

# **HALCOR**

M E T A L   W O R K S   S . A .



ANNUAL BULLETIN **2007**



According to the provisions of current stock market regulation and in specific Presidential Decree 348/1985 and Decisions No. 5/204/14.11.2000 and decision No. 7/372/15.02.2006 of the Board of Directors of the Capital Market Commission.



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## **A. INFORMATION ON THE COMPILATION OF THE ANNUAL BULLETIN AND THE COMPANY'S AUDITORS**

### **ANNUAL BULLETIN**

The present Annual Bulletin is issued with the purpose to inform the Shareholders, the investors and the investment consultants thoroughly. It also contains all the information and financial data deemed necessary for the proper evaluation of the assets, financial status, results, and the prospects of the Company.

The preparation of the present Annual Bulletin has taken place according to the provisions of the decisions No. 5/204/14.11.2004 and 7/372/15.2.2006 of the Capital Market Committee. The persons responsible for the preparation of the Annual Bulletin as well as for the accuracy of the data contained therein are:

- Menelaos Tasopoulos, Managing Director of the Company, 57th klm. National Road Athens- Lamia, Oinofyta, tel.: +30 22620 48872.
- Spyros Kokkolis, Group Chief Financial Officer, 57th klm. National Road, Athens – Lamia, Oinofyta, tel.: +30 22620 48872.

The Board of Directors declares that all of its members have been informed of the content of the Annual Bulletin, and together with the authors responsibly certify that:

- All information and data provided therein are complete and accurate.
- No figures exist and no events have taken place, whose non-disclosure or omission could render the figures and information contained in the Annual Bulletin misleading - partly or in whole.

The Annual Bulletin can be supplied from those interested from the Company's offices (57<sup>th</sup> klm. National Road Athens – Lamia, Oinofyta).

### **ORDINARY CERTIFIED AUDITORS**

HALCOR as well as its subsidiaries companies participating in the consolidated financial statements, are certified by Public Auditors. The audit of the Company's financial statements as well as the consolidated financial statements for the time period of 2006 and 2007 was conducted by the Certified Public Auditor Mr. Michael Kokkinos of KPMG Certified Auditors S.A. (SOL No. 12701).

It is noted that the Company issues, according to the law, consolidated financial statements from 1997. The audit of the Company's financial statements as well as the consolidated financial statements for the time period of 2000, 2001, 2002 and 2005 was conducted by the Certified Public Auditor Mr. Michael Kokkinos of KPMG Certified Auditors S.A. (SOL No. 12701) and for the time period of 2003 and 2004 the Certified Public Auditor Mrs. Garyfalia Spyriouni of KPMG Certified Auditors S.A. (SOL No. 16931). The address of KPMG Certified Auditors S.A. is: 3, Tobra str. Agia Paraskeui, tel.: 210 60 62 100.



## **B. REPORT OF THE BOARD OF DIRECTORS REGARDING THE ANNUAL FINANCIAL STATEMENTS ON A CONSOLIDATED BASIS AND ON A COMPANY LEVEL**

### **REPORT OF THE BOARD OF DIRECTORS**

#### **ON THE COMPANY AND CONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2007**

##### **A. GENERAL OVERVIEW**

Fiscal year 2007 proved to be difficult for Group Halcor in terms of financial results as international conditions was not particularly favorable. Metal prices remained at high levels in the larger part of the year mainly during the months of high demand, a fact that intensified substitution, mainly installation products (copper sheets for housing, tubes for water supply - heating). At the same time, total demand was adversely affected by the decline of building activity, mainly in the US market but also in European countries.

However, certain steps in terms of development and organic operation of the Group were made, along with the optimization of the performance of Group production facilities, within and outside Greece. As metal prices marked a significant decrease by year end, the surplus values then created from the valuation of inventories were reversed – through the devaluation of inventories by € 10.3 mil, an amount that affected the results of the fourth quarter – and as a consequence all fiscal year results were purely organic.

The average price of copper in 2007 was set at € 5,198 and € 5,175 per ton, for cash prices and for quarterly prices, respectively, while in 2006 the corresponding prices were € 5,342 and € 5,297 per ton respectively. The average price of zinc in 2007 was set at € 2,385 and € 2,380 per ton, for cash prices and for quarterly prices, respectively, while in 2006 the corresponding prices were € 2,592 and € 2,575 per ton respectively.

Although the constantly high metals prices and therefore the increased working capital requirements, the operating cash flows both for the mother company and for most of the subsidiaries were positive in comparison with those of the year 2006. The implementation of a strict policy of inventory management in the overall Group, already from the second half of the year 2006, has contributed to the above mentioned result.

Though the course of metal prices adversely affected demand for certain product categories, the Group succeeded in an overall increase of its sales in terms of volume (by 10%) with the simultaneous increase of the weighted fabrication prices (by 8%) leading this way to the increase of organic profits of the Mother Company as well as the Group's. Profitability was backed up by the continuous improvement in the productivity from the new investments, mainly in the mother company and its subsidiary Hellenic Cables S.A. as well. In parallel the development of synergies within Group companies and especially those created by the merger through absorption of the subsidiary FITCO S.A., gave the opportunity for an even better improvement in total cost and in productivity structure.



Within the year, several important steps were taken in order to enhance the scrap purchases network in the international markets aiming at the continuous increase of the buying quantities and of its proportional use as compared to the final product. As a result, as of the last quarter of the year, scrap inflows increased significantly and the result of this particular action is an anticipated improved production cost in 2008.

Explicitly, the course of Halcor Group can be traced into the consolidated financial statements of 2007 where the key financial results were set as follows:

1. Consolidated Sales in 2007 amounted Euro 1,369,616,569 as opposed to Euro 1,246,577,794 in 2006, marking an increase of 9.9%.
2. Group operating results (before taxes, financial, investing results and depreciation) amounted Euro 86,378,882 in 2007 as opposed to Euro 95,286,602 in 2006, marking a decrease of 9.3%.
3. Group profits before taxes presented a decrease of 35.8% to Euro 33,310,035 as opposed to Euro 51,887,217 in 2006.
4. Net results (after taxes and minority interests) stood at Euro 20,021,567 in comparison to Euro 35,954,841 in 2006, marking a decrease by 44.3%.

At the Parent Company level sales stood at Euro 755,974,008 increased by 3.5% in comparison to the previous fiscal year, while net results after taxes amounted Euro 9,785,503 marking a decrease of 23.7%.

In 2007, Group Halcor realized total investments amounting approximately Euro 35 million, from which an amount of approximately Euro 13 million was allocated in SOFIA MED S.A. within the context of the completion of its investment plan, aiming mainly at the production of high valued added industrial products. Accordingly, the Parent Company realized investments of approximately Euro 12 million focusing on the Pipeworks facilities. Finally, Hellenic Cables Group proceeded with investments amounting 9 million euro, focusing mainly on the acquisition of new and modernizing existing mechanical equipment. The goal of all of the Group's investments was the improvement of productivity, the production of high value added products and the increase in the production capacity.

Within the context of its strategic development for the expansion of its operations in new profitable markets, HALCOR, signed in January 2008 an agreement for the acquisition of a 50.1% stake of the Turkish company Segabakir S.A., which is active in the field of manufacturing and wholesale of copper tubes and rods. The main purpose of the aforementioned acquisition is HALCOR's penetration in the large Turkish market as well as in Near Middle East countries where the Group is foreseeing significant growth potentials.

Halcor group's principle value lies upon its respect for the environment. A vivid proof of the Parent Company's as well as its subsidiaries' concern towards the environment, is the establishment of a well defined Management System for those of its activities that have an impact on the environment, in order for the timely control and adjustments. In view of that the Group has acquired ISO 14001 certification as a proof of its sensitivity in this area, acknowledging the fact that by following the procedures set by this international standards, the group is able to realistically face any such issues. There are departments within the group dedicated to follow on any factors affecting the environment and implement any new measures necessary to improve environmental indices in all production facilities.

Employee health and safety measures are an utmost priority for Halcor. Risk control and minimization of all of the group's activities is a direct merit of the Management as well as the employees. In 2007, several steps were taken in order to improve the culture in security issues and staff training was intensified so as to create safe and secure work place.

Taking into consideration the course of the Group so far as well as its future prospects, the company's management proposes to distribute dividend amounting € 0.06 per share over € 0.085 per share last year. The management proposes a total dividend distribution of approximately € 6.1 million, a decrease of 29% over 2006.

## B. FINANCIAL POSITION

The ratios that express the Group's and the Company's financial position developed as follows:

RATIOS	GROUP		COMPANY	
	2007	2006	2007	2006
<b>Liquidity</b> Current Assets/ Current Liabilities	1.94	2.02	2.87	3.17
<b>Leverage</b> Equity / Banks Loans	0.49	0.52	0.78	0.83
<b>Return on Invested Capital</b> Profits before taxes & Financial expenses / Equity + Bank Loans	7.9%	9.6%	6.0%	7.1%
<b>Return on Equity</b> Net Profits / Equity	8.4%	15.1%	5.1%	6.4%

## C. GOALS & PERSPECTIVES

The dynamics affected year 2007 seem at the moment present and intense in 2008 as well. Once again metal prices are reaching historic high records, a fact leading to continuous pressure for substitution in certain product categories. Alongside, there are indications of a slowdown in the international economic growth, mainly due to a probable recession in the US along with the slowdown of the European Economy, in fact, according to many analysts, the peril of stagflation is probable.

Under these conditions the Group adheres to its strategic program, which can be summarized into focusing on higher value added products and – most important – which are the least if not at all subject to substitution, along with the improvement of the production cost. These goals are gradually fulfilled every day through the completion and improved operation of new investments along with the continuous usage of scrap for the production of final products.

For the fiscal year 2008, the Group is aiming at continuously increasing its total sales volume, absorbing pressures created in prices from the international investment setting through streamlining of the cost, mainly due to improved productivity along with the improvement of fixed costs per unit.

The President of HALCOR SA  
 Board of Directors

Theodosios Papageorgopoulos



## C. EXPLANATORY BOARD OF DIRECTORS ANNUAL MANAGEMENT REPORT

### EXPLANATORY BOARD OF DIRECTORS ANNUAL MANAGEMENT REPORT

(article 4. par. 7 and 8 of L.3556/2007)

#### a) Share Capital Structure

The Company's share capital amounts to EUR 38,486,258.26, divided into 101,279,627 ordinary registered shares with a nominal value of EUR 0.38 each. All shares are listed for trading on the Athens Stock Exchange, in the Large Cap Category. The Company's shares are intangible, registered, with the right to vote.

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

- Right to dividends from the Company's annual profits. The dividend of each share is paid to shareholders within two (2) months upon approval of the financial statements by the General Meeting. The right to collect dividends is forfeited after the lapse of five (5) years from the end of the year, during which it was due.
- Pre-emptive right to every Company share capital increase and the acquisition of new shares.
- Right to participate in the General Shareholder Meeting.
- The capacity of shareholder automatically entails the acceptance of the Company's Articles of Association and the decisions of its bodies, in accordance with the said Articles and the Law.
- The Company's shares cannot be divided and the Company acknowledges only one owner per share. All joint shareholders, as well as those who have usufruct or bare ownership of shares, are represented in the General Meeting by only one person, appointed by them upon agreement. In case of disagreement, the share of the aforementioned parties is not represented.
- The shareholders are not liable beyond the nominal value of each share.

#### b) Restrictions on Transferring Company Shares

The transfer Company shares is conducted under the Law and there are no other restrictions regarding the transfer in its Articles of Association.

#### c) Significant Direct or Indirect Participations Pursuant to articles 9 to 11 of N.3356/2007

The significant participations (over 5%) on 31/12/2007 were as follows:

- VIOHALCO S.A.: a percentage of 51.12 % of voting rights and a percentage of 50.43 % of share capital..
- Mr. Evangelos Stasinopoulos: a percentage of 9.33% of share capital and voting rights (on which it has been added a participation percentage of 7.37% of WHEATLAND HOLDINGS LTD).
- WHEATLAND HOLDINGS LTD: percentage of 7.37% of share capital.

#### d) Shares with Special Control Rights

There are no Company shares granting their owners special control rights.

**e) Voting Right Restrictions**

No voting right restrictions, arising from its shares, are stipulated by the Company's Articles of Association. The rules of the Company's Articles of Association regulating voting issues are included in article 24 and state that:

- Every share grants the right to one vote in the General Meeting.
- In order for shareholders to be entitled to attend the General Meeting, they are obligated, at least five (5) days prior to the meeting, to submit to the Company a certificate by the Central Securities Depository listing all shares registered to their name, with a commitment not to transfer these shares until the day of the General Meeting. Within the same deadline, they must also submit to the Company's offices the proxies of the shareholders' representatives.

**f) Agreements between Company Shareholders**

To the Company's knowledge, there are no such agreements between shareholders that entail limitations to the transfer of Company shares or the exercise of voting rights arising from its shares.

**g) Regulations on Appointing and Replacing Members of the Board of Directors and on Amending the Articles of Association**

The regulations provided by the Company's Articles of Association regarding, both the appointment and replacement of members of the Board of Directors, as well as the amendment of its provisions, are no different than those stipulated in Codified Law 2190/1920.

**h) Duties of the Board of Directors with Regard to the Issuance of New or the Purchase of Own Shares**

- Pursuant to the provisions of Article 6, Par. 1, of the Articles of Association, stipulates that only the General Shareholders Meeting that convenes at a quorum of two thirds 2/3 of its paid in share capital, may increase the share capital of the Company by issuing new shares, with a decision taken by a majority vote of 2/3 of the represented votes.
- According to the Company's Articles of Association it is not allowed to the Board of Directors or any members of it, the concession of any administrative right on the Shareholders Meeting, to issue shares and increase share capital.
- The Board of Directors may purchase own shares within the framework of a General Meeting decision pursuant to C.L. 2190/20, Article 16, Paragraphs 5 to 13.
- Pursuant to C.L. 2190/20, Article 13, Paragraph 9 and the decision of the General Meeting on 20 June 2002, every December of each year, starting from 2006 up to 2013, the Company's Board of Directors increases the Company's share capital, without amending its Articles of Association, by issuing new shares within the context of the implementation of a Stock Option Plan approved by the General Meeting, details of which are included in note 19 of the Financial Statements for the financial year 2007.

**i) Significant Agreements that Become Effective, are Amended or Terminated in the Event of Change of Control**

Bank loan agreements that were undertaken from Banks as a whole are mentioned in note 18 of the annual financial statements (on consolidated level: €281.80 million on a long-term basis, and €79.49 million on a short-term basis, and on a company level: €186,80 million on a long-term basis and €59.49 million on a short-term basis), of both the Company as well as of consolidated companies, include a clause in their terms for the event of change of control, which gives bondholders the right to terminate it prematurely.

There are no agreements, which become effective, are amended or terminated in the event of change of Company control.

**j) Agreements with Members of the Board of Directors or Company Personnel**

There are no agreements between the Company and members of the Board of Directors or its personnel, which provide for the payment of compensation, especially in the event of resignation or termination of employment without reasonable grounds or termination of tenure-of-office or employment.

**The Chairman of the Board of Directors**

**THEODOSIOS PAPAGEORGOPOULOS**



**D. ANNUAL FINANCIAL STATEMENTS ON A CONSOLIDATED BASIS AND ON A COMPANY LEVEL****Financial Statements (Company and Consolidated)  
as of 31 December 2007****in accordance with the International Financial Reporting Standards**THE PRESIDENT OF THE BOARD  
OF DIRECTORSTHEODOSIOS  
PAPAGEORGOPOULOS  
ID No. H 679222A MEMBER OF THE BOARD  
OF DIRECTORSGEORGIOS PASSAS  
ID No. Φ 020251THE MANAGING  
DIRECTORMENELAOS TASOPOULOS  
ID No. Ξ 365174GROUP FINANCIAL  
OFFICERSPYRIDON KOKKOLIS  
ID No. X 701209

HALCOR S.A.

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

Address: Athens Tower, 2<sup>nd</sup> Building, 2-4 Messogeion Avenue, 11527, Athens**ANNUAL FINANCIAL STATEMENT IN ACCORDANCE WITH THE INTERNATIONAL FINANCIAL REPORTING STANDARDS "IFRS" FOR THE FISCAL YEAR 2007**

This is to certify that the attached Financial Statements for the period 1/1/2007-31/12/2007 are those which have been approved by the Board of Directors of "HALCOR S.A." on February 27, and have been published on the internet at the address [www.halcor.gr](http://www.halcor.gr). The attention of the reader is drawn to the fact that the extracts published in the press aim at providing the public with certain elements of financial information but they do not present a comprehensive view of the financial position and the results of operation of the , in accordance with the International Financial Reporting Standards.

It is certified that the attached Financial Statements for the period 1/1/2007-31/12/2007 are those which have been prepared according to the accounting standards in use, and illustrate in a true and fair manner assets, liabilities, equity and results of the Company and the firms consolidated in full.

The report of the Board of Directors illustrates in a true manner the performance and the financial position of the Group, as well as the companies consolidated in full, including the description of the main risks and uncertainties that affect them.

The attached financial statements have been approved by the Board of Directors of "HALCOR S.A." on February 27, and have been published on the internet at the address [www.halcor.gr](http://www.halcor.gr).

It is noted that the published in the press summarized financial data and information aim at providing the public with certain elements of financial information but they do not present a comprehensive view of the financial position and the results of operation of the Group, in accordance with the International Financial Reporting Standards.

**The President of HALCOR SA  
Board of Directors****Theodosis Papageorgopoulos**



## INCOME STATEMENT

For the year ended December 31

(Amounts in euro)	note	GROUP		COMPANY	
		2007	2006	2007	2006
<b>Sales</b>	5	<b>1,369,616,569</b>	<b>1,246,577,794</b>	<b>755,974,008</b>	<b>730,198,102</b>
Cost of goods sold	24	-1,264,029,464	-1,128,052,511	-714,497,383	-678,835,051
<b>Gross profit</b>		<b>105,587,106</b>	<b>118,525,283</b>	<b>41,476,624</b>	<b>51,363,051</b>
Other operating Income	27	9,412,172	6,371,604	6,793,346	4,867,681
Selling expenses	24	-17,649,913	-17,869,482	-8,650,700	-9,633,823
Administrative expenses	24	-24,800,143	-25,713,760	-13,055,262	-14,064,445
Other operating Expenses	27	-9,858,067	-8,636,719	-3,931,586	-3,179,273
<b>Operating results</b>		<b>62,691,155</b>	<b>72,676,927</b>	<b>22,632,422</b>	<b>29,353,192</b>
Financial Income	25	956,823	728,567	374,296	222,147
Financial Expenses	25	-31,528,204	-22,598,847	-13,752,067	-11,268,244
Dividends	27	63,989	134,424	3,842,064	1,783,940
<b>Net Financial Result</b>	27	<b>-30,507,392</b>	<b>-21,735,856</b>	<b>-9,535,706</b>	<b>-9,262,157</b>
Profits from associated companies		1,126,272	946,147	-	-
<b>Profit before income tax</b>		<b>33,310,035</b>	<b>51,887,217</b>	<b>13,096,716</b>	<b>20,091,035</b>
Income tax expenses	26	-8,719,850	-11,518,216	-3,311,213	-7,273,328
<b>Net profit for the period from continued operations</b>		<b>24,590,185</b>	<b>40,369,001</b>	<b>9,785,503</b>	<b>12,817,707</b>
<b>Attributable to:</b>					
Shareholders of the Parent		20,021,567	35,954,841	9,785,503	12,817,707
Minority interest		4,568,618	4,414,160	-	-
		<b>24,590,185</b>	<b>40,369,001</b>	<b>9,785,503</b>	<b>12,817,707</b>
<b>Earnings per share that attributed to the Shareholders of the Parent for the year</b> (amounts in € per share)					
Basic Earnings per share		0.198	0.360	0.097	0.128
Reluted Earnings per share		0.197	0.360	0.096	0.128

The notes attached hereto from pages 22 to 69 constitute an integral part of these financial statements (Company and Consolidated).

## BALANCE SHEET

as of December 31

(Amounts in euro)	note	GROUP		COMPANY	
		2007	2006	2007	2006
<b>ASSETS</b>					
<b>Non-current assets</b>					
Property, plant and equipment	7	313,453,440	304,293,573	138,853,031	137,314,860
Intangible assets	8	1,541,565	2,276,085	371,943	417,143
Investments properties	9	2,471,230	2,168,074	-	-
Participations	10	7,470,710	6,950,445	95,258,736	95,179,198
Financial assets available for sale	11	1,211,181	1,219,045	974,346	952,501
Derivatives	15	437,993	405,529	307,208	278,737
Other receivables	14	787,182	797,140	430,600	429,086
Deferred tax claims	12	3,085,141	3,206,732	-	-
		<b>330,458,443</b>	<b>321,316,623</b>	<b>236,195,864</b>	<b>234,571,525</b>

(Amounts in euro)	note	GROUP		COMPANY	
		2007	2006	2007	2006
<b>Current assets</b>					
Inventories	13	283,157,775	252,095,254	108,537,391	121,923,626
Trade and other receivables	14	284,156,496	296,221,140	135,660,091	140,101,567
Derivatives	15	1,699,246	7,650,123	565,410	5,335,187
Financial assets at fair value through the profit and loss statement		8,231	8,231	-	-
Cash and cash equivalents	16	41,597,499	29,261,016	24,068,894	19,057,305
		<b>610,619,247</b>	<b>585,235,764</b>	<b>268,831,787</b>	<b>286,417,685</b>
<b>Total assets</b>		<b>941,077,690</b>	<b>906,552,387</b>	<b>505,027,651</b>	<b>520,989,210</b>
<b>EQUITY</b>					
<b>Equity attributable to Shareholders of the Company</b>					
Share capital	17	38,486,258	38,486,258	38,486,258	38,486,258
Share premium account	17	67,138,064	67,138,064	67,138,064	67,138,064
Foreign Exchange differences from the consolidation of foreign subsidiaries	18	-718.243	1.901.584	-	-
Other reserves	18	67,175,911	68,185,723	64,425,389	66,557,974
Profit carried forward		65,789,374	62,970,463	23,697,666	28,065,455
Total		237,871,365	238,682,093	193,747,377	200,247,751
<b>Minority interest</b>		<b>27,779,160</b>	<b>24,624,399</b>	-	-
<b>Total equity</b>		<b>265,650,524</b>	<b>263,306,491</b>	<b>193,747,377</b>	<b>200,247,751</b>
<b>LIABILITIES</b>					
<b>Long-term liabilities</b>					
Loans	19	321,122,901	311,395,798	186,799,998	198,286,169
Financial Leasing liabilities	19	9,929	15,821	-	-
Derivatives	15	385,676	-	385,676	-
Deferred income tax liabilities	12	25,934,834	27,222,759	20,770,937	22,647,392
Personell retirement benefits payable	20	4,581,733	4,268,834	2,559,886	2,453,805
Government Grants	21	1,921,860	2,525,850	1,265,236	1,607,200
Provisions	22	6,267,324	5,622,832	5,955,229	5,430,729
Other long-term liabilities		-	10,203	-	-
		<b>360,224,257</b>	<b>351,062,097</b>	<b>217,736,963</b>	<b>230,425,295</b>
<b>Short-term liabilities</b>					
Suppliers and other liabilities	23	80,710,756	84,369,801	26,553,429	37,941,570
Current tax liabilities		7,548,941	12,107,368	1,112,081	6,754,968
Loans	19	219,240,888	191,315,807	59,882,329	42,711,789
Financial Leasing liabilities	19	7,998	7,465	-	-
Derivatives	15	7,086,875	1,754,379	5,388,022	278,858
Provisions	22	607,450	2,628,979	607,450	2,628,979
		<b>315,202,909</b>	<b>292,183,799</b>	<b>93,543,311</b>	<b>90,316,164</b>
<b>Total liabilities</b>		<b>675,427,165</b>	<b>643,245,896</b>	<b>311,280,274</b>	<b>320,741,459</b>
<b>Total equity and liabilities</b>		<b>941,077,690</b>	<b>906,552,387</b>	<b>505,027,651</b>	<b>520,989,210</b>

The notes attached hereto from pages 22 to 69 constitute an integral part of these financial statements (Company and Consolidated).

## STATEMENT OF CHANGES IN EQUITY

(Amounts in euro)	Share capital	Share premium reserves	Fair value reserves	Other reserves
<b>GROUP</b>				
<b>Balance as of January 1, 2006</b>	<b>32,003,756</b>	<b>65,230,753</b>	<b>-491,639</b>	<b>62,103,316</b>
Foreign exchange differences	-	-	-	-
Other transactions	-	-	-	-
Hedging result minus tax	-	-	5,841,828	-
Net profit for the period	-	-	-	-
Decrease of percentage holding in subsidiaries	-	-	-	-
Total recognised net profit for the period	-	-	5,841,828	-
Income from stocks issue	107,654	869,731	-	-
Additions due to merger	5,707,815	1,704,613	-	978,200
Goodwill due to merger	-	-	-	-3,889,856
Transfer of reserves	667,033	-667,033	-	3,643,874
Dividend	-	-	-	-
	6,482,502	1,907,311	-	732,218
<b>Balance as of December 31, 2006</b>	<b>38,486,258</b>	<b>67,138,064</b>	<b>5,350,189</b>	<b>62,835,535</b>
<b>Balance as of January 1, 2007</b>	<b>38,486,258</b>	<b>67,138,064</b>	<b>5,350,189</b>	<b>62,835,535</b>
Foreign exchange differences	-	-	-	-
Other transactions	-	-	-	-63,225
Hedging result minus tax	-	-	-9,519,702	-
Net profit for the period	-	-	-	-
Decrease of percentage holding in subsidiaries	-	-	-	-608
Total recognised net profit for the period	-	-	-9,519,702	-63,833
Transfer of reserves	-	-	-	8,573,723
Dividend	-	-	-	-
	-	-	-	8,573,723
<b>Balance as of December 31, 2007</b>	<b>38,486,258</b>	<b>67,138,064</b>	<b>-4,169,513</b>	<b>71,345,424</b>

Results carried forward	Foreign exchange differences	Total	Minority interest	Total Equity
<b>27,086,414</b>	<b>-516,781</b>	<b>185,415,819</b>	<b>33,836,371</b>	<b>219,252,190</b>
-	2,418,364	2,418,364	711,876	3,130,240
220,940	-	220,940	-47,746	173,194
-	-	5,841,828	-	5,841,828
35,954,841	-	35,954,841	4,414,160	40,369,001
-	-	-	56,564	56,564
36,175,781	2,418,364	44,435,973	5,134,854	49,570,827
-	-	977,385	-	977,385
9,655,912	-	18,046,541	-	18,046,541
-	-	-3,889,856	-14,346,826	-18,236,682
-3,643,874	-	-	-	-
-6,303,770	-	-6,303,770	-	-6,303,770
-291,731	-	8,830,300	-14,346,826	-5,516,525
-	-	-	-	-
<b>62,970,463</b>	<b>1,901,584</b>	<b>238,682,093</b>	<b>24,624,399</b>	<b>263,306,491</b>
<b>62,970,463</b>	<b>1,901,584</b>	<b>238,682,093</b>	<b>24,624,399</b>	<b>263,306,491</b>
-	-2,619,826	-2,619,826	-715,526	-3,335,352
63,225	-	-	-782,330	-782,330
-	-	-9,519,702	-	-9,519,702
20,021,567	-	20,021,567	4,568,618	24,590,185
724,122	-	723,513	-723,513	-
20,808,914	-2,619,826	8,605,553	2,347,249	10,952,802
-9,381,235	-	-807,512	807,512	-
-8,608,768	-	-8,608,768	-	-8,608,768
-17,990,003	-	-9,416,280	807,512	-8,608,768
<b>65,789,374</b>	<b>-718,243</b>	<b>237,871,365</b>	<b>27,779,160</b>	<b>265,650,524</b>

The notes attached hereto from pages 22 to 69 constitute an integral part of these financial statements (Company and Consolidated).

## STATEMENT OF CHANGES IN EQUITY

(Amounts in euro)	Share capital	Share premium reserves	Fair value reserves	Other reserves	Results carried forward	Total
<b>COMPANY</b>						
<b>Balance as of January 1, 2006</b>	<b>32,003,756</b>	<b>65,230,753</b>	<b>-677,282</b>	<b>61,997,652</b>	<b>10,813,780</b>	<b>169,368,659</b>
Hedging result minus tax	-	-	4,678,582	-	-	4,678,582
Net profit for the period	-	-	-	-	12,817,707	12,817,707
Total recognised net profit for the period	-	-	4,678,582	-	12,817,707	17,496,289
Income from stocks issue	107,654	869,731	-	-	-	977,385
Transfer of reserves	667,033	-667,033	-	3,470,678	-3,470,678	-
Dividend	-	-	-	-	-6,303,770	-6,303,770
Additions due to merger	5,707,815	1,704,613	-	978,200	14,208,417	22,599,045
Goodwill due to merger	-	-	-	-3,889,856	-	-3,889,856
	6,482,502	1,907,311	-	559,022	4,433,969	13,382,804
<b>Balance as of December 31, 2006</b>	<b>38,486,258</b>	<b>67,138,064</b>	<b>4,001,299</b>	<b>62,556,674</b>	<b>28,065,455</b>	<b>200,247,751</b>
<b>Balance as of January 1, 2007</b>	<b>38,486,258</b>	<b>67,138,064</b>	<b>4,001,299</b>	<b>62,556,674</b>	<b>28,065,455</b>	<b>200,247,751</b>
Hedging result minus tax	-	-	-7,677,109	-63,225	63,225	-7,677,109
Net profit for the period	-	-	-	-	9,785,503	9,785,503
Total recognised net profit for the period	-	-	-7,677,109	-63,225	9,848,727	2,108,394
Transfer of reserves	-	-	-	5,607,748	-5,607,748	-
Dividend	-	-	-	-	-8,608,768	-8,608,768
	-	-	-	5,607,748	-14,216,516	-8,608,768
<b>Balance as of December 31, 2007</b>	<b>38,486,258</b>	<b>67,138,064</b>	<b>-3,675,809</b>	<b>68,101,198</b>	<b>23,697,666</b>	<b>193,747,377</b>

The notes attached hereto from pages 22 to 69 constitute an integral part of these financial statements (Company and Consolidated).

**CASH FLOW STATEMENT**

(Amounts in euro)	note	GROUP		COMPANY	
		2007	2006	2007	2006
<b>Cash flows from operating activities</b>					
Cash flows from operating activities	28	59,763,476	-61,899,945	35,318,757	-58,096,377
Interests paid		-29,635,648	-19,484,808	-12,610,698	-8,691,658
Income tax paid		-11,631,129	-7,220,024	-7,140,936	-4,213,283
<b>Net Cash flows from operating activities</b>		<b>18,496,699</b>	<b>-88,604,777</b>	<b>15,567,122</b>	<b>-71,001,318</b>
<b>Cash flows from investing activities</b>					
Purchase of property, plant and equipment (PPE)		-34,738,392	-27,204,131	-11,883,577	-6,664,704
Purchase of intangible assets		-453,682	-240,219	-162,512	-173,123
Investment properties		-303,156	-	-	-
Sales of PPE		479,821	1,231,382	295,215	162,817
Sales of investments in real estate		-	1,814,580	-	1,814,580
Sales of holdings		-	5,423	-	5,423
Dividends received		63,989	134,424	3,842,064	1,783,939
Loans to associated parties		-	-39,632	-	-
Interest received		956,823	728,567	374,296	222,147
Proceeds from loans of associated parties repayment		-	39,632	-	-
Increase of participation in affiliated		-	-	-89,438	3,766,288
Increase of participation in subsidiaries		-17,312	-	-11,944	-
<b>Net Cash flows from investing activities</b>		<b>-34,011,909</b>	<b>-23,529,975</b>	<b>-7,635,895</b>	<b>917,368</b>
<b>Cash flows from financing activities</b>					
Common stocks issue		-	977,385	-	977,385
Dividends paid to shareholders of the parent		-8,635,392	-6,301,771	-8,604,006	-6,285,978
Loans received		178,198,179	155,285,000	75,000,000	95,000,000
Repayment of loans		-140,545,995	-25,329,641	-69,315,632	-7,206,612
Changes changes in financial leases		-5,358	7,465	-	-
Dividends paid to minority interest		-1,159,741	-	-	-
Grand proceeds		-	511,088	-	-
<b>Net cash flows from financing activities</b>		<b>27,851,693</b>	<b>125,149,526</b>	<b>-2,919,638</b>	<b>82,484,795</b>
<b>Net (decrease)/ increase in cash and cash equivalents</b>		<b>12,336,483</b>	<b>13,014,775</b>	<b>5,011,590</b>	<b>12,400,844</b>
Cash and cash equivalents at the beginning of period		29,261,016	16,246,241	19,057,305	6,656,461
<b>Cash and cash equivalents at the end of period</b>		<b>41,597,499</b>	<b>29,261,016</b>	<b>24,068,894</b>	<b>19,057,305</b>

The notes attached hereto from pages 22 to 69 constitute an integral part of these financial statements (Company and Consolidated).

## NOTES TO THE FINANCIAL STATEMENTS

### 1. The Group's Incorporation and Business

HALCOR METAL WORKS S.A. (formerly VECTOR S.A. Metals Processing Company) (or "HALCOR" or the "Company") was incorporated in 1977 and is registered in the Register of Societes Anonymes under No. 2836/06/B/86/48. In 1997 the merger of the companies VECTOR S.A. and (the former) HALCOR S.A. took place and was finalized by the Ministry of Growth's decision taken on 5/6/97, recorded in the Public Limited Companies Register.

The Company duration is set to 50 years from the date of publication of its Articles of Association, i.e. up to 2027. It has been listed on the Athens Stock Exchange since 1996 and is a member of the VIOHALCO Group.

HALCOR S.A. manufactures copper, brass and other copper alloy rolled and extrusion products. The company is vertically integrated and it is the only Company in Greece that manufactures copper pipes and holds a leading position in the manufacture and trade of copper, brass and other copper alloy products, as well as copper wire.

The Company's Financial Statements for the fiscal year that ended on 31 December 2007 the HALCOR's Financial Statements and the Company's Consolidated Financial Statements (together referred to as the "Group"). The names of the subsidiary companies are presented in Note 10 of the Financial Statements.

The Group's core business is the manufacture and trade of rolled and extrusion copper and copper alloy products, rolled zinc products and all kinds of cables.

The Group operates in Greece, Bulgaria, Romania, Cyprus, the United Kingdom, France, Germany and Serbia-Montenegro.

The Company's shares, as well as those of its Subsidiary "HELLENIC CABLES S.A." are listed on the Athens Stock Exchange.

The Company's registered offices are located in Athens, Athens Tower – 2nd Building, 2-4 Messogeion Avenue, Postal Code 115 27. The Company's headquarters and its contact address are at the 57th km of the Athens-Lamia National Road, Inofyta Viotias, Postal Code GR-32011. The company's website address is [www.halcor.gr](http://www.halcor.gr).

The Financial Statement as of 31 December attached were approved for publication by the Company's Board of Directors on February 27, 2008.

### 2. Financial Statements' basis of preparation

#### (a) Note of Compliance

The Financial Statements have been prepared in accordance with the International Financial Reporting Standards (I.F.R.S.) as been adopted by the European Union.

#### (b) Basis of Valuation

The Financial Statements were drawn up on the basis of the historical cost principle with the exception of derivatives that are recorded at their fair value.

### **(c) Operating Exchange Rate and Presentation**

The financial statements are expressed in Euros (€), which constitutes the company's operating currency. All the financial figures are presented in Euros (€).

### **(d) Application of Evaluations and Judgments**

When drawing up financial statements in accordance with the I.F.R.S. it is necessary for the management to resort to evaluations and judgments that affect the application of accounting policies, as well as the recorded figures regarding assets, liabilities, income and expenses. Actual results may eventually differ from those calculations.

The evaluations and the relative assumptions are revised on a continuous basis. These revisions are recognized in the period in which they were made and in future periods if there are any.

In the areas where there is uncertainty regarding the evaluations and the decisive judgments concerning the application of accounting policies, with significant impact on the figures recorded in the financial statements, special information is given in the following notes:

- Inventories (note 13)
- Count of the obligations for certain benefits (note 20)
- Provisions (note 22)

The accounting policies that are presented below have been consistently applied in all the periods that are presented in these Financial Statements and they have been consistently applied by all of the Group's companies.

Certain accounts of the last fiscal year's ended December 31, 2006 as they appeared in the Group Financial Statements as at December 31 2006, have been readjusted in order to be comparable to the respective accounts of the fiscal year ended December 31, 2007.

In the fiscal year 2006 consolidated profit and loss results, administration expenses have been readjusted downwards by the amount of Euro 1,258,982, cost of goods sold has been readjusted upwards by the amount of Euro 121,372, sales expenses have been readjusted upwards by the amount of Euro 690,475 and sales have been readjusted downwards by the amount of Euro 114,020 and other expenses have been readjusted upwards by the amount of Euro 333,115.

## **3. Basic Accounting Policies**

### **3.1 Consolidation basis**

#### **(a) Subsidiary Companies**

Subsidiaries are the companies controlled by the parent company. Control is exercised when the parent company has the power to reach decisions, directly or indirectly, that concern the subsidiaries' principles of financial management with the purpose of benefiting from them. The existence of any potential voting rights which may be exercised at the drawing up of the financial statements are taken into account in order to ascertain whether the parent company controls the subsidiaries. The subsidiaries are consolidated in full (integrated consolidation) from the date control over them is acquired and cease to be consolidated from the date that such control ceases to exist.



The buy out of a subsidiary by the Group is accounted according to the method of buy out. The acquisition cost of a subsidiary is the fair value of assets given, shares issued and liabilities assumed on the date of the exchange, plus any cost directly related to the transition. The individual assets, liabilities and possible liabilities acquired in a business merger are apportioned during the acquisition at their Fair values regardless of the holding percentage. Acquisition cost beyond the Fair value of the individual items acquired, is recorded as goodwill. Goodwill is periodically subject, at least annually, to an evaluation for any possible impairment. This evaluation is effected based on the provision of I.A.S. 36 "Impairment of Assets". If the overall cost of the buy out is less than the Fair value of the individual items acquired, the difference shall be entered directly in the profit and loss statement.

The Company records investments in subsidiaries in the Parent Company Financial Statements at their acquisition cost less any possible impairment of their value.

### **(b) Affiliated Companies**

Affiliated companies are those over which the Group has material influence, but not control over their financial and operating policies, which is generally valid when percentage holdings fluctuate between 20% and 50% of voting rights. Investments in associated companies are accounted by the net worth method and are initially recognized at acquisition cost, increased or decreased by the Group's holding percentage in the profits and losses thereof after the date it acquired the significant influence and until this influence ceases to exist, as well as all corresponding increases and decreases of the holding's net worth. The investment in associated companies account includes the goodwill arising from the buy out (less any impairment).

The Group's share of the affiliated companies' profit or loss after the buy out is recognized in the Profit and Loss Statement, while its share in the variation of reserves after the buy out is recognized in the Reserves account. Accumulated variations affect the accounting value of investments in affiliated companies. Should the Group's share in the loss of an affiliated company exceed the value of the investment in the associated company, no additional loss is recognized, unless payments have been effected or further commitments have been undertaken on behalf of the affiliated company.

The Company records investments in affiliated companies in the Individual Financial Statements at their acquisition cost less any possible impairment of their value.

### **(c) Joint-ventures**

Joint ventures are consolidated under the proportionate consolidation method. There is no participation cost in these joint ventures, and the asset and liability accounts are consolidated pro rata at their participation rate.

### **(d) Transactions Eliminated during Consolidation**

Inter-group balances and transactions, as well as profits and losses which occurred from inter-group transactions are eliminated during the composition of the consolidated financial statements. Non-realized profits from transactions between the group and its affiliated companies are eliminated by the percentage of the Group's holding in the affiliated companies. Non-realized losses are eliminated accordingly, unless the transaction provides indications of impairment in the transferred asset.

### **3.2 Information by sector**

A business sector is defined as a group of assets and operations providing goods and services which are subject to risks and returns different from those of other business sectors. A geographic sector is defined as a geographical area where goods and services subject to risks and returns different from other areas are provided.

### **3.3 Foreign Currency**

#### **(a) Transactions in Foreign Currency**

Transactions in foreign currency are converted into the effective currency of operations based on the foreign currency's official rate that prevails on the date the transaction took place. Profits and losses from currency differences deriving after the clearing of such transactions during the fiscal year and after the conversion of currency items expressed in foreign currency at the parity rates prevailing on the date of the balance sheet are recorded in the Profit and Loss Statement.

#### **(b) Transactions with Foreign Entities**

Conversion of the Group's companies' financial statements (none of which is in the currency of a hyper inflated economy), that are in a different operational currency than the group's presentation currency are converted as follows:

Assets and liabilities of activities that are carried out abroad, including the goodwill and readjustment of Fair values that arise during consolidation, are converted to Euros based on the foreign currency's official rate that prevails on the date of the Balance Sheet.

Income and expenses are converted to Euros based on the foreign currency's average rate during the fiscal year, which reflects the foreign exchange parity that prevails on the date the relative transaction took place.

Foreign exchange differences arising from the conversion of the net investment in a foreign business and of the relative offsets are recognized in a different line in the Equity account. When a foreign business is sold, accumulated foreign exchange differences are transferred to the Profit and Loss Statement as part of the profit or loss from the sale.

### **3.4 Property, Plant and Equipment**

Property, Plant and Equipment are shown at acquisition cost less accumulated depreciation and any impairment of the value thereof. Property, plant and equipment cost as at January 1 2004, date of conversion to the IFRS, was determined to be their fair value as at that date. Acquisition cost includes all expenditures that are directly associated with the acquisition of the fixed asset.

Further expenditures are recorded as an augmentation in the accounting value of the tangible fixed assets or as a separate fixed asset only where there is a possibility that the future financial benefits shall flow into the group and their cost may be reliably accounted. Repairs and maintenance costs are recorded in the Profits and Loss

Statement when they are carried out. Financial expenses related to the construction of assets are capitalized for the period of time required till construction has been completed. All other financial expenses are recorded in the Profit and Loss Statement.

Property is not depreciated. Depreciation on other tangible fixed asset items is calculated by the straight line method during the estimated useful lives of these assets and of their sections thereof. Useful lives range is estimated as follows:

<b>Buildings</b>	20-33	years
<b>Mechanical equipment</b>	1-18	years
<b>Automobiles</b>	5-7	years
<b>Other equipment</b>	3-7	years

The residual values and the useful life of tangible fixed assets are subject to review on every balance sheet date, if this is deemed necessary.

When the accounting values of tangible fixed assets exceed their estimated replacement cost the difference (impairment) is recorded as a result in the Profits and Loss Statement.

When tangible fixed assets are sold, the differences arising between the proceeds received and their accounting value is recorded as a profit or loss in the Profit and Loss Statement and in the raw " Other Income" or " Other Expenses" it depends on the case.

### 3.5 Intangible Fixed Assets

Intangible fixed assets that are acquired separately are recognized at their acquisition cost while intangible fixed assets that are acquired through the purchase of companies are recognized at their Fair value on the date of acquisition. They are subsequently evaluated at this amount less accumulated depreciation and any possible accumulated impairment of their value. Intangible fixed assets may have either a definite or indefinite useful life. The cost of intangible fixed assets that have a definite useful life are depreciated during the period of their estimated useful life with the straight line method. Intangible fixed assets are depreciated from the date on which they become available. Intangible fixed assets with an indefinite useful life are not depreciated but are periodically subject (at least annually) to an evaluation of any possible impairment of their value based on the provisions of I.A.S. 36 "Impairment of Assets". Residual values are not recognized. The useful life of intangible fixed assets is evaluated on an annual basis. Intangible fixed assets are controlled for impairment, at least annually, on an individual level or on a cash flow creation unit level to which they belong.

Software licenses are evaluated at acquisition cost less accumulated depreciation, less any accumulated impairment. They are depreciated by the straight line method over their useful life, which is from 3 to 5 years.

Expenditure necessary for the development and maintenance of software is recognized as an expense in the Profit and Loss Statement for the year in which it occurs.

### **3.6 Investment in Properties**

Investments in real estate concern land that are not used in the every day activities of the Group and which are evaluated at acquisition cost less any impairment.

### **3.7 Impairment in value of assets**

The book value of the Group's assets does not appear at fair value, are audited for impairment when there are indications that their book value will not be recovered. In this case, the asset's recoverable amount is determined and if the book value thereof exceeds the estimated recoverable value, an impairment loss is recognized, which is recorded directly in the Profit and Loss Statement and in specific, depending on the nature, is accounted for as "Cost of Goods Sold" or as "Other expenses". The recoverable value is the greater amount between an asset's Fair value, less the cost that is required for the sale thereof, and the value of use thereof.

In order to estimate the use value, the estimated future cash flows are discounted to the asset's present value with the use of a pre-tax rate that reflects the market's current estimations for the cash's temporal value and for the risks that are associated with these assets.

If an asset does not bring significant independent cash flows, the recoverable amount is determined for the cash flow production unit to which the asset belongs. If an impairment loss is recognized, on each balance sheet date the Group examines if the conditions that led to the recognition thereof continue to exist. In this case, the asset's recoverable value is redetermined and the impairment loss is offset restoring the asset's book value to its recoverable amount to the extent that this does not exceed its book value (net of depreciation) that would have been determined if an impairment loss had not been recorded.

### **3.8 Financial Instruments excluding derivatives**

The financial instruments which are not derivatives consist of shares and other securities, bonds, receivables, as well as trade receivables cash and cash equivalent. These instruments are allocated by the Company according to the purpose for which they were acquired. Management decides upon the appropriate allocation at the time of acquisition. These investments are written down when the cash flow collection options form these investments are transferred and hence the Group has also transferred all risks and benefits attached to their ownership. Originally these financial instruments are recognized at fair value. Transaction cost is recognized directly at the results. The count of these instruments is conducted according to their allocation.

#### **(a) Financial assets at Fair value through the Profit and Loss Statement**

This category includes financial assets acquired for the purpose of being soon resold or were evaluated at their acquisition date accordingly. The changes in their fair values are recorded at the results and specifically at the "Other Income" or "Other Expenses" account depending on the case at hand.

#### **(b) Investments held till expiry**

This category includes investments with fixed or pre-determined payments and a specific expiry date which the Group is intending as far as possible to hold onto until their expiry, and appears at acquisition cost less any impairment.

**(c) Financial assets available for sale**

This category includes assets which are either designated for this category or cannot be classified in one of the above categories.

Purchases and sales of investments are recognized on the date of the transaction which is the date the Group commits itself to buy or sell the item. Investments are initially recognized at their Fair value plus transaction costs.

Subsequently, the financial assets for sale are evaluated at their Fair value and the relative profit or loss is recorded in an equity reserve till these items are sold or defined as impaired. When sold or defined as impaired, the profit or loss is transferred to the profit and loss statement from the reserve. Impairment loss recognized in the Profit and Loss Statement cannot be reversed through the profit and loss statement.

Foreign Exchange differences at the assets available for sale are accounted for in the results.

**(d) Fair Value**

The Fair values of financial assets traded on active markets are designated by their current bid price. For non-traded assets, Fair values are designated by the use of evaluation methods such as an analysis of recent transactions, reference comparable items that are traded and discounted cash flow.

On every balance sheet date the Group assess whether there are any objective indications leading to the conclusion that financial assets have suffered impairment. For shares in companies that have been classified as financial assets available for sale, such an indication is a significant or prolonged fall in its Fair value compared to its acquisition cost. If impairment is ascertained, the accumulated loss in Equity which is the difference between acquisition cost and reasonable cost is transferred to the Profit and Loss Statement. Impairment loss in holding titles recorded in the Profit and Loss Statement cannot be reversed through the profit and loss statement.

**3.9 Inventories**

Inventories are evaluated at the lower, per type, price between the acquisition cost and net liquidation value. Acquisition cost is designated by the weighted average cost method and consist of the acquisition cost, the production cost or the manufacturing cost plus other expenses. Net liquidation value is evaluated on the basis of current stock sale prices in the context of usual business after subtracting any cost of completion and sale where there is such a case. It is hereby noted that specially in the case of by-products, these are evaluated directly at their net liquidation value. Eliminations are recognized in the Profit and Loss Statement of the year in which they occur.

**3.10 Customers and Other Current Receivables**

Customer account receivables are recorded at cost and are controlled on an annual basis for impairment. Impairment losses are recorded when there is an objective indication that the Group is not in a position to collect all the sums owed on the basis of contractual terms. The provision figure is recorded as an expense in the Profit and Loss Statement. Possible deletions of receivables from accounts receivables are effected through the provision that has been formed. Receivables that are deemed as doubtful are deleted.

### **3.11 Cash and Cash Equivalents**

Cash and cash equivalents include the cash balance, sight deposits, highly liquid and low risk short-term investments up to 3 months and overdraft bank accounts.

### **3.12 Share Capital**

Direct costs for the issue of shares appear after the subtraction of the relevant income tax as a reduction in Equity.

Acquisition cost of own shares, including the direct expenses thereof, appears in a separate account as a negative figure in the Company's Equity, till these own shares are sold, cancelled or re-issued. Any profit or loss from the sale of own shares net of other direct expenses and taxes on the transaction appear as a Reserve in Equity.

### **3.13 Interest-bearing Loans**

Loans are initially recorded at their fair value. Following their initial recording they are monitored at their outstanding balance.

### **3.14 Income Tax**

Income tax of the fiscal year is comprised of both current and deferred tax. Income tax is recorded in the Profit and Loss Statement unless it concerns amounts that are directly recorded in Equity, in which case it is recorded in Equity.

Current income tax is the expected payable tax against taxable income of the fiscal year, based on the instituted tax rates on the balance sheet date, as well as any readjustment to the payable tax of previous fiscal years.

Deferred income tax is designated by the balance sheet method, based on the balance sheet, which derives from the provisional differences between the accounting value and the tax base of assets and liabilities. Deferred income tax is not accounted for if it derives from the initial recognition of an asset or liability item in a transaction, apart from a business merger, which when the transaction took place, affected neither the accounting nor the taxation profit or loss. Deferred tax is designated by the factors of taxation which are expected to be in force in the period when the asset shall be liquidated or the liability settled. The designation of future factors of taxation is based on laws which have been passed at the date of drawing up the financial statements.

Deferred tax claims are recognized in the extent to which there shall be a future tax profit for the use of the provisional difference establishing the deferred tax claim. Deferred tax claims are reduced when the respective tax benefit is materialized.

Deferred income tax is recognized for provisional differences arising from investments in subsidiaries and affiliated companies, with the exception of the case where the reversal of provisional differences is controlled by the Group and it is possible that the provisional differences shall not be reversed in the foreseeable future.

Additional income taxes which emerge from the distribution of dividends are set in the same time with the obligatory payment of the relevant dividend.

### **3.15 Personnel Fringe Benefits**

#### **(a) Current Fringe Benefits**

Current fringe benefits in cash or in kind are recorded as an expense when they accrue. The amount expected to be paid as personnel and management benefit is recorded as liability, assuming there is either legal or contractual obligation for the amount to be paid as a result of services provided by the employee and assuming it can be measured reliably.

#### **(b) Defined Contribution Plan**

The defined contribution plan is a program whereby the Company pays a determined amount to a third party legal entity without any other obligation for the period following the termination of employment of personnel. The duties towards benefits in Defined Contribution Plan are registered as an expense in the profits and loss statement during their year of realization.

#### **(c) Established Benefit Plans**

The established benefits plans are any other pension plan apart from the defined contribution plan. The liability recorded in the balance sheet with regard to established benefit plans is the present value of the commitment for the benefit less the fair value of the plan's assets and the variations arising from non-recognized actuarial profit and loss and the cost of previous service. The commitment of the established benefit is calculated by an independent actuary by the projected unit credit method.

The actuarial profit and loss arising for the adjustments based on historical data over or under 10% margin of the accumulated liability is recorded in the Profit and Loss Statement within the expected average insurance time of the plan's participants.

The cost of previous service is recorded directly in the Profit and Loss Statement with the exception of the case where variations in the plan depend on the remaining time of service of employees. In this case the cost of previous service is recorded in the Profit and Loss Statement by the straight line method over the maturity period.

### **3.16 State Subsidies**

State subsidies are recognized at their fair value as accrued income when it is expected with certainty that they shall be collected and the Group shall comply with all terms provided.

State subsidies that compensate the Group against expenses are recognized in the Profit and Loss Statement so as to correspond to the expenses they are designated to indemnify.

State subsidies related to the purchase of tangible fixed assets, are transferred as gains to the Profit and Loss Statement by the straight line method over the expected useful life of the relative assets

### **3.17 Provisions**

Provisions are recognized when the Group has a present commitment (legal or justified) for which a cash outflow may arise for its settlement. Moreover, the amount of this commitment must be able to be determined with a significant degree of reliability. Provisions are re-examined on each balance sheet date and if it is deemed that no cash outflow shall arise for the commitment's settlement, a reverse entry must be made for these provisions. Provisions are used solely for the purposes for which they were initially formed. Provisions for future losses are not recognized. Contingent claims and liabilities are not recognized in the Financial Statements.

Provisions with regard to reorganization are recognized when the Group has an approved, detailed and official reorganization plan and the reorganization has either begun or has been announced to the public. Future operating costs may not be included in the provision.

### **3.18 Recognition of Income**

Income includes the fair value of sales of goods and services, less discounts and returns. The Group's inter-company income is fully eliminated. Income is recognized as follows:

#### **(a) Sale of goods**

The sale of goods is recognized when the significant risks and property benefits have been transferred to the buyer, the collection of the amount to be received is deemed reasonably ensured, the relevant expenses and possible returns of goods can be reliably evaluated and there is no continuing involvement in the management of goods.

#### **(b) Services**

Income from services is recognized in the period in which these services are rendered, on the basis of the completion stage of the service provided with relation to services provided overall.

#### **(c) Interest Income**

Interest income is recognized when interest is rendered accrued (based on the actual interest rate method).

#### **(d) Income from Dividends**

Dividends are accounted as income upon the approval of their distribution.

### **3.19 Net Financial Expenditures**

Net financial expenditures are comprised of debit interest on loans as well as foreign exchange profits/losses that arise from the companies' lending. In addition, they also include income from accrued credit interest from invested cash.



### **3.20 Leases**

Fixed asset leases where the Group materially preserves the risks and benefits of ownership are classified as financial leases. Financial leases are capitalized at the beginning of the lease at the lower of fair value of the fixed asset or the present value of minimum leases, less accumulated depreciation and any possible loss from their obsolescence. The corresponding lease liabilities, net of financial expenses, are depicted in the Liabilities. The part of the financial expenses regarding leases is recognized in the Profit and Loss Statement of the year throughout the life of the lease.

Leases where the material risks and benefits of ownership are preserved by the leaser are classified as operational leases. Payments for operational leases are recognized in the Profit and Loss Statement on a fixed basis throughout the life of the lease.

### **3.21 Dividends**

Dividends that are distributed to the parent Company's shareholders are recognized as a Liability in the Financial Statements when the distribution is approved by the General Meeting of the shareholders.

### **3.22 Derivatives**

Derivatives are initially and later recognized at their fair value. The method for recognizing profit and loss depends on whether the derivatives are designated as means of hedging or whether they are being held for trading purposes. The character of derivatives is determined on the date the transaction is entered into by the Group as hedges or as the fair value of accounts receivable, liabilities or commitments (hedging of fair value), or very likely foreseeable transactions (hedging of cash flows).

On entering the transaction the Group records the relationship between the hedging items and the hedged items as well as the relative risk management strategy. On entering the transaction and on an ongoing basis subsequently the evaluation related to the high returns of the hedge as well as for fair value hedges and for cash flow hedges is recorded.

#### **(a) Fair Value Hedging**

The variations in the fair value of derivatives which are designated as variations in the fair value hedges of hedged items are recorded in the Profit and Loss Statement as are the variations in the fair value of hedged items attributed to the risk being hedged.

#### **(b) Cash Flow Hedging**

The efficient proportion of variation in the fair value of derivatives designated as a means of hedging cash flows is recorded in an Equity Reserve. Profit or loss from the non-efficient proportion is recorded in the Profit and Loss Statement. Amounts recorded in an Equity reserve are transferred to the Profit and Loss Statement of the period where the hedged item affects profit or loss. In the case of hedging foreseeable future transactions resulting in the recognition of a non-monetary item (e.g. stock) the liability, profit or loss that had been recorded in Equity is transferred to the acquisition cost of the resulting non-financial asset.

When a hedging means expires or is sold, or when a hedging relation no longer fulfils the hedging criteria, profits or losses accumulated in Equity remain as a reserve and are transferred to a profit and loss account when the hedged item affects the profits or losses. If a future transaction, which is not expected to be realized, is hedged, profits and losses accumulated in Equity are transferred to the Profit and Loss Statement.

### **(c) Net Investment Hedging**

Net investment hedging in a business abroad is treated in the same way as cash flows hedging.

Profit or loss from the means of hedging related to the efficient part of the hedge is recognized in an Equity reserve. Profit or loss related to non-efficient part of the hedge is recognized in the Profit and Loss Statement.

Profit or loss that has accumulated in Equity is transferred to the Profit and Loss Statement when this business is sold.

### **(d) Derivatives not destined as a means of hedging**

The variations in the fair value of these derivatives are fair in the Profit and Loss Statement.

## **3.23 Share Option Plans for Employees**

The Company and its subsidiary HELLENIC CABLES S.A. have granted Share Option Plans to some of its executives that have been recorded gradually from 2002 until 2011. The price at which the right may be exercised has been set as the average closing price of the company's share on the Stock Exchange. According to the transitional provisions of I.F.R.S. 2 and since these specific option rights were granted before 7 November 2002 the Group did not apply the provisions of this specific Standard with the exception of the notices.

## **3.24 Earnings per share**

The Group presents the basic as well as the reclassified earnings per share for its common shares. The basic earnings per share are estimated by dividing the earnings or losses, which correspond to the common shares holders, with the weighted average number of common shares that stand over during the period. The adjusted earnings per share are determined by the revision of the earnings or losses which correspond to the common shares holders and the weighted average number of common shares that stand over, during the influence of all reclassified possible common shares, which consist of convertible vouchers and shares that have volition rights which have been granted to the personnel.

## **3.25 New Standards, amendments and interpretations that are not yet effective**

Some of the new standards and interpretations on existing standards and interpretations are not in effect for the year ending on December 31st 2007, and have not been applied in the composition of these financial statements:

- **IFRS 8 "Operating Segments"** introduces the management approach in segment reporting. IFRS 8 that becomes obligatory for Group financial statements in 2009 requires the disclosure of information per segment based on internal information which in constant terms is being monitored by Group Top Management which is qualified

to make decisions aiming to evaluate the performance of each segment and the apportionment of resources on each one of them. At present, Group is presenting segment reporting concerning business and geographical segments (note 5).

- **Revised IAS 23 “Borrowing Cost”** deducts the option of recognizing as an expense borrowing cost and requires from an economic unit to capitalize borrowing cost that is directly related to the acquisition, construction, or production of a specific asset component as part of that cost. The revised IAS 23 will become obligatory for Group financial statements in 2009 and will be a change in Group accounting policy. According to the transitional provisions Group will apply the revised IAS 23 in specific asset components for which the capitalization of borrowing cost begins on, or after from the date of application of the revision of the standard. The relative amendment has not been officially approved by the European Union.
- **IFRIC 11 - IFRS 2 – “Group and Treasury Share Transactions”**, requires share-based payment agreements where an entity receives goods or services as consideration for its own equity instruments, to be recorded as transactions related to payments on the basis of equities’ value and to be accounted for as equity - settled, regardless of how this instruments were acquired. Interpretation 11 will be mandatory for the Group’s financial statements in 2008 and retrospective application is required.
- **IFRIC 12 – “Service Concession Arrangements”** provides instructions as regards several recognition and measurement issues that arise during the accounting entries of service concession arrangements between the public and the private sector. Interpretation 12, which will be mandatory for the Group’s financial statements in 2008, is not expected to have an effect on the consolidated financial statements and has not been approved yet by the European Union.
- **IFRIC 13 – “Customer Loyalty Programmes”** addresses how companies that grant their customers loyalty award credits account for that through the financial organizations or any other form of participation. These programmes give the ability to their customers to redeem sales credit through rewards such as free or discount products and services. IFRIC 13 that becomes mandatory for the 2009 Group financial statements is not expected to have any impact in the consolidated financial statements and has not been approved by the European Union.
- **IFRIC 14 – IAS 19 – “The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction”** determines when future benefits in relation to defined benefit assets are considered credits or reductions and contains guidelines on the impact of minimum funding requirements and their interaction on these assets. Moreover it also addresses when minimum funding requirements may create a liability. IFRIC 14 becomes mandatory for the 2008 Group financial statements and will have retrospective application. The Group has not yet determined any probable impact of IFRIC 14, which has not been approved by the European Union.
- **Amendments on IAS 1 “Presentation of Financial Statements”** (applied for annual accounting periods beginning on or after January 1<sup>st</sup> 2009). IAS 1 has been modified in order to improve the utility of information presented in financial statements. From the most important modifications is the requirement that the statement of changes of equity should comprise only transactions with shareholders, the introduction of a new statement of comprehensive income that combines all elements of income and expenses that are being recognized in the profit and loss statement as comprehensive income, and the requirement that rehashes in financial statements or retroactive implementations of new accounting policies must be presented from the beginning of the earliest comparative period i.e. in a third column in the balance sheet. Group will make the necessary changes in the presentation of its financial statements for the year 2009.

- **Revised IFRS 3 “Business Combinations” and Revised IAS 27 “Consolidated and Separate Financial Statements” (applicable for accounting periods beginning on or after July 1<sup>st</sup> 2009).** The International Accounting Standards Board published on January 10<sup>th</sup> 2008 the Revised IFRS 3 “Business Combinations” and the Revised IAS 27 “Consolidated and Separate Financial Statements”. The revised IFRS 3 introduces a series of changes in the accounting guidance of business combinations which will affect the amount of the written goodwill, the results of the period in which the business combination will occur and future results. These changes comprise the recognition as an expense of expenses related with the acquisition and the recognition of future changes in fair value of the contingent cost in the results (instead of the adjustment of goodwill). The revised IAS 27 requires that transactions leading into changes of percentage participations in a subsidiary must be written as equity. Consequently they do not affect goodwill or have any impact on results (profit or loss). In addition the revised standard changes the way of computing in subsidiary losses along with the loss of control in a subsidiary. All changes regarding the afore mentioned standards will be applicable from the date of applicability and will have impact on future acquisitions and transactions with minority shareholders from the date then on.
- **Amendments on IAS 32 and IAS 1 “Financial Instruments – Puttable Instruments and Instruments with Obligations arising on Liquidation” (applicable for accounting periods beginning on or after January 1<sup>st</sup> 2009).** Amendment on IAS 32 requires that certain financial instruments available from the owner (puttable instruments) and obligations arising from the liquidation of an entity must be classified as equity if certain criteria are fulfilled. Amendment on IAS 1 requires the disclosure of information regarding puttable instruments that have been classified as Equity. Group expects that these amendments will have no impact in its financial statements.

## 4. Financial Risk Management

### General Information

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

- Credit Risk
- Liquidity Risk
- Market Risk

This memo provides information regarding the exposure of the Group to each of the above risks, the goals of the Group, its risk assessment and management policies and procedures, as well as the Group’s capital management. More quantitative information on these notifications is included throughout the Financial Statements.

The Group’s risk management policies are implemented in order to identify and analyse risks faced by the Group as well as set risk-taking limits and implement controls thereon. Risk management policies and related systems are periodically monitored, in order to ensure that they incorporate the changes in market conditions and in the Group’s activities.

The Internal Audit department is responsible for monitoring compliance with risk management policies and procedures. The department carries out regular as well as special audits in order to ascertain compliance with proper procedures and its findings are communicated to the Board of Directors.

**Credit Risk**

Credit risk refers to the Group's risk of incurring a loss in the event a customer or third party fails to fulfill his contractual obligations under a financial instrument agreement. It is preeminently related to receivables from customers and investment securities.

**Customers and Other Receivables**

The Group's exposure to credit risk is mainly affected by the specific characteristics of each customer. The demographic characteristics of the Group's customer base, including the risk of payment default characterising the specific market and country wherein customers operate, do not affect credit risk to the same extent, as no correlation between geographic location and credit risk has been observed. No customer exceeds 10% of sales and, as a result, market risk is divided among a large number of customers.

The Board of Directors has defined a credit policy, based on which the creditworthiness of every new customer is assessed on an individual basis, before the usual payment terms are offered. For the creditworthiness assessment the Group examines several banking. . Each customer is assigned a credit limit, which is reexamined depending on ongoing conditions and sales and collection terms may be accordingly readjusted, if so requested. As a rule, customer credit limits are determined based on the insurance limits set by insurance companies and their receivables are subsequently insured based on the abovementioned limits.

When monitoring customer credit risk, customers are classified in accordance with their credit profile, the maturity of their receivables and any prior solvency problems they may have displayed. Customers and other receivables mainly concern wholesale customers of the Group. Customers characterized as "high risk" are placed in a special list and future sales have to be prepaid and approved by the Board of Directors. Depending on the customer's prior record and profession, the Group reserves the right to demand tangible or other guarantees (such as letters of guarantee).

The Group records a depreciation projection which represents its assessment of losses incurred in relation to customer liabilities, other receivables and investments in securities. This projection mainly consists of losses due to the devaluation of specific receivables that were deemed realizable in relation to specific conditions but which have not as yet been finalised.

**Investments**

Investments are classified by the Group based on the purpose for which they were obtained. Management decides on the suitable classification of the investment at the time of its purchase and reexamines said classification at each of the dates when it is due for assessment.

Management estimates that payment default will not be observed on these investments.

**Guarantees**

The policy of the Group is not to offer financial guarantees, except only to subsidiaries or affiliated companies and then only by decision of the Board of Directors.

## Liquidity Risk

Liquidity risk is the risk that the Group will be unable to fulfill its financial obligations when these become due. The approach adopted by the Group regarding liquidity management is to ensure, by maintaining minimum necessary cash reserves and sufficient credit limits from the banks with which it cooperates, that it will always have enough liquidity in order to fulfill its financial liabilities when those become due, under normal as well as exceptional circumstances, without incurring unacceptable losses or risking the Group's reputation.

In order to avoid liquidity risks, the Group anticipates annual cash flows when drafting the annual budget, as well as a rolling monthly prediction for a period of three months, in order to ensure that it will always have enough cash reserves in order to cover its operational costs, including the fulfillment of its financial obligations. The effect of unforeseeable extreme circumstances is not taken into consideration in this policy.

## Market Risk

Market risk is the risk of fluctuations in the prices of raw materials, exchange and interest rates affecting the Group's financial results or the value of its financial instruments. The purpose of risk management against market conditions is to control the Group's exposure to those risks, within the framework of acceptable parameters and with a concurrent optimization of results.

The Group carries out transactions on derivative financial instruments in order to hedge part of the risks arising from market conditions.

## Danger of Fluctuation in the Prices of Metal Raw Materials (Copper, Zinc, Other Metals)

The Group bases both purchases and sales on stock-market prices/indexes on the value of copper and of the other metals it uses and which are included in its products. The risk from fluctuations in the cost of metals is compensated through hedging (future contracts –futures- at the London Metal Exchange - LME). However, the Group does not hedge its entire basic operating reserves and, as a result, a possible reduction in the prices of metals could have an adverse effect on its results, through a devaluation of its assets.

## Currency Risk

The Group is exposed to currency risk in its transactions and in loans issued in a currency other than the operational currency of the Group's companies, which is principally the euro. These transactions are mainly carried out in euros, US dollars, pounds sterling and Swiss francs.

On a long-term basis, the Group hedges the greater part of its expected exposure to foreign currencies in relation to expected sales and purchases as well as to the receivables and liabilities denominated in a foreign currency. The Group mainly takes position in currency future contracts on with external counterparties, in order to hedge against the risk of exchange rate fluctuations, which generally expire in less than a year from the balance sheet date. These contracts are renewed upon expiration, when this is deemed necessary. Currency risk may also, on a case by case basis, be hedged by taking out loans in the respective currencies.

The loan interest is in the same currency as that used in the cash flows relating to the Group's operational activities, which is mainly the euro.

The Group's investments in other subsidiaries are not hedged, as these are regarded as long-term currency investments.

### **Interest Rate Risk**

The Group finances its investments and its cash flow requirements through bank and bond loans, which result in interest expense that burdens its financial results. Inflationary tendencies on interest rates will have adverse effects on results, as the Group will incur additional cost of debt.

Interest rate risk is contained, as part of the Group's loans is subject to fixed interest rates, either directly or with the use of financial instruments (Swaps interest rates).

### **Capital Management**

The policy of the Board of Directors consists in the preservation of a solid capital base, in order to maintain investor, creditor and market confidence in the Group and to allow the future expansion of its activities. The Board of Directors monitors the return on capital, which is defined by the Group as the net results divided by the total net position, not taking non-convertible preferred shares and minority rights into consideration. The Board of Directors also monitors the level of dividends paid to the holders of ordinary shares.

The Board of Directors tries to maintain a balance between, on the one hand, higher returns which would have been possible under higher borrowing levels and, on the other hand, the advantages associated with the security that a strong and healthy capital position would provide.

The Group does not have a specific share buy back plan.

During the fiscal year, there were no changes to the approach adopted by the Group regarding capital management.

## **5. Report per Sector**

The reports per sector concern the business and geographical sectors of the Group. The primary report type (business sector), is based on the structure of the Group's management and the internal reporting system.

### **Business**

The Group incorporates the following main business sectors:

- Copper Products
- Cable Products
- Other services

### **Geographical**

The Group has operations both in Greece and the rest of Europe despite the fact that its products are sold in various countries worldwide.

For the breakdown of operations according to geographical areas, the analysis of revenues as well as of the assets is conducted according to the location of the customers and the assets.



## Results per sector for the financial year December 31, 2006

<b>December 31, 2006</b> (Amounts in euro)	<b>Copper products</b>	<b>Cable products</b>	<b>Other Services</b>	<b>Non allocated</b>	<b>Total</b>
<b>Total gross sales by sector</b>	<b>1,070,577,286</b>	<b>321,273,194</b>	<b>124,082,033</b>	-	<b>1,515,932,513</b>
Intercompany sales from consolidated entities	-243,407,701	-19,709,524	-6,237,493	-	<b>-269,354,719</b>
<b>Net sales</b>	<b>827,169,585</b>	<b>301,563,670</b>	<b>117,844,539</b>	-	<b>1,246,577,794</b>
Operating profits	46,087,272	21,246,090	5,343,564	-	<b>72,676,926</b>
Financial income - expenses	-	-	-	-21,735,856	<b>-21,735,856</b>
Share at results of affiliated companies	-	-	-	946,147	<b>946,147</b>
<b>Profit before income tax</b>	<b>46,087,272</b>	<b>21,246,090</b>	<b>5,343,564</b>	<b>-20,789,709</b>	<b>51,887,217</b>
Income tax	-	-	-	-11,518,216	<b>-11,518,216</b>
<b>Net profit</b>	<b>46,087,272</b>	<b>21,246,090</b>	<b>5,343,564</b>	<b>-32,307,926</b>	<b>40,369,001</b>
<b>December 31, 2006</b>					
Asset	662,211,902	179,067,237	65,273,249	-	<b>906,552,387</b>
	-	-	-	-	<b>-</b>
Total liabilities	447,151,860	165,605,157	30,488,879	-	<b>643,245,896</b>
	-	-	-	-	<b>-</b>
Investments in tangible, intangible assets and investments in real estate	21,022,681	6,421,669	-	-	<b>27,444,350</b>

## Other figures per sector that consists the Financial Results year ended December 31, 2006

<b>December 31, 2006</b> (Amounts in euro)	<b>Copper products</b>	<b>Cable products</b>	<b>Other Services</b>	<b>Non allocated</b>	<b>Total</b>
Depreciation of tangible assets	-15,036,168	-6,236,779	-102,393	-	<b>-21,375,340</b>
Amortization of intangible assets	-233,134	-976,601	-24,601	-	<b>-1,234,336</b>
<b>Total depreciation</b>	<b>-15,269,302</b>	<b>-7,213,379</b>	<b>-126,994</b>	-	<b>-22,609,676</b>
Impairment of claims	-1,241,208	-2,552,502	-	-	<b>-3,793,709</b>
Impairment of inventories	-8,927,720	-1,630,096	-	-	<b>-10,557,816</b>

## Results per sector for the financial year December 31, 2007

<b>December 31, 2007</b> (Amounts in euro)	<b>Copper products</b>	<b>Cable products</b>	<b>Other Services</b>	<b>Non allocated</b>	<b>Total</b>
<b>Total gross sales by sector</b>	<b>1,109,945,527</b>	<b>406,504,487</b>	<b>114,442,852</b>	-	<b>1,630,892,867</b>
Intercompany sales from consolidated entities	-211,725,403	-41,991,696	-7,559,198	-	<b>-261,276,297</b>
<b>Net sales</b>	<b>898,220,125</b>	<b>364,512,791</b>	<b>106,883,654</b>	-	<b>1,369,616,569</b>
Operating profits	30,243,923	27,420,644	5,026,588	-	<b>62,691,155</b>
Financial income - expenses	-	-	-	-30,507,392	<b>-30,507,392</b>
Share at results of affiliated companies	-	-	-	1,126,272	<b>1,126,272</b>
<b>Profit before income tax</b>	<b>30,243,923</b>	<b>27,420,644</b>	<b>5,026,588</b>	<b>-29,381,120</b>	<b>33,310,035</b>
Income tax	-	-	-	-8,719,850	<b>-8,719,850</b>
<b>Net profit</b>	<b>30,243,923</b>	<b>27,420,644</b>	<b>5,026,588</b>	<b>-38,100,970</b>	<b>24,590,185</b>



## ANNUAL FINANCIAL STATEMENTS

December 31, 2007	Copper products	Cable products	Other Services	Non allocated	Total
Asset	669,525,104	203,961,909	67,590,677	-	941,077,689
Total liabilities	465,674,874	178,251,631	31,500,661	-	675,427,165
Investments in tangible, intangible assets and investments in real estate	25,699,117	9,507,640	288,474	-	35,495,231

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

December 31, 2007 (Amounts in euro)	Copper products	Cable products	Other Services	Non allocated	Total
Depreciation of tangible assets	-15,348,901	-6,786,884	-385,782	-	-22,521,568
Amortization of intangible assets	-214,173	-930,018	-21,968	-	-1,166,158
<b>Total depreciation</b>	<b>-15,563,074</b>	<b>-7,716,902</b>	<b>-407,750</b>	-	<b>-23,687,726</b>
Impairment of claims	-1,241,208	-1,967,193	-	-	-3,208,400
Impairment of inventories	-8,727,080	-1,603,617	-	-	-10,330,698

(Amounts in euro)

GROUP

	2007	2006
<b>Sales</b>		
Greece	306,862,082	287,374,929
European Union	879,180,327	740,309,022
Other European countries	74,777,575	132,242,945
Asia	75,266,713	39,322,817
America	23,616,325	35,604,572
Africa	9,698,096	11,723,510
Oceania	215,451	-
<b>Total</b>	<b>1,369,616,569</b>	<b>1,246,577,794</b>
	0.00	
<b>Analysis of sales by category</b>		
(Amounts in euro)	2007	2006
Sales of merchandise & products	1,214,506,483	1,147,388,479
Income from services	25,888,385	20,152,509
Other	129,221,702	79,036,807
<b>Total</b>	<b>1,369,616,569</b>	<b>1,246,577,794</b>
	0.00	
<b>Total assets</b>	2007	2006
Greece	616,431,911	578,760,296
Foreign	324,645,778	327,792,091
<b>Total</b>	<b>941,077,689</b>	<b>906,552,387</b>
	0.00	
<b>Investments in tangible, intangible fixed assets &amp; real estate</b>	2007	2006
Greece	18,640,397	9,033,163
Foreign	16,854,834	18,411,187
<b>Total</b>	<b>35,495,231</b>	<b>27,444,350</b>

## 6. Merger of Subsidiary

The Boards of Directors of the companies FITCO S.A. and HALCOR S.A. decided on their meetings on 30 January 2006 the merger of the two companies through the absorption of the first by the second and with a balance sheet transformation date the 31st January 2006 in accordance with law 166/1993 and C.L. 2190/1920.

In the Fiscal year 2007 FITCO S.A. was included in the consolidation for one month, while the respective interval of the current period is fully consolidated.

## 7. Property Plant and Equipment

### GROUP

(Amounts in euro)	Land	Buildings	Mechanical equipment	Transportation Vehicles	Furniture and Fixtures	Fixed assets under construction	Total
<b>Cost</b>							
<b>Balance as of 1 January 2006</b>	<b>36,930,636</b>	<b>79,346,353</b>	<b>230,704,565</b>	<b>3,591,789</b>	<b>12,434,081</b>	<b>13,703,262</b>	<b>376,710,688</b>
Foreign exchange differences	137,015	1,523,250	2,677,303	521	238,738	153,276	4,730,103
Additions	-	1,994,777	13,608,757	142,770	1,164,361	9,976,818	26,887,483
Sales	-	-	-1,733,890	-34,396	-103,417	-71,468	-1,943,171
Destructions	-	-	-62,259	-	-23,215	-	-85,473
Impairment	-	-	-2,718,287	-4,420	-	-494,118	-3,216,825
Subsidiaries acquisition	-	-	-	-	3,196	-	3,196
	<b>37,067,651</b>	<b>82,864,381</b>	<b>242,476,188</b>	<b>3,696,265</b>	<b>13,713,745</b>	<b>23,267,771</b>	<b>403,086,001</b>
<b>Accumulated depreciation</b>							
<b>Balance as of 1 January 2006</b>	<b>-</b>	<b>-18,041,708</b>	<b>-45,726,402</b>	<b>-2,398,073</b>	<b>-9,621,710</b>	<b>-</b>	<b>-75,787,893</b>
Foreign exchange differences	-	-1,056,307	-1,329,691	-2,130	-217,935	-	-2,606,062
Depreciation for the period	-	-3,386,478	-16,644,708	-349,540	-991,579	-	-21,372,305
Sales	-	-	761,508	76,628	78,928	-	917,065
Destructions	-	-	40,059	-	19,744	-	59,802
Subsidiaries acquisition	-	-	-	-	-3,035	-	-3,035
<b>Balance as of 31 December 2006</b>	<b>-</b>	<b>-22,484,493</b>	<b>-62,899,235</b>	<b>-2,673,115</b>	<b>-10,735,586</b>	<b>-</b>	<b>-98,792,428</b>
<b>Undepreciated value as of 1 January 2006</b>	<b>36,930,636</b>	<b>61,304,645</b>	<b>184,978,163</b>	<b>1,193,717</b>	<b>2,812,372</b>	<b>13,703,262</b>	<b>300,922,795</b>
<b>Undepreciated value as of 31 December 2006</b>	<b>37,067,651</b>	<b>60,379,888</b>	<b>179,576,954</b>	<b>1,023,150</b>	<b>2,978,159</b>	<b>23,267,771</b>	<b>304,293,573</b>
<b>Cost</b>							
<b>Balance as of 1 January 2007</b>	<b>37,067,651</b>	<b>82,864,381</b>	<b>242,476,188</b>	<b>3,696,265</b>	<b>13,713,745</b>	<b>23,267,771</b>	<b>403,086,001</b>
Foreign exchange differences	-107,949	-1,250,786	-2,329,671	-14,452	-235,384	-12,503	-3,950,745
Additions	894,950	1,501,862	11,988,573	367,420	1,221,756	18,763,832	34,738,392
Sales	-	-	-330,104	-288,816	-27,976	-29,910	-676,807
Destructions	-	-244,309	-2,565,027	-25,191	-84,750	-	-2,919,277
Impairment	-	-	-62,154	-	-	-593,787	-655,940
<b>Balance as of 31 December 2007</b>	<b>37,854,652</b>	<b>82,871,148</b>	<b>249,177,806</b>	<b>3,735,225</b>	<b>14,587,391</b>	<b>41,395,402</b>	<b>429,621,624</b>
<b>Accumulated depreciation</b>							
<b>Balance as of 1 January 2007</b>	<b>-</b>	<b>-22,484,493</b>	<b>-62,899,235</b>	<b>-2,673,115</b>	<b>-10,735,586</b>	<b>-</b>	<b>-98,792,428</b>
Foreign exchange differences	-	868,491	1,101,042	8,618	183,310	-	2,161,461
Depreciation for the period	-	-3,608,587	-17,560,480	-294,215	-1,048,488	-	-22,511,771
Sales	-	-	54,820	195,635	18,946	-	269,401
Destructions	-	188,248	2,427,035	8,985	80,885	-	2,705,153
<b>Balance as of 31 December 2007</b>	<b>-</b>	<b>-25,036,341</b>	<b>-76,876,818</b>	<b>-2,754,092</b>	<b>-11,500,932</b>	<b>-</b>	<b>-116,168,184</b>
<b>Undepreciated value as of 1 January 2007</b>	<b>37,067,651</b>	<b>60,379,888</b>	<b>179,576,954</b>	<b>1,023,150</b>	<b>2,978,159</b>	<b>23,267,771</b>	<b>304,293,573</b>
<b>Undepreciated value as of 31 December 2007</b>	<b>37,854,652</b>	<b>57,834,807</b>	<b>172,300,988</b>	<b>981,133</b>	<b>3,086,459</b>	<b>41,395,402</b>	<b>313,453,440</b>

## COMPANY

(Amounts in euro)	Land	Buildings	Mechanical equipment	Transportation Vehicles	Furniture and Fixtures	Fixed assets under construction	Total
<b>Cost</b>							
<b>Balance as of 1 January 2006</b>	<b>19,723,618</b>	<b>24,293,887</b>	<b>80,462,313</b>	<b>1,355,669</b>	<b>4,091,868</b>	<b>1,455,812</b>	<b>131,383,167</b>
Additions	-	488,209	3,043,040	66,837	315,912	2,750,706	<b>6,664,704</b>
Sales	-	-	-31,792	-	-22,023	-71,468	<b>-125,283</b>
Destructions	-	-	-2,690,787	-4,420	-	-494,118	<b>-3,189,325</b>
Subsidiaries acquisition	4,325,550	9,581,350	18,653,795	281,521	617,838	1,433,258	<b>34,893,312</b>
Reallocations	-	281,616	495,136	-	14,575	-791,327	-
<b>Balance as of 31 December 2006</b>	<b>24,049,168</b>	<b>34,645,062</b>	<b>99,931,705</b>	<b>1,699,606</b>	<b>5,018,170</b>	<b>4,282,864</b>	<b>169,626,575</b>
<b>Accumulated depreciation</b>							
<b>Balance as of 1 January 2006</b>	-	<b>-2,272,467</b>	<b>-11,770,182</b>	<b>-987,040</b>	<b>-3,142,967</b>	-	<b>-18,172,656</b>
Depreciation for the period	-	-1,644,924	-7,432,102	-144,597	-453,739	-	<b>-9,675,362</b>
Sales	-	-	5,612	-	12,413	-	<b>18,025</b>
Subsidiaries acquisition	-	-948,227	-2,800,672	-211,371	-521,451	-	<b>-4,481,722</b>
	-	-	-	-	-	-	-
<b>Balance as of 31 December 2006</b>	-	<b>-4,865,618</b>	<b>-21,997,344</b>	<b>-1,343,008</b>	<b>-4,105,744</b>	-	<b>-32,311,715</b>
<b>Undepreciated value as of 1 December 2006</b>	<b>19,723,618</b>	<b>22,021,419</b>	<b>68,692,131</b>	<b>368,629</b>	<b>948,901</b>	<b>1,455,812</b>	<b>113,210,511</b>
<b>Undepreciated value as of 31 December 2006</b>	<b>24,049,168</b>	<b>29,779,444</b>	<b>77,934,360</b>	<b>356,598</b>	<b>912,426</b>	<b>4,282,864</b>	<b>137,314,860</b>
<b>Cost</b>							
<b>Balance as of 1 January 2007</b>	<b>24,049,168</b>	<b>34,645,062</b>	<b>99,931,705</b>	<b>1,699,606</b>	<b>5,018,170</b>	<b>4,282,864</b>	<b>169,626,575</b>
Additions	894,950	357,367	1,547,417	119,628	200,515	8,763,701	<b>11,883,577</b>
Sales	-	-	-323,478	-14,484	-13,962	-4,830	<b>-356,755</b>
Reallocations	-	168,613	992,379	-	19,415	-1,180,407	-
<b>Balance as of 31 December 2007</b>	<b>24,944,118</b>	<b>35,171,042</b>	<b>102,148,022</b>	<b>1,804,750</b>	<b>5,224,137</b>	<b>11,861,328</b>	<b>181,153,398</b>
<b>Accumulated depreciation</b>							
<b>Balance as of 1 January 2007</b>	-	<b>-4,865,618</b>	<b>-21,997,344</b>	<b>-1,343,008</b>	<b>-4,105,744</b>	-	<b>-32,311,715</b>
Depreciation for the period	-	-1,717,210	-7,817,150	-115,568	-414,151	-	<b>-10,064,078</b>
Sales	-	-	54,383	14,484	6,559	-	<b>75,427</b>
<b>Balance as of 31 December 2007</b>	-	<b>-6,582,828</b>	<b>-29,760,111</b>	<b>-1,444,092</b>	<b>-4,513,336</b>	-	<b>-42,300,367</b>
<b>Undepreciated value as of 1 December 2007</b>	<b>24,049,168</b>	<b>29,779,444</b>	<b>77,934,360</b>	<b>356,598</b>	<b>912,426</b>	<b>4,282,864</b>	<b>137,314,860</b>
<b>Undepreciated value as of 31 December 2007</b>	<b>24,944,118</b>	<b>28,588,214</b>	<b>72,387,911</b>	<b>360,658</b>	<b>710,802</b>	<b>11,861,328</b>	<b>138,853,031</b>

## 8. Intangible Assets

### GROUP

(Amounts in euro)

	Trade marks and Licenses	Software	Other	Total
<b>Cost</b>				
<b>Balance as of 1 January 2006</b>	<b>1,103,473</b>	<b>6,387,068</b>	<b>59,028</b>	<b>7,549,569</b>
Foreign exchange differences	-	91,139	-	91,139
Additions	7,430	232,789	-	240,219
Impairment	-	-174,978	-	-174,978
Write down	-	-19,266	-	-19,266
Additions due to merger	-	247,048	-	247,048
Balance from Property, Plant and Equipment	234,410	82,238	-	316,648
<b>Balance as of 31 December 2006</b>	<b>1,345,312</b>	<b>6,846,038</b>	<b>59,028</b>	<b>8,250,378</b>
<b>Accumulated depreciation</b>				
<b>Balance as of 1 January 2006</b>	<b>-499,568</b>	<b>-4,164,637</b>	<b>-53,349</b>	<b>-4,717,554</b>
Foreign exchange differences	-	-40,898	-	-40,898
Depreciation for the period	-163,519	-1,064,641	-	-1,228,160
Write down	-	18,495	-	18,495
Depreciation due to merger	-	-6,176	-	-6,176
<b>Balance as of 31 December 2006</b>	<b>-663,087</b>	<b>-5,257,857</b>	<b>-53,349</b>	<b>-5,974,293</b>
<b>Undepreciated value as of 1 January 2006</b>	<b>603,905</b>	<b>2,222,431</b>	<b>5,679</b>	<b>2,832,015</b>
<b>Undepreciated value as of 31 December 2006</b>	<b>682,225</b>	<b>1,588,180</b>	<b>5,679</b>	<b>2,276,085</b>
<b>Cost</b>				
<b>Balance as of 1 January 2007</b>	<b>1,345,312</b>	<b>6,846,038</b>	<b>59,028</b>	<b>8,250,378</b>
Foreign exchange differences	-	-79,276	-	-79,276
Additions	16,906	255,090	-	271,996
Write down	-	-100	-	-100
Balance from Property, Plant and Equipment	93,478	88,209	-	181,687
<b>Balance as of 31 December 2007</b>	<b>1,455,696</b>	<b>7,109,961</b>	<b>59,028</b>	<b>8,624,685</b>
<b>Accumulated depreciation</b>				
<b>Balance as of 1 January 2007</b>	<b>-663,087</b>	<b>-5,257,857</b>	<b>-53,349</b>	<b>-5,974,293</b>
Foreign exchange differences	-	57,232	-	57,232
Depreciation for the period	-185,596	-980,562	-	-1,166,158
Write down	-	100	-	100
<b>Balance as of 31 December 2007</b>	<b>-848,683</b>	<b>-6,181,088</b>	<b>-53,349</b>	<b>-7,083,120</b>
<b>Undepreciated value as of 1 January 2007</b>	<b>682,225</b>	<b>1,588,180</b>	<b>5,679</b>	<b>2,276,085</b>
<b>Undepreciated value as of 31 December 2007</b>	<b>607,013</b>	<b>928,873</b>	<b>5,679</b>	<b>1,541,565</b>

## COMPANY

(Amounts in euro)	Software
<b>Cost</b>	
<b>Balance as of 1 January 2006</b>	<b>2,806,675</b>
Additions	173,123
Impairment	(174,978)
Additions due to merger	247,048
<b>Balance as of 31 December 2006</b>	<b>3,051,868</b>
<b>Accumulated depreciation</b>	
<b>Balance as of 1 January 2006</b>	<b>(2,408,891)</b>
Depreciation for the period	(219,657)
Depreciation due to merger	(6,176)
<b>Balance as of 31 December 2006</b>	<b>(2,634,725)</b>
<b>Undepreciated value as of 1 January 2006</b>	<b>397,784</b>
<b>Undepreciated value as of 31 December 2006</b>	<b>417,143</b>
<b>Cost</b>	
<b>Balance as of 1 January 2007</b>	<b>3,051,868</b>
Additions	162,512
<b>Balance as of 31 December 2007</b>	<b>3,214,380</b>
<b>Accumulated depreciation</b>	
<b>Balance as of 1 January 2007</b>	<b>(2,634,725)</b>
Depreciation for the period	(207,712)
<b>Balance as of 31 December 2007</b>	<b>(2,842,437)</b>
<b>Undepreciated value as of 1 January 2007</b>	<b>417,143</b>
<b>Undepreciated value as of 31 December 2007</b>	<b>371,943</b>

## 9. Investments in Real Estate

Investments in real estate concern land of HELLENIC CABLES S.A., which were estimated at their fair value as of January 1, 2007 was considered as deemed cost.

Due to the fact that this land were recently estimated by an independent appraiser and whereas the real estate market of the regions where this land is located has not sustained any significant changes, the Management deems that the aforementioned values reflect the current values of these land.

(Amounts in euro)	GROUP		COMPANY	
	2007	2006	2007	2006
<b>Balance as of January 1</b>	<b>2,168,074</b>	<b>2,168,074</b>	-	-
Additions	303,156	-	-	-
<b>Balance as of December 31</b>	<b>2,471,230</b>	<b>2,168,074</b>	-	-

## 10. Participations

(Amounts in euro)	GROUP		COMPANY	
	2007	2006	2007	2007
Investments to subsidiary Companies	-	-	90,699,491	90,607,953
Investments to affiliated Companies	7,470,710	6,950,445	4,559,245	4,571,245
	<b>7,470,710</b>	<b>6,950,445</b>	<b>95,258,736</b>	<b>95,179,198</b>

The Participations in Subsidiary Companies are analyzed as follows:

Corporate Name	Country	Value at the beginning of period	Additions	Sales	Instal-ments due	Value at the end of period	Direct Holding Percentage	Indirect Holding Percentage	Direct & Indirect Holding Percentage
<b>2006</b>									
HELLENIC CABLES S.A.	Greece	21,728,188	-	-	-	21,728,188	45.77%	33.14%	78.91%
FITCO S.A.	Greece	9,670,540	-	-9,670,540	-	-	50.32%	0.00%	50.32%
STEELMET S.A.	Greece	140,880	-	-	-	140,880	29.56%	23.32%	52.88%
AKRO S.A.	Greece	7,707	-	-	-	7,707	84.50%	0.00%	84.50%
E.V.I.T.E. S.A.	Greece	59,997	-	-	-	59,997	100.00%	0.00%	100.00%
SOFIA MED SA	Boulgaria	52,229,065	52	-52	-	52,229,065	100.00%	0.00%	100.00%
METAL AGENCIES LTD	United Kingdom	140,931	-	-	-	140,931	67.00%	26.04%	93.04%
BELANTEL HOLDINGS LTD	Cyprus	95,437	-	-	-	95,437	100.00%	0.00%	100.00%
METAL GLOBE DOO	Serbia-Montenegro	-	-	-	-	-	30.00%	23.67%	53.67%
COPPERPROM LTD	Greece	7,200	-	-	-	7,200	40.00%	31.56%	71.56%
GENECOS SA	France	54,980	-	-	-	54,980	25.00%	47.34%	72.34%
SYLLAN S.A.	Greece	30,000	30,000	-	-	60,000	100.00%	0.00%	100.00%
OGWELL LIMITED	Cyprus	15,960,000	-	-	-	15,960,000	100.00%	0.00%	100.00%
CHABAKIS LTD	Greece	-	123,568	-	-	123,568	100.00%	0.00%	100.00%
		<b>100,124,926</b>	<b>153,620</b>	<b>-9,670,592</b>	<b>-</b>	<b>90,607,953</b>			
<b>2007</b>									
HELLENIC CABLES S.A.	Greece	21,728,188	-	-	-	21,728,188	45.66%	33.06%	78.72%
FITCO S.A.	Greece	-	-	-	-	-	0.00%	0.00%	0.00%
STEELMET S.A.	Greece	140,880	-	-	-	140,880	29.56%	23.27%	52.83%
AKRO S.A.	Greece	7,707	178,226	-	-86,688	99,245	95.74%	0.00%	95.74%
E.V.I.T.E. S.A.	Greece	59,997	-	-	-	59,997	100.00%	0.00%	100.00%
SOFIA MED SA	Boulgaria	52,229,065	-	-	-	52,229,065	100.00%	0.00%	100.00%
METAL AGENCIES LTD	United Kingdom	140,931	-	-	-	140,931	67.00%	25.98%	92.98%
BELANTEL HOLDINGS LTD	Cyprus	95,437	-	-	-	95,437	100.00%	0.00%	100.00%
METAL GLOBE DOO	Serbia-Montenegro	-	-	-	-	-	30.00%	23.61%	53.61%
COPPERPROM LTD	Greece	7,200	-	-	-	7,200	40.00%	31.49%	71.49%
GENECOS SA	France	54,980	-	-	-	54,980	25.00%	47.23%	72.23%
SYLLAN S.A.	Greece	60,000	-	-	-	60,000	100.00%	0.00%	100.00%
OGWELL LIMITED	Cyprus	15,960,000	-	-	-	15,960,000	100.00%	0.00%	100.00%
CHABAKIS LTD	Greece	123,568	-	-	-	123,568	100.00%	0.00%	100.00%
		<b>90,607,953</b>	<b>178,226</b>	<b>-</b>	<b>-86,688</b>	<b>90,699,491</b>			

At a Company level the participation increase in Subsidiaries on the fiscal year 2007 is due to the fact that on June 2007 the Company proceeded to a purchase of 88,344 shares of the subsidiary AKRO S.A. over the amount of Euro 176,688 that will be paid with installments. With this purchase its participation stake in AKRO S.A. increased from 84.5% to 95.74% i.e. change of 11.24%.

Participations in affiliated Companies are as follows:

Corporate Name	Country	Direct & Indirect Holding Percentage	GROUP		COMPANY	
			2007	2006	2007	2006
DIAPEM TRADING S.A.	Greece	33.33%	214,005	210,665	266,627	266,627
ELKEME S.A.	Greece	30.90%	603,385	570,304	381,604	381,604
S.C. STEELMET ROMANIA S.A	Romania	40.00%	1,560,276	1,494,483	729,237	729,237
TEPRO METALL AG	Germany	43.53%	4,125,661	3,966,965	2,873,392	2,873,392
ENERGY SOLUTIONS SA	Boulgaria	38.60%	267,420	415,853	299,985	299,985
THISVI POWER GENERATION PLANTS S.A.	Greece	20.00%	-	14,648	-	12,000
VIEXAL LTD	Greece	26.67%	34,283	18,760	8,400	8,400
E.D.E S.A.	Greece	78.71%	106,241	106,221	-	-
DE LAIRE LIMITED	Cyprus	78.71%	559,439	152,546	-	-
ECA L.T.D.	U.K	78.71%	-	52,891	-	-
LESCO ROMANIA S.A.	Romania	51.16%	-	-52,891	-	-
			<b>7,470,710</b>	<b>6,950,445</b>	<b>4,559,245</b>	<b>4,571,245</b>

Synoptic financial information for affiliated companies:

Corporate Name	Country	Assets	Liabilities	Income (Turnover)	Profit / (losses) after tax	Participation percentage
<b>2006</b>						
DIAPEM TRADING S.A.	Greece	659,826	27,826	-	-789	33.33%
ELKEME S.A.	Greece	2,821,360	976,911	1,388,105	7,266	30.92%
S.C. STEELMET ROMANIA S.A	Romania	10,865,206	7,128,533	27,470,417	1,349,135	40.00%
TEPRO METALL AG	Germany	37,564,978	28,458,079	114,521,972	957,263	43.56%
ENERGY SOLUTIONS SA	Boulgaria	3,582,098	2,504,810	3,238,511	121,176	38.60%
THISVI POWER GENERATION PLANTS S.A.	Greece	73,310	72	-	-34,660	0.00%
VIEXAL LTD	Greece	502,911	432,569	3,815,445	41,449	26.67%
		<b>56,069,689</b>	<b>39,528,799</b>	<b>150,434,451</b>	<b>2,440,840</b>	
<b>2007</b>						
DIAPEM TRADING S.A.	Greece	669,653	27,631	-	10,022	33.33%
ELKEME S.A.	Greece	2,885,548	932,847	1,762,705	108,252	30.90%
S.C. STEELMET ROMANIA S.A	Romania	11,909,523	8,008,345	32,570,907	396,719	40.00%
TEPRO METALL AG	Germany	37,661,096	28,183,354	123,175,072	370,843	43.53%
ENERGY SOLUTIONS SA	Boulgaria	6,489,293	5,796,495	2,342,219	-400,851	38.60%
VIEXAL LTD	Greece	644,919	516,374	4,383,790	58,203	26.67%
		<b>60,260,033</b>	<b>43,465,046</b>	<b>164,234,693</b>	<b>543,189</b>	

During January 2007, the Company proceeded to a sale of 9,900 shares of its related company Electro-production Thisvi S.A. With this sale, HALCOR reduced its participation share in Electro-production Thisvi from 20% to 5% i.e. change of 15%. For this reason the company Electro-production Thisvi S.A. was not incorporated in the consolidated financial statements of the current period, while it was incorporated in the previous financial year and appear in the Balance sheet account "Financial Assets available for sale".



For the period January – December 2006 the participation of the affiliated company to the Group's results amounted to Euro 6,932 (loss). Respectively, its participation to the consolidated Assets for the period ended on December 31, 2006 amounted to Euro 14,648.

The companies DE LAIRE LIMITED, ELECTRIC CABLE AGENCIES and E.D.E. S.A. were integrated through the net worth method instead of the total integration method due to non-importance of the relevant figures.

## 11. Financial Assets available for sale - Investments

The Financial Assets available for sale incorporate the following:

(Amounts in euro)	GROUP		COMPANY	
	2007	2006	2007	2006
Unlisted titles				
Domestic Participating Titles	993,296	1,001,160	756,460	734,616
International Participating Titles	212,016	212,016	212,016	212,016
Others	5,869	5,869	5,869	5,869
	<b>1,211,181</b>	<b>1,219,045</b>	<b>974,345</b>	<b>952,501</b>

The Boards of Directors of the companies VECTOR S.A. and ELVAL COLOUR S.A. decided at their meetings on 19 April 2006 the merger of the two companies through the absorption of the first by the second respectively, with a transformation balance date of 30 April 2006 and according to the law 166/1993 and C.L. 2190/1920.

The merger was approved by both companies' Boards of Directors on 19 September 2006 and completed with the No29975/29-9-2006 decision of Athens Prefecture.

Before the merger HALCOR S.A. held 33.33% of VECTOR S.A. and after the merger it acquired 4.06% of ELVAL COLOUR S.A. For this reason, the Company has classified its participation in ELVAL COLOUR S.A. as available for sale.

## 12. Deferred Claims and Liabilities

The deferred taxation demands and liabilities are set off when there exists an applicable legal right to set off the current taxation demands with the current taxation liabilities when the deferred income taxes concern the same tax authority. The net amount of the deferred tax is as follows:

(Amounts in euro)	GROUP		COMPANY	
	2007	2006	2007	2006
<b>Deferred tax claims</b>	<b>3,085,140</b>	<b>3,206,732</b>	-	-
<b>Deferred tax liabilities</b>	<b>-25,934,834</b>	<b>-27,222,759</b>	<b>-20,770,937</b>	<b>-22,647,392</b>
<b>Net amount</b>	<b>-22,849,694</b>	<b>-24,016,027</b>	<b>-20,770,937</b>	<b>-22,647,392</b>



The total change in the deferred income tax is:

	GROUP		COMPANY	
	2007	2006	2007	2006
(Amounts in euro)				
<b>Opening balance</b>	<b>-24,016,027</b>	<b>-23,714,507</b>	<b>-22,647,392</b>	<b>-16,771,217</b>
Foreign exchange differences	-107,833	116,749	-	-
Merger of subsidiary (Debit)/credit recorded in the profit and loss statement	-	-	-	-4,417,931
	-1,536,926	805,490	-682,582	101,283
Tax that was (debited)/credited in equity	2,811,092	-1,223,759	2,559,036	-1,559,527
<b>Closing balance</b>	<b>-22,849,694</b>	<b>-24,016,027</b>	<b>-20,770,937</b>	<b>-22,647,392</b>

The transaction log of the temporary tax differences is as follows:

#### Deferred tax liabilities:

GROUP	Difference in Depreciation	Difference in Provisions	Non-recognised intangible assets	Change in tax rate	Future benefits from the reversal real estate adjustments	Other	Total
(Amounts in euro)							
<b>Balance as of 1/1/2006</b>	<b>-31,228,001</b>	<b>563,787</b>	<b>845,705</b>		-	<b>9,817,967</b>	<b>-20,000,541</b>
Foreign exchange differences	-	-	-	-	-	-	-
(Debit) / Credit recorded in the profit and loss statement	-1,066,139	-100,109	-211,946	-	-	-101,475	-1,479,669
(Debit) / Credit in equity	-	-	-	-	-	-1,007,669	-1,007,669
Reclassification	1,802,084	59,664	-94,792	-	-	-6,501,837	-4,734,879
<b>Balance as of 31/12/2006</b>	<b>-30,492,055</b>	<b>523,342</b>	<b>538,968</b>		-	<b>2,206,987</b>	<b>-27,222,759</b>
(Debit) / Credit recorded in the profit and loss statement	-407,010	-161,984	-360,377	-	-	-436,634	-1,366,005
(Debit) / Credit in equity	-	-	-	-	-	2,653,929	2,653,929
<b>Balance as of 31/12/2007</b>	<b>-30,899,065</b>	<b>361,358</b>	<b>178,591</b>		-	<b>4,424,282</b>	<b>-25,934,834</b>

#### Deferred tax liabilities:

GROUP	Difference in Depreciation	Difference in Provisions	Non-recognised intangible assets	Change in tax rate	Future benefits from the reversal real estate adjustments	Other	Total
<b>Balance as of 1/1/2006</b>	<b>1,050,804</b>	<b>141,791</b>	<b>976</b>	-	-	<b>-172,825</b>	<b>1,020,745</b>
Foreign exchange differences	116,749	-	-	-	-	-	116,749
(Debit) / Credit recorded in the profit and loss statement	365,883	385,564	<b>593</b>		1,584,354	-51,234	2,285,159
(Debit) / Credit in equity	-	-	-	-	-	-216,090	-216,090
Reclassification	-	-	-	-	-	168	168
<b>Balance as of 31/12/2006</b>	<b>1,533,436</b>	<b>527,355</b>	<b>1,568</b>		<b>1,584,354</b>	<b>-439,981</b>	<b>3,206,732</b>
Foreign exchange differences	-25,481	-	-	-	-82,351	-	-107,833
(Debit) / Credit recorded in the profit and loss statement	-177,325	-58,189	-490	-	-249,481	314,564	-170,922
(Debit) / Credit in equity	-	-	-	-	-	157,163	157,163
<b>Balance as of 31/12/2007</b>	<b>1,330,630</b>	<b>469,166</b>	<b>1,078</b>		<b>1,252,521</b>	<b>31,746</b>	<b>3,085,140</b>

**Deferred tax liabilities:**

COMPANY	Difference in Depreciation	Difference in Provisions	Non-recognised intangible assets	Change in tax rate	Future benefits from the reversal real estate adjustments	Other	Total
<b>Balance as of 1/1/2006</b>	<b>-24,868,957</b>	<b>76,357</b>	<b>440,650</b>		-	<b>7,580,733</b>	<b>-16,771,217</b>
(Debit) / Credit recorded in the profit and loss statement	-510,484	-85,077	-70,218	-	-	767,063	101,284
(Debit) / Credit in equity	-	-	-	-	-	-1,559,527	-1,559,527
Merger of subsidiary	-	-	-	-	-	-4,417,931	-4,417,931
<b>Balance as of 31/12/2006</b>	<b>-25,379,441</b>	<b>-8,720</b>	<b>370,432</b>		-	<b>2,370,338</b>	<b>-22,647,391</b>
(Debit) / Credit recorded in the profit and loss statement	-243,942	-77,442	-262,786	-	-	-98,413	-682,582
(Debit) / Credit in equity	-	-	-	-	-	2,559,036	2,559,036
<b>Balance as of 31/12/2007</b>	<b>-25,623,383</b>	<b>-86,162</b>	<b>107,647</b>		-	<b>4,830,962</b>	<b>-20,770,936</b>

**13. Inventories**

	GROUP		COMPANY	
	2007	2006	2007	2006
(Amounts in euro)				
Merchandise	22,551,317	18,999,714	5,328,952	5,259,106
Finished products	78,784,097	85,790,734	37,808,048	40,511,307
Semi-finished	45,391,016	39,339,320	26,451,798	21,709,797
By-products and scrap	1,965,699	1,436,804	428,213	68,670
Work in progress	40,920,255	29,387,514	6,333,588	8,806,870
Raw and indirect materials - consumables - spare parts & packaging materials	102,324,267	86,491,149	38,361,829	50,628,510
Sale of inventories advance	1,551,821	1,207,833	332,042	86,049
<b>Total</b>	<b>293,488,472</b>	<b>262,653,069</b>	<b>115,044,470</b>	<b>127,070,309</b>
Less: Inventories devaluation	<b>-10,330,698</b>	<b>-10,557,816</b>	<b>-6,507,079</b>	<b>-5,146,682</b>
<b>Total net liquid value</b>	<b>283,157,775</b>	<b>252,095,254</b>	<b>108,537,391</b>	<b>121,923,626</b>

For FY 2007, both on a Company as well as on a Group level, a devaluation of inventories was needed to be carried out at a net liquidation value mainly due to the drop in metal price (raw material).

**14. Trade and Other Receivables**

Current assets	GROUP		COMPANY	
	2007	2006	2007	2006
(Amounts in euro)				
Customers	195,678,833	165,346,957	73,473,922	53,272,421
Less: Impairment provisions	-3,208,400	-3,793,709	-1,150,114	-1,150,114
<b>Net customer receivables</b>	<b>192,470,433</b>	<b>161,553,248</b>	<b>72,323,808</b>	<b>52,122,307</b>
Other down payments	1,009,672	1,719,951	707,841	653,091
Notes-cheques receivable & sealed	19,080,965	44,261,589	1,544,942	26,640,195
Receivables from affiliated entities	25,316,573	22,859,297	34,233,480	17,915,546
Receivables from other holdings	37,500	114,600	130,500	114,600
Current tax receivables	27,074,294	52,390,039	15,660,512	40,131,651
Other debtors	19,167,060	13,322,417	11,059,008	2,524,177
<b>Total</b>	<b>284,156,495</b>	<b>296,221,140</b>	<b>135,660,091</b>	<b>140,101,567</b>

Current assets (Amounts in euro)	GROUP		COMPANY	
	2007	2006	2007	2006
<b>Non-current assets</b> (Amounts in euro)				
Long-term claims against other holdings	4,834	4,834	4,834	4,834
Other long-term claims	782,348	792,306	425,766	424,252
<b>Total</b>	<b>787,182</b>	<b>797,140</b>	<b>430,600</b>	<b>429,086</b>

During 2006 the Company's receivables were further impaired by € 532,829. This amount arises from the doubtful customer provision that was formed for TECHNIKON S.A., SANILEC S.A. AND KILIMIS S.A. There were no cases of impairment of trade receivables in fiscal year 2007.

"Other debtors" which is included in the current assets of the Group and Company concerns, in its majority, receivables from the Hellenic State for V.A.T. return.

## 15. Derivatives

	GROUP		COMPANY	
	2007	2006	2007	2006
(Amounts in euro)				
<b>Non-current assets</b>				
Interest rate swaps	437,993	405,529	307,208	278,737
<b>Total</b>	<b>437,993</b>	<b>405,529</b>	<b>307,208</b>	<b>278,737</b>
	-	-	-	-
<b>Current assets</b>				
Foreign exchange swaps	893,949	42,899	-	-
Future contracts	805,297	7,607,224	565,410	5,335,187
<b>Total</b>	<b>1,699,246</b>	<b>7,650,123</b>	<b>565,410</b>	<b>5,335,187</b>
	-	-	-	-
<b>Long-term liabilities</b>				
Future contracts	385,676	-	385,676	-
<b>Total</b>	<b>385,676</b>	<b>-</b>	<b>385,676</b>	<b>-</b>
	-	-	-	-
<b>Short-term liabilities</b>				
Foreign exchange swaps	295,320	33,394	-	-
Future contracts	6,791,555	1,720,985	5,388,022	278,858
<b>Total</b>	<b>7,086,875</b>	<b>1,754,379</b>	<b>5,388,022</b>	<b>278,858</b>
	-	-	-	-
Amounts that were posted in the results as earnings or (expenses)	<b>9,023,089</b>	<b>-11,964,285</b>	<b>12,468,517</b>	<b>-5,501,385</b>
	-	-	-	-
<b>Interest rate swaps</b>				
Nominal Value	<b>68,700,000</b>	<b>104,700,000</b>	<b>53,200,000</b>	<b>70,700,000</b>

The income or expenses transferred from the equity accounts to the results upon the maturity of the hedging instruments, are accounted for at the "Sales" and "Cost of goods sold" accounts respectively.

## 16. Cash and Cash Equivalents

(Amounts in euro)	GROUP		COMPANY	
	2007	2006	2007	2006
Cash on hand and in banks	2,952,781	1,509,192	65,241	194,503
Short-term bank deposits	38,644,718	27,751,824	24,003,654	18,862,801
<b>Total</b>	<b>41,597,499</b>	<b>29,261,016</b>	<b>24,068,894</b>	<b>19,057,305</b>

## 17. Share Capital

(Amounts in euro and in number of shares)	Number of shares	Common Shares	Share Premium	Total
<b>January 1, 2006</b>	96,981,079	32,003,756	65,230,753	97,234,509
Employees Benefit from share option skin plan	283,300	107,654	869,731	977,385
New stocks issue	4,015,248	6,374,848	1,037,580	7,412,428
<b>December 31, 2006</b>	<b>101,279,627</b>	<b>38,486,258</b>	<b>67,138,064</b>	<b>105,624,322</b>
<b>December 31, 2007</b>	<b>101,279,627</b>	<b>38,486,258</b>	<b>67,138,064</b>	<b>105,624,322</b>

The Share Capital of the Company amounts to € 38,486,258.26 (2006: 38,486,258.26) and consists of 101,279,627 (2006 : 101.279.627) common bearer shares with a par value of € 0.38 each.

## 18. Reserves

GROUP								
(Amounts in euro and in number of shares)	Regular reserve	Reserves at fair value	Special reserves	Non taxable reserves	Other reserves	Total	Foreign exchange differences of subsidiaries	Total
<b>Balance as of 1 January 2006</b>	<b>6,650,925</b>	<b>-491,639</b>	<b>9,432</b>	<b>55,427,960</b>	<b>15,000</b>	<b>61,611,677</b>	<b>-516,781</b>	<b>61,094,896</b>
Foreign exchange differences	-	-	-	-	-	-	3,014,612	3,014,612
Distribution	493,304	-	2,300,000	707,003	297,477	3,797,783	-	3,797,783
Capitalisation	1,315	-	-	-	-	1,315	-	1,315
Redistribution	-428	-161,316	-	-92,029	-62,768	-316,541	-596,247	-912,788
Merger of subsidiaries	249,390	-	29,347	699,463	-3,889,856	-2,911,656	-	-2,911,656
Transfer to results	-	6,003,144	-	-	-	6,003,144	-	6,003,144
<b>Balance as of 31 December 2006</b>	<b>7,394,506</b>	<b>5,350,189</b>	<b>2,338,779</b>	<b>56,742,397</b>	<b>-3,640,146</b>	<b>68,185,723</b>	<b>1,901,584</b>	<b>70,087,307</b>
<b>Balance as of 1 January 2007</b>	<b>7,394,506</b>	<b>5,350,189</b>	<b>2,338,779</b>	<b>56,742,397</b>	<b>-3,640,146</b>	<b>68,185,723</b>	<b>1,901,584</b>	<b>70,087,307</b>
Foreign exchange differences	-	-	-	-	-	-	-2,619,826	-2,619,826
Distribution	943,347	-	2,111,746	5,026,005	492,624	8,573,723	-	8,573,723
Redistribution	-37	430	-	-63,231	-565	-63,403	-	-63,403
Hedging results	-	-9,520,132	-	-	-	-9,520,132	-	-9,520,132
<b>Balance as of 31 December 2007</b>	<b>8,337,816</b>	<b>-4,169,513</b>	<b>4,450,525</b>	<b>61,705,171</b>	<b>-3,148,087</b>	<b>67,175,911</b>	<b>-718,243</b>	<b>66,457,668</b>

## COMPANY

(Amounts in euro and in number of shares)	Regular reserve	Reserves at fair value	Special reserves	Non taxable reserves	Other reserves	Total
<b>Balance as of 1 January 2006</b>	<b>6,644,270</b>	<b>-677,282</b>	<b>9,432</b>	<b>55,328,951</b>	<b>15,000</b>	<b>61,320,370</b>
Distribution	463,675	-	2,300,000	707,003	-	3,470,678
Merger of subsidiaries	249,390	-	29,347	699,463	-3,889,856	-2,911,656
Hedging results	-	4,678,582	-	-	-	4,678,582
<b>Balance as of 31 December 2006</b>	<b>7,357,335</b>	<b>4,001,299</b>	<b>2,338,779</b>	<b>56,735,416</b>	<b>-3,874,856</b>	<b>66,557,974</b>
<b>Balance as of 1 January 2007</b>	<b>7,357,335</b>	<b>4,001,299</b>	<b>2,338,779</b>	<b>56,735,416</b>	<b>-3,874,856</b>	<b>66,557,974</b>
Distribution	713,232	-	2,111,746	2,782,770	-	5,607,748
Reallocation	-	-	-	-63,225	-	-63,225
Hedging results	-	-7,677,109	-	-	-	-7,677,109
<b>Balance as of 31 December 2007</b>	<b>8,070,567</b>	<b>-3,675,809</b>	<b>4,450,525</b>	<b>59,454,962</b>	<b>-3,874,856</b>	<b>64,425,389</b>

## Ordinary Reserve

According to Hellenic Commercial Legislation, the companies are obliged, from their FY profits, to form 5% as an ordinary reserve until it reaches 1/3 of their initial paid-up share capital. The distribution of its ordinary reserve is prohibited.

## Untaxed Reserves

The untaxed reserves concern undistributed earnings which are exempt from taxation due to special clauses of development legislations (under the condition that there are adequate earnings for their formation). The reserves from tax-exempt earnings and taxed reserves concern, in a special way, earnings from interest and tax has been withheld at the source. Further of possible prepaid taxes, these reserves are put under taxation if they get distributed.

For the aforementioned untaxed reserves, there are no accrued deferred taxes in case of distribution.

## 19. Lending

(Amounts in euro)	GROUP		COMPANY	
	2007	2006	2007	2006
<b>Long-term borrowings</b>				
Bank loans	60,122,901	58,895,798	799,998	10,786,169
Bond loans	261,000,000	252,500,000	186,000,000	187,500,000
<b>Total long-term borrowings</b>	<b>321,122,901</b>	<b>311,395,798</b>	<b>186,799,998</b>	<b>198,286,169</b>
<b>Short-term borrowings</b>				
Bank loans	219,240,888	191,315,807	59,882,329	42,711,789
<b>Total short-term borrowings</b>	<b>219,240,888</b>	<b>191,315,807</b>	<b>59,882,329</b>	<b>42,711,789</b>
<b>Total loans</b>	<b>540,363,789</b>	<b>502,711,606</b>	<b>246,682,327</b>	<b>240,997,959</b>
The maturity dates of long-term debt are:				
(Amounts in euro)				
Between 1 and 2 years	164,404,167	104,426,562	124,050,000	69,486,235
Between 2 and 5 years	150,218,734	202,489,122	62,749,998	128,799,935
Beyond 5 years	6,500,000	4,480,114	-	-
	<b>321,122,901</b>	<b>311,395,798</b>	<b>186,799,998</b>	<b>198,286,169</b>

The actual weighted average rates on the balance sheet date are:

	GROUP		COMPANY	
	2007	2006	2007	2006
Bank loans	5.22%	4.42%	5.04%	4.19%

  

(Amounts in euro)	GROUP		COMPANY	
	2007	2006	2007	2006
<b>Financial leasing liabilities - minimum leases</b>				
Up to 1 year	7,998	7,465	-	-
From 1 - 5 years	9,929	15,821	-	-
<b>Total</b>	<b>17,927</b>	<b>23,285</b>	-	-

During 2007 the Company proceeded in the conclusion of Bond Loans with a group of banks in the amount of € 75,000,000 that it would use to cover its working capital needs. The Company's total borrowing will be served within 5 years. During 2006, the Company settled loans (long-term and short-term) of a total value of 69,315,632.

On a Group level, during 2007 loan capital that was drawn amounted to € 178,198,179, while € 140,545,995 was settled. The corresponding amounts for 2006 were € 155,285,000 and € 25,330,000. As noted in Note 29, mortgages have been filed against the fixed assets of HELLENIC CABLES S.A., ICME ECAB (Romania), including the equipment thereof, and against its current assets (with the exception of receivables and inventories) against a long-term loan, the amount of which, as of 31 December 2007 amounted to € 2.7 million.

Loans fair values are pretty much the same with their book values as loans bear a floating interest rate. Loans book values for the Group concern all loans depicted in Euros.

## 20. Personnel Retirement Benefits

Pursuant to Greek labor law, employees may receive indemnification in the event of their discharge or retirement, the amount of which is relative to their wages, the term of their employment and the manner by which they withdraw from the company (discharge or retirement). Employees who resign are not entitled to an indemnification.

(Amounts in euro)	GROUP		COMPANY	
	2007	2006	2007	2006
<b>Balance sheet liabilities for:</b>				
Retirement benefits	<b>4,581,733</b>	<b>4,268,834</b>	<b>2,559,886</b>	<b>2,453,805</b>
<b>Charges to the profit and loss accounts</b>				
Retirement benefits	<b>1,370,422</b>	<b>1,513,274</b>	<b>860,158</b>	<b>1,006,778</b>
Present value of non-funded liabilities	5,020,822	4,858,100	2,786,413	2,806,546
Non-recorded actuarial (profits)/losses	-439,089	-589,266	-226,527	-352,741
	<b>4,581,733</b>	<b>4,268,834</b>	<b>2,559,886</b>	<b>2,453,805</b>
<b>Liability recorded in the Balance Sheet</b>	<b>4,581,733</b>	<b>4,268,834</b>	<b>2,559,886</b>	<b>2,453,805</b>
<b>Variations in net liability recognised in the Balance Sheet</b>				
Net liability at the beginning of the year	4,268,834	3,948,694	2,453,805	1,783,808

	GROUP		COMPANY	
	2007	2006	2007	2006
(Amounts in euro)				
Net liability from subsidiary aquisition	-	-	-	464,746
Benefits that have been paid	-1,057,524	-1,193,134	-754,077	-801,527
Total expenditure that was recognised in the profit and loss accounts	1,370,422	1,513,274	860,158	1,006,778
<b>Net liability at the end of the year</b>	<b>4,581,733</b>	<b>4,268,834</b>	<b>2,559,886</b>	<b>2,453,805</b>
<b>Present value of the liability at the end of the period</b>	<b>4,581,733</b>	<b>4,268,834</b>	<b>2,559,886</b>	<b>2,453,805</b>
<b>Analysis of expenditures that were recognised in the profit and loss accounts</b>				
Cost of current employment	464,596	420,846	228,446	224,667
Interest on the liability	189,371	165,975	109,195	96,664
Cost of additional benefits	704,978	800,641	517,802	562,829
Expenses & amortization of actual loss	11,477	125,812	4,715	122,618
<b>Total expenditure that was recognised in the profit and loss accounts</b>	<b>1,370,422</b>	<b>1,513,274</b>	<b>860,158</b>	<b>1,006,778</b>

The primary actuarial acknowledgements that were used for accounting purposes were as follows:

	2007	2006	2007	2006
Discount interest rate	4.80%	4% - 4.10%	4.80%	4.10%
Future salary increases	4.50%	4.50%	4.50%	4.50%

The Company has granted Share Options Plans to certain of its executives. Specifically, the General Meeting of 20 June 2002 decided to grant Options Plans for the acquisition of up to 1,225,000 shares that correspond to 1.21% of the Company's number of outstanding shares. Share options plans are secured gradually from 2002 to 2011 (10%) each year. The price at which the option is exercised has been set as the average closing price of the Company's share on the Athens Stock Exchange during the first fifteen days of June 2002, in other words 3.45 Euros. Share Options Plans may be exercised between the first and last business day of the month of November of each year, between 2006 and 2013, at which point the deadline by which the Share Options Plans must be exercised expires. According to the transitional provisions of I.F.R.S. 2 and given the fact that the specific options plans were granted prior to 7 November 2002, the Company did not apply the provisions of this Standard, with the exception of the notifications of I.F.R.S. 2.

During the fiscal year, no stock options were exercised.

HELLENIC CABLES S.A. has adopted a corresponding Options Plan up to 1.97% of the number of common registered shares that were outstanding at the time of adoption (530,600 options), adapted to future changes in the number of shares into which the share capital is divided, with the following main terms and conditions:

- Beneficiaries of the Share Options Plans: Members of the Board of Directors, persons employed by the company or affiliated companies.
- Price at which Share Options Plans are exercised: The price has been set as the closing price of the Athens Stock Exchange during the first fifteen days of June 2002, in other words 2.97 Euros per option.
- Exercise of the Share Options Plans: Share Options Plans are secured gradually by 10% annually, beginning from the first business day of November 2002 until the first business day of November 2011. The above secured options are exercised from the first business day of November 2006 until the first business day of November 2013. Following this closing date any option that is not exercised is cancelled.



Within the course of the year 64,810 options were exercised with the corresponding increase in the share capital. The difference between nominal value and the exercise price carried out in the reserves account (total amount of increase 2007: € 192,485.70, 2006: € 753,043.50).

## 21. Subsidies

	GROUP		COMPANY	
	2007	2006	2007	2006
(Amounts in euro)				
Opening balance of the fiscal year	2,525,850	2,662,324	1,607,200	366,647
Proceeds from investment grants	-	511,088	-	-
Depreciation of grants	-603,990	-627,139	-341,963	-283,842
Merger of subsidiaries	-	-20,423	-	1,524,395
<b>Closing balance of the fiscal year</b>	<b>1,921,860</b>	<b>2,525,850</b>	<b>1,265,236</b>	<b>1,607,200</b>

The subsidies amortization revenue is accounted for in the "Other Income" results account.

Subsidies have been granted for the purchase of tangible fixed assets. The Company's subsidies concern investments that were realized in previous fiscal years at the foundry factory. During fiscal year 2006 the subsidiary company Hellenic Cables S.A. has been granted a subsidy for investments concerning machinery equipment that will produce cables friendly to the environment. During fiscal year 2007 the Group did not receive any new subsidies.

## 22. Provisions

### LONG - TERM LIABILITIES

#### GROUP

(Amounts in euro)	Pending legal court cases	Clients compensation	Other provisions	Total
<b>1 January 2006</b>	<b>5,000,000</b>	-	<b>192,103</b>	<b>5,192,103</b>
Additional provisions of the fiscal year	430,729	-	-	<b>430,729</b>
<b>31 December 2006</b>	<b>5,430,729</b>	-	<b>192,103</b>	<b>5,622,832</b>
Additional provisions of the fiscal year	274,500	-	369,992	<b>644,492</b>
<b>31 December 2007</b>	<b>5,705,229</b>	-	<b>562,095</b>	<b>6,267,324</b>

#### COMPANY

<b>1 January 2006</b>	<b>5,000,000</b>	-	-	<b>5,000,000</b>
Additional provisions of the fiscal year	430,729	-	-	<b>430,729</b>
<b>31 December 2006</b>	<b>5,430,729</b>	-	-	<b>5,430,729</b>
Additional provisions of the fiscal year	274,500	-	250,000	<b>524,500</b>
<b>31 December 2007</b>	<b>5,705,229</b>	-	<b>250,000</b>	<b>5,955,229</b>

### SHORT - TERM LIABILITIES

#### GROUP

(Amounts in euro)	Pending legal court cases	Clients compensation	Other provisions	Total
<b>1 January 2006</b>	-	-	-	-
Additional provisions of the fiscal year	-	337,275	2,291,704	<b>2,628,979</b>
<b>31 December 2006</b>	-	<b>337,275</b>	<b>2,291,704</b>	<b>2,628,979</b>
Used provisions of the fiscal year	-	-337,275	-1,684,254	<b>-2,021,529</b>
<b>31 December 2007</b>	-	-	<b>607,450</b>	<b>607,450</b>



## COMPANY

(Amounts in euro)	Pending legal court cases	Clients compensation	Other provisions	Total
<b>1 January 2006</b>	-	-	-	-
Additional provisions of the fiscal year	-	337,275	2,291,704	<b>2,628,979</b>
<b>31 December 2006</b>	-	<b>337,275</b>	<b>2,291,704</b>	<b>2,628,979</b>
Used provisions of the fiscal year	-	-337,275	-1,684,254	<b>-2,021,529</b>
<b>31 December 2007</b>	-	-	<b>607,450</b>	<b>607,450</b>

During the current period the Company proceeded to additional provisions amounting to Euro 274,500 as a supplementary provision of corresponding interests for the fine that the European Competition Commission has imposed, as well as Euro 250,000 (Group : Euro 369,992 ) for risks and expenses.

The reduction of the short-term provisions is mainly attributable to applied provisions, which were made on December 31, 2006 for unaudited tax periods, and the untaxed reserves of L. N.3220/2004.

## 23. Suppliers and Other Liabilities

(Amounts in euro)	GROUP		COMPANIES	
	2007	2006	2007	2006
Suppliers	38,686,465	44,500,236	8,913,545	22,612,739
Cheques payable	23,825	27,856	-	-
Customer down payments	4,258,348	7,819,887	4,048,244	5,123,994
Insurance organisations	2,211,108	1,979,368	1,253,533	1,160,849
Amounts due to affiliated entities	20,088,698	15,547,246	5,086,377	2,846,329
Liabilities to other affiliates	-	32,824	-	-
Dividends payable	56,750	83,374	38,661	33,899
Proportion of third parties to dividends payable	-	56,000	-	-
Sundry creditors	5,530,287	4,683,799	1,063,454	932,066
Deferred income	7,027	-	-	-
Accrued expenses	7,031,456	5,676,502	4,230,148	3,110,009
Other transitory accounts	2,816,791	3,962,709	1,919,468	2,121,685
<b>Total</b>	<b>80,710,756</b>	<b>84,369,801</b>	<b>26,553,429</b>	<b>37,941,570</b>

## 24. Expenses

## GROUP

## 2006

(Amounts in euro)	Cost of sales	Distribution expenses	Administrative expenses	Total
Employee benefits	-46,435,144	-6,958,239	-12,031,134	<b>-65,424,517</b>
Depreciation	-20,633,181	-326,901	-1,424,123	<b>-22,384,205</b>
Other Expenses	-1,060,984,186	-10,584,342	-12,258,503	<b>-1,083,827,031</b>
<b>Total</b>	<b>-1,128,052,511</b>	<b>-17,869,482</b>	<b>-25,713,760</b>	<b>-1,171,635,753</b>

## 2007

Employee benefits	-46,412,406	-7,536,569	-13,912,347	<b>-67,861,322</b>
Depreciation	-21,486,685	-391,701	-1,400,894	<b>-23,279,280</b>
Other Expenses	-1,196,130,373	-9,721,643	-9,486,902	<b>-1,215,338,918</b>
<b>Total</b>	<b>-1,264,029,464</b>	<b>-17,649,913</b>	<b>-24,800,143</b>	<b>-1,306,479,520</b>

**COMPANY**
**2006**

(Amounts in euro)	Cost of sales	Distribution expenses	Administrative expenses	Total
Employee benefits	-18,955,875	-3,742,292	-6,728,014	<b>-29,426,181</b>
Depreciation	-9,231,046	-128,679	-535,293	<b>-9,895,018</b>
Other Expenses	-650,648,130	-5,762,851	-6,801,138	<b>-663,212,119</b>
<b>Total</b>	<b>-678,835,051</b>	<b>-9,633,822</b>	<b>-14,064,445</b>	<b>-702,533,318</b>

**2007**

Employee benefits	-21,277,863	-3,701,371	-7,097,429	<b>-32,076,663</b>
Depreciation	-9,623,933	-209,942	-437,914	<b>-10,271,790</b>
Other Expenses	-683,595,587	-4,739,387	-5,519,919	<b>-693,854,893</b>
<b>Total</b>	<b>-714,497,383</b>	<b>-8,650,700</b>	<b>-13,055,262</b>	<b>-736,203,346</b>

Personnel fringe benefits are analyzed as follows:

(Amounts in euro)	GROUP		COMPANY	
	2007	2006	2007	2006
Employee Remuneration & expenses	50,808,986	49,646,074	23,974,702	21,491,589
Benefit program expenses	12,866,610	10,907,309	5,891,803	5,298,347
Determined Benefit program liability	1,370,422	1,513,274	860,158	1,006,778
Other Benefits	2,815,303	3,357,860	1,350,000	1,629,467
<b>Total</b>	<b>67,861,322</b>	<b>65,424,517</b>	<b>32,076,663</b>	<b>29,426,181</b>

The number of employees at the end of the year is for the Company: 769 (2006 : 730) and for the group: 2,386 (2006 : 2,380).

**25. Financial Cost - Net**

(Amounts in euro)	GROUP		COMPANY	
	2007	2006	2007	2006
<b>Income</b>				
Interest income	956,823	728,567	374,296	222,147
<b>Total income</b>	<b>956,823</b>	<b>728,567</b>	<b>374,296</b>	<b>222,147</b>
<b>Expenses</b>				
Interest charges & related expenses	-31,528,204	-22,598,847	-13,752,067	-11,268,244
<b>Total expenses</b>	<b>-31,528,204</b>	<b>-22,598,847</b>	<b>-13,752,067</b>	<b>-11,268,244</b>
<b>Financial cost (net)</b>	<b>-30,571,381</b>	<b>-21,870,280</b>	<b>-13,377,770</b>	<b>-11,046,097</b>

**26. Income Tax**

Both the Hellenic tax legislation and relative provisions are subject to interpretations by tax authorities. Income tax statements are filed on an annual basis, but profits or losses that are declared for tax purposes are deemed temporary until the tax authorities audit the tax payer's tax statements and books, at which point all relative tax liabilities are settled. Tax losses, to the extent that they are recognised by tax authorities, may be used in order to offset profits that will be realised in the five years that follow the fiscal year that they concern.

Pursuant to the provisions of the Hellenic tax legislation, companies pay an income tax down payment each year, which is estimated at 65% on the income tax of the current fiscal year. When the tax is settled in the next fiscal year, any excess amount that is paid in advance is returned to the company after the tax audit.

Pursuant to Law 3296/2004 the income tax rate was decreased from 29% in 2006 to 25% from FY 2007 and thereafter.

Income tax that burdens the Results is analyzed as follows:

	GROUP		COMPANY	
	2007	2006	2007	2006
Tax of the fiscal year	-7,250,465	-10,044,022	-2,924,105	-5,494,906
Provision for tax	-369,992	-2,279,704	-250,000	-1,879,705
Unused provision of L.3220/2004	545,474		545,474	
<b>Deferred Taxes</b>		-	-	-
Creation and reversal of temporary differences	-1,099,393	805,490	-682,582	101,283
	<b>-8,719,850</b>	<b>-11,518,236</b>	<b>-3,311,213</b>	<b>-7,273,328</b>

Effective tax rate reconciliation	GROUP		COMPANY	
	2007	2006	2007	2006
Earnings before taxes	33,310,035	51,887,217	13,096,716	20,091,035
Tax rate (2007: 25% & 2006: 29%)	25%	29%	25%	29%
	<b>-8,327,509</b>	<b>-15,047,293</b>	<b>-3,274,179</b>	<b>-5,826,400</b>
Tax rate effects from foreign subsidiaries	-0.25%	5.86%	-	-
	-83,343	3,042,534	-	-
Non-deducted expenses	-9.51%	-5.58%	-21.95%	-7.43%
	-3,168,673	-2,892,732	-2,874,206	-1,493,015
Exempt income	9.73%	2.95%	20.44%	3.51%
	3,241,215	1,532,291	2,676,729	705,791
Creating tax losses	-0.08%	1.78%	-	-
	-27,505	922,314	-	-
Unused provision of L.3220/2004	1.64%	0.00%	4.16%	0.00%
	545,474	-	545,474	-
Tax differences from tax audits of previous years	-2.70%	-1.27%	-2.94%	-3.28%
	-899,510	-659,704	-385,031	-659,704
Tax rate change	0.00%	3.05%	-	-
	-	1,584,354	-	-
<b>Total</b>	<b>-26.18%</b>	<b>-22.20%</b>	<b>-25.28%</b>	<b>-36.20%</b>
	<b>-8,719,851</b>	<b>-11,518,236</b>	<b>-3,311,213</b>	<b>-7,273,328</b>

The decrease in the Company's total income tax is mainly attributable to the reduction of the real tax rate by four basis points (25% in 2007 over 29% in 2006) and to the reduction of the taxed earnings of the current period in comparison to the respective period last year.

Tax losses exist for which no deferred tax claim has been accounted for, which amount Euro 1.2 mln. as at December 31, 2007 on a consolidated basis and concern domestic subsidiary of HELLENIC CABLES S.A.

In addition, in the Fiscal Year 2006 the Regular Tax Audit of the Company occurred for the periods 2002-2004, which was completed on February 2007. The audit charged the company with the amount of Euro 694,426. The particular amount due to one off payment was reduced by 5% and the final amount that the company submitted amounted to Euro 659,705. The Company had already charged, in the form of a provision, the financial statements of December 31, 2006 with the amount of Euro 659,705.

During the current period the tax audit of the subsidiary companies FITCO S.A. and HELLENIC CABLES S.A. was completed and regarded for FITCO the periods 2003-2005, as well as the period until the Transformation Balance

Sheet 01/01 – 31/01/2006, while for HELLENIC CABLES the periods 2003 – 2006. The audit charged Euro 260,505 and Euro 436,000 respectively. The Company has already charged, with the form of a provision the financial statements of December 31, 2006 with an amount of Euro 550,000.

During fiscal year 2007, pursuant to the decision of the European Commission number D204587/19.07.2007, the state subsidies under articles 2 and 3 of law 3220/2004 was found to be illegal state subsidy. The Company was called to return as income tax the amount of euro 22,129 plus interest of euro 2,397. The Company had already accounted for as provisions in its Financial Statements ended December 31, 2006 the amount of Euro 570,000.

## 27. Other Operating Income – Expenses (Net)

(Amounts in euro)	GROUP		COMPANY	
	2007	2006	2007	2006
<b>Other income</b>				
Grants of the fiscal year	33,839	97,958	1,409	71,510
Income from other activities	870,975	865,932	2,599,545	3,597,366
Depreciation of subsidies received	603,990	627,139	341,963	283,842
Foreign exchange differences	4,078,177	2,844,262	2,397,672	512,198
Damage compensation	583,011	-	583,011	30,672
Other income	3,169,703	1,720,458	855,858	312,846
Earnings of tangible assets sale	72,478	212,165	13,887	55,559
<b>Total other income</b>	<b>9,412,172</b>	<b>6,367,914</b>	<b>6,793,346</b>	<b>4,863,991</b>
<b>Other expenses</b>				
Impairment of investments and other financial assets	-685,006	-	-	-
Foreign exchange differences	-5,736,810	-4,047,523	-3,453,588	-1,051,722
Other income	-3,436,251	-4,589,195	-477,998	-2,127,551
<b>Total</b>	<b>-9,858,067</b>	<b>-8,636,719</b>	<b>-3,931,586</b>	<b>-3,179,273</b>
<b>Profits/(losses) from the sale of investments</b>	-	<b>3,690</b>	-	<b>3,690</b>
<b>Other operating income - expenses (net)</b>	<b>-445,895</b>	<b>-2,265,115</b>	<b>2,861,760</b>	<b>1,688,409</b>
<b>Dividend Income</b>	<b>63,989</b>	<b>134,424</b>	<b>3,842,064</b>	<b>1,783,939</b>
<b>Profit / loss from affiliate companies</b>				
Profit from affiliated companies	1,487,939	1,932,562	-	-
Loss from affiliated companies	-361,667	-986,415	-	-
<b>Total</b>	<b>1,126,272</b>	<b>946,147</b>	-	-

## 28. Cash Flows from Operating Activities

(Amounts in euro)	GROUP		COMPANY	
	2007	2006	2007	2006
Profit for the period	24,590,185	40,369,001	9,785,503	12,817,707
Adjustments for:	-	-	-	-
Taxes	8,719,850	11,518,216	3,311,213	7,273,328
Depreciation of tangible assets	22,521,568	21,375,340	10,064,078	9,675,362
Amortisation of intangible assets	1,166,158	1,234,336	207,712	219,657
Impairment	655,841	3,391,803	-	3,364,303

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	GROUP		COMPANY	
	2007	2006	2007	2006
(Amounts in euro)				
(Profit)/ loss from sale of tangible assets	-72,416	-205,275	-13,887	-55,559
(Profit)/Loss from the sale of fixed assets in properties	-	-1,600	-	-1,600
(Profits)/losses from the sale of investments (see below)	-	-3,690	-	-3,690
(Profits)/losses from the fair value of derivatives	-362,302	-	-	-
(Income) from interest	-956,823	-728,567	-374,296	-222,147
Interest charges	31,528,204	22,598,847	13,752,067	11,268,244
(Income) from dividends	-63,989	-134,424	-3,842,064	-1,783,939
(Depreciation) of subsidiaries	-603,990	-627,139	-341,963	-283,842
(Profits)/losses from affiliated companies	-1,126,272	-946,147	-	-
Loss from the destruction of fixed assets	214,124	25,671	-	-
Other	-585,309	-	-	-
	<b>85,624,830</b>	<b>97,866,371</b>	<b>32,548,361</b>	<b>42,267,823</b>
<b>Changes in working capital</b>				
(Increase)/decrease in inventories	-30,835,403	-93,957,393	12,025,839	-66,988,971
(Increase)/decrease in receivables	12,565,856	-100,868,667	4,439,962	-52,693,828
Increase/(decrease) in liabilities	-5,715,242	18,848,774	-13,664,853	9,841,800
Increase/(decrease) in provisions	-2,189,464	15,890,829	-136,632	8,806,802
Increase/(decrease) obligations due to retirement benefits	312,899	320,140	106,081	669,997
	<b>-25,861,354</b>	<b>-159,766,316</b>	<b>2,770,396</b>	<b>-100,364,201</b>
<b>Net cash flows from operating activities</b>	<b>59,763,476</b>	<b>-61,899,945</b>	<b>35,318,757</b>	<b>-58,096,377</b>

## 29. Financial Risk Management

### (a) Credit Risk

The Financial assets subject to credit risk are as follows:

	Asset Values			
	GROUP		COMPANY	
(Amounts in Euros)	2007	2006	2007	2006
Financial assets available for sale	1,211,181	1,219,045	974,346	952,501
Financial assets at fair value through results	8,231	8,231	-	-
Trade and other receivables	217,824,505	184,527,145	106,687,788	70,152,453
Cash on hand and equivalent cash accounts	41,597,499	29,261,016	24,068,894	19,057,305
Derivatives	2,137,240	8,055,652	872,619	5,613,924
<b>Total</b>	<b>262,778,656</b>	<b>223,071,089</b>	<b>132,603,647</b>	<b>95,776,182</b>
<b>Impairment Loss:</b>				
Current	178,635,674	152,041,245	96,379,886	61,434,024
Pastdue				
Until 6 months	33,210,832	21,314,760	6,509,475	1,685,676
Beyond 6 months	5,977,999	11,171,140	3,798,427	7,032,753
<b>Total</b>	<b>217,824,505</b>	<b>184,527,145</b>	<b>106,687,788</b>	<b>70,152,453</b>

The transactions from the impairment losses of trade and other receivables has as follows:

	GROUP		COMPANY	
	2007	2006	2007	2006
(Amounts in Euros)				
<b>Balance as of January 1</b>	3,793,709	2,518,086	1,150,114	549,703
Losses of the fiscal year	-	1,433,677	-	600,411
Cancellation	-87,487	-27,185	-	-
Reversal	-463,434	-203,941	-	-
Foreign exchange differences	-34,388	73,073	-	-
<b>Balance as of December 31</b>	<b>3,208,400</b>	<b>3,793,709</b>	<b>1,150,114</b>	<b>1,150,114</b>

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

### (b) Liquidity Risk

#### GROUP

31 December 2007

Financial Liabilities	Value 31/12/2007	<1 year	1- 2 years	2-5 years	> 5 years	Total
Bank lending	204,295,362	139,040,125	11,604,160	47,151,077	6,500,000	204,295,362
Bond loans	335,750,000	74,750,000	152,800,000	108,200,000	-	335,750,000
Open bank accounts	318,427	318,427	-	-	-	318,427
Liabilities from leasing activities	7,998	7,998	-	-	-	7,998
Suppliers and other liabilities	80,710,756	79,489,986	1,220,771	-	-	80,710,756
Others	210,157	125,690	-	-	84,467	210,157
	<b>621,292,701</b>	<b>293,732,226</b>	<b>165,624,931</b>	<b>155,351,077</b>	<b>6,584,467</b>	<b>621,292,701</b>
<b>Derivatives (Analysis per category)</b>						
Nominal value of interest rate swaps	68,700,000	21,750,000	46,950,000	-	-	68,700,000
Nominal value of foreign exchange - Forwards (to USD)	41,950,924	41,950,924	-	-	-	41,950,924
Nominal value of foreign exchange - Forwards (to GBP)	31,480,423	30,980,204	500,219	-	-	31,480,423
Nominal value of copper derivatives	-4,420,072	-4,115,962	-304,110	-	-	-4,420,072
Nominal value of zinc derivatives	1,629,374	1,629,374	-	-	-	1,629,374
Nominal value of nickel derivatives	209,639	209,639	-	-	-	209,639
Nominal value of aluminium derivatives	803,437	1,406,059	-602,622	-	-	803,437

#### COMPANY

31 December 2007

Bank lending	5,932,327	-	-	5,932,327	-	5,932,327
Bond loans	240,750,000	54,750,000	124,050,000	61,950,000	-	240,750,000
Suppliers and other liabilities	26,553,429	26,553,429	-	-	-	26,553,429
	<b>273,235,756</b>	<b>81,303,429</b>	<b>124,050,000</b>	<b>67,882,327</b>	<b>-</b>	<b>273,235,756</b>
<b>Derivatives (Analysis per category)</b>						
Nominal value of interest rate swaps	53,200,000	13,500,000	39,700,000	-	-	53,200,000

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#### 31 December 2007

Nominal value of foreign exchange - Forwards (to USD)	22,893,887	22,893,887	-	-	-	22,893,887
Nominal value of foreign exchange - Forwards (to GBP)	15,144,866	14,644,647	500,219	-	-	15,144,866
Nominal value of copper derivatives	-15,901,362	-15,901,362	-	-	-	-15,901,362
Nominal value of zinc derivatives	1,359,721	1,359,721	-	-	-	1,359,721
Nominal value of nickel derivatives	209,639	209,639	-	-	-	209,639

### GROUP

#### 31 December 2006

Financial Liabilities	Value 31/12/2007	<1 year	1- 2 years	2-5 years	> 5 years	Total
Bank lending	204,818,550	145,922,867	20,692,383	33,723,186	4,480,114	204,818,550
Bond loans	297,500,000	45,000,000	83,750,000	168,750,000	-	297,500,000
Open bank accounts	393,056	393,056	-	-	-	393,056
Liabilities from leasing activities	7,465	7,465	-	-	-	7,465
Suppliers and other liabilities	84,369,801	84,369,801	-	-	-	84,369,801
Others	165,479	104,256	-	-	61,223	165,479
	<b>587,254,351</b>	<b>275,797,445</b>	<b>104,442,383</b>	<b>202,473,186</b>	<b>4,541,337</b>	<b>587,254,351</b>
<b>Derivatives (Analysis per category)</b>						
Nominal value of interest rate swaps	94,450,000	8,250,000	21,750,000	64,450,000	-	94,450,000
Nominal value of foreign exchange - Forwards (to USD)	35,927,076	35,927,076	-	-	-	35,927,076
Nominal value of foreign exchange - Forwards (to GBP)	21,877,874	21,877,874	-	-	-	21,877,874
Nominal value of copper derivatives	54,407,799	54,407,799	-	-	-	54,407,799
Nominal value of zinc derivatives	2,461,360	2,461,360	-	-	-	2,461,360
Nominal value of aluminium derivatives	-3,107,821	-3,107,821	-	-	-	-3,107,821

### COMPANY

#### 31 December 2006

<b>Financial Liabilities</b>						
Long-term bank lending	20,997,959	10,211,789	8,236,235	2,549,935	-	20,997,959
Bond loans	220,000,000	32,500,000	61,250,000	126,250,000	-	220,000,000
Suppliers and other liabilities	37,941,570	37,941,570	-	-	-	37,941,570
	<b>278,939,529</b>	<b>80,653,359</b>	<b>69,486,235</b>	<b>128,799,935</b>	<b>-</b>	<b>278,939,529</b>
<b>Derivatives (Analysis per category)</b>						
Nominal value of interest rate swaps	70,700,000	-	13,500,000	57,200,000	-	70,700,000
Nominal value of foreign exchange - Forwards (to USD)	32,132,408	32,132,408	-	-	-	32,132,408
Nominal value of foreign exchange - Forwards (to GBP)	7,565,934	7,565,934	-	-	-	7,565,934
Nominal value of copper derivatives	48,369,123	48,369,123	-	-	-	48,369,123
Nominal value of zinc derivatives	2,461,360	2,461,360	-	-	-	2,461,360



### (c) Foreign Exchange Risk

The risk form foreign exchange fluctuations is as follows:

GROUP	2007							TOTAL
	EURO	USD	GBP	LEVA	RSD	RON	OTHER	
(Amounts in euro)								
Clients and other receivables	206,675,106	8,001,178	44,313,554	10,156,427	2,219,141	12,130,930	660,159	284,156,495
Lending	-508,502,614	-5,194,982	-12,000,203	-121,297		-14,552,692		-540,371,787
Suppliers and other liabilities	-42,320,583	-5,871,399	-21,535,732	-2,801,184	-2,809,067	-5,258,398	-114,394	-80,710,756
Cash on hand and equivalent cash accounts	39,015,249	370,954	1,607,909	87,505	109,745	401,546	4,591	41,597,499
	-305,132,841	-2,694,249	12,385,529	7,321,451	-480,181	-7,278,614	550,356	<b>-295,328,550</b>
Derivatives (Nominal Value)	-656,768	-3,202,370	-28,630,413	-	-	-	-	-32,489,551
<b>Total risk</b>	<b>-305,789,609</b>	<b>-5,896,619</b>	<b>-16,244,884</b>	<b>7,321,451</b>	<b>-480,181</b>	<b>-7,278,614</b>	<b>550,356</b>	<b>-327,818,100</b>

COMPANY	2007							TOTAL
	EURO	USD	GBP	LEVA	RSD	RON	OTHER	
(Amounts in euro)								
Clients and other receivables	122,378,718	3,172,303	9,543,634	-	-	-	565,436	135,660,091
Lending	-246,369,226	-265,504	-47,596	-	-	-	-	-246,682,327
Suppliers and other liabilities	-25,822,167	-586,653	-149,711	-	-	-	5,103	-26,553,429
Cash on hand and equivalent cash accounts	23,834,510	232,693	1,691	-	-	-	-	24,068,894
	-125,978,166	2,552,839	9,348,018	-	-	-	570,539	<b>-113,506,771</b>
Derivatives (Nominal Value)	-	-2,570,430	-15,144,866	-	-	-	-	-17,715,296
<b>Total risk</b>	<b>-125,978,166</b>	<b>-17,591</b>	<b>-5,796,849</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>570,539</b>	<b>-131,222,067</b>

The risk form foreign exchange fluctuations is as follows:

GROUP	2006							TOTAL
	EURO	USD	GBP	LEVA	RSD	RON	OTHER	
(Amounts in euro)								
Clients and other receivables	210,403,734	8,305,800	42,482,470	18,175,173	2,840,086	12,659,783	1,354,094	296,221,140
Lending	-484,408,203	-3,812,936	-14,208,560	-289,371	-	-	-	-502,719,070
Suppliers and other liabilities	-37,341,339	-13,652,899	-21,606,515	-1,444,282	-4,058,534	-6,131,950	-134,282	-84,369,801
Cash on hand and equivalent cash accounts	27,372,701	207,248	340,973	444,979	200,485	454,464	240,166	29,261,016
	-283,973,107	-8,952,788	7,008,368	16,886,500	-1,017,963	6,982,296	1,459,978	<b>-261,606,716</b>
Derivatives (Nominal Value)	1,697,140	-10,181,774	-21,877,874	-	-	-	-	<b>-30,362,508</b>
<b>Total risk</b>	<b>-282,275,967</b>	<b>-19,134,562</b>	<b>-14,869,506</b>	<b>16,886,500</b>	<b>-1,017,963</b>	<b>6,982,296</b>	<b>1,459,978</b>	<b>-291,969,224</b>



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COMPANY	2006							TOTAL
	EURO	USD	GBP	LEVA	RSD	RON	OTHER	
Clients and other receivables	129,595,022	2,398,643	7,057,672	-	-	-	1,050,230	140,101,567
Lending	-240,626,823	-155,458	-215,678	-	-	-	-	-240,997,959
Suppliers and other liabilities	-25,189,337	-12,678,296	-77,415	-	-	-	3,478	-37,941,570
Cash on hand and equivalent cash accounts	19,053,577	950	2,777	-	-	-	-	19,057,305
	-117,167,560	-10,434,161	6,767,357	-	-	-	1,053,707	-119,780,657
Derivatives (Nominal Value)	-	-3,005,062	-7,565,934	-	-	-	-	-10,570,996
<b>total risk</b>	<b>-117,167,560</b>	<b>-13,439,223</b>	<b>-798,577</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,053,707</b>	<b>-130,351,654</b>

**A 10% change in the exchange rates would affect results and shareholders equity as follows:**

GROUP	P&L		Equity	
	2007	2006	2007	2006
USD	-655,180	-2,126,062	-	-
GBP	-516,358	-402,644	-1,288,629	-1,249,523
LEVA	-	-	813,495	1,876,278
RON	-	-	-53,353	-113,107
RSD	-	-	-808,735	775,811
Other	61,151	162,220	-	-

COMPANY	P&L		Equity	
	2007	2006	2007	2006
USD	-1,955	-1,493,247	-	-
GBP	-644,094	-88,731	-	-
Other	63,393	117,079	-	-

**A 10% change in the exchange rates would affect results and shareholders equity as follows:**

GROUP	P&L		Equity	
	2007	2006	2007	2006
USD	536,056	1,739,506	-	-
GBP	422,475	329,436	1,054,333	1,022,337
LEVA	-	-	-665,586	-1,535,136
RON	-	-	43,653	92,542
RSD	-	-	661,692	-634,754
Other	-50,032	-132,725	-	-

COMPANY	P&L		Equity	
	2007	2006	2007	2006
USD	1,599	1,221,748	-	-
GBP	526,986	72,598	-	-
Other	-51,867	-95,792	-	-

#### (d) Interest rate risk

The risk from interest rate fluctuations is:

	GROUP		COMPAY	
	2007	2006	2007	2006
(Amounts in euro)				
<b>Fixed rate</b>				
Asset Account financial asstes	-	-	-	-
Laibilities Account Financial Assets	58,880,113	88,503,719	35,786,363	55,472,469
	<b>58,880,113</b>	<b>88,503,719</b>	<b>35,786,363</b>	<b>55,472,469</b>
<b>Floating rate</b>				
Asset Account financial asstes	-	-	-	-
Laibilities Account Financial Assets	481,491,674	414,215,352	210,895,964	185,525,490
	<b>481,491,674</b>	<b>414,215,352</b>	<b>210,895,964</b>	<b>185,525,490</b>

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

GROUP	P & L		EQUITY	
	2007	2006	2007	2006
Floating rate	-1,464,147	-1,237,007		
Interest rate swaps	147,200	221,259	133,106	74,156
<b>COMPANY</b>				
Floating rate	-662,948	-659,547	-	-
Interest rate swaps	89,466	138,681	90,486	70,188

### 30. Commitments

Contractual liabilities amounting € 6.3 million concern the commitments of subsidiary company SOFIA MED AD regarding the purchase of mechanical equipment.

The Group leases fork-lift vehicles, pallet carriers and commercial vehicles. Rents vary in duration but no lease may exceed 5 years from the date the relative contract is concluded. During the year that ended on 31 December 2007 expenses in the amount of € 440,033 (2006: € 458,666) were recorded in the Company's Profit and Loss Statement.

	CONSOLIDATED FIGURES		COMPANY FIGURES	
	2007	2006	2007	2006
(Amounts in euro)				
Up to 1 year	899,464	689,942	348,840	318,146
From 1-5 year	1,281,971	1,205,417	513,144	601,829
More than 5 year	32,500	-	-	-
	<b>2,213,935</b>	<b>1,895,359</b>	<b>861,984</b>	<b>919,975</b>
<b>Total charge on results (on personnel expenses)</b>	<b>1,049,516</b>	<b>837,208</b>	<b>440,033</b>	<b>458,666</b>

### 31. Contingencies

In a study conducted by the European Competitiveness Committee regarding European copper pipe producers, the Committee determined that the rules of competition in the copper irrigation pipe market were being violated. The European Committee imposed fines on seven companies, one of which was HALCOR S.A. HALCOR's

fine amounted to 9.16 million Euros. Whereas the company deems that the fine's imposition was unjustified and unfair and that the amount imposed was considerably high, it has filed recourse against the Committee's decision before the Court of the European Communities. The company's Management, based on the opinion of its legal department with regard to the recourse's validity, deems that the final amount of the aforementioned fine (provided the legality of its imposition is confirmed judicially) will not exceed 5 million Euros, an amount that has burdened the results of fiscal year 2004 as a provision. In 31st December 2006 an additional provision of € 0,4 million and in 31 st December 2007 an additional provision of € 0.27 million concerning relative interests has been made.

The Subsidiary SOFIA MED S.A has issued bank warranties in favor of third parties amounting to € 3.5 million. Additionally mortgages of a total amount of € 4.3 million have been filled in its fixed assets.

Mortgages of a total amount of € 2.7 have been filed against the real estate of HELLENIC CABLES S.A., ICME ECAB S.A in Romania.

The Group Contingent liabilities that appear as a result of the normal flow of operations are as follows:

(Amounts in euro)	GROUP		COMPANY	
	2007	2006	2007	2006
<b>Liabilities</b>				
Guaranties for suppliers liabilities assurance	7,180,625	34,808,273	2,631,761	29,227,021
Contract Performance Guaranties	18,133,516	13,952,993	-	82,226
Provided mortgages and prenotation of mortgages – Land & Buildings	4,310,346	4,360,958	-	-
Other liabilities	11,453,707	9,160,000	9,160,000	9,160,000
<b>Total</b>	<b>41,078,193</b>	<b>62,282,223</b>	<b>11,791,761</b>	<b>38,469,247</b>
<b>Receivables</b>				
Guaranties for trade receivables assurance	1,499,315	3,036,194	-	-
Other Recevables	76,206	100,358	30,000	100,358
<b>Total</b>	<b>1,575,521</b>	<b>3,136,552</b>	<b>30,000</b>	<b>100,358</b>

The Company's tax liabilities and those of its subsidiaries for certain fiscal years, as these are noted in Note 33, have not been audited by the tax authorities, and as result they have not been finalized for these years.

### 32. Transactions with Affiliated Entities

(Amounts in euro)	GROUP		COMPANY	
	2007	2006	2007	2006
<b>Sale of goods</b>				
Subsidiaries	-	-	120,458,540	170,878,411
Other affiliated parties	121,437,279	104,787,968	71,035,544	59,502,386
	<b>121,437,279</b>	<b>104,787,968</b>	<b>191,494,084</b>	<b>230,380,797</b>
<b>Sale of services</b>				
Subsidiaries			4,669,844	3,036,854
Other affiliated parties	20,348,651	1,599,586	635,404	333,315
	<b>20,348,651</b>	<b>1,599,586</b>	<b>5,305,248</b>	<b>3,370,169</b>

	GROUP		COMPANY	
	2007	2006	2007	2006
(Amounts in euro)				
<b>Sale of fixed assets</b>				
Subsidiaries	-	-	271,305	91,331
Other affiliated parties	60,139	1,855,945	22,400	1,849,128
	<b>60,139</b>	<b>1,855,945</b>	<b>293,705</b>	<b>1,940,459</b>
<b>Purchase of goods</b>				
Subsidiaries	-	-	108,555,862	56,569,790
Other affiliated parties	104,507,936	29,140,556	30,093,791	26,055,169
	<b>104,507,936</b>	<b>29,140,556</b>	<b>138,649,653</b>	<b>82,624,959</b>
<b>Purchase of services</b>				
Subsidiaries	-	-	2,083,927	2,986,064
Other affiliated parties	10,902,806	3,618,143	1,270,428	2,128,174
	<b>10,902,806</b>	<b>3,618,143</b>	<b>3,354,355</b>	<b>5,114,238</b>
<b>Purchase of fixed assets</b>				
Subsidiaries	-	-	-	156,904
Other affiliated parties	3,717,159	855,396	1,838,276	204,900
	<b>3,717,159</b>	<b>855,396</b>	<b>1,838,276</b>	<b>361,804</b>

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

	GROUP		COMPANY	
	2007	2006	2007	2006
(Amounts in €)				
Receivables from affiliated parties :				
Subsidiaries	-	-	23,411,502	9,006,008
Other affiliated parties	25,354,073	18,701,029	10,952,479	8,909,438
	<b>25,354,073</b>	<b>18,701,029</b>	<b>34,363,980</b>	<b>17,915,446</b>
Liabilities to affiliated parties:				
Subsidiaries	-	-	2,219,005	968,492
Other affiliated parties	20,088,698	3,257,822	2,867,371	1,877,837
	<b>20,088,698</b>	<b>3,257,822</b>	<b>5,086,377</b>	<b>2,846,329</b>

#### Benefits to the Administration

	GROUP		COMPANY	
	2007	2006	2007	2006
(Amounts in €)				
Management Remunerations at employee expenses	3,251,875	2,763,852	1,599,216	1,235,968
Management Remunerations Provisions	2,829,996	2,629,467	1,350,000	1,629,467
Other Management Remunerations	0	-	0	-
	<b>6,081,871</b>	<b>5,393,319</b>	<b>2,949,216</b>	<b>2,865,435</b>
Receivables from managers and BoD members	<b>91,220</b>	-	<b>91,220</b>	-

Services to and from affiliated entities, as well as sales and purchases of goods, are placed into effect pursuant to the pricelists that apply to non-affiliated entities.

Affiliated entities are all the companies and physical entities with which there is direct connection (subsidiaries & related companies, joint ventures, associated companies, shareholders or management with executive duties) or indirect connection (companies that are under the control of shareholders, employees that exercise control or close relatives of them).

### 33. Profits per share

(Amounts in Euro and number of shares)	GROUP		COMPANY	
	2007	2006	2007	2006
Profits corresponding to the parent company's shareholders	20,021,567	35,954,841	9,785,503	12,817,707
Weighted average numbers of shares	101,279,627	99,992,026	101,279,627	99,992,026
Basic profits per share	0.198	0.360	0.097	0.128

(Amounts in Euro and number of shares)	GROUP		COMPANY	
	2007	2006	2007	2006
Profits corresponding to the parent company's shareholders	20,021,567	35,954,841	9,785,503	12,817,707
Weighted average numbers of shares	101,279,627	99,992,026	101,279,627	99,992,026
Adjustments for rights per share	303,416	10,793	303,416	10,793
Total weighted average numbers of shares for minimum rights per share	101,583,043	100,002,819	101,583,043	100,002,819
Deluted profits per share	0.197	0.360	0.096	0.128

### 34. Un-audited Fiscal Years

The table below presents the un-audited fiscal years of the companies that are consolidated by HALCOR either with the integrated consolidation method or net worth method.

Company name	Country	Percentage holding	Consolidation method	Unaudited Fin. Years
HALCOR S.A.	GREECE	PARENT	-	2005 - 2007
HELLENIC CABLES S.A.	GREECE	78.71%	Full consolidation	2007
STEELMET S.A.	GREECE	52.83%	Full consolidation	2007
AKRO S.A.	GREECE	95.74%	Full consolidation	2003 - 2007
E.VI.TE. S. A.	GREECE	100.00%	Full consolidation	2003 - 2007
SOFIA MED S.A.	BULGARIA	100.00%	Full consolidation	2005 - 2007
METAL AGENCIES L.T.D.	UK	92.98%	Full consolidation	2007
BELANTEL HOLDINGS L.T.D.	CYPRUS	100.00%	Full consolidation	1999 - 2007
METAL GLOBE D.O.O.	SERBIA	53.61%	Full consolidation	2002 - 2007
COPPERPROM L.T.D.	GREECE	71.49%	Full consolidation	2003 - 2007
SYLLAN S.A.	GREECE	100.00%	Full consolidation	2005 - 2007
OGWELL LIMITED	CYPRUS	100.00%	Full consolidation	2005 - 2007
HABAKIS LTD - LICENSE & DISTRIBUTION	GREECE	100.00%	Full consolidation	2005 - 2007
DIAPEM TRADING S.A.	GREECE	33.33%	Equity method	2003 - 2007
ELKEME S.A.	GREECE	30.90%	Equity method	2003 - 2007
S.C. STEELMET ROMANIA S.A.	ROMANIA	40.00%	Equity method	2002 - 2007
TEPRO METALL A.G.	GERMANY	43.53%	Equity method	2001 - 2007
ENERGY SOLUTIONS S.A.	BULGARIA	38.60%	Equity method	2005 - 2007
VIEXAL L.T.D.	GREECE	26.67%	Equity method	2003 - 2007

A tax audit is being conducted for the period 2005-2006 which is expected to be completed in 2008.

According to management judgment the Group has made adequate provisions for tax differences that may arise for the companies HALCOR S.A., and HELLENIC CABLES S.A.. For the rest companies of the group no provisions have been made as it is perceived that the differences that may occur will be not significant.

### **35. Events After the Balance Sheet date**

Halcor S.A., pursuant to its strategic development plan to expand operations into new more profitable markets, signed an agreement for the acquisition of 50.1% of the Turkish company Segal Bakir SA, which is active in the production and distribution of copper tubes and bus bars. The acquisition is pending the approval of the Turkish authorities and in specific of the Turkish Competition Board.

Segal Bakir S.A., is located in Istanbul and currently operates a manufacturing plant of 5,000 tons capacity in Izmit, where it produces mainly bus bars and copper tubes for industrial use (i.e. fridges, air conditioning). The distribution of the Company's products is been done through an extensive sales network that the company has developed.

The acquisition will be realized via a rights issue and subsequent share capital increase of Segal Bakir S.A., and the acquisition price is estimated not to exceed euro 1 million, which will be financed from Halcor's cash deposits.

The main purpose of the acquisition is to introduce HALCOR into the large Turkish market and in essence into the Near and Far East markets where the group has spotted substantial growth opportunities.

The expected benefits for Halcor from the upcoming acquisition are multiple both at the commercial as well as the operating level. In more detail, after acquiring control of Segal Bakir S.A., Halcor will set the grounds for expanding further its operations in the neighboring country, enhancing this way its clientele base across the border. Moreover, on the corporate side, Segal Bakir's acquisition is expected to have a positive impact as well, as the development of the Segal Bakir operations through new investments and know-how transfer will act as a model for the expansion of the group's operations in the Near and Far Eastern area.

## **INDEPENDENT AUDITORS' REPORT**

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(Translated from the original in Greek)

To the Shareholders of  
HALCOR METAL WORKS S.A.

### **Report on the Financial Statements**

We have audited the accompanying stand-alone and consolidated Financial Statements (the "Financial Statements") of HALCOR METAL WORKS S.A. (the "Company") which comprise the stand-alone and consolidated balance sheet as at 31 December 2007, and the stand-alone and consolidated income statements, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

### **Management's Responsibility for the Financial Statements**

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

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these Financial Statements based on our audit. We conducted our audit in accordance with Greek Auditing Standards, which are harmonized with International Standards on Auditing. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free of material misstatement.

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

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

**Opinion**

In our opinion, the accompanying Financial Statements give a true and fair view, of the stand-alone and consolidated financial position of the Company as of 31 December 2007, 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**

The Board of Director's report is consistent with the accompanying Financial Statements.

**Athens, 29 February 2008**  
**KPMG Certified Auditors AE**

**Michael Kokkinos, Certified Auditor**  
**AM SOEL 12701**





## E. SYNOPTIC ANNUAL FINANCIAL DATA AND INFORMATION ON A CONSOLIDATED BASIS AND ON A COMPANY LEVEL



**Financial data and information for the period from January 1, 2006 to December 31 2007  
(published as per L.2190, article 135, on companies preparing their annual financial statements,  
consolidated or not according to 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 Interim 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.*

<b>Registered office:</b>	Athens Tower, Building B', 2-4, Messogion Av. 11527 Athens
<b>Company's No in the Reg. of SA:</b>	2836/06/86/48
<b>Prefecture of Athens:</b>	Ministry of Development, Department of SA & Credit
<b>Board of Directors members:</b>	Th.Papageorgopoulos (Chairman, executive member), N. Koudounis (Vice-Chairman, executive member), M. Tasopoulos (executive member), G.Passas,K.Bakouris,J.Chouvel, A.Katsanos, K.Kasotakis (non executive member), A.Kyriazis & E.Strimber (Independent, non executive members).
<b>Date of approval of the financial statements:</b>	February 27, 2008
<b>Certified Auditor :</b>	Michael Kokkinos (Reg.No. SOEL 12701)
<b>Audit firm :</b>	KPMG Kyriakou Certified Auditors, S.A.
<b>Review type:</b>	Unqualified opinion
<b>Website of the Company:</b>	<a href="http://www.halcor.gr">www.halcor.gr</a>

**SYNOPTIC ANNUAL FINANCIAL DATA AND INFORMATION ON A CONSOLIDATED BASIS  
AND ON A COMPANY LEVEL**

<b>BALANCE SHEET</b> (Amounts in €)				
	<b>GROUP</b>		<b>COMPANY</b>	
	<b>31/12/2007</b>	<b>31/12/2006</b>	<b>31/12/2007</b>	<b>31/12/2006</b>
<b>ASSETS</b>				
Fixed assets	330,458,443	321,316,623	236,195,864	234,571,525
Inventories	283,157,775	252,095,254	108,537,391	121,923,626
Trade receivables	237,722,409	228,788,733	109,017,858	96,792,648
Other assets	89,739,063	104,351,777	51,276,539	67,701,411
<b>TOTAL ASSETS</b>	<b>941,077,690</b>	<b>906,552,387</b>	<b>505,027,651</b>	<b>520,989,210</b>
<b>LIABILITIES</b>				
Long term liabilities	360,224,257	351,062,097	217,736,963	230,425,295
Short term bank borrowings	219,248,886	191,323,272	59,882,329	42,711,789
Other short term liabilities	95,954,022	100,860,527	33,660,983	47,604,374
Total liabilities (a)	675,427,165	643,245,896	311,280,274	320,741,459
Share Capital	38,486,258	38,486,258	38,486,258	38,486,258
Other Shareholders Equity	199,385,107	200,195,834	155,261,119	161,761,493
Total equity of the company's shareholders (b)	237,871,365	238,682,093	193,747,377	200,247,751
Minority rights (c)	27,779,160	24,624,399	-	-
Total equity (d) = (b) + (c)	265,650,524	263,306,491	193,747,377	200,247,751
<b>TOTAL LIABILITIES (a) + (d)</b>	<b>941,077,690</b>	<b>906,552,387</b>	<b>505,027,651</b>	<b>520,989,210</b>

<b>STATEMENT OF CHANGES IN EQUITY</b> (Amounts in €)				
	<b>GROUP</b>		<b>COMPANY</b>	
	<b>31/12/2007</b>	<b>31/12/2006</b>	<b>31/12/2007</b>	<b>31/12/2006</b>
Net equity at the beginning of the Fin. Year(1/1/2007 and 1/1/2006 respectively)	263,306,491	219,252,190	200,247,751	169,368,659
Profit / (loss) for the year after taxes	24,590,185	40,369,001	9,785,503	12,817,707
	287,896,676	259,621,191	210,033,254	182,186,366
Increase / (decrease) of share capital	-	977,385	-	977,385
Dividends distributed (profit)	(8,608,768)	(6,303,770)	(8,608,768)	(6,303,770)
Increase / (decrease) of percentage holding in subsidiaries	-	56,564	-	-
Net income recognised directly in equity	(13,637,383)	8,955,121	(7,677,109)	23,387,771
Purchases / (sales) of own shares	-	-	-	-
Net equity at the end of the financial year (31/12/2007 and 31/12/2006 respectively)	265,650,524	263,306,491	193,747,377	200,247,751

<b>CASH FLOW STATEMENT</b> (Amounts in €)				
	<b>GROUP</b>		<b>COMPANY</b>	
	<b>1.01 - 31.12.2007</b>	<b>1.01 - 31.12.2006</b>	<b>1.01 - 31.12.2007</b>	<b>1.01 - 31.12.2006</b>
<b>Operating activities</b>				
Profits before taxes	33,310,035	51,887,217	13,096,716	20,091,035
Plus / less adjustments for:				
Depreciation of assets	23,687,726	22,609,676	10,271,790	9,895,019
Grants Amortization	(603,990)	(627,139)	(341,963)	(283,842)
Provisions	(2,189,464)	14,822,563	(136,632)	8,806,802
Foreign exchange differences				
Results (income, expenses, profits, losses) from investing activities	(2,732,393)	(740,871)	(4,216,361)	(2,006,086)
Interest payable and related expenses	31,528,204	22,598,847	13,752,067	11,268,244
(Profit)/loss from the sale of fixed assets	(72,416)	(206,876)	(13,887)	(57,159)
(Profit )/Loss from the sale of investments	-	(3,690)	-	(3,690)
Loss from destruction/Impairment of assets	869,964	3,417,474	-	3,364,303

**CASH FLOW STATEMENT** (Amounts in €)

	GROUP		COMPANY	
	1.01 - 31.12.2007	1.01 - 31.12.2006	1.01 - 31.12.2007	1.01 - 31.12.2006
<b>Plus / Less adjustments for changes in working capital accounts or related to operating activities:</b>				
Decrease / (increase) of inventories	(30,835,403)	(93,957,393)	12,025,839	(66,988,971)
Decrease / (increase) of receivables	12,565,856	(100,868,667)	4,439,962	(52,693,828)
(Decrease) / Increase of obligations (except banks)	(5,402,343)	19,168,914	(13,558,772)	10,511,797
(Profit) / loss of fair value of derivatives	(362,302)	-	-	-
<b>Less:</b>				
Interest payable and related expenses paid	(29,635,648)	(19,484,808)	(12,610,698)	(8,691,658)
Taxes paid	(11,631,129)	(7,220,024)	(7,140,936)	(4,213,283)
<b>Total cash, used in, generated from operating activities (a)</b>	<b>18,496,699</b>	<b>(88,604,777)</b>	<b>15,567,123</b>	<b>(71,001,318)</b>
<b>Investing activities</b>				
Acquisition-sale of subsidiaries, affiliated com., consortiums and other investments	(17,312)	5,423	(101,382)	3,771,711
Purchase of tangible and intangible fixed assets	(35,495,231)	(27,444,350)	(12,046,089)	(6,837,827)
Receivables from sale of tangible and intangible fixed assets	479,821	3,045,962	295,215	1,977,397
Interest received	956,823	728,567	374,296	222,147
Dividends received	63,989	134,424	3,842,064	1,783,939
<b>Total cash (used in) generated from investing activities (b)</b>	<b>(34,011,909)</b>	<b>(23,529,975)</b>	<b>(7,635,895)</b>	<b>917,368</b>
<b>Financing activities</b>				
Receivables from capital increase	-	977,385	-	977,385
Receivables from issued / assumed loans	178,198,179	155,285,000	75,000,000	95,000,000
Loans paid up	(140,545,995)	(25,329,641)	(69,315,632)	(7,206,612)
Repayments of financial leasing liabilities (capital installments)	(5,358)	7,465	-	-
Proceeds of Grants	-	511,088	-	-
Dividends paid	(9,795,133)	(6,301,771)	(8,604,006)	(6,285,978)
<b>Total cash (used in) generated from financing activities (c)</b>	<b>27,851,693</b>	<b>125,149,526</b>	<b>(2,919,638)</b>	<b>82,484,795</b>
<b>Net increase / (decrease) in cash and cash equivalents for the year (a)+(b)+(c)</b>	<b>12,336,483</b>	<b>13,014,775</b>	<b>5,011,590</b>	<b>12,400,844</b>
Cash and cash equivalents at the beginning of the period	29,261,016	16,246,241	19,057,305	6,656,461
<b>Cash and cash equivalents at the end of the period</b>	<b>41,597,499</b>	<b>29,261,016</b>	<b>24,068,894</b>	<b>19,057,305</b>

**SYNOPTIC ANNUAL FINANCIAL DATA AND INFORMATION ON A CONSOLIDATED BASIS  
AND ON A COMPANY LEVEL**

<b>INCOME STATEMENT</b> (Amounts in €)				
	<b>GROUP</b>		<b>COMPANY</b>	
	<b>1.01 - 31.12.2007</b>	<b>1.01 - 31.12.2006</b>	<b>1.01 - 31.12.2007</b>	<b>1.01 - 31.12.2006</b>
<b>Total turnover</b>	<b>1,369,616,569</b>	<b>1,246,577,794</b>	<b>755,974,008</b>	<b>730,198,102</b>
<b>Gross Profit / (loss)</b>	<b>105,587,106</b>	<b>118,525,283</b>	<b>41,476,624</b>	<b>51,363,051</b>
<b>Profit / (loss) before taxes, financing and investing results &amp; depreciation</b>	<b>86,378,882</b>	<b>95,286,602</b>	<b>32,904,212</b>	<b>39,248,210</b>
<b>Profit / (loss) before taxes, financing and investing results</b>	<b>62,691,155</b>	<b>72,676,927</b>	<b>22,632,422</b>	<b>29,353,192</b>
<b>Profit / (loss) before taxes total</b>	<b>33,310,035</b>	<b>51,887,217</b>	<b>13,096,716</b>	<b>20,091,035</b>
Less: Taxes	(8,719,850)	(11,518,216)	(3,311,213)	(7,273,328)
<b>Profit / (loss) after tax from continued operations (a)</b>	<b>24,590,185</b>	<b>40,369,001</b>	<b>9,785,503</b>	<b>12,817,707</b>
<b>Profit / (loss) after tax after tax from discontinued operations (b)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Profit / (loss) after tax (continued &amp; discontinued operations) (a)+(b)</b>	<b>24,590,185</b>	<b>40,369,001</b>	<b>9,785,503</b>	<b>12,817,707</b>
Distributed to:				
Company's shareholders	20,021,567	35,954,841	9,785,503	12,817,707
Minority shareholders	4,568,618	4,414,160	-	-
	24,590,185	40,369,001	9,785,503	12,817,707
<b>Profit per share after taxes - basic (in €)</b>	<b>0.198</b>	<b>0.360</b>	<b>0.097</b>	<b>0.128</b>
<b>Earnings after tax per share - diluted (in €)</b>	<b>0.197</b>	<b>0.360</b>	<b>0.096</b>	<b>0.128</b>
<b>Proposed dividend per share (in €)</b>	<b>-</b>	<b>-</b>	<b>0.060</b>	<b>0.085</b>

**Additional data and information**

1. The following data concern the companies in which the Group participates:

<b>Company name:</b>	<b>Country</b>	<b>Percentage holding</b>	<b>Consolidation method</b>	<b>Unaudited Fin. Years</b>
<b>HALCOR S.A.</b>	GREECE	Parent	-	2005 - 2007
<b>HELLENIC CABLES S.A.</b>	GREECE	78.71%	Full consolidation	2007
<b>STEELMET S.A.</b>	GREECE	52.83%	Full consolidation	2007
<b>AKRO S.A.</b>	GREECE	95.74%	Full consolidation	2003 - 2007
<b>E.VI.TE. S.A.</b>	GREECE	100.00%	Full consolidation	2003 - 2007
<b>SOFIA MED S.A.</b>	BULGARIA	100.00%	Full consolidation	2005 - 2007
<b>METAL AGENCIES L.T.D.</b>	UK	92.98%	Full consolidation	2007
<b>BELANTEL HOLDINGS L.T.D.</b>	CYPRUS	100.00%	Full consolidation	1999 - 2007
<b>METAL GLOBE D.O.O.</b>	SERBIA	53.61%	Full consolidation	2002 - 2007
<b>COPPERPROM LTD</b>	GREECE	71.49%	Full consolidation	2003 - 2007
<b>SYLLAN S.A.</b>	GREECE	100.00%	Full consolidation	2005 - 2007
<b>OGWELL LIMITED</b>	CYPRUS	100.00%	Full consolidation	2005 - 2007
<b>HABAKIS LTD - LICENSE &amp; DISTRIBUTION</b>	GREECE	100.00%	Full consolidation	2005 - 2007
<b>DIAPEM TRADING S.A.</b>	GREECE	33.33%	Equity method	2003 - 2007
<b>ELKEME S.A.</b>	GREECE	30.90%	Equity method	2003 - 2007
<b>S.C. STEELMET ROMANIA S.A</b>	ROMANIA	40.00%	Equity method	2002 - 2007
<b>TEPRO METALL AG</b>	GERMANY	43.53%	Equity method	2001 - 2007
<b>ENERGY SOLUTIONS S.A.</b>	BULGARIA	38.60%	Equity method	2005 - 2007
<b>VIEXAL LTD</b>	GREECE	26.67%	Equity method	2003 - 2007

2. On June 2007 the Company purchase additional percentage of 11.24% of subsidiary AKRO A.E.B.E. (see note N. 10 financial statement).
3. On January 2007 the company sell percentage of 15% of the participation of the affiliated company ELECTROPARAGOGI THISVIS S.A.. For this reason the company ELECTROPARAGOGI THISVIS S.A..does not included in the consolidated financial statement of the current year (see note N. 10 financial statement).
4. There is a pending appeal of the Company regarding the fine imposed to the Company by the European Competition Commission for transgression of the rules on competition in the market of copper tubes for water supply.
5. 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	50,43%	Equity method

6. There are no pending court decisions or claims under arbitration against the company, which may have a significant effect on its financial position of the Company and the Group.
7. The number of the personnel at the end of the current period was: company 769 FY 2006 : 730) , Group 2,386 (FY 2006: 2,380).
8. There are mortgages, amounting in total to Euro 7 mil on the real estate property of the subsidiary of HELLENIC CABLES, S.A., ICME ECAB S.A. in Romania and of subsidiary SOFIA MED S.A. in Bulgaria. There are no encumbrances of fixed assets of the parent.
9. The cumulative amounts of sales and purchases at the beginning of the financial year and the balances of receivables and obligations of the company at the end of the period, resulting from its transactions with related parties following the IAS 24 are as follows:

	GROUP	COMPANY
i) Sales of goods and services	141,846,068	197,093,037
ii) Purchases of goods and services	119,127,901	143,842,284
iii) Receivables from related parties	25,354,073	34,363,980
iv) Obligations to related parties	20,088,698	5,086,377
v) Transactions & fees of higher executives and managers	6,081,871	2,949,216
vi) Receivables from higher executives and managers	91,220	91,220
vii) Liabilities to higher executives and managers	-	-

10. The income tax in the income statement is analysed as follows (Amounts in €):

	GROUP		COMPANY	
	1 Jan - 31 Dec 2007	1 Jan - 31 Dec 2006	1 Jan - 31 Dec 2007	1 Jan - 31 Dec 2006
Income tax for the period	(7,182,924)	(12,323,706)	(2,628,631)	(7,374,612)
Deferred tax for the period	(1,536,926)	805,490	(682,582)	101,283

13. After the as of 30/6/2006 and with no K2-9666 decision the Ministry of Development, was approved the merger through absorption of FITCO S.A. from the HALCOR S.A. (N.G. 6611/4.7.2006). For this reason does not consolidated in the financial statements of the current year (see note N. 10 financial statement).
12. The Groups Income Statement for the Fiscal Year 2006 restatements were made in order to be comparable with that of the current year (see note 2(d) annual Financial Statement).

**Athens, February 27, 2008**

**THE CHAIRMAN OF THE BOARD OF DIRECTORS**

**THEODOSSIOS  
PAPAGEORGOPOULOS**

**Id.C.No..H 679222**

**A MEMBER OF THE BOARD OF DIRECTORS**

**GEORGE PASSAS**

**Id.C.No..Φ 020251**

**THE GENERAL MANAGER**

**MENELAOS  
TASSOPOULOS**

**Id.C.No..Ξ 365174**

**THE FINANCIAL MANAGER**

**SPYRIDON  
KOKOLIS**

**Id.C.No..X 701209**



## F. REPORT OF TRANSACTIONS WITH AFFILIATED PARTIES

According to article 2 par. 4 of Law 3016/2002 the Board of Directors of the Company should prepare a Report of transactions with affiliated parties. The following table presents the said transactions.

COMPANY	Sales	Purchases	Claims	Liabilities
HELLENIC CABLES S.A.	42,001,661.23	35,151,147.99	45.02	1,500,390.25
SOFIA MED S.A.	31,272,300.00	71,747,655.74	10,894,622.50	191,159.53
METAL AGENCIES LTD.	44,873,498.06	104,735.36	9,879,635.15	79,279.16
GENECOS S.A.	2,840,369.60	87,843.02	1,207,790.78	59,123.03
STEELMET S.A.	0.00	1,888,007.87	0.00	234,265.21
ICME ECAB S.A.	3,387,385.85	0.00	24,512.02	0.00
LESCO FOOD EOOD	0.00	332,764.41	0.00	24,693.26
METAL GLOBE D.O.O.	1,020,080.23	19,116.19	736,613.39	23,866.48
BELANTEL HOLDINGS LTD.	0.00	0.00	50.00	0.00
AKRO S.A.	360.00	6,615.92	661,984.09	0.00
COPPERPROM LTD.	0.00	10,996.40	0.00	2,671.61
STEELMET CY LTD.	0.00	1,191,998.18	0.00	52,017.35
ERGOSTEEL S.A.	0.00	7,005.66	0.00	0.00
ALURAME S.A.	0.00	91,902.25	0.00	51,539.55
SILL.AN. S.A.	4,034.88	0.00	124.32	0.00
E.BI.T.E. S.A.	0.00	0.00	124.32	0.00
CHABAKIS LTD.	0.00	0.00	6,000.00	0.00
VIOHALCO S.A.	0.00	1,088,149.08	7,884.78	0.00
SOVEL S.A.	16,583.48	4,295.63	15,757.88	0.00
VIANEXAL S.A.	0.00	626,945.98	0.00	15,135.04
DIA.VI.PE.THIV S.A.	0.00	16,970.12	0.00	22,142.66
ELVAL S.A.	533,082.29	1,817,949.07	437,928.29	1,045,732.83
SIDENOR S.A.	2,452,074.86	21,290.76	890,282.20	99,749.61
TEKA SYSTEMS S.A.	43,383.46	2,011,753.42	22,291.06	345,465.92
SANITAS AGENTS S.A.	0.00	484.94	0.00	0.00
ANAMET S.A.	771,381.52	25,911,280.63	46,985.24	458,222.94
VITRUVIT S.A.	15,000.00	0.00	23,799.15	0.00
ETEM S.A.	455,516.47	0.00	0.00	518,064.60
STEELMET ROMANIA S.A.	16,769,544.77	17,985.43	3,936,443.48	17,745.29
TEPRO METAL GMBH	101,962.87	224,263.30	0.00	41,377.28
DIAMEP S.A.	1,605.80	1,846.68	401.45	697.33
ELKEME S.A.	95,074.54	487,481.50	78,870.77	96,865.99
ELVAL COLOURS S.A.	391,910.64	305,385.85	154,182.29	90,286.57
ATTICA METTALURGY S.A.	22,296.82	0.00	24,920.07	0.00
CORINTH PIPEWORKS S.A.	6,733.98	16,650.15	30.00	1,266.11
ALMET LTD.	0.00	5,242.87	6,024.27	34.84
VIOMAL S.A.	0.00	67,447.63	0.00	11,589.56
SYMETAL S.A.	5,001.99	12,922.60	11,662.48	26,592.16



**REPORT OF TRANSACTIONS WITH AFFILIATED PARTIES**

<b>COMPANY</b>	<b>Sales</b>	<b>Purchases</b>	<b>Claims</b>	<b>Liabilities</b>
<b>SIDMA S.A.</b>	32,414.40	52,117.92	23,059.77	19,750.84
<b>DEPAL S.A.</b>	371.34	43,297.59	441.89	0.00
<b>ETIL S.A.</b>	48,548.87	5,770.00	26,946.97	3,462.90
<b>AEIFOROS S.A.</b>	0.00	224,504.94	100,000.00	4,644.57
<b>CPW AMERICA CO.</b>	1,188,016.58	712.77	448,201.78	0.00
<b>MKC GmbH</b>	45,400,439.17	203,591.89	3,586,495.08	35,095.00
<b>ANTIMET S.A.</b>	3,063,754.70	4,571.98	1,059,606.60	12,370.00
<b>ERLIKON S.A.</b>	230,196.00	18,599.08	41,728.77	1,079.07
<b>PROSAL S.A.</b>	41,052.98	10,982.89	8,534.50	0.00
<b>SID PAC STEEL S.A.</b>	7,400.00	0.00	0.00	0.00
<b>TOTAL</b>	<b>197,093,037.39</b>	<b>143,842,283.69</b>	<b>34,363,980.36</b>	<b>5,086,376.54</b>

The above transactions and balances refer to the FY 2007 annual financial statements and they have been approved unanimously by the Board of Directors on 26/2/2008.

## G. INFORMATION AS PER ARTICLE 10 OF LAW 3401/2005

According to prevailing legislation, the company released and disclosed to the investing public through its website [www.halcor.gr](http://www.halcor.gr) and the website of the Athens Exchange [www.ase.gr](http://www.ase.gr), within 2007, the information presented in the following table:

No.	Announcement	Date
1.	Disclosure of Transactions	05/01/2007
2.	Disclosure of Transactions	16/01/2007
3.	Disclosure of Transactions	17/01/2007
4.	Disclosure of Transactions	22/01/2007
5.	Disclosure of Transactions	31/01/2007
6.	Disclosure of Transactions	02/02/2007
7.	Disclosure of Transactions	07/02/2007
8.	Disclosure of Transactions	09/02/2007
9.	Disclosure of Transactions	13/02/2007
10.	Disclosure of Transactions	13/02/2007
11.	Disclosure of HALCOR S.A. BoD Composition	13/02/2007
12.	Program of intended corporate actions	19/02/2007
13.	FY 2006 Financial Results Release Date	19/02/2007
14.	Disclosure of Transactions	22/02/2007
15.	FY 2006 Financial results	27/02/2007
16.	Ordinary Tax Audit Results for the years 2002-2004	27/02/2007
17.	FY 2006 Financial Statements Consolidated and Non Consolidated	27/02/2007
18.	Disclosure of Transactions	27/02/2007
19.	Disclosure of Transactions	28/02/2007
20.	Disclosure of Transactions	03/03/2007
21.	Disclosure of Transactions	08/03/2007
22.	Disclosure of Transactions	12/03/2007
23.	Announcement for other significant events	13/03/2007
24.	Disclosure of Transactions	14/03/2007
25.	Placement of HALCOR S.A.	14/03/2007
26.	Participation Percentge Change	15/03/2007
27.	Disclosure of Transactions	29/03/2007
28.	Disclosure of Transactions	30/03/2007
29.	Disclosure of Transactions	30/03/2007
30.	Disclosure of Transactions	10/04/2007

<b>No.</b>	<b>Announcement</b>	<b>Date</b>
31.	Liquidation of the undisposed fractional balances that resulted from the merger of FITCO S.A. from HALCOR S.A.	19/04/2007
32.	HALCOR presentation to the association of Greek Institutional Investors (A.G.I.I)	20/04/2007
33.	Result of liquidation of shares	04/05/2007
34.	New Q1 2007 Financial Results Release Date	14/05/2007
35.	Q1 2007 Financial Statements	16/05/2007
36.	Press release regarding financial results for Q1 2007	16/05/2007
37.	Disclosure of Transactions	22/05/2007
38.	Pre-announcement of Shareholders Meeting	22/05/2007
39.	Annual Bulletin 2006	30/05/2007
40.	Ordinary Tax Audit Results	05/06/2007
41.	Shareholders Meeting Press Release	14/06/2007
42.	Pre-announcement of Repetitive Shareholders Meeting	15/06/2007
43.	Decisions of the General Shareholders Meeting	15/06/2007
44.	Disclosure of ex dividend date / dividend payment	21/06/2007
45.	Disclosure of Transactions	26/06/2007
46.	Disclosure of Transactions	28/06/2007
47.	Decisions of the Repetitive General Shareholders Meeting	28/06/2007
48.	Composition of HALCOR S.A. BoD	03/07/2007
49.	6M 2007 Financial Results	21/8/2007
50.	6M 2007 Financial Statements Consolidated and Non Consolidated	21/08/2007
51.	6M 2007 Financial Results	21/08/2007
52.	Participation at the 2nd Annual Greek Roadshow	03/10/2007
53.	Offering of HALCOR S.A. shares to the companies management in application of the Stock Option Plan	13/11/2007
54.	9M 2007 Financial Statements Consolidated and Non Consolidated	15/11/2007
55.	Press release regarding financial results for 9M 2007	15/11/2007

**H. ANNUAL FINANCIAL STATEMENTS, REPORTS OF THE CHARTERED AUDITOR-ACCOUNTANT AND REPORTS OF THE BOARD OF DIRECTORS OF THE COMPANIES INCLUDED IN THE CONSOLIDATED FINANCIAL STATEMENTS OF THE COMPANY**

The Annual Financial Statements, audit reports and the BoD Reports of the companies included in the consolidated financial statements of the Company are available on the Company's website [www.halcor.gr](http://www.halcor.gr).





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