915.155)**	**-**	**162.527.180**	**-**	**162.527.180**
Balance as of January 1, 2010	**38.486.258**	**67.138.064**	**(2.447.019)**	**69.265.032**	**(9.915.155)**	**-**	**162.527.180**	**-**	**162.527.180**
Hedging result minus tax	-	-	(1.767.078)	-	-	-	(1.767.078)	-	(1.767.078)
Net loss for the period	-	-	-	-	(7.770.775)	-	(7.770.775)	-	(7.770.775)
Total recognised net loss for the year	-	-	(1.767.078)	-	(7.770.775)	-	(9.537.853)	-	(9.537.853)
Transfer to subsidiary due to demerger	-	-	-	(202.150)	(9.181.826)	-	(9.383.977)	-	(9.383.977)
	-	-	-	(202.150)	(9.181.826)	-	(9.383.977)	-	(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**	**-**	**143.605.350**

V. Statement of Cash Flow

AMOUNTS IN EURO

	GROUP		COMPANY	
	2010	2009	2010	2009
Cash flows from operating activities				
Profit / (loss) before taxes	(16.249.126)	(22.056.168)	(11.693.708)	(13.251.258)
Adjustments for:				
Depreciation of tangible assets	28.773.204	26.603.035	10.654.807	11.883.247
Depreciation of grants	(450.227)	(456.800)	(299.967)	(330.624)
Provisions	293.394	572.901	(207.465)	159.572
Investing activities result (income, expenses, profits and losses)	(778.810)	(1.469.199)	(713.453)	(1.185.079)
Interest charges & related expenses	20.943.150	17.649.390	9.691.430	6.978.652
(Profit) / loss from sale of tangible assets	(252.340)	(508.239)	(244.737)	(423.876)
(Profit) / loss from sale of investments	-	33.951	-	33.951
(Profit) / loss from the fair value of derivatives	(1.819.071)	3.508.756	(971.392)	1.643.217
Loss from the destruction of fixed assets	232.115	101.997	137.272	-
Impairment of participations	-	-	299.985	94.324
Decrease / (increase) in inventories	(38.098.055)	27.852.259	(16.920.448)	21.296.869
Decrease / (increase) in receivables	(50.323.433)	37.388.374	(42.443.422)	(1.044.480)
(Decrease) / Increase in liabilities (minus banks)	15.831.996	(18.463.080)	7.525.175	(16.221.944)
Interest charges & related expenses paid	(19.837.372)	(20.943.315)	(8.400.923)	(9.504.878)
Income tax paid	(975.201)	(1.977.448)	-	-
Net Cash flows from operating activities	**(62.709.774)**	**47.836.412**	**(53.586.846)**	**127.695**
Cash flows from investing activities				
Purchase of tangible assets	(13.108.691)	(28.460.097)	(2.495.430)	(9.775.433)
Purchase of intangible assets	(237.707)	(384.946)	(55.156)	(227.161)
Sales of tangible assets	420.167	3.081.360	6.623.427	2.470.592
Sales of investment properties	-	178.066	-	178.066
Dividends received	5.383	64.754	624.984	982.603
Interest received	524.078	2.196.760	88.469	202.476
Increase of participation in subsidiaries	-	-	(2.256.822)	(165.538)
Increase of participation in other investment properties	(6.320)	(2.834.283)	(6.320)	(2.708.858)
Net Cash flows from investing activities	**(12.403.091)**	**(26.158.386)**	**2.523.151**	**(9.043.253)**
Cash flows from financing activities				
Dividends paid to shareholders of the parent	(794)	(11.559)	(794)	(6.020)
Loans received	172.461.016	32.192.485	110.023.974	13.083.200
Loans settlement	(97.645.635)	(95.354.430)	(59.030.596)	(44.710.153)
Changes in financial leases	-	(6.069)	-	-
Dividends paid to minority interest	(994.448)	(1.065.398)	-	-
Grand proceeds	907.500	1.348.900	907.500	1.348.900
Net cash flows from financing activities	**74.727.639**	**(62.896.071)**	**51.900.084**	**(30.284.073)**
Net (decrease)/ increase in cash and cash equivalents	**(385.226)**	**(41.218.044)**	**836.389**	**(39.199.632)**
Cash and cash equivalents at the beginning of period	17.753.177	58.971.221	1.567.556	40.767.188
Cash and cash equivalents at the end of period	**17.367.950**	**17.753.177**	**2.403.946**	**1.567.556**

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 2010 and the stand-alone and consolidated statements of income and comprehensive income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the 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 misstatements, 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 stand-alone and consolidated financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the stand-alone and consolidated 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 the stand-alone and consolidated financial statements.

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

Opinion

In our opinion, the financial statements give a true and fair view of the stand-alone and consolidated financial position of HALCOR METAL WORKS S.A. of 31 December 2010 and of its stand-alone and consolidated financial performance and its stand-alone and consolidated cash flows for the year then ended, in accordance with International Financial Reporting Standards as adopted by the European Union.

Report on Other Legal and Regulatory Requirements

(a) The Board of Directors' Report includes a corporate governance statement, which provides the information set by paragraphs 3d of article 43a and 3e of article 107 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
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153 42 Aghia Paraskevi
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Athens, 28 March 2011KPMG
KPMG Certified Auditors A.E.
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